

**FRANCHISE AGREEMENT  
BETWEEN  
THE CITY OF BURLINGAME  
AND  
RECOLOGY SAN MATEO COUNTY  
FOR  
RECYCLABLE MATERIALS,  
ORGANIC MATERIALS, AND SOLID WASTE  
COLLECTION SERVICES**

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- O List of Contractor's Personnel
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**FRANCHISE AGREEMENT  
FOR  
RECYCLABLE MATERIALS, ORGANIC MATERIALS, AND SOLID WASTE  
COLLECTION SERVICES**

5 THIS AGREEMENT is made as of this 2<sup>nd</sup> day of November, 2009, by and between the  
6 CITY OF BURLINGAME, a municipal corporation ("Agency") and RECOLOGY SAN MATEO  
7 COUNTY, a California corporation ("Contractor").

8 **RECITALS**

- 9 1. The State of California has, through enactment of the California Integrated  
10 Waste Management Act of 1989 ("Act"), determined each of the following:
- 11 A. That management of solid waste is a shared responsibility of the State  
12 and local governments.
- 13 B. That it is in the public interest for local governments to be authorized and  
14 required to provide adequate solid waste handling services.
- 15 C. That the amount of solid waste generated in California, coupled with  
16 diminishing landfill space, potential adverse environmental impacts from  
17 landfilling solid waste, and the need to conserve natural resources have  
18 created an urgent need for State and local agencies to enact and  
19 implement an aggressive integrated waste management program.
- 20 2. The State of California, through the Act, has directed the California Integrated  
21 Waste Management Board and all local agencies to maximize the use of feasible  
22 waste reduction, recycling and composting options in order to reduce the amount  
23 of solid waste that must be disposed of in landfills.
- 24 3. Agency is a member of the South Bayside Waste Management Authority  
25 ("Authority" or "SBWMA"), established pursuant to the California Joint Exercise  
26 of Powers Act. In November, 2007, the Authority, acting on behalf of Agency and  
27 its other members, issued a Request for Proposals to provide collection of solid  
28 waste, recyclable materials, and organic materials and related services to  
29 Agency and other members of Authority.
- 30 4. Contractor submitted a proposal to provide these services, which was evaluated  
31 by the Authority. On the basis of that evaluation, the Authority has  
32 recommended that Agency enter into an agreement with Contractor.
- 33 5. Agency has independently evaluated Contractor's proposal and has determined  
34 that Contractor has proposed to provide solid waste handling services including  
35 Collection of Recyclable and Organic Materials in a manner and on terms which  
36 are in the best interests of Agency, its residents and businesses, taking into  
37 account the qualifications and experience of Contractor and the cost of providing  
38 such services.
- 39 6. Contractor has participated in the development of this Agreement and is ready,  
40 willing and able to perform the services which the Agreement requires.

41 NOW, THEREFORE, in consideration of the mutual promises contained in this  
42 Agreement, and for other good and valuable consideration, Agency and Contractor  
43 agree as follows:

44

**ARTICLE 1                      DEFINITIONS**

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45    **1.01    DEFINITIONS**

46            Unless the context otherwise requires, capitalized terms used in this Agreement shall  
47            have the meanings set forth in the definitions contained in Attachment A.

48    **1.02    STATUTORY DEFINITIONS**

49            Unless a term is otherwise defined in this Agreement, terms used in this Agreement  
50            shall have the same meaning as the definitions of those terms contained in the Act. In  
51            the event of a conflict between the definition of a term in the Act and in this Agreement,  
52            the definition in the Agreement shall prevail.

53 **ARTICLE 2 REPRESENTATION AND WARRANTIES OF**  
54 **CONTRACTOR**

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55 Contractor represents and warrants, as of the date of this Agreement, the following:

56 **2.01 CORPORATE STATUS**

57 Contractor is a corporation, duly organized, validly existing and in good standing under  
58 the laws of the State of California, and is qualified to do business in the State of  
59 California.

60 **2.02 CORPORATE AUTHORIZATION**

61 Contractor has the authority to enter into and perform its obligations under this  
62 Agreement. The directors (and shareholders if necessary) of Contractor have taken all  
63 actions required by law, the articles of incorporation and bylaws or otherwise to  
64 authorize the execution of this Agreement.

65 **2.03 AGREEMENT DULY EXECUTED**

66 The persons signing this Agreement on behalf of Contractor have been authorized to do  
67 so and this Agreement constitutes a legal, valid and binding obligation of Contractor.

68 **2.04 NO CONFLICT WITH APPLICABLE LAW OR OTHER DOCUMENTS**

69 Neither the execution and delivery by Contractor of this Agreement, nor the performance  
70 by Contractor of its obligations hereunder (i) conflicts with, violates or will result in a  
71 violation of any existing Applicable Law; or (ii) conflicts with, violates or will result in a  
72 breach or default under any term or condition of any existing judgment, order or decree  
73 of any court, administrative agency or other governmental authority, or of any existing  
74 contract or instrument to which Contractor is a party or by which Contractor is bound.

75 **2.05 NO LITIGATION**

76 There is no action, suit, proceeding, or investigation at law or in equity, before or by any  
77 court or governmental entity, pending or threatened against Contractor, or otherwise  
78 affecting Contractor, wherein an unfavorable decision, ruling, or finding, in any single  
79 case or in the aggregate, would (a) materially adversely affect Contractor's performance  
80 hereunder, (b) adversely affect the validity or enforceability of this Agreement, or (c)  
81 have a material adverse effect on the financial condition of Contractor or the entity  
82 providing the guaranty of Contractor's performance.

83 **2.06 FINANCIAL CONDITION**

84 Contractor has made available to Agency information on its financial condition.  
85 Contractor recognizes that Agency has relied on this information in evaluating the  
86 sufficiency of Contractor's financial resources to perform this Agreement. To the best of  
87 Contractor's knowledge, this information is complete and accurate, does not contain any  
88 material misstatement of fact and does not omit any fact necessary to prevent the  
89 information provided from being materially misleading.



90 **2.07 ABILITY TO PERFORM**

91 Contractor has the expertise and professional and technical capability to perform all of  
92 its obligations under this Agreement.

93 **2.08 CONTRACTOR'S INVESTIGATION**

94 Contractor has made an independent investigation and analysis, the results of which are  
95 satisfactory to Contractor, of the conditions and circumstances surrounding the  
96 Agreement, its content and preparation, and the work to be performed by Contractor  
97 under the Agreement. The Agreement accurately and fairly represents the intentions of  
98 Contractor, and Contractor enters into this Agreement on the basis of that independent  
99 investigation and analysis.

100 **2.09 STATEMENTS AND INFORMATION IN PROPOSAL**

101 The Proposal and supplementary information submitted to the Authority and Agency do  
102 not contain any untrue statement of a material fact nor omit to state a material fact  
103 necessary in order to make the statements made, in light of the circumstances in which  
104 they were made, not misleading.

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**ARTICLE 3                      TERM OF AGREEMENT**

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**3.01      EFFECTIVE DATE**

The Effective Date of this Agreement shall be January 1, 2010.

**3.02      TERM**

The Term of this Agreement shall begin on the Effective Date and shall end at midnight on December 31, 2020, unless earlier terminated, or extended as provided in Section 3.03. Contractor's obligation to Collect Solid Waste, Targeted Recyclable Materials and Organic Materials shall begin on January 1, 2011 at 12:01 a.m. and shall continue for the remainder of the Term.

**3.03      EXTENSION OF TERM**

During calendar year 2017, the Parties shall meet and confer on the possible extension of the Term.

**3.04      CONDITIONS TO EFFECTIVENESS OF AGREEMENT.**

**A.      Obligation of Agency to Perform.** The obligation of Agency to perform under this Agreement is subject to satisfaction, on or before the Effective Date, of each of the conditions set out below, each of which may be waived in whole or in part by Agency:

1. Accuracy of Representations. The representations and warranties made by Contractor in Article 2 shall be true and correct on and as of the Effective Date.
2. Absence of Litigation. There shall be no litigation pending on the Effective Date in any court challenging the execution of this Agreement or seeking to restrain or enjoin its performance.
3. Effectiveness of Agency's Approval. The approval of this Agreement by Agency shall have become effective, pursuant to California law, on or before the Effective Date.
4. Performance Bond. Contractor shall have provided a performance bond meeting the requirements of Section 13.03.

**B.      Obligation of Contractor to Perform.** The obligation of Contractor to perform under this Agreement is subject to the satisfaction of the conditions set forth below, each of which may be waived in whole or in part by Contractor.

1. Absence of Litigation. There shall be no litigation pending on the Effective Date in any court challenging the execution of this Agreement, or seeking to enjoin its performance.
2. Effectiveness of Agency's Approval. The approval of this Agreement by Agency shall have become effective, pursuant to California law.
3. Approvals by Other Member Agencies. The governing bodies of a majority (seven) of the SBWMA's Member Agencies, collectively representing at least seventy percent (70%) of the total Revenue Requirement for 2011

144 shown on Attachment N Form C (i.e., \$74,999,148), have also approved  
45 franchise agreements with Contractor substantially similar to this Agreement  
146 on or before the Effective Date.

147 **C. Notice.** If either Party wishes to assert that a condition for its benefit has not  
148 been satisfied and has not been waived, it must deliver written notice to that  
149 effect to the other party on or before the Effective Date. If no such notice is  
150 received, the Agreement will become effective on the Effective Date.

151 **D. Good Faith.** Each Party is obligated to perform in good faith the actions, if any,  
152 which this Agreement requires it to perform before the Effective Date and to  
153 cooperate towards the satisfaction of the conditions set forth above.

154

**ARTICLE 4 SCOPE OF AGREEMENT**

155 **4.01 SCOPE OF AGREEMENT**

156 A. Through this Agreement, Agency grants to Contractor an exclusive franchise,  
157 except as provided in subsection B and in Section 4.02, to Collect the following  
158 materials in the Service Area:

159 1. Solid Waste generated at Residential Premises, Commercial Premises and  
160 Agency Facilities; and

161 2. Source Separated Targeted Recyclable Materials and Source Separated  
162 Organic Materials generated at Residential Premises.

163 B. Through this Agreement, Agency grants to Contractor a non-exclusive right to  
164 Collect the following materials in the Service Area:

165 1. Source Separated Targeted Recyclable Materials and Source Separated  
166 Organic Materials generated at Commercial Premises;

167 2. Major Appliances and Specialty Recyclable or Reusable Materials generated at  
168 Residential Premises;

169 3. Non-putrescible wastes placed in Drop Boxes.

170 **4.02 LIMITATIONS ON SCOPE**

171 Agency may permit the Collection, Recycling or Disposal of any of the following  
172 materials by Persons other than Contractor without seeking or securing any approval  
173 from Contractor:

174 A. Solid Waste, Targeted Recyclable Materials, and Organic Materials which are  
175 transported personally by the Owner or Occupant of the Premises at which they are  
176 generated (or by his or her employees) to a processing or Disposal facility;

177 B. Targeted Recyclable Materials and Organic Materials which are Source Separated  
178 by the Generator and donated to youth, civic, or charitable organizations;

179 C. Recyclable beverage containers delivered for Recycling under the California  
180 Beverage Container Recycling Litter Reduction Act, Section 14500 *et seq.*  
181 California Public Resources Code;

182 D. Animal waste and remains from slaughterhouse or butcher shops, grease waste,  
183 and used cooking oil;

184 E. By-products of sewage treatment including sludge, sludge ash, grit, and  
185 screenings;

186 F. Hazardous Waste, Household Hazardous Waste, and Infectious Waste;

187 G. Source Separated E-Scrap and Source Separated Universal Waste;

188 H. Organic Materials composted at Residential and Commercial Premises;

189 I. Materials generated by State facilities (including public schools), provided that the  
190 Generator has arranged services with other Persons or has arranged services with  
191 the Contractor through a separate agreement;

- 192 J. The incidental removal of Solid Waste when the primary service performed is either  
193 of the following:
- 194 1. Landscaping, gardening, weed or refuse abatement, yard clean-up, or  
195 grading of a lot; or
  - 196 2. Construction, remodeling, or demolition of a building or structure.
- 197 K. Solid Waste generated at Residential Premises Collected on an infrequent,  
198 unscheduled, "on-call" basis (other than On-Call Bulky Item Collection Service  
199 scheduled by Customers per Section 5.12).

200 **4.03 GEOGRAPHIC LIMITS ON CONTRACTOR'S OPERATIONS**

201 Contractor was established specifically to perform services for some or all of the  
202 SBWMA Member Agencies. The methodology established in this Agreement, and in  
203 those between Contractor and other Member Agencies, for adjusting Contractor's  
204 Compensation annually and allocating it among Member Agencies depends on accurate  
205 financial and accounting records. For that reason, Contractor will limit its operations to  
206 only SBWMA Member Agencies so that its annual financial reports will contain only  
207 costs and revenues associated with service to those Member Agencies.

208 Affiliates of Contractor may perform services for other communities in San Mateo  
209 County so long as they do not use Contractor's resources (equipment or labor) and so  
210 long as costs associated with their operations are not included in Contractor's financial  
211 statements.

212

**ARTICLE 5                      COLLECTION SERVICES**

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213    **5.01    GENERAL**

214    The work to be performed and services to be provided by Contractor includes the  
215    furnishing of all labor, supervision, equipment, materials, supplies, and all other items  
216    necessary to perform the work and provide the services described, at the times and in  
217    the manner required by this Agreement. The enumeration of, and specification of  
218    requirements for, particular items of labor, supervision, equipment, materials or supplies  
219    shall not relieve Contractor of the duty to furnish all others, as may be required, whether  
220    enumerated elsewhere in the Agreement or not.

221    Contractor shall perform the work and provide the services pursuant to this Agreement  
222    in a thorough and professional manner so that the residents and businesses within the  
223    Agency are provided reliable, courteous, and high-quality service at all times. The  
224    enumeration of, and specification of requirements for, particular aspects of service  
225    quality shall not relieve Contractor of the duty of accomplishing all other aspects in the  
226    manner provided in this Article, whether such other aspects are enumerated elsewhere  
227    in the Agreement or not.

228    Provided that this Agreement is executed on or before March 1, 2010, Contractor  
229    agrees that it will have sufficient time to take all steps necessary to provide all services  
230    described in this Article 5 commencing January 1, 2011. Contractor shall order  
231    equipment, hire employees, obtain permits and licenses, initiate public education and  
232    Recycling Blitz programs, and complete all of the steps necessary to implement an  
233    orderly transition as specified in the Implementation Plan (Attachment L).

234    **5.02    SOLID WASTE COLLECTION**

235    Contractor acknowledges that the Agency is committed to diverting materials from  
236    Disposal through the implementation of source reduction, reuse, Recycling, and  
237    composting programs and that the Agency may, at some time in the future, implement,  
238    in accordance with Section 15.12, new programs that may impact the overall quantity or  
239    composition of Solid Waste to be Collected by Contractor.

240    **A.    Single-Family Dwelling (SFD).** Contractor shall Collect Solid Waste from SFD  
241    once per week from Contractor-provided Carts. Contractor shall provide  
242    unscheduled Collection service within one (1) Business Day of Customer's request  
243    and shall be entitled to bill Customer as specified in Attachment Q. Contractor shall  
244    provide each Customer with Carts as specified in Section 8.05. Approximately one  
245    (1) month prior to distribution of SFD Solid Waste Carts, Contractor shall mail a  
246    notice to each SFD Customer indicating that the Customer will receive the default  
247    Solid Waste Cart size specified in Attachment D, unless the Customer responds to  
248    the notice (i.e., by mail, email, phone or website form) and requests an alternate  
249    Cart size by selecting the preferred size.

250    Contractor shall Collect Carts Curbside unless: (i) the Occupant is provided a  
251    Special Handling Service exemption; or, (ii) the Customer has requested Backyard  
252    Collection Service and has agreed to pay the premium service Rate approved by  
253    the Agency. The Rate charged by Agency shall be based on Contractor's cost as  
254    specified in Attachment Q. In such case, Contractor shall Collect Carts from and  
255    return Carts to the alternative service location (such as the side yard or backyard)  
256    specified by the Customer.

257 The Contractor shall make reasonable accommodations with regard to provision  
258 and servicing of Containers (e.g., Container size and type, placement of Containers  
259 for Collection, etc.) at no additional cost to Customers who meet the Agency's  
260 Special Handling criteria. Contractor will notify all Residential Customers annually  
261 of the Special Handling and Backyard Collection Service options and submit, for  
262 approval, a draft notification to Agency thirty (30) days prior to anticipated  
263 distribution to Customers. New service recipients shall be notified upon signing up  
264 for service of the Special Handling and Backyard Collection Service options.  
265 Customers desiring Special Handling Service will be required to submit an  
266 application, in a form approved by Agency. Contractor shall review applications to  
267 determine whether the Customer meets Agency's eligibility criteria and shall provide  
268 a written response within five (5) Business Days after receipt of the application.  
269 Unless otherwise directed by Agency, Customers are eligible if they provide (i)  
270 evidence of their "handicap status" by the California Department of Motor Vehicles  
271 or (ii) evidence that no Occupant of the Residential Premises is physically able to  
272 place Carts Curbside for Collection.

273 B. **Multi-Family Dwellings.** Contractor shall Collect Solid Waste from Multi-Family  
274 Dwellings as frequently as scheduled by Customer, but not less than once per  
275 week. Contractor shall provide unscheduled Collection service within one (1)  
276 Business Day of Customer's request and shall be entitled to bill Customer as  
277 specified in Attachment Q. Customers must subscribe to a minimum service level  
278 of three (3) times per week Collection in order to be eligible for Collection on  
279 Saturday and/or Sunday. Contractor shall allow Multi-Family Dwelling Customers to  
280 use Carts or Bins for Solid Waste Collection that are shared by the Occupants of  
281 the Premises. Contractor shall provide one (1) or more Cart(s) or Bin(s) to such  
282 Customers as requested by Customer, provided that no less than ninety-six (96)  
283 gallons of Container capacity are provided for every five (5) dwelling units in the  
284 Multi-Family Residential Complex. Contractor shall provide each Customer with a  
285 choice of one or more Carts or Bins as specified in Attachment D.

286 Contractor shall service, at no additional cost, Containers provided to MFD  
287 Customers that are three (3) cubic yards or less in capacity or wheeled Containers,  
288 that are stored in enclosures or on private or public property within fifty (50) feet of  
289 access by Contractor's collection vehicle, if access to the Containers is paved and  
290 the slope is less than seven percent (7%). Agency will make the final determination  
291 on the slope of the access if a dispute arises between Customer and Contractor.  
292 Contractor shall be entitled to bill MFD Customers for distance charges as specified  
293 in Attachment Q for providing Collection service to Containers that are three (3)  
294 cubic yards or less in capacity or wheeled Containers, that are located at distances  
295 of fifty one (51) feet or more from access by Contractor's collection vehicle.

296 Contractor shall service, at no additional cost, Containers that are four (4) cubic  
297 yards or larger in capacity, or do not have wheels, that are stored in a location that  
298 is accessible by Contractor's collection vehicle. Contractor shall ensure that  
299 Containers that are four (4) cubic yards or larger in capacity or do not have wheels,  
300 are placed by Contractor in a designated collection location that is agreed upon by  
301 the Customer.

302 Contractor shall give special consideration when determining the Collection location  
303 for Multi-Family Residential complexes to ensure that the flow of traffic is not  
304 impeded and that it does not result in aesthetic degradation of an area. The  
305 designated Collection location, if disputed by Customer or Contractor, shall be

306 determined by the Agency. Additionally, if in the Agency's opinion the location of an  
307 existing Collection location is inappropriate, Agency may require the Customer or  
308 Contractor to relocate the Collection Containers.

309 C. **Commercial Premises.** Contractor shall Collect Solid Waste from Commercial  
310 Premises as frequently as scheduled by the Customer, but not less than once per  
311 week. Contractor shall provide unscheduled Collection service within one (1)  
312 Business Day of Customer's request and shall be entitled to bill Customer as  
313 specified in Attachment Q. Customers must subscribe to a minimum service level  
314 of three (3) times per week Collection in order to be eligible for Collection on  
315 Saturday and/or Sunday.

316 Contractor shall service, at no additional cost, Containers provided to Commercial  
317 Customers that are three (3) cubic yards or less in capacity or wheeled Containers,  
318 that are stored in enclosures or on private or public property within fifty (50) feet of  
319 access by Contractor's collection vehicle, if access to the Containers is paved and  
320 the slope is less than seven percent (7%). Agency will make the final determination  
321 on the slope of the access if a dispute arises between Customer and Contractor.  
322 Contractor shall be entitled to bill Commercial Customers for distance charges as  
323 specified in Attachment Q for providing Collection service to Containers that are  
324 three (3) cubic yards or less in capacity or wheeled Containers, that are located at  
325 distances of fifty one (51) feet or more from access by Contractor's collection  
326 vehicle.

327 Contractor shall service, at no additional cost, Containers that are four (4) cubic  
328 yards or larger in capacity, or do not have wheels, that are stored in a location that  
329 is accessible by Contractor's collection vehicle. Contractor shall ensure that  
330 Containers that are four (4) cubic yards or larger in capacity or do not have wheels,  
331 are placed by Contractor in a designated collection location that is agreed upon by  
332 the Customer.

333 Specifically, the Contractor shall offer the following Collection service  
334 methodologies to Commercial Customers:

- 335 1. Individual Cart or Bin Service. Contractor shall allow each Commercial  
336 Premises to use Carts, Bins, Compactors, or Drop Boxes for Solid Waste  
337 Collection. Contractor shall provide each Customer with a choice of one (1) or  
338 more Containers as specified in Section 8.05.
- 339 2. Centralized Cart or Bin Service. Contractor shall allow each Commercial  
340 Premises to use Carts or Bins for Solid Waste Collection that are shared by the  
341 Occupants of two (2) or more adjacent Commercial Premises. In such case,  
342 Contractor shall provide one or more Carts or Bins as requested by the  
343 Customer(s) provided that no less than ninety-six (96) gallons of Container  
344 capacity is provided for every four (4) Commercial Premises. Contractor shall  
345 provide each Customer with a choice of one (1) or more Carts or Bins as  
346 specified in Section 8.05.
- 347 3. Drop Boxes and Compactors. Contractor shall allow a Customer to use a Drop  
348 Box or Compactor for Solid Waste Collection to meet the Customer's Disposal  
349 needs. In such case, Contractor shall provide Customer with a choice of  
350 Container capacities ranging from three (3) to forty (40) cubic yards (or similar  
351 sizes). Contractor shall offer Customers the option to purchase or lease  
352 Compactors through either the Contractor or an outside vendor. Regular



353 maintenance of Compactors shall be provided by Contractor (or outside  
354 vendor) as frequently as needed to keep the Compactors in good working  
355 order and functioning at high compaction levels.

356 D. **Agency Facilities.** Contractor shall Collect Solid Waste from Agency Facilities as  
357 frequently as scheduled by the Agency, but not less than once per week. Agency  
358 must subscribe to a minimum service level of three (3) times per week Collection in  
359 order to be eligible for Collection on Saturday and/or Sunday. Specifically, the  
360 Contractor shall offer the following Collection service methodologies to Agency  
361 Facilities:

362 1. Individual Cart or Bin Service. Contractor shall allow each Agency Facility to  
363 use Carts, Bins, Compactors, or Drop Boxes for Solid Waste Collection.  
364 Contractor shall provide each Agency Facility with a choice of one (1) or more  
365 Containers as specified in Attachment D.

366 2. Centralized Cart or Bin Service. Contractor shall allow each Agency Facility to  
367 use Carts or Bins for Solid Waste Collection that are shared by the Occupants  
368 of two or more adjacent Agency Facilities. In such case, Contractor shall  
369 provide one or more Carts or Bins as requested by the Agency provided that  
370 no less than ninety-six (96) gallons of Container capacity is provided for every  
371 four (4) Agency Facilities. Contractor shall provide Agency with a choice of  
372 one (1) or more Carts or Bins as specified in Attachment D for each Agency  
373 Facility.

374 3. Drop Boxes and Compactors. Contractor shall allow Agency to use a Drop  
375 Box or Compactor for Solid Waste Collection to meet the Agency's Disposal  
376 needs. In such case, Contractor shall provide Agency with a choice of  
377 Container capacities ranging from three (3) to forty (40) cubic yards (or similar  
378 sizes). Contractor shall offer Agency the option to purchase or lease  
379 Compactors through either the Contractor or an outside vendor. Regular  
380 maintenance of Compactors shall be provided by Contractor (or outside  
381 vendor) as frequently as needed to keep the Compactors in good working  
382 order and functioning at high compaction levels.

383 4. Public Street, Parks and Parking Lot Litter and Recycling Receptacles.  
384 Contractor shall Collect Solid Waste from public litter receptacles located on  
385 streets and in parking lots, and from public litter receptacles in parks that are  
386 accessible for Curbside Collection. Contractor shall also Collect Solid Waste  
387 from public Recycling receptacles in these locations, if the Recyclables have  
388 been so Contaminated as to be unacceptable at the MRF as Recyclables.  
389 Contractor shall also Collect Solid Waste that is contained in bags or boxes  
390 and placed adjacent to public litter receptacles. These Collections will be made  
391 between one (1) and seven (7) Days per week, as determined by Agency.  
392 Contractor is responsible for notifying Agency if a public litter receptacle is  
393 inoperable within twenty-four (24) hours of observing or being notified of the  
394 defect. A list of public litter receptacles is included in Attachment B. Agency  
395 shall annually be allowed to increase the number of public litter receptacles  
396 provided Collection service by an additional five percent (5%) of the total  
397 number of receptacles in service as of January 1 of each Rate Year at no  
398 additional cost. The allocation of additional public litter receptacles placed in  
399 service will accrue from year to year for the Term.

400 Contractor shall provide the Agency with the Collection services described above at the  
401 service locations, service levels and frequencies identified in Attachment B. Contractor  
402 shall provide and maintain Collection Containers for the Agency's use, with the  
403 exception of public litter (or Solid Waste) and public Targeted Recyclable Materials  
404 receptacles, which shall be provided and maintained by the Agency. Contractor shall  
405 offer the type and size of Collection Containers that Contractor provides Commercial  
406 Customers pursuant to Section 5.02.C.

407 Contractor may integrate Collection of Solid Waste, Targeted Recyclable Materials, and  
408 Organic Materials from Agency Facilities with other Collection services in the Service  
409 Area, provided that Contractor attributes estimated Tonnage Collected from Agency  
410 Facilities separately from other Customers upon the Agency's request.

411 **5.03 TARGETED RECYCLABLE MATERIALS COLLECTION**

412 Contractor shall Collect Targeted Recyclable Materials from Customers that have  
413 Source Separated the Targeted Recyclable Materials from Solid Waste and placed  
414 these materials in the Customer's Recyclable Materials Collection Container for  
415 Collection by Contractor.

416 In accordance with Section 15.12, the Agency may direct that Contractor modify its  
417 scope of service to include Collection of additional types of Recyclable Materials beyond  
418 those materials defined as Targeted Recyclable Materials in Attachment A. If the  
419 Agency directs Collection of additional Recyclable Materials, such Recyclable Materials  
420 shall thereafter be considered Targeted Recyclable Materials and Contractor shall not  
421 receive additional Contractor's Compensation for Collection service if the Targeted  
422 Recyclable Materials are placed by Generator in the Recyclable Materials Container  
423 unless Contractor can demonstrate that Collection of the additional material(s) requires  
424 modification to Collection routes to accommodate the additional volume of the  
425 material(s).

426 **A. Single-Family Dwellings.**

427 1. General. Once per week, Contractor shall Collect Single-Stream Targeted  
428 Recyclable Materials from SFD. Contractor shall provide each SFD Customer  
429 with one (1) Cart for Single-Stream Targeted Recyclable Materials. Contractor  
430 shall provide each Customer with a Cart specified in Attachment D, unless  
431 Customer requests an alternative Cart specified in Attachment D. Customer  
432 can rent or purchase additional Targeted Recyclable Materials Carts from  
433 Contractor and Contractor shall be entitled to bill Customer as specified in  
434 Attachment Q. Purchased Carts shall become the property of Customer.  
435 Approximately one (1) month prior to distribution of SFD Targeted Recyclable  
436 Materials Carts, Contractor shall mail a notice to each SFD Customer  
437 indicating that the Customer will receive the default Targeted Recyclable  
438 Materials Cart size specified in Attachment D, unless the Customer responds  
439 to the notice (i.e., by mail, email, phone or website form) and requests an  
440 alternate Cart size by selecting the preferred size.

441 Contractor shall Collect Carts Curbside unless the Customer is provided  
442 Special Handling or Backyard Collection Service. In such case, Contractor  
443 shall Collect Carts from and return Carts to the alternative service location  
444 (such as the side yard or backyard) specified by the Customer.

445 2. Used Motor Oil and Used Motor Oil Filters. Contractor shall Collect Used  
446 Motor Oil and Used Motor Oil Filters placed at the Collection location by  
447 Customer for Collection in Contractor-provided or Contractor-approved  
448 Containers. Contractor shall not be required to Collect more than five (5)  
449 gallons of Used Motor Oil per Customer per Collection. Contractor shall  
450 provide up to five (5) one-gallon translucent plastic Used Oil jugs with screw-  
451 on tops for Used Motor Oil Collection and up to five (5) six (6) mil plastic zip-  
452 close type bags for Used Motor Oil Filter Collection to SFD Customers, upon  
453 Customer's request, within five (5) Business Days of such request, at no  
454 additional cost to Customer. Information in English and Spanish, regarding the  
455 Used Motor Oil and Used Motor Oil Filter Collection program and instructions  
456 for the use and set out of the these materials shall be provided with the Used  
457 Motor Oil jugs and Used Motor Oil Filter bags. Diversion of Used Motor Oil  
458 shall be calculated with a conversion factor of one (1) gallon of Used Motor Oil  
459 equaling seven (7) pounds.

460 3. Household Batteries and Cell Phones. Contractor shall Collect from SFD  
461 Premises Household Batteries and Cell Phones placed on top of the  
462 Recyclable Materials Cart in Contractor-provided or Customer-provided clear  
463 zip-close or tie-close plastic bags clearly marked "Used Batteries and Cell  
464 Phones." Contractor shall empty the bag at the point of Collection and leave it  
465 to be reused by the Customer by placing it inside the Cart handle. Customers  
466 will be notified to place all Household Batteries in a clear zip-close plastic bag;  
467 tape the contacts of button cell batteries; and wrap Cell Phones in paper (for  
468 protection) prior to placing in the plastic bag. While Customers will be  
469 encouraged to follow the participation parameters, Contractor shall be required  
470 to Collect if Customers do not follow these instructions.

471 Contractor shall Collect Targeted Recyclable Materials from SFD on the same day  
472 that Solid Waste Collection is provided.

473 **B. Multi-Family Residential Premises**

474 1. General. Multi-Family Dwelling Customers that subscribe to Solid Waste  
475 Collection service shall be entitled to Single-Stream Targeted Recyclable  
476 Materials Collection at no additional charge, and Contractor shall provide the  
477 level of service required by Multi-Family Dwelling Customers requesting  
478 Recyclable Materials Collection services. Contractor shall provide each Multi-  
479 Family Dwelling Customer with Containers for Single-Stream Targeted  
480 Recyclable Materials Collection. At a minimum, Contractor shall provide twenty  
481 (20) gallons per week of Container capacity for Single-Stream Targeted  
482 Recyclable Materials Collection for every Multi-Family Dwelling at the  
483 Premises. Contractor shall provide each Customer with Carts or Bins as  
484 specified in Attachment D, as requested by the Customer.

485 Contractor shall Collect Single-Stream Targeted Recyclable Materials  
486 Generated at Multi-Family Residential Complexes at least once per week or  
487 more frequently, up to six (6) times per week, as scheduled by the Customer  
488 provided that the Generator has Source Separated the Targeted Recyclable  
489 Materials from Solid Waste and placed the materials in the appropriate  
490 Contractor-provided Container. Contractor shall Collect Single-Stream  
491 Targeted Recyclable Materials at the designated location agreed upon by  
492 Contractor and Multi-Family Dwelling Customer. The designated Collection

493 location, if disputed by Customer or Contractor, shall be determined by the  
494 Agency. Carts and Bins may be shared by the Occupants of the Multi-Family  
495 Residential Complexes. Contractor shall provide extra Carts for use in the  
496 mail, utility or similar room of Multi-Family Residential Complexes if requested  
497 by the Customer.

498 2. Personal Recycling Tote-Bag Distribution. Upon receipt of a request for  
499 Recycling Tote-Bags from a Multi-Family Dwelling Customer or Occupant,  
500 Agency or SBWMA, Contractor shall: (i) deliver the Recycling Tote-Bags within  
501 five (5) Business Days to the property Owner, property manager or Occupant  
502 who requested the Recycling Tote-Bags; (ii) prior to complying with (i), contact  
503 the property Owner or property manager directly by phone or in person to  
504 determine if additional Recycling Tote-Bags are needed and/or if they are  
505 interested in a site assessment of the property; (iii) upon request for a site  
506 assessment, ensure that a site assessment is done per the requirements set  
507 forth in Section 7.05. Contractor shall provide notification to Agency and  
508 SBWMA of the Day which the Tote Bags were delivered and to whom they  
509 were delivered with submittal of Contractor's monthly reports per Section 9.05.  
510 Contractor's monthly reports shall also include an inventory of Recycling Tote-  
511 Bags in stock.

512 3. Household Battery and Cell Phone Collection.

513 a. Multi-Family Residential Complexes with individual Recycling Carts  
514 for each dwelling unit. Contractor shall Collect Household Batteries  
515 and Cell Phones placed on top of the Recyclable Materials Cart in  
516 Contractor-provided or Customer-provided clear zip-close or tie-  
517 close plastic bags clearly marked "Used Batteries and Cell Phones."  
518 Customers will be notified to place all Household Batteries in a clear  
519 zip-close plastic bag; tape the contacts of button cell batteries; and  
520 wrap cell phones in paper (for protection) prior to placing in the  
521 plastic bag. While Customers will be encouraged to follow the  
522 participation parameters, Contractor shall be required to Collect the  
523 Household Batteries and Cell Phones if Customers do not follow  
524 these instructions.

525 b. Multi-Family Residential Complexes with shared or centrally stored  
526 Recycling Carts or Bins. Contractor shall provide one (1) or more  
527 centrally located Containers for the accumulation of Household  
528 Batteries and Cell Phones. The number and location of the  
529 Containers and the frequency of Collection shall be mutually agreed  
530 to between the Contractor and the Owner or manager of the  
531 complex. In the event the Owner or property manager requests that  
532 the materials be Collected on an on-call basis, Contractor shall  
533 provide that service at no additional cost.

534 4. Universal Implementation to All Customers. If requested by Agency, Contractor  
535 shall make all necessary arrangements to implement this service within one  
536 hundred and twenty (120) days and ensure the service is implemented within  
537 the time frame agreed to by Agency and Contractor. To maximize participation  
538 in the Single-Stream Targeted Recyclable Materials Collection program, the  
539 Contractor shall distribute Recyclable Materials Containers to all Multi-Family  
540 Dwelling Customers unless the Customer has notified the Contractor that they

541 do not want to participate in the Targeted Recyclable Materials Collection  
542 program.

543 Prior to distribution of the Targeted Recyclable Materials Containers, the  
544 Contractor shall conduct a site assessment of each Multi-Family Residential  
545 complex. The site assessment shall include a meeting with the Owner or  
546 property manager to describe the Single Stream Recycling Program; an  
547 evaluation of the components of the waste stream generated at the complex,  
548 identification of the volumes and types of Targeted Recyclable Materials  
549 Collected at the complex and the development of an estimate of the volume of  
550 Single Stream Targeted Recyclable Material that could be Collected at the  
551 complex. Based on the results of the site assessment, Contractor will develop  
552 an estimate of the Recycling capacity needs of the complex.

553 Using the information obtained from the site assessment and prior to  
554 distribution of the Targeted Recyclable Materials Containers, the Contractor  
555 shall mail each Multi-Family Dwelling Customer a notice describing the  
556 "universal" implementation of Single-Stream Targeted Recyclable Materials  
557 Collection; the number and size of Containers the Contractor plans to deliver to  
558 the Multi-Family Dwelling Complex (based on Contractor's estimate of the  
559 service volume needed for the complex with a minimum of twenty (20) gallons  
560 per week per Multi-Family Dwelling); and a description of how Customers can  
561 contact the Contractor and request additional or different sized Containers or  
562 request not to participate in the Targeted Recyclable Materials Collection  
563 program. If Contractor delivers Targeted Recyclable Materials Collection  
564 Containers to a Multi-Family Residential Complex and the Customer requests a  
565 change in the number or size of Containers or states that they do not want  
566 to participate in the Collection program, Contractor shall adjust the service level  
567 or remove the Collection Containers within ten (10) Business Days of the  
568 Customer's request. For Multi-Family Dwelling Customers that subscribe to  
569 Solid Waste Collection service during the Term, Contractor shall automatically  
570 deliver and service Single-Stream Recyclable Materials Collection Containers  
571 at the Multi-Family Residential Complex unless the Customer specifically  
572 refuses to participate in the Targeted Recyclable Materials Collection program.

573 **C. Commercial Premises**

574 1. General. Commercial Customers that subscribe to Solid Waste Collection  
575 service shall be entitled to Collection of Targeted Recyclable Materials at no  
576 additional charge, and Contractor shall provide the level of service required by  
577 Commercial Customers requesting Recyclable Materials Collection services.  
578 The level of service Contractor shall provide includes: Single-Stream Targeted  
579 Recyclable Materials Collection or Source Separated Collection of cardboard,  
580 mixed paper, food and recyclable beverage containers, or other Targeted  
581 Recyclable Materials in a manner that best suits the needs of the Commercial  
582 Customer.

583 Contractor shall Collect Single-Stream Targeted Recyclable Materials or other  
584 Source Separated Recyclable Materials Generated at Commercial Premises at  
585 least once per week or more frequently, up to seven (7) times per week, as  
586 scheduled by the Customer provided that the Generator has Source Separated  
587 the Targeted Recyclable Materials from Solid Waste and placed the materials in  
588 the appropriate Contractor-provided Container. Contractor shall Collect

589 Targeted Recyclable Materials at the designated location agreed upon by  
590 Contractor and Customer. The designated Collection location, if disputed by  
591 Customer or Contractor, shall be determined by the Agency.

592 2. Collection Containers. Contractor shall allow Commercial Customers to select a  
593 Collection service method that best suits the needs of its Premises.  
594 Specifically, the Contractor shall offer the following choices to Commercial  
595 Customers:

596 a. Cart service. Contractor shall allow Commercial Customers to use Carts  
597 for Targeted Recyclable Materials Collection. Contractor shall provide  
598 each Customer with a choice of one (1) or more Carts as specified in  
599 Section 8.05.

600 b. Bin service. Contractor shall allow Commercial Customers to use Bins for  
601 Targeted Recyclable Materials Collection. Contractor shall provide each  
602 Customer with a choice of one (1) or more Bins as specified in Section  
603 8.05.

604 c. Shared Cart or Bin service. Contractor shall allow Commercial Customers  
605 to use Carts or Bins for Targeted Recyclable Materials Collection that are  
606 shared by the Occupants of two (2) or more Commercial Premises. In  
607 such case, Contractor shall provide one (1) or more Carts or Bins to such  
608 Premises as requested by Customer(s). In order to minimize the impact or  
609 occurrence of illegal dumping and theft of Recyclable Materials, Contractor  
610 will provide to Customer at no additional cost, locks for enclosures used to  
611 store Containers or locks for Containers and ensure the enclosures or  
612 Containers are locked after providing Collection Service. Only Contractor,  
613 Agency, and the participating Customers will be provided with a key to the  
614 enclosures and access to the Containers. The service schedule will be  
615 prominently displayed on the enclosure and any changes in service will be  
616 displayed on the enclosure by Contractor within one (1) Business Day of  
617 making the change. If the Carts or Bins are left "outside" in a designated  
618 area, each Container will be locked (keyed alike), and only Contractor staff,  
619 Agency staff, and the participating Customers will be provided with a key to  
620 access the Containers. At least once each calendar year, Contractor's  
621 route supervisor will visit each of the participating Customers with shared  
622 Containers, respond to any questions or concerns, check the areas for  
623 contamination, litter, or damage and change the lock and distribute new  
624 "keyed alike" keys to Agency staff and Customers.

625 d. Drop Boxes and Compactors. Contractor shall allow Commercial  
626 Customers to use Drop Boxes or Compactors for Targeted Recyclable  
627 Materials. In such case, Contractor shall provide Customers with a choice  
628 of Container capacities as specified in Section 8.05. Contractor shall offer  
629 Customers the option to purchase or lease Compactors through Contractor  
630 or an outside vendor. Regular maintenance of Compactors shall be  
631 provided by Contractor (or outside vendor) as frequently as needed to keep  
632 the Compactors in good working order and functioning at high compaction  
633 levels.

634 3. Universal Implementation of Service. Upon request by Agency, Contractor shall  
635 "universally" implement Single-Stream Targeted Recyclable Materials Collection

636 services to all Commercial Customers in the same manner as that described for  
637 Multi-Family Customers pursuant to Section 5.03.B.4.

638 **D. Agency Facilities**

639 1. General. Agency Facilities that subscribe to Solid Waste Collection service  
640 shall be entitled to Collection of Targeted Recyclable Materials at no additional  
641 charge, and Contractor shall provide the level of service required by Agency  
642 Facilities requesting Targeted Recyclable Materials Collection services. The  
643 level of service Contractor shall provide includes: Single-Stream Targeted  
644 Recyclable Materials Collection or Source Separated Collection of cardboard,  
645 mixed paper, food and recyclable beverage containers, or other Targeted  
646 Recyclable Materials in a manner that best suits the needs of the Agency  
647 Facility.

648 Contractor shall Collect Single-Stream Targeted Recyclable Materials or other  
649 Source Separated Targeted Recyclable Materials Generated at Agency  
650 Premises at least once per week or more frequently, up to seven (7) times per  
651 week, as scheduled by the Agency provided that the Generator has Source  
652 Separated the Targeted Recyclable Materials from Solid Waste and placed the  
653 materials in the appropriate Contractor-provided Container. Contractor shall  
654 Collect Targeted Recyclable Materials at the designated location agreed upon  
655 by Contractor and Agency.

656 2. Collection Containers. Contractor shall allow Agency Facilities to select a  
657 Collection service method that best suits the needs of its Premises.  
658 Specifically, the Contractor shall offer the following choices to Member Agency  
659 Facilities:

660 a. Cart service. Contractor shall allow Agency Facilities to use Carts for  
661 Targeted Recyclable Materials Collection. Contractor shall provide each  
662 Customer with a choice of one (1) or more Carts as specified in Attachment  
663 D.

664 b. Bin service. Contractor shall allow Agency Facilities to use Bins for  
665 Targeted Recyclable Materials Collection. Contractor shall provide each  
666 Agency with a choice of one (1) or more Bins for each Agency Facility.

667 c. Centralized Cart or Bin service. Contractor shall allow Agency Facilities to  
668 use Carts or Bins for Targeted Recyclable Materials Collection that are  
669 shared by the Occupants of two (2) or more adjacent Agency Facilities. In  
670 such case, Contractor shall provide one (1) or more Carts or Bins to such  
671 Premises as requested by Agency.

672 d. Drop Boxes and Compactors. Contractor shall allow Agency Facilities to  
673 use Drop Boxes or Compactors for the Collection of Targeted Recyclable  
674 Materials. In such case, Contractor shall provide Agency with a choice of  
675 Container capacities as specified in Section 8.05. Contractor shall offer  
676 Agency the option to purchase or lease Compactors through Contractor or  
677 an outside vendor. Regular maintenance of Compactors shall be provided  
678 by Contractor (or outside vendor) as frequently as needed to keep the  
679 Compactors in good working order and functioning at high compaction  
680 levels.

681 3. Public Recycling Receptacles. Contractor shall Collect Recyclable Materials  
682 from public Recycling receptacles located on streets and parking lots, and from  
683 public Recycling receptacles in parks that are accessible for Curbside  
684 Collection. Contractor shall also Collect Recyclable Materials that are contained  
685 in bags or boxes and placed adjacent to public Recycling receptacles. These  
686 Collections will be made between one (1) and seven (7) Days per week, as  
687 determined by Agency. Contractor is responsible for notifying Agency if a public  
688 Recycling receptacle is inoperable within twenty-four (24) hours of observing or  
689 being notified of the defect. A list of public Recycling receptacles is included in  
690 Attachment B.

691 **5.04 ORGANIC MATERIALS COLLECTION**

692 A. **Single-Family Dwelling.** Contractor shall Collect Source Separated Organic  
693 Materials from SFD once per week. Collection of Organic Materials, Targeted  
694 Recyclable Materials, and Solid Waste from the SFD shall occur on the same Day  
695 each week. Contractor shall provide each Customer with one (1) Cart to be used  
696 for storage and Collection of Organic Materials. Customer can rent or purchase  
697 additional Organic Materials Carts from Contractor and Contractor shall be entitled  
698 to bill Customer as specified in Attachment Q. Purchased Carts shall become the  
699 property of Customer. Customer will be provided the opportunity to subscribe to  
700 service levels of additional Organics Materials Carts and shall be billed in  
701 accordance with Agency-approved rates for additional Organic Materials Carts  
702 service. The Contractor shall provide each Customer a Cart as specified in  
703 Attachment D, unless the Customer requests an alternative Cart size, in which  
704 case, the Contractor shall provide an alternative Cart as specified in Attachment D.  
705 Approximately one (1) month prior to distribution of SFD Organic Material Carts,  
706 Contractor shall mail a notice to each SFD Customer indicating that the Customer  
707 will receive the default Organic Materials Cart size specified in Attachment D,  
708 unless the Customer responds to the notice (i.e., by mail, email, phone or website  
709 form) and requests an alternate Cart size by selecting the preferred size.

710 Contractor shall Collect Carts Curbside unless the Occupant is provided Special  
711 Handling or Backyard Collection Service. In such case, Contractor shall Collect  
712 from and return the Carts to the alternative service location (such as the side yard  
713 or backyard) specified by the Customer.

714 Contractor shall provide each SFD with a Kitchen Pail at the inception of Collection  
715 services. Contractor must submit Kitchen Pail specifications (including material and  
716 design specifications, colors, and identification marks) to Agency for Agency's  
717 written approval prior to submitting the order to the manufacturer. During the Term,  
718 Contractor shall provide, within five (5) Business Days of request by Occupant,  
719 Kitchen Pails to new SFD Customers and to SFD Customers whose Kitchen Pail is  
720 lost, stolen, damaged, or destroyed (such replacement shall be limited to one (1)  
721 per year per Customer at no additional cost). Residents will be discouraged from  
722 placing Kitchen Pail Curbside for Collection and will be instructed to deposit the  
723 contents of the Kitchen Pail into the Organic Materials Cart.

724 B. **Multi-Family Premises.** Multi-Family Dwelling Customers shall have the option of  
725 voluntarily subscribing to Organic Materials or Plant Materials Collection services  
726 and shall pay Contractor for such service in accordance with Agency-approved  
727 Rates. Contractor shall Collect Source Separated Organic Materials or Plant  
728 Materials from Multi-Family Residential Complexes that have subscribed to Organic



729 Materials or Plant Materials Collection service as frequently as scheduled by  
730 Customer, but not less than once per week. Contractor shall provide each  
731 Customer with a choice of Carts or Bins as specified in Attachment D. Contractor  
732 shall Collect Organic Materials and Plant Materials at the location agreed upon by  
733 Contractor and Customer. The designated Collection location, if disputed by  
734 Customer or Contractor, shall be determined by the Agency.

735 C. **Commercial Premises.** Commercial Customers shall have the option of voluntarily  
736 subscribing to Organic Materials or Plant Materials Collection services and shall pay  
737 Contractor for such service in accordance with Agency-approved Rates. Contractor  
738 shall provide Organic Materials or Plant Materials Collection service to any and all  
739 Customers requesting service. Contractor shall Collect Organic Materials or Plant  
740 Materials from Commercial Premises that have subscribed to Organic Materials or  
741 Plant Materials Collection service as frequently as scheduled by Customer, but not  
742 less than once per week.

743 Contractor shall allow Commercial Customers to select a Collection service method  
744 that best suits the needs of its Premises. Specifically, the Contractor shall offer to  
745 Commercial Organic Materials or Plant Materials Customers the Containers and  
746 service choices that are similar to that offered for Commercial Solid Waste  
747 Collection pursuant to Section 5.02.C.

748 D. **Agency Facilities.** Agency Facilities shall have the option of voluntarily subscribing  
749 to Organic Materials or Plant Materials Collection services.

750 Contractor shall provide Organic Materials or Plant Materials Collection service to  
751 Agency Facilities requesting service. Contractor shall Collect Organic Materials or  
752 Plant Materials from Agency Facilities that have subscribed to Organic Materials or  
753 Plant Materials Collection service as frequently as scheduled by Agency, but not  
754 less than once per week.

755 Contractor shall allow Agency to select a Collection service method that best suits  
756 the needs of its Facilities. Specifically, the Contractor shall offer to Agency Facilities  
757 the service choices that are similar to that offered for Commercial Solid Waste  
758 Collection pursuant to Section 5.02.C.

759 E. **Holiday Tree Collection.** Contractor shall annually Collect Holiday Trees from  
760 Residential Premises from December 26 through January 31. Contractor shall  
761 provide this service on the regularly scheduled Organic Materials Collection Day.  
762 Contractor will be required to Collect trees or pieces of trees, which are eight feet  
763 (8') or less in length, void of tinsel, lights, ornaments, other decorations, and metal  
764 or plastic stands (although flocked trees are acceptable) and are placed adjacent to  
765 an Organic Materials Cart. Contractor shall make accommodations and provide  
766 Collection service for Customers who are unable to cut trees into lengths of eight  
767 feet (8') or less at no additional cost to the Customer or Agency. After January 31,  
768 Contractor will be required to Collect trees placed inside an Organic Materials Cart.  
769 These Collection parameters apply to both Special Handling and Backyard  
770 Collection Service.

771 Contractor shall deliver a Bin or Drop Box for Holiday Tree Collection to Multi-  
772 Family Residential Complexes upon request of the Owner or property manager.  
773 Contractor shall provide this Collection service annually commencing December 26  
774 and shall continue to provide this service as long as requests are submitted to  
775 Contractor, at no additional cost to Customer(s) or Agency. The location for delivery

776 of the Bin or Drop Box shall be agreed upon by the Owner or property manager,  
777 and Contractor shall remove the Bin or Drop Box, or Collect the trees loose, on the  
778 date requested by the Owner or property manager. If the use of a Bin or Drop Box  
779 is not feasible, Contractor shall Collect the uncontainerized Holiday Trees from one  
780 (1) or more designated consolidation locations (e.g., adjacent to a Solid Waste  
781 enclosure) at each Multi-Family Residential Complex as determined by the Owner  
782 or property manager. Contractor shall be required to Collect all trees or pieces of  
783 trees, which are eight feet (8') or less in length, void of tinsel, lights, ornaments,  
784 other decorations, and metal or plastic stands (although flocked trees are  
785 acceptable) and are placed in the Bin or Drop Box or at the agreed upon location.  
786 Contractor shall make accommodations and provide Collection service for  
787 Customers who are unable to cut trees into lengths of eight feet (8') or less at no  
788 additional cost to the Customer or Agency.

789 Prior to December of each year, Contractor shall notify all Multi-Family Dwelling  
790 Customers of this program and explain the limitations to the program, the dates of  
791 service, and any materials preparation or participation requirements, including the  
792 option to order a Bin or Drop Box, or Collect the trees loose from designated  
793 Collection locations. To encourage participation in this program, Contractor shall  
794 not charge Customers an additional fee for this service.

795 **5.05 SINGLE-FAMILY AND MULTI-FAMILY TWICE ANNUAL ON-CALL CURBSIDE**  
796 **BULKY ITEM COLLECTION SERVICE**

797 A. **General.** Contractor shall provide two (2) separate On-Call Curbside Bulky Item  
798 Collection Service events to each Single-Family Dwelling Residential Premise  
799 annually upon Owner or Occupant's request. Contractor will schedule the On-Call  
800 Bulky Item Collection Service events on the regularly scheduled Solid Waste  
801 Collection Day for Single-Family Dwellings, no more than ten (10) Business Days  
802 after the Owner or Occupant's request.

803 Contractor shall provide two (2) separate On-Call Bulky Item Collection Service  
804 events to each Multi-Family Residential Complex annually upon Owner's or property  
805 manager's request. Contractor will schedule the On-Call Bulky Item Collection  
806 Service events no more than ten (10) Business Days after Multi-Family Residential  
807 Complex Owner or property manager's request. Contractor will be required to  
808 accommodate the Multi-Family Residential Complex's on-site constraints to ensure  
809 convenient and safe collection events in an effort to maximize diversion and  
810 minimize environmental impacts.

811 Contractor shall assist Owners and property managers of Multi-Family Residential  
812 Complexes with scheduling events to effectively and efficiently provide the volume  
813 of Collection service to which the complex is entitled annually based on the number  
814 of Residential Premises at the complex. The provision of On-Call Collection of  
815 Bulky Items is not intended to encourage or permit Multi-Family Residential  
816 Premises to reduce the level of regularly scheduled Solid Waste Collection service  
817 that has been previously provided to the complex. If Contractor, in its reasonable  
818 business judgment, concludes that an Owner or property manager of a Multi-Family  
819 Residential Complex is requesting On-Call Bulky Item Collection in order to reduce  
820 its historical level of regular Solid Waste Collection service, Contractor may present  
821 a factual report to Agency in support of an application to decline further requests for  
822 On-Call Bulky Item Collection events at that complex for the remainder of the  
823 calendar year. Agency will review the application and report and determine whether

824 Contractor may decline all subsequent requests from that complex for that calendar  
825 year or may limit the number of On-Call Bulky Item Collection events it must  
826 provide. Until Agency makes, and notifies Contractor of, its determination,  
827 Contractor is not required to provide additional On-Call Bulky Item Collection  
828 service events to the complex in question.

829 Contractor will allow the scheduling of On-Call Bulky Item Collection Service events  
830 from January 2 through December 1 of each Rate Year. Contractor may provide  
831 additional On-Call Bulky Item Collection Service events for a Customer beyond two  
832 (2) per Rate Year, and shall be entitled to bill Customer as specified in Attachment  
833 Q. Contractor is required to notify Customer if they have already received the  
834 annually allocated two (2) Collection events within one (1) Business Day of  
835 Customer request. If Contractor fails to notify Customer that they have received the  
836 annually allocated two (2) Collection events, Contractor shall provide the service  
837 and is not entitled to additional Contractor's Compensation from Customer or  
838 Agency for a third or subsequent On-Call Bulky Item Collection Service event.

839 **B. Accepted Materials.** Residential Premises may place Solid Waste, Recyclable  
840 Materials, and/or Organic Materials for Collection with the following allowances:

- 841 1. Solid Waste, Targeted Recyclable Materials, Organic Materials – Up to two (2)  
842 cubic yards of materials per event, provided that such materials, except as set  
843 forth below have been bagged, boxed, bundled, or containerized by the  
844 Customer.
- 845 2. Major Appliances – One (1) large appliance per event (e.g., washing machine,  
846 clothes dryer, refrigerator, freezer).
- 847 3. Bulky Items – One (1) large Bulky Item per event (e.g., reusable furniture,  
848 mattresses, four tires).
- 849 4. E-Scrap – One (1) item per event (e.g., a computer, computer monitor or  
850 television).

851 Contractor shall reject: liquids or sludge; dirt, rock, concrete or asphalt; materials  
852 which exceed five (5) feet in length; commercial-sized refrigerators or freezers;  
853 Construction and Demolition Debris; Hazardous Waste; or Infectious Waste.  
854 Contractor may reject any individual item that weighs more than two-hundred (200)  
855 pounds (excluding Major Appliances) unless Customer has paid, or has agreed in  
856 advance to pay, an additional fee for service. Contractor may reject un-  
857 containerized Discarded Materials with the exception of Major Appliances, Bulky  
858 Items, E-Scrap and large pieces of Organic Material such as tree limbs and  
859 dimensional lumber.

860 **C. Recycling and Reuse.** Contractor shall Collect materials in a manner that  
861 maximizes reuse, Recycling, composting, and diversion of materials from Disposal.  
862 Contractor shall make reasonable efforts to ensure that diversion goals are met or  
863 exceeded. Disposal of materials shall be the Contractor's last option. At a  
864 minimum, Contractor shall divert from Disposal: cardboard, E-Scrap, useable  
865 furniture, Major Appliances, mattresses, Organic Materials, wood waste, and other  
866 reusable or Recyclable Materials.

867 **D. Handling Major Appliances.** Major Appliances, Universal Waste, and E-Scrap  
868 shall be reused, Recycled or Disposed by Contractor in accordance with  
869 requirements of Applicable Law and in accordance with the State of California

870 Department of Toxic Substances Control and California Integrated Waste  
871 Management Board regulations. Any changes to such regulations made after the  
872 Effective Date shall be addressed as though they are a Change in Law in  
873 accordance with Section 11.05.

874 **E. Collection and Processing Methods.**

875 A Route Supervisor will visit each On-Call Bulky Item Collection location on the  
876 morning of the scheduled Collection Day to evaluate the material being placed at  
877 Curbside for Collection, and to verify that its Collection has been assigned to the  
878 proper Collection vehicle. All materials that can be handled by the SFD Single-  
879 Stream Recycling, Organic Materials, or Solid Waste route Collection vehicle would  
880 be assigned to one of these vehicles for Collection, with the goal of maximizing  
881 diversion. All Collection of Bulky Items will be assigned for Collection by a flatbed  
882 truck, and the driver will segregate items Collected according to their suitability for:  
883 (1) reuse or Recycling, and (2) Disposal, prior to their transport to the SRDC for  
884 processing. Any remaining items will be Collected by a dispatched rear-loader  
885 truck. Contractor shall utilize these procedures and vehicles in a manner that  
886 provides the maximum diversion of the material Collected from the On-Call Bulky  
887 Item Collection Service event.

888 **5.06 AGENCY FACILITY ANNUAL ON-CALL BULKY ITEM COLLECTION SERVICE**

889 Contractor shall provide all Agency Facilities an Annual On-Call Bulky Item  
890 Collection service event. The On-Call Bulky Item Collection Service provisions set  
891 forth in Section 5.05 shall apply to the On-Call Bulky Item Collection Service  
892 provided to Agency Facilities with the following exceptions for frequency and  
893 service level/acceptable materials.

894 **A. Frequency of Service.**

895 Contractor shall provide this service to each Agency Facility annually.

896 **B. Service Level/Accepted Materials.**

897 Agency Facilities may place for Collection, Solid Waste, Recyclable Materials,  
898 and/or Organic Materials with the following allowances:

- 899 1. Solid Waste – Contractor shall provide a six (6) cubic yard or smaller Bin upon  
900 request.
- 901 2. Recyclable Materials, Organic Materials – Up to two (2) cubic yards of  
902 materials per event, provided that such materials, except as set forth below  
903 have been bagged, boxed, bundled, or containerized by the Customer.
- 904 2. Major Appliances – One (1) large appliance per event (e.g., washing machine,  
905 clothes dryer, refrigerator, freezer).
- 906 3. Bulky Items – One (1) large Bulky Item per event (e.g., reusable furniture,  
907 mattresses, four tires).
- 908 4. E-Scrap – One (1) item per event (e.g., a computer, computer monitor or  
909 television).

910 Contractor shall reject: liquids or sludge; dirt, rock, concrete or asphalt; materials  
911 which exceed five (5) feet in length; commercial-sized refrigerators or freezers;  
912 Construction and Demolition Debris; Hazardous Waste; or, Infectious Waste.

913 Contractor may reject any individual item that weighs more than two-hundred (200)  
14 pounds (excluding Major Appliances) unless Customer has paid, or has agreed in  
915 advance to pay an additional fee for service, and Contractor may reject un-  
916 containerized Discarded Materials with the exception of Major Appliances, Bulky  
917 Items, E-Scrap and large pieces of Organic Material such as tree limbs and  
918 dimensional lumber.

919 **5.07 CONFIDENTIAL DOCUMENT DESTRUCTION SERVICE EVENT**

920 Contractor shall provide one confidential document destruction service event in  
921 Agency annually at no additional cost to Agency or Customers. Upon receipt of a  
922 request to schedule a confidential document destruction event by Agency,  
923 Contractor shall schedule the event within ten (10) Business Days. Contractor shall  
924 provide adequate equipment and staffing necessary for the event and shall ensure  
925 full destruction of confidential documents and other materials delivered by  
926 Customers to the site of the event. Upon request from Agency, Contractor shall  
927 provide additional events and shall be compensated by Agency as specified in  
928 Attachment Q.

929 **5.08 COLLECTION FOR LARGE VENUES AND EVENTS**

930 Contractor shall provide Collection services, upon request, to any Venue and Event  
931 within Service Area. Specifically, Contractor shall provide, at a minimum, Solid Waste  
932 and Targeted Recyclable Materials Collection services, and shall also provide Organic  
933 Materials Collection services if one (1) cubic yard or more of Organic Material is  
934 generated per day at the Venue or Event. Contractor shall provide Collection as  
935 frequently as requested by the Agency or the Event organizer. Contractor shall provide  
936 an adequate number and type of Collection Container(s) for the Venue or Event and  
937 shall coordinate its Collection services with Agency or Event organizer. Containers shall  
938 be appropriately labeled to collect Solid Waste, Recyclable Materials or Organic  
939 Material, per the requirements specified by the SBWMA. Upon request of the Agency or  
940 the Event organizer, Contractor shall provide an adequate number of its employee(s) for  
941 each Event to ensure all Solid Waste, Recyclable Materials and Organic Materials  
942 Collection locations (i.e., Containers that are placed on-site for use by event patrons)  
943 are kept clean and uncontaminated; to empty or exchange Containers as the need  
944 arises; and to respond to overages or spills.

945 Within ten (10) Business Days of Contractor receiving a request to supply an Event with  
946 Solid Waste, Targeted Recyclable Materials, Organic Materials Collection services, the  
947 Contractor will either meet with or schedule a meeting with the Event organizer to  
948 discuss the Event's parameters, including location, number of people attending, type of  
949 Event, type of food being provided, and other related issues. Once parameters of the  
950 Event are determined, proper Containers will be provided by Contractor, with emphasis  
951 on Recycling and diversion of the materials generated.

952 Contractor shall also supply and staff an information booth at each Venue and Event,  
953 upon request from Agency. In addition, Contractor shall prepare and distribute  
954 information to the public at Venues and Events describing the Collection options  
955 available at the Venue or Event and promoting Recycling programs in the Agency, upon  
956 request from Agency. All information prepared for distribution to Venues and Events  
957 shall be approved by Agency prior to distribution. The Contractor shall report the

958 Tonnage of material Collected at each Venue and Event to the Agency and, upon  
959 Agency request, to the Event organizer.

960 For Venues and Events which are required to comply with the Large Venues and Events  
961 Recycling Law, codified at Public Resources Code Section 42648 et seq., Contractor  
962 shall assist the Venue or Event organizer in preparing a Recycling plan and reporting all  
963 information required by those provisions of the law. Contractor shall be required to  
964 provide, at a minimum, the following information for each Venue or Event:

- 965 1. List of qualifying large Venues and Events in Service Area.
- 966 2. Physical and mailing address.
- 967 3. Contact name, address, phone number and email address.
- 968 4. Type of Venue or Event (e.g., museum, concert, sporting event).
- 969 5. Status of the Venue or Event written waste diversion/Recycling plan.
- 970 6. A description of the extent in which the plan has been implemented.
- 971 7. Service level provided (i.e., Solid Waste, Recyclable Materials and Organic  
972 Materials).
- 973 8. Tons disposed and diverted, by material type.
- 974 9. Description of the scope and types of diversion programs provided.
- 975 10. Other information required by law.

976 For Agency-sponsored Venues and Events listed in Attachment C, Contractor shall  
977 provide the Collection services required by this Section at no charge to the Agency or  
978 the Event organizer. Agency may add additional events to those listed in Attachment C  
979 or modify this list if events change during the Term. If the number of events listed in  
980 Attachment C increases during the Term, Contractor shall be entitled to receive  
981 compensation for the number of events provided service each Rate Year based on the  
982 cost for additional events specified in Attachment Q. For other Venues and Events,  
983 Contractor may charge the Venue or Event organizer at the Rates established by  
984 Agency for comparable On-Call Commercial Solid Waste and Organic Materials  
985 Collection Service. Recyclable Materials Collection service shall be provided at no  
986 additional cost to Events that subscribe to Solid Waste or Organic Materials Collection  
987 service.

988 **5.09 ABANDONED WASTE CLEANUP COLLECTION SERVICE**

989 Contractor shall provide abandoned waste cleanup collection service within one (1)  
990 Business Day of being notified by Agency, SBWMA, Customer, or Contractor's vehicle  
991 drivers and route supervisors of the occurrence of abandoned waste or illegal dumping,  
992 at no additional cost to Agency or Customer. If a report of abandoned waste or illegal  
993 dumping is received by Contractor from a party other than Agency, Contractor shall  
994 notify Agency of the reported location within one (1) Business Day and shall notify  
995 Agency of the estimated or actual time Contractor Collected the material or will Collect  
996 the material. This service shall require Contractor to Collect all abandoned or illegally  
997 dumped Solid Waste, Recyclable Materials and Organic Materials. This service does  
998 not include Collection of litter or litter abatement activities.

999 For abandoned Recyclable Materials, Organic Materials, and Solid Waste, Contractor  
00 shall dispatch its regular route drivers to provide Collection service. For Bulky Items,  
1001 Contractor shall dispatch a flatbed truck to provide Collection service. For other items  
1002 including, but not limited to, Hazardous Waste, Household Hazardous Waste and  
1003 Sharps, Contractor shall promptly notify Agency.

1004 All abandoned or illegally dumped materials Collected by Contractor shall be transported  
1005 to the SRDC for processing, with the exception of scrap metal, and all related diversion  
1006 statistics will be included in the appropriate reports to the Agency for all materials  
1007 collected. Contractor shall be allowed to transport scrap metal directly to a licensed  
1008 scrap metal recycler. Contractor shall, to the greatest extent possible, deliver all  
1009 reusable non-metal abandoned waste items to organizations such as Society of St.  
1010 Vincent de Paul and Goodwill Industries, or other organizations as directed by Agency.

1011 **5.10 COATS FOR KIDS PROGRAM**

1012 If requested by Agency, Contractor shall implement a "Coats for Kids Program" annually  
1013 at no additional cost to Agency or Customers. The program shall consist of Contractor's  
1014 drivers Collecting coats from Customers on their route over a one (1) to two (2) week  
1015 period during the fall, as well as from Collection Containers placed by Contractor in  
1016 various public locations specified by Agency, such as libraries, City Hall and businesses.  
1017 The coats collected through this program will be sorted and laundered by Contractor,  
1018 and arrangements made by Contractor for distribution to a local non-profit organization,  
1019 such as the Family Services Agency. Prior to the implementation of the program,  
1020 Contractor shall present a detailed program plan to Agency for review and approval. All  
1021 related diversion statistics will be included in the appropriate reports to the Agency.

1022 **5.11 COMPOST GIVE-AWAY**

1023 Contractor will coordinate with the Agency to host "Bring Your Own Bucket" (BYOB)  
1024 giveaway of compost to residents. The BYOB compost giveaway will provide residents  
1025 with free compost to enrich their gardens while also educating residents on the benefits  
1026 of home composting. In addition, Contractor representatives will be on hand to  
1027 distribute recycling guides and other educational material promoting waste reduction  
1028 and recycling. Contractor is required to deliver to Agency thirty (30) cubic yards of  
1029 compost annually in one (1) or two (2) deliveries at no additional cost. Agency shall  
1030 provide Contractor ten (10) Business Days notice to deliver additional compost to  
1031 Agency and Contractor shall be entitled to increase Contractor's Compensation for the  
1032 Rate Year that the compost is delivered to Agency based on the costs specified in  
1033 Attachment Q.

1034 **5.12 FEE FOR SERVICE ON-CALL BULKY ITEM COLLECTION**

1035 In addition to collections provided under Section 5.05 and Section 5.06, Contractor shall  
1036 Collect Bulky Items from Single-Family, Multi-Family, and Commercial Customers and  
1037 Agency Facilities and shall charge Customers the Rate established by Agency, which  
1038 will cover the cost of service. The cost of service in 2011 is specified in Attachment Q.  
1039 Contractor will schedule fee for service On-Call Bulky Item Collection service on the  
1040 Customer's regularly scheduled Collection Day or a Business Day scheduled by  
1041 Contractor, no more than ten (10) Business Days after Customer's request. The fee for

1042 service On-Call Bulky Item Collection Service shall be limited to Collection of Bulky  
1043 Items, Major Appliances, and E-Scrap.

1044 When a Commercial Customer calls to request and schedule the collection of Bulky  
1045 Items, Contractor shall ask the caller to describe the items to be collected, and will  
1046 provide the caller with an estimate of the cost to provide the service, based on Rates  
1047 established by Agency.

1048 If Contractor determines that the volume of the described items can be accommodated  
1049 in a single load on a flatbed boom truck equipped with a hydraulic-lift tailgate, Contractor  
1050 shall instruct the caller to set out the items for pickup on the next regular Solid Waste  
1051 Collection Day at a location where Solid Waste Collection occurs for the Customer, or at  
1052 an alternative nearby location that avoids interference with regular Solid Waste,  
1053 Recyclable Materials, or Organic Materials Collection service.

1054 If Contractor determines the volume of the described items cannot be accommodated in  
1055 a single load on a flatbed boom truck, Contractor shall schedule a site visit and meet  
1056 with the Customer within five (5) Business Days to: (1) develop a plan for the most  
1057 effective mode and location for Collection service, and (2) schedule the Collection  
1058 service event.

1059 **5.13 COMMUNITY DROP-OFF EVENTS**

1060 Upon request by Agency, Contractor shall hold drop-off events at a location selected by  
1061 the Agency to allow Residential Customers to drop off acceptable materials. Acceptable  
1062 materials, which shall be determined by the Agency, may include one or more of the  
1063 following: E-Scrap, Universal Waste, Recyclable Materials, Organic Materials, and  
1064 Solid Waste.

1065 A. General Requirements. Contractor shall promote, manage, staff, and operate  
1066 drop-off event(s) for Residential Customers scheduled for one (1) weekend Day  
1067 (i.e., Saturday or Sunday) or two (2) consecutive weekend Days upon request from  
1068 Agency.

1069 The Agency shall approve the date of the drop-off event and all advertisements or  
1070 public announcements related to such event. Contractor shall promote the event  
1071 by preparing Billing inserts to be included in each Customer's Bill and by  
1072 advertising in a minimum of two local area newspapers as approved by the Agency.

1073 Contractor shall manage, staff, and supervise the event. Contractor shall provide  
1074 traffic control and signage; inspect materials delivered to the event; separate  
1075 materials; document each material type and quantity; transport Collected materials  
1076 to reuse, processing or Disposal locations; and clean up the location at the end of  
1077 the event.

1078 Contractor shall not charge Customers delivering materials to the event.

1079 B. Accepted Materials. Customers may deliver and Contractor shall accept Major  
1080 Appliances, Bulky Items, Source Separated Targeted Recyclable Materials, Source  
1081 Separated Organic Materials, tires (i.e., four (4) per Customer, removed from rims,  
1082 no commercial tires), clean unpainted wood, construction and demolition debris,  
1083 Universal Waste, E-Scrap and Solid Waste. Contractor shall be allowed to reject:  
1084 liquids or sludge; cement; dirt; asphalt; concrete; Hazardous Waste; or Infectious



- 1085 Waste. Contractor shall not establish a limit on the volume or weight of materials  
86 that a Customer may bring for Collection.
- 1087 C. Participants. Contractor shall verify Residents live in the Agency by reviewing a  
1088 driver's license or utility bill.
- 1089 D. Event Hours. Contractor shall accept materials from Residential Customers over  
1090 one (1) weekend Day (i.e., Saturday or Sunday) or two (2) consecutive weekend  
1091 Days from 8:00 a.m. to 5:00 p.m.
- 1092 E. Recycling and Reuse. Contractor shall Collect materials in a manner that  
1093 maximizes reuse, Recycling, composting, and diversion of materials from Disposal.  
1094 Contractor shall make reasonable efforts to ensure that diversion goals are met or  
1095 exceeded. Contractor shall separate Recyclable Materials and Organic Materials  
1096 and transport such materials to the Designated Transfer and Processing Facility or  
1097 an alternative processing site with advance authorization from Agency. Contractor  
1098 shall coordinate with re-use vendor(s) to have a representative present at the drop-  
1099 off event to accept donated clothes or other reusable items. Disposal of materials  
1100 shall be the Contractor's last option.
- 1101 F. Handling Major Appliances. Major Appliances shall be reused, Recycled, or  
1102 Disposed by Contractor in accordance with requirements of Applicable Law. Any  
1103 changes to such regulations made after the Effective Date shall be addressed as  
1104 though they are a Change in Law in accordance with Section 11.05.
- 1105 G. Scheduling Community Drop-Off Events. Upon request from Agency, Contractor  
1106 shall promote, manage, staff, and operate community drop-off events described in  
1107 this Section. If Agency exercises such right, it shall provide written notice to  
08 Contractor at least three (3) months before the first day of the requested drop-off  
109 event. The Contractor's Compensation attributable to Agency for such service  
1110 shall be based on Contractor's proposed cost, provided in Attachment Q.
- 1111 H. Confidential Document Destruction Service. If requested by Agency, Contractor  
1112 shall provide confidential document destruction service at the drop off event(s).  
1113 Contractor will provide adequate equipment and staffing necessary for the event  
1114 and shall ensure full destruction of confidential documents and other materials  
1115 delivered by Customers at the site of the event. This service will be provided by  
1116 Contractor at no additional cost to the Agency or Customers.

1117 **5.14 WEEK-LONG AGENCY-WIDE BULKY ITEMS COLLECTION SERVICE EVENT**

1118 Upon request by Agency, Contractor shall hold a one (1) week-long Agency-wide Bulky  
1119 Items Collection service event for Residential Customers. Agency shall select the dates  
1120 of the event and provide Contractor four (4) months notice to provide this service.  
1121 Contractor shall schedule these events for SBWMA Member Agencies on a first-come,  
1122 first-serve basis, such that Contractor shall not be required to provide more than one (1)  
1123 event any given week. The acceptable materials and participation requirements for the  
1124 week-long Agency-wide Bulky Items Collection service event shall be the same as  
1125 specified in section 5.05. Customers shall be provided this service on their regularly  
1126 scheduled Solid Waste Collection Day. Contractor shall be entitled to increase  
1127 Contractor's Compensation attributable to Agency pursuant to the costs specified in  
1128 Attachment Q for the Rate Year that this service is provided with its submittal of the  
1129 annual Application.

1130

**ARTICLE 6                      TRANSPORTATION**

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1131    **6.01    TRANSPORTATION OF COLLECTED MATERIALS**

1132                      Contractor shall transport and deliver all Solid Waste, Source Separated Targeted  
1133                      Recyclable Materials and Organic Materials Collected under this Agreement to the  
1134                      Designated Transfer and Processing Facility. Once Collected materials are deposited  
1135                      by Contractor at the Designated Transfer and Processing Facility, such materials shall  
1136                      become the property of SBWMA or Operator. The Contractor is not responsible for  
1137                      providing processing services except as provided in Section 6.04.

1138    **6.02    LIMITATIONS ON CONTAMINATION**

1139                      A.        **General.** The Agency is required by the Act and implementing regulations to  
1140                      divert a substantial portion of Solid Waste generated by residents, businesses  
1141                      and institutions within its Service Area from disposal at a landfill. In order to  
1142                      accomplish this, the Agency, through the SBWMA, is making a major investment  
1143                      in new recycling equipment and facilities at the Shoreway Recycling and  
1144                      Disposal Center. In order for that equipment to operate efficiently, the amount of  
1145                      Contamination in loads of Recyclable Materials, Organic Materials and Plant  
1146                      Materials delivered to the Shoreway Recycling and Disposal Center must be  
1147                      limited to specific levels. Moreover, higher levels of Contamination can make  
1148                      processed Recyclable Materials unmarketable or substantially reduce the price  
1149                      that purchasers are willing to pay. The cost that the SBWMA must charge users  
1150                      of the Shoreway Recycling and Disposal Center (including Agency) is directly  
1151                      affected by the amount of revenue generated by sales of Recyclable Materials  
1152                      processed by its Operator. Therefore, for both environmental and financial  
1153                      reasons, it is important that Contractor place a high priority on ensuring that  
1154                      Contamination in loads of Recyclable Materials, Plant Materials and Organic  
1155                      Materials delivered to the Shoreway Recycling and Disposal Center is minimized.  
1156                      Contractor shall work collaboratively with Agency and SBWMA to accomplish this  
1157                      and will implement the specific measures described in this Section and Section  
1158                      6.03.

1159                      B.        **Disincentive Payments Based on Quarterly Performance.** The maximum  
1160                      contamination levels for each category of Recyclable Materials, Plant Materials  
1161                      and Organic Materials are specified in Table 1

| <b>Table 1</b>  |  |
|---|--|
| <b>Material Category</b>                                      | <b>Maximum Contamination Level (% by weight)</b> |
| Commercial Source Separated or Targeted Recyclable Materials  | 8%   |
| MFD and Commercial Plant Materials                            | 5%   |
| Single-Family Organic Materials                               | 5%   |
| Commercial Organic Materials                                  | 10%  |
| Single-Family Targeted Recyclable Materials (Rate Year One)   | 20% <sup>1</sup>                                 |
| Single-Family Targeted Recyclable Materials (Years Two - Ten) | TBD <sup>2</sup>                                 |

1162 <sup>1</sup> Disincentives shall only be assessed for the last six (6) months of Rate Year  
 1163 One.

1164 <sup>2</sup> "TBD" means "to be determined" and shall equal the arithmetic average of the  
 1165 Measured Contamination Levels calculated for four (4) quarters of samples  
 1166 of Single-Family Targeted Recyclable Materials taken pursuant to  
 1167 Attachment E-2 during Rate Year One (2011).

1168 The Measured Contamination Level for each category will be determined through  
 1169 sampling of loads of Recyclable Materials, Organic Materials, and Plant Materials  
 1170 generated within the SBWMA Service Area and delivered to the Shoreway  
 1171 Recycling and Disposal Center. The methodology for sampling is set forth in  
 1172 Attachment E-2. For purposes of assessing performance disincentives, the  
 1173 Contamination Level of each material category shall be the arithmetic average of  
 1174 the Measured Contamination Level of the samples of such material category  
 1175 taken during each calendar quarter pursuant to Attachment E-2. Under no  
 1176 circumstances shall samples taken pursuant to Section 6.02.C be used for  
 1177 purposes of assessing performance disincentives.

1178 If the Measured Contamination Level for a material category in any quarter  
 1179 exceeds the applicable maximum Contamination Level in Table 1, Contractor  
 1180 shall be assessed disincentives in the amounts specified in Attachment I  
 1181 (Performance Incentives and Disincentives). Contractor shall remit  
 1182 Contamination-related disincentive payments to SBWMA quarterly, as provided  
 1183 in Section 9.06.

1184 No disincentive will be assessed for exceeding the maximum Contamination  
 1185 Level for Single Family Targeted Recyclable Materials during the first six (6)  
 1186 months of Rate Year One (2011).

1187 The maximum Contamination Level for Single-Family Targeted Recyclable  
 1188 Materials applicable during Rate Years Two (2012) through Ten (2020) shall be  
 1189 equal to the arithmetic average of the Measured Contamination Levels  
 1190 calculated for four (4) quarters of samples of Single-Family Targeted Recyclable  
 1191 Materials taken pursuant to Attachment E-2 during Rate Year One (2011). (As  
 1192 provided in Attachment E-2, twelve (12) such samples will be taken in each  
 1193 calendar quarter and forty eight (48) such samples will be taken each year,

1194 unless Contractor requests and pays for additional samples to be taken pursuant  
1195 to Attachment E-2, Section 3.)

1196 C. **Inspecting for Excessive Contamination in Single Loads of Recyclable**  
1197 **Materials.**

1198 The Operator will inspect loads of materials delivered to the Shoreway Recycling  
1199 and Disposal Center. The Operator may set aside for sampling (i) a load of  
1200 Source Separated or Targeted Recyclable Materials that appears to contain  
1201 more than fifteen percent (15%) contamination, and (ii) a load of Organic  
1202 Materials that appears to exceed the applicable maximum contamination level of  
1203 five percent (5%) or ten percent (10%).

1204 When setting aside a load for sampling, the Operator will document the truck  
1205 number, the date and time of delivery, and will take a photograph of the load.  
1206 The methodology for sampling of single loads is set forth in Attachment E-1.

1207 D. **Supplemental Processing Fee for Excessive Contamination in Salvageable**  
1208 **Single Loads of Recyclable Materials.**

1209 1. **Material Delivered to MRF.** If a load of Source Separated or Targeted  
1210 Recyclable Materials is determined based on testing pursuant to Section  
1211 6.02.C to contain contamination in excess of the levels specified in Table 2,  
1212 but is determined by Operator or SBWMA to be salvageable, Contractor will  
1213 be required to pay SBWMA a supplemental processing fee of \$25.00 per ton  
1214 for the tons exceeding the maximum contamination level.

1215 2. **Material Delivered to Transfer Station.** If a load of Organic Materials is  
1216 determined based on testing pursuant to Section 6.02.C to contain  
1217 contamination in excess of the levels specified in Table 1, but is determined  
1218 by Operator or SBWMA to be salvageable, Contractor will be required to pay  
1219 SBWMA a supplemental processing fee of \$7.00 per ton for the tons  
1220 exceeding the maximum contamination level.

| Table 2  |   |
|--|---|
| Material Category  | Maximum Contamination Level (% by Weight) |
| Commercial Source Separated or Targeted Recyclable Materials | 15%                                       |
| Single Family Targeted Recyclable Materials                  | 15%                                       |

1221 The supplemental processing fees for Source Separated or Targeted Recyclable  
1222 Materials and Organic Materials will be adjusted in subsequent years by the  
1223 same percentage that the MRF Processing Fee described in Section 7.03 of the  
1224 2009 agreement between SBWMA and South Bay Recycling LLC for operation  
1225 of the Shoreway Recycling and Disposal Center is adjusted each year.

1226 E. **Payment of Transportation and Disposal of Excessive Contamination in**  
1227 **Unsalvageable Single Loads.**

1228 1. **Material Delivered to the MRF.** If a load of Source Separated or Targeted  
1229 Recyclable Materials is determined based on testing pursuant to Section  
1230 6.02.C to contain contamination in excess of the levels specified in Table 2,

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and is determined by Operator or SBWMA to be unsalvageable (i.e., the entire load will be disposed of at the Designated Disposal Site), Contractor shall reimburse SBWMA for the cost of transportation and disposal of the weight of the load minus the weight of the maximum contamination level. For example, if the maximum contamination level is 15% and a 10 Ton load is determined to contain 30% Contamination, and is unsalvageable, the Contractor will be responsible for the cost of transportation and disposal of 8.5 Tons (e.g., 10 Tons x 85% = 8.5 Tons). The transportation cost shall be the Operator's then-current cost per Ton for delivery of loads of that material to the Designated Disposal Site. The disposal cost shall be the then-current cost per Ton at the Designated Disposal Site.

2. Material Delivered to the Transfer Station. If a load of Organic Materials is determined based on testing pursuant to Section 6.02.C to contain contamination in excess of the levels specified in Table 3, and is determined by Operator or SBWMA to be unsalvageable, (i.e., the entire load will be disposed of at the Designated Disposal Site), Contractor shall reimburse SBWMA for the cost of transportation and disposal of the weight of the load. The transportation cost shall be the Operator's then-current cost per Ton for delivery of loads of that material to the Designated Disposal Site. The disposal cost shall be the then-current cost per Ton at the Designated Disposal Site.

| Table 3                                     |   |
|---|---|
| Material Category                           | Maximum Contamination Level (% by Weight) |
| MFD and Commercial Plant Materials          | 5%  |
| Single Family Residential Organic Materials | 5%  |
| Commercial Organic Materials                | 10%                                       |

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F. Agency Directed Change in Controlling Contamination

If Agency requests or directs Contractor to reduce the number or frequency of non-collection notices, courtesy notices, non-collection events or public education and outreach activities described in Section 6.03 and sampling of individual loads from Agency pursuant to Section 6.02.C thereafter results in the imposition by SBWMA of supplemental processing fees under Section 6.02.D or transportation and disposal reimbursements under Section 6.02.E, Agency shall reimburse Contractor for such payments within thirty (30) days of receiving a request for reimbursement, together with supporting documentation (e.g., reports on sampling, and evidence of imposition of assessment by SBWMA and Contractor's payment to SBWMA).

If Agency has requested or directed Contractor to reduce the number or frequency of non-collection notices, courtesy notices, non-collection events, or public education and outreach activities described in Section 6.03, and Contractor is thereafter assessed disincentives under Section 6.02.B for exceeding a maximum contamination level on a quarterly basis, Agency shall reimburse Contractor for its proportional contribution to the excessive level of contamination. That proportional contribution shall be determined by

1270 extrapolating the results of single load sampling of Agency loads performed  
1271 under Section 6.02.C during the quarter in question to the total amount of  
1272 tonnage in the specific material category for which Contractor has been  
1273 assessed a disincentive. For example, samples of Commercial Recyclable  
1274 Materials delivered from Agency during a quarter average 10% Contamination  
1275 (i.e., in excess of the 8% maximum contamination level), the Agency will  
1276 reimburse Contractor for an amount calculated as follows:

1277  $[\$ \text{ per Ton disincentive payment}] \times [\text{total Tons of Commercial}$   
1278  $\text{Recyclable Material delivered from Agency during quarter}] \times 2\%$   
1279  $[10\% - 8\%]$

1280 Agency shall pay Contractor the amount due within thirty (30) days of receiving a  
1281 request for reimbursement, together with supporting documentation (e.g., reports  
1282 on sampling, reports on total tonnage of material in relevant category delivered  
1283 from Agency, and evidence of assessment of disincentive by SBWMA and  
1284 Contractor's payment to SBWMA).

### 1285 6.03 CONTRACTOR METHODS OF CONTROLLING CONTAMINATION

1286 A. **General.** Contractor shall assist in controlling Contamination levels by helping to  
1287 educate Customers on acceptable and non-acceptable materials, by monitoring  
1288 the contents of Collection Containers and by refusing to Collect Containers of  
1289 Targeted Recyclable Materials, Plant Materials and Organic Materials that  
1290 appear to exceed the maximum contamination levels in Section 6.02 Table 1, all  
1291 as and to the extent set forth in this Section 6.03.

1292 Drivers that dismount from Collection vehicles in order to empty Containers shall  
1293 lift the Container lid and observe the contents. If Contamination appears to be  
1294 present in excess of the applicable maximum contamination level, the driver will  
1295 not empty the Container, but will instead affix a "non-collection notice." The non-  
1296 collection notice shall (i) inform the Customer of the reason(s) for non-collection,  
1297 (ii) include the date and time the notice was left, and (iii) describe the premium  
1298 charge to Customer for Contractor to return and Collect the Container after  
1299 Customer removes the contamination. The driver will document the non-  
1300 collection event and a customer service representative will update the  
1301 Customer's computerized account record to note the event. Upon request from  
1302 Customer, Contractor shall Collect Carts that received non-collection notices  
1303 within one (1) Business Day of Customer's request if the request is made at least  
1304 two (2) Business Days prior to the regularly scheduled Collection day.  
1305 Contractor shall be entitled to compensation for the extra Collection service  
1306 event based on the costs specified in Attachment Q only if Contractor notifies  
1307 Customer of the premium charge for this service at the time the request is made  
1308 by Customer.

1309 Drivers providing automated collection service shall observe, via the hopper  
1310 video camera and monitor system, the contents of the Cart as it is being emptied  
1311 into the vehicle. If the driver observes Contamination in excess of the applicable  
1312 maximum contamination level, the driver shall affix a "courtesy notice" to the  
1313 emptied Cart. The courtesy notice shall (i) inform the Customer of the observed  
1314 presence of unacceptable levels of Contamination, (ii) include the date and time  
1315 the notice was left, (iii) describe the premium charge to Customer for Contractor

1316 to return and Collect contaminated Containers after Customer removes the  
1317 contamination. The next day on which that Customer is to receive service, the  
1318 driver shall dismount the Collection vehicle, lift the lid of the Cart and visually  
1319 inspect the contents. If the driver determines that the Cart again contains excess  
1320 Contamination, the Cart will not be collected. Instead, the driver will record the  
1321 non-collection event in the on-board computer system and shall affix a non-  
1322 collection notice to the Cart.

1323 If a driver observes Hazardous Materials in an uncollected Container, the driver  
1324 shall record that observation in the on-board computer system and also inform  
1325 the route supervisor. The route supervisor shall investigate and initiate  
1326 applicable action within one (1) Business Day.

1327 Whenever a Container at a Commercial or a Multi-Family Dwelling complex  
1328 Customer is not collected, Contractor shall contact the Customer on the  
1329 scheduled Collection Day by telephone to explain why the Container was not  
1330 collected. Whenever a Container is not Collected because of excess  
1331 Contamination, a customer representative will contact the Customer to discuss,  
1332 and encourage the Customer to adopt, proper materials-preparation and  
1333 separation procedures.

1334 B. **Periodic Route Audits.** Contractor shall conduct a route audit of any route from  
1335 which two (2) or more loads are found based on testing pursuant to Section  
1336 6.02.C to exceed the applicable maximum contamination levels set forth in  
1337 Section 6.02 Table 1 during any thirty (30) day period, as well as any other route  
1338 whose loads consistently exceed the maximum contamination levels.

1339 When a route is identified as requiring a route audit, Contractor will provide a  
1340 route auditor to precede the Collection vehicle and physically examine the  
1341 contents of each Container or Cart prior to emptying. The route auditor shall  
1342 affix non-collection notices to at least ninety percent (90%) of all Containers that  
1343 contain Contamination in excess of applicable maximum contamination levels.

1344 Contractor shall submit a monthly route audit report within five (5) Business Days  
1345 after the end of each route audit that has been conducted during the previous  
1346 month. The report shall describe in detail Contractor's conduct of the audit, as  
1347 well as the public education and outreach activities that it employed to encourage  
1348 and facilitate changes in Customer behavior that will reduce Customers  
1349 discarding Contamination in Containers designated for Recyclable Materials or  
1350 Organic Materials.

1351 The audit of a route shall continue for a period of four (4) consecutive weeks  
1352 after the route has been identified as requiring an audit under the first paragraph  
1353 of this Section 6.03.B.

#### 1354 **6.04 PROCESSING OF OTHER MATERIALS**

1355 Upon request by Agency, and with the prior approval of SBWMA, the Contractor shall be  
1356 responsible for, or shall arrange for, processing, Recycling, and/or reuse of Bulky Items,  
1357 Major Appliances, and Specialty Recyclable or Reusable Materials (excluding  
1358 Construction and Demolition Debris) Collected pursuant to this Agreement.

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ARTICLE 7 OTHER SERVICES

1360 7.01 CUSTOMER BILLING

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A. **Billing.** Contractor shall prepare and mail Bills for services provided by Contractor and shall collect Customer payments.

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1. Frequency. Contractor shall Bill Single-Family Customers quarterly in amounts equal to the Rate for service for a three (3) month period (i.e., using a quarterly format), unless the Agency requests a more frequent Billing interval in which case the Contractor shall be entitled to a reasonable adjustment in its compensation related to the additional costs for the Agency-directed change in billing frequency. Contractor shall issue Single-Family Residential Bills three (3) months in advance in a manner such that one-third (1/3) of SFD Customers are Billed each month. Contractor shall bill Multi-Family Dwelling and Commercial Customers monthly in arrears in the amount equal to Customers' subscribed Rate for service for a one (1) month period.

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2. Automated Billing and Payment. In an effort to reduce paper waste, Contractor shall make available to all Customers an automated Billing and payment system. This system should be website-based and allow Customers to view and pay Bills through Contractor's website. Through the Contractor's website, Customers may request to cease paper Billing and receive all bills through e-mail and/or Contractor's website. Contractor will ensure that the electronic Billing and payment website conforms to industry-standard practices for electronic commerce security. However, Contractor must ensure that these Customers are compiled in a list to ensure that Billing inserts are mailed directly.

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3. Bill Format. Contractor shall Bill Customers using a Bill format (i.e., post-card Billing format or conventional envelope/insert) approved by the Agency, if Customer does not opt-out by requesting use of the automated Billing and payment system. Contractor shall promote the website-based Billing and payment system on all paper Bills sent to Customers. Agency shall have the right to revise the Billing format (e.g., size, font, frequency, etc.) and to itemize certain charges and to review the Billing procedures. Contractor shall be compensated for any cost increases that result from the Agency-directed change to the Billing format.

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4. Records. Contractor shall maintain, for inspection by the Agency, copies of Customer Billings and receipts, in chronological order, for a period of five (5) years after the date of service. Contractor shall maintain those records in electronic format. SBWMA and Agency staff or representatives shall be given access to such records upon one (1) Business Day notice.

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Agency shall be allowed to access and review Contractor's Billing systems on an appointment basis and such access shall not be unreasonably withheld by Contractor.

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5. Rates. Agency shall establish, by resolution, Rates for the types of service provided as described in Section 11.07. Contractor shall Bill and collect at those Rates.

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6. Service Stops. Contractor shall allow Customers to suspend service and Billings when the Premises are unoccupied. Single-Family Residential



- 1405 Customers may suspend service for a minimum of one (1) Service Day on a  
1406 maximum of three (3) occasions each Rate Year. Commercial Customers may  
1407 suspend service for a minimum of two (2) Service Days on a maximum of six  
1408 (6) occasions each Rate Year. Multi-Family Customers may not suspend  
1409 service without prior written approval from Agency. The Billings for both  
1410 Residential and Commercial Customers shall be prorated by Contractor in  
1411 accordance with Customer's requests to suspend service.
- 1412 B. **Delinquent Payment.** Residential Customers will be considered delinquent sixty  
1413 (60) Days after start of the quarter in which the services are provided and Multi-  
1414 Family Dwelling and Commercial Customers will be considered delinquent thirty  
1415 (30) Days after payment is due. Contractor shall address the issue of delinquent  
1416 payment as specified in Attachment H.
- 1417 C. **Local Office.** Contractor shall maintain a local office in the Shoreway Recycling  
1418 and Disposal Center for acceptance of in-person payment of bills. At the local  
1419 office, Contractor shall accept as payment personal checks, money orders,  
1420 cashiers checks, and credit cards. The local office shall be open for business from  
1421 8:00 a.m. until 5:00 p.m. Monday through Friday, exclusive of Holidays.
- 1422 D. **Contractor Revenue Collection.** Contractor shall collect revenue for services  
1423 described herein on behalf of the Agency. Revenues collected on behalf of the  
1424 Agency or SBWMA shall be handled as described in Article 11 of this Agreement.
- 1425 E. **Review of Billings.** Contractor shall review its Billings to Customers, issued  
1426 pursuant to Section 7.01.A. The purpose of the review is to determine that the  
1427 amount which Contractor is Billing each Customer is correct in terms of the level of  
1428 service (i.e., frequency of Collection, size of Container, location of Container) being  
1429 provided to such Customer by Contractor. Contractor shall review Customer  
1430 accounts not less than once every three (3) calendar years for each Commercial,  
1431 Multi-Family Dwelling and SFD Customer, unless Agency shall direct Contractor to  
1432 do so more frequently. Contractor shall submit to Agency a written report of the  
1433 status of its review annually no later than forty-five (45) Days after the end of each  
1434 calendar year. The intent of this Section is for Agency to receive reports on an  
1435 annual basis for one-third (1/3) of all Customer accounts, and for all Customer  
1436 accounts to be reviewed every third year of the Agreement. The scope of the  
1437 review and the reviewer's work plan shall be submitted to Agency for approval no  
1438 later than six (6) months before the submission of the first report.
- 1439 F. **Agency or SBWMA Billing Review.** Contractor acknowledges that Agency or  
1440 SBWMA may perform, or cause to be performed, Billing reviews periodically.  
1441 Contractor agrees to participate and cooperate with SBWMA and Agency and its  
1442 agents to accomplish these reviews and conduct any data collection and report  
1443 preparation that may be requested. The Contractor's full cooperation with these  
1444 reviews may include, but is not limited to: (i) allowing Agency or SBWMA staff or  
1445 consultants to ride along with drivers in Collection vehicles during daily Collection  
1446 operations; (ii) providing for interviews of personnel at all levels, with or without  
1447 management oversight; (iii) providing reporting related to franchised operations  
1448 available through Contractor's automated systems; and, (iv) adjusting routing,  
1449 public information, outreach, or program availability based upon the  
1450 recommendations of the audit, if approved by the SBWMA or Agency.
- 1451 G. **Privacy of Customer Information.** Contractor shall not distribute or sell  
1452 Customer, Owner, or Occupant information such as names, addresses, and

1453 telephone numbers to other Persons with the exception of distribution to the  
1454 Agency, SBWMA, or its agents for reporting and contract compliance purposes and  
1455 distribution to Contractor's Billing agent (if Contractor uses a Related Party Entity or  
1456 Subcontractor for Billing purposes).

1457 **7.02 CUSTOMER SERVICE**

1458 Contractor is responsible for ensuring that all staff and Customer Service  
1459 representatives (CSR) maintain a professional and courteous demeanor when in contact  
1460 with Agency, SBWMA and the public. Contractor shall be responsible for all employee  
1461 interactions with Customers, SBWMA, and Agency staff. Contractor is required to  
1462 ensure that its Customers are consistently treated courteously and are presented with  
1463 timely, responsive and thorough solutions to problems and requests for information.  
1464 Contractor shall meet monthly to discuss compliance with the Customer Service  
1465 standards described herein if requested by Agency.

1466 **A. Local Office**

1467 Contractor shall operate a local office at the Shoreway Recycling and Disposal  
1468 Center, located at 225 Shoreway Road, San Carlos. Office hours shall be at a  
1469 minimum, from 8:00 a.m. to 5:00 p.m., Monday through Friday, exclusive of  
1470 Holidays. Contractor shall be responsible for ensuring that a qualified  
1471 representative is available at the local office during office hours to communicate  
1472 with the public and accept Bill payments from Customers. Contractor shall offer bi-  
1473 lingual customer service at the local office by employing CSR's with English and  
1474 Spanish language capabilities. The local office and customer service telephone  
1475 number(s) shall either be a local or toll free call.

1476 Contractor's telephone system shall adequately handle the volume of calls typically  
1477 experienced on the busiest days. Contractor shall have a company representative,  
1478 an answering service, or voice-mail system available for calls received during non-  
1479 business hours and Holidays.

1480 Contractor shall employ sufficient customer service staff and management  
1481 practices to ensure that the Average Speed of Answer is equal to or less than thirty  
1482 (30) seconds and the maximum Hold Time is ninety (90) seconds or less.

1483 Contractor will be required to track all informational requests so that appropriate  
1484 public outreach materials can be designed to target commonly asked questions.  
1485 Contractor shall be responsible for promoting use of the Contractor's website for  
1486 scheduling of On-Call Collection Service events and obtaining answers related to  
1487 common informational requests through: (i) public education and promotion  
1488 materials; and (ii) a recorded message Customers will hear while on-hold with the  
1489 customer service department.

1490 Contractor shall maintain and publicize an e-mail address whereby Customers can  
1491 communicate with the Contractor's customer service staff. Contractor shall monitor  
1492 the email at least once per Business Day, and ensure that a twenty-four (24) hour  
1493 response time is maintained.

1494 **B. Customer Service Call Center and Staffing**

1495 Contractor is required to operate a Customer service call center that will serve as  
1496 the primary telephone point of contact and information for all services. The  
1497 Customer service call center hotline is required to be staffed live during regular

1498 business hours (i.e., Monday through Friday 8:00 a.m. to 5:00 p.m.) by sixteen (16)  
1499 customer service representatives (includes one (1) receptionist who performs  
1500 customer service activities). In addition, the Customer service call center will offer  
1501 multi-lingual Customer service by employing a minimum of two (2) bilingual  
1502 customer service representatives with English and Spanish language capabilities,  
1503 and contracting with a service to provide bilingual capacity for other languages  
1504 including Cantonese, Mandarin, and Vietnamese. Contractor shall provide  
1505 immediate access to interpreters for over one-hundred and seventy-five (175)  
1506 languages through the use of Language Line service, or a similar service.

1507 **C. Website**

1508 Contractor shall maintain and publicize an up-to-date website whereby Customers  
1509 can conduct business with Contractor in both English and Spanish. Contractor is  
1510 required to update the Website monthly, and more frequently if necessary. At a  
1511 minimum, the website shall:

- 1512 1. Allow Customers to view and pay Bills issued by Contractor, as required in  
1513 Section 7.01;
- 1514 2. Allow Customers to schedule services Including On-Call Collection service  
1515 events, On-Call Bulky Item Collections, extra Collections, service changes,  
1516 temporary Drop Box service, service terminations, and service stops;
- 1517 3. Provide answers to frequently asked questions Including: proper Container set-  
1518 out instructions; list of acceptable Recyclable and Organic Materials; Collection  
1519 Days (in response to Customer input of service address); Billing issues,  
1520 customer service telephone and e-mail contact information; and the  
1521 Designated Transfer and Processing Site hours, directions, and acceptable  
1522 materials;
- 1523 4. Provide complete list of Agency-approved Rates for all Customers;
- 1524 5. Allow Customers to file Complaints and receive from Contractor e-mail  
1525 responses to Complaints;
- 1526 6. Provide a link to enable Customers to email Contractor; and
- 1527 7. Maintain and produce visitor logs and reporting Including website and  
1528 individual page visitation, number of web-based Bill payments per month,  
1529 number of website-submitted Complaints per month, and individual and  
1530 summary Customer Complaint and resolution reporting.

1531 **D. Customer Information System Requirements**

1532 Contractor is required to use a Customer information system with software  
1533 applications capable of documenting all correspondence and conversations,  
1534 pertaining to the services specified herein, between Contractor, Customers,  
1535 Occupants, Agency and SBWMA. The system shall include, at a minimum, the  
1536 following data fields:

- 1537 1. Date and time of Customer correspondence or contact with Contractor (e.g.,  
1538 phone call, email)
- 1539 2. Date and time response was provided
- 1540 3. Date and time resolution was provided

- 1541 4. Customer's name and contact information (multiple phone numbers and email  
1542 addresses)  
1543 5. Account address  
1544 6. Service address  
1545 7. Occupant address  
1546 8. Service location information including:  
1547 a. Number of units  
1548 b. Number, size and type of Solid Waste, Organic Materials, and Targeted  
1549 Recyclable Materials Containers  
1550 c. Collection Service Day  
1551 d. Route number  
1552 e. Backyard service status  
1553 f. Special Handling Service status  
1554 g. Bulky Item Collection history (e.g., number of annual services  
1555 performed, date requested, date provided)  
1556 9. Service issue, Complaint or Inquiry  
1557 10. Time frame stipulated for Contractor to resolve issue  
1558 11. Description of Contractor's resolution of service issue or Complaint, or  
1559 response to Inquiry  
1560 12. Date and time that Contractor's resolution took place  
1561 13. CSR or Contractor's employee identification code of employee inputting the  
1562 Complaint or inquiry  
1563 14. CSR or Contractor's employee identification code of employee inputting the  
1564 resolution

1565 The system shall be capable of:

- 1566 1. Providing real-time access to complete Customer contact history from the  
1567 commencement of service in 2011;  
1568 2. Providing Agency and SBWMA the capacity to submit work orders (e.g.,  
1569 specifying the Inquiry, Complaint or request for service) electronically directly  
1570 to Contractor using Contractor's web-based software.  
1571 3. Documenting non-Collection events including problem description and  
1572 resolution;  
1573 4. Tracking non-Collection events necessary to fulfill the requirements in Section  
1574 8.02(F); and  
1575 5. Fulfilling Customer service reporting requirements as specified in Article 9.

- 1576 E. **Monthly Meetings with Agency.** If requested, Contractor shall meet monthly with  
1577 Agency to discuss compliance with the Customer service standards specified in this  
1578 Section 7.02, Attachment I (Performance Incentives and Disincentives) and  
1579 Attachment J (Liquidated Damages).
- 1580 F. **Quality Assurance Program.** Each month Contractor's customer service  
1581 representatives will contact by telephone a minimum of two-hundred (200)  
1582 Customers within the SBWMA Service Area to inquire about their satisfaction with  
1583 Contractor's Collection services. The Customers contacted will be (i) representative

1584 of different Service Sectors, (ii) distributed among Member Agencies, and (iii)  
1585 randomly selected. Customer service representatives shall ask about (i)  
1586 Customers' satisfaction with Solid Waste and Recyclable Materials Collection  
1587 services, (ii) the number of Collection Containers the Customer has and the  
1588 frequency of collections, in order to ensure that the Customer has subscribed to the  
1589 appropriate level of Collection service, and (iii) Customer's suggestions for  
1590 opportunities to improve service. The quality assurance program reporting  
1591 requirements are specified in subsection 9.05.G.

1592 G. **Preprogrammed Call Transfer.** Contractor shall maintain the ability to provide  
1593 preprogrammed call transfer service to Agency. With this communications feature  
1594 in place, when a Customer calls Contractor about an issue or concern that pertains  
1595 to Agency but is not related to Collection services provided by Contractor,  
1596 Contractor shall immediately transfer the phone call to the offices of Agency  
1597 through a dedicated telephone line designated by Agency. The call transfer shall  
1598 be seamless, and appear to the Customer as if Contractor were transferring the  
1599 call internally.

1600 J. **Customer Service Operations Plan.** Contractor shall annually submit its  
1601 Customer service operations plan. The Customer service operations plan shall  
1602 describe how Contractor uses its Norcal or Recology customer relationship  
1603 management system (NCRM), linked to on-board GPS tracking system, to share  
1604 real-time information between Customers, drivers, customer service  
1605 representatives, managers, and SBWMA and Agency staff. The plan will provide  
1606 details on how Contractor automatically detects and records information on each  
1607 Customer pickup, real-time transmission of service extras, blocked cars, safety  
1608 notes, and exceptions to service.

### 1609 7.03 PUBLIC EDUCATION AND PROMOTION

1610 Contractor and Agency agree that all public education activities will be a collaborative  
1611 effort among the SBWMA, Agency, and Contractor. Contractor shall be responsible for  
1612 ensuring that its Customers consistently receive a high level of service and  
1613 responsiveness.

1614 A. **General.** Contractor acknowledges and agrees that education and public  
1615 awareness are critical and essential elements of any effort to achieve diversion.  
1616 Contractor shall educate Residential and Commercial Customers on the following:  
1617 (i) the benefits of source reduction, reuse, Recycling, and Composting and related  
1618 program opportunities; (ii) proper handling of Hazardous Waste; (iii) specific  
1619 services offered by the Contractor; and (iv) Rates for Collection services. The  
1620 public education program shall include distribution of public education materials at  
1621 the commencement of the Agreement; when Collection services are changed  
1622 during the Term; and when new Collection services are implemented during the  
1623 Term. In addition, the public education program shall include on-going education  
1624 activities throughout the Term. Educational materials that Contractor must pay for,  
1625 produce and distribute shall include, but not be limited to, those listed in Section  
1626 7.03 (E).

1627 B. **Annual Public Education Plan.** On or before September 1 of each Rate Year,  
1628 Contractor shall submit to Agency and SBWMA a public education plan outlining its  
1629 public education activities for the coming Rate Year. Agency and SBWMA shall

1630 review and approve the plan or request modifications to the plan by October 1.  
1631 Contractor shall revise and resubmit the plan to Agency and SBWMA by October  
1632 15. If Agency and SBWMA determine the plan has not been adequately revised,  
1633 Contractor shall ensure its public education manager is available to meet and  
1634 confer with Agency and SBWMA to ensure the plan is finalized by November 1.  
1635 The plan shall list each public education piece or activity (e.g., newsletters, Bill  
1636 inserts, flyers, newspaper advertisements, website enhancements, etc.) to be  
1637 prepared, the purpose of the piece, the key subject(s) to be covered, and the  
1638 anticipated date of issuance. In addition, the plan shall list all Events the Contractor  
1639 plans to attend and the public education it intends to provide (e.g., exhibit at Earth  
1640 Day Event, Chamber of Commerce meetings, etc.). During the Rate Year,  
1641 Contractor shall complete all elements and tasks specified in the annual public  
1642 education plan in accordance with the schedule presented in the plan unless the  
1643 Agency or, SBWMA has provided written approval to waive or postpone a  
1644 requirement.

1645 **C. Content and Production Requirements.** Prior to preparing public education  
1646 materials, Contractor shall discuss with the Agency and SBWMA its general  
1647 approach to preparing the materials and shall determine if the Agency has any  
1648 Agency-specific guidelines to be followed and if the Agency wants the Contractor to  
1649 work with templates prepared by SBWMA or others.

1650 The public education materials shall emphasize use of visual/graphic images as  
1651 much as practical. Furthermore, the materials shall include a clear listing of  
1652 program participation parameters and targeted materials.

1653 All public education materials shall be printed on paper containing the highest levels  
1654 of recycled-content material reasonably practical.

1655 The Contractor shall develop a multi-lingual approach to preparing all public  
1656 education materials, and all public education materials shall be provided in both  
1657 English and Spanish.

1658 **D. SBWMA and Agency Responsibilities**

1659 SBWMA shall take primary responsibility for implementation of the public education  
1660 and outreach campaign that will be used to announce changes in collection  
1661 services. SBWMA will fund the new services kick-off public education campaign.  
1662 Development of the public education and promotion strategy and implementation  
1663 schedule will be a collaborative process among Contractor, SBWMA, and Agency.

1664 The SBWMA and Agency's responsibilities with regard to public education and  
1665 promotion activities shall include, but not be limited to, the following:

- 1666 1. Provision of public education to SFD, MFD, Commercial and Agency Facility  
1667 Customers with a broad focus on waste prevention, reuse, and Recycling.
- 1668 2. Preparation and distribution of a quarterly newsletter for all SFD and MFD  
1669 Occupants.
- 1670 3. Preparation and distribution of Multi-Family Dwelling toolkits for MFD complex  
1671 Owners and managers.
- 1672 4. Purchase of desk-side and other interior Targeted Recyclable Materials and  
1673 Organic Materials receptacles for Commercial Customers.
- 1674 5. Purchase of Recycling Tote-Bags for distribution to MFD complexes.

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6. Preparation and distribution of an electronic newsletter for the Commercial sector and MFD complex managers.
  7. Preparation and provision of outreach materials to schools.
  8. Development and maintenance of SBWMA website.
  9. Production of decals for Used Motor Oil jugs.
  10. Upon request from Agency, produce Household Battery and Cell Phone Recycling bags.

1682 **E. Contractor Responsibilities**

1683 Contractor will be required to provide the following services:

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1. Distribute public education and promotion materials during roll-out of the new Collection services program. This will entail distributing program literature and other promotional items with delivery of the Carts, Kitchen Pails and Bins to all Customers at inception of the new program.
  2. Actively collaborate with Agency and SBWMA on the public education strategy and development of materials to support roll-out of new Collection services.
  3. Distribute public education and promotion materials to new Customers during the Term.
  4. Provide public education door hangers, posters and other promotional materials to Multi-Family Dwelling Customers at inception of new services and during the Term.
  5. Deliver Recycling Tote-Bags to MFD complexes.
  6. Deliver desk-side and other interior Targeted Recyclable Materials and Organic Materials receptacles for Commercial Customers and Agency Facilities.
  7. Produce and deliver non-collection notices. The format and content of the non-collection notices must be approved in advance by Agency and SBWMA.
  8. Produce and affix Targeted Recyclable Materials, Organic Materials and Solid Waste cart hangers to corresponding Carts. The format and content of the cart hangers must be approved in advance by Agency and SBWMA.
  9. Affix Used Motor Oil Recycling decals to jugs for inclusion in Used Motor Oil Recycling kits.
  10. Assemble and deliver Used Motor Oil Recycling kits upon request from SFD Customers. Kits must be provided to Customer within five (5) Business Days of Customer request.
  11. If approved by Agency, deliver Household Battery and Cell Phone Recycling bags upon request from Customers. Bags must be provided to Customer within five (5) Business Days of Customer request.
  12. Staff a booth at local public events and distribute promotional and educational materials.
  13. Arrange student tours at the SRDC (in coordination with Operator); make classroom presentations upon request; provide school activities for students about the 4Rs; and provide "rainy day" DVDs to schools that educate children about waste reduction and preserving the environment.
  14. Conduct presentations at community meetings, service clubs, senior centers and neighborhood associations.

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15. Promote recycling and organics collection programs on the sides of Collection and Route Supervisors' vehicles. These advertising campaigns must be approved in advance by Agency and SBWMA.
  16. Each Rate Year insert with its bills, up to twelve (12) Solid Waste Bill inserts produced by SBWMA or Agency. A total of nine (9) Bill inserts are specified below.

If Agency has specified a post card Bill format, the notices described as "Bill inserts" shall be separately mailed by Contractor. In addition, if Bills (in whatever format) are mailed at intervals that do not accommodate the timely distribution of the specified notices, notices will be separately mailed as necessary by Contractor.
  17. Each Rate Year Contractor shall develop, produce and distribute the following public education and promotion materials:
    - a. Annual On-Call Collection Services Collection notice (one (1) SFD Solid Waste Bill insert).
    - b. Annual Holiday Tree Recycling notice (separate for SFD and MFD - two (2) Solid Waste Bill inserts).
    - c. Annual "Reduce Holiday Packaging" notice (one (1) SFD and MFD Solid Waste Bill insert).
    - d. Twice annual compost giveaway notice (two (2) SFD and MFD Solid Waste Bill inserts).
    - e. Twice annual Commercial Recycling notice (two (2) Commercial Solid Waste Bill inserts).
    - f. Annual Commercial Recycling awards notice (one (1) Commercial Solid Waste Bill insert).
    - g. Non-collection notice (set-out correction notice)..
  18. Contractor's outreach and education material will place a strong emphasis on Recycling and reuse, encouraging Customers to take advantage of donation opportunities offered by local non-profit organizations such as the Society of St. Vincent de Paul, Goodwill Industries, and the Salvation Army. In addition, Contractor will promote other resources for reuse, such as the Freecycle Network™ an online resource for the free and local exchange of goods, the Resource Area for Teachers (RAFT), local schools, and other community organizations that are in need of reusable goods.
  19. Contractor shall develop and distribute to all Customers a professionally produced DVD. Contractor shall work collaboratively with the SBWMA to produce a DVD using local settings, that illustrates and explains the Recyclable Materials, Organic Materials and Solid Waste Collection services provided by Contractor and Customer participation protocols and other pertinent sustainability-related information.
  20. Upon request by Agency, Contractor shall promote its services to Customers using Agency's email distribution list or an email distribution list authorized by Agency.



1762 **F. Staffing**  
1763 Contractor will have on staff a full-time management level employee who will serve  
1764 as the public education manager. Contractor must notify Agency and SBWMA  
1765 within two (2) Business Days if this individual resigns or is terminated from  
1766 employment. Contractor shall provide to Agency and SBWMA a current job  
1767 description and resume of the public education manager.

1768 **G. Meeting Requirements**  
1769 Upon request from Agency or SBWMA, the public education manager is required to  
1770 meet quarterly, and more frequently if necessary, with Agency and/or SBWMA staff  
1771 to review public education and promotion activities. In addition, the public education  
1772 manager will be required to represent Contractor at all monthly SBWMA Board of  
1773 Director meetings.

1774 **H. Agency Rights**  
1775 Contractor acknowledges that the public education and promotion activities listed  
1776 are critical to the success of Agency's diversion performance relative to the Act. As  
1777 such, Contractor acknowledges Agency's rights to the following:

- 1778 1. Contractor shall make available to Agency and SBWMA all public educational  
1779 materials used by Contractor, which Agency and SBWMA shall approve prior  
1780 to their use;
- 1781 2. Agency and SBWMA shall retain the right to modify, expand, or reduce the  
1782 minimum public education requirements;
- 1783 3. Agency may require Contractor to work with a public education consultant  
84 selected by Agency or the SBWMA;
- 1785 4. Agency may perform, or request that the SBWMA perform on its behalf, the  
1786 public education efforts assigned to the Contractor; and
- 1787 5. Agency or SBWMA may provide additional, supplemental public education  
1788 materials as it deems appropriate.

1789 **I. Reporting Requirements**  
1790 Contractor is required to prepare quarterly and annual public education activity  
1791 status reports. The annual reports will in part summarize the prior twelve (12)  
1792 months and also contain adjustments to current and ongoing event calendars.

1793 **J. Service Notice**  
1794 Contractor shall periodically prepare and distribute to each Customer a notice listing  
1795 Contractor's Rates for standard Collection services, Rates for other services,  
1796 annual Holiday schedule, and a general summary of services required under this  
1797 Agreement to be provided Customers and optional services which may be furnished  
1798 by Contractor. Such notice shall be approved by the Agency prior to distribution.

1799 **7.04 COMMERCIAL RECYCLING PROMOTION PROGRAM**

1800 **A. Commercial Recycling Promotion Program Staff.** Contractor shall maintain a  
1801 Commercial Recycling promotion program staff that will be primarily responsible for  
1802 supporting Commercial and Multi-Family Dwelling Accounts and Agency Facilities  
1803 Recycling-related Collection services. The Commercial Recycling promotion staff

1804 for the SBWMA Service Area shall consist of a minimum of the following full-time  
1805 staff: eight (8) "sales" representatives (recycling coordinators), two (2) diversion  
1806 auditors and one (1) supervisor (commercial recycling manager), as specified in  
1807 Attachment O.

1808 **B. Signs and Placards.** Contractor shall be responsible for preparing, distributing,  
1809 and posting signs at Commercial Collection Premises that promote Targeted  
1810 Recyclable Materials and Organic Materials Collection services, describe the  
1811 program requirements, and identify allowable and prohibited types of materials for  
1812 Collection. At a minimum, the signs or placards shall be durable and weather  
1813 resistant and affixed in the Container areas. Upon request from Customer,  
1814 Contractor shall provide signs and Container labeling in a second language such  
1815 as, but not limited to, Spanish. Within ten (10) Business Days of a Customer's  
1816 request, Contractor shall provide extra signs for use in areas such as employee  
1817 training areas, break rooms, kitchens, and janitorial areas at Commercial Premises.  
1818 The design of all signs and placards shall be approved by SBWMA prior to  
1819 distribution by Contractor.

1820 **C. Community Events.** At the direction of Agency or SBWMA, Contractor shall  
1821 participate in and promote diversion techniques at community events and local  
1822 activities. The events requiring Contractor assistance are not limited to the list of  
1823 Agency-sponsored or other events contained in Attachment C. Participation  
1824 includes providing educational and public outreach information and promotional  
1825 giveaways in an effort to promote the Agency's waste reduction and Recycling  
1826 program goals.

1827 **D. Notification to Commercial Customers.** Immediately upon request from a new or  
1828 current Customer for new or changes in service, Contractor shall notify Customer  
1829 by phone or email of the Targeted Recyclable Materials and Organic Materials  
1830 Collection services offered by Contractor. Such notification shall be provided in  
1831 English and Spanish and shall be provided prior to finalizing a Customer's request  
1832 for a subscription to new service(s).

1833 **E. Targeted Commercial Recycling Promotion.** Contractor shall provide full on-site  
1834 waste assessment and technical assistance to, at a minimum, one-hundred (100) of  
1835 Agency's largest Commercial Generators (based on weekly Solid Waste  
1836 generation) annually to assist in maximizing diversion. For all other Commercial  
1837 Generators, Contractor shall provide technical assistance as needed or requested  
1838 and visual on-site Collection Container assessments at least once every three (3)  
1839 years. Contractor shall document the site assessments, the date of the  
1840 assessment, the Person contacted, the Solid Waste, Source Separated or Targeted  
1841 Recyclable Materials, and Organic Materials service levels at the time of the  
1842 assessment, and recommended changes to service level(s). Contractor shall  
1843 submit results of site assessments monthly, or upon request, provide copies of  
1844 assessment data and recommendations for individual site assessments.

1845 **F. Enclosure Specifications.** Contractor shall work with the Agency to develop  
1846 standard specifications for Collection Container enclosures at Multi-Family  
1847 Residential Complexes and Commercial Premises to ensure that Container  
1848 enclosures have adequate space and suitable configuration to allow the Contractor  
1849 to safely and efficiently service the Containers. The enclosure specifications shall  
1850 require provision of adequate space for Solid Waste, Targeted Recyclable  
1851 Materials, and Organic Materials Collection Containers. Contractor shall provide

1852 the enclosure specifications to the Agency on or before the Effective Date and shall  
53 update as frequently as needed or as requested by Agency.

1854 G. **Plan Review.** Contractor shall review plans for land use or property developments,  
1855 upon request of the Agency, to assess the adequacy of Container enclosure space  
1856 allowances for Solid Waste, Recyclable Materials, and Organic Materials Collection  
1857 Containers and the accessibility of Containers by Collection vehicles. The  
1858 Contractor's review shall be completed by the Contractor's operations manager or  
1859 route supervisor within ten (10) Business Days of request by Agency and receipt of  
1860 the project design drawings. If site conditions warrant, the Contractor shall conduct  
1861 a site visit of the proposed property to complete its evaluation. The Contractor's  
1862 review shall be summarized in a letter report that states acceptability of the  
1863 proposed enclosure arrangements or notes specific changes that are required to  
1864 comply with the enclosure specification. The letter report shall be signed by the  
1865 Person that conducted the review on behalf of the Contractor. This review shall  
1866 include, but not be limited to:

1867 1. Adequacy of the Container enclosure space to store Containers for the  
1868 anticipated volume of Solid Waste, Targeted Recyclable Materials, and  
1869 Organic Materials generated by a development of the size and purpose  
1870 contemplated;

1871 2. Adequacy of Container enclosure space to store Containers for Solid Waste,  
1872 Targeted Recyclable Materials, and Organic Materials in a fashion that allows  
1873 for the greatest possible diversion of materials; and,

1874 3. Adequacy and accessibility of the Container enclosure space for Contractor to  
1875 safely and efficiently service all Containers in the contemplated service  
76 locations taking into account the dimensions of the enclosure space, the  
1877 access road dimensions, parking arrangements, pedestrian traffic, change in  
1878 elevation, other site considerations, and Collection vehicle capabilities.

1879 H. **Reporting.** Contractor shall prepare and submit reports related to the Commercial  
1880 Recycling promotion program as provided in Article 9.

1881 I. **Mandatory Commercial Recycling Assistance to Agency.** In the event Agency  
1882 adopts a policy or strategy to encourage or require Recycling at Commercial and  
1883 Multi-Family Dwelling Customers, Contractor shall assist Agency and SBWMA with  
1884 implementing the policy or strategy. Contractor shall be required to provide Agency  
1885 with prompt notification of Customers that do not comply with the policy or strategy  
1886 based on the observations of Contractor's employees. Contractor shall assist the  
1887 Agency and SBWMA with collecting related data from Commercial and Multi-Family  
1888 Dwelling Customers and facilitating outreach and education programs focusing on  
1889 encouraging participation by these Customers in the mandatory Recycling policy or  
1890 strategy. Upon request from Agency, Contractor shall modify its protocol regarding  
1891 use of non-collection notices pursuant to subsection 8.02.F to include Solid Waste  
1892 Containers, in order to assist with implementing Agency's mandatory Commercial  
1893 Recycling policy or strategy.

1894 **7.05 MULTI-FAMILY RECYCLING PROMOTION**

1895 A. **Multi-Family Dwelling Promotion.** Contractor shall provide adequate staff to  
1896 work directly with Owners or property managers of Multi-Family Residential  
897 Complexes to implement the Single-Stream Targeted Recyclable Materials

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Collection services and to assess Customer service needs at least annually for each Multi-Family Residential Complex. The Contractor's implementation activities shall include, but not be limited to, the following tasks for each Multi-Family Residential Complex that subscribes to Single-Stream Targeted Recyclable Materials Collection services:

1. Site Assessments. Contractor shall meet in person with Owner or property manager to explain the Single-Stream Targeted Recyclable Materials Collection program and conduct an on-site assessment of Multi-Family Residential Complexes containing twenty (20) or more Residential units to determine the appropriate number and type of Solid Waste and Recyclable Materials Containers and the frequency of Collection. Contractor shall provide Containers for Single-Stream Targeted Recyclable Materials or Source Separated Targeted Recyclable Materials such as newspaper, cardboard, mixed paper, glass, aluminum, etc. depending on the needs of the Multi-Family Residential Complex. If practical, Contractor shall locate the Solid Waste and Recyclable Materials Containers in the same area so tenants carry materials to one location. Contractor shall also offer Recyclable Materials Carts for use in the mail area of the Premises. The site assessment shall be conducted by Contractor when Targeted Recyclable Materials Collection services are initially provided at a Multi-Family Residential Complex, and once every three (3) years thereafter.
  2. Service Level Adjustments. Within five (5) Business Days of completing the site assessment or receiving a request from a Customer, Contractor shall adjust the Customer's service level by providing any Solid Waste or Recyclable Materials Containers needed for change in service, removing unneeded Containers, and revising the billing system to reflect the monthly Rate for the new service level. At the time new Containers are delivered or existing Containers are removed, the Contractor shall confirm that all Containers are properly labeled and shall provide public education signage for the Container areas and extra signs for public and common areas such as mail and laundry rooms, etc.
  3. Preparation and Distribution of Public Education Materials. Contractor shall provide Owner or property manager with education materials developed by Agency or SBWMA which describe the requirements of the Recyclable Materials Collection program, including flyers, door hangers and Recycling Tote-Bags for distribution to tenants, signage for common areas such as mail rooms and laundry rooms, and move-in kits for new tenants.
- B. **Notification to Multi-Family Dwelling Customers.** Upon request from a new or current Customer for new or changes in service, Contractor shall notify the Customer by mail of the Targeted Recyclable Materials and Organic Materials Collection services offered by Contractor. Such notification shall be provided in English and Spanish.
- C. **Signs and Placards.** Contractor shall be responsible for preparing, distributing, and posting signs and placards at Multi-Family Dwelling Premises that promote Targeted Recyclable Materials and Organic Materials Collection services, describe the program requirements, and identify allowable and prohibited types of materials for Collection. At a minimum, these signs shall be durable, weather resistant and posted in the Container areas. Upon request of the Customer, Contractor shall

1946 provide signage and Container labeling in a second language such as, but not  
47 limited to, Spanish. Within ten (10) Business Days of a Customer's request,  
1948 Contractor shall provide extra signage for use in areas such as laundry and mail  
1949 rooms at Multi-Family Residential Complexes. The design of all signs and placards  
1950 shall be approved by SBWMA prior to distribution by Contractor.

1951 **7.06 WASTE GENERATION/CHARACTERIZATION STUDIES**

1952 Contractor acknowledges that Agency may perform Solid Waste generation and  
1953 characterization studies periodically to determine the composition and contamination  
1954 levels of Collected materials. Contractor agrees to participate and cooperate with  
1955 SBWMA and Agency and its agents and to accomplish studies and data collection and  
1956 prepare reports, as needed, to determine weights and volumes of Solid Waste,  
1957 Targeted Recyclable Materials, Plant Materials and Organic Materials and characterize  
1958 materials generated, Disposed, transformed, diverted or otherwise handled/processed  
1959 to satisfy requirements of the Act. Contractor shall also facilitate visual audits of Multi-  
1960 Family Dwelling, Commercial and Agency Cart and Bin service accounts. The visual  
1961 audits will entail tipping the contents of Customers Container on the tipping floor at the  
1962 Designated Transfer and Processing Facility and visually observing and documenting  
1963 the contents (without pursuing a detailed weight-based characterization study). The  
1964 materials will then be processed at the Designated Transfer and Processing Facility.  
1965 Contractor will be required to facilitate said visual audits at the request of Agency;  
1966 however, the annual total quantity of requests for visual audits for each Service Sector  
1967 shall be limited to ten percent (10%) of the total number of accounts for each Service  
1968 Sector.

1969 The SBWMA will use the Contamination Measurement Procedures set forth in  
1970 Attachment E-1 and E-2, to determine the Contamination levels of single loads and  
1971 quarterly Contamination Levels, respectively, of Source Separated and Targeted  
1972 Recyclable Materials, Plant Materials and Organic Materials delivered to the Designated  
1973 Transfer and Processing Facility.

1974 **7.07 PROGRAM EVALUATION**

1975 The Agency may require the Contractor to periodically conduct audits of the Residential  
1976 and Commercial Solid Waste, Targeted Recyclable Materials, and Organic Materials  
1977 Collection programs to assess one (1) or more of the following performance indicators:  
1978 average volume of Targeted Recyclable Materials per set-out per Customer, average  
1979 volume of Organic Materials per set-out per Customer, participation level (i.e., number  
1980 of Customers setting out Containers per week), Contamination levels, etc. Contractor  
1981 shall perform up to five (5) Days of route auditing at no additional cost to the Agency or  
1982 Customers once per calendar year. Prior to the program evaluation audit, Agency and  
1983 Contractor shall meet and discuss the purpose of the audit and agree on the method,  
1984 scope, and data to be provided by the Contractor. If Agency requires more than five (5)  
1985 Days of auditing for the purposes of program evaluation, the activity shall be considered  
1986 an Agency-directed change in scope and handled in accordance with provisions in  
1987 Section 15.12.

1988 If the Contractor does not Collect Multi-Family Dwelling Solid Waste, Targeted  
1989 Recyclable Materials, and Organic Materials using dedicated Collection vehicles,  
1990 thereby precluding regular and accurate reporting of the Tonnage of Solid Waste,  
1991 Targeted Recyclable Materials, and Organic Materials Collected from Multi-Family  
1992 Residential Complexes, the Agency may require the Contractor to conduct a semi-

1993 annual or annual Tonnage assessment that involves separately Collecting, weighing,  
1994 and reporting Multi-Family Dwelling Solid Waste, Targeted Recyclable Materials, and  
1995 Organic Materials to quantify Tonnage Collected during a given week. This assessment  
1996 shall be performed by Contractor at no additional cost to the Agency or Customers.

1997 If the Agency wants to collect program data, perform field work, conduct route audits to  
1998 investigate Customer participation levels and set-out volumes, and/or evaluate and  
1999 monitor program results related to Solid Waste, Targeted Recyclable Materials, and  
2000 Organic Materials Collected in the Agency by the Contractor, the Contractor shall  
2001 cooperate with the Agency and its agent(s), which may include the SBWMA and its  
2002 consultants.

2003 **7.08 PROVISION OF EMERGENCY SERVICES**

2004 Contractor shall provide emergency services at the Agency's request in the event of  
2005 major accidents, disruptions, or natural calamities. Emergency services may include,  
2006 but are not limited to: assistance handling, salvaging, processing, composting, or  
2007 Recycling materials; or Disposing of Solid Waste following a major accident, disruption,  
2008 or natural calamity. Contractor shall be capable of providing emergency services within  
2009 twenty-four (24) hours of notification by the Agency or as soon thereafter as is  
2010 reasonably practical in light of the circumstances. Emergency services which exceed  
2011 the Contractor's obligations shall be compensated in accordance with Article 11. If  
2012 Contractor cannot provide the requested emergency services, the Agency shall have the  
2013 right to temporarily take possession of the Contractor's equipment for the purposes of  
2014 providing emergency services in accordance with Article 12.

2015 **7.09 MFD AND COMMERCIAL RECYCLING BLITZ**

2016 Contractor has developed a comprehensive early roll-out recycling promotion plan  
2017 (Recycling Blitz) that will target Multi-Family Dwelling and Commercial Customers over a  
2018 six (6) month period prior to the start of Collection Services on January 1, 2011.  
2019 Contractor shall offer to provide Single-Stream Targeted Materials Recycling Collection  
2020 Service to Multi-Family Dwelling and Commercial Customers that are currently receiving  
2021 limited or no recycling service. The promotional materials, messages and  
2022 communications used by Contractor to support Recycling Blitz activities shall be  
2023 developed collaboratively with the SBWMA and production of materials shall be paid for  
2024 by Contractor at no additional cost to Agency or SBWMA. All promotional materials used  
2025 by Contractor shall be authorized by the SBWMA.

2026 Contractor will form a Recycling Blitz team, utilizing resources from within the  
2027 Norcal/Recology organization, such as managers, recycling coordinators and  
2028 operational staff of other Norcal/Recology subsidiaries, who will be recruited in one (1)  
2029 to two (2) week assignments, to assist in this promotion campaign. The focus of the  
2030 Recycling Blitz program will be on Customers that are either not currently recycling, or  
2031 have only limited service. The Recycling Blitz team will work with Customers to expand  
2032 Collection of Targeted Recyclable Materials and make recommendations for reduced  
2033 Solid Waste Container sizes and/or frequency of Solid Waste Collection service.  
2034 Contractor shall work collaboratively with the SBWMA and the Agency's Previous  
2035 Contractor.

2036 Contractor projects that, as the result of undertaking this recycling promotion program, it  
37 will increase the volume of Targeted Recyclable Materials collected in the SBWMA  
2038 Service Area by 9,800 annual tons starting January 1, 2011.

2039 All Recycling tons Collected through the Recycling Blitz will be delivered by Contractor  
2040 to the SRDC or to an alternate Recycling processor approved by the SBWMA. All  
2041 revenue received by Contractor from an alternate recycling processor for Targeted  
2042 Recyclable Materials Collected during the Recycling Blitz will be remitted by Contractor  
2043 to the SBWMA. Contractor shall provide SBWMA with monthly tonnage reports of  
2044 materials Collected during the Recycling Blitz.

2045 **7.10 CARBON FOOTPRINT MEASURING**

2046 Contractor shall develop and submit to Agency and SBWMA an annual climate action  
2047 report. Contractor shall annually file its emissions data with the California Climate Action  
2048 Registry (CCAR). The annual climate action report shall be submitted with Contractor's  
2049 annual report. This report shall include: information on Contractor's emissions data filed  
2050 with CCAR; a description of Contractor's carbon footprint; and, a description of  
2051 Contractor's activities both planned and implemented to reduce its carbon footprint.

2052 **7.11 ENVIRONMENTAL MANAGEMENT PROGRAM**

2053 Contractor shall implement and maintain an environmental management program  
2054 combining several elements to minimize the environmental impacts of its operations in  
2055 the Service Area. Contractor shall provide upon request from Agency a description of  
2056 topics discussed at its bi-monthly environmental team roundtable and training program  
2057 meeting(s) and the semiannual corporate environmental compliance staff meetings.  
2058 Contractor shall provide Agency access to its "Norcal's Environmental and Safety  
2059 Tracking" (NEST) system upon request. Contractor shall provide Agency copies of its  
2060 internal environmental compliance audits, third-party audits and disposition of corrective  
2061 actions, within thirty (30) Days upon request from Agency.

2062 **7.12 ANNUAL ROUTE ASSESSMENT**

2063 Contractor shall conduct a route assessment of the Service Area each Rate Year. This  
2064 comprehensive route assessment shall require Contractor to assess all of its Solid  
2065 Waste, Targeted Recyclable Materials and Organic Materials Collection Customers over  
2066 a one (1) week period during the same month each year for the Term. The assessment  
2067 is intended to annually confirm and update Contractor's data related to Customer  
2068 accounts, service levels and operations, including, but not limited to: (i) number of  
2069 Accounts; (ii) Customer address; (iii) number and type of Containers at each Account;  
2070 and (iv) Collection frequency of each Container at each Account; (v) . Bin and Cart lifts;  
2071 (vi) Drop Box pulls; (vii) service stops; (viii) route hours per year; and (ix) tonnage  
2072 Collected. All service level information related to lifts and pulls will be derived in part  
2073 from Contractors database management system. All route labor hours shall be based  
2074 on total route hours for routes exclusive to each Agency and Tonnage information shall  
2075 be based on actual tons Collected. For routes that service more than one Agency, the  
2076 Tonnage Collected on these routes and total route hours shall be allocated to the  
2077 respective Agencies based on the type and number of accounts and service levels  
2078 attributable to each Agency.

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**ARTICLE 8**  
**REQUIREMENTS FOR OPERATIONS, EQUIPMENT, AND PERSONNEL**

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2081 **8.01 COLLECTION HOURS AND SCHEDULES**

2082 **A. Hours of Collection**

2083 1. Residential. Residential Solid Waste, Targeted Recyclable Materials, and  
2084 Organic Materials (including all such services provided to SFD and Multi-Family  
2085 Dwelling Premises) shall be Collected on weekdays (i.e., Monday through  
2086 Friday) between 6:00 a.m. and 6:00 p.m. exclusive of Holidays.

2087 2. Commercial. Commercial and Agency Facilities Solid Waste, Targeted  
2088 Recyclable Materials, and Organic Materials shall be Collected on weekdays  
2089 (i.e., Monday through Friday) between 3:00 a.m. and 6:00 p.m. and weekends  
2090 (i.e., Saturday and Sunday) between 6:00 a.m. and 5:00 p.m., exclusive of  
2091 Holidays. The Agency may restrict or require modifications to hours for  
2092 Collection from Commercial Premises and Agency Facilities to resolve noise  
2093 Complaints, and, in such case, the Agency Manager may restrict the allowable  
2094 operating hours.

2095 3. Commercial Exception. Collection from Commercial Premises that are two-  
2096 hundred (200) feet or less from Residential Premises shall only occur between  
2097 the hours of 6:00 a.m. and 6:00 p.m., Monday through Saturday and all such  
2098 operations shall be in accordance with permissions provided to Contractor by  
2099 Agency. The Agency may restrict or require modifications to hours for  
2100 Collection from Commercial Premises and Agency Facilities to resolve noise  
2101 Complaints, and, in such case, the Agency Manager may restrict the allowable  
2102 operating hours.

2103 4. Exception. In the event of an unforeseen circumstance, the Contractor may  
2104 Collect materials from Residential Premises, Commercial Premises, or Agency  
2105 Facilities that are two-hundred (200) feet or less from Residential Premises  
2106 between the hours of 3:00 a.m. and 6:00 p.m., Monday through Saturday, upon  
2107 prior written approval from the Agency Manager.

2108 5. Local Noise Ordinance. If an Agency ordinance regulating noise limits the  
2109 hours of Collection more restrictively than the preceding subsections, the terms  
2110 of the ordinance shall govern.

2111 **B. Route Schedules**. Routes over which Contractor's vehicles travel to affect the  
2112 Collection and transport of Solid Waste, Targeted Recyclable Materials, and  
2113 Organic Materials shall be selected to minimize damage to Agency and private  
2114 streets, and minimize inconvenience and disturbance to the public. The route  
2115 schedules and routing maps shall be subject to the approval of Agency prior to  
2116 Commencement of services. Contractor shall use due care to obey all traffic laws  
2117 and prevent materials being transported from being spilled or scattered during  
2118 transport.

2119 Contractor shall be prepared to review its operations plan outlining the Collection  
2120 routes, intervals of Collection and Collection times for all materials Collected under  
2121 this Agreement with the Agency or its representatives at least annually. More  
2122 frequent reviews may be required if operations are not satisfactory based on  
2123 documented observations or reports or Complaints. If the plan is determined to



2124 inadequately address the unsatisfactory performance as documented by  
2125 observations and Complaints, the Agency may direct Contractor to revise the plan  
2126 incorporating any changes into a revised plan and review said revised plan with the  
2127 Agency within thirty (30) Days of the initial meeting with the Agency.

2128 C. **Contingency Plan.** Contractor shall submit to Agency ninety (90) Days prior to  
2129 Commencement Date, a written contingency plan demonstrating Contractor's  
2130 arrangements to provide vehicles and personnel and to maintain uninterrupted  
2131 service during breakdowns, and in case of natural disaster or other emergency,  
2132 including the events described in Section 14.09.

## 2133 8.02 COLLECTION STANDARDS

2134 A. **Implementation of Services.** The Contractor's implementation of the services  
2135 required by this Agreement shall occur in a smooth and seamless manner so that  
2136 Customers and/or Generators do not experience disruption in Collection services  
2137 when services are initiated on the Commencement Date. Contractor shall be  
2138 responsible for managing implementation of new Collection services and other  
2139 related services and shall do so in accordance with the Implementation Plan  
2140 prepared by the Contractor and incorporated into this Agreement as Attachment L.

### 2141 B. **Servicing Containers and Missed Pick-Ups**

2142 1. **General.** Contractor shall Collect the contents and return each Container to  
2143 the location where the Occupant properly placed the Container for Collection.  
2144 Contractor shall place the Containers upright with lids properly closed and  
2145 secured.

2146 Contractor shall use due care when handling Containers. Contractor shall not  
2147 throw, roughly handle, damage, or break Containers.

2148 Upon Customer request, Contractor shall provide special services including:  
2149 unlocking and locking Containers; accessing locked Container enclosures  
2150 (e.g., with a key or combination lock); and pulling or pushing Containers to the  
2151 Collection vehicle. Contractor shall provide the special services described in  
2152 this paragraph upon request from Customer and Contractor shall be entitled to  
2153 bill Customer as specified in Attachment Q.

2154 2. **Missed Pick-Ups.** When notified of a missed pick-up, Contractor shall Collect  
2155 the Solid Waste, Targeted Recyclable Materials, or Organic Materials on the  
2156 day the notice is received, if possible, and in all cases shall Collect the missed  
2157 pick-up by 6:00 p.m. of the next Business Day following receipt of the missed  
2158 pick-up notification.

2159 C. **New Customers and Change in Service Levels.** Contractor shall deliver  
2160 Containers and initiate Collection services for a new Customer within five (5)  
2161 Business Days of the Customer's request for service. If an existing Customer  
2162 requests a change in the number or size of their Solid Waste, Recyclable Materials,  
2163 or Organic Materials Containers and/or frequency of Collection, the Contractor shall  
2164 deliver additional Containers and/or remove Containers and shall initiate changes in  
2165 the Collection services within five (5) Business Days of the Customer's request for a  
2166 change in service.

2167 D. **Separate Collection of Materials and Allocation of Agency Materials.**  
2168 Contractor shall separately Collect and segregate Solid Waste, Targeted

2169 Recyclable Materials, and Organic Materials from each other and shall not  
2170 Comingle these materials at any time during the transportation or delivery of  
2171 those materials to the Designated Transfer and Processing Facility. Solid Waste,  
2172 Targeted Recyclable Materials, and Organic Materials Collected in the Agency,  
2173 which are combined with materials Collected from other SBWMA Member  
2174 Agencies, shall be allocated by Contractor to the Agency's Collection program  
2175 based on volume or Tonnage using a method approved by the Agency and  
2176 SBWMA. Contractor shall not collect materials from within Agency in the same  
2177 Collection vehicles used to provide Collection service to non-SBWMA Member  
2178 Agencies, unless provided written approval by Agency.

2179 E. **Setout Instructions to Customer.** Contractor shall instruct Customers as to any  
2180 preparation of Solid Waste, Targeted Recyclable Materials, or Organic Materials  
2181 and the proper placement of Containers. If Customers are not adhering to  
2182 Contractor's instructions, Contractor shall notify such Customers in writing. In  
2183 cases of extreme or repeated failure to comply with the instructions, Contractor may  
2184 decline to pick-up the Targeted Recyclable Materials or Organic Materials provided  
2185 that Contractor leaves an adequate number of non-collection notices on the  
2186 Container, as determined by the Agency, indicating the reason for refusing to  
2187 Collect the material. Such notices shall also identify the steps Generator must take  
2188 to recommence Collection service.

2189 F. **Non-Collection Notices.** Contractor may choose not to Collect materials for the  
2190 following reasons: (i) Source Separated or Targeted Recyclable Materials or  
2191 Organic Materials do not comply with the allowable Contamination thresholds; (ii)  
2192 materials contain Hazardous Waste; or (iii) the loaded weight of a Container  
2193 exceeds the maximum load limit specified by the Cart manufacturer and specified in  
2194 Attachment D. In such case, Contractor shall issue non-collection notices stating  
2195 the reason(s) the materials were not Collected. The non-collection notice shall be  
2196 affixed prominently onto the Cart to ensure that it is not inadvertently removed from  
2197 Cart due to weather conditions. The non-collection notices must be protected from  
2198 rain, if precipitation is present or forecasted, by placing the notice in a clear plastic  
2199 bag prior to affixing to Cart.

2200 Contractor shall document the use of non-collection notices by recording the date  
2201 and time of issuance, address of service recipient, reason(s) for issuance, name of  
2202 employee who issued the notice, and truck and route numbers. The notice shall  
2203 conform to the requirements specified in Section 6.03.A, be at least two inches by  
2204 six inches (2" x 6") in size and shall be approved by the SBWMA. The non-  
2205 collection notices must identify the steps the Generator must take to recommence  
2206 Collection service. In the event a Container is not collected due to excessive  
2207 Contamination and Customer does not take the necessary steps to recommence  
2208 Collection service, Customer shall be assessed a fee approved by Agency for  
2209 Collection of the Container as Solid Waste by Contractor. This additional fee  
2210 charged to Customer may include: (i) a return trip charge and (ii) a extra Solid  
2211 Waste Collection charge.

2212 Contractor shall report monthly to Agency any non-collection notices issued.  
2213 Contractor shall take direction from the Agency with regard to termination or  
2214 reinstatement of service to a service recipient due to numerous non-collection  
2215 notices issued to the same Customer.

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**G. Collection of Excess Materials (Overages).** Contractor shall direct its employees to Collect an Overage on two (2) occasions each Rate Year at no additional cost to Customer. Contractor must provide a notice to Customer documenting the Overage in order to count the Overage Collection towards the allocated two (2) per Rate Year for each Customer. Customers that place an Overage for Collection for a third and subsequent events, may be assessed an Overage fee by Contractor if Contractor documents said Overage with a photograph and sends the Customer a letter within two (2) Business Days notifying them of the Overage Collected. The Overage fee billed by Contractor to Customer for a third and subsequent Overage event is specified in Attachment Q.

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Contractor shall provide Customers the opportunity to subscribe to Overage Collection service, in advance, or purchase Overage bag(s) from the Contractor. Contractor shall provide Customers the opportunity to purchase Overage bags through its customer service department or electronically via Contractor's website. The Overage bag(s) shall have markings identifying it as the Contractor's Overage bag. Contractor shall mail or deliver Overage bags to Customers within three (3) Business days of Customer's request. The cost for Overage bags is specified in Attachment Q and includes all aspects of purchasing the bags, printing and distribution (i.e., mailing or direct delivery by Contractor). Customers shall also be provided the opportunity to purchase Overage bags at Contractor's local office. The quantity of Overage bags per request from Customer shall be limited to five (5) per request.

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If the Agency and/or Contractor receive numerous Complaints (as determined by the Agency) from Customers regarding Customer dissatisfaction with the requirement to purchase Overage bags, the Agency reserves the right to require the Contractor to modify its Overage program to better serve its Customers and/or require the Customer to subscribe to additional Collection service.

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**H. Care of Private Property.** Contractor shall not damage private property. Contractor shall ensure that its employees: (i) close all gates opened in making Collections, unless otherwise directed by the Customer, (ii) do not cross landscaped areas, and (iii) do not climb or jump over hedges and fences.

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Agency shall refer Complaints about damage to private property to Contractor. Contractor shall repair, to its previous condition, all damage to private or public property caused by its employees.

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Contractor shall endeavor to resolve all claims regarding damage to private property as soon as reasonably practicable following receipt thereof, made by Owners or Occupants of property served by Contractor, for damages to property including, but not limited to, Containers. In the event such damage shall have been caused by the negligence or intentional acts of Contractor, its officers, agents, or employees, Contractor shall promptly repair or replace such damaged property. The provisions of this Section 8.02.H shall not be deemed a limitation upon any other provisions of this Agreement, or any rights or remedies which may accrue to Agency by reason of Contractor's acts or omissions to act hereunder. Contractor is required to repair damage and/or resolve claims regarding damage to property within thirty (30) Days of receipt of the Complaint.

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I. **Litter Abatement**

1. **Minimization of Spills.** If any Solid Waste, Targeted Recyclable Materials, or Organic Materials are spilled or scattered during Collection or transportation operations, the Contractor shall promptly clean up all spilled and scattered materials. Contractor shall use due care to prevent vehicle oil, vehicle fuel, or other liquids from being spilled during Collection or transportation operations including maintenance of the Collection vehicles to minimize and correct any leaks. Contractor shall ensure that all liquid spills or leaked liquids fluids are cleaned up promptly on the same day that they occur.

Contractor shall not transfer loads from one vehicle to another on any public street, unless it is necessary to do so because of mechanical failure, emergency (e.g., combustion of material in the vehicle), accidental damage to a vehicle, or unless approved by the Agency.

2. **Clean-Up.** During Collection operations, the Contractor shall clean-up litter in the immediate vicinity of any Container storage area (including the areas where Containers are delivered for Collection) if Contractor's actions are the cause of the litter. Each Collection vehicle shall be equipped with protective gloves, a broom, and shovel at all times for cleaning up litter. Absorbent material shall be carried on each Collection vehicle at all times and used by Contractor for cleaning up liquid spills. The Contractor shall document and discuss instances of repeated spillage not caused by it with the Customer where spillage occurs, and Contractor shall report such instances to Agency. If the Contractor has attempted to have a Customer stop creating spillage but is unsuccessful, the Agency will attempt to rectify such situation with the Customer. Contractor shall coordinate with Agency regarding Agency street cleaning activities to minimize litter.

3. **Covering of Loads.** Contractor shall cover all open Drop Boxes with an Agency-approved cover, at the Collection location before transporting materials to the Designated Transfer and Processing Facility.

J. **Noise.** All Collection operations shall be conducted as quietly as possible and shall conform to applicable federal, State, County, and Agency noise level regulations. Contractor shall promptly resolve any Complaints of noise to the satisfaction of the Agency.

K. **Route Books and Route Maps.** For each Collection route, Contractor shall maintain a route book and route map that documents each Customer on the route, their service address, service level, and the order in which Customers shall be serviced (e.g., the order in which routes shall be driven). Contractor shall distribute new route books and route maps to its Collection vehicle drivers as frequently as necessary; and each driver shall note differences in the service levels shown in the route book, adding and subtracting Customers and service levels, as necessary. Route supervisors shall periodically check the routes to ensure that drivers are providing service in accordance with their route books. Contractor shall provide Agency with route books and maps including assessor parcel data when available within ten (10) Business Days of request.

L. **Change in Collection Schedule.** Contractor shall notify Agency a minimum of sixty (60) Business Days prior to a change in the Residential Collection schedule and shall request approval of Contractor's notice to Residential Customers thirty

2308 (30) Business Days prior to a change in Service Day, unless this requirement is  
09 waived in writing by Agency. Contractor shall notify Owners and Occupants of  
2310 Residential Premises not later than ten (10) Business Days prior to any change in  
2311 Residential Collection operations which results in a change in the day on which  
2312 Solid Waste, Targeted Recyclable Materials, and Organic Materials Collection  
2313 occurs. Contractor shall not permit any Customer to go more than five (5) Business  
2314 Days without service in connection with a Collection schedule change.

2315 **8.03 UNLOADING MATERIALS AT THE DESIGNATED TRANSFER AND PROCESSING**  
2316 **FACILITY**

2317 Contractor shall be required to unload at the Designated Transfer and Processing  
2318 Facility all materials from its Collection vehicles by its own personnel. Contractor  
2319 shall be required to ensure that unloaded materials are properly placed in the  
2320 designated areas and containers as directed by Operator and SBWMA. For  
2321 example, Contractor shall be required to deposit at the Designated Transfer and  
2322 Processing Facility Batteries and Cell Phones, Used Motor Oil and Used Motor Oil  
2323 Filters in the containers provided by Operator and designated for storage of these  
2324 materials. Contractor shall cooperate with Operator to ensure its Collection vehicles  
2325 unload Solid Waste, Targeted Recyclable Materials, Organic Materials and all other  
2326 Discarded Materials Collected by Contractor in the locations designated by  
2327 Operator and SBWMA.

2328 **8.04 VEHICLES**

2329 A. **General.** Contractor shall provide a fleet of Collection vehicles sufficient in number  
2330 and capacity to efficiently perform the work required by the Agreement in strict  
2331 accordance with its terms. Contractor shall have available sufficient back-up  
2332 vehicles for each type of Collection vehicle used (e.g., side loader, front loader, and  
2333 roll-off vehicles) to respond to mechanical breakdowns, Complaints, and  
2334 emergencies. Contractor shall maintain a spare ratio of ten percent (10%) for all  
2335 Collection vehicles used in the SBWMA Service Area. As of the Commencement  
2336 Date, all Residential and Commercial Collection vehicles shall be new; and other  
2337 vehicles such as roll-off trucks, support vehicles, and spare vehicles may be new or  
2338 used. At no time during the Term shall any vehicle used to perform the services  
2339 required under this Agreement exceed ten (10) years of age from the first date the  
2340 vehicle was registered. Contractor shall provide Collection vehicles in accordance  
2341 with the specifications contained in Attachment P. Collection vehicles whose  
2342 acquisition cost is included in the calculation of Contractor's Compensation may be  
2343 used only in the SBWMA Service Area.

2344 B. **General Vehicle Specifications**

- 2345 1. All vehicles used by Contractor in providing Solid Waste, Targeted Recyclable  
2346 Material, and Organic Material Collection services shall be registered with the  
2347 California Department of Motor Vehicles.
- 2348 2. All Collection vehicles shall have leak-proof bodies designed to prevent  
2349 leakage, spillage and/or overflow and shall be designed so that Collected  
2350 materials are not visible.
- 2351 3. All vehicles shall comply with California Environmental Protection Agency  
2352 (EPA) noise emission regulations and California Air Resources Board air  
2353 quality regulations and other applicable pollution control regulations.

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4. All Collection vehicles shall have cameras to monitor driving and loading activities including, at a minimum: (i) back-up cameras mounted at the rear and side of the vehicle; and, (ii) a hopper camera clearly displaying the contents of the hopper prior to compaction.
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5. Contractor shall be required to operate an adequate number of Collection vehicles that shall be capable of servicing hard-to-service areas and accessing long driveways in the Service Area.
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6. All Collection vehicles shall be capable of unloading materials in the Designated Transfer and Processing Facility buildings taking clearance heights, especially in the MRF, into consideration.
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7. All Collection vehicles shall be equipped with and utilize Routeware on-board computer system and an on-board GPS tracking device with real-time transmission to all levels of Contractor's operations.
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8. All Collection vehicles shall use the biodiesel fuel blend formulated to contain the highest percentage of biofuel approved for use in Contractor's vehicles by the California Air Resources Board. Currently, the highest approved blend is B-20.
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9. All Collection vehicles shall be equipped with a broom, shovel, absorbent materials, and other approved cleanup devices and materials for emergencies, or any spillage or leaks that may occur.
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10. Route supervisors and management personnel shall use one-half (½) ton hybrid pickup trucks while performing services.
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- C. **Vehicle Identification.** Contractor's name, local telephone number, and a unique vehicle identification number designated by Contractor for each vehicle shall be prominently displayed on all four (4) sides of the vehicles, in letters and numbers with a maximum five (5) digit sequence, that are no less than two and one-half (2.5) inches in height. Contractor shall not place any other information or logo on Contractor vehicles, unless approved in writing by SBWMA. Vehicles shall be clearly labeled to indicate the materials Collected by that vehicle, specifically; "Solid Waste," "Recyclables," or "Organic Materials," as directed by SBWMA.
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- D. **Inventory.** Contractor shall furnish the Agency and SBWMA a written inventory of all vehicles used in providing service, and shall update the inventory annually. The inventory shall list all vehicles by manufacturer, identification number, date of acquisition, type, capacity, decibel rating, average weight of load, and average loaded axle weights.
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- E. **Cleaning and Maintenance**
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1. General. Contractor shall maintain all of its properties, vehicles, facilities, and equipment used in providing service under this Agreement in a good, safe, neat, clean, and operable condition at all times.
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2. Cleaning. Vehicles used in the Collection of Solid Waste, Targeted Recyclable Materials, and Organic Materials shall be thoroughly washed, and thoroughly steam cleaned weekly so as to present a clean appearance. Agency may inspect vehicles at any time to determine compliance with this Agreement. Contractor shall also make vehicles available to the San Mateo County Health Department for inspection, at any frequency it requests.

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3. Repainting or Refurbishing. Contractor shall repaint or refurbish to the satisfaction of the Agency all vehicles used in the Collection of Solid Waste, Targeted Recyclable Materials and Organic Materials within thirty (30) Business Days notice from Agency, if Agency determines that their appearance warrants painting. The cost for Agency-directed repainting shall be incurred by Contractor.
  
4. Maintenance. Contractor shall inspect each vehicle daily to ensure that all equipment is operating properly. Vehicles which are not operating properly shall be removed from service until repaired and operating properly. Contractor shall perform all scheduled maintenance functions in accordance with the manufacturer's specifications and schedule or in accordance with California Highway Patrol standards, whichever are more stringent. Contractor shall keep accurate records of all vehicle maintenance, recorded according to date and mileage and shall make such records available to Agency upon request. Hydraulic oil, engine oil, and other spills from Collection vehicles in the Service Area are a concern to the Agency. Contractor shall include as part of maintenance activities a process for tracking the number and nature of automotive spills (type of fluid, amount lost, failure point) and diagnosing the cause of those spills. Based on the results of the process, Contractor shall implement appropriate corrective actions to address issues that are contributing factors to vehicle spills (e.g., revise specifications for specific part failures, revise preventative maintenance schedule to address timing of failures), so that each occurrence is controlled and minimized.
  
5. Repair. Contractor shall repair, or arrange for the repair of, all of its vehicles and equipment for which repairs are needed because of accident, breakdown, hydraulic oil or engine oil leaks, or any other cause so as to maintain all equipment in a safe and operable condition. If an item of repair is covered by a warranty, Contractor shall obtain warranty performance. Contractor shall maintain accurate records of repair, which shall include the date and mileage, nature of repair and the verification by signature of a maintenance supervisor that the repair has been properly performed.
  
6. Storage. Contractor shall arrange to store all vehicles and other equipment in safe and secure location(s) in accordance with all applicable zoning regulations.

F. **Operation.** Vehicles shall be operated in compliance with federal, State and local laws and regulations including, but not limited to, the California Vehicle Code, the regulations of the California Air Resources Board (CARB) Waste Collection Vehicle Regulations as established in the California Code of Regulations Title 13 Section 2700 et seq. and all applicable safety and local ordinances. Annually, Contractor shall provide the SBWMA and Agency with documentation of such compliance for each vehicle. For example, with regard to CARB regulations, such documentation shall demonstrate, at a minimum, the vehicle number, make, model, year, control technology used or planned, and the year that the control technology was applied or is planned to be applied. Contractor shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by federal, State, or local weight restrictions on vehicles or roads.

Contractor equipment used for Solid Waste, Targeted Recyclable Materials, and Organic Materials services shall be registered with the California Department of

2447 Motor Vehicles. Equipment shall comply with US EPA noise emission regulations,  
2448 currently codified at 40 CFR Part 205 and other applicable noise control  
2449 regulations, and shall incorporate noise control features throughout the entire  
2450 vehicle.

2451 Annually, Contractor shall have each Collection vehicle weighed at the Designated  
2452 Transfer and Processing Facility to determine the unloaded weight ("tare weight") of  
2453 the vehicle, and the total loaded weight of each load delivered to the Designated  
2454 Transfer and Processing Facility. Upon a major repair that could affect the  
2455 Collection vehicle tare weight, Contractor shall have the Collection vehicle re-  
2456 weighed to establish a new tare weight. Contractor shall track and make  
2457 adjustments to routes to eliminate ongoing over-weights associated with individual  
2458 routes.

2459 **8.05 CONTAINERS**

2460 A. **General.** Contractor shall provide all Carts, Bins, Compactors, Kitchen Pails, and  
2461 Drop Boxes, as appropriate, to all Customers as part of its obligations under this  
2462 Agreement. Contractor shall ensure that Agency encroachment or other required  
2463 permits are obtained by Customer prior to delivering Containers. As of the  
2464 Commencement Date, all Single-Family Carts and Kitchen Pails must be new while  
2465 other Containers may be used. Contractor-provided Containers shall be designed  
2466 and constructed to be watertight and prevent the leakage of liquids. All Carts shall  
2467 be manufactured by injection or rotational molding methods; contain post-consumer  
2468 content; and meet the Cart design and performance requirements provided in  
2469 Attachment D – Container Specifications. Carts provided to Customers shall have  
2470 a useful life of ten (10) years as evidenced by a manufacturer's warranty or other  
2471 documentation acceptable to the Agency.

2472 All Containers with a capacity of one (1) cubic yard or more shall meet applicable  
2473 federal, State, and local regulations for Bin safety; shall be covered with attached  
2474 lids; and shall have the capability to be locked if required or requested by Customer  
2475 or Agency.

2476 All Containers shall be maintained in a safe, serviceable, and functional condition.

2477 B. **Container Specifications**

2478 1. Sizes. The Container sizes to be provided to Single-Family, Multi-Family,  
2479 Commercial, and Agency Facility Customers are specified in Attachment D.

2480 2. Color. The colors of the Containers provided to Single-Family, Multi-Family,  
2481 Commercial, and Agency Facility Customers are specified in Attachment D.

2482 3. Loading. Minimum allowable loading requirements for the Bin and Drop Box  
2483 contents shall be approved by the Agency prior to purchase based on the  
2484 minimum manufacturer's load limits, as specified in Attachment D.

2485 C. **Container Labeling.** Contractor shall label each Container with white, hot-  
2486 stamped lettering, and in-mold or heavy duty vinyl adhesive labels with graphics,  
2487 illustrations or artwork that clearly conveys the type of materials (e.g., Solid Waste,  
2488 Recyclable Materials, cardboard, mixed paper, Organic Materials, wood waste,  
2489 metal, etc.) to be placed in the Container for Collection. The labeling shall be  
2490 positioned on each Container so it is visible to the Customer and Collection vehicle



- 2491 drivers on the front side and top. The labeling shall be durable and weather  
2492 resistant to outdoor conditions and have a minimum ten (10) year lifetime.
- 2493 All Containers shall prominently display information and graphics agreed upon by  
2494 Agency, SBWMA and Contractor pursuant to Article 7.
- 2495 Final Container labeling layout, graphics and text shall be approved by the Agency  
2496 and SBWMA prior to distribution to Customers.
- 2497 **D. Cleaning and Painting.** Contractor shall be responsible for steam cleaning and  
2498 repainting all Containers, except Carts, to present an aesthetically pleasing clean  
2499 appearance and to ensure this equipment is safely maintained and operationally  
2500 sound. Contractor shall repaint all used Containers within eighteen (18) months of  
2501 the Commencement Date and thereafter on an as needed basis. Upon Customer's  
2502 request, Contractor shall steam clean all Solid Waste and Recyclable Materials  
2503 Containers (or exchange existing Containers with clean Containers) twice annually,  
2504 except Carts provided to Residential Premises, which Contractor is not obligated to  
2505 clean or exchange. Contractor shall clean all Organic Materials Containers (or  
2506 exchange existing Containers with clean Containers) quarterly, except Carts  
2507 provided to Residential Premises, which Contractor is not obligated to clean or  
2508 exchange. Contractor shall offer additional cleaning (or clean Container exchange)  
2509 to Customers requesting such service and shall be entitled to bill Customers for  
2510 such cleaning (or Container exchange) as specified in Attachment Q.
- 2511 Contractor shall be responsible for cleaning Containers at no additional charge to  
2512 Customer to ensure that nuisance or public health concerns associated with vectors  
2513 are addressed within two (2) Business Days after receipt of notification of said  
2514 condition.
- 2515 If any Container is impacted by graffiti, Contractor shall remedy the situation within  
2516 forty-eight (48) hours of being notified.
- 2517 **E. Repair and Replacement.** Contractor shall repair or replace all Containers  
2518 damaged by Collection operations (e.g., vehicle apparatus interface) within three  
2519 (3) Business Days of being notified by Customer or observing the damaged  
2520 Container. If the repair or replacement cannot be completed within three (3)  
2521 Business Days, the Contractor shall notify Customer and provide a Container of the  
2522 same size or larger until the original Container can be replaced.
- 2523 At no additional cost, Contractor shall replace Customer Carts that have been  
2524 stolen, lost, damaged or destroyed within five (5) Business Days. Contractor shall  
2525 allow Customer to exchange Containers for a Container of a different size at no  
2526 additional cost and shall replace Containers within five (5) Business Days of  
2527 Customer request. Upon written approval from Agency, Contractor shall allow  
2528 Customers to rent or purchase additional Carts and shall be entitled to bill  
2529 Customers as specified in Attachment Q.
- 2530 **F. Agency's Rights to Containers.** All Carts, Bins, Compactors, and Drop Boxes  
2531 purchased or leased by Contractor and put into service at Customers' Premises  
2532 before the first anniversary of the Commencement Date shall become property of  
2533 the Agency upon expiration or early termination of this Agreement. All Carts, Bins,  
2534 Containers, and Drop Boxes purchased or leased and put into service at  
2535 Customers' Premises on or after the first anniversary of the Commencement Date

2536 that have not been fully depreciated shall be available to the Agency, at the  
2537 Agency's option, at their net book value.

2538 At its sole discretion, the Agency may elect not to exercise its rights under this  
2539 subsection. In such case, the Containers shall remain the property of the Contractor  
2540 upon the expiration or earlier termination of this Agreement. In such case,  
2541 Contractor shall be responsible for removing all Containers in service from  
2542 Premises within ten (10) Business Days.

2543 **8.06 PERSONNEL**

2544 A. **General.** Contractor shall furnish such qualified drivers, mechanical, supervisory,  
2545 customer service, clerical and other personnel as may be necessary to provide the  
2546 services required by this Agreement in a safe, thorough, professional and efficient  
2547 manner and shall provide, at a minimum, the number and type of personnel listed in  
2548 Attachment O. All personnel furnished by Contractor shall be subject to the  
2549 "relationship of parties" provisions of Section 15.01.

2550 B. **Employees of Previous Contractor.** The Contractor shall offer employment to  
2551 Collection vehicle drivers and helpers, mechanics, technicians, welders, and shop  
2552 laborers by seniority under the Agreement who are qualified employees working  
2553 under the prior franchise agreement who would otherwise become unemployed by  
2554 reason of the change in contractors, provided that (i) the Contractor shall not be  
2555 obligated to offer employment to more existing employees than the Contractor  
2556 needs to perform the services required under this Agreement and (ii) the Contractor  
2557 shall not be obligated to offer employment to existing employees that have not been  
2558 employed by the Previous Contractor for at least one-hundred-twenty (120) Days  
2559 immediately prior to the Commencement Date.

2560 For the purposes of Section 8.06.B, "qualified employee" shall mean an employee  
2561 who: (i) is eligible for employment under federal and state law, (ii) meets the  
2562 Contractor's minimum employment standards for new employees, (iii) is in a  
2563 bargaining unit covered by collective bargaining agreements between the Previous  
2564 Contractor and Teamsters Local 350 or Machinists Local 1414, (iv) does not  
2565 present a demonstrable danger to customers, co-workers or employees of the  
2566 Agency or the Collection Contractor and (v) possesses a valid and proper  
2567 commercial driver's license and California Department of Transportation medical  
2568 certificate.

2569 Contractor shall not discharge any retained workers for at least ninety (90) Days  
2570 after the Commencement Date, except for cause.

2571 Additional employees, if needed, shall be obtained by Contractor pursuant to  
2572 procedures in effect under the collective bargaining agreement of the Agency's  
2573 Previous Contractor that provided Solid Waste Collection services prior to the  
2574 Effective Date.

2575 Contractor shall maintain a list of the Previous Contractor's qualified employees  
2576 who were not offered employment by the Contractor pursuant to this section prior to  
2577 the Commencement Date or during the two (2) months following the  
2578 Commencement Date. If any positions become available during the three (3)  
2579 months following the initial two (2) month contract period (i.e., from March 1, 2011  
2580 through May 30, 2011), Contractor shall offer employment to qualified employees  
2581 on the list by seniority within the collective bargaining unit (if it exists). Contractor

2582 shall include this language in the collective bargaining agreements, if any such  
2583 agreement exists or is negotiated.

2584 Contractor shall pay employees who (i) are retained by Contractor pursuant to this  
2585 Section 8.06 and (ii) were in bargaining units covered by collective bargaining  
2586 agreements in effect as of the Effective Date between the Previous Contractor and  
2587 Teamsters Local 350 or Machinists Local 1414, wages and benefits no less than  
2588 those included in the collective bargaining agreements in place in 2010.

2589 This Section 8.06.B does not apply to management and supervisory personnel,  
2590 non-represented employees, or workers furnished by an employment agency  
2591 operating as an independent contractor.

2592 C. **Collective Bargaining Agreements.** This Agreement does not obligate Contractor  
2593 to become a party to a collective bargaining agreement entered into by the Previous  
2594 Contractor. If Contractor negotiates a new collective bargaining agreement with a  
2595 union representing employees of the Previous Contractor, or an amendment to a  
2596 collective bargaining agreement currently in force, either of which increases wages  
2597 or benefits payable prior to October 2013 above those required by the collective  
2598 bargaining agreement currently in force, the Agency is not required to include costs  
2599 attributable to the increased wages or benefits in Contractor's Compensation for  
2600 Rate Years One (2011) through Three (2013).

2601 D. **Approval of Management.** Contractor recognizes the importance of establishing a  
2602 successful relationship between its management and Agency and SBWMA staff.  
2603 Before extending an offer of employment for the position of general manager, both  
2604 initially and throughout the Term, Contractor shall provide the SBWMA with the  
2605 description of the proposed position, an opportunity to review and comment upon  
2606 the position description, the background, experience and qualifications of each  
2607 candidate being considered for the position, and an opportunity to meet with each  
2608 candidate. Contractor shall give thoughtful consideration to the SBWMA's  
2609 comments on the descriptions of the proposed position and each candidate, but  
2610 shall have the ultimate right to make employment decisions in its best business  
2611 judgment.

2612 If the Agency is dissatisfied with the performance of the management personnel,  
2613 the Agency shall contact the general manager to discuss the employee's  
2614 performance. If the Agency is dissatisfied with the general manager, the Agency  
2615 shall contact the group manager to discuss the general manager's performance.

2616 Contractor shall advise the affected management employee of any complaints  
2617 made by the Agency regarding the employee's performance. The Parties shall  
2618 meet and confer in good faith to address the Agency's concerns, and shall agree on  
2619 a corrective course of action to be implemented immediately. Contractor agrees to  
2620 consider in good faith, but shall not be bound by, any requests by the Agency to  
2621 transfer or re-assign a management employee should the Agency maintain in good  
2622 faith that it can no longer work constructively with said employee.

2623 E. **Provision of Field Supervision.** Contractor shall designate qualified employees  
2624 as supervisors of field operations. The field supervisor shall devote their time in the  
2625 field supervising, managing, and monitoring Collection operations for reliability,  
2626 quality, efficiency, safety, and for responding to Complaints. The number of field  
2627 supervisors is specified in Attachment O.

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- F. **Driver Qualifications.** All drivers shall be trained and qualified in the operation of Collection vehicles, and must have in effect a valid license, of the appropriate class, 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.
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- G. **Customer Service Representative Training.** Customer service representatives shall be trained on specific Agency service requirements, a minimum of once per quarter. An Agency information sheet shall be provided to each customer service representative for easy reference of Agency requirements and general Customer needs. Contractor shall provide the information sheet, training agenda, and associated documentation within five (5) Business Days of request from Agency.
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- H. **Safety Training.** Contractor shall provide suitable operational and safety training for all of its employees who operate Collection vehicles or equipment or who are otherwise directly involved in such Collection. Contractor shall train its employees involved in Collection to identify, and not to Collect, Hazardous Waste or Infectious Waste. Upon the Agency'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.
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- I. **No Gratuities.** Contractor shall not permit its employees to demand or solicit, directly or indirectly, any additional compensation or gratuity from members of the public for Collection services or accept gratuities or compensation in exchange for additional collection services.
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- J. **Employee Conduct and Courtesy.** Contractor shall employ only competent and qualified personnel who serve the public in a courteous, helpful, and impartial manner. Contractor shall use its best efforts to assure that all employees present a neat appearance and conduct themselves in a courteous manner. Contractor shall regularly train its employees in Customer courtesy, shall prohibit the use of loud or profane language, and shall instruct Collection employees to perform the work as quietly as possible. If any employee is found not to be courteous or not to be performing services in the manner required by this Agreement, Contractor shall take all appropriate corrective measures. The Agency may require Contractor to reassign an employee, if the employee has conducted himself or herself inconsistently with the terms of this Agreement.
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- Contractor shall adopt policies and procedures consistent with State and federal law that ensure a sober and drug-free workplace. This includes strictly prohibiting unlawful manufacture, distribution, possession, or use of any controlled substance in the workplace, regardless of whether the employee is on duty at the time. Further, the policies and procedures shall prohibit an employee from operating either Agency or Contractor equipment and vehicles (whether on or off duty) while under the influence of alcohol or drugs. The purpose of these policies and procedures is to ensure workplace safety, productivity, efficiency, and the quality of Contractor's service to Customers.
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- K. **Uniforms.** While performing services under this Agreement, all Contractor's employees performing field service shall be dressed in clean uniforms and shall wear visible identification that include the employee's name and/or employee number, and Contractor's name. Uniform type, style, colors, and any modifications may be subject to approval by the Agency.

2675 **8.07 HAZARDOUS WASTE INSPECTION AND HANDLING**

2676 A. **Inspection Program and Training.** Contractor is required to inspect Solid Waste,  
2677 Targeted Recyclable Materials, Organic Materials, and other materials put out for  
2678 Collection and may reject Solid Waste, Targeted Recyclable Materials, Organic  
2679 Materials, and other materials observed to be contaminated with Hazardous Waste  
2680 and not Collect Hazardous Waste put out with Solid Waste, Targeted Recyclable  
2681 Materials, and Organic Materials. Contractor shall develop a load inspection  
2682 program that includes the following components: (i) personnel and training; (ii) load  
2683 checking activities; (iii) management of wastes; and (iv) record keeping and  
2684 emergency procedures.

2685 Contractor's load checking personnel, including its Collection vehicle drivers, shall  
2686 be trained in: (i) the effects of Hazardous Substances on human health and the  
2687 environment; (ii) identification of prohibited materials; and (iii) emergency  
2688 notification and response procedures. Collection vehicle drivers shall inspect  
2689 Containers before Collection when practical.

2690 B. **Response to Hazardous Waste Identified During Collection.** Under no  
2691 circumstances shall Contractor's employees knowingly Collect Hazardous Waste or  
2692 remove unsafe or poorly containerized Hazardous Waste from a Collection  
2693 Container. If Contractor determines that material placed in any Container for  
2694 Collection is Hazardous Waste or other material that may not legally be accepted or  
2695 safely processed at the Designated Transfer and Processing Facility or presents a  
2696 hazard to Contractor's employees, or those at the Designated Transfer and  
2697 Processing Facility, the Contractor shall have the right to refuse to accept such  
2698 material. The Generator shall be contacted by the Contractor and requested to  
2699 arrange proper Disposal. If the Generator cannot be reached immediately, the  
2700 Contractor shall, before leaving the Premises, leave a non-collection notice, which  
2701 indicates the reason for refusing to Collect the material and lists the phone number  
2702 for the San Mateo County Household Hazardous Waste Facility, or other resources  
2703 as directed by Agency. Contractor's environmental technician shall be notified to  
2704 handle the issue with the Generator. The Contractor's environmental technician  
2705 shall be required to guide the Generator to safely containerizing the Hazardous  
2706 Waste and shall explain the Generator's options for proper disposition of such  
2707 material.

2708 If Hazardous Waste is found in a Collection Container or Collection area that could  
2709 possibly result in imminent danger to people or property, the Contractor shall  
2710 immediately notify the Agency's Fire Department using the nine-one-one (911)  
2711 emergency telephone number. The Contractor shall notify the Agency of any  
2712 Hazardous Waste identified in Containers or left at any Premises within twenty-four  
2713 (24) hours of identification of such material.

2714 C. **Response to Hazardous Waste Identified at Designated Transfer and**  
2715 **Processing Facility.** Contractor shall not knowingly deliver Unpermitted Material  
2716 to the Designated Transfer and Processing Facility. The Operator shall use  
2717 reasonable business efforts and standard industry practices to detect and discover  
2718 Unpermitted Material at the facility and shall not knowingly accept Unpermitted  
2719 Material. In the event that Unpermitted Material is delivered to the Designated  
2720 Transfer and Processing Facility, the Operator shall be entitled to pursue whatever  
2721 remedies, if any, it may have against the Generator or Person(s) bringing such  
2722 Unpermitted Material to the Designated Transfer and Processing Facility provided

2723 that in no case shall the Agency be considered the Person bringing such  
2724 Unpermitted Material to the Designated Transfer and Processing Facility.

2725 Contractor acknowledges that in the event the operator identifies Unpermitted  
2726 Materials in the materials delivered by Contractor before the materials are unloaded  
2727 at the facility, the Operator has the right to reject the load and direct the Contractor  
2728 to cause removal and Disposal of the Unpermitted Material in a safe and lawful  
2729 manner, at the sole expense of the Contractor. If the Unpermitted Materials are  
2730 delivered to the Designated Transfer and Processing Facility by Contractor and  
2731 unloaded at the facility before their presence is detected, and the Generator cannot  
2732 be identified or fails to remove the material after being requested to do so, the  
2733 Contractor shall arrange for and/or pay for its proper Disposal. Contractor shall  
2734 make reasonable efforts to identify and notify the Generator. The Contractor shall  
2735 make a good faith effort to recover the cost of any transportation and Disposal from  
2736 the Generator, and the cost of this effort, as well as the cost of Disposal shall be  
2737 chargeable to the Generator, if appropriate documentation, as deemed necessary  
2738 by the Agency, is provided to the Agency within five (5) Business Days of the  
2739 occurrence.

2740 In the event Contractor delivers Unpermitted Materials on a frequent or continuous  
2741 basis to the Designated Transfer and Processing Facility and the Contractor  
2742 refuses to provide for the proper handling and disposition of such Unpermitted  
2743 Material, the Operator may provide written notice to Agency of such refusal by  
2744 Contractor.

2745 D. **Reporting, Regulations, and Record Keeping.** Contractor shall comply with  
2746 emergency notification procedures required by Applicable Laws and regulatory  
2747 requirements. Contractor shall notify all appropriate agencies, including the  
2748 California Department of Toxic Substances Control and Local Emergency  
2749 Response Providers and the National Response Center of reportable quantities of  
2750 Hazardous Waste found or observed in Solid Waste, Targeted Recyclable  
2751 Materials, Organic Materials, Electronic Waste, Universal Waste, and Construction  
2752 and Demolition Debris anywhere within Service Area. In addition to other required  
2753 notifications, if Contractor observes any substances which it or its employees  
2754 reasonably believe or suspect to contain Hazardous Wastes unlawfully Disposed of  
2755 or released on any Agency property, including storm drains, streets or other public  
2756 rights of way, Contractor will immediately notify the Agency and SBWMA.

2757 All records required by regulations shall be maintained at the Contractor's Facility.  
2758 These records shall include: waste manifests, waste inventories, waste  
2759 characterization records, inspection records, incident reports, and training records.  
2760 Contractor shall maintain records showing the types and quantities, if any, of  
2761 Hazardous Waste found in Solid Waste, Targeted Recyclable Materials, and  
2762 Organic Materials which was inadvertently Collected from Customers within the  
2763 Service Area, but diverted from landfilling.

## 2764 8.08 COMMUNICATION AND COOPERATION WITH AGENCY

2765 A. **Communications.** The Contractor's general manager shall have e-mail  
2766 capabilities to enable the Agency and the Contractor's general manager to  
2767 communicate via e-mail. Contractor's general manager shall respond to Agency  
2768 email correspondence within twenty-four (24) hours.

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- B. **Monthly Meetings.** Upon request from Agency, beginning on the Commencement Date, and then on a monthly basis thereafter, Contractor shall meet with the Agency to discuss progress of each active diversion program, quality and reliability of Collection services, and compliance with the terms of the Agreement. SBWMA may attend and participate in these meetings. At each monthly meeting, the Agency, Contractor and SBWMA, if attending, shall have the opportunity to present and discuss proposed changes in service such as changing program requirements or modifying Collection methods.
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- C. **Inspection by Agency.** Agency shall have the right, but not the obligation, to observe and inspect all of the Contractor's operations under this Agreement. In connection therewith, Agency shall have the right to enter facilities used by Contractor during operating hours, speak to any of Contractor's employees and receive cooperation from such employees in response to inquiries. In addition, upon reasonable notice and without interference with Contractor's operations, Agency may review and copy any of Contractor's operational and business records related to this Agreement. If Agency so requests, Contractor shall make specified personnel available to accompany Agency employees on inspections and shall provide electronic copies of records stored in electronic media.

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**8.09 COOPERATION WITH DESIGNATED TRANSFER AND PROCESSING FACILITY OPERATOR**

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- A. **Communications.** If requested by SBWMA, the Contractor shall meet with the SBWMA and Operator at least once each month to discuss issues related to the interaction of operations between Contractor and Operator including, but not limited to:
1. Traffic flow;
  2. Vehicle weighing procedures;
  3. Targeted Recyclable Materials and Organic Materials Contamination;
  4. Hazardous Waste screening and safety policies;
  5. Receiving hours;
  6. Billing and payment of gate fees for delivery of materials;
  7. Vehicle parking;
  8. Employee facilities; and
  9. Maintenance facilities.

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The Contractor's general manager shall have e-mail capabilities to enable the Operator and the Contractor's general manager to communicate via e-mail. Contractor's general manager shall respond to the Operator's email correspondence within twenty-four (24) hours.

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- B. **Coordination of Hours.** Contractor shall plan its Collection routes to be compatible with the Designated Transfer and Processing Facility receiving hours, which shall be, at a minimum, Monday through Friday from 3:00 a.m. to 6:00 p.m. and Saturday and Sunday from 6:00 a.m. to 5:00 p.m. Contractor shall deliver Collected materials to the Designated Transfer and Processing Facility during the receiving hours of the Designated Transfer and Processing Facility.

2812 C. **Compliance with Facility Rules.** Contractor shall cooperate with Operator and  
2813 comply with Operator's requirements Including: (i) how and where to unload  
2814 Collection vehicles; (ii) respecting operations and construction of new facilities; and  
2815 (iii) the Operator's Hazardous Waste exclusion program. Contractor shall also  
2816 cooperate with the contamination assessment procedures specified in Attachment  
2817 E. All costs charged by the SBWMA for acceptance of Contractor's materials shall  
2818 be paid by Contractor. Contractor shall receive compensation for transfer and  
2819 processing costs in accordance with Article 11.

2820 **8.10 BUY-RECYCLED POLICY**

2821 The Contractor shall comply with the purchasing requirements described in this Section,  
2822 and shall document its on-going compliance with these requirements upon Agency  
2823 request.

2824 A. **Recycled Paper.** The Contractor shall use recycled paper for invoices, Bills,  
2825 reports, and public education materials. The recycled paper shall have at least  
2826 thirty percent (30%) post-consumer recycled content for uncoated paper and ten  
2827 percent (10%) post-consumer recycled content for coated paper based on federal  
2828 standards. Contractor shall state on all materials prepared with post-consumer  
2829 recycled content the following: "Printed on Recycled Paper."

2830 B. **Re-Refined Motor Oil.** Contractor shall be encouraged but not required to use re-  
2831 refined motor oil for its Collection vehicles.

2832 C. **Recycled Plastic.** Contractor shall purchase Carts and Kitchen Pails that contain  
2833 the minimum post-consumer content as specified in Attachment D. All Carts and  
2834 Kitchen Pails shall be one hundred percent (100%) recyclable.

2835 **8.11 ANNUAL PERFORMANCE HEARING**

2836 A. **Objectives.** Agency or SBWMA may hold a public performance hearing in April or  
2837 May of each Rate Year, at which time Contractor shall be present and shall  
2838 participate by making a presentation and responding to questions. SBWMA shall  
2839 convene the hearing to address the positive and negative aspects of Contractor's  
2840 overall performance. The purpose of the hearing may also involve discussion and  
2841 review of technological, economic, and regulatory changes in Collection, waste  
2842 reduction, Recycling, processing, and Disposal practices that can improve quality of  
2843 service; increase waste reduction and diversion; and ensure services are being  
2844 provided effectively and economically. Topics for discussion and review at the  
2845 performance hearing shall include, but not be limited to: Contractor's  
2846 accomplishments and compliance with various provisions of the Agreement,  
2847 services provided, feasibility of providing new services, application of new  
2848 technologies, Customer Complaints, possible amendments to this Agreement,  
2849 developments in the Applicable Laws and regulations, new initiatives for meeting or  
2850 exceeding waste reduction and Recycling goals, regulatory constraints, and  
2851 Contractor performance. SBWMA and Contractor may each select additional topics  
2852 for discussion at the performance hearing.

2853 B. **Process.** Within sixty (60) Days of notification provided by Agency or SBWMA to  
2854 Contractor of its intent to conduct a performance hearing, Agency or SBWMA will  
2855 submit questions to Contractor pertaining to Contractor's performance and  
2856 Contractor shall submit its written response within thirty (30) days. SBWMA and



2857 Contractor shall meet to discuss the questions and Contractor's response prior to  
58 submittal by Contractor. SBWMA and Contractor may request from one another  
2859 information or documents related to the scheduled public hearing and SBWMA and  
2860 Contractor shall provide such information promptly.

2861 In addition to Contractor's responses to the questions submitted by SBWMA,  
2862 Contractor may be required to submit a self-assessment report of Contractor's  
2863 performance and information pertaining to the following:

2864 1. Recommended Changes or New Services. Changes and/or new services  
2865 recommended to improve Agency's ability to meet and/or exceed the Agency's  
2866 waste reduction and recycling goals and those of the Act.

2867 2. Complaint Records. The reports required by this Agreement regarding  
2868 Complaints shall be used as one basis for review. Contractor may submit  
2869 other relevant performance information and reports for consideration. Agency  
2870 may request Contractor to submit specific information for the hearing. In  
2871 addition, any Person may submit comments or Complaints during or before the  
2872 hearing, either orally or in writing, and these shall be considered.

2873 3. Action Plan. Contractor shall prepare and submit an action plan for improving  
2874 and/or modifying its Collection services and other services if requested.

2875 Not less than ten (10) Business Days prior to the scheduled hearing date, SBWMA  
2876 and Contractor shall exchange any written reports and other documents that will be  
2877 provided or presented at the hearing. Not less than five (5) Business Days before  
2878 the scheduled hearing date, SBWMA and Contractor shall ensure their availability  
2879 to discuss the content and underlying support for such reports.

2880 SBWMA and Contractor shall attend and participate in the performance hearing.  
2881 Contractor may be required to present an oral report on its performance at the  
2882 performance hearing. Contractor's failure to attend and participate in the  
2883 performance hearing and provide an oral presentation upon request; provide a  
2884 written response to the questions or request for a self assessment report submitted  
2885 by Agency or SBWMA; or submit an action plan if requested by Agency or SBWMA  
2886 may result in Liquidated Damages pursuant to Attachment J.

2887 Within sixty (60) Days after the conclusion of each performance hearing, SBWMA  
2888 may issue a report. As a result of the review, Agency may require Contractor to  
2889 provide expanded or new services within a reasonable time frame and for  
2890 reasonable compensation; and Agency or SBWMA may direct Contractor to take  
2891 corrective actions for any performance inadequacies.

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**ARTICLE 9 RECORD KEEPING AND REPORTING**

2893 **9.01 GENERAL**

2894 Contractor shall compile and maintain records related to its performance as necessary  
2895 to develop the reports required by this Agreement. Contractor agrees to conduct data  
2896 collection, record keeping, and reporting activities necessary to meet the reporting and  
2897 Solid Waste program management needs of the Agency, and to comply with the Act,  
2898 other Applicable Laws (including those specified in Section 15.14), and the requirements  
2899 of this Agreement.

2900 Record keeping and reporting requirements specified in this Agreement shall not be  
2901 considered a comprehensive list of reporting requirements. In particular, Article 9 is  
2902 intended to highlight the general nature of records and reports and their minimum  
2903 content and is not meant to comprehensively define the scope and content of the  
2904 records and reports. Upon written direction or approval of Agency, the records and  
2905 reports required by Contractor in accordance with this and other Articles of the  
2906 Agreement shall be adjusted in number, format, or frequency.

2907 Contractor shall maintain all records necessary to allow the Agency to determine  
2908 Contractor's compliance with the Terms of the Agreement and compliance with the  
2909 Performance Standards and Performance Incentives/Disincentives presented in this  
2910 Agreement including, but not limited to, those related to the quality of Collection services  
2911 and customer service and those identified in Attachments I and J. The records shall be  
2912 maintained in a manner that allows for easy verification of Contractor's performance.

2913 **9.02 GENERAL RECORD KEEPING PROVISIONS**

2914 A. **General.** Contractor shall maintain records required to conduct its operations, to  
2915 support requests it may make to Agency, and to respond to requests from Agency.  
2916 All records shall be maintained for five (5) years after the expiration or early  
2917 termination of this Agreement.

2918 In order to set Contractor's Compensation pursuant to Article 11, it is necessary for  
2919 Contractor to maintain accurate, detailed financial and operational information in a  
2920 consistent format and to make such information available to the Agency in a timely  
2921 fashion, and in accordance with reporting requirements specified in this Article.

2922 B. **Inspection of Records.** Agency shall have the right to inspect or review the  
2923 payroll tax reports, specific documents or records required expressly or by  
2924 inference pursuant to this Agreement, or any other similar records or reports of  
2925 Contractor that Agency shall deem, in its sole discretion, reasonably necessary to  
2926 evaluate annual reports, compensation applications provided for in this Agreement,  
2927 and Contractor's performance or other matters related to this Agreement.

2928 The Agency, its auditors and other agents selected by the Agency, shall have the  
2929 right, during regular business hours, to conduct unannounced on-site inspections  
2930 and review of the records and accounting systems of Contractor and to make  
2931 copies of any of Contractor's documents relevant to this Agreement. Upon request,  
2932 Contractor shall arrange for records of Related Party Entities to be made available  
2933 to Agency and its official representatives for review, to the extent such records are  
2934 reasonably necessary to evaluate annual reports, compensation applications,  
2935 Contractor's performance, or other matters related to this Agreement.

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C. **Retention of Records.** Unless otherwise herein required, Contractor shall retain all records and data required to be maintained by this Agreement for the Term plus at least five (5) years after expiration or early termination of the Agreement. Records and data shall be in a chronological and organized form and readily and easily interpreted. At the Agency's request, records and data required to be retained shall be retrieved in a timely manner (which shall not exceed more than ten (10) Business Days unless Contractor obtains prior written approval from the Agency) by Contractor and made available to the Agency.

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Contractor shall maintain copies of all Billings and Billing Collections (e.g., Customer payments) records or copies of Billing summary reports (that document all Billings and Billing Collections for each Customer) for five (5) years, following the date of Billings, for inspection and verification by Agency.

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Records and data required to be maintained that are not specifically directed to be retained that are, in the sole opinion of the Agency, material to the determination of Contractor's Compensation or Rates or to determination of Contractor's performance, shall be retrieved by Contractor and made available to the Agency in a timely manner (which shall not exceed ten (10) Business Days unless Contractor obtains prior written approval from the Agency). When records and data are not retained or provided by the Contractor, the Agency may make reasonable assumptions regarding what information is contained in such records and data, and such assumption(s) shall be conclusive in whatever action the Agency takes.

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D. **Record Security.** Contractor shall maintain adequate record security to preserve records from events that can be reasonably anticipated such as a fire, theft, and an earthquake. Electronically-maintained data and/or records shall be protected, backed up, and stored at a separate site from the original data.

2961 **9.03 RECORD KEEPING REQUIREMENTS**

2962 **A. Maintenance of Financial and Operational Records**

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1. General. In order to effectuate Contractor's Compensation pursuant to Article 11, it is necessary for Contractor to maintain accurate, detailed financial and operational information in a consistent format and to make such information available to the Agency and the SBWMA in a timely fashion.

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2. Contractor's Accounting Records. Contractor shall maintain accurate and complete accounting records containing the underlying financial and operating data relating to, and showing the basis for computation of, all costs associated with providing services under this Agreement. The accounting records shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP) consistently applied.

2973 **B. Collection Service Records**

2974 Records shall be maintained and retained by Contractor for Agency relating to:

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1. Customer and Billing information including, but not limited to, the following for each Customer:

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a. Names, addresses, and phone numbers of Customer, Billing contact Person, and, if appropriate, for property manager or on-site contact Person;

- 2980 b. Solid Waste service level, Targeted Recyclable Materials service level, and  
 2981 Organic Materials service level (where service level includes the number of  
 2982 Containers, size of each Container, and the Collection frequency of each  
 2983 Container);
- 2984 c. Number of tenant or living units at Multi-Family Residential Complexes;
- 2985 d. Service exemptions for SFD Premises (if applicable);
- 2986 e. Special services (e.g., Backyard and Special Handling Collection for SFD  
 2987 Premises, push/pull charges, lock/unlock charges, etc.).
- 2988 Contractor's Customer and Billing system shall allow for information to be compiled  
 2989 easily and separately for each Service Sector.
- 2990 2. Weight and volume of material Collected by type (e.g., Solid Waste, Targeted  
 2991 Recyclable Materials, Organic Materials). Where possible, information shall be  
 2992 provided separately for each Service Sector.
- 2993 3. Route sheets and route maps identifying the accounts serviced by each  
 2994 Collection vehicle on a daily basis (e.g., detailed GPS reports).
- 2995 4. Facilities, equipment and personnel used.
- 2996 5. Facilities and equipment operations, maintenance and repair.
- 2997 6. Tonnage of Solid Waste, Targeted Recyclable Materials, Universal Waste, and  
 2998 Organic Materials listed separately by materials type and Service Sector and  
 2999 the facility where materials were delivered (e.g., Designated Transfer and  
 3000 Processing Facility).
- 3001 7. Monthly Overall Diversion Level, monthly SFD Diversion Level, and the monthly  
 3002 Commercial Diversion Level (each stated as a percentage) and calculated in  
 3003 accordance with Attachment I.
- 3004 8. Targeted Recyclable Materials, Used Motor Oil and Used Motor Oil Filters,  
 3005 Household Batteries, Cell Phones and Organic Materials Collection  
 3006 participation and set-out rates.
- 3007 9. Tonnage of materials Collected from On-Call Bulky Item Collection services  
 3008 described in sections 5.05, 5.06 and 5.12, community collection events as  
 3009 described in sections 5.13 and 5.14, and abandoned waste clean-up events  
 3010 described in section 5.09, reported separately by material type Collected and  
 3011 listing destination where materials were delivered (e.g., Goodwill Industries,  
 3012 Designated Transfer and Processing Facility, etc.).
- 3013 10. Tonnage of Solid Waste, Recyclable Materials, and Organic Materials  
 3014 Collected from Venues and Events as described in Section 5.08 reported  
 3015 separately by material type Collected and reported separately for each Venue  
 3016 and Event as the total Tonnage of each material type for each Venue or Event  
 3017 monthly.
- 3018 11. Volume of Used Motor Oil and number of Used Motor Oil Filters Collected by  
 3019 Contractor reported separately for each facility where materials were delivered.

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- C. Other Programs Records**
- Records for other programs shall be tailored to specific needs. In general, Contractor shall maintain and retain the following records:
1. Plans, tasks, and milestones; and
  2. Accomplishments including activities conducted, dates, quantities of products used, produced or distributed, and numbers of participants and responses.
- D. Customer Service Records.** Daily logs of all Complaints and Inquiries shall be retained for a minimum of thirty-six (36) months. Contractor shall maintain and retain customer service center records which include, but are not limited to the following statistics:
1. Number of calls received on a daily and monthly basis;
  2. Number of calls answered on a daily and monthly basis;
  3. Number of abandoned (dropped) calls on a daily and monthly basis;
  4. Average abandoned time (i.e., Hold Time before abandoning call);
  5. Number of delayed calls (i.e., calls where caller is placed on hold before speaking with a customer service agent) on a daily and monthly basis;
  6. Average Hold Time for incoming calls on a daily and monthly basis;
  7. Percentage of calls answered by a Person within thirty (30) seconds on a daily and monthly basis;
  8. Percentage of calls answered within three (3) minutes on a daily and monthly basis;
  9. Number of e-mail responses sent from the customer service department to Customers on a monthly basis;
  10. Number and percentage of Complaint and Inquiry e-mails or submissions through Contractor website that received responses before close of business on the Day received on a monthly basis;
  11. Number and percentage of Complaint and Inquiry e-mails that received responses by the close of business on the Day following the receipt of the Complaint or Inquiry;
  12. Number of Complaints and Inquiries received through Contractor's website on a daily and monthly basis;
  13. Names of all Customer service representatives employed; and,
  14. Minimum, average, and maximum number of customer service representatives employed during each month.
- E. CERCLA Defense Records.** Agency views the ability to defend against CERCLA and related litigation as a matter of great importance. For this reason, the Agency regards the ability to prove where Solid Waste Collected in the Agency area was taken for transfer or Disposal, to be matters of concern. Contractor shall maintain data retention and preservation systems which can establish where Solid Waste Collected in the Service Area was delivered for transfer or Disposal. This provision shall survive the expiration of this Agreement.

3061 F. **Compilation of Information for State Law Purposes.** Contractor shall compile  
3062 information on amounts of Solid Waste delivered to the Designated Transfer and  
3063 Processing Facility and to other locations, as well as other information which the  
3064 Agency may reasonably request.

3065 Contractor shall maintain these records for a minimum of ten (10) years after  
3066 expiration or earlier termination of the Agreement. Contractor shall provide these  
3067 records to Agency (upon request or at the end of the record retention period) in an  
3068 organized and indexed manner rather than destroying or Disposing of them.

3069 **9.04 GENERAL REPORTING REQUIREMENTS**

3070 A. **Purpose.** Records shall be maintained and retained in forms, on media, and by  
3071 methods that facilitate flexible use of data contained in them to structure reports, as  
3072 needed. Reports are intended to compile recorded data into useful forms of  
3073 information that can be used to, among other things:

- 3074 1. Evaluate Diversion performance  
3075 2. Evaluate Contractor's performance  
3076 3. Monitor Customer participation in Targeted Recyclable Materials and Organic  
3077 Materials Collection programs and in other programs using several different  
3078 performance measures  
3079 4. Monitor changes in the number of Customers and Customers' service levels  
3080 5. Determine needs for adjustment to programs and cost for such changes  
3081 6. Evaluate customer service and Complaints  
3082 7. Determine and set Contractor's Compensation and Rates

3083 B. **Report Format.** Contractor may propose report formats that are responsive to the  
3084 objectives and audiences for each report. The format of each report shall be  
3085 approved by Agency. The Agency may review and request changes to Contractor's  
3086 report formats and content and Contractor shall not unreasonably deny such  
3087 requests. Contractor agrees to mail a copy of all reports to the Agency, and submit  
3088 all reports by e-mail in a format compatible with the Agency's software and  
3089 computers so the Agency can sort and analyze data. Contractor shall provide a  
3090 certification statement, under penalty of perjury by the responsible Contractor  
3091 official, that the report being submitted is true and correct to the best knowledge of  
3092 such official after their reasonable inquiry.

3093 C. **Submittal Schedule and Instructions.** Contractor shall submit monthly reports  
3094 within fifteen (15) Days after the end of the reporting month. Contractor shall  
3095 submit quarterly reports within thirty (30) Days after the end of the reporting  
3096 quarter. Contractor shall submit annual reports within forty-five (45) Days after the  
3097 end of each Rate Year.

3098 Contractor shall submit (via mail and e-mail) all reports to the person(s) designated  
3099 by SBWMA and Agency.

3100 D. **Failure to Report.** The refusal or failure of Contractor to file any required reports,  
3101 or to provide required information to Agency, or the inclusion of any materially false  
3102 or misleading statement or representation by Contractor in such report shall be  
3103 deemed a Contractor default as described in Section 14.01 subject to the notice

3104 and cure provisions of that section and shall subject Contractor to all remedies  
05 which are available to the Agency under the Agreement or otherwise.

3106 E. **Accuracy of Reports.** The failure of Contractor to file accurate and timely reports,  
3107 proposal(s), information or correspondence to Agency or SBWMA, or the inclusion  
3108 of any inaccurate or misleading data, statement or representation by Contractor in  
3109 such report(s), proposal(s), information or correspondence to Agency or SBWMA,  
3110 shall be subject to Liquidated Damages as set forth in Attachment J. In addition, the  
3111 inclusion of any materially false or misleading statement or representation by  
3112 Contractor in such report shall be deemed a Contractor default as described in  
3113 Section 14.01 subject to the notice and cure provisions of that section and shall  
3114 subject Contractor to all remedies which are available to the Agency under the  
3115 Agreement or otherwise.

3116 **9.05 MONTHLY REPORTS**

3117 Monthly reports shall present the information described in this Section. Each monthly  
3118 report shall present the information below for that month and for each of the preceding  
3119 twelve (12) months.

3120 A. **Tonnage Information.** Contractor shall provide the Tonnage information  
3121 requested below by Service Sector on a monthly and year-to-date basis. However,  
3122 the Agency reserves the right to request the monthly Tonnage data by route.

3123 1. Solid Waste. Total Solid Waste Tonnage Collected and Disposed by Service  
3124 Sector.

3125 2. Targeted Recyclable Materials Services. Total Targeted Recyclable Materials  
26 Tonnage Collected and delivered for processing by Service Sector listed  
3127 separately by material type Collected (e.g., Single-Stream Recyclable  
3128 Materials, Source Separated Cardboard, Source Separated Paper, Used Motor  
3129 Oil, Used Motor Oil Filters, etc.).

3130 3. Organic Materials Services. Total Organic Materials Tonnage Collected and  
3131 delivered for processing by Service Sector listed separately by material type  
3132 (e.g., Plant Materials, Food Scraps, or Organic Materials).

3133 If Contractor does not separately track Multi-Family Tonnage data, Contractor shall  
3134 conduct a semi-annual or annual Tonnage assessment if requested by the Agency  
3135 in accordance with Section 7.06, which involves separately Collecting and weighing  
3136 Multi-Family Solid Waste, Targeted Recyclable Materials, and Organic Materials to  
3137 quantify Tonnage Collected during a given week.

3138 B. **Diversion Level.** Contractor shall provide the monthly and year-to-date Calculated  
3139 Overall Diversion Level, the monthly and year-to-date Residential Diversion Level,  
3140 and the monthly and year-to-date Commercial Diversion Level (each stated as a  
3141 percentage) calculated in accordance with Attachment I. In addition, Contractor  
3142 shall present the calculations used to determine the diversion levels.

3143 C. **Complaint, Inquiry and Service Requests Data.** Contractor shall provide  
3144 information on the number of Complaints, Inquiries service requests received from  
3145 Customers, Generators, or other Person by category (e.g., missed pickups, noise  
3146 Complaints, scheduled On-Call Bulky Item Collection Events, Overage events,  
3147 Billing concerns, property damage claims, requests for information, delivery of  
3148 Recycling Tote-Bags, inventory of Recycling Tote-Bags etc.). Complaint summary,

3149 for each month and cumulative for Rate Year to date, summarized by nature of  
3150 Complaint, Inquiry and service request on a compatible computer disc or other  
3151 memory device approved by Agency. The categorization of Complaints, Inquiries  
3152 and service requests shall be agreed-upon by the Agency, SBWMA, and Contractor  
3153 prior to the Commencement Date, and shall be adjusted during the Term upon  
3154 agreement between Agency, SBWMA and Contractor.

3155 D. **Call Center Data.** Number of calls received, number of calls answered, number of  
3156 dropped calls, percentage of dropped calls, Average Hold Time, percentage of calls  
3157 answered in thirty (30) seconds.

3158 E. **Monthly Gross Revenues and Fee Reports.** Pursuant to Article 10, a statement  
3159 itemizing each fee paid by Contractor to Agency in the month; detailing calculation  
3160 of each monthly fee amount; and stating monthly Gross Revenues, by Service  
3161 Sector, for all operations conducted or permitted by this Agreement.

3162 F. **On-Site Customer Assessments and Visual Audits.** Contractor shall report the  
3163 number of and results of the site assessments and visual audits conducted for  
3164 Multi-Family Dwelling, Commercial, and Agency Customers, which are required by  
3165 Section 7.06.

3166 G. **Quality Assurance Program.** Contractor shall report monthly on its implementation  
3167 of this program, described in Section 7.02.F, during the prior month. The report  
3168 shall include (i) name and Service Sector of each Customer contacted, (ii) date,  
3169 time and length of telephone call, (iii) name of customer service representative  
3170 placing call, (iv) summary of Customer's responses to questions and other  
3171 information provided, and (v) follow-up actions taken, if any, in response to calls.

## 3172 9.06 QUARTERLY REPORTS

3173 Quarterly reports shall present the information described in this Section. Each quarterly  
3174 report shall present the information below for the reporting months of that quarter and  
3175 for each of the preceding twelve (12) months.

3176 A. **Tonnage Information.** Contractor shall provide the Tonnage information  
3177 requested below by Service Sector on a monthly and year-to-date basis. However,  
3178 the Agency reserves the right to request the monthly Tonnage data by route.

3179 1. Solid Waste. Total Solid Waste Tonnage Collected and Disposed by Service  
3180 Sector.

3181 2. Targeted Recyclable Materials Services. Total Targeted Recyclable Materials  
3182 Tonnage Collected and delivered for processing by Service Sector listed  
3183 separately by material type Collected (e.g., Single-Stream Targeted Recyclable  
3184 Materials, Source Separated cardboard, Source Separated paper, Used Motor  
3185 Oil, Used Motor Oil Filters, etc.).

3186 3. Organic Materials Services. Total Organic Materials Tonnage Collected and  
3187 delivered for processing by Service Sector listed separately by material type  
3188 (e.g., Plant Materials, Food Scraps, or Organic Materials).

3189 If Contractor does not separately track Multi-Family Tonnage data, Contractor shall  
3190 conduct a semi-annual or annual Tonnage assessment if requested by Agency in  
3191 accordance with Section 7.08 that involves separately Collecting and weighing  
3192 Multi-Family Solid Waste, Targeted Recyclable Materials, and Organic Materials to  
3193 quantify Tonnage Collected during a given week.



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- B. **Diversion Level.** Contractor shall provide the quarterly and year-to-date Overall Diversion Level, the quarterly and year-to-date Single-Family Diversion Level, and the quarterly and year-to-date Commercial Diversion Level (each stated as a percentage) calculated in accordance with Attachment I. In addition, Contractor shall present the calculations used to determine the Diversion Levels.
  - C. **Education Activities**
    1. Public education materials produced and total number of each distributed.
    2. Dates, times, and names of meetings or events attended.
    3. Dates, times, and names of school(s) where presentations were performed.
    4. Other educational activities as may be requested by Agency.
  - D. **Complaint, Inquiry and Service Requests Data.** Number of Complaints, Inquiries and service requests received from Customers, Generators, or other Person by category (e.g., missed pickups, noise Complaints, scheduled On-Call Bulky Item Collection Events, Overages, Billing concerns, property damage claims, requests for information, etc.). Complaint summary, for each month and cumulative for Rate Year to date, summarized by nature of Complaints on a compatible computer disc or other memory device approved by Agency.
  - E. **Call Center Data.** Number of calls received, number of calls answered, number of dropped calls, percentage of dropped calls, average delay time, Average Hold Time, percentage of calls answered in thirty (30) seconds, percentage of calls answered in ninety (90) seconds reported for the month.
  - F. **Quarterly Gross Revenues and Fee Reports.** Pursuant to Article 10, a statement itemizing each fee paid by Contractor to Agency in the quarter; detailing calculation of each monthly fee amount; and stating monthly Gross Revenues, by Service Sector, for all operations conducted or permitted by this Agreement.
  - G. **Determination and Payment of Liquidated Damages.** In accordance with the requirements of Section 14.07, Contractor shall provide a report that identifies any non-compliance with performance measures listed in Attachment J (except for compliance with diversion-related standards which shall be reported as part of the Contractor's annual report) and include calculation of the Liquidated Damages due. This report shall be accompanied by supporting documentation identifying either compliance with or level of non-compliance with the performance measures. Contractor may include with its report a written request to meet with Agency's Manager or his or her designee to discuss Contractor's evidence refuting the basis for assessing Liquidated Damages pertaining to unacceptable employee behavior. In such cases, Contractor shall include with its report evidence in writing and written testimony of its employees and others relevant to the incident(s)/non-performance. Agency's Manager or his or her designee will provide Contractor with a written explanation of his or her determination on each incident(s)/non-performance. The decision of Agency's Manager or his or her designee shall be final.
  - H. **Account Summary.** For monthly reports following the end of each quarter (e.g., for monthly reports submitted in January, April, July, and October), provide the following account summary information in table format:
    1. Number of Customers in each Rate category.

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2. Total number of Residential, Commercial, and Drop Box Customers subscribing to Solid Waste, Targeted Recyclable Materials, and Organic Materials Collection service listed separately by Service Sector and material type.
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3. Percentage of Customers subscribing to Targeted Recyclable Materials Collection service (listed separately for Multi-Family, Commercial, and Drop Box Customers), which shall be equal to the total number of Targeted Recyclable Materials Customers divided by the total number of Solid Waste Customers.
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4. Percentage of Customers subscribing to Organic Materials Collection service (listed separately for Multi-Family, Commercial, and Drop Box Customers), which shall be equal to the total number of Organic Materials Customers divided by the total number of Solid Waste Customers.
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- I. **On-Site Customer Assessments and Visual Audits.** Contractor shall report the number of and results of the site assessments conducted for Multi-Family and Commercial Customers, which are required by Article 7.
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- J. **Summary Assessment.** Highlight significant accomplishments and problems. Identify recommendations and/or plans to improve services.
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- K. **Public Education Plan.** The quarterly report submitted in October of each year shall include the public education plan for the coming year pursuant to Section 7.03 of this Agreement.
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- L. **Hazardous Waste Records.** A summary or copy of the Hazardous Waste records required under Section 8.07.D.
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- M. **Operational Data.** Contractor shall provide GPS reports as requested by Agency or SBWMA. In addition, Contractor shall submit a summary of Collection route operational data including: average number of Customers and Containers serviced per route per Day for each Collection route; average number of actual both on-route and off-route hours per Day by route (distinguishing between normal and hard-to-serve routes, if appropriate); and, one-hundred (100) largest generators based on weekly Solid Waste volumes (listed in descending order) within Agency for both Commercial and Multi-Family Customers. This reporting shall include, at a minimum: the name of the Customer; the name of the business; the address of the business; the type(s) of service received (e.g. Collection of Solid Waste, Single-Stream Targeted Recyclable Materials, Plant Materials, Food Scraps, Organic Materials, Source Separated cardboard, Source Separated paper, etc.); the volume of service received weekly measured in cubic yards; the frequency of service received measured in number of Collections per week; the diversion volume measured as total service level volume divided by Targeted Recyclables Materials and/or Organic Materials Collection volume; and, the change in service level from the prior quarter.
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- N. **Commercial Recycling Promotion Program Status Report.** Contractor must prepare and submit, both quarterly and annually, to Agency and SBWMA, a Commercial Recycling Program Status Report. The Commercial Recycling Program Status Report shall include, but not be limited to:
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1. A summary of training and professional development activities for the Commercial Recycling Promotion and supervisory staff.

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2. A description of the strategy and overall approach to attract and retain a high quality and effective Commercial Recycling Promotion Program and supervisory staff.
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3. A description and status of meeting the goals and objectives for the Commercial Recycling Promotion team and how these goals and objectives are tied to the compensation incentive plan. (Contractor must explain how the stated goals and objectives will be accomplished if no compensation incentive plan is used.)
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4. A description of Contractor's sales strategy for maintaining and/or expanding the existing Commercial Recycling account base and diversion levels.
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5. A description of the services provided to the Commercial and Agency Facility sectors.
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6. A detailed accounting of diversion statistics for the Commercial and Agency Facility sectors.
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- O. **Other Information.** Other information or reports that Agency may reasonably request or require be added to quarterly reporting. These requests may include, but shall not be limited to, information regarding On-Call Collection programs, Used Motor Oil and Used Motor Oil Filter Collection, and large Events and Venues Collection.
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- P. **Determination and Payment of Performance Incentives and Disincentives.** In accordance with the requirements of Section 11.07, Contractor shall provide with its quarterly report, a report that identifies compliance with the performance standards listed in Attachment I and includes calculation of the Performance Incentive payments and disincentive assessments due. Performance incentives (in the form of increased compensation to Contractor) will be awarded by Agency for excellent performance on aspects of Solid Waste diversion, Collection service delivery and customer service as specified in Attachment I. Performance disincentives will be assessed by Agency for substandard performance on aspects of Solid Waste diversion, Targeted Recyclable Materials contamination, Organic Materials contamination, Plant Materials contamination, Collection service delivery and customer service specified in Attachment I.
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- Contractor's payment of performance disincentives related to Contamination are to be included with submittal of Contractor's quarterly report to the SBWMA. All other performance incentives and disincentives payments are to be included in Contractor's annual Rate Application and Contractor's Compensation for the next Rate Year will be increased or decreased by the net amount of performance incentive payments and disincentive assessments calculated in the Application. Performance incentives and disincentives for Overall Diversion Level, Minimum Single-Family Diversion Level, Minimum Commercial Diversion Level, Contamination, Average Speed of Answer and Ninety (90) Second Maximum Hold Time shall be calculated in aggregate for the SBWMA Service Area and Agency's share shall be proportional based on the tons of Solid Waste Collected by Contractor for Rate Year One (2011) by Previous Contractor. Performance incentives and disincentives for Single-Family Missed Pick-Up Initial Complaints and Single-Family Missed Pick-Up Collection Events shall be calculated separately for each Agency.

3330 **9.07 ANNUAL REPORTS**

3331 Annual reports shall present the information described in this Section in addition to the  
3332 information required for quarterly reports pursuant to Section 9.05.

3333 **A. Operational Information**

3334 1. Routes by Service Sector

3335 a. Number of routes per Day

3336 b. Types of vehicles

3337 c. Crew size per route

3338 e. Number of full-time equivalent routes

3339 f. Number of accounts per route

3340 g. Total hours per Service Sector per Day and per year

3341 h. Average cost per route

3342 i. Route sheets and maps

3343 2. Personnel

3344 a. Organizational chart

3345 b. Job classifications and number of full-time equivalent positions for each  
3346 (e.g. administrative, customer service representatives, drivers,  
3347 supervisors, educational staff, etc.)

3348 c. Annual wages by job classification including benefits

3349 3. Productivity Statistics

3350 a. Number of accounts per Service Sector

3351 b. Number of set-outs per Service Sector

3352 c. Tons per route per Day by Service Sector

3353 4. Operational Changes

3354 a. Number of routes

3355 b. Staffing

3356 c. Supervision

3357 d. Collection services

3358 5. Equipment - An inventory of equipment in accordance with Section 8.04.D.

3359 6. Billing - Billing review report in accordance with Section 7.01.F.

3360 **B. Customer Account Information.** As part of the annual reporting requirement,  
3361 Contractor shall make available to Agency detailed Customer account information  
3362 in tabular format and in electronic format (in computer software format that is  
3363 compatible with the Agency's) Including the following information for each  
3364 Customer: account number; service address; assessor parcel number for Accounts  
3365 agreed to by Contractor and Agency; Customer's name, address, and phone  
3366 number; Billing contact name, Billing address, and phone number; Solid Waste,  
3367 Targeted Recyclable Materials, and Organic Materials Collection service level (i.e.,

3368 number of Containers, size of Containers, frequency of Collection, and Day(s) of  
69 Collection), and Rate charged. For Multi-Family Customers, the Customer account  
3370 information shall also include the number of dwelling units at each Multi-Family  
3371 Residential Complex.

3372 C. **Customer Service Operations.** Contractor shall annually prepare and submit, to  
3373 Agency and SBWMA, a Customer Service Operations Plan that shall include, at a  
3374 minimum, the following sections:

3375 1. Customer Service Call Center

3376 a. Provide the number CSR supervisory staff and describe their  
3377 responsibilities.

3378 b. Contractor must describe its training strategy for CSR's and CSR  
3379 supervisory staff.

3380 c. Contractor must describe its strategy and overall approach to attracting  
3381 and retaining a high quality CSR staff.

3382 2. Website

3383 a. Number of on-line payments made

3384 b. Number of On-Call Collection Services scheduled

3385 c. Number of On-Call Bulky Goods Collections scheduled

3386 d. Number of extra Solid Waste pick-ups scheduled

3387 e. Number of service changes requested

3388 f. Number of Complaints documented and resolved

3389 3. Customer Information System

3390 a. Status of any changes or upgrades made to system software

3391 b. Description of proposed changes to system software

3392 c. Explanation and schedule of training activities

3393 4. Staffing

3394 5. Commercial customer service

3395 D. **Related Party Entities.** Contractor agrees that all financial transactions with all  
3396 Related Party Entities shall be approved in advance in writing and disclosed  
3397 annually (coinciding with Contractor's annual audited financial statements referred  
3398 to in this Section 9.07) to the Agency in a separate disclosure letter to the Agency.  
3399 This letter shall include the following information: a general description of the nature  
3400 of each transaction, or type of (for many similar) transaction, as applicable. Such  
3401 description shall include for each (or similar) transaction, amounts, specific Related  
3402 Party Entity, basis of amount (how amount was determined), and description of the  
3403 allocation methodology used to allocate any common costs. Amounts shall be  
3404 reconciled to the Related Party Entity disclosures made in Contractor's annual  
3405 audited financial statements referred to in this Section.

3406 At the Agency's request, Contractor shall provide the Agency with copies of working  
3407 papers or other documentation deemed relevant by the Agency relating to  
3408 information shown in the annual disclosure letter. The annual disclosure letter shall  
3409 be provided to the Agency within sixty (60) Business Days of Contractor's Fiscal  
3410 Year end.

3411 E. **Contractor's Review of Billings.** Pursuant to the requirements described in  
3412 Section 7.01.F, Contractor shall submit a report on its review of Billings.

3413 F. **Determination and Payment of Liquidated Damages.** In accordance with the  
3414 requirements of subsections 14.07 and 11.07.D, Contractor shall provide with its  
3415 annual report, a report that identifies any non-compliance with the performance  
3416 standards listed in Attachment J and includes calculation of the Liquidated  
3417 Damages due. This report shall be accompanied by supporting documentation  
3418 identifying Contractor's compliance or non-compliance with the specified  
3419 performance standards. The report submittal shall be accompanied by a check  
3420 from Contractor in the amount of the Liquidated Damages due (per Contractor's  
3421 calculation and self-reporting) for the reporting period.

3422 G. **Determination and Payment of Performance Incentives and Disincentives.** In  
3423 accordance with the requirements of subsection 11.07, Contractor shall provide  
3424 with its annual report, a report that identifies any non-compliance with the  
3425 performance standards listed in Attachment I and includes calculation of the  
3426 Performance Incentive payments and Disincentive assessments due. Performance  
3427 Incentives (in the form of increased compensation to Contractor) will be awarded by  
3428 Agency for excellent performance on aspects of Solid Waste diversion, Collection  
3429 service delivery and customer service as specified in Attachment I. Performance  
3430 disincentives will be assessed by Agency for substandard performance on aspects  
3431 of Solid Waste diversion, Collection service delivery and customer service specified  
3432 in Attachment I.

3433 Payment related to Performance Incentives and Disincentives, other than those  
3434 related to Contamination, are to be included in Contractor's annual Rate Application  
3435 and Contractor's Compensation for the next Rate Year will be increased or  
3436 decreased by the net amount of Performance Incentive payments and Disincentive  
3437 assessments calculated. Performance Incentives and Disincentives shall be  
3438 calculated as specified in Section 9.06.P.

3439 **9.08 REQUIRED SPECIFIC REPORTING**

3440 Event-specific reports shall be submitted following the occurrence of the event as  
3441 described in this Section.

3442 A. **Report of Accumulated Solid Waste; Unauthorized Dumping.** As required by  
3443 Section 7.07, Contractor shall report: (i) the addresses of any Premises at which  
3444 the driver observes that Solid Waste, Targeted Recyclable Materials, and/or  
3445 Organic Materials is accumulating; and (ii) the address, or other location  
3446 description, at which Solid Waste, Targeted Recyclable Materials, and/or Organic  
3447 Materials has been dumped in an apparently unauthorized manner. The report  
3448 shall be delivered to the Agency within one (1) Business Day of such observation.

3449 B. **Hazardous Waste.** As required by Section 8.07, the Contractor shall notify the  
3450 Agency of any Hazardous Waste identified in Containers or left at any Premises  
3451 within twenty-four (24) hours of identification of such material.

3452 C. **Reporting Adverse Information.** Contractor shall provide Agency two (2) copies  
3453 (one (1) to the Agency Manager, one (1) to the Agency Attorney) of all reports,  
3454 pleadings, applications, notifications, Notices of Violation, communications or other  
3455 material relating specifically to Contractor's performance of services pursuant to  
3456 this Agreement, submitted by Contractor to, or received by Contractor from, the  
3457 United States or California Environmental Protection Agency, the California  
3458 Integrated Waste Management Board, the Securities and Exchange Commission or  
3459 any other federal, State, County, or local agency, including any federal or State

3460 court. Copies shall be submitted to Agency simultaneously with Contractor's filing  
3461 or submission of such matters with said agencies. Contractor's routine  
3462 correspondence to said agencies need not be submitted to Agency, but shall be  
3463 made available to Agency promptly upon Agency's written request.

3464 **9.09 UPON-REQUEST REPORTING**

3465 A. **Holiday Tree Services.** Within ten (10) Business Days of Agency's request,  
3466 Contractor shall report the Tonnage of Holiday Trees collected at the Drop Box  
3467 sites or at drop-off sites (if drop-off sites were established).

3468 B. **Other.** The Agency reserves the right to request additional reports from the  
3469 Contractor, and the Contractor shall deliver such reports within twenty-five (25)  
3470 Business Days of such request provided that such information is similar in nature to  
3471 the required elements of the monthly, quarterly or annual reporting requirements  
3472 described in Sections 9.05, 9.06, and 9.07. If the information requested by the  
3473 Agency is not typically part of the Contractor's reporting requirements described in  
3474 Sections 9.05, 9.06, and 9.07, Contractor shall provide such information if the  
3475 Contractor is required to maintain the information under the record-keeping  
3476 requirements described in Sections 9.01, 9.02, and 9.03.

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**ARTICLE 10 FRANCHISE FEE AND OTHER FEES**

3478 **10.01 GENERAL**

3479 The fees described in this Article shall be treated as Pass-Through Costs for the  
3480 purposes of determining Contractor's Compensation and shall be recoverable through  
3481 the Rates that Contractor charges to Customers. Contractor shall separately identify  
3482 any of the fees established under this Article on Customer bills if directed to do so by  
3483 Agency.

3484 **10.02 FRANCHISE FEE**

3485 In consideration of the exclusive franchise granted to Contractor by this Agreement, and  
3486 to reimburse Agency for costs incurred in administering this Agreement, Contractor shall  
3487 pay to Agency a Franchise Fee specified in Attachment M.

3488 **10.03 OTHER FEES**

3489 Agency has adopted other fees which are intended to recover the costs of services  
3490 related to solid waste management, recycling, cleanliness of public streets and/or public  
3491 litter and recycling containers through inclusion in solid waste/recycling collection Rates.  
3492 The other fees currently in effect, or which are expected to be in effect as of January 1,  
3493 2011 are also listed on Attachment M.

3494 **10.04 TIME AND METHOD OF PAYMENT**

3495 On or before the twentieth (20<sup>th</sup>) day after the end of each month, Contractor shall pay  
3496 to Agency (i) the amount of the Franchise Fees due on Gross Revenues Billed during  
3497 the immediate previous month, (ii) one-twelfth of any other fee established by Agency  
3498 unless Agency directs a different payment schedule for such other fees.

3499 Contractor shall provide, concurrently with the payment of fees, a statement showing the  
3500 calculation of each fee, including the Gross Revenues Billed from Customers in each  
3501 Service Sector for that month. The statement shall be in a format, and contain the level  
3502 of detail, specified by Agency. Payments from Contractor to Agency shall be made by  
3503 wire transfer or other method authorized by Agency.

3504 If a fee is not paid on time, Contractor shall pay a late payment charge equal to two  
3505 percent (2%) of the fees due for that month. In addition, Contractor shall pay an  
3506 additional two percent (2%) on any unpaid balance for each thirty (30) Day period a  
3507 portion of the fee due remains unpaid. Late payment charges are not included in  
3508 Contractor's Compensation and may not be recovered through Rates. Changes to  
3509 Contractor's Compensation to reflect increases or decreases in fees, or the addition of  
3510 new fees, are not subject to the Special Compensation Review provisions in Section  
3511 11.05.

3512 **10.05 ADJUSTMENTS TO FEES; ADDITIONAL FEES**

3513 Agency may from time to time adjust the amount of the fees described in this Article and  
3514 may establish other fees. Changes in the total amount of fees to be collected by  
3515 Contractor and remitted to Agency shall be reflected in an adjustment to Contractor's  
3516 Compensation and Rates.





- 3561 • Inflation;
- 3562 • Wage rates and benefits for employees covered by collective bargaining
- 3563 agreements;
- 3564 • Capital equipment costs; and
- 3565 • Customer account and service levels.

3566 All as provided in Attachment K, Section 3.

3567 If Contractor enters into a franchise agreement with any other Member Agency which  
3568 uses a substantially different methodology for calculating Contractor's Compensation  
3569 than that set forth in Article 11 and Attachments K and N of this Agreement, then (i) for  
3570 purposes of calculating Contractor's Compensation under this Agreement, Contractor's  
3571 costs of providing service to such other Member Agency shall continue to be calculated  
3572 and allocated using the methodology set forth in Attachments K and N and (ii)  
3573 Contractor's Compensation for providing service to such other Member Agency shall be  
3574 as set forth in the franchise agreement between it and Contractor. Any such franchise  
3575 agreement shall (i) implement the performance incentives and disincentives provided for  
3576 in this Agreement and (ii) require Contractor to pay sums due to SBWMA for delivery of  
3577 materials from such Member Agency to the SRDC.

3578 B. **Contractor's Compensation for Rate Year Two (2012).** Contractor's  
3579 Compensation for 2012 shall be based on Contractor's Compensation for 2011  
3580 adjusted to reflect inflation, changes in wage rates and benefits for employees  
3581 covered by collective bargaining agreements.

3582 C. **Contractor's Compensation for Rate Year Three (2013).** Contractor's  
3583 Compensation for 2013 shall be based on Contractor's Compensation for 2012  
3584 adjusted to reflect inflation, changes in wage rates and benefits for employees  
3585 covered by collective bargaining agreements, 2013 Customer account and service  
3586 levels, and the difference between Contractor's Compensation approved for 2011  
3587 and Net Revenues Billed for 2011. The adjustment for Customer account and  
3588 service levels shall be the final adjustment made during the Term for those  
3589 variables.

3590 D. **Contractor's Compensation for Rate Year Four (2014) and Subsequent Years.**  
3591 Contractor's Compensation shall be adjusted annually, commencing with the  
3592 determination of Contractor's Compensation for Rate Year Four (2014) and  
3593 continuing through the remaining Term including any extension periods to reflect  
3594 inflation, changes in wages and benefits for employees covered by collective  
3595 bargaining agreements in effect as of the Commencement Date of this Agreement,  
3596 and the difference between Contractor's Compensation approved for the prior year  
3597 (e.g., 2012) and Net Revenues Billed for 2012 and similarly for subsequent years.  
3598 For Rate Year Four (2014) through the last Rate Year of the Term, no changes to  
3599 Contractor's Compensation will be made to reflect actual costs or to reflect changes  
3600 in Customer account and service levels.

3601 **11.03 ANNUAL REVENUE RECONCILIATION PROCESS**

3602 After completion of each Rate Year, a revenue reconciliation process will be  
3603 implemented as provided in this section and described in Attachment K, Section 8.

3604 The purpose of this process is to determine the difference between the actual Net  
3605 Revenues Billed by Contractor for the preceding Rate Year and the Contractor's  
3606 Compensation approved for that Rate Year.

3607 The Contractor shall submit a report to Agency and SBWMA on or before March 31 of  
3608 each Rate Year, commencing March 31, 2012.

3609 The report shall include the following information (items) for the preceding Rate Year:

3610 A. **Gross Revenue Billed.** Gross Revenue Billed is the total amount billed by  
3611 Contractor to Customers for all services attributable to the Rate Year in question.  
3612 The report will identify the amount attributable to each Member Agency. (In the  
3613 case of agencies that bill Customers directly for some or all of the services provided  
3614 by Contractor, Gross Revenue Billed will include all amounts paid to Contractor by  
3615 those agencies.)

3616 B. **Payments to SBWMA.** Payments to SBWMA are the amounts charged by SBWMA  
3617 for delivery of materials to the Designated Transfer and Disposal Facility. They do  
3618 not include payments to SBWMA pursuant to Section 6.02 for excess  
3619 contamination. The report will identify the amount of these payments attributable to  
3620 each Member Agency, using the methodology described in Attachment K, Section  
3621 6.

3622 C. **Payments to Agencies for Franchise Fees and other fees described in Article**  
3623 **10.** The report will identify the amount of these payments attributable to the Rate  
3624 Year in question made to each Member Agency.

3625 D. **Revenues Attributable to Unscheduled Service.** Contractor is obligated to  
3626 provide some services to Customers or Member Agencies on an unscheduled "on-  
3627 call" or intermittent basis. A list of these unscheduled services is included as  
3628 Attachment Q.

3629 Because the amount of such services may vary from year to year and is  
3630 unpredictable, the costs and revenues associated with them are not included in  
3631 SBWMA's prospective calculation of Contractor's Compensation. The report shall  
3632 identify the amount of billings for unscheduled or intermittent service for each  
3633 Member Agency.

3634 Net Revenue Billed equals the result obtained by subtracting the sum of items B, C and  
3635 D from item A [i.e.,  $A - (B+C+D)$ ].

3636 Liquidated Damages assessed by Member Agencies pursuant to Section 14.07 are not  
3637 included in the revenue reconciliation process. Similarly, performance incentive  
3638 payments and performance disincentive assessments provided for in Section 11.07 are  
3639 not included in the revenue reconciliation process.

3640 The SBWMA will review the report and underlying financial data for accuracy, will confer  
3641 with Member Agencies to confirm data as to each agency, and will meet with Contractor  
3642 to resolve any errors or inconsistencies.

3643 The SBWMA will incorporate its conclusions as to revenue shortfalls or revenue  
3644 surpluses experienced by Contractor as to each Member Agency into its calculation of  
3645 Contractor's Compensation for the following Rate Year distributed to all Member  
3646 Agencies in the Fall of each year.

3647 The revenue reconciliation process will not be conducted for the last Rate Year of the  
3648 Agreement. As a result, Contractor shall not be compensated for, nor obligated to  
3649 rebate, any difference between Contractor's Compensation established for that Rate  
3650 Year and actual Net Revenue Billed for that Rate Year.

#### 3651 **11.04 APPLICATION PROCESS FOR CONTRACTOR'S COMPENSATION**

3652 A. **Application Date and Content.** Contractor shall prepare and submit to Agency  
3653 and SBWMA by July 1 of each year, beginning on July 1, 2010, an Application for  
3654 determination of Contractor's Compensation for the next Rate Year. This  
3655 Application will cover all Member Agencies and will allocate total costs to each  
3656 Member Agency using the allocation methodology prescribed in Attachment K and  
3657 illustrated in Attachment N. Contractor shall provide any additional information  
3658 requested by the Agency or by SBWMA during its review of the Application.

3659 B. **Review of Application.** The Application shall be reviewed by SBWMA for  
3660 accuracy and consistency with the procedures for determining Contractor's  
3661 Compensation specified in this Agreement as described in Attachment K. SBWMA  
3662 shall share with Contractor any factual or calculation errors identified in the  
3663 Application and Contractor shall have the opportunity to revise its Application.

3664 C. **SBWMA Report on Application** As provided in Attachment K, Authority staff shall  
3665 distribute, on or before September 1 of each year, a report in draft form which (i)  
3666 identifies the amount of Contractor's Compensation and Pass-Through Costs  
3667 allocable to Agency for the following Rate Year and (ii) provides an overall  
3668 percentage increase or decrease in Agency's collection Rates which SBWMA  
3669 calculates will generate Customer revenues sufficient to cover Contractor's  
3670 Compensation and Pass-Through Costs.

3671 SBWMA will take into account comments received from Agency and other Member  
3672 Agencies within 10 days after distribution of the report in draft form. A final report  
3673 will be presented to and considered by the SBWMA Board of Directors and  
3674 approved for distribution to all Member Agencies on or before October 1 of each  
3675 year. The determination of Contractor's Compensation, the estimation of Pass-  
3676 Through Costs, and the allocation of costs among Member Agencies contained in  
3677 the final Report shall be binding on Contractor and Agency.

#### 3678 **11.05 SPECIAL COMPENSATION REVIEW**

3679 A. **Eligible Items.** The Contractor may apply to the Agency for consideration of a  
3680 special review of Contractor's Compensation, and the Agency may initiate such a  
3681 review, if one or more of the following occur and cause an increase in or decrease

- 3682 to Contractor's Compensation by two percent (2%) or more for the then-current  
3683 Rate Year:
- 3684 1. Provision of emergency services pursuant to Section 7.08.
  - 3685 2. Flood, earthquake, or other similar catastrophic event affecting the Agency  
3686 which is beyond the control of and not the fault of the Contractor.
  - 3687 3. Change in Law occurring after the Effective Date.
  - 3688 4. Changes in the rates charged for Backyard Collection Service and/or Curbside  
3689 Collection Service that alter the price differential between the two, causing  
3690 Customers to migrate from one to the other, with the result of increasing or  
3691 decreasing Contractor's annual cost of operation by two percent (2%) or more.
- 3692 A special compensation review must be requested by Contractor, or initiated by  
3693 Agency, within twelve (12) months after one of the above-described events has  
3694 occurred.
- 3695 **B. Ineligible Items.** A special review of Contractor's Compensation may not be  
3696 initiated for any of the following reasons:
- 3697 1. Increases or decreases in Contractor's cost of operations in excess of the  
3698 adjustments provided through the annual adjustment mechanism described in  
3699 Attachment K.
  - 3700 2. Growth or decline in the number of Customers or their service levels, with the  
3701 exception of adjustments made when determining Contractor's Compensation  
3702 for Rate Year One (2011) and Rate Year Three (2013).
  - 3703 3. Changes in the mix of Container sizes or frequency of Collection, with the  
3704 exception of adjustments made when determining Contractor's Compensation  
3705 for Rate Year One (2011) and Rate Year Three (2013).
- 3706 **C. Review of Costs.** Agency shall have the right to review any and all financial and  
3707 operating records of Contractor. Agency will take into account the net overall impact  
3708 of the event on Contractor's costs, including reductions in cost resulting from  
3709 curtailments in service levels or other factors.
- 3710 **D. Submittal of Request.** Contractor must submit its request for a special review in a  
3711 form and manner specified by the Agency, together with required cost and  
3712 operational data. Agency will review the request and determine the amount owed,  
3713 if any, to Contractor and the time period to be covered by special compensation  
3714 circumstances.
- 3715 **E. Burden of Justification.** In a special compensation review under this section,  
3716 Contractor shall bear the burden of justifying to the Agency by substantial evidence  
3717 its entitlement to continuation of current, as well as any increases in, Contractor's  
3718 Compensation. If the Agency determines that the Contractor has not met its  
3719 burden, it shall notify Contractor that it is prepared to deny Contractor's request for  
3720 an increase in compensation, or to proceed with a reduction in compensation.  
3721 Within ten (10) days after such notice, Contractor may request a hearing before the  
3722 Agency's governing body to produce additional evidence. Upon such request, the  
3723 Agency shall provide a hearing before the Agency governing body.

3724 F. **Hearing.** Based on evidence presented to it, including, that submitted by  
3725 Contractor, the Agency governing body may grant some, all, or none of the  
3726 requested increase in, or may reduce, Contractor's Compensation. In the event  
3727 Agency denies Contractor's requested increase in whole or in part, Contractor shall  
3728 have the right to present its claim to a court of competent jurisdiction.

3729 G. **Cost of Review.** Contractor shall bear all reasonable costs incurred by Agency  
3730 (including assistance provided to it by SBWMA) of a special review which it has  
3731 requested up to a maximum of fifty-thousand dollars (\$50,000). Costs of a review  
3732 requested by Contractor may not be included in Contractor's Compensation,  
3733 charged to Agency or Customers, nor included in the calculation used as rationale  
3734 to initiate a special compensation review.

3735 **11.06 COMPENSATION ADJUSTMENTS FOR CHANGES IN SCOPE OF SERVICES OR**  
3736 **SERVICE LEVELS**

3737 In the event the Agency directs a change in accordance with Section 15.12 of this  
3738 Agreement, an equitable adjustment in Contractor's Compensation will be made,  
3739 effective with the commencement of the change, to reflect increases or decreases, if  
3740 any, in Contractor's costs. The adjustment in compensation will also reflect the  
3741 corresponding change in profit. The change in Contractor's Compensation will therefore  
3742 consist of the sum of (i) the incremental change to costs, and (ii) profit adjustment at the  
3743 allowed operating ratio of ninety and one-half percent (90.5%).

3744 Within forty-five (45) Days of a request by Agency to initiate a change in service,  
3745 Contractor shall present a proposal to Agency containing a complete description of the  
3746 following, if and to the extent applicable:

- 3747 1. Collection methodology to be employed.
- 3748 2. Equipment to be utilized (number of vehicles, types, capacity, age, etc.).
- 3749 3. Labor requirements (number of employees by classification).
- 3750 4. Type of Containers to be used.
- 3751 5. Description of program publicity/education/marketing materials to be developed.
- 3752 6. Estimated Tonnage to be diverted and the methodology for determining that  
3753 diverted Tonnage.
- 3754 7. Anticipated impacts of the change, if any, on performance incentive and  
3755 disincentive measures included in Attachment I.
- 3756 8. Description of end uses of Collected material.
- 3757 9. Three (3) year projection of the financial impact of the program's operations in a  
3758 balance sheet and operating statement format including documentation of the key  
3759 assumptions underlying the projections and the support for those assumptions,  
3760 giving full effect to the savings or costs to existing services and the rate impact to  
3761 affected Customers.
- 3762 10. Monitoring tools and quantitative measures including: cost per Ton; annual  
3763 diversion; and pre-implementation as well as expected post-implementation route  
3764 information including cost per route and accounts or lifts per route per Day.

3765 **11.07 RATE-SETTING PROCESS**

3766 A. **General.** The Agency shall be solely responsible for establishing and adjusting  
3767 Rates as described in this Article.

3768 B. **Annual Review Process.** The Rates shall be reviewed annually by Agency,  
3769 commencing with Rate Year One (2011) and continuing through the remaining  
3770 Term including any extension periods. The Agency shall adjust Rates as necessary  
3771 to generate annual Gross Revenues Billed equal to Contractor's Compensation  
3772 approved for the Rate Year and approved Pass-Through Costs.

3773 If Agency elects to set rates that are below those recommended in the SBWMA  
3774 report, (or delays acting to revise rates such that the recommended rates do not go  
3775 into effect until after January 1), and the Revenue Reconciliation process  
3776 conducted by SBWMA for that Rate Year demonstrates that Net Revenues Billed  
3777 were less than the approved Contractor's Compensation contained in the SBWMA  
3778 report, interest shall accrue on the difference. Interest shall apply (i) to fifty percent  
3779 (50%) of the difference during the Rate Year in which the shortfall in revenue  
3780 occurred, and (ii) one-hundred percent (100%) of the difference during the  
3781 immediately following Rate Year. The interest rate applied to both years shall be  
3782 the prime rate in effect when SBWMA issued the report for that Rate Year plus one  
3783 percent (1%).

3784 C. **Rate Structure.** The Agency shall have the sole and exclusive right to change the  
3785 relationship of individual Rates in comparison with other Rates and to allocate total  
3786 costs among Service Sectors and Lines of Business. However, Agency will not  
3787 direct Contractor to charge Customers a Rate less than the cost for Contractor to  
3788 provide Backyard Collection Service specified in Attachment Q without considering  
3789 Contractor's written comments regarding the proposed change. If a change in the  
3790 Rates charged for Backyard Collection service or Curbside Collection service  
3791 causes a Customer migration from one to the other which in turn increases or  
3792 decreases Contractor's annual cost of operation by two percent (2%), or more,  
3793 either party may initiate a special compensation review as specified in Section  
3794 11.05.

3795 If at any time Contractor believes that a Rate not included in the Agency approved  
3796 Rate schedule would be necessary or useful, Contractor shall notify the Agency and  
3797 recommend establishment of such Rate. For example, if a Customer requests  
3798 Collection of a fifteen (15) cubic yard Compactor five (5) times per week and the  
3799 Agency-approved Rate schedule does not include this level of service, the  
3800 Contractor shall recommend that the Agency establish a Rate for this level of  
3801 service.

3802 D. **Liquidated Damages.** Contractor shall pay Agency the amounts, if any, due for  
3803 Liquidated Damages under Section 14.07 and Attachment J with submittal of its  
3804 annual report to Agency pursuant to Section 9.07.

3805 E. **Performance Incentives and Disincentives.** Contractor shall submit an annual  
3806 report on the Performance Incentives and Disincentives detailed in Attachment I  
3807 with submittal of its quarterly and annual reports to Agency and SBWMA pursuant  
3808 to Section 9.06 and Section 9.07. Contractor shall pay Agency or Agency shall pay  
3809 Contractor the net amount, if any, due for Performance Incentives and

3810 Disincentives calculated pursuant to section 11.07, Attachment I, and Attachment  
3811 N.

3812 Payment related to Performance Incentives and Disincentives are to be included in  
3813 Contractor's Application, with the exception of Disincentive assessments calculated  
3814 quarterly pertaining to Contamination which are paid directly to the SBWMA, and  
3815 Contractor's Compensation for the next Rate Year will be increased or decreased  
3816 by the net amount of Performance Incentive payments and Disincentive  
3817 assessments calculated.

3818 **11.08 NOTICE OF RATE ADJUSTMENTS**

3819 If requested by Agency, Contractor shall provide Agency with a complete and current list  
3820 of its Customer addresses within ten (10) Days of the request. In addition, if requested  
3821 by Agency, Contractor shall arrange for notices (prepared by Agency) to be mailed.

3822 **11.09 POTENTIAL RATE CONSTRAINTS**

3823 The parties recognize that, as of the date this Agreement is entered into, there is no  
3824 authoritative judicial determination of whether Articles 13.C and D of the California  
3825 Constitution apply to charges imposed by private enterprises for Solid Waste handling  
3826 and Recycling services when those charges are regulated by a local government.

3827 Until such authoritative judicial guidance is available, the Agency intends to provide  
3828 notice of proposed Rate increases, and an opportunity for public hearing and protest as  
3829 required by Article 13.D.

3830 The Agency will not be in default of this Agreement if (i) a majority protest prevents a  
3831 proposed Rate increase from being adopted, (ii) a court rules that Rates adopted by the  
3832 Agency are not consistent with Article 13.D, or (iii) an initiative reduces Rates from those  
3833 in effect. After any such event, the Parties shall promptly meet and confer in good faith  
3834 to consider modifications to service levels commensurate with the Rates that Contractor  
3835 may legally charge.



**3837    12.01    PURPOSE**

3838            The Parties recognize (i) that frequent and continuous collection of Solid Waste,  
 3839            Targeted Recyclable Materials and Organic Materials is an essential public service and  
 3840            an important element of public health in developed communities such as Agency, and  
 3841            (ii) that even a temporary interruption in the Collection and transport services entrusted  
 3842            to Contractor may threaten the public health and safety, as well as causing serious  
 3843            financial harm to business operations in the Agency.

3844            The purpose of this Article is to provide the Agency the ability to respond to such threats  
 3845            to the public health, safety and welfare by making use of Contractor's Facilities and  
 3846            equipment. This Article applies to any interruption of services, regardless of whether or  
 3847            not Contractor's failure to perform is excused under Section 14.09.

**3848    12.02    CONDITIONS AUTHORIZING AGENCY'S RIGHT TO USE OF FACILITIES AND  
3849            EQUIPMENT**

3850            If Contractor, for any reason, fails, refuses or is unable to Collect Solid Waste, Targeted  
 3851            Recyclable Materials and Organic Materials at the times and in the manner required by  
 3852            this Agreement, and transport them to the Designated Transfer and Processing Facility,  
 3853            for more than two (2) Business Days, Agency may invoke this Article. Agency shall  
 3854            provide Contractor written notice that it intends to consider invoking this Article at a  
 3855            public meeting of its governing body, to be held two (2) or more Business Days from the  
 3856            date of the notice.

3857            At the meeting, the governing body may invoke its rights under this Article if it  
 3858            determines that there has been an interruption in Collection service and that such  
 3859            interruption may continue, thereby threatening the public health, safety and welfare. If  
 3860            the governing body makes that determination, it may also determine to exercise the  
 3861            Agency's right to (i) perform Collection and transport services with its own personnel  
 3862            and/or those of other Member Agencies which have invoked this right under their  
 3863            Franchise Agreements with Contractor or authorize a third party to do so, and (ii) take  
 3864            possession of any of Contractor's property, including vehicles and other equipment used  
 3865            or useful in providing such services or in the Billing and collection of fees for such  
 3866            services (collectively "Properties").

**3867    12.03    NOTICE TO CONTRACTOR**

3868            Agency shall deliver written notice to Contractor of its determination to exercise its right  
 3869            to provide Collection services and to make use of Contractor's Properties to do so.  
 3870            Upon receipt of the notice, Contractor shall immediately take all steps necessary to  
 3871            make available to Agency any of its vehicles and equipment that are requested by  
 3872            Agency. Contractor shall also cooperate in any other way requested by Agency to  
 3873            assist Agency in providing Collection services on a temporary basis.

**3874    12.04    RIGHTS AND RESPONSIBILITIES OF PARTIES**

3875            Agency will be responsible for the proper use and operation of Contractor's Properties,  
 3876            including maintenance and repair of vehicles and equipment. Agency will defend,  
 3877            indemnify and hold Contractor harmless from claims by third parties that are due solely

3878 to Agency's negligence in operating Contractor's vehicles or equipment, and not due in  
3879 whole or in part to defects in the design or manufacture of the vehicles or equipment or  
3880 to Contractor's failure to maintain them in good and safe operating condition.

3881 If the interruption in service is excused under Section 14.09, Agency will pay Contractor  
3882 one hundred dollars (\$100) per Business Day per vehicle, which will constitute full  
3883 compensation for use of all Properties. If the interruption in service constitutes a breach  
3884 of contract or default, no payment is required.

3885 Revenue received from Customers that is attributable to the period of time during which  
3886 Agency provides temporary Collection service shall accrue to Agency rather than  
3887 Contractor.

3888 Agency may delegate the use and operation of any or all of Contractor's Properties to a  
3889 third party.

3890 If the interruption of Collection service is caused by a breach of contract or default by  
3891 Contractor, Liquidated Damages and performance disincentives will continue to accrue  
3892 until Contractor resumes the provision of Collection services in full compliance with the  
3893 Agreement.

3894 **12.05 DURATION OF AGENCY'S RIGHT TO POSSESSION AND USE OF**  
3895 **VEHICLES/EQUIPMENT**

3896 Agency may retain possession of Contractor's Properties and provide Collection  
3897 services until the Contractor demonstrates to Agency's satisfaction that it is ready,  
3898 willing and able to resume providing such services, or one hundred eighty (180) Days  
3899 from the notice given under Section 12.03, whichever occurs first.

3900 Agency has no obligation to exercise its rights under this Article or, having done so, to  
3901 continue to provide Collection services. It may at any time, in its sole discretion,  
3902 relinquish possession of Contractor's Properties to Contractor.

3903 Contractor's Properties shall be returned to Contractor in a condition substantially the  
3904 same as that which existed at the time the Agency took possession of them, ordinary  
3905 wear and tear excepted.

3906 **12.06 GENERAL**

3907 The Agency's exercise of its rights under this Article, (i) does not constitute taking or  
3908 damaging of property for which compensation (other than as provided in this Article)  
3909 must be paid, (ii) does not exempt Contractor from its indemnity obligations under Article  
3910 13, which are meant to extend to circumstances arising under this Article, provided that  
3911 Contractor is not required to indemnify Agency against claims arising from the sole  
3912 negligence of Agency's employees or agents in the operation and use of Contractor's  
3913 Properties during the time the Agency has sole possession of them.

3914 The Agency's exercise of its rights under this Article does not limit its ability to seek any  
3915 of the remedies available to it under Article 14.

3916 The Agency's rights under this Article do not preclude its permanent acquisition of  
3917 Contractor's vehicles and equipment used in providing service to Agency through the  
3918 exercise of eminent domain.

3919

**ARTICLE 13 INDEMNITY, INSURANCE, BOND, GUARANTY**

3920 **13.01 INDEMNIFICATION**

3921 Contractor shall indemnify, defend and hold harmless Agency, its officers, employees  
3922 and agents (collectively, the "Indemnitees"), from and against (i) any and all liability,  
3923 penalty, claim, demand, action, proceeding or suit, of any and every kind and  
3924 description, whether judicial, quasi-judicial or administrative in nature, (ii) any and all  
3925 loss including, but not limited to, injury to and death of any person and damage to  
3926 property, and (iii) contribution or indemnity demanded by third parties (collectively, the  
3927 "Claims"), arising out of or occasioned in any way by, directly or indirectly, Contractor's  
3928 performance of, or its failure to perform, its obligations under this Agreement. The  
3929 foregoing indemnity shall not apply to the extent that a Claim is caused solely by the  
3930 active negligence or intentional misconduct of the Indemnitees, but shall apply if the  
3931 Claim is caused by the joint negligence of Contractor and other Persons, including an  
3932 Indemnatee. Upon the occurrence of any Claim, Contractor shall defend (with attorneys  
3933 reasonably acceptable to Agency) the Indemnitees. Contractor's duty to defend and  
3934 indemnify shall survive the expiration or earlier termination of this Agreement.

3935 **13.02 INSURANCE**

3936 **A. Types and Amounts of Coverage.** Contractor shall procure from an insurance  
3937 company or companies admitted to do business in the State of California, and shall  
3938 maintain in force at all times during the Term, the following types and amounts of  
3939 insurance:

3940 1. **Workers' Compensation and Employer's Liability.** Contractor shall maintain  
3941 workers' compensation insurance covering its employees in statutory amounts  
3942 and otherwise in compliance with the laws of the State of California. Contractor  
3943 shall maintain employer's liability insurance in an amount not less than one  
3944 million dollars (\$1,000,000) per accident or disease. Contractor shall not be  
3945 obligated to carry workers compensation insurance if (i) it qualifies under  
3946 California law and continuously complies with all statutory obligations to self-  
3947 insure against such risks; (ii) furnishes a certificate of Permission to Self Insure  
3948 issued by the Department of Industrial Relations; and (iii) furnishes updated  
3949 certificates of Permission to Self Insure periodically to evidence continuous self  
3950 insurance.

3951 2. **Comprehensive General Liability.** Contractor shall maintain comprehensive  
3952 general liability insurance with a combined single limit of not less than ten million  
3953 dollars (\$10,000,000) per occurrence covering all claims and all legal liability for  
3954 personal injury, bodily injury, death, and property damage, including the loss of  
3955 use thereof, arising out of, or occasioned in any way by, directly or indirectly,  
3956 Contractor's performance of, or its failure to perform, services under this  
3957 Agreement.

3958 The insurance required by this subsection shall include:

- 3959 (i) Premises Operations (including use of owned and non-owned  
3960 equipment);
- 3961 (ii) Personal Injury Liability with employment exclusion deleted;

3962 (iii) Broad Form Blanket Contractual with no exclusions for bodily injury,  
3963 personal injury or property damage (including coverage for the  
3964 indemnity obligations contained herein);

3965 (iv) Owned, Non-Owned, and Hired Motor Vehicles;

3966 (v) Broad Form Property Damage.

3967 The comprehensive general liability insurance shall be written on an "occurrence"  
3968 basis (rather than a "claims made" basis) in a form at least as broad as the most  
3969 current version of the Insurance Service Office commercial general liability  
3970 occurrence policy form (CG0001). If occurrence coverage is not obtainable,  
3971 Contractor must arrange for "tail coverage" on a claims made policy to protect  
3972 Agency from claims filed within four (4) years after the expiration or earlier  
3973 termination of this Agreement relating to incidents that occurred prior to such  
3974 expiration or termination.

3975 3. Automobile Liability. Contractor shall maintain automobile liability insurance  
3976 covering all vehicles used in performing service under this Agreement with a  
3977 combined single limit of not less than ten million dollars (\$10,000,000) per  
3978 occurrence for bodily injury and property damage.

3979 4. Pollution (Environmental Impairment) Liability. Contractor shall maintain  
3980 pollution liability insurance coverage of not less than ten million dollars  
3981 (\$10,000,000) per occurrence covering claims for on-site, under-site, or off-site  
3982 bodily injury and property damage as a result of pollution conditions arising out of  
3983 its operations under this Agreement.

3984 **B. Acceptability of Insureds.** The insurance policies required by this section shall be  
3985 issued by an insurance company or companies admitted to do business in the State  
3986 of California, subject to the jurisdiction of the California Insurance Commissioner,  
3987 and with a rating in the most recent edition of Best's Insurance Reports of size  
3988 category XV or larger and a rating classification of A+ or better.

3989 **C. Required Endorsements.** Without limiting the generality of Sections 13.02.A and  
3990 B, the policies shall contain endorsements in substantially the following form:

3991 1. Workers' Compensation and Employers' Liability Policy.

3992 (a) "Thirty (30) Days prior written notice shall be given to the City  
3993 of Burlingame in the event of cancellation or non-renewal of  
3994 this policy." Such notice shall be sent to:

3995 City of Burlingame  
3996 501 Primrose Road  
3997 Burlingame, CA 94010  
3998 ATTN: Finance Director

3999 (b) "Insurer waives all right of subrogation against the City of Burlingame and its  
4000 officers and employees for injuries or illnesses arising from work performed  
4001 for the City of Burlingame."

4002 2. Comprehensive General Liability Policy; Automobile Liability Policy; Pollution  
4003 Liability Policy; and Hazardous Materials Policy.

- 4004 (a) "Thirty (30) Days prior written notice shall be given to the City of Burlingame  
 05 in the event of cancellation, reduction of coverage, or non-renewal of this  
 4006 policy." Such notice shall be sent to:
- 4007 City of Burlingame  
 4008 501 Primrose Road  
 4009 Burlingame, CA 94010  
 4010 ATTN: Finance Director
- 4011 (b) "The City of Burlingame, its officers, employees, and agents are additional  
 4012 insureds on this policy."
- 4013 (c) "This policy shall be considered primary insurance as respects any other  
 4014 valid and collectible insurance maintained by the City of Burlingame,  
 4015 including any self-insured retention or program of self-insurance, and any  
 4016 other such insurance shall be considered excess insurance only."
- 4017 (d) "Inclusion of the City of Burlingame as an insured shall not affect the City of  
 4018 Burlingame's rights as respects any claim, demand, suit or judgment  
 4019 brought or recovered against the Contractor. This policy shall protect  
 4020 Contractor and the City of Burlingame in the same manner as though a  
 4021 separate policy had been issued to each, but this shall not operate to  
 4022 increase the company's liability as set forth in the policy beyond the amount  
 4023 shown or to which the company would have been liable if only one party had  
 4024 been named as an insured."
- 4025 **D. Deductibles and Self-Insured Retentions.** The liability policies described in  
 4026 Sections 13.02.A(2) and (3) may contain a deductible or self-insured retention not  
 4027 to exceed \$500,000 per occurrence. This amount may not be increased without  
 4028 Agency's prior written consent.
- 4029 Contractor remains responsible for the payment of all losses and investigation,  
 4030 claim administration and defense expenses, including those of the Agency.
- 4031 **E. Delivery of Proof of Coverage.** No later than ninety (90) Days before the  
 4032 commencement of operations which includes the Recycling Blitz, Contractor shall  
 4033 furnish Agency one or more certificates of insurance on a standard ACORD form  
 4034 substantiating that each of the coverages required hereunder is in force, in form  
 4035 and substance satisfactory to Agency. Such certificates shall show the type and  
 4036 amount of coverage, effective dates and dates of expiration of policies and shall be  
 4037 accompanied by all required endorsements. If Agency requests, copies of each  
 4038 policy, together with all endorsements, shall also be promptly delivered to Agency.  
 4039 Contractor shall furnish renewal certificates to Agency to demonstrate maintenance  
 4040 of the required coverages throughout the Term.
- 4041 **F. Other Insurance Requirements**
- 4042 1. In the event performance of any services is delegated to a Subcontractor,  
 4043 Contractor shall require such subcontractor to provide statutory workers'  
 4044 compensation insurance and employer's liability insurance for all of the  
 4045 Subcontractor's employees engaged in the work. The liability insurance  
 4046 required by Subsection A.2 and the automobile liability policy required by  
 4047 subsection A.3 shall cover all Subcontractors or the Subcontractor must furnish  
 4048 evidence of insurance provided by it meeting all of the requirements of this  
 4049 Section 13.02.

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2. Contractor shall comply with all requirements of the insurers issuing policies. The carrying of insurance shall not relieve Contractor from any obligation under this Agreement, including those imposed by Section 13.01. If any claim is made by any third Person against Contractor or any Subcontractor on account of any occurrence related to this Agreement, other than claims by employees for work-related incidents, Contractor shall promptly report the facts in writing to the insurance carrier and to the Agency.
- 4057  
4058  
4059  
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4061
3. If Contractor fails to procure and maintain any insurance required by this Agreement, Agency may take out and maintain such insurance as it may deem proper and may require Contractor to reimburse it for the cost incurred within thirty (30) Days and/or deduct the cost from any monies due Contractor. Agency may also treat the failure as a Contractor default.
- 4062  
4063
4. Agency is not responsible for payment of premiums for or deductibles under any required insurance coverages.
- 4064
5. Any excess or umbrella policies shall be written on a "following form" basis.

4065 **13.03 FAITHFUL PERFORMANCE BOND**

4066 On or before the Effective Date, Contractor shall file with Agency a bond securing the Contractor's faithful performance of its obligations under this Agreement. The principal  
4067 sum of the bond shall be no less than ten percent (10%) of the amount of the 2011  
4068 annual Revenue Requirement for Agency shown on Attachment N. The form of the  
4069 bond shall be as set out in Attachment F. The bond shall be executed as surety by a  
4070 corporation admitted to issue surety bonds in the State of California, regulated by the  
4071 California Insurance Commissioner, and with a financial condition and record of service  
4072 satisfactory to Agency.  
4073

4074 The term of the bond shall be twenty-four (24) months. The bond shall be extended, or  
4075 replaced by a new bond in the same principal sum (adjusted by the percentage change  
4076 in the Consumer Price Index), for the same Term (i.e., twenty-four (24) months) and in  
4077 the same form, bi-annually thereafter. Not less than ninety (90) Days before the  
4078 expiration of the initial, or any subsequent, bond, Contractor shall furnish either a  
4079 replacement bond or a continuation certificate substantially in the form attached as  
4080 Attachment F, executed by the surety.

4081 It is the intention of this section that there be in full force and effect at all times a bond  
4082 securing the Contractor's faithful performance of the Agreement, throughout its Term.

4083 **13.04 ALTERNATIVE SECURITY**

4084 Agency may, in its sole discretion, allow Contractor to provide alternative security in the  
4085 amount set forth in Section 13.03, in the form of (a) a prepaid irrevocable standby letter  
4086 of credit in form and substance satisfactory to Agency, approved by the Agency's  
4087 Attorney and issued by a financial institution acceptable to Agency, or (b) a certificate of  
4088 deposit in the name of the Agency and in a form and with a Term satisfactory to Agency,  
4089 accompanied by an agreement giving Agency the right to draw on the funds deposited  
4090 satisfactory to Agency and with a financial institution acceptable to Agency. Interest on  
4091 the certificate of deposit will be payable to Contractor.

4092 **13.05 HAZARDOUS WASTE INDEMNIFICATION**

4093 Contractor shall indemnify, defend and hold harmless the Indemnitees against all  
4094 claims, of any kind whatsoever paid, incurred or suffered by, or asserted against  
4095 Indemnitees arising from or attributable to any repair, cleanup or detoxification, or  
4096 preparation and implementation of any removal, remedial, response, closure or other  
4097 plan (regardless of whether undertaken due to governmental action) concerning any  
4098 Hazardous Wastes released, spilled or disposed of by Contractor pursuant to this  
4099 Agreement. The foregoing indemnity is intended to operate as an agreement pursuant  
4100 to Section 107(e) of the Comprehensive Environmental Response, Compensation and  
4101 Liability Act, ("CERCLA"), 42 U.S.C. Section 9607(e), and California Health and Safety  
4102 Code Section 25364, to defend, protect, hold harmless and indemnify Indemnitees from  
4103 liability and shall survive the expiration or earlier termination of this Agreement.  
4104 Notwithstanding the foregoing, Contractor is not required to indemnify the Indemnitees  
4105 against claims arising from Contractor's delivery of Solid Waste, Recyclable Materials  
4106 and Organic Materials to the Designated Transfer and Processing Facility, or their  
4107 subsequent delivery to other processing locations or the ultimate Disposal Site, unless  
4108 such claims are due to Contractor's negligence or willful misconduct.

4109 **13.06 CALIFORNIA INTEGRATED WASTE MANAGEMENT ACT INDEMNIFICATION**

4110 Contractor agrees to indemnify and hold harmless the Indemnitees against all fines  
4111 and/or penalties imposed by the California Integrated Waste Management Board  
4112 (CIWMB) or the Local Enforcement Agency (LEA) based on Contractor's failure to  
4113 comply with laws, regulations or permits issued or enforced by the CIWMB or the LEA or  
4114 caused or contributed to by the Contractor's failure to perform obligations under this  
4115 Agreement. This indemnity obligation is subject to the limitations and conditions in  
4116 Public Resource Code Section 40059.1 but is enforceable to the maximum extent  
4117 allowable by that Section. This indemnity shall survive the termination or earlier  
4118 expiration of this Agreement.

4119 **13.07 GUARANTY**

4120 Concurrently with execution of this Agreement, Contractor shall furnish a Guaranty of its  
4121 performance under this Agreement, in the form of Attachment G, properly executed by  
4122 Recology Inc., a California corporation which owns all of the issues and outstanding  
4123 common stock of Contractor.

4124

**ARTICLE 14      DEFAULT AND REMEDIES**

4125    **14.01 EVENTS OF DEFAULT.**

4126    Each of the following shall constitute an event of default ("Contractor default"):

4127    A. Contractor fails to perform its obligations under Article 5, 6 or 7 of this Agreement  
4128    and its failure to perform is not cured within ten (10) Business Days after written  
4129    notice from Agency.

4130    B. Contractor fails to perform its obligations under any other Article of this Agreement  
4131    and its failure to perform is not cured within ten (10) Days after written notice from  
4132    Agency, provided that if the nature of the failure is such that it will reasonably  
4133    require more than ten (10) Days to cure, Contractor shall not be in default so long  
4134    as it promptly commences the cure and diligently proceeds to completion of the  
4135    cure, and provided further that neither notice nor opportunity to cure applies to  
4136    events described in subsections C through H.

4137    C. Contractor ceases to provide Collection and transportation services for a period of  
4138    two (2) Business Days for any reason within the Contractor's control, including labor  
4139    unrest such as strike, work stoppage or slowdown, sickout, picketing, or other  
4140    concerted job action by Contractor's employees.

4141    D. Contractor files a voluntary petition for relief under any bankruptcy, insolvency or  
4142    similar law.

4143    E. An involuntary petition is brought against Contractor under any bankruptcy,  
4144    insolvency or similar law which remains un-dismissed or un-stayed for ninety (90)  
4145    Days.

4146    F. Contractor fails to furnish a replacement bond or a continuation certificate of the  
4147    existing bond not less than ten (10) Days before expiration of the performance  
4148    bond, as required by Section 13.03 or fails to maintain all required insurance  
4149    coverage in force.

4150    G. Contractor fails to provide reasonable assurance of performance when required  
4151    under Section 14.10.

4152    H. A representation or warranty contained in Article 2 proves to be false or misleading  
4153    in a material respect as of the date such representation or warranty was made.

4154    **14.02 RIGHT TO SUSPEND OR TERMINATE UPON DEFAULT.**

4155    A. Upon any Contractor default, Agency may terminate this Agreement or suspend it, in  
4156    whole or in part. Such suspension or termination shall be effective thirty (30) Days  
4157    after Agency has given notice of suspension or termination to Contractor, except  
4158    that such notice may be effective in a shorter period of time, or immediately, if the  
4159    Contractor default is one which endangers the health, welfare or safety of the public,  
4160    such as the failure to collect Solid Waste, Recyclable Materials, or Organic Materials  
4161    for the period of time specified in Section 14.01.C. Notice may be given orally in  
4162    person or by telephone to the representative of Contractor designated in or under  
4163    Section 15.10 (or, if he/she is unavailable, to a responsible employee of Contractor)  
4164    and shall be effective immediately. Written confirmation of such oral notice of  
4165    suspension or termination shall be sent by personal delivery, facsimile, or other  
4166    expedited means of delivery to Contractor within twenty-four (24) hours of the oral



4167 notification at the address shown in Section 15.09. Contractor shall continue to  
4168 perform the portions of the Agreement, if any, not suspended, in full conformity with  
4169 its terms.

4170 B. Agency may also suspend or terminate this Agreement, upon the same notice  
4171 provisions, if Contractor's ability to perform is prevented or materially interfered with  
4172 by a cause which excuses nonperformance under Section 14.09, despite the fact  
4173 that nonperformance in such a case is neither a breach nor a Contractor default.

4174 **14.03 SPECIFIC PERFORMANCE**

4175 By virtue of the nature of this Agreement, the urgency of timely, continuous and high-  
4176 quality service, the lead time required to effect alternative service, and the rights granted  
4177 by Agency to Contractor, the remedy of damages for a breach hereof by Contractor is  
4178 inadequate and Agency shall be entitled to injunctive relief.

4179 **14.04 RIGHT TO PERFORM; USE OF CONTRACTOR PROPERTY**

4180 If this Agreement is suspended and/or terminated due to a Contractor default, Agency  
4181 shall have the right to perform, by contract, in conjunction with other Member Agencies,  
4182 or otherwise, the work herein or such part thereof as it may deem necessary. In the  
4183 event of Contractor's default, Agency shall have the right to use any of Contractor's  
4184 equipment, facilities and other property reasonably necessary for the provision of  
4185 services hereunder and for the Billing and collection of fees for those services, upon the  
4186 terms provided in Article 12. Agency shall have the right to continue use of such  
4187 property until other suitable arrangements can be made for the provision of such  
4188 services, which may include the award of a contract to another service provider.

4189 **14.05 DAMAGES**

4190 Contractor shall be liable to Agency for all direct, indirect, special and consequential  
4191 damages arising out of Contractor's default. This section is intended to be declarative  
4192 of existing California law.

4193 **14.06 AGENCY'S REMEDIES CUMULATIVE**

4194 Agency's rights to suspend or terminate the Agreement under Section 14.02, to obtain  
4195 specific performance under Section 14.03 and to perform under Section 14.04 are not  
4196 exclusive, and Agency's exercise of one such right shall not constitute an election of  
4197 remedies. Instead, they shall be in addition to any and all other legal and equitable  
4198 rights and remedies that Agency may have, including a legal action for damages under  
4199 Section 14.05 or imposition of Liquidated Damages under Section 14.07.

4200 **14.07 LIQUIDATED DAMAGES**

4201 The Parties acknowledge that consistent, courteous and efficient Collection of Solid  
4202 Waste, Targeted Recyclable Materials and Organic Materials is of utmost importance  
4203 and Agency has considered and relied on Contractor's representations as to its quality  
4204 of service commitment in entering into this Agreement. The Parties further recognize  
4205 that quantified standards of performance are necessary and appropriate to ensure  
4206 consistent and reliable service. The Parties further recognize that if Contractor fails to  
4207 achieve the performance standards, Agency and its residents will suffer damages and

4208 that it is and will be impracticable and extremely difficult to ascertain and determine the  
4209 exact amount of damages that Agency will suffer. Therefore, the Parties agree that the  
4210 Liquidated Damage amounts listed on Attachment J represent a reasonable estimate of  
4211 the amount of such damages considering all of the circumstances existing on the date  
4212 of this Agreement, including the relationship of the sums to the range of harm to Agency  
4213 that reasonably could be anticipated and recognition that proof of actual damages would  
4214 be costly or inconvenient. By initialing the places provided, each party specifically  
4215 confirms the accuracy of the statements made above and the fact that each party had  
4216 ample opportunity to consult with legal counsel and obtain an explanation of this  
4217 Liquidated Damage provision at the time that this Agreement was made.

4218 Contractor Initial Here: MS Agency Initial Here: JW

4219 Contractor agrees to pay (as Liquidated Damages and not as a penalty) the amount set  
4220 forth in Attachment J.

4221 In addition to considering the reports submitted by Contractor pursuant to Article 9,  
4222 Agency may determine the occurrence of events giving rise to Liquidated Damages  
4223 through the observation of its own employees or agents, through discussions with  
4224 Customers, and through investigation of Customer Complaints made directly to Agency.  
4225 Prior to assessing Liquidated Damages based on such observations or investigations,  
4226 Agency shall give Contractor notice of its intention to do so. The notice will include a  
4227 brief description of the incident(s)/non-performance. Contractor may review (and make  
4228 copies at its own expense) all non-confidential information in the possession of Agency  
4229 relating to incident(s)/non-performance. Contractor may, within ten (10) Days after  
4230 receiving the notice, request a meeting with Agency's Manager or his or her designee.  
4231 Contractor may present evidence in writing and through testimony of its employees and  
4232 others relevant to the incident(s)/non-performance. Agency's Manager or his or her  
4233 designee will provide Contractor with a written explanation of his or her determination on  
4234 each incident(s)/non-performance prior to authorizing the assessment of Liquidated  
4235 Damages. The decision of Agency's Manager or his or her designee shall be final.

4236 Agency's right to recover Liquidated Damages for Contractor's failure to meet the  
4237 service performance standards shall not preclude Agency from obtaining equitable relief  
4238 for persistent failures to meet such standards nor from terminating the Agreement for  
4239 such persistent failures.

4240 **14.08 AGENCY DEFAULT**

4241 Agency shall be in default under this Agreement ("Agency default") in the event Agency  
4242 commits a material breach of the Agreement and fails to cure such breach within thirty  
4243 (30) Days after receiving notice from the Contractor specifying the breach, provided that  
4244 if the nature of the breach is such that it will reasonably require more than thirty (30)  
4245 Days to cure, Agency shall not be in default so long as Agency promptly commences  
4246 the cure and diligently proceeds to completion of the cure.

4247 In the event of an asserted Agency default, Contractor shall continue to perform all of its  
4248 obligations hereunder until a court of competent jurisdiction has issued a final judgment  
4249 declaring that Agency is in default.

4250 **14.09 EXCUSE FROM PERFORMANCE**

4251 A. **Force Majeure.** Neither Party shall be in default of its obligations under this  
4252 Agreement in the event, and for so long as, it is impossible or extremely

4253 impracticable for it to perform its obligations due to an "act of God" (including, but  
4254 not limited to, flood, earthquake or other catastrophic events), war, insurrection,  
4255 riot, labor unrest of other than the Party's employees (including strike, work  
4256 stoppage, slowdown, sick out, picketing, or other concerted job action), or other  
4257 similar cause not the fault of, and beyond the reasonable control of, the Party  
4258 claiming excuse. A Party claiming excuse under this Section must (i) have taken  
4259 reasonable precautions, if possible, to avoid being affected by the cause, and (ii)  
4260 notify the other party in writing as provided in Subsection C.

4261 B. **Obligation to Restore Ability to Perform.** Any suspension of performance by a  
4262 Party pursuant to this Section shall be only to the extent, and for a period of no  
4263 longer duration than, required by the nature of the event, and the Party claiming  
4264 excuse shall use its best efforts to remedy its inability to perform as quickly as  
4265 possible and to mitigate damages that may occur as result of the event.

4266 C. **Notice.** The Party claiming excuse shall deliver to the other Party a written notice  
4267 of intent to claim excuse from performance under this Agreement by reason of an  
4268 event of Force Majeure. Notice required by this Section shall be given promptly in  
4269 light of the circumstances, but in any event not later than five (5) Days after the  
4270 occurrence of the event of Force Majeure. Such notice shall describe in detail the  
4271 event of Force Majeure claimed, the services impacted by the claimed event of  
4272 Force Majeure, the expected length of time that the party expects to be prevented  
4273 from performing, the steps which the party intends to take to restore its ability to  
4274 perform, and such other information as the other party reasonably requests.

4275 D. **Agency's Rights in the Event of Force Majeure.** The partial or complete  
4276 interruption or discontinuance of Contractor's services caused by an event of Force  
4277 Majeure shall not constitute a Contractor default. Notwithstanding the foregoing: (i)  
4278 Agency shall have the right to make use of Contractor's Facilities and equipment in  
4279 accordance with Article 12 in the event of non-performance excused by Force  
4280 Majeure; (ii) if Contractor's failure to perform by reason of Force Majeure continues  
4281 for a period of thirty (30) Days or more, Agency shall have the right to immediately  
4282 terminate this Agreement; (iii) if Contractor is unable to Collect and transport Solid  
4283 Waste as required by this Agreement for a period of two (2) or more consecutive  
4284 Business Days or for any three (3) Business Days in a seven (7) Day period as a  
4285 result of Force Majeure, Agency shall have the right to make use of Contractor's  
4286 property in accordance with Article 12, and (iv) if Contractor's inability to Collect and  
4287 transport Solid Waste continues for two (2) Days or more from the date by which  
4288 Contractor gave or should have given notice under Subsection C, Agency may  
4289 terminate this Agreement.

#### 4290 **14.10 ASSURANCE OF PERFORMANCE**

4291 If Contractor (i) persistently suffers the imposition of Liquidated Damages under Section  
4292 14.07; (ii) is the subject of any labor unrest including work stoppage or slowdown,  
4293 sickout, picketing or other concerted job action; (iii) appears in the reasonable judgment  
4294 of Agency to be unable to regularly pay its bills as they become due; (iv) is the subject of  
4295 a civil or criminal proceeding brought by a federal, State, regional or local agency for  
4296 violation of an Environmental Law in the performance of this Agreement, or (v) performs  
4297 in a manner that causes Agency to be uncertain about Contractor's ability and intention  
4298 to comply with this Agreement, Agency may, at its option and in addition to all other

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remedies it may have, demand from Contractor reasonable assurances of timely and proper performance of this Agreement, in such form and substance as Agency may require.

**ARTICLE 15 OTHER AGREEMENTS OF THE PARTIES**

4303 **15.01 RELATIONSHIP OF PARTIES**

4304 The Parties intend that Contractor shall perform the services required by this Agreement  
4305 as an independent contractor engaged by Agency and not as an officer or employee of  
4306 Agency nor as a partner of or joint venturer with Agency. No employee or agent of  
4307 Contractor shall be deemed to be an employee or agent of Agency. Except as  
4308 expressly provided herein, Contractor shall have the exclusive control over the manner  
4309 and means of conducting the services performed under this Agreement, and over all  
4310 Persons performing such services. Contractor shall be solely responsible for the acts  
4311 and omissions of its officers, employees, Subcontractors and agents. Neither  
4312 Contractor nor its officers, employees, Subcontractors and agents shall obtain any rights  
4313 to retirement benefits, workers' compensation benefits, or any other benefits which  
4314 accrue to Agency employees by virtue of their employment with Agency.

4315 **15.02 COMPLIANCE WITH LAW**

4316 In providing the services required under this Agreement, Contractor shall at all times  
4317 comply with all applicable laws of the United States, the State and Agency, with all  
4318 applicable regulations promulgated by federal, State, regional or local administrative and  
4319 regulatory agencies, and by Agency, now in force and as they may be enacted, issued  
4320 or amended during the Term, and with all permits affecting the services to be provided.

4321 **15.03 ASSIGNMENT**

4322 Contractor acknowledges that this Agreement involves rendering a vital service to  
4323 Agency's residents and businesses, and that Agency has selected Contractor to perform  
4324 the services specified herein based on (i) Contractor's experience, skill and reputation  
4325 for conducting its operations in a safe, effective and responsible fashion, and (ii)  
4326 Contractor's and the Guarantor's financial resources to maintain the required equipment  
4327 and to support its indemnity obligations to Agency under this Agreement. Agency has  
4328 relied on each of these factors, among others, in choosing Contractor to perform the  
4329 services to be rendered by Contractor under this Agreement.

4330 A. **Agency Consent Required.** Contractor shall not assign its rights or delegate or  
4331 otherwise transfer its obligations under this Agreement to any other Person without  
4332 the prior written consent of Agency. Any such assignment made without the  
4333 consent of Agency shall be void and the attempted assignment shall constitute a  
4334 Contractor default.

4335 B. **Assignment Defined.** For the purpose of this Section, "assignment" shall include,  
4336 but not be limited to, (i) a sale, exchange or other transfer to a third party of  
4337 substantially all of Contractor's assets dedicated to service under this Agreement;  
4338 (ii) a sale, exchange or other transfer of outstanding common stock of Contractor to  
4339 a Person who is not a shareholder as of the Effective Date which results in a  
4340 change in control of Contractor; (iii) any dissolution, reorganization, consolidation,  
4341 merger, re-capitalization, stock issuance or reissuance, voting trust, pooling  
4342 agreement, escrow arrangement, liquidation or other transaction which results in a  
4343 change of ownership or control of Contractor; (iv) any assignment by operation of  
4344 law, including insolvency or bankruptcy, an assignment for the benefit of creditors,  
45 a writ of attachment for an execution being levied against this Agreement,

4346 appointment of a receiver taking possession of Contractor's property, or transfer  
4347 occurring in the event of a probate proceeding; and (v) any combination of the  
4348 foregoing (whether or not in related or contemporaneous transactions) which has  
4349 the effect of any such transfer or change of ownership, or change of control of  
4350 Contractor.

4351 C. **Consent Requirements.** If Contractor requests Agency's consideration of and  
4352 consent to an assignment, Agency may deny or approve such request in its  
4353 complete discretion. No request by Contractor for consent to an assignment need  
4354 be considered by Agency unless and until Contractor has met the following  
4355 requirements:

4356 1. Contractor shall pay Agency its reasonable expenses for attorneys' fees and  
4357 investigation costs necessary to investigate the suitability of any proposed  
4358 assignee, and to review and finalize any documentation required as a condition  
4359 for approving any such assignment;

4360 2. Contractor shall furnish Agency with audited financial statements of the  
4361 proposed assignee's operations for the immediately preceding three (3)  
4362 operating years;

4363 3. Contractor shall furnish Agency with satisfactory proof: (i) that the proposed  
4364 assignee has at least ten (10) years of Solid Waste/Recycling management  
4365 experience on a scale equal to or exceeding the scale of operations conducted  
4366 by Contractor under this Agreement; (ii) that in the last five (5) years, the  
4367 proposed assignee has not been the subject of any administrative or judicial  
4368 proceedings initiated by a federal, State or local agency having jurisdiction over  
4369 its operations due to an alleged failure to comply with federal, State or local laws  
4370 or that the proposed assignee has provided Agency with a complete list of such  
4371 proceedings and their status; (iii) that the proposed assignee conducts its  
4372 operations in a safe and environmentally conscientious manner, in accordance  
4373 with sound Solid Waste management practices in full compliance with all federal,  
4374 State and local laws regulating the Collection and Disposal of Solid Waste and  
4375 all Environmental Laws; (iv) of any other information required by Agency to  
4376 ensure the proposed assignee can fulfill the terms of this Agreement in a timely,  
4377 safe and effective manner.

4378 D. **No Obligation to Consider.** Agency will not be obligated to consider a proposed  
4379 assignment if Contractor is in default.

4380 **15.04 SUBCONTRACTING**

4381 Contractor shall not engage any Subcontractors to perform any of the services required  
4382 of it by Articles 5 or 6 of this Agreement without the prior written consent of Agency.  
4383 Contractor shall notify Agency no later than ninety (90) Days prior to the date on which it  
4384 proposes to enter into a subcontract. Agency may approve or deny any such request at  
4385 its sole discretion. As of the Effective Date, Contractor shall contract with a consultant  
4386 at its sole expense, approved by Agency and SBWMA, for a minimum sum of \$50,000  
4387 to provide additional outreach, diversion training, Organic Materials collection program  
4388 training, monitoring, and education to Multi-Family Dwelling and Commercial Customers  
4389 during Rate Year One (2011).

4390 **15.05 AFFILIATED ENTITY**

4391 Contractor will not form or use any Affiliate to perform any of the services or activities  
4392 which Contractor is required or allowed to perform under this Agreement, other than as  
4393 a Subcontractor approved by Agency under Section 15.04.

4394 If Contractor enters into any financial transactions with an Affiliate for the provision of  
4395 labor, equipment, supplies, services, or capital related to the furnishing of service under  
4396 this Agreement, that relationship shall be disclosed to Agency, and in the financial  
4397 reports submitted to Agency. In such event, Agency's rights to inspect records and  
4398 obtain financial data shall extend to records and data of such Affiliate that are relevant to  
4399 those specific financial transactions.

4400 **15.06 CONTRACTOR'S INVESTIGATION**

4401 Contractor has made an independent investigation, satisfactory to it, of the conditions  
4402 and circumstances surrounding the Agreement and the work to be performed by it.  
4403 Contractor has carefully reviewed the information in the Request for Proposals, and  
4404 Addenda if any. Contractor has had the opportunity to inspect the Designated Transfer  
4405 and Processing Facility and to review the permits governing its operation, as well as the  
4406 Source Reduction and Recycling Element adopted by Agency. Contractor has taken  
4407 such matters into consideration in agreeing to provide the services required by, for the  
4408 compensation to be provided under, this Agreement.

4409 **15.07 NO WARRANTY BY AGENCY**

4410 While Agency believes that the information contained in the Request for Proposals is  
4411 substantially correct, Agency makes no warranties in connection with this Agreement,  
4412 including but not limited to the accuracy or completeness of the information contained in  
4413 the Request for Proposals.

4414 **15.08 CONDEMNATION**

4415 Agency reserves the rights to acquire the Contractor's property utilized in the  
4416 performance of this Agreement through the exercise of eminent domain.

4417 **15.09 NOTICE**

4418 All notices, demands, requests, proposals, approvals, consents and other  
4419 communications which this Agreement requires, authorizes or contemplates shall,  
4420 except as provided in Article 14, be in writing and shall either be personally delivered to  
4421 a representative of the Parties at the address below or be deposited in the United States  
4422 mail, first class postage prepaid, addressed as follows:

4423 If to Agency:

4424 City of Burlingame  
4425 501 Primrose Road  
4426 Burlingame, CA 94010  
4427 ATTN: Finance Director

4428 If to Contractor:

4429 Mr. Mario Puccinelli, General Manager  
4430 Recology San Mateo County  
4431 225 Shoreway Rd.  
4432 San Carlos, CA 94070

4433 The address to which communications may be delivered may be changed from time to  
4434 time by a notice given in accordance with this Section.

4435 Contact information for Contractor's General Manager is as follows:

4436 Mr. Mario Puccinelli, General Manager  
4437 Recology San Mateo County  
4438 225 Shoreway Rd.  
4439 San Carlos, CA 94070

4440 Contact information for Contractor's Environmental Technician is as follows:

4441 Mr. Christopher Gibson, Environmental Technician  
4442 Recology San Mateo County  
4443 225 Shoreway Rd.  
4444 San Carlos, CA 94070

4445 Contractor shall promptly provide Agency the name and contact information for the  
4446 above employees if there is a change during the Term.

4447 **15.10 REPRESENTATIVES OF THE PARTIES.**

4448 A. **Representatives of Agency.** References in this Agreement to "Agency" shall  
4449 mean the City and all actions to be taken by Agency shall be taken by the City  
4450 Council except as provided below. The City Council may delegate authority to the  
4451 City Manager, and/or to other Agency officials and may permit such officials, in turn,  
4452 to delegate in writing some or all of such authority to subordinate officers.  
4453 Contractor may rely upon actions taken by such delegates if they are within the  
4454 scope of the authority properly delegated to them.

4455 B. **Representative of Contractor.** Contractor shall, by the Effective Date, designate  
4456 in writing a responsible officer who shall serve as the representative of Contractor in  
4457 all matters related to the Agreement and shall inform Agency in writing of such  
4458 designation and of any limitations upon his or her authority to bind Contractor.  
4459 Agency may rely upon action taken by such designated representative as actions of  
4460 Contractor unless they are outside the scope of the authority delegated to him/her  
4461 by Contractor as communicated to Agency.

4462 **15.11 DUTY OF CONTRACTOR NOT TO DISCRIMINATE**

4463 In the performance of this Agreement Contractor shall not discriminate, nor permit any  
4464 subcontractor to discriminate, against any employee, applicant for employment, or  
4465 Customer on account of race, color, national origin, ancestry, religion, sex, age, physical  
4466 disability, medical condition, sexual orientation, marital status, or other characteristic, in  
4467 violation of any Applicable Law.

4468 **15.12 RIGHT OF AGENCY TO MAKE CHANGES IN SERVICES AND SERVICE LEVELS**

4469 A. Agency may, without amending this Agreement, direct Contractor to cease  
4470 performing one or more types of service described in Articles 5 or 6, may direct  
4471 Contractor to modify the scope of one or more such services, may direct  
4472 Contractor to perform additional Solid Waste, Targeted Recyclable Materials,  
4473 Organic Materials or Plant Materials handling services, or may otherwise direct  
4474 Contractor to modify its performance under any other Section of this Agreement.  
4475 Contractor shall promptly and cooperatively comply with such direction.



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- B. If such changes cause an increase or decrease in the cost of performing the services, an equitable adjustment in the Contractor's Compensation shall be made pursuant to Article 11. Contractor will continue to perform the new or changed service while the appropriate adjustment in compensation is being determined.
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- C. The Agency shall have the right to terminate a program if, in its discretion, the Contractor is not cost-effectively achieving the program's goals and objectives. Thereafter, the Agency may utilize a third party to perform these services if the Agency reasonably believes the third party can improve on Contractor's performance and cost effectiveness. Notwithstanding these changes, Contractor shall continue the program during the meet and confer period and, thereafter, until the third party takes over the program. This subsection C applies to programs initiated at Agency's direction after the Commencement Date that are beyond the basic scope of services described in Section 4.01.A.

4489 **15.13 TRANSITION TO NEXT SERVICE PROVIDER**

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At the expiration of the Term or the earlier termination of the Agreement, or upon Agency's approval of a proposed assignment, Contractor shall cooperate fully with Agency to ensure an orderly transition to any and all new service providers. Contractor shall provide, within ten (10) Days of a written request by Agency, then-current route lists, which identify each Customer on the route, its 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. Contractor may, but is not required to, sell Collection vehicles and containers to the next service provider.

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Contractor shall upon Agency request, at least one-hundred-eighty (180) Days prior to the transition of services, attend meetings with the next service provider and with Agency and SBWMA staff and consultants to plan the recovery of Contractor's Containers and placement of the new Containers. Contractor shall perform in accordance with such plan and direct route supervisors to provide "ride-alongs" so that the new service provider's employees may ride with drivers in Collection vehicles during Collection operations. Contractor will direct its drivers and other employees to provide accurate information to the new provider about routing and Customers.

4507 **15.14 REPORTS AS PUBLIC RECORDS**

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The reports, records and other information submitted or required to be submitted by Contractor to Agency (and documents copied pursuant to Section 9.02) are public records within the meaning of that term in the California Public Records Act, Government Code Section 6250 *et seq.* Unless a particular record is exempted from disclosure by the California Public Records Act, it must be disclosed to the public by Agency upon request.

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Contractor will not object to Agency making available to the public any information submitted by the Contractor, or required to be submitted in connection with the Contractor's Compensation, including but not limited to records described in Article 11.

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**ARTICLE 16 MISCELLANEOUS PROVISIONS**

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4518 **16.01 GOVERNING LAW**

4519 This Agreement shall be governed by, and construed and enforced in accordance with,  
4520 the laws of the State of California.

4521 **16.02 JURISDICTION**

4522 Any lawsuits between the Parties arising out of this Agreement shall be brought and  
4523 concluded in the courts of the State of California, which shall have exclusive jurisdiction  
4524 over such lawsuits. With respect to venue, the Parties agree that this Agreement is  
4525 made in and will be performed in San Mateo County.

4526 **16.03 BINDING ON SUCCESSORS**

4527 The provisions of this Agreement shall inure to the benefit of and be binding on the  
4528 successors and permitted assigns of the Parties.

4529 **16.04 PARTIES IN INTEREST**

4530 Nothing in this Agreement is intended to confer any rights on any Persons other than the  
4531 Parties to it and their permitted successors and assigns.

4532 **16.05 WAIVER**

4533 The waiver by either Party of any breach or violation of any provisions of this Agreement  
4534 shall not be deemed to be a waiver of any breach or violation of any other provision nor  
4535 of any subsequent breach or violation of the same or any other provision.

4536 **16.06 ATTACHMENTS**

4537 Each of the attachments, identified as Attachments "A" through "Q," is attached hereto  
4538 and incorporated herein and made a part hereof by this reference.

4539 **16.07 ENTIRE AGREEMENT**

4540 This Agreement, including the attachments, represents the full and entire agreement  
4541 between the Parties with respect to the matters covered herein and supersedes all prior  
4542 negotiations and agreements, either written or oral.

4543 **16.08 SECTION HEADINGS**

4544 The article headings and section headings in this Agreement are for convenience of  
4545 reference only and are not intended to be used in the construction of this Agreement nor  
4546 to alter or affect any of its provisions.

4547 **16.09 INTERPRETATION**

4548 This Agreement shall be interpreted and construed reasonably and neither for nor  
4549 against either Party, regardless of the degree to which either Party participated in its  
4550 drafting.

4551 **16.10 AMENDMENT**

4552 This Agreement may not be modified or amended in any respect except by a writing  
4553 signed by the Parties.

4554 **16.11 SEVERABILITY**  
4555 If a court of competent jurisdiction holds any non-material provision of this Agreement to  
4556 be invalid and unenforceable, the invalidity or unenforceability of such provision shall not  
4557 affect any of the remaining provisions of this Agreement which shall be enforced as if  
4558 such invalid or unenforceable provision had not been contained herein.

4559 **16.12 COSTS AND ATTORNEYS' FEES**  
4560 The prevailing Party in any action brought to enforce the terms of this Agreement or  
4561 arising out of this Agreement may recover its reasonable costs expended in connection  
4562 with such an action from the other Party. However, each Party shall bear its own  
4563 attorneys' fees.

4564 **16.13 NO DAMAGES FOR INVALIDATION OF AGREEMENT**  
4565 If a final judgment of a court of competent jurisdiction determines that this Agreement is  
4566 illegal or was unlawfully entered into by Agency, neither party shall have any claim  
4567 against the other for damages of any kind (including but not limited to loss of profits) on  
4568 any theory.

4569 **16.14 REFERENCES TO LAWS**  
4570 All references in this Agreement to laws and regulations shall be understood to include  
4571 such laws and regulations as they may be subsequently amended or recodified, unless  
4572 otherwise specifically provided. In addition, references to specific governmental  
4573 agencies shall be understood to include agencies that succeed to or assume the  
4574 functions they are currently performing.

4575 **16.15 INDEMNITY AGAINST CHALLENGES TO AGREEMENT**  
4576 Contractor shall indemnify, defend and hold harmless SBWMA, Agency, and its and  
4577 their officers, employees and agents (collectively, the "Indemnitees") from and against  
4578 any and all liability, claim, demand, action, proceeding or suit of any and every kind and  
4579 description brought by a third party challenging the process by which proposals were  
4580 solicited and evaluated, or this Agreement was negotiated or awarded to the extent that  
4581 such liability, claim, demand, action, proceeding or suit was caused by Contractor's  
4582 failure to comply with applicable law or the instructions of any indemnitee with respect to  
4583 such process.  
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LAST PAGE OF AGREEMENT

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


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CITY OF BURLINGAME

RECOLOGY SAN MATEO COUNTY

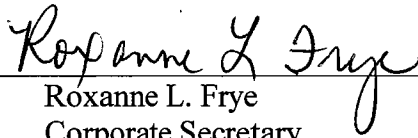
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By:   
Jim Nantell  
City Manager

By:   
Michael J. Sangiacomo  
President and CEO

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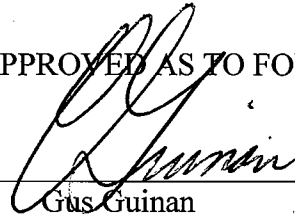
ATTEST:   
Mary Ellen Kearney  
City Clerk

By:   
Roxanne L. Frye  
Corporate Secretary

4596

APPROVED AS TO FORM:

4597  
4598  
4599

  
Gus Guinan  
City Attorney

# **ATTACHMENT A**

## **Definitions**





35 **Average Speed of Answer**

36 "Average Speed of Answer" means the sum of time Customers wait for their calls to be  
37 answered after the call is queued (upon completion of the introductory voicemail message(s) or  
38 Customer bypassing the message(s)) divided by the total number of calls received over the  
39 same time interval.

40 **Backyard Collection Service**

41 "Backyard Collection Service" means the provision of Collection Service to a SFD in the rear or  
42 side premises.

43 **Billings**

44 "Billings" means statements of charges for services rendered by Contractor, to Owners or  
45 Occupants of property, including Residential and Commercial Premises, for the Collection of  
46 Solid Waste, Targeted Recyclable Materials, Organic Materials, and other materials Collected  
47 pursuant to this Agreement.

48 **Bin**

49 "Bin" means a metal Container with capacity of approximately one (1) to fifteen (15) cubic yards,  
50 with a hinged lid, with or without wheels, typically serviced by a front-loading Collection vehicle.

51 **Bulky Items**

52 "Bulky Items" means large items including, but not limited to, Major Appliances, furniture, tires  
53 (with rims removed), carpets, mattresses, and other oversize materials whose large size  
54 precludes or complicates their handling by normal Collection. Bulky Items do not include  
55 abandoned automobiles, large auto parts, or trees.

56 **Business Days**

57 "Business Days" means days (i.e., Monday through Friday) during which Contractor's office is  
58 open to do business with the public.

59 **Cart**

60 "Cart" means a plastic Container with a hinged lid and two wheels that is serviced by an  
61 automated or semi-automated Collection vehicle. A Cart has capacity of 20, 30, 60, or 90  
62 gallons (or similar volumes).

63 **Cell Phones**

64 "Cell Phones" means all telephones used for mobile or cellular communications including  
65 batteries used to power cell phones.

66 **Change in Law**

67 "Change in Law" means any of the following events or conditions which has a material and  
68 adverse effect on the performance by the Parties of their respective obligations under this  
69 Agreement:

- 70 a. The enactment, adoption, promulgation, issuance, modification, or written change in  
71 administrative or judicial interpretation on or after the Effective Date of any Applicable  
72 Law; or



73 b. The order or judgment of any governmental body, on or after the Effective Date, to the  
74 extent such order or judgment is not the result of willful or negligent action, error or  
75 omission or lack of reasonable diligence of the Agency, or of the Contractor, whichever  
76 is asserting the occurrence of a Change in Law; provided, however, that the contesting  
77 in good faith or the failure in good faith to contest any such order or judgment shall not  
78 constitute such a willful or negligent action, error or omission or lack of reasonable  
79 diligence.

80 **Collect/Collection**

81 "Collect" or "Collection" means to take physical possession, transport, and remove Solid Waste,  
82 Targeted Recyclable Materials, Organic Materials, or other materials pursuant to this Agreement  
83 within and from Agency.

84 **Collection Container**

85 "Collection Container" means any Container provided by Contractor to store and Collect Solid  
86 Waste, Targeted Recyclable Materials, Organics, or any other material targeted for Collection  
87 by Contractor or subcontractor of Contractor.

88 **Commencement Date**

89 "Commencement Date" means the date specified in Section 3.02 when the Contractor is to  
90 begin providing services required by this Agreement.

91 **Commercial**

92 "Commercial" means a business activity including, but not limited to, retail sales, wholesale  
93 sales, services, research and development, government, education, non-profit, hospital,  
94 manufacturing, institutional and industrial operations, but excluding businesses conducted upon  
95 Residential Property which are permitted under applicable zoning regulations and are not the  
96 primary use of the property. Commercial Collection includes service provided to Multi-Family  
97 Dwelling Customers and Agency Facilities.

98 **Commercial Diversion Level**

99 "Commercial Diversion Level" means the sum of all Commercial Recyclable Materials Collected  
100 by Contractor divided by the sum of all Commercial materials Collected by Contractor.

101 **Commingle**

102 "Commingle" means to mix, mingle, or combine Targeted Recyclable Materials in a Collection  
103 Container.

104 **Compactor**

105 "Compactor" means a mechanical apparatus that compresses materials and/or the Container  
106 that holds the compressed materials. Compactors include Bin compactors of any size serviced  
107 by front-loading Collection vehicles and Drop Box compactors of any size serviced by Drop Box  
108 Collection vehicles.

109 **Complaint**

110 "Complaint" means written or orally communicated statements made by members of the public,  
111 Customers, Owners, or Occupants of properties served by Contractor, by officers, employees or

112 agents of Agency or SBWMA alleging non-performance of, or deficiencies in Contractor's  
113 performance of, its duties under this Agreement, or a violation by Contractor of this Agreement.

114 **Construction and Demolition Debris or C&D**

115 "Construction and Demolition Debris" and "C&D" means materials resulting from construction,  
116 renovation, remodeling, repair, or demolition operations on any Residential, Commercial or  
117 other structure or pavement.

118 **Container**

119 "Container" means any receptacle used for storage of Solid Waste, Targeted Recyclable  
120 Materials, Organic Materials and other materials Collected pursuant to this Agreement including,  
121 but not limited to, metal or plastic cans, Carts, Bins, tubs, Kitchen Pails and Drop Boxes.

122 **Contamination**

123 "Contamination" means (i) all materials other than those defined as Targeted Recyclable  
124 Materials that were Collected by Contractor with Single-Stream or Source Separated Targeted  
125 Recyclable Materials; (ii) all materials other than those defined as Plant Materials Collected by  
126 Contractor with Plant Materials; or (iii) all materials other than those defined as Organic  
127 Materials Collected by Contractor with Organic Materials.

128 **Contamination Level**

129 "Contamination Level" means the percentage of Contamination in the Targeted Recyclable  
130 Materials, Plant Materials, or Organic Materials Collected by Contractor, which shall be  
131 calculated as the Tonnage of Contaminated Material or residual divided by the Tonnage of all  
132 the specific material Collected.

133 **Contamination Measurement Procedure**

134 "Contamination Measurement Procedure" means the procedure the SBWMA will use to  
135 determine the Contamination Level of loads of Targeted Recyclable Materials, Plant Materials or  
136 Organic Materials Collected by Contractor and delivered to the Designated Transfer and  
137 Processing Facility.

138 **Contractor**

139 "Contractor" means Recology San Mateo County.

140 **Contractor's Compensation**

141 "Contractor's Compensation" means the monetary compensation owed to Contractor in return  
142 for providing services in accordance with this Agreement as described in Article 11.

143 **Contractor Pass-Through Costs**

144 "Contractor Pass-Through Costs" means the costs described in Attachment K, Section 3, Table  
145 1 to which no element of overhead, administrative expense, or profit, is added, such that the  
146 specific amount of such cost is included without modification in the calculations or reports  
147 prepared in implementing this Agreement.

148 **Contractor's Proposal**

149 "Contractor's Proposal" means the proposal submitted by Contractor and received by March 11,  
150 2008 by the SBWMA in response to the November 1, 2007 SBWMA Request for Proposals for  
151 Collection Services, and certain supplemental written materials.

152 **County**

153 "County" means the County of San Mateo.

154 **Curbside**

155 "Curbside" means the location for Collection, where Collection Containers or loose materials are  
156 placed on the street or alley against the face of the curb, or, where no curb exists, placed not  
157 more than five (5) feet from the outside edge of the street or alley.

158 **Customer**

159 "Customer" means the Person to whom Contractor (or Agency if Agency bills directly) submits  
160 billing invoices for Collection services provided to a Premises. The Customer may be the  
161 Occupant or Owner of the Premises provided that the Owner of the Premises shall be  
162 responsible for payment of Collection services if an Occupant of the Premises fails to make  
163 such payment.

164 **Day**

165 "Day" means calendar day unless otherwise specified.

166 **Designated Transfer and Processing Facility**

167 "Designated Transfer and Processing Facility" means the Shoreway Recycling and Disposal  
168 Center or "SRDC" at 225 and 333 Shoreway Road, San Carlos, California, which is owned by  
169 SBWMA.

170 **Designated Waste**

171 "Designated Waste" means non-Hazardous Waste which may pose special Disposal problems  
172 because of its potential to contaminate the environment and which may be disposed of only in  
173 Class II Disposal Sites or Class III Disposal Sites pursuant to a variance issued by the California  
174 Department of Health Services. Designated Waste consists of those substances classified as  
175 Designated Waste in California Code of Regulations Title 23, Section 2522.

176 **Discarded Material**

177 "Discarded Material" means Solid Waste, Targeted Recyclable Materials, and Organic Materials  
178 placed by a Generator in a Container and/or at a location that is designated for Collection  
179 pursuant to the Agency's Municipal Code. Discarded Material shall become the property of  
180 Contractor pursuant to California Public Resources Code Section 41950 until delivery to the  
181 Designated Transfer and Processing Facility.

182 **Disposal**

183 "Disposal" means the ultimate disposition of Solid Waste Collected by Contractor at a Disposal  
184 Site.

185 **Designated Disposal Site**

186 "Designated Disposal Site" means the facility or facilities utilized for the landfill Disposal of Solid  
187 Waste Collected under the terms of this Agreement.

188 **Drop Box**

189 "Drop Box" means an open-top Container with a typical capacity of twenty (20) to forty (40)  
190 cubic yards that is serviced by a Drop Box or roll-off Collection vehicle. Drop boxes that contain  
191 putrescible solid waste require a lid.

192 **Effective Date**

193 "Effective Date" means the date identified in Section 3.01.

194 **Electronic Waste (or E-Scrap)**

195 "Electronic Waste" or "E-Scrap" means "Covered Electronic Wastes" as defined in the Act  
196 (Section 42463 of Public Resources Code) in addition to discarded electronic equipment such  
197 as, but not limited to, television sets, computer monitors, central processing units (CPUs), laptop  
198 computers, and peripherals (e.g., external computer hard drives, computer keyboards,  
199 computer mice, and computer printers). E-Scrap does not include those items defined herein as  
200 Targeted Recyclable Materials.

201 **Environmental Laws**

202 "Environmental Laws" means all federal and State statutes, County, and Agency ordinances  
203 concerning public health, safety and the environment including, by way of example and not  
204 limitation, the Act, the Comprehensive Environmental Response, Compensation and Liability  
205 Act of 1980, 42 USC §9601 et seq.; the Resource Conservation and Recovery Act, 42 USC  
206 §6902 et seq.; the Federal Clean Water Act, 33 USC §1251 et seq.; the Toxic Substances  
207 Control Act, 15 USC §1601 et seq.; the Occupational Safety and Health Act, 29 USC §651 et  
208 seq.; the California Hazardous Waste Control Act, California Health and Safety Code §25100 et  
209 seq.; the California Toxic Substances Control Act, California Health and Safety Code §25300 et  
210 seq.; the Porter-Cologne Water Quality Control Act, California Water Code §13000 et seq.; the  
211 Safe Drinking Water and Toxic Enforcement Act, California Health and Safety Code §25249.5 et  
212 seq.; as currently in force or as hereafter amended, and all rules and regulations promulgated  
213 thereunder.

214 **Event**

215 "Event" includes but is not limited to "large events" as defined in the Act (Public Resources  
216 Code Section 42648), any Event that serves an average of at least 2,000 attendees and  
217 workers per day, and Agency-sponsored community events. A list of Events currently held in  
218 the Agency is included as Attachment C.

219 **Facility/Facilities**

220 "Facility/Facilities" means any plant or site, owned or leased and maintained, operated or used  
221 by Contractor for purposes of performing Contractor's obligations under this Agreement (e.g.,  
222 facilities for parking and maintaining vehicles, administration offices, and customer service  
223 offices, etc.). As of the Effective Date, Contractor's Facility(ies) are Shoreway Recycling and  
224 Disposal Center at 225 Shoreway Road, San Carlos, California.

- 225 **Fiscal Year**  
226 "Fiscal Year" means the period commencing July 1<sup>st</sup> through June 30<sup>th</sup> each year.
- 227 **Food Scraps**  
228 "Food Scraps" means a subset of Organic Materials including: (i) all kitchen and table food  
229 waste, and animal, or vegetable fruit, grain, dairy or fish waste that attends or results from the  
230 storage, preparation, cooking or handling of foodstuffs, with the exception of animal excrement,  
231 (ii) paper waste contaminated with putrescible material, and (iii) biodegradable plastic food  
232 service ware.
- 233 **Franchise Fee**  
234 "Franchise Fee" means the fee paid by Contractor to Agency pursuant to Section 10.02.
- 235 **Generator**  
236 "Generator" means any Person whose act or process produces Solid Waste, Targeted  
237 Recyclable Materials, or Organic Materials, or whose act first causes Solid Waste to become  
238 subject to regulation.
- 239 **Gross Revenue Billed**  
240 "Gross Revenue Billed" means the total revenue recognized per generally accepted accounting  
241 principles by the Contractor for all services provided to Customers during the Rate Year in  
242 question. Revenues may be billed by the Contractor to Customers or may be billed by Agency  
243 to Customers.
- 244 **Guarantor**  
245 "Guarantor" means Recology Inc.
- 246 **Guaranty**  
247 "Guaranty" means the agreement to be executed by the Guarantor in the form of Attachment G.
- 248 **Hazardous Substance**  
249 "Hazardous Substance" shall mean any of the following: (a) any substances defined, regulated  
250 or listed (directly or by reference) as "Hazardous Substances", "hazardous materials",  
251 "Hazardous Wastes", "toxic waste", "pollutant" or "toxic substances" or similarly identified as  
252 hazardous to human health or the environment, in or pursuant to (i) the Comprehensive  
253 Environmental Response, Compensation and Liability Act of 1980, 42 USC §9601 et  
254 seq.(CERCLA); (ii) the Hazardous Materials Transportation Act, 49 USC §1802, et seq.; (iii) the  
255 Resource Conservation and Recovery Act, 42 USC §6901 et seq.; (iv) the Clean Water Act, 33  
256 USC §1251 et seq.; (v) California Health and Safety Code §§25115-25117, 25249.8, 25281,  
257 and 25316; (vi) the Clean Air Act, 42 USC §7901 et seq.; and (vii) California Water Code  
258 §13050; (b) any amendments, rules or regulations promulgated there under to such enumerated  
259 statutes or acts currently existing or hereafter enacted; and (c) any other hazardous or toxic  
260 substance, material, chemical, waste or pollutant identified as hazardous or toxic or regulated  
261 under any other applicable Federal, State or local Environmental Laws currently existing or  
262 hereinafter enacted, including, without limitation, friable asbestos, polychlorinated biphenyl's  
263 ("PCBs"), petroleum, natural gas and synthetic fuel products, and by-products.

264 **Hazardous Waste**

265 "Hazardous Waste" means all substances defined as Hazardous Waste, acutely Hazardous  
266 Waste, or extremely Hazardous Waste by the State in Health and Safety Code §25110.02,  
267 §25115, and §25117 or in any future amendments to or recodifications of such statutes or  
268 identified and listed as Hazardous Waste by the US Environmental Protection Agency (EPA),  
269 pursuant to the Federal Resource Conservation and Recovery Act (42 USC §6901 et seq.), all  
270 future amendments thereto, and all rules and regulations promulgated there under.

271 **Hold Time**

272 "Hold Time" means the amount of time per answered call that a customer service agent (or  
273 agents) place a call on hold, plus the amount of time a call is left unanswered after Contractor's  
274 introductory voicemail message(s) is ended either by completion of the message(s) or by the  
275 Customer bypassing the message.

276 **Holidays**

277 "Holidays" means New Year's Day, Thanksgiving Day, and Christmas Day.

278 **Holiday Schedule**

279 "Holiday Schedule" means the modified service schedule for the days following a Holiday. If a  
280 Holiday falls on Monday, Tuesday, Wednesday, Thursday or Friday, the service is provided the  
281 immediately following Day.

282 **Holiday Trees**

283 "Holiday Trees" means trees targeted for diversion that were purchased and used in celebration  
284 of Christmas and other Holidays in December and January.

285 **Household Batteries**

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

291 **Household Hazardous Waste**

292 "Household Hazardous Waste" means Hazardous Waste generated at Residential Premises.  
293 Household Hazardous Waste does not include those items defined as Targeted Recyclable  
294 Materials.

295 **Including**

296 "Including" means including but not limited to.

297 **Infectious Waste**

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

302 **Inquiry**

303 "Inquiry" means a written or orally communicated request for information, request for Collection  
304 services, or request for change in service level made by members of the public, Customers,  
305 Owners, or Occupants of properties served by Contractor, or by officers, employees or agents  
306 of Agency or SBWMA.

307 **Kitchen Pail**

308 "Kitchen Pail" means a receptacle suitable for the storage of Food Scraps that has a capacity of  
309 1.5 to 2.5 gallons, a wire or plastic handle, and a lid.

310 **Line of Business**

311 "Line of Business" means the individual types of Collection service provided by Contractor to  
312 each Service Sector, including Recyclable Materials Collection service, Organic Materials  
313 Collection service and Solid Waste Collection service.

314 **Liquidated Damages**

315 "Liquidated Damages" means the amounts owed by Contractor to the Agency for failure to meet  
316 specific standards of performance as described in Section 14.07.

317 **Major Appliances**

318 "Major Appliances" means any device including, but not limited to, washing machines, clothes  
319 dryer, hot water heaters, dehumidifiers, conventional ovens, microwave ovens, stoves,  
320 refrigerators, freezers, air-conditioners, trash compactors, and residential furnaces discarded by  
321 Customers. Major Appliances are commonly referred to as White Goods.

322 **Materials Recovery Facility (MRF)**

323 "Materials Recovery Facility" means a permitted facility where Solid Waste, Targeted  
324 Recyclable Materials, Organic Materials, and other materials are processed, sorted or  
325 separated for the purposes of recovering reusable or Targeted Recyclable Materials. For the  
326 purposes of this Agreement, Agency has designated the Shoreway Recycling and Disposal  
327 Center, located at 225 and 333 Shoreway Road, San Carlos, CA, owned by the SBWMA, as its  
328 Designated Transfer and Processing Facility.

329 **Measured Contamination Level**

330 "Measured Contamination Level" means the Contamination Level of the Targeted Recyclable  
331 Materials, Plant Materials, and Organic Materials delivered by Contractor to the Designated  
332 Transfer and Processing Facility determined in accordance with procedures contained in  
333 Attachments E-1 and E-2.

334 **Member Agencies**

335 "Member Agencies" means the following jurisdictions: the cities of Belmont, Burlingame, East  
336 Palo Alto, Foster City, Menlo Park, Redwood City, San Carlos, and San Mateo; the towns of  
337 Atherton and Hillsborough; the County of San Mateo; and the West Bay Sanitary District.

338 **Member Agency Facilities**

339 "Member Agency Facilities" or "Agency Facilities" means any building, site or open space,  
340 owned, or leased and maintained, operated or used by a Member Agency.

341 **Missed Pick-Up Collection Event**

342 "Missed Pick-Up Collection Event" means events whereby Contractor failed to collect Solid  
343 Waste, Targeted Recyclable Materials and Organic Materials on or before the Business Day  
344 following Contractor's receipt of the Missed Pick-Up Initial Complaint. The only exceptions to  
345 this definition include: Missed Pick-Up Initial Complaints for which Contractor: (i) documented in  
346 its Customer service system the Customer's failure to properly set out Container or that the  
347 Containers were blocked for Collection based on the route driver's report; and, (ii) coded the call  
348 for a recollection request or courtesy pick-up prior to receiving a Missed Pick-Up Initial  
349 Complaint.

350 **Missed Pick-Up Initial Complaint**

351 "Missed Pick-Up Initial Complaint" means complaints received by Contractor, Agency or  
352 SBWMA for missed pick-up of Solid Waste, Targeted Recyclable Materials and Organic  
353 Materials with the exception of Missed Pick-Up Complaints for which Contractor: (i) documented  
354 in its customer service system the Customer's failure to properly set out Container or that the  
355 Containers were blocked for Collection based on the route driver's report; and, (ii) coded the call  
356 for a recollection request or courtesy pick-up prior to receiving a Missed Pick-Up Complaint on  
357 that same Day.

358 **Multi-Family Dwelling**

359 "Multi-Family," "Multi-Family Dwelling" or "MFD" means an individual Residential Premises in a  
360 building that contains five (5) or more individual Residential Premises.

361 **Multi-Family Residential Complex**

362 "Multi-Family Residential Complex" means the building(s) containing five (5) or more individual  
363 Residential Premises. Such Premises normally have centralized Solid Waste and Targeted  
364 Recyclable Materials Collection service for all units in the building and are billed to one address  
365 (typically the Owner or property manager).

366 **Net Revenue Billed**

367 "Net Revenue Billed" means the sum of actual Gross Revenue Billed (as per Section 11.03.D)  
368 minus payments to SBWMA for disposal, payments to Agencies for Franchise and other fees  
369 as described in Article 10, and revenues attributable to unscheduled or intermittent service.

370 **Occupant**

371 "Occupant" means a Person who occupies a Premise.

372 **On-Call Service**

373 "On-Call Service" means Collection service provided by Contractor that is not regularly  
374 scheduled or is scheduled more than twenty-four (24) hours in advance. On-Call Service is  
375 initiated by Customer by calling, emailing, or requesting the service in person at Contractor's  
376 office.

377 **Operating Cost**

378 "Operating Cost" or "Cost of Operations" means those costs actually incurred by Contractor,  
379 reasonably necessary to perform under this Agreement, and not otherwise specifically excluded  
380 in this Agreement.



381 **Operating Ratio**

382 "Operating Ratio" means a factor used in the calculation of profit. Contractor's profit is  
383 determined by applying the Operating Ratio of ninety and one-half percent (90.5%) to total  
384 annual Costs of Operation described in Attachment K, Section 6.B.2.

385 **Operator**

386 "Operator" means the company contracted by the SBWMA to operate the Designated Transfer  
387 and Processing Facility.

388 **Organic Materials**

389 "Organic Materials" means those materials that will decompose and/or putrefy and that the  
390 Agency permits, directs, or requires Generators to separate from Solid Waste and Targeted  
391 Recyclable Materials for Collection in specially designated Containers for Organic Materials  
392 Collection. Organic Materials include Plant Materials, Food Scraps, paper contaminated with  
393 Food Scraps, biodegradable plastic food service ware, pieces of unpainted and untreated wood,  
394 and pieces of unpainted and untreated wallboard. No Discarded Material shall be considered  
395 Organic Materials, unless such material is separated from Solid Waste and Targeted Recyclable  
396 Material.

397 **Other Recyclable Material**

398 "Other Recyclable Material" means a subset of Recyclable Materials that are Collected which  
399 include, but are not limited to: Household Batteries, Cell Phones, Used Motor Oil, Used Motor  
400 Oil Filters, Bulky Items that are Recycled, Major Appliances, E-Scrap, and U-Waste. The  
401 purpose of differentiating Other Recyclable Material is to describe a category used to calculate  
402 the Overall Diversion Level as specified in Attachment I.

403 **Overage**

404 "Overage" means the amount of Solid Waste placed in or adjacent to a Collection Container that  
405 is in excess of the Container capacity.

406 **Overall Diversion Level**

407 "Overall Diversion Level" means the sum of all Recyclable Materials Collected by Contractor  
408 divided by the sum of all materials Collected by Contractor in a Rate Year.

409 **Owner**

410 "Owner" means the Person holding legal title to the real property constituting the Premises to  
411 which Solid Waste, Targeted Recyclable Materials, and/or Organic Materials Collection service  
412 is provided.

413 **Party(ies)**

414 "Party(ies)" refers to the Agency and Contractor, individually or together.

415 **Pass-Through Cost**

416 "Pass-Through Cost" means a cost to which no element of overhead, administrative expense, or  
417 profit, is added, such that the specific amount of such cost is included without modification in the  
418 calculations or reports prepared in implementing this Agreement.

419 **Person**

420 "Person" means any individual, firm, company, association, organization, partnership,  
421 corporation, trust, joint venture, the United States, the State, the County, towns, cities, or special  
422 purpose districts.

423 **Plant Materials**

424 "Plant Materials" means a subset of Organic Materials consisting of grass cuttings, weeds,  
425 leaves, prunings, branches, dead plants, brush, tree trimmings, dead trees (not more than six  
426 (6) inches in diameter) and five (5) feet in length, and similar materials generated at Premises,  
427 separated and set out for Collection. Plant Materials does not include materials not normally  
428 produced from gardens or landscape areas, such as, brick, rock, gravel, large quantities of dirt,  
429 concrete, sod, non-organic wastes, oil, and painted or treated wood products. Diseased plants  
430 and trees may be excluded from Plant Materials upon mutual consent of Agency and  
431 Contractor.

432 **Premise**

433 "Premise" means any land, or building where Solid Waste, Recyclable Materials, or Organic  
434 Materials is generated or accumulated.

435 **Previous Contractor**

436 "Previous Contractor" means Allied Waste Services of San Mateo County, a division of Republic  
437 Services, Inc.

438 **Proposal**

439 "Proposal" means Contractor's Proposal.

440 **Rates**

441 "Rates" means the monetary amounts to be charged a Customer by Contractor for providing  
442 Collection of Solid Waste, Recyclable Materials, Organic Materials, and other materials.

443 **Rate Year**

444 "Rate Year" means the twelve-month period, commencing January 1 of one year and  
445 concluding December 31 of the same year, for which Contractor's Compensation is calculated.

446 **Recycling**

447 "Recycling" means the process of sorting, cleansing, treating and reconstituting materials that  
448 would otherwise be Disposed of at a landfill for the purpose of returning such materials to the  
449 economy in the form of raw materials for new, reused or reconstituted products.

450 **Recycling Blitz**

451 "Recycling Blitz" means Contractor's campaign to implement Recycling Collection service at  
452 Commercial and Multi-Family Dwelling Customers that have limited or no recycling collection  
453 service approximately six (6) months prior to the roll-out of new services.  
454

- 455 **Recycling Tote-Bag**  
 456 "Recycling Tote-Bag" means a durable, mesh plastic bag with handles and a carrying capacity  
 457 of approximately eight (8) gallons distributed to Multi-Family Dwelling Residential Premises and  
 458 Multi-Family Residential complexes for personal Recycling use.
- 459 **Recyclable Containers**  
 460 "Recyclable Containers" means food and beverage packaging receptacles including but not  
 461 limited to packaging that has California Redemption Value.
- 462 **Recyclable Materials**  
 463 "Recyclable Materials" means Discarded Materials that can be re-used, remanufactured,  
 464 reconstituted, or Recycled.
- 465 **Related Party Entity**  
 466 "Related Party Entity" means any Affiliate which has financial transactions with Contractor  
 467 pertaining to this Agreement.
- 468 **Residential**  
 469 "Residential" means of, from, or pertaining to Single-Family Dwellings, and Multi-Family  
 470 Residential complexes, including single-family homes, apartments, condominiums, townhouse  
 471 complexes, mobile home parks, cooperative apartments, and yacht harbors and marinas where  
 472 residents live aboard boats.
- 473 **Residential Diversion Level**  
 474 "Residential Diversion Level" means the sum of all Residential Recyclable Materials Collected  
 475 by Contractor divided by the sum of all Residential materials Collected by Contractor.
- 476 **Residential Premise**  
 477 "Residential Premises" means individual dwelling units such as Single-Family Dwelling units,  
 478 Multi-Family Dwelling units (such as townhouses, apartments, and condominiums), mobile  
 479 home park dwelling units, cooperative apartments, and dwelling units at yacht harbors and  
 480 marinas where residents live aboard boats.
- 481 **Residential Property**  
 482 "Residential Property" means property used for residential purposes.
- 483 **Residential Recyclable Materials**  
 484 "Residential Recyclable Materials" means Targeted Recyclable Materials Collected from both  
 485 Single-Family Dwelling Customers and Multi-Family Residential Complexes.
- 486 **Revenue Requirement**  
 487 "Revenue Requirement" means the total projected amount of revenue that must be included in  
 488 Agency's Rates charged to Customers to cover all costs associated with Contractor's  
 489 Compensation, Contractor Pass-Through Costs and Pass-Through Costs for a Rate Year.

490 **SBWMA**  
491 "SBWMA" means the South Bayside Waste Management Authority, which is a joint powers  
492 authority comprised of the Member Agencies.

493 **SBWMA Service Area**

494 "SBWMA Service Area" means the service area comprised of the SBWMA's Member Agencies,  
495 which include the following: Town of Atherton, City of Belmont, City of Burlingame, City of East  
496 Palo Alto, City of Foster City, Town of Hillsborough, City of Menlo Park, City of Redwood City,  
497 City of San Carlos, City of San Mateo, sections of unincorporated San Mateo County, and West  
498 Bay Sanitary District.

499 **Service Area**

500 "Service Area" means the area within, and, if applicable, outside Agency's jurisdictional  
501 boundaries with respect to which Agency exercises franchising authority for the Collection of  
502 Solid Waste, Targeted Recyclable Materials, Organic Materials, or other materials pursuant to  
503 this Agreement.

504 **Service Day**

505 "Service Day" means Monday through Sunday excluding Holidays.

506 **Service Opportunity**

507 "Service Opportunity" means each individual opportunity the Contractor has to Collect Solid  
508 Waste, Targeted Recyclable Materials, and Organic Materials from a Customer's Container  
509 which is equivalent to the required Single-Family, Multi-Family and Commercial lifts. For  
510 example, for a Single-Family Customer with regular weekly service, Contractor has three (3)  
511 Service Opportunities per week – one (1) for Solid Waste Collection, one (1) for Targeted  
512 Recyclable Materials, and one (1) for Organic Materials.

513 **Service Sector**

514 "Service Sector" means Collection services for each of the following types of services: Single-  
515 Family; Multi-Family; Commercial; and Member Agency Facilities.

516 **Single-Family**

517 "Single-Family," "Single-Family Dwelling," or "SFD" means a Premises used as a Residential  
518 dwelling and includes each unit of a duplex, triplex, fourplex or townhouse condominium at  
519 which there are no more than four dwelling units where individual Solid Waste, Targeted  
520 Recyclable Materials, and Organics Materials Collection is provided separately to each dwelling  
521 unit.

522 **Single-Stream Targeted Recyclable Materials**

523 "Single-Stream Targeted Recyclable Materials" shall mean Targeted Recyclable Materials which  
524 have been Commingled by the Generator and placed in a Container for the purposes of  
525 Collection.

526 **Solid Waste**

527 "Solid Waste" means all putrescible and non-putrescible solid, semisolid, and liquid wastes, as  
528 defined in California Public Resources Code Section 40191. For the purposes of this

529 Agreement, "Solid Waste" does not include abandoned vehicles and parts thereof, Hazardous  
530 Waste or low-level radioactive waste, medical waste, Source Separated Targeted Recyclable  
531 Materials, Source Separated Plant Materials, or Source Separated Organic Materials.

532 **Source Separated**

533 "Source Separated" means materials which otherwise would become Solid Waste, but have  
534 been segregated by the Generator, such as Targeted Recyclable Materials or Organic  
535 Materials, for the purpose of reuse, Recycling, or composting, to be Collected by Contractor or  
536 others.

537 **Special Handling Service**

538 "Special Handling Service" means the provision of Collection service to a SFD in the rear or  
539 side premises. Customers eligible for this service include only those that submit documentation  
540 (e.g., a form signed by a doctor) of their inability to perform the generally applicable Curbside  
541 Collection set-out requirements.

542 **Specialty Recyclable or Reusable Material**

543 "Specialty Recyclable or Reusable Material" means Recyclable Materials that are not Targeted  
544 Recyclable Materials but that may be collected for purposes of Recycling by any Person  
545 operating in accordance with the Agency Municipal Code. Such Specialty Recyclable or  
546 Reusable Materials include, but are not limited to, scrap metal weighing more than ten (10)  
547 pounds, Construction and Demolition Debris, pallets, plastic film, and reusable furniture.

548 **Speed of Answer**

549 "Speed of Answer" means the amount of time before a call is answered once that call is queued  
550 upon completion of the introductory voicemail message(s) or Customer bypassing the  
551 message(s).

552 **State**

553 "State" means the State of California.

554 **Subcontractor**

555 "Subcontractor" means a Person which has entered into a contract with the Contractor for the  
556 performance of work that is necessary for the Contractor's fulfillment of its obligations under this  
557 Agreement.

558 **Targeted Recyclable Materials**

559 "Targeted Recyclable Materials" means a subset of Recyclable Materials that includes:  
560 newspaper (including inserts, coupons, and store advertisements); mixed paper (including office  
561 paper, computer paper, magazines, junk mail, catalogs, brown paper bags, paperboard, paper  
562 egg cartons, telephone books, books, colored paper, construction paper, envelopes, legal pad  
563 backings, shoe boxes, cereal and other similar food boxes); chipboard; corrugated cardboard;  
564 paper milk cartons; glass containers of any color (including brown, blue, clear, and green);  
565 aluminum (including food and beverage containers, foil, small pieces of scrap metal); small  
566 pieces of scrap metal weighing less than ten (10) pounds and fitting into the Targeted  
567 Recyclable Materials Collection Container (excluding chain, cable, wire, banding, hand tools,  
568 and automotive parts); steel, tin or bi-metal containers; plastic containers (i.e., all plastic  
569 containers stamped with the Society for the Plastics Industry (SPI) code #1 through #7; and

570 plastic containers that are not stamped but clearly can be identified as PET, HDPE,  
571 polypropylene). For Single-Family and Multi-Family Premises, Targeted Recyclable Materials  
572 also include Used Motor Oil, Used Motor Oil Filters, Household Batteries, and Cell Phones.

573 **Term**

574 "Term" means the Term of this Agreement.

575 **Ton (or Tonnage)**

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

578 **Transfer Station**

579 "Transfer Station" means a Facility primarily used for the purpose of transferring Solid Waste  
580 from Collection vehicles to transfer vehicles (but which may include recovery operations) to  
581 more efficiently transport Solid Waste to the Disposal Site. For the purposes of this Agreement,  
582 Agency has designated the Shoreway Recycling and Disposal Center, located at 225 and 333  
583 Shoreway Road, San Carlos, CA, as its designated Transfer Station.

584 **Spills of Discarded Materials**

585 "Spills of Discarded Materials" means any Solid Waste, Targeted Recyclable Materials, or  
586 Organic Materials spilled or left at established Collection sites by Contractor after Collection,  
587 other than small particles of grass clippings and leaves of the size and volume that may be  
588 collected by regular street sweeping operations which may be left behind.

589 **Universal Waste (or U-Waste)**

590 "Universal Waste," or "U-Waste," means all wastes defined by Title 22, Subsections 66273.1  
591 through 66273.9 of the California Code of Regulations. These include, but are not limited to,  
592 batteries, fluorescent light bulbs, mercury switches, and Electronic Waste. U-Waste does not  
593 include those items defined herein as Targeted Recyclable Materials.

594 **Unpermitted Materials**

595 "Unpermitted Materials" mean wastes or other materials that the Designated Transfer and  
596 Processing Facility is not permitted to receive, including Hazardous Waste and Hazardous  
597 Substances.

598 **Unscheduled Service**

599 "Unscheduled Service," means services that are unscheduled or provided on an intermittent  
600 basis. For the purposes of Section 11.03D, Unscheduled Service does not include services  
601 described in Section 5.02 (other than Single-Family Backyard Collection Service provided to  
602 Customers representing more than twenty percent (20%) of the Single-Family Accounts), 5.03  
603 (other than universal implementation), 5.04 (other than universal implementation), 5.05, 5.06,  
604 5.07, 5.08 (as to events described in Attachment C), 5.09, 5.10, 5.11 (up to 30 cubic yards),  
605 5.13A, or in Article 6, or any other service not included in Attachment Q unless authorized by  
606 Agency.

- 607 **Used Motor Oil**  
608 "Used Motor Oil" means used motor oil from automobiles and other light duty vehicles intended  
609 for personal use which is removed from cars at a Residential Premises and not as a part of a  
610 for-profit or other business activity.
- 611 **Used Motor Oil Filter**  
612 "Used Motor Oil Filter" means a used motor oil filter from automobiles and other light duty  
613 vehicles intended for personal use which is removed from the vehicle at a Residential Premises  
614 and not as a part of a for-profit or other business activity.
- 615 **Venue**  
616 "Venue" means a permanent facility that during any year seats or serves an average of more  
617 than 2,000 individuals per day of operation. Both people attending the event and those working  
618 at it, including volunteers, are included in this number.
- 619 **Weekly Collection Service**  
620 "Weekly Collection Service" means Collection Service that is scheduled in advance from  
621 Monday through Friday and provided once-per-week on the same day or days each week.
- 622 **White Goods**  
623 "White Goods" means Major Appliances.





# **ATTACHMENT B**

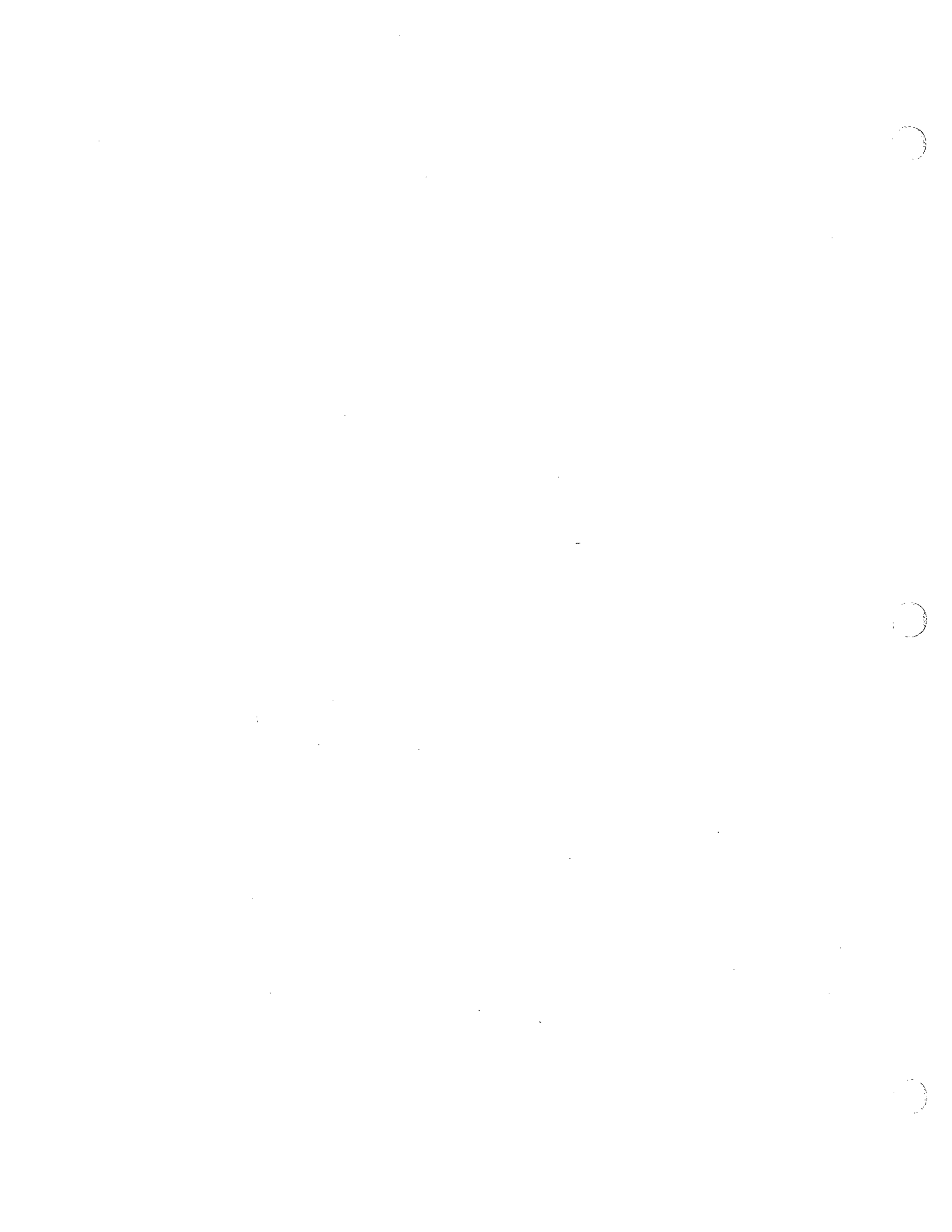
## **Service Levels of Agency Facilities**



## ATTACHMENT B SERVICE LEVELS OF AGENCY FACILITIES

The below table represents a tentative list of Agency Facilities to be serviced by Contractor. A complete listing of all Agency Facilities and Agency-owned receptacles to be serviced by Contractor will be compiled prior to the Commencement Date.

| CITY OF BURLINGAME ACCOUNT LIST |                             |  |
|---------------------------------|-----------------------------|--|
| CITY OF BURLINGAME<JPA>         | EAST LN AT BURLINGAME AVE   | 3-15 yd green on call  |
| CITY OF BURLINGAME<GREEN><JPA>  | 1805 ROLLINS RD             | 1-15 yd green on call  |
| CITY OF BURLINGAME<JPA><GREEN>  | 900 PENINSULA AVE           | 2-15 yd green on call  |
| CITY OF BURLINGAME<JPA>         | 1809 EASTON DR              | 2-15 yd green on call  |
| CITY OF BURLINGAME<REC DEP>JPA  | 420 CAROLAN AVE             | 1-15yd trash 1x a week   |
| CITY OF BURLINGAME<JPA>         | 1361 N CAROLAN AVE          | 1-15yd trash 5x a week   |
| CITY OF BURLINGAME<GREEN><JPA>  | 1300 1400 BLOCK OF CALIF DR | 1-15yd green 5x a week   |
| CITY OF BURLINGAME<GREEN>JPA    | 420 CAROLAN AVE             | 2-15yd green 1x a week   |
| CITY OF BURLINGAME              | 250 ANZA BLVD               | 1-15yd trash on call   |
| CITY OF BURLINGAME<GREEN>       | 3001 ARGUELLO DR            | 1-15yd trash on call   |
| CITY OF BURLINGAME<DIRT>JPA     | 1300 BLOCK OF CALIFORNIA DR | 1-8yd trash 1x a week  |
| CITY OF BURLINGAME              | 33 BLOOMFIELD RD            | 1-15yd trash on call   |
| CITY OF BURLINGAME <JPA>        | 420 CAROLAN AVE             | 1-8yd dirt on call   |
| BURLINGAME SCHOOL DISTRICT<A>   | 1715 QUESADA WAY            | 1-15yd trash on call/ 1-30yd trash on call                           |
| CITY OF BURLINGAME              | 1175 CHULA VISTA AVE        | 1-32gl 1x a week   |
| CITY OF BURLINGAME              | 420 CAROLAN AVE             | 1-3yd blue 1x a week/ 2-95gl green 1x a week                         |
| CITY OF BURLINGAME              | 1361 N CAROLAN AVE          | 3yd green 1x a week/ 4yd blue 2x a week/ 1-95gl green 1x a week      |
| BURLINGAME CITY CANS            | 501 PRIMROSE RD             | 2-32gl green/ 1-32gl blue 1x a week                                  |
| BURLINGAME LIBRARY              | 1800 EASTON DR              | 30yd green 1x/week --- 2-32gl green 1x/week --- 1-45gl blue 1x/week  |
| CITY OF BURLINGAME              | 1103 AIRPORT BLVD           | 1-1yd green 1x a week/ 2-95gl green 1x a week/1-6yd blue 1x a week   |
| BURLINGAME FIRE DEPT            | 2832 HILLSIDE DR            | 1-1yd blue 1x a week/ 2-95gl 1x a week                               |
| BURLINGAME FIRE DEPT            | 1399 ROLLINS RD             | 1-2yd blue 1x a week/2-95gl green 1x a week/1-2yd green 1x a week    |
| BURLINGAME FIRE DEPT            | 799 CALIFORNIA DR           | 1-2yd green 1x a week/ 1-95gl green 1x a week/1-6yd blue 1x a week   |
| BURLINGAME PUBLIC LIBRARY       | 480 PRIMROSE RD             | 1-1yd green 1x a week/ 2-2yd blue 5x a week                          |
| BURLINGAME TRAIN STATION        | CALIFORNIA & BURLINGAME AVE | 5-95gl green 1x a week   |
| BURLINGAME SCHOOL DIST          | 1825 TROUSDALE DR           | 1-2yd green 1x a week/ 2-95gl green 1x a week/1-1yd blue 1x a week   |
| BURLINGAME CITY HALL            | 501 PRIMROSE RD             | 8-95gl green 1x a week/ 1-1yd blue 2x a week                         |
| BURLINGAME HIGH SCHOOL          | CAROLAN & OAK GROVE         | 2-6yd green 1x a week/1-2yd green 1x a week/ 11-32gl green 1x a week |
| BURLINGAME POLICE DEPT          | 1111 TROUSDALE DR           | 9-95gl green 1x a week/ 1-3yd blue 2x a week                         |
| CITY CAN                        | DONNELLY                    | 1-20gl 6x a week   |
| CITY CAN * BURL                 | BAYSIDE WALKSIDE            | 1-32gl 6x a week   |
| CITY CAN * BURL                 | CALIFORNIA DR               | 2-20gl 6x a week   |
| CITY CAN * BURL                 | BURLINGAME AVE              | 34-20gl 6x a week  |
| CITY CAN * BURL                 | PARK AVE                    | 2-32gl 6x a week   |
| CITY CAN * BURL                 | LORTON AVE                  | 4-20gl 6x a week   |
| CITY CAN * BURL                 | BROADWAY * BURL             | 14-32gl 6x a week  |
| BURLINGAME AQUATIC CLUB<A>      | 851 OAK GROVE AVE           | 1-6yd blue On-Call   |
| BURLINGAME GOLF CENTER          | 250 ANZA BLVD               | 1-3yd green 1x a week/ 2-95gl green 1x a week/ 1-3yd blue 1x a week  |
| BURLINGAME REC CENTER           | 850 BURLINGAME AVE          | 1-2yd green 1x a week/ 4-95gl green 1x a week/ 2-3yd 2x a week       |



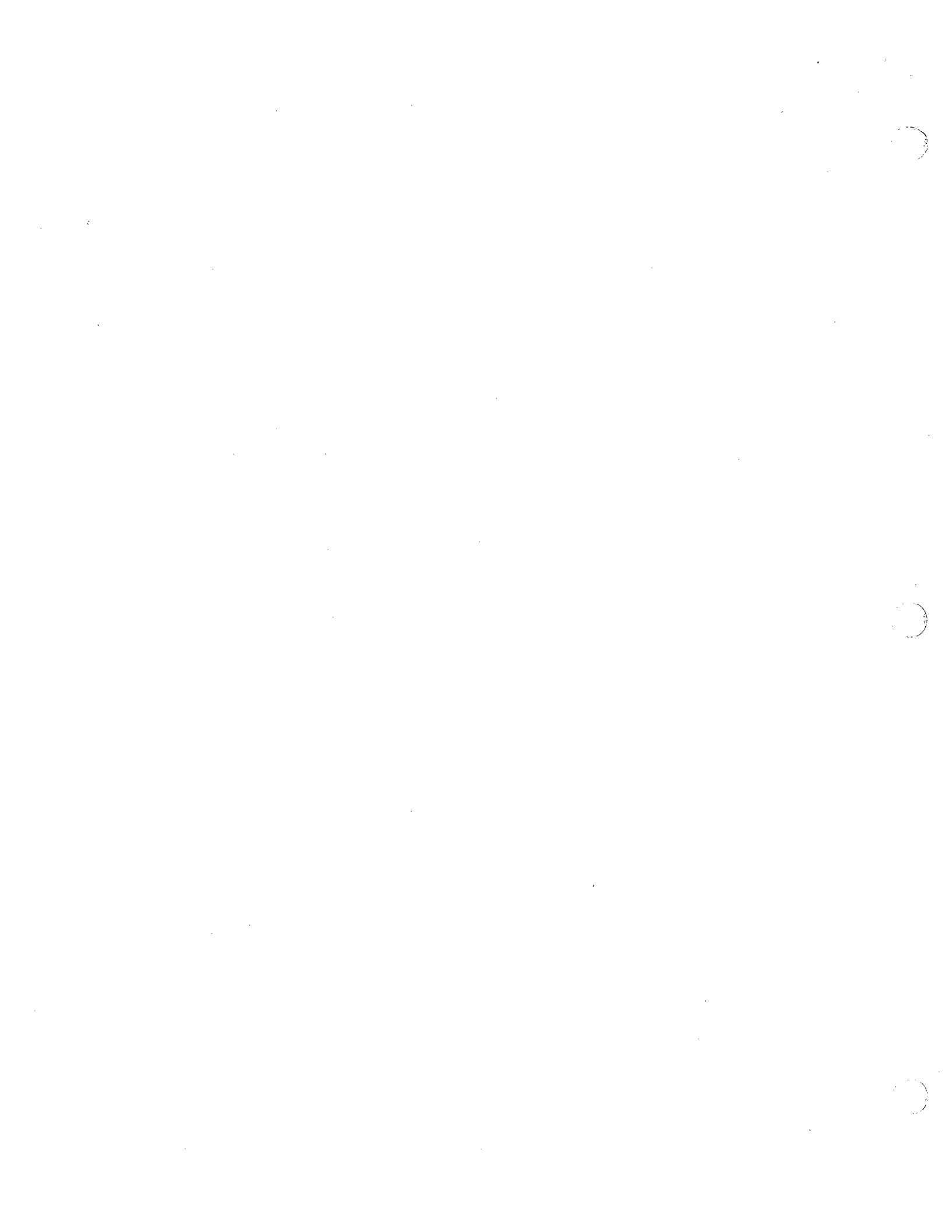
# **ATTACHMENT C**

## **Community Events**



## **ATTACHMENT C COMMUNITY EVENTS**

- Art In The Park
- Art and Jazz On The Avenue
- Burlingame Parks & Recreation Summer Concert Series
- Burlingame Parks & Recreation Movies In The Park
- Burlingame Pet Parade
- Burlingame Fresh Market
- Burlingame Green Fair
- Burlingame Coastal Bay Cleanup
- Burlingame Tree Lighting Ceremony and Parade
- Burlingame Electronic Recycling Events
- Burlingame Bicycle Criterium
- Spring Clean-up Event
- Fall Clean-up Event





# **ATTACHMENT D**

## **Container Specifications**



## ATTACHMENT D CONTAINER SPECIFICATIONS

| Container Specifications - Carts |   |  |   |  |  |
|----------------------------------|---|--|---|--|--|
| 1.                               | Material to be Collected  | Color  | Default Capacity  |  |  |
|                                  | Solid Waste   | Black  | 32 gallons  |  |  |
|                                  | Targeted Recyclable Materials   | Blue   | 64 gallons  |  |  |
|                                  | Organic Materials   | Green  | 96 gallons  |  |  |
| 2.                               | Manufacturer.....   |  | <u>Toter Inc.</u>   |  |  |
| 3.                               | Material of Construction.....   |  | <u>LMPDE – Linear Medium Density Polyethelyne</u>   |  |  |
| 4.                               | Recycled Content (percentage).....  |  | <u>Minimum of thirty percent (30%) post-consumer recycled content material</u>                          |  |  |
| 5.                               | Manufacturing Method (rotational molding, injection molding, other.)..... |  | <u>Rotational molding for 32,64, and 96 gallon carts</u><br><u>Injection molding for 20 gallon cart</u> |  |  |
|                                  | <b>Cart Size</b>  | <b>20 gal <sup>1</sup></b>                   | <b>32 gal</b>   | <b>64 gal</b>                                    | <b>96 gal</b>                                    |
| 6.                               | Durability (in service years) .....                                       | <u>10+</u>                                   | <u>10+</u>  | <u>10+</u>                                       | <u>10+</u>                                       |
| 7.                               | Cost of Each Container **.....  | <u>\$52.00</u>                               | <u>\$42.00</u>  | <u>\$53.00</u>                                   | <u>\$69.00</u>                                   |
| 8.                               | Dimensions of Each Container (Length x Width x Height) .....              | <u>18 x</u><br><u>19.8 x</u><br><u>32.60</u> | <u>24.25 x</u><br><u>19.25 x</u><br><u>38.50</u>  | <u>31.75 x</u><br><u>24.25 x</u><br><u>41.75</u> | <u>35.25 x</u><br><u>29.75 x</u><br><u>43.25</u> |
| 9.                               | Wheel Size (carts only) .....   | <u>8"</u>                                    | <u>10"</u>  | <u>10"</u>                                       | <u>10"</u>                                       |
| 1.                               | Maximum Load Weight (lbs) .....   | <u>60-74 lbs</u>                             | <u>112 lbs</u>  | <u>224 lbs</u>                                   | <u>336 lbs</u>                                   |
| 10.                              | Manufacturer's warranty (years)   | <u>10</u>                                    | <u>10</u>   | <u>10</u>  | <u>10</u>  |
| 11.                              | Labeling (list methods).....  | <u>Hot Stamp on Body and/or Lid</u>          |   |  |  |

<sup>1</sup> The 20 gallon Cart manufacturer shall be Rehrig Pacific Company or Norseman Environmental Products. Cart capacity may vary slightly based on manufacturer.

**ATTACHMENT D  
CONTAINER SPECIFICATIONS**

| <b>Container Specifications – Kitchen Pails</b>                         |  |
|---|--|
| <b>1. Kitchen Pail (Food Waste)</b> <input checked="" type="checkbox"/> |  |
| <b>2. Manufacturer</b> .....  | <u>Norseman Environmental Products</u>   |
| <b>3. Material of Construction</b> .....                                | <u>High Density Polyethylene</u>   |
| <b>4. Recycled Content (percentage)</b> .....                           | <u>Minimum of twenty percent (20%) post-consumer recycled content material</u>                                 |
| <b>5. Color</b> .....   | <u>Green body</u><br><u>White lid</u><br><u>White handle</u>   |
| <b>6. Durability (in service years)</b> .....                           | <u>Five (5) years plus</u>   |
| <b>7. Cost of Each Kitchen Pail</b> .....                               | <u>\$5.60 (delivery included)</u>  |
| <b>8. Dimensions of Each Kitchen Pail (Length x Width x Height) ...</b> | <u>12" x 8.6" x 8.6"</u>   |
| <b>9. Manufacturer's warranty</b> .....                                 | <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes      If Yes, Number of Years =<br>five (5) |
| <b>10. Labeling (list methods)</b> .....                                | <u>Hot stamped on front</u><br><u>and/or</u><br><u>Label affixed to front or on lid</u>                        |

## ATTACHMENT D CONTAINER SPECIFICATIONS

| Container Specifications – Recycling Tote Bag                 |  |
|---|--|
| 1. Recycling Tote Bags .....                                  | <input checked="" type="checkbox"/>  |
| 2. Manufacturer.....  | <u>Multibag</u>  |
| 3. Material of Construction .....                             | <u>Polypropylene</u>   |
| 4. Recycled Content (percentage) .....                        | <u>60% Recycled<br/>Polypropylene, 35% Virgin<br/>Polypropylene, 3% White<br/>pigment, and 2% Printing<br/>ink</u>   |
| 5. Color .....  | <u>Available in any Pantone<br/>color</u>  |
| 6. Durability (in service years) .....                        | <u>5 – 10 Years</u>  |
| 7. Cost of Tote Bag.....                                      | <u>3,000 Bags - \$3.15 per<br/>5,000 Bags - \$2.92 per<br/>10,000 Bags - \$2.87 per<br/>15,000 Bags - \$2.80 per</u> |
| 8. Dimensions of Recycling Tote Bag (Length x Width x Height) | <u>15 x 7 x 15 (inches)</u>  |
| 9. Manufacturer's warranty .....                              | <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes     If Yes, Number of Years = _____              |
| 10. Labeling (list methods) .....                             | <u>Silkscreen</u>  |

## ATTACHMENT D CONTAINER SPECIFICATIONS

| Container Specifications - Bins   |                                 |                                     |                               |                          |
|---|---------------------------------|-------------------------------------|-------------------------------|--------------------------|
| <b>1. Material to be Collected.</b>                                     | Garbage                         | <input checked="" type="checkbox"/> | Color = TBD                   |                          |
|   | Targeted Recyclables            | <input checked="" type="checkbox"/> | Color = Blue                  |                          |
|   | Organic Materials               | <input checked="" type="checkbox"/> | Color = Green                 |                          |
|   | C&D Materials                   | <input checked="" type="checkbox"/> | Color = TBD                   |                          |
| <b>2. Manufacturer.....</b>   | <u>Consolidated Fabricators</u> |                                     |                               |                          |
| <b>3. Material of Construction .....</b>                                | <u>Steel</u> Body               | <u>HDPE Plastic</u> Lid             |                               |                          |
| <b>4. Recycled Content (percentage).....</b>                            | <u>30%</u>                      |                                     |                               |                          |
| <b>5. Manufacturing Method .....</b>                                    | <u>Welded (Body)</u>            |                                     | <u>Molded (Lid)</u>           |                          |
| <b>6. New or Used (Agency authorization required).....</b>              | <input type="checkbox"/> New    |                                     | <input type="checkbox"/> Used |                          |
| <b>7. Date of Last Refurbished .....</b>                                | _____                           |                                     |                               |                          |
| <b>Container Size (cubic yards)</b>                                     | <u>1</u> CY                     | <u>2</u> CY                         | <u>3</u> CY                   | <u>4</u> CY              |
| <b>8. Color .....</b>   | _____                           | _____                               | _____                         | _____                    |
| <b>9. Durability (in service years) .....</b>                           | <u>7+</u>                       | <u>7+</u>                           | <u>7+</u>                     | <u>7+</u>                |
| <b>10. Cost of Each Container .....</b>                                 | <u>\$460.00</u>                 | <u>\$590.00</u>                     | <u>\$620.00</u>               | <u>\$700.00</u>          |
| <b>11. Dimensions of Each Container (Length x Width x Height) .....</b> | <u>72" x 24" x 28"</u>          | <u>72" x 34.5" x 34.5"</u>          | <u>72" x 41.5" x 41.5"</u>    | <u>72" x 50.5" x 46"</u> |
| <b>12. Wheel Size (if appropriate) .....</b>                            | <u>6"</u>                       | <u>6"</u>                           | <u>6"</u>                     | <u>6"</u>                |
| <b>13. Maximum Load Weight (lbs) .....</b>                              | <u>600</u>                      | <u>1,000</u>                        | <u>1,400</u>                  | <u>1,800</u>             |
| <b>14. Manufacturer's warranty (years) .....</b>                        | <u>1</u>                        | <u>1</u>                            | <u>1</u>                      | <u>1</u>                 |
| <b>15. Labeling (list methods) .....</b>                                | <u>Paint and decals</u>         |                                     |                               |                          |

## ATTACHMENT D CONTAINER SPECIFICATIONS

| Container Specifications – Bins   |                                 |                                     |                               |                 |
|---|---------------------------------|-------------------------------------|-------------------------------|-----------------|
| <b>1. Material to be Collected.</b>                                     | Garbage                         | <input checked="" type="checkbox"/> | Color = TBD                   |                 |
|   | Targeted Recyclables            | <input checked="" type="checkbox"/> | Color = Blue                  |                 |
|   | Organic Materials               | <input checked="" type="checkbox"/> | Color = Green                 |                 |
|   | C&D Materials                   | <input checked="" type="checkbox"/> | Color = TBD                   |                 |
| <b>2. Manufacturer.....</b>   | <u>Consolidated Fabricators</u> |                                     |                               |                 |
| <b>3. Material of Construction .....</b>                                | <u>Steel</u>                    | Body                                | <u>HDPE</u>                   | Plastic Lid     |
| <b>4. Recycled Content (percentage).....</b>                            | <u>30%</u>                      |                                     |                               |                 |
| <b>5. Manufacturing Method .....</b>                                    | <u>Welded (Body)</u>            |                                     | <u>Molded (Lid)</u>           |                 |
| <b>6. New or Used (Agency authorization required).....</b>              | <input type="checkbox"/> New    |                                     | <input type="checkbox"/> Used |                 |
| <b>7. Date of Last Refurbished .....</b>                                | _____                           |                                     |                               |                 |
| <b>Container Size</b>   | <u>6</u> CY                     | <u>8</u> CY                         | <u>9</u> CY                   | <u>15</u> CY    |
| <b>8. Color .....</b>   | _____                           | _____                               | _____                         | _____           |
| <b>9. Durability (in service years) .....</b>                           | <u>7+</u>                       | <u>7+</u>                           | <u>7+</u>                     | <u>7+</u>       |
| <b>10. Cost of Each Container .....</b>                                 | <u>\$900.00</u>                 | <u>\$1,200.00</u>                   | <u>N/A</u>                    | <u>N/A</u>      |
| <b>11. Dimensions of Each Container (Length x Width x Height) .....</b> | <u>72"x66"x<br/>50"</u>         | <u>72" x 72" x<br/>56"</u>          | <u>8x12x34"</u>               | <u>8x12x55"</u> |
| <b>12. Wheel Size (if appropriate) .....</b>                            | <u>n/a</u>                      | <u>n/a</u>                          | <u>10"</u>                    | <u>10"</u>      |
| <b>13. Maximum Load Weight (lbs) .....</b>                              | <u>2,000</u>                    | <u>2,200</u>                        | <u>15,000</u>                 | <u>15,000</u>   |
| <b>14. Manufacturer's warranty (years)</b>                              | <u>1</u>                        | <u>1</u>                            | <u>1</u>                      | <u>1</u>        |
| <b>15. Labeling (list methods) .....</b>                                | <u>Paint and decals</u>         |                                     |                               |                 |

N/A means "not applicable."  
CY means "cubic yard."  
TBD means "to be determined."

## ATTACHMENT D CONTAINER SPECIFICATIONS

| Container Specifications – Drop Boxes                                  |                                 |                                     |                 |  |
|--|---------------------------------|-------------------------------------|-----------------|--|
| <b>1. Material to be Collected.</b>                                    | Garbage                         | <input type="checkbox"/>            |                 |  |
|  | Targeted Recyclables            | <input checked="" type="checkbox"/> |                 |  |
|  | Organic Materials               | <input checked="" type="checkbox"/> |                 |  |
|  | C&D Materials                   | <input checked="" type="checkbox"/> |                 |  |
| <b>2. Manufacturer.....</b>  | <u>Consolidated Fabricators</u> |                                     |                 |  |
| <b>3. Material of Construction .....</b>                               | <u>Steel Body</u>               | <u>Steel Lid</u>                    |                 |  |
| <b>4. Recycled Content (percentage).....</b>                           | <u>30%</u>                      |                                     |                 |  |
| <b>5. Manufacturing Method .....</b>                                   | <u>Welded</u>                   |                                     |                 |  |
| <b>6. New or Used (Agency authorization required).....</b>             | <input type="checkbox"/> New    | <input type="checkbox"/> Used       |                 |  |
| <b>7. Date of Last Refurbished .....</b>                               |                                 |                                     |                 |  |
| <b>Container Size</b>  | <u>20</u> CY                    | <u>30</u> CY                        | <u>40</u> CY    |  |
| <b>8. Color .....</b>  | _____                           | _____                               | _____           |  |
| <b>9. Durability (in service years) .....</b>                          | <u>±</u>                        | <u>±</u>                            | <u>±</u>        |  |
| <b>10. Cost of Each Container .....</b>                                | <u>N/A</u>                      | <u>N/A</u>                          | <u>N/A</u>      |  |
| <b>11. Dimensions of Each Container (Length x Width x Height).....</b> | <u>8x18x49"</u>                 | <u>8x20x66"</u>                     | <u>8x22x80"</u> |  |
| <b>12. Wheel Size (if appropriate) .....</b>                           | <u>10"</u>                      | <u>10"</u>                          | <u>10"</u>      |  |
| <b>13. Maximum Load Weight (lbs) .....</b>                             | <u>15,000</u>                   | <u>15,000</u>                       | <u>15,000</u>   |  |
| <b>14. Manufacturer's warranty (years)</b>                             | <u>1</u>                        | <u>1</u>                            | <u>1</u>        |  |
| <b>15. Labeling (list methods) .....</b>                               | <u>Paint and decals</u>         |                                     |                 |  |

N/A means "not applicable."



# ATTACHMENT D CONTAINER SPECIFICATIONS

| Container Specifications – Compactors  |                      |                          |       |       |
|--|----------------------|--------------------------|-------|-------|
| 1. Material to be Collected.   | Garbage              | <input type="checkbox"/> |       |       |
|  | Targeted Recyclables | <input type="checkbox"/> |       |       |
|  | Organic Materials    | <input type="checkbox"/> |       |       |
|  | C&D Materials        | <input type="checkbox"/> |       |       |
| 2. Manufacturer..... _____   |                      |                          |       |       |
| 3. Material of Construction ..... <u>Steel</u> Body                      _____ Lid                             |                      |                          |       |       |
| 4. Recycled Content (percentage)..... _____  |                      |                          |       |       |
| 5. Manufacturing Method ..... _____  |                      |                          |       |       |
| 6. New or Used (Agency authorization required)..... <input type="checkbox"/> New <input type="checkbox"/> Used |                      |                          |       |       |
| 7. Date of Last Refurbished .....  |                      |                          |       |       |
| <b>Container Size</b>  | __ CY                | __ CY                    | __ CY | __ CY |
| 8. Color .....   | _____                | _____                    | _____ | _____ |
| 9. Durability (in service years) .....   | _____                | _____                    | _____ | _____ |
| 10. Cost of Each Container .....   | _____                | _____                    | _____ | _____ |
| 11. Dimensions of Each Container (Length x Width x Height) .....   | _____                | _____                    | _____ | _____ |
| 12. Wheel Size (if appropriate) .....  | _____                | _____                    | _____ | _____ |
| 13. Maximum Load Weight (lbs) .....  | _____                | _____                    | _____ | _____ |
| 14. Manufacturer's warranty (years)  | _____                | _____                    | _____ | _____ |
| 15. Labeling (list methods) ..... <u>Paint and decals</u>  |                      |                          |       |       |



# **ATTACHMENT E-1**

## **Contamination Measurement Methodology – Single Loads**



# ATTACHMENT E-1

## Contamination Measurement Methodology: Single Loads

This Attachment presents the methodology for quantifying the Contamination Level of single load(s) of Recyclable Materials Collected in the Service Area and delivered to the Designated Transfer and Processing Facility by Contractor.

This Attachment is organized into the following six (6) sections:

1. **Objectives**—describes the purpose of the methodology.
2. **Sampling rationale**—defines which loads will be sampled.
3. **Sampling allocation**—describes the number of samples required to provide a sufficient level of accuracy in findings.
4. **Test procedures**—describes sampling and sorting activities for each load.
5. **Sorting categories**—describes the sorting categories.
6. **Calculations**

Appendices 1 through 3 consist of:

1. *methodology checklist*
2. *sample data collection forms*
3. *equipment list*

### 1. Objectives

This methodology is designed to estimate the Contamination Level (as a percentage by weight of the entire load) in an individual load from five (5) inbound material types Collected in the Service Area. These material streams are listed below and described further in Section 3.

- Commercial Source Separated and Targeted Recyclable Materials
- Commercial Organic Materials
- Commercial Plant Materials
- Single-Family Targeted Recyclable Materials
- Single-Family Organic Materials

The methodology described herein is intended to produce consistent and statistically reliable estimates of the Contamination Level of individual loads from the above material streams. In addition, the methodology is designed to require the minimum necessary organizational time and financial investment.

### 2. Sampling rationale

Loads may be selected for sampling when observation of the load by SBWMA or Operator indicates that it may exceed the allowed Contamination Level. A statistical sampling process will be used to determine the Measured Contamination Level in individual loads.

### 3. Sampling allocation

Approximately five (5) samples, each weighing approximately one hundred and fifty (150) pounds, are required from an individual load in order to calculate the Measured Contamination Level with a sufficient level of accuracy for every material stream except Commercial Organic Materials. Because of the variability typically found in loads of Commercial Organic Materials, approximately fifteen (15) samples of two hundred (200) pounds are required for sampling to achieve the specified level of accuracy.

The recommended numbers of samples are based on the following factors:

- 1) An analysis of the composition variability among samples that were sorted during waste characterization studies of similar waste streams and programs in other West Coast communities.
- 2) An agreement on the acceptable level of accuracy.

Table 1 indicates the statistical confidence intervals (error ranges) at the ninety percent (90%) confidence level that are expected to result from characterizing five (5) samples per load, or fifteen (15) samples per load in the case of Commercial Plant Materials.

**Table 1: Samples per Load and Results**

| <b>Material stream</b>  | <b>Estimated sample weight</b> | <b>Number of samples</b> | <b>Expected statistical error range</b> |
|---|--------------------------------|--------------------------|---|
| Commercial Source-Separated and Targeted Recyclable Materials | 150 lbs.                       | 5                        | 4%                                      |
| Commercial Organic Materials                                  | 200 lbs.                       | 15                       | 7%                                      |
| Commercial Plant Materials                                    | 150 lbs.                       | 5                        | 1%                                      |
| Single-Family Targeted Recyclable Materials                   | 150 lbs.                       | 5                        | 2%                                      |
| Single-Family Organic Materials-                              | 150 lbs.                       | 5                        | 1%                                      |

The error ranges shown above shall be interpreted as follows. When the calculation method described below provides the Measured Contamination Level of a load, the estimate will be expressed in terms of percent by weight of the entire load. The error range around the estimate reflects a percent by weight of the entire load. Thus, if the Measured Contamination Level for a given material stream is five percent (5%), plus or minus one percent (1%), then ninety percent (90%) confidence that the Contamination is between four percent (4%) and six percent (6%) of the entire load is achieved. The Parties agree that the actual Measured Contamination Level will be the sole determinant of the percentage of Contamination in a load, and of Contractor's compliance with the maximum contamination levels.

It is expected that a two (2) person crew can obtain, sort, and weigh five (5) samples in a five (5) to seven (7) hour period.

### 4. Test procedures

Test procedures are broken down in to the following steps, which shall be used by SBWMA, or a third party designated by the SBWMA.

- Safety training and staff coordination
- Sampling and sorting area designation
- Sample selection
- Sample sorting
- Sample disposal
- Data management

Contractor or its representative shall have the right to be present at, observe, and photograph and video all aspects of the sampling process, including without limitation each of the steps listed above or described below.

Contractor shall not be responsible for any of the costs incurred in implementing the sampling process and procedures described in this Attachment E-1, other than costs incurred by Contractor in exercising its observation rights set forth in the preceding paragraph.

These steps are described in more detail following the definitions of roles. Each step is the responsibility of a specific person or group of people as follows:

- **sampling crew manager**—responsible for selecting samples, working with Operator and the *sampling crew*, quality control, and compliance with Facility regulations.
- **sampling crew**—responsible for sorting samples.
- **facility manager**—responsible for coordinating with the *sampling crew manager*.
- **tipping floor staff**—responsible for identifying loads potentially contaminated beyond the acceptable threshold, creating a designated sampling and sorting area, and ensuring segregation of selected loads in that area.
- **loader operator(s)**—responsible for segregating the selected load from other loads in the designated sampling and sorting area.

#### **Safety training and staff coordination**

When the *sampling crew manager* and the *sampling crew* arrive at the Designated Transfer and Processing Facility they will participate in any required safety training and put on all required personal protective equipment (see the *equipment list* shown in Appendix 3). The *sampling crew manager* will also walk through the process of extracting samples from the designated load with both the *loader operator(s)* and the *tipping floor staff*.

#### **Sampling and sorting area designation**

With the input of the *tipping floor staff* and the *loader operator(s)*, the *sampling crew manager* and *sampling crew* will set up in the designated sampling and sorting area near the tipping floor. The sorting area should be in a location near the load to be sampled and from which the loader can safely remove samples after sorting.

#### **Sample selection**

Five (5) cells will be randomly selected for sampling using a random number generator for all material streams except commercial organics. Fifteen (15) cells will be selected for the commercial organics material stream.

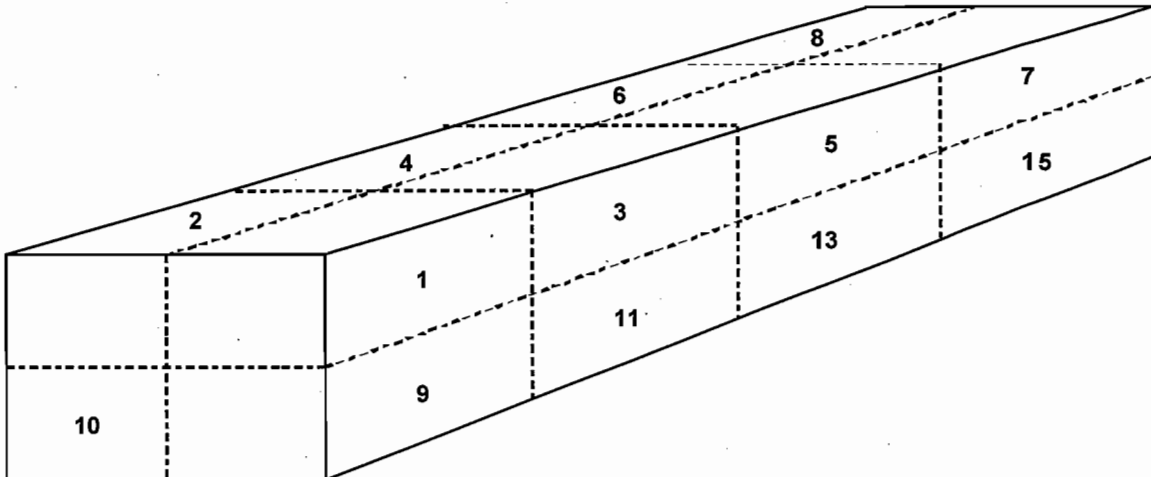
The *sampling crew manager* will assist the *loader operator* in locating the appropriate cell for each sample using the sample cell map in Figure 1 below.

After the loader has extracted the material in the selected cell, the *sampling crew manager* will guide the loader to a designated tarp. Using visual cues the *sampling crew manager* will ensure the *loader operator(s)* deposits the proper quantity of material on the tarp. A shovel may be used to add material from the bottom of the cell to ensure the sample includes some heavy and small material that the loader bucket cannot collect.

Pulling the tarp is a basic test used to estimate sample weight.<sup>1</sup> If it is determined that a sample is too heavy it may be lightened by removing vertical slices from the sample. If it is determined that a sample is too light it may be increased by removing or adding more material. It is important to add or remove all material in the slice from the top to bottom, to ensure that both small, heavy, and loose materials and large, light, and bagged materials are added or removed.

Samples can be queued and stored on tarps until sorted but samples must be prevented from mixing with each other and with other material on the tipping floor. The *sampling crew manager* will place a unique sample placard on each sample for a photograph and, if the sample is not immediately sorted, for later identification. The placard is marked with a unique sample identification number and additional information (such as the date) used to identify loads in photographs and correlate load net weights with sample details. Each placard will be coded according to its corresponding materials stream. (e.g., 'RSS-1' indicates the first load of Residential single-stream recycling). Each load will be photographed individually with the sample placard visible and legible.

**Figure 1: Sixteen (16) cell grid**



Note: Cells 12, 14 and 16 are below cells 4, 6 and 8, respectively.

<sup>1</sup> Samples of Commercial Source-Separated and Targeted Recyclable Materials, Single-Family Targeted Recyclable Materials, and Commercial Plant Materials shall weigh between one hundred and twenty five (125) pounds and one hundred and seventy five (175) pounds. Samples of Commercial Organic Materials and Single-Family Organic Materials shall weigh between one hundred and seventy five (175) pounds and two hundred and twenty five (225) pounds.



### **Sample sorting**

The sample identification number, as designated by the placard, will be recorded on the tally form (see Appendix 2 for an example of this form.) The sample will be moved into the designated sorting area. Next, the *sampling crew* will sort the Contamination materials, as defined in Appendix 1, out of the load and into sort containers. The *sampling crew* will then weigh the Contamination materials while the *sampling crew manager* records the weights on the tally form. The remainder of the load—all acceptable items—will be put into containers, weighed, and recorded on the tally form. The *sampling crew manager* is responsible for monitoring the homogeneity of material in each container and ensuring the accuracy of the sorting process. At the end of each sampling day the *sampling crew* will comply with any *tipping floor staff* directions regarding cleaning the designated sampling and sorting area and storing sampling and sorting supplies.

### **Sample disposal**

After the weight of all material in each sample is recorded on the tally sheet, the *sampling crew* will move the sorted material to a location where it is safe and convenient for the loader to remove.

### **Data management**

At the end of each sampling day, the *sampling crew manager* will review all forms for accuracy and completeness. Any issues shall be resolved immediately while the day's work is still fresh in the mind. To ensure the tally forms are not lost before inputting the data into an electronic form, copies shall be made of all completed forms and copies will be kept in a place separate from the originals. One copy of the forms will be mailed or hand delivered to the person inputting the data into an electronic form.

The appendices cover calculations, data collection forms, and an equipment list for this study.

## **5. Sorting categories**

All loads identified for sorting shall be sorted and weighed into the following two (2) categories:

- 1) Contamination
- 2) Targeted Recyclable Materials, Source-Separated Targeted Recyclable Materials, Organic Materials, or Plant Materials

## **6. Calculations**

Estimates of Contamination and Targeted Recyclable Materials, Source-Separated Targeted Recyclable Materials, Organic Materials, or Plant Materials will be calculated using a method that gives equal weighting or "importance" to each sample within a given stream. Confidence intervals (error ranges) will be calculated based on assumptions of normality in the composition estimates.

In the descriptions of calculation methods, the following variables will be used:

- $i$  denotes an individual sample.
- $j$  denotes the material type.
- $c_j$  is the weight of the material type  $j$  in a sample.

- $w$  is the weight of an entire sample.
- $r_j$  is the composition estimate for material  $j$  ( $r$  stands for *ratio*).
- $a$  denotes a region of the state ( $a$  stands for *area*).
- $s$  denotes a particular sector or subsector of the waste stream.
- $n$  denotes the number of samples in the particular group that is being analyzed at that step.

### ***Estimating the Composition***

The following method will be used to estimate the composition of waste belonging to the Commercial Source-Separated and Targeted Recyclable Materials, Commercial Organic Materials, Commercial Plant Materials, Single-Family Targeted Recyclable Materials, and Single-Family Organic Materials streams.

For a given stream, the composition estimate denoted by  $r_j$  represents the ratio of the component's weight to the total weight of all the samples in the stream. This estimate will be derived by summing each component's weight across all of the selected samples belonging to a given stream and dividing by the sum of the total weight of waste for all of the samples in that stream, as shown in the following equation:

$$r_j = \frac{\sum_i c_{ij}}{\sum_i w_i} \quad (1)$$

where:

- $c$  = weight of particular component
- $w$  = sum of all component weights
- for  $i = 1$  to  $n$ , where  $n$  = number of selected samples
- for  $j = 1$  to  $m$ , where  $m$  = number of components

For example, the following simplified scenario involves three samples. For the purposes of this example, only the weights of the component *carpet* are shown.

|                                  | Sample 1 | Sample 2 | Sample 3 |
|----------------------------------|----------|----------|----------|
| Weight ( <i>c</i> ) of carpet    | 5        | 3        | 4        |
| Total Sample Weight ( <i>w</i> ) | 80       | 70       | 90       |

$$r_{Carpet} = \sum \frac{5 + 3 + 4}{80 + 70 + 90} = 0.05$$

To find the composition estimate for the component *carpet*, the weights for that material are added for all selected samples and divided by the total sample weights of those samples. The resulting composition is 0.05, or five percent (5%). In other words, five percent (5%) of the sampled material, by weight, is *carpet*. This finding is then projected onto the stratum being examined in this step of the analysis.

The confidence interval for this estimate will be derived in two (2) steps. First, the variance around the estimate will be calculated, accounting for the fact that the ratio included two (2) random variables (the component and total sample weights). The variance of the ratio estimator equation follows:

$$\text{Var}(r_j) \approx \left(\frac{1}{n}\right)\left(\frac{1}{\bar{w}^2}\right)\left(\frac{\sum_i (c_{ij} - r_j w_i)^2}{n-1}\right) \quad (2)$$

where:

$$\bar{w} = \frac{\sum_i w_i}{n} \quad (3)$$

(For more information regarding Equation 2, please refer to *Sampling Techniques, 3rd Edition* by William G. Cochran [John Wiley & Sons, Inc., 1977].)

Second, precision levels at the 90 percent (90%) confidence level will be calculated for a component's mean as follows:

$$r_j \pm (z\sqrt{\text{Var}(r_j)}) \quad (4)$$

where z = the value of the z-statistic (1.645) corresponding to a 90 percent (90%) confidence level.

## Appendix 1: Methodology checklist

### Roles and responsibilities

- **sampling crew manager**—responsible for selecting samples, working with Facility staff and the sampling crew, quality control, and compliance with Facility regulations.
- **sampling crew**—responsible for sorting samples.
- **facility manager**—responsible for coordinating with the sampling crew manager, SBWMA, and drivers.
- **tipping floor staff**—responsible for identifying loads potentially contaminated beyond the acceptable threshold, creating a designated sampling and sorting area, and ensuring segregation of selected loads in that area.
- **loader operator(s)**—responsible for segregating the selected load from other loads in the designated sampling and sorting area.

### **Advanced preparation**

- Project manager:*
  - Contact facility manager*
    - Ask facility manager to update the following employees with the sampling plan:*
      - Loader operator(s)*
      - Tipping floor staff*
    - Request safety expectations*
    - Schedule safety training*
    - Ask if there are any circumstances that may affect the study (i.e., weather, animals, site construction, etc.)*
  - Obtain safety gear (Appendix 3)*
    - Check safety gear*
  - Obtain sorting equipment (Appendix 3)*
    - Check sorting equipment*
  - Print tally sheets (Appendix 2)*
    - Print on "Rite in the Rain" all-weather paper*
- Sampling crew and sampling crew manager*
  - Review material list*
  - Review data collection forms*
  - Review unique site requirements*

### **Arrival at Facility**

- Sampling crew:*
  - Arrive at Facility ahead of schedule*
  - Participate in any required safety training*
  - Don safety gear*
- Sampling crew manager:*
  - Arrive at Facility ahead of schedule*
  - Reviews logistics and expectations with MRF manager*
  - Participate in any required safety training*
  - Don safety gear*

- **Tipping floor coordination**
  - *Sampling crew manager:*
    - Designate a designated sampling/sorting area on each tipping floor (2) with input from tipping floor staff and loader operator(s), meeting the following criteria:
      - *Loader operator(s)* can visually communicate with sampling crew
      - *Loader operator(s)* can safely remove sorted loads
      - Approximately twenty (20) feet by twenty (20) feet
    - Explain and walkthrough the sampling process with both the *tipping floor staff* and the *loader operator(s)*
      - Explain that samples must be dumped in a clean area, separate from other loads (called a designated dumping area)
      - Explain that the *sampling crew manager* is responsible for identifying the portion of the load that the *loader operator(s)* will sample
      - Explain the appropriate samples size. Samples of Commercial Source-Separated and Targeted Recyclable Materials, Single-Family Targeted Recyclable Materials, and Commercial Plant Materials shall weigh between one hundred and twenty five (125) pounds and one hundred and seventy five (175) pounds. Samples of Commercial Organic Materials and Single-Family Organic Materials shall weigh between one hundred and seventy five (175) pounds and two hundred and twenty five (225) pounds.
      - Explain that the *sampling crew manager* will be responsible for guiding the *loader operator(s)* to the appropriate tarpaulin
  - *Sampling crew:*
    - Set up designated sampling sorting area
      - Sorting table
      - Baskets
      - Digital scale(s)
- **Sample collection**
  - *Tipping floor staff:*
  - *Sampling crew manager:*
    - Direct *loader operator(s)* to pre-selected sampling cell
    - Direct *loader operator(s)* to designated tarpaulin
    - Signal *loader operator(s)* with tipping instructions
    - Pull tarp to test for appropriate sample weight
    - Place placard in the load
    - Photograph load
      - Placard should be visible and legible
    - Wrap and segregate load until ready to sort
  - *Loader operator(s):*
    - Pinch/scoop sample, as directed by the *sampling crew manager*
    - Tip sample on designated tarpaulin, as directed by the *sampling crew manager*
  - *Sampling crew:*
    - May assist *sampling crew manager* at any point
- **Sample sorting**
  - *Sampling crew:*

- Move the sample into the designated sampling/sorting area
- Sort the sample
  - Sort Contamination materials into designated baskets
- Assist the *sampling crew manager* with weighing the baskets
- Assist the *sampling crew manager* with weighing the remainder material
- Sampling crew manager:*
  - Record the sample ID onto the tally sheet
  - Assist the *sampling crew* in moving the sample into the designated sampling/sorting area
  - Sort the sample
    - Sort all Contamination material into designated baskets
  - Weigh baskets containing Contamination materials, and record weights on the tally sheet
    - Ensure homogeneity of materials
  - Weigh remainder material and record weights on the tally sheet
    - Ensure all Contamination materials are removed
- Sample disposal**
  - Sampling crew manager and sampling crew:*
    - Dispose of all materials in a designated disposal area
  - Loader operator(s):*
    - Remove disposed materials when it is safe and convenient
- Data management**
  - Sampling crew manager:*
    - Review all forms for accuracy and completeness
      - Tally sheet(s)
  - Project manager:*
    - Check all forms for accuracy and completeness
      - Tally sheet(s)
    - Copy all data forms
      - Store copies separate from the originals
    - Download pictures from camera
    - Provide copies of data for electronic input
    - Ensure data entry is checked for accuracy

**Appendix 2: Data collection forms**

Appendix consists of copies of each of the following two (2) data collection forms:

- sampling placard
- tally sheet

**Figure 2: Example Sampling placard**

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

**RSS - 1**

**Cell 13**



**Figure 3: Example Tally sheet**

| South Bayside Waste Management Authority: Contamination Sampling |  |  |  |  | <b>RethinkWaste</b><br><small>South Bayside Waste Management Authority</small> |  |                |  |  |  |
|--|--|--|--|--|--|--|----------------|--|--|--|
| CONTAMINANTS   |  |  |  |  | DATE:  |  | SAMPLE ID:     |  |  |  |
|  |  |  |  |  | SAMPLING POPULATION:   |  | SAMPLE WEIGHT: |  |  |  |
|  |  |  |  |  | TIME:  |  | TRUCK NO.:     |  |  |  |
|  |  |  |  |  | LOAD NO.:  |  | CELL NO.:      |  |  |  |
|  |  |  |  |  | Container 1  |  |                |  |  |  |
|  |  |  |  |  | Container 2  |  |                |  |  |  |
|  |  |  |  |  | Container 3  |  |                |  |  |  |
|  |  |  |  |  | Container 4  |  |                |  |  |  |
|  |  |  |  |  | Container 5  |  |                |  |  |  |
|  |  |  |  |  | Container 6  |  |                |  |  |  |
| Container 7  |  |  |  |  |  |  |                |  |  |  |
| Container 8  |  |  |  |  |  |  |                |  |  |  |
| Container 9  |  |  |  |  |  |  |                |  |  |  |
| Container 10   |  |  |  |  |  |  |                |  |  |  |
| ACCEPTABLE   |  |  |  |  | NOTES:   |  |                |  |  |  |
| Container 1  |  |  |  |  |  |  |                |  |  |  |
| Container 2  |  |  |  |  |  |  |                |  |  |  |
| Container 3  |  |  |  |  |  |  |                |  |  |  |
| Container 4  |  |  |  |  |  |  |                |  |  |  |
| Container 5  |  |  |  |  |  |  |                |  |  |  |
| Container 6  |  |  |  |  |  |  |                |  |  |  |
| Container 7  |  |  |  |  |  |  |                |  |  |  |
| Container 8  |  |  |  |  |  |  |                |  |  |  |
| Container 9  |  |  |  |  |  |  |                |  |  |  |
| Container 10   |  |  |  |  |  |  |                |  |  |  |

### **Appendix 3: Equipment list**

Appendix 3 provides a list of equipment necessary for all sampling and sorting activities. Extra safety equipment should be available to ensure the safety of observers or others at the sorting site.

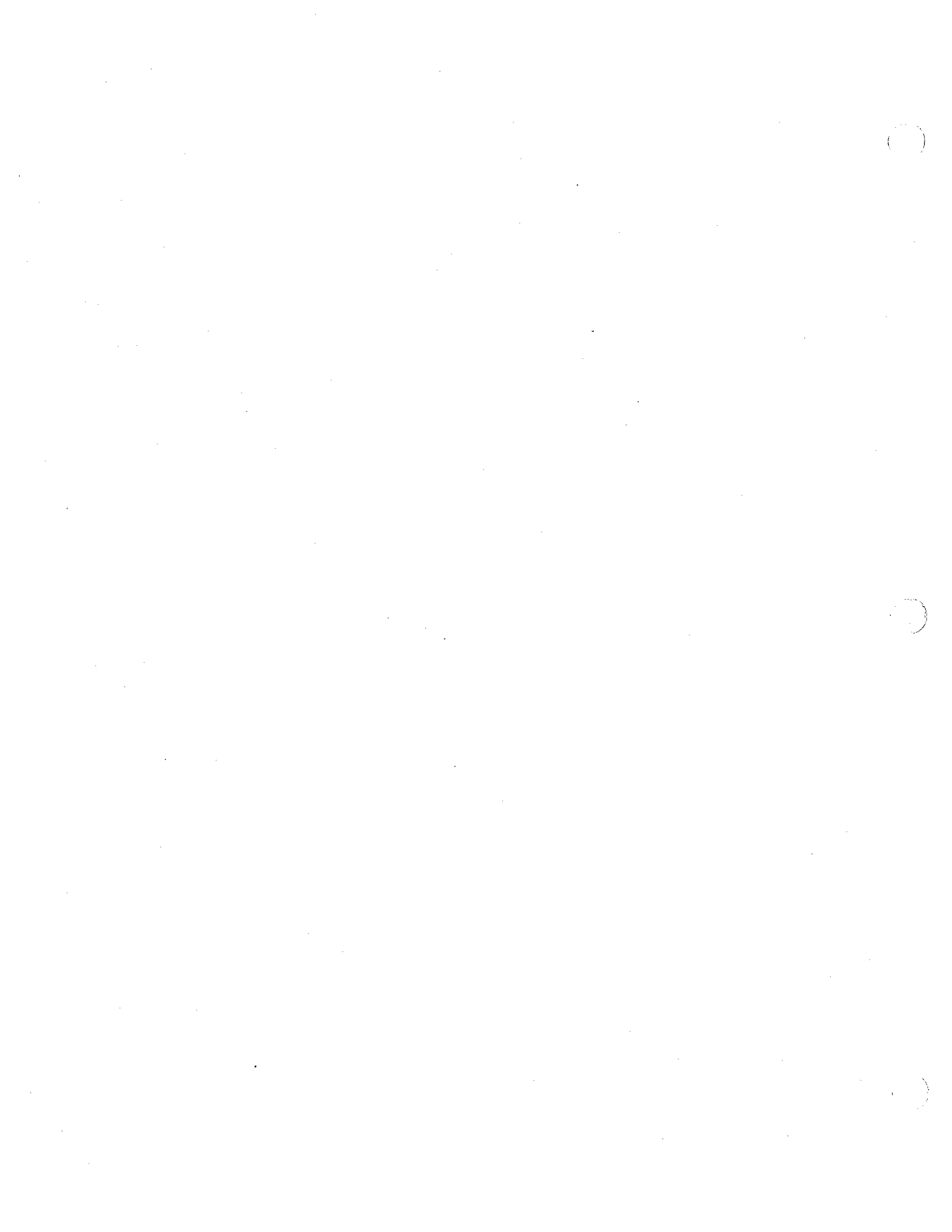
#### **Sorting equipment:**

- Approximately twenty (20) identical sorting containers (e.g. laundry baskets or five (5) gallon buckets)
- square point shovels
- rakes
- push brooms
- digital scale, battery powered (weigh up to two hundred (200) pounds, accurate to one-tenth (1/10) of a pound)
- fifteen (15) to twenty (20) ten (10) foot by twelve (12) foot or similar size tarps
- clipboards
- data collection forms printed on Rite in the Rain paper
- permanent markers
- mechanical pencils
- tape measures
- utility knives, scissors
- duct tape
- ten (10) to fifteen (15) Carts
- ten (10) to fifteen (15) plastic receptacles
- four (4) metal eight (8) foot by twelve (12) foot tables
- one (1) metal work desk with drawer
- erasable placards and markers
- digital camera with extra flash card
- moisture probe
- six (6) special pallets with solid tops
- three (3) six cubic yard Bins
- three (3) three cubic yard Bins

#### **Safety equipment:**

- dust masks (N-95 or better)
- safety glasses
- hearing protection
- steel-toed work boots
- puncture resistant gloves
- glove liners (latex or nitrile)
- leather work gloves
- reflective safety vests (Brite Lime)
- hard hats
- safety/medical kit
- fire extinguisher
- disinfecting soap, paper towels, antiseptic towels
- water
- rubber aprons or Tyvek protective garments





# **ATTACHMENT E-2**

## **Contamination Measurement Methodology – Quarterly Protocol**



## ATTACHMENT E-2

### Contamination Measurement Methodology: Quarterly Protocol

This Attachment presents the methodology for quantifying the Contamination Level in five (5) distinct materials streams Collected by Contractor from the SBWMA Service Area.

This Attachment is organized into the following six (6) sections:

1. **Objectives**—describes the purpose of the methodology.
2. **Sampling rationale**—presents key sample groupings for the methodology, based on the Agency and material stream.
3. **Sampling allocation and calendar**—describes the number of samples required to provide a sufficient level of accuracy in findings and outlines a schedule that provides representative and sufficient data to meet quarterly and annual sampling goals.
4. **Field procedures**—describes sampling activities for each sorting day.
5. **Sorting categories**—describes the sorting categories.
6. **Calculations**

Appendices 1 through 3 consist of:

1. *methodology checklist*
2. *sample data collection forms*
3. *equipment list*

#### 1. Objectives

This methodology is designed to estimate the Contamination Level (as a percentage by weight of the entire load) in an individual load from any of the five (5) materials streams Collected in the SBWMA Service Area as follows:

- Commercial Source-Separated and Targeted Recyclable Materials
- Commercial Organic Materials
- Commercial Plant Materials
- Single-Family Targeted Recyclable Materials
- Single-Family Organic Materials

The methodology described herein is also intended to produce consistent and statistically reliable estimates of the Contamination Level for each material stream as a whole. In addition, the methodology is designed to require the minimum necessary organizational time and financial investment.

## 2. Sampling rationale

Load samples shall be collected from each material stream identified above. The sampling plan considers the SBWMA Service Area as a single source of materials generation. Each materials stream will be considered as separate sampling population.

## 3. Sampling allocation and calendar

A total of twelve (12) samples shall be collected from each materials stream per quarter to achieve the agreed upon desired level of statistical accuracy. Additional samples may be collected in accordance with the last paragraph of this Section 3 and in such cases, all samples taken shall be used to calculate the Measured Contamination Level(s) for that quarter.

The specified number of samples are based on the following factors:

- 1) An analysis of the composition variability among samples that were sorted during waste characterization studies of similar waste streams and programs in other west coast communities.
- 2) An agreement on the acceptable level of accuracy

Table 1 indicates the statistical confidence intervals (error ranges) at the ninety percent (90%) confidence level that are expected to result from characterizing twelve (12) samples per quarter and forty-eight (48) samples per year with respect to each material stream.

**Table 1: Samples per Load and Results**

| Material stream   | Estimated sample weight | Quarterly samples and results                   |                                     | Annual samples and results                      |                                     |
|---|-------------------------|---|-------------------------------------|---|-------------------------------------|
|   |                         | Number of truckloads to be sampled <sup>1</sup> | Approximate statistical error range | Number of truckloads to be sampled <sup>1</sup> | Approximate statistical error range |
| Commercial Source-Separated and Targeted Recyclable Materials | 150 lbs                 | 12  | 3%                                  | 48  | 1.5%                                |
| Commercial Organic Materials                                  | 200 lbs                 | 12  | 8%                                  | 48  | 4% to 5%                            |
| Commercial Plant Materials                                    | 150 lbs                 | 12  | 1%                                  | 48  | 0.5%                                |
| Single-Family Targeted Recyclable Materials                   | 150 lbs                 | 12  | 2%                                  | 48  | 1%                                  |
| Single-Family Organic Materials                               | 150 lbs                 | 12  | 1%                                  | 48  | 0.5%                                |

<sup>1</sup> The error ranges in Table 1 are based on one (1) sample per truckload.



The error ranges shown above shall be interpreted as follows. When the calculation method described below provides the Measured Contamination Level in a material stream, the estimate will be expressed in terms of percent by weight of the entire material stream. The error range around the estimate reflects a percent by weight of the entire material stream. Thus, if the Measured Contamination Level in a given material stream is five percent (5%), plus or minus one percent (1%), then ninety percent (90%) confidence that the Contamination Level is between four percent (4%) and six percent (6%) of the total material stream is achieved.

The Parties agree that the actual Measured Contamination Level will be the sole determinant of the percentage of Contamination in a load, and of Contractor's compliance with the maximum contamination levels.

It is expected that a two (2) person crew can collect, sort, and weigh approximately twelve (12) samples in an eight (8) to ten (10) hour period, assuming a constant supply of samples is available. Therefore, two (2) sorters working approximately five (5) days per quarter will collect and sort the desired number of samples to assess all five (5) material streams, assuming there are enough inbound loads during that time period to provide the desired number of samples.

To capture seasonal variations, sampling events will be conducted during each of the the four (4) calendar quarters. In addition, sampling events will not be scheduled five (5) days immediately before or after Holidays.

If the Measured Contamination Level for a material stream calculated for one (1) calendar quarter varies by twenty five percent (25%) or more from the Measured Contamination Level calculated for the immediately preceding calendar quarter, Contractor may require the SBWMA to increase the number of samples to be taken in the following quarter (up to twenty four (24) samples) at Contractor's expense. The result of the increased sampling will be used together with the regularly scheduled sampling to establish the Measured Contamination Level for the material stream for that quarter.

#### **4. Field Procedures**

The field procedures are described in the following nine (9) steps, and shall be followed by the applicable party: Contractor, Operator, SBWMA, or a third party designated by the SBWMA.

- Advanced preparation for regularly scheduled testing
- Arrival at Facility for regularly scheduled testing
- Scale house coordination
- Tipping floor coordination
- Load selection
- Sample collection
- Sample sorting
- Sample disposal
- Data management

Contractor or its representative shall have the right to be present at, observe, and photograph and video all aspects of the sampling process, including without limitation each of the steps listed above or described below.

SBWMA shall be solely responsible for all costs incurred in implementing the sampling process and procedures described in this Attachment E-2, other than (i) costs incurred by Contractor in exercising its observation rights set forth in the preceding paragraph, and (ii) the full cost of conducting additional sampling implemented at Contractor's direction under Section 3.

The above field procedures or steps are described in more detail following the explanation of roles. Each step is the responsibility of a specific person or group of people as follows:

- **sampling crew manager**—responsible for identifying selected samples, working with Operator and the *sampling crew*, quality control, and compliance with Facility regulations.
- **sampling crew**—responsible for sorting samples.
- **MRF manager**—responsible for coordinating with the *sampling crew manager*.
- **scale house staff**—responsible for identifying selected vehicles, distributing sample placards, and directing drivers towards the sampling area.
- **tipping floor staff**—responsible for creating a designated sampling and sorting area, and ensuring segregation of selected loads in that area.
- **loader operator(s)**—responsible for segregating the selected load from other loads in the designated sampling and sorting area.
- **project manager**—responsible for managing the sampling process.
- **facility manager**—responsible for managing day-to-day operations at the Designated Transfer and Processing Facility
- **Contractor**—responsible for informing the scale house staff of load origin and material stream and for passing sample placards to the sampling crew manager.

#### ***Advanced preparation for regularly scheduled testing***

Before each sampling day, the *sampling crew manager* will contact the *MRF manager* and require the *MRF manager* to remind the *scale house staff*, *tipping floor staff*, *loader operator(s)*, *Contractor*, and all other affected staff of the sampling plan. The *project manager* will also require the *facility manager* to provide the site's safety standards and disclose if any additional safety training will be required on site. In addition, the *project manager* will obtain and inspect all safety equipment and all sorting equipment (see list of supplies in Appendix 3), and develop and print all daily sampling quotas, vehicle selection sheets, placards, and tally sheets prior to beginning each sampling event. See Appendix 2 for sample forms.

Contractors, SBWMA staff and/or third parties will meet all requirements of and receive formal training in the safety requirements of the Facility.

### ***Arrival at Facility for regularly scheduled testing***

The *sampling crew* and *sampling crew manager* will arrive at the Designated Transfer and Processing Facility prior to the agreed upon start time to participate in any required safety training and to put on all required personal protective equipment. Before the start time, the *sampling crew manager* will also cover logistics with the *MRF manager*, as well as any needs and expectations for the study period (regardless of the amount of advance communication conducted.)

### ***Scale house coordination***

The *sampling crew manager* will speak with the *scale house staff* to explain the basic objectives of the study and provide the *scale house staff* with a copy of the vehicle selection sheet, as well as sampling placards to identify selected loads (see Appendix 2 for examples of field forms.) The *sampling crew manager* will ensure the *scale house staff* understands the needs of the study throughout the day, allowing the *scale house staff* to plan for transitions such as scheduled breaks and shift changes. Additionally, the *sampling crew manager* will provide the *scale house staff* with a means of contacting the *sampling crew manager* throughout the day.

The *scale house staff* is responsible for identifying selected vehicles using the vehicle selection sheet, provided by the *sampling crew manager*. The *scale house staff* will also distribute sampling placards to the *Contractor*.

### ***Tipping floor coordination***

With the input of the *MRF manager* and the *loader operator(s)*, the *sampling crew manager* will determine locations for two (2) designated sampling/sorting areas on or near the tipping floors. There will be one designated sampling/sorting area on the Organic Materials tipping floor and one area on the recyclables tipping floor. These sampling/sorting areas will be in a location in which the *sampling crew* can identify designated loads entering the tipping area, the *loader operator(s)* can visually communicate with the *sampling crew*, and the *loader operator(s)* can safely remove samples after sorting.

Once the *sampling crew manager* has determined the locations, the *sampling crew* will set up the designated sampling/sorting areas. The *sampling crew manager* will then walk through the process of extracting samples from selected loads with both the *loader operator(s)* and the *tipping house staff*.

### ***Load selection***

Contractor and SBWMA shall mutually agree on the random numbers table to be used, the process to select random truckloads for sampling, and the process to select specific cells from each truckload for sampling. When a target Collection vehicle arrives at the Designated Transfer and Processing Facility, the *scale house staff* will confirm the material stream and origin of the load (e.g., Single-Family Targeted Recyclable Materials from the north geographic area). The *scale house staff* will copy the sample cell number from the Collection vehicle selection form onto the appropriate sample placard and provide the placard to the driver. A cell number represents the location within a load from which a sample will be extracted and is defined by the map in Figure 1. Additionally, the *scale house staff* will record the load's net weight on the vehicle selection sheet.

The *scale house staff* will instruct the driver to place the placard in a highly visible place at the front of the truck (e.g., on the dashboard), and will direct the driver where to unload.

The placard is the signal to the *sampling crew* that a load selected for sampling has arrived. The placard is marked with a unique sample identification number and additional information used to randomly select cells, identify loads in photographs, and correlate net weights with sample details. Each placard will be coded according to its corresponding material stream and origin (e.g., 'O-S-01' indicates a load of Single-Family Organic Materials from the south geographic area).

### **Sample collection**

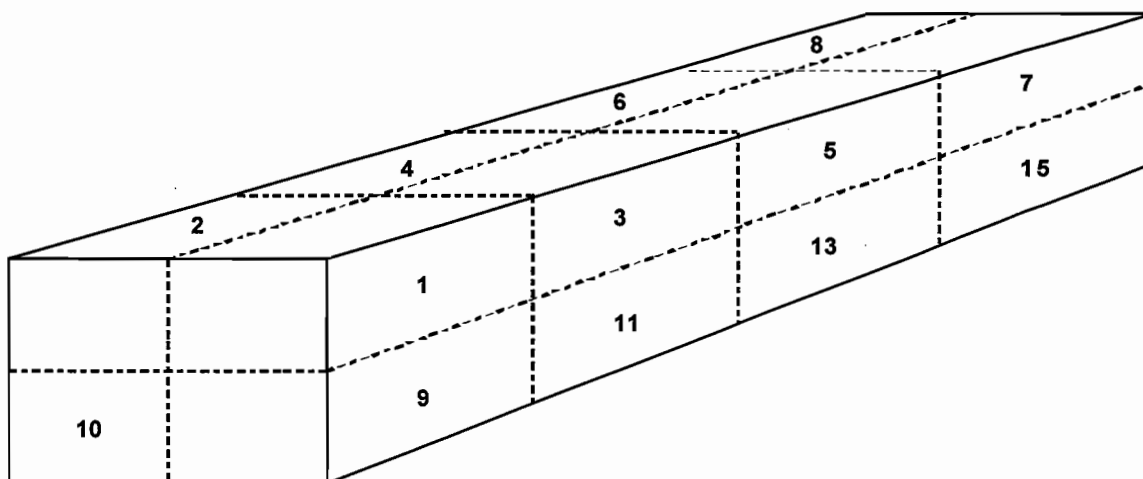
The *tipping house staff* will direct the driver to empty the entire truckload of material in an elongated pile on a designated dumping area. To the extent possible, this area shall be clean and the unloaded material shall be segregated from other loads on the tipping floor. The location of the unloading area may change during any given day.

The *sampling crew manager* will collect the placard from the *Contractor* and, once the load is emptied, will assist the *loader operator(s)* in locating the appropriate cell for the sample, as noted on the sample placard, using the map shown in Figure 1. The map shown in Figure 1 shall always be oriented with cells 1, 2, 9 and 10 representing the material contained in the front of the truck and cells 7, 8, 15 and 16 representing the material contained in the rear of the truck and unloaded first. The *loader operator(s)* will then extract the material in the selected cell. The *sampling crew manager* will guide the *loader operator(s)* to a designated tarpaulin, and will ensure that the proper quantity of material (one-hundred and twenty-five (125) to two hundred and twenty five (225) pounds, depending on the material stream) is unloaded on the tarpaulin. A shovel may be used to add material from the bottom of the cell to ensure the sample includes some heavy and small material that the loader bucket failed to collect.

Pulling the tarpaulin taut is a basic test used to estimate sample weight. If it is determined that a sample is too heavy it may be lightened by removing vertical slices from the sample. If it is determined that a sample is too light it may be increased by adding more material. It is important to add or remove all material in the slice from the top to bottom, to ensure that both small, heavy, and loose materials and large, light, and bagged materials are added or removed.

Samples can be queued and stored on tarps until sorted, but samples shall be kept separate. The *sampling crew manager* will place the sample placard on its respective sample for a photograph and, if the sample is not immediately sorted, wrap the sample in its tarpaulin for later sampling. The *sampling crew manager* will photograph each load individually with the sample placard visible and legible.

Figure 1: Sixteen (16) Cell Grid



Note: Cells 12, 14 and 16 are below cells 4, 6 and 8, respectively.

### **Sample sorting**

The *sampling crew manager* will record the sample identification number, as designated by the placard, on the tally form (see Appendix 2 for an example of this form).

The *sampling crew* will move the sample into the designated sampling/sorting area. The *sampling crew* and the *sampling crew manager* will sort the Contamination materials, as defined in Section 5, out of the load and into designated sort receptacles. The *sampling crew* will then weigh the Contamination materials and the *sampling crew manager* will record the weights on the tally form. The remainder of the load—all acceptable items—will be put into receptacles, weighed, and recorded by the *sampling crew manager* on the tally form.

The *sampling crew manager* is responsible for monitoring the homogeneity of material in each receptacle and ensuring the accuracy of the sorting process. For increased efficiency, the *sampling crew manager* shall be responsible for either pre-programming the scale with the receptacle tare weights, or recording the receptacle tare weights for subtraction later. At the end of each sampling day the *sampling crew* and *sampling crew manager* must comply with any Facility directions regarding cleaning the designated sampling/sorting area and storing sampling and sorting supplies.

### **Sample disposal**

After the weight of all material in each sample is recorded on the tally sheet, the *sampling crew* and the *sampling crew manager* will move the sample to a location where it is safe and convenient for the *loader operator(s)* to remove.

### **Data management**

At the end of each sampling day, the *sampling crew manager*, Contractor and SBWMA shall review all forms for accuracy and completeness to ensure timely resolution of any disputes or issues that may arise. The *sampling crew manager* will collect the vehicle selection sheets from the *scale house staff* and ensure that net weights have been recorded for each selected load.

To ensure the vehicle selection and tally forms are not lost before inputting the data into an electronic form, the *sampling crew manager* will make copies of all completed forms and will keep the copies in a separate place from the originals. The *sampling crew manager* will ensure a copy of the form is delivered within one (1) day to the person inputting the data into an electronic form.

## 5. Sorting categories

All loads identified for sorting shall be sorted and weighed into the following two (2) categories:

- 1) Contamination
- 2) Targeted Recyclable Materials, Source-Separated Targeted Recyclable Materials, Organic Materials, or Plant Materials

## 6. Calculations

Estimates of Contamination and Targeted Recyclable Materials, Source-Separated Targeted Recyclable Materials, Organic Materials, or Plant Materials will be calculated using a method that gives equal weighting or "importance" to each sample within a given stream. Confidence intervals (error ranges) will be calculated based on assumptions of normality in the composition estimates.

In the descriptions of calculation methods, the following variables will be used:

- $i$  denotes an individual sample.
- $j$  denotes the material type.
- $c_j$  is the weight of the material type  $j$  in a sample.
- $w$  is the weight of an entire sample.
- $r_j$  is the composition estimate for material  $j$  ( $r$  stands for *ratio*).
- $a$  denotes a region of the state ( $a$  stands for *area*).
- $s$  denotes a particular sector or subsector of the waste stream.
- $n$  denotes the number of samples in the particular group that is being analyzed at that step.

### ***Estimating the Composition***

The following method will be used to estimate the composition of waste belonging to the Commercial Source-Separated and Targeted Recyclable Materials, Commercial Organic Materials, Commercial Plant Materials, Single-Family Targeted Recyclable Materials, and Single-Family Organic Materials streams.

For a given stream, the composition estimate denoted by  $r_j$  represents the ratio of the component's weight to the total weight of all the samples in the stream. This estimate will be derived by summing each component's weight across all of the selected samples belonging to a given stream and dividing by the sum of the total weight of waste for all of the samples in that stream, as shown in the following equation:

$$r_j = \frac{\sum_i c_{ij}}{\sum_i w_i} \quad (1)$$

where:

- $c$  = weight of particular component
- $w$  = sum of all component weights
- for  $i = 1$  to  $n$ , where  $n$  = number of selected samples
- for  $j = 1$  to  $m$ , where  $m$  = number of components

For example, the following simplified scenario involves three samples. For the purposes of this example, only the weights of the component *carpet* are shown.

|                             | Sample 1 | Sample 2 | Sample 3 |
|-----------------------------|----------|----------|----------|
| Weight ( $c$ ) of carpet    | 5        | 3        | 4        |
| Total Sample Weight ( $w$ ) | 80       | 70       | 90       |

$$r_{Carpet} = \frac{5 + 3 + 4}{80 + 70 + 90} = 0.05$$

To find the composition estimate for the component *carpet*, the weights for that material are added for all selected samples and divided by the total sample weights of those samples. The resulting composition is 0.05, or five percent (5%). In other words, five percent (5%) of the sampled material, by weight, is *carpet*. This finding is then projected onto the stratum being examined in this step of the analysis.

The confidence interval for this estimate will be derived in two (2) steps. First, the variance around the estimate will be calculated, accounting for the fact that the ratio included two (2) random variables (the component and total sample weights). The variance of the ratio estimator equation follows:

$$\text{Var}(r_j) \approx \left(\frac{1}{n}\right)\left(\frac{1}{\bar{w}^2}\right)\left(\frac{\sum_i (c_{ij} - r_j w_i)^2}{n-1}\right) \quad (2)$$

where:

$$\bar{w} = \frac{\sum_i w_i}{n} \quad (3)$$

(For more information regarding Equation 2, please refer to *Sampling Techniques, 3rd Edition* by William G. Cochran [John Wiley & Sons, Inc., 1977].)

Second, precision levels at the 90 percent (90%) confidence level will be calculated for a component's mean as follows:

$$r_j \pm (z\sqrt{\text{Var}(r_j)}) \quad (4)$$

where  $z$  = the value of the  $z$ -statistic (1.645) corresponding to a 90 percent (90%) confidence level.



## Appendix 1: Methodology checklist

### Roles and responsibilities

- **sampling crew manager**—responsible for identifying selected samples, working with Facility staff and the *sampling crew*, quality control, and compliance with Facility regulations.
- **sampling crew**—responsible for sorting samples.
- **MRF manager**—responsible for coordinating with the *sampling crew manager*, SBWMA, and drivers.
- **scale house staff**—responsible for identifying selected vehicles, distributing sample placards, and directing drivers towards the sampling area.
- **tipping floor staff**— creating a designated sampling and sorting area, and ensuring segregation of selected loads in that area.
- **loader operator(s)**—responsible for segregating the selected load from other loads in the designated sampling and sorting area.
- **project manager**—responsible for managing the sampling process.
- **facility manager**—responsible for managing day-to-day operations at the Designated Transfer and Processing Facility.
- **Contractor**-- responsible for informing the scale house staff of load origin and type and for passing sample placards to the sampling crew manager.

### Advanced Preparation

- Project Manager*
  - Contact *MRF manager*
    - Confirm study dates
    - Ask *MRF manager* to update the following employees with the sampling plan:
      - scale house staff*
      - loader operator(s)*
      - tipping house staff*
      - Contractor*
      - Any other effected staff
    - Share study quotas
    - Request expected traffic volumes
    - Request safety expectations
    - Schedule safety training
    - Ask if there are any circumstances that may affect the study (i.e., weather, animals, site construction, etc.)
  - Obtain safety gear (Appendix 3)
    - Check safety gear
  - Obtain sorting equipment (Appendix 3)
    - Check sorting equipment
  - Develop and print daily sampling quotas (Appendix 2)
  - Develop and print vehicle selection sheets (Appendix 2)
  - Print tally sheets (Appendix 2)
    - Print on "Rite in the Rain" all-weather paper

- *Sampling crew and sampling crew manager*
  - Review material list
  - Review field forms
  - Review study requirements
  - Review unique site requirements
  - Review quotas
  
- **Arrival at Facility**
  - *Sampling crew:*
    - Arrive at Facility ahead of schedule
    - Participate in any required safety training
    - Don safety gear
  - *Sampling crew manager:*
    - Arrive at Facility ahead of schedule
    - Reviews logistics and expectations with MRF manager
    - Participate in any required safety training
    - Don safety gear
  
- **Scale House Coordination**
  - *Sampling crew manager:*
    - Explain the basic objective of the study to the *scale house staff*
    - Explain the responsibilities of the *scale house staff*
    - Explain the needs of the study despite breaks and shift changes
      - Encourage *scale house staff* to plan transitions for breaks and shift changes
    - Provide *scale house staff* with vehicle selection sheet
    - Discuss expected vehicle traffic
      - Ask *scale house staff* if this is reasonable
    - Provide *scale house staff* with sampling placards
    - Provide *scale house staff* with sampling crew manager's cell phone number
  
- **Tipping Floor Coordination**
  - *Sampling crew manager:*
    - Designate a designated sampling/sorting area on each tipping floor (2) with input from tipping floor staff and loader operator(s), meeting the following criteria:
      - *sampling crew* can see selected loads entering the tipping floor area
      - *Loader operator(s)* can visually communicate with sampling crew
      - *Loader operator(s)* can safely remove sorted loads
      - Approximately twenty (20) feet by twenty (20) feet
    - Explain and walkthrough the sampling process with both the *tipping house staff* and the *loader operator(s)*
      - Explain how trucks with placards are samples
      - Explain that samples must be dumped in a clean area, separate from other loads (called a designated dumping area)
      - Explain that the *sampling crew manager* is responsible for collecting the placard and responsible for identifying the selected cell of the load that the *loader operator(s)* will sample
      - Explain that each sample is between one hundred and twenty five (125) and two hundred and twenty five (225) pounds

- Explain that the *sampling crew manager* will be responsible for guiding the *loader operator(s)* to the appropriate tarpaulin
    - Note: Explanation will need to be repeated for each designated sorting area
  - *Sampling crew:*
    - Set up designated sampling sorting area one
      - Sorting table
      - Baskets
      - Digital scale(s)
    - Set up designated sampling sorting area two
      - Sorting table
      - Baskets
      - Digital scale(s)
- **Sample Collection**
  - *Tipping house staff:*
    - Direct load to a designated dumping area
  - *Sampling crew manager:*
    - Collect placard from *Contractor*
    - Direct *loader operator(s)* to pre-selected sampling cell
    - Direct *loader operator(s)* to designated tarpaulin
    - Signal *loader operator(s)* with tipping instructions
    - Pull tarp to test for appropriate sample weight
    - Place placard in the load
    - Photograph load
      - Placard should be visible and legible
    - Wrap and segregate load until ready to sort
  - *Loader operator(s):*
    - Pinch/scoop sample, as directed by the sampling crew manager
    - Tip sample on designated tarpaulin, as directed by the *sampling crew manager*
  - *Sampling crew:*
    - May assist *sampling crew manager* at any point
- **Sample Sorting**
  - *Sampling crew:*
    - Move the sample into the designated sampling/sorting area
    - Sort the sample
      - Sort Contamination materials into designated baskets
    - Assist the *sampling crew manager* with weighing the baskets
    - Assist the *sampling crew manager* with weighing the remainder material
  - *Sampling crew manager:*
    - Record the sample identification number onto the tally sheet
    - Assist the *sampling crew* in moving the sample into the designated sampling/sorting area
    - Sort the sample
      - Sort Contamination materials into designated baskets
    - Weigh Contamination baskets and record weights on the tally sheet
      - Ensure homogeneity of materials
    - Weigh remainder material and record weights on the tally sheet
      - Ensure all Contamination materials are removed

- **Sample Disposal**
  - *Sampling crew manager and sampling crew:*
    - Dispose of all materials in a designated disposal area
  - *Loader operator(s):*
    - Remove disposed materials when it is safe and convenient
  
- **Data Management**
  - *Sampling crew manager:*
    - Collect vehicle selection sheets from the *scale house staff*
    - Review all forms for accuracy and completeness
      - Vehicle selection sheet(s)
      - Tally sheet(s)
  - *Project Manager*
    - Check all forms for accuracy and completeness
      - Vehicle selection sheets(s)
      - Tally sheet(s)
    - Copy all data forms
      - Store copies separate from the originals
    - Download pictures from camera
    - Provide copies of data for electronic input
    - Ensure data entry is checked for accuracy

**Appendix 2: Example Data collection forms**

Appendix 2 consists of copies of each of the following three (3) data collection forms

- Collection vehicle selection sheet
- sampling placard
- tally sheet

**Figure 2: Example Collection Vehicle selection sheet**

| Truck No.                               |   | Load No. | ETA     | Sampling Population | Sample ID | Sample Cell | Vehicle Type | Number of samples | Net Weight (pounds) | Notes |
|---|---|----------|---------|---------------------|-----------|-------------|--------------|-------------------|---------------------|-------|
| 2238                                    | 1 | 9:00     | CSS - N | CSS-1               | 3         | FL          | 1            |                   |                     |       |
| 1318                                    | 1 | 9:00     | RSS - S | RSS-1               | 8         | FL          | 1            |                   |                     |       |
| 1310                                    | 1 | 10:30    | CO - E  | CO-1                | 4         | FL          | 1            |                   |                     |       |
| 2305                                    | 2 | 12:00    | CO - W  | CO-2                | 2         | FL          | 1            |                   |                     |       |
| 1227                                    | 1 | 13:00    | CSS - E | CSS-2               | 1         | FL          | 1            |                   |                     |       |
| 1313                                    | 1 | 13:00    | RO - E  | RO-1                | 9         | FL          | 1            |                   |                     |       |
| 1308                                    | 1 | 13:30    | CGW - N | CGW-1               | 7         | FL          | 1            |                   |                     |       |
| 2240                                    | 1 | 14:00    | CGW - N | CGW-2               | 1         | FL          | 1            |                   |                     |       |
| 2243                                    | 2 | 14:00    | RO - W  | RO-2                | 7         | FL          | 1            |                   |                     |       |
| 1317                                    | 2 | 15:30    | CSS - N | CSS-3               | 2         | RO          | 1            |                   |                     |       |
| <b>Multi Sample Loads</b>               |   |          |         |                     |           |             |              |                   |                     |       |
| 1319                                    | 2 | 15:30    | CGW - E | CGW-3&4             | 6,13      | FL          | 2            |                   |                     |       |
| 1309                                    | 2 | 15:30    | RSS - N | RSS-2&3             | 9,1       | FL          | 2            |                   |                     |       |
| <b>CONTINGENCY SAMPLES</b>              |   |          |         |                     |           |             |              |                   |                     |       |
| 1316                                    | 1 | 11:30    | RSS - N |                     | 7         | FL          | 1            |                   |                     |       |
| 2244                                    | 2 | 11:30    | RO - W  |                     | 14        | FL          | 1            |                   |                     |       |
| <b>Any Additional Samples or notes?</b> |   |          |         |                     |           |             |              |                   |                     |       |


Figure 3: Example Sampling placard

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

**RSS - 1**

**Cell 13**

Figure 4: Example Tally sheet

| South Bayside Waste Management Authority: Contamination Sampling |              |  |  |  |  <b>RethinkWaste</b><br><small>South Bayside Waste Management Authority</small> |                |
|--|--------------|--|--|--|--|----------------|
| CONTAMINANTS   | Container 1  |  |  |  | DATE:  | SAMPLE ID:     |
|  | Container 2  |  |  |  |  |                |
|  | Container 3  |  |  |  | SAMPLING POPULATION:   | SAMPLE WEIGHT: |
|  | Container 4  |  |  |  |  |                |
|  | Container 5  |  |  |  | TIME:  | TRUCK NO.:     |
|  | Container 6  |  |  |  |  |                |
|  | Container 7  |  |  |  | LOAD NO.:  | CELL NO.:      |
|  | Container 8  |  |  |  |  |                |
|  | Container 9  |  |  |  |  |                |
|  | Container 10 |  |  |  |  |                |
| ACCEPTABLE   | Container 1  |  |  |  | NOTES:   |                |
|  | Container 2  |  |  |  |  |                |
|  | Container 3  |  |  |  |  |                |
|  | Container 4  |  |  |  |  |                |
|  | Container 5  |  |  |  |  |                |
|  | Container 6  |  |  |  |  |                |
|  | Container 7  |  |  |  |  |                |
|  | Container 8  |  |  |  |  |                |
|  | Container 9  |  |  |  |  |                |
|  | Container 10 |  |  |  |  |                |



### **Appendix 3: Equipment list**

Appendix 3 provides a list of equipment necessary for all sampling and sorting activities. Extra safety equipment should be available to ensure the safety of observers or others at the sorting site.

#### **Sorting equipment:**

- approximately twenty (20) identical sorting containers (e.g. laundry baskets or five (5) gallon buckets)
- square point shovels
- rakes
- push brooms
- digital scale, battery powered (weigh up to four hundred (400) pounds, accurate to one-tenth (1/10) of a pound)
- spare batteries for the scale
- fifteen (15) to twenty (20) ten (10) foot by twelve (12) foot or similar size tarps
- clipboards
- field forms printed on Rite in the Rain paper
- permanent markers
- mechanical pencils
- tape measures
- utility knives, scissors
- duct tape
- ten (10) to fifteen (15) Carts
- ten (10) to fifteen (15) plastic receptacles
- four (4) metal eight (8) foot by twelve (12) foot tables
- one (1) metal work desk with drawer
- erasable placards and markers
- digital camera with extra flash card
- moisture probe
- six (6) special pallets with solid tops
- three (3) six cubic yard Bins
- three (3) three cubic yard Bins

#### **Safety equipment:**

- dust masks (N-95 or better)
- safety glasses
- hearing protection
- steel-toed work boots
- puncture resistant gloves
- glove liners (latex or nitrile)
- leather work gloves
- reflective safety vests (Brite Lime)
- hard hats
- safety/medical kit
- fire extinguisher
- disinfecting soap, paper towels, antiseptic towels
- water
- rubber aprons or Tyvek protective garments



# **ATTACHMENT F**

## **Faithful Performance Bond**



**ATTACHMENT F  
FAITHFUL PERFORMANCE BOND**

KNOW ALL PERSONS BY THESE PRESENTS, that RECOLOGY SAN MATEO COUNTY, hereinafter called the PRINCIPAL, and

\_\_\_\_\_ ,  
a corporation duly organized under the laws of the State of \_\_\_\_\_ ,  
having its principal place of business at \_\_\_\_\_ ,  
in the State of \_\_\_\_\_ , and authorized to do business as an admitted surety insurer in the State of California, regulated by the California Insurance Commissioner and with a financial condition and record of service satisfactory to the CITY OF BURLINGAME, hereinafter called the SURETY, are held and firmly bound to the CITY OF BURLINGAME, a municipal corporation in the State of California, hereinafter called the OBLIGEE, in the sum of seven hundred and ten thousand eight hundred and fifty Dollars (\$710,850.00) lawful money of the United States, for the payment of which, well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS, the PRINCIPAL has entered into a Contract with the OBLIGEE for Recyclable Materials, Organic Materials and Solid Waste Collection Services ("Contract") and said PRINCIPAL is required under the terms of said Contract to furnish a bond of faithful performance of said Contract.

NOW, THEREFORE, if the PRINCIPAL shall well and truly perform and fulfill all of the undertakings, covenants, terms and agreements of said Contract, and any modification thereto made as therein provided, at the time and in the manner therein specified, then this obligation shall become null and void, otherwise it shall be and remain in full force and virtue.

The SURETY, for value received, hereby agrees that no change, extension of time, alteration or addition to the terms of the Contract or to the work to be performed thereunder, or the specifications incorporated therein shall impair or affect its obligations on this bond, and it hereby waives notice of any such change, extension of time, alteration or addition to the terms of the Contract or to the work or to the specifications.

PROVIDED, however, that the SURETY shall not be liable (1) as respects to any obligations related to said Contract occurring after two (2) years from the date of this Bond, unless this Bond is extended, or (2) with respect to PRINCIPAL'S obligation to procure a replacement performance bond, as provided for in Section 13.03 of the Contract. This Bond may be extended beyond \_\_\_\_\_, 2011 in the sole discretion of the SURETY by means of a continuation certificate in form and substance satisfactory to OBLIGEE signed at least ninety (90) days prior to \_\_\_\_\_, 2011.

In the event suit is brought upon this Bond by the OBLIGEE and the OBLIGEE is the prevailing party, the SURETY shall pay, in addition to the sums set forth above, all costs incurred by the OBLIGEE in such suit, including reasonable attorneys' fees to be fixed by the court.

**ATTACHMENT F  
FAITHFUL PERFORMANCE BOND**

IN WITNESS WHEREOF, the Principal and Surety have executed this instrument as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

RECOLOGY SAN MATEO COUNTY\_\_  
(PRINCIPAL)

By: \_\_\_\_\_  
Mark R. Lomele  
Senior Vice President & CFO

\_\_\_\_\_  
(SURETY)

By: \_\_\_\_\_  
Attorney-In-Fact

Name: \_\_\_\_\_

\* \* \*

**Note: To be considered complete, both the principal and surety must sign this performance bond. In addition, the surety's signature must be acknowledged by a notary public and a copy of the surety's power of attorney must be attached.**

# **ATTACHMENT G**

## **Guaranty**





## ATTACHMENT G GUARANTY

THIS GUARANTY (the "Guaranty") is given as of the 1<sup>st</sup> day of January, 2010, by RECOLOGY, INC., formerly NORCAL WASTE SYSTEMS, INC., ("Guarantor"), to the CITY OF BURLINGAME, a public agency ("Agency").

THIS GUARANTY is made with reference to the following facts and circumstances:

A. Recology San Mateo County ("Contractor") is a corporation organized under the laws of the State of California, all of the issued and outstanding stock of which is owned by Guarantor.

B. Guarantor is a corporation organized under the laws of the State of California.

C. Contractor and Agency have negotiated an Agreement for Solid Waste, Recyclable Materials, and Organic Materials Collection ("Agreement"), under which Contractor is to provide specified services to Agency. A copy of this Agreement is attached hereto and incorporated herein by this reference.

D. It is a requirement of the Agreement, and a condition to Agency's entering into the Agreement, that Guarantor guaranty Contractor's performance of the Agreement.

E. Guarantor is providing this Guaranty to induce Agency to enter into the Agreement.

NOW, THEREFORE, in consideration of the foregoing, Guarantor agrees as follows:

1. **Guaranty of the Agreement.** Guarantor hereby irrevocably and unconditionally guarantees to Agency the complete and timely performance, satisfaction and observation by Contractor of each and every term and condition of the Agreement which Contractor is required to perform, satisfy or observe. In the event that Contractor fails to perform, satisfy or observe any of the terms or conditions of the Agreement, Guarantor will promptly and fully perform, satisfy or observe them in the place of the Contractor. Guarantor hereby guarantees prompt payment to Agency of each and every sum due from Contractor to Agency under the Agreement, as and when due from time to time, and the prompt performance of every other task and duty to be performed by the Contractor under the Agreement.

2. **Guarantor's Obligations Are Absolute.** The obligations of the Guarantor hereunder are direct, immediate, absolute, continuing, unconditional and unlimited and, with respect to any payment obligation of Contractor under the Agreement, shall constitute a guarantee of payment and not of collection, and are not conditional upon the genuineness, validity, regularity or enforceability of the Agreement.

3. **Waivers and Subordination.** The Guarantor shall have no right to terminate this Guaranty or to be released, relieved, exonerated or discharged from its obligations under it for any reason whatsoever, including, without limitation: (1) the insolvency, bankruptcy, reorganization or cessation of existence of the Contractor; (2) any amendment, modification or waiver of any provision of the Agreement or the extension of its Term; (3) the actual or purported rejection of the Agreement by a trustee in bankruptcy, or any limitation on any claim in bankruptcy resulting from the actual or purported termination of the Agreement; (4) any waiver, extension, release or modification with respect to any of the obligations of the Agreement guaranteed hereunder or the impairment or suspension of any of Agency's rights or remedies

## ATTACHMENT G GUARANTY

against Contractor; or (5) any merger or consolidation of the Contractor with any other organization, or any sale, lease or transfer of any or all the assets of the Contractor.

The Guarantor hereby waives any and all rights, benefits and defenses under California Civil Code Sections 2809, 2815, 2819, 2845, 2849 and 2850, and all other rights permitted to be waived by Section 2856(a) including, without limitation, the right to require Agency to (a) proceed against Contractor, (b) proceed against or exhaust any security or collateral Agency may hold now or hereafter hold, or (c) pursue any other right or remedy for Guarantor's benefit, and agree that Agency may proceed against Guarantor for the obligations guaranteed herein without taking any action against Contractor or any other guarantor or pledgor and without proceeding against or exhausting any security or collateral Agency may hold now or hereafter hold. Agency may unqualifiedly exercise in its sole discretion any or all rights and remedies available to it against Contractor or any other guarantor or pledgor without impairing Agency's rights and remedies in enforcing this Guarantee.

The Guarantor hereby waives and agrees to waive at any future time at the request of Agency, to the extent now or then permitted by applicable law, any and all rights which the Guarantor may have or which at any time hereafter may be conferred upon it, by statute, regulation or otherwise, to avoid any of its obligations under, or to terminate, cancel, quit or surrender this Guaranty. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not affect the liability of the Guarantor hereunder: (a) at any time or from time to time, without notice to the Guarantor, the time for Contractor's performance of or compliance with any of its obligations under the Agreement is extended, or such performance or compliance is waived; (b) the Agreement is modified or amended in any respect; (c) any other indemnification with respect to Contractor's obligations under the Agreement or any security therefor is released or exchanged in whole or in part or otherwise dealt with; (d) any assignment of the Agreement is effected which does not require Agency's approval; or (e) any termination or suspension of the Agreement arising by reason of a default by Contractor.

The Guarantor hereby expressly waives diligence, presentment, demand for payment or performance, protest and all notices whatsoever, including, but not limited to, notices of non-payment or non-performance, notices of protest, notices of any breach or default, and notices of acceptance of this Guaranty. If all or any portion of the obligations guaranteed hereunder are paid or performed, Guarantor's obligations hereunder shall continue and remain in full force and effect in the event that all or any part of such payment or performance is avoided or recovered directly or indirectly from Agency as a preference, fraudulent transfer or otherwise, irrespective of (a) any notice of revocation given by Guarantor or Contractor prior to such avoidance or recovery, or (b) payment in full of any obligations then outstanding.

The Guarantor expressly subordinates and waives its rights to subrogation, reimbursement, contribution or indemnity with respect to performance by Guarantor of the obligations of Contractor guaranteed hereby, until such time as Agency receives payment or performance in full of all such obligations.

**4. Term.** This Guaranty is not limited to any period of time, but shall continue in full force and effect until all of the terms and conditions of the Agreement have been fully performed by Contractor, and Guarantor shall remain fully responsible under this Guaranty without regard to the acceptance by Agency of any performance bond or other collateral to assure the performance of Contractor's obligations under the Agreement. Guarantor shall not be released of its obligations hereunder so long as there is any claim by Agency against Contractor arising

## ATTACHMENT G GUARANTY

out of the Agreement based on Contractor's failure to perform which has not been settled or discharged.

**5. No Waivers by Agency.** No delay on the part of Agency in exercising any rights under this Guaranty or failure to exercise such rights shall operate as a waiver of such rights. No notice to or demand on Guarantor shall be a waiver of any obligation of Guarantor or right of Agency to take other or further action without notice or demand. No modification or waiver by Agency of any of the provisions of this Guaranty shall be effective unless it is in writing and signed by Agency and by Guarantor, nor shall any waiver by Agency be effective except in the specific instance or matter for which it is given.

**6. Attorney's Fees.** In addition to the amounts guaranteed under this Guaranty, Guarantor agrees to pay actual attorney's fees and all other costs and expenses incurred by Agency in enforcing this Guaranty, or in any action or proceeding arising out of or relating to this Guaranty, including any action instituted to determine the respective rights and obligations of the parties hereunder.

**7. Governing Law; Jurisdiction.** This Guaranty is and shall be deemed to be a contract entered into in and pursuant to the laws of the State of California and shall be governed and construed in accordance with the laws of California without regard to its conflicts of laws rules for all purposes, including, but not limited to, matters of construction, validity and performance. Guarantor agrees that any action brought by Agency to enforce this Guaranty may be brought in any court of the State of California and Guarantor consents to personal jurisdiction over it by such courts. Guarantor appoints the following person as its agent for service of process in California:

Michael J. Sangiacomo  
50 California Street, 24th Floor  
San Francisco, CA 94111

**8. Severability.** If any portion of this Guaranty is held to be invalid or unenforceable, such invalidity shall have no effect upon the remaining portions of this Guaranty, which shall be severable and continue in full force and effect.

**9. Binding on Successors.** This Guaranty shall inure to the benefit of Agency and its successors and shall be binding upon Guarantor and its successors, including a successor entity formed by a merger or consolidation, a transferee of substantially all of its assets, and its shareholders in the event of its dissolution or insolvency.

**10. Authority.** Guarantor represents and warrants that it has the corporate power to give this guaranty, that its execution of this Guaranty has been authorized by all necessary action under its Articles of Incorporation and by-laws, and that the person signing this Guaranty on its behalf has authority to do so.

**11. Notices.** Notice shall be given in writing, deposited in the U.S. mail, registered or certified, first class postage prepaid, addressed as follows:

To Agency:                      City of Burlingame  
    501 Primrose Road  
    Burlingame, CA 94010  
    ATTN: Finance Director

**ATTACHMENT G  
GUARANTY**

With a copy to Agency's Attorney at the same address.

To Guarantor:           Recology, Inc.  
                                  50 California Street, 24th Floor  
                                  San Francisco, CA 94111  
                                  Attention: Michael Sangiacomo

The parties may change the address to which notice is to be sent by giving the other party notice of the change as provided in this Section.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty on the day and year first above written.

RECOLOGY, INC.

By: \_\_\_\_\_  
Michael J. Sangiacomo  
President

By: \_\_\_\_\_  
Roxanne L. Frye  
Corporate Secretary

# **ATTACHMENT H**

## **Delinquent Payment Policy**



# **ATTACHMENT H DELINQUENT PAYMENT POLICY**

## **Delinquent Payment**

Single-Family Residential Customers will be considered delinquent sixty (60) Days after start of the quarter in which Collection services are provided by Contractor and Multi-Family Dwelling and Commercial Customers will be considered delinquent thirty (30) Days after payment is due to Contractor.

Contractor may assess a late fee, at a Rate not to exceed twenty-five percent (25%) of the unpaid balance of Single-Family Residential Customers Bills, and at a Rate not to exceed ten percent (10%) of the balance for Multi-Family Residential and Commercial Customers, monthly if payment is not received by Contractor within thirty (30) Days after the account becomes delinquent. Contractor must provide all delinquent accounts with written notice of its intent to assess late fees at least fifteen (15) Days prior to such assessment.





# **ATTACHMENT I**

## **Performance Incentives and Disincentives**



# ATTACHMENT I

## PERFORMANCE INCENTIVES AND DISINCENTIVES

Performance incentives (in the form of increased compensation to Contractor) will be awarded for excellent performance on aspects of Solid Waste diversion, Collection service delivery and Customer service as specified in this Attachment. Any performance incentive for achieving or surpassing the performance standards specified herein shall be added to Contractor's Compensation during the Rate Year immediately following the calculation and award of the performance incentive. Performance disincentives will be assessed for substandard performance on aspects of Solid Waste diversion, Source Separated and Targeted Recyclable Materials contamination, Organic Materials contamination, Plant Materials contamination, Collection service delivery and Customer service as specified in this Attachment. Any performance disincentives for performance falling below standards as specified herein shall be subtracted from Contractor's Compensation during the Rate Year immediately following the calculation and assessment of the performance disincentive, with the exception of Contamination related disincentives which shall be paid by Contractor quarterly.

The performance incentives and disincentives contained herein will commence after full implementation of the roll-out of new services to Agency, with the exception of Contamination disincentives for Single-Family Targeted Recyclable Materials, which will commence after the first six (6) months of Rate Year One (2011). Agency may defer imposing some standards until after the first six (6) months of the roll-out of new services.

### 1. GENERAL

Agency shall provide an incentive payment to Contractor for exceeding the following three (3) performance standards:

- Overall Diversion Level
- Single-Family Missed Pick-Up Initial Complaints
- Average Speed of Answer

Agency shall assess a disincentive payment to Contractor for not meeting the following eleven (11) performance standards:

- Minimum Single-Family Diversion Level
- Minimum Commercial Diversion Level
- Maximum Contamination Level – Single-Family Targeted Recyclable Materials
- Maximum Contamination Level – Single-Family Organic Materials
- Maximum Contamination Level – Commercial Source Separated and Targeted Recyclable Materials
- Maximum Contamination Level – Commercial Organic Materials
- Maximum Contamination Level – MFD and Commercial Plant Materials
- Single-Family Missed Pick-Up Initial Complaints
- Single-Family Missed Pick-Up Collection Events
- Average Speed of Answer
- Ninety (90) Second Maximum Hold Time

Table 1 provides a summary of the incentives and disincentives, which are described in detail in Sections 2 - 7 of this Attachment. Section 8 of this Attachment describes the incentive and disincentive payment procedures.

# ATTACHMENT I PERFORMANCE INCENTIVES AND DISINCENTIVES

## Summary of Incentives/Disincentives

| TABLE 1  |  |   |   |
|--|--|---|---|
| Performance Incentive and Disincentive   | Disincentive Payment Threshold   | Incentive Payment Threshold   | Performance Incentive/Disincentive Payment Amount         |
| <b>Annual Diversion Level</b>  |  |   |   |
| Overall Diversion Level <sup>1</sup>   | Not applicable   | calculated Overall Diversion Level > targeted Overall Diversion Level | Incentive payment = \$70.00 per Ton                       |
| Minimum Single-Family Diversion Level  | Level < TBD% <sup>1</sup>  | Not applicable  | Disincentive payment = \$70.00 per Ton                    |
| Minimum Commercial Diversion Level   | Level < TBD% <sup>2</sup>  | Not applicable  | Disincentive payment = \$70.00 per Ton                    |
| <b>Maximum Contamination Level – Residential Targeted Recyclable Materials</b> | Rate Year One level > 20% <sup>3</sup><br>Rate Year Two (2012) through Ten (2020) level > TBD <sup>4</sup> | Not applicable  | Disincentive payment = \$175.00 per Ton                   |
| <b>Maximum Contamination Level – Residential Organic Materials</b>             | Level > 5%   | Not applicable  | Disincentive payment = \$70.00 per Ton                    |
| <b>Maximum Contamination Level – Commercial Targeted Recyclable Materials</b>  | Level > 8%   | Not applicable  | Disincentive payment = \$70.00 per Ton                    |
| <b>Maximum Contamination Level – Commercial Organic Materials</b>              | Level > 10%  | Not applicable  | Disincentive payment = \$70.00 per Ton                    |
| <b>Maximum Contamination Level – MFD and Commercial Plant Materials</b>        | Level > 5%   | Not applicable  | Disincentive payment = \$70.00 per Ton                    |
| <b>Single-Family Missed Pick-Up Initial Complaints</b>                         | Actual % > 0.1% (1 Complaint per 1,000 Service Opportunities)  | Actual % < 0.033% (1 Complaint per 3,000 Service Opportunities)       | Incentive or Disincentive payment = \$50.00 per Complaint |

## ATTACHMENT I PERFORMANCE INCENTIVES AND DISINCENTIVES

| TABLE 1  |   |                             |   |
|--|---|-----------------------------|---|
| Performance Incentive and Disincentive               | Disincentive Payment Threshold  | Incentive Payment Threshold | Performance Incentive/Disincentive Payment Amount                                 |
| <b>Single-Family Missed Pick-Up Collection Event</b> | Actual > 0  | Not applicable              | Disincentive payment = \$50.00 per Missed Pick-Up Collection Event                |
| <b>Average Speed of Answer</b>                       | Actual > 30 seconds   | Actual < 15 seconds         | Incentive or disincentive payment = \$500 per second above or below the threshold |
| <b>Ninety (90) Second Maximum Hold Time</b>          | Actual < 100% of all calls received are answered in ninety (90) seconds or less | Not applicable              | Disincentive payment = \$5.00 per number of calls exceeding the threshold         |

<sup>1</sup> "TBD" is "to be determined. The minimum Single-Family Diversion Level for Rate Year One (2011) shall equal the calculated Single-Family Diversion Level achieved by the Previous Contractor in 2010 which shall include all Recyclable Materials Collected by Contractor during the Recycling Blitz in 2010. The minimum Single-Family Diversion Level for Rate Year Two (2012) through Ten (2020) shall equal the higher of the following: (i) the Single-Family Diversion Level achieved by Previous Contractor in 2010 including all Recyclable Materials Collected by Contractor during the Recycling Blitz in 2010 or (ii) the Single-Family Diversion Level achieved by Contractor in Rate Year One (2011).

<sup>2</sup> "TBD" is "to be determined. The minimum Commercial Diversion Level targeted for Rate Year One shall equal the calculated Commercial Diversion Level achieved by the Previous Contractor in 2010 which shall include all Recyclable Materials Collected by Contractor during the Recycling Blitz in 2010. The minimum Commercial Diversion Level for Rate Year Two shall equal the higher of the following (i) the Commercial Diversion Level achieved by Previous Contractor in 2010 including all Recyclable Materials Collected by Contractor during the Recycling Blitz in 2010 or (ii) the Commercial Diversion Level achieved by Contractor in Rate Year One (2011).

<sup>3</sup> The Single-Family Dwelling Targeted Recyclable Materials maximum Contamination Level is twenty percent (20%) for the last six (6) months of Rate Year One (2011).

<sup>4</sup> "TBD" is: "to be determined." The Rate Year Two (2012) through Rate Year Ten (2020) maximum Contamination Level will be established by calculating the arithmetic average of the quarterly results obtained from the sampling for Rate Year One (2011) conducted pursuant to Section 6.02.B and Attachment E-2.

# ATTACHMENT I

## PERFORMANCE INCENTIVES AND DISINCENTIVES

### 2. DIVERSION LEVELS

#### Definition of Calculated Diversion Level

The Single-Family, Commercial and Overall Diversion Levels achieved shall be calculated based on the methodology shown in the following example:

*Example assumptions (actual results will be based on Contractor performance):*

| <b>Rate Year Two (2012) Results</b>  |  |                |                       |                    |               |
|--|--|----------------|-----------------------|--------------------|---------------|
| Service Sector   | Material Type  | Tons Collected | Contamination Percent | Contamination Tons | Net Tons      |
| Single-Family  | Targeted Recyclable Materials                                | 35,000         | 7.00%                 | 2,450              | 32,550        |
|  | Other Recyclable Materials                                   | 3,000          | N/A                   | N/A                | 3,000         |
|  | Organic Materials  | 51,000         | 8.00%                 | 4,080              | 46,920        |
|  | Total Diversion  | 89,000         | N/A                   | 6,530              | 82,470        |
|  | Solid Waste  | 80,000         | N/A                   | 6,530              | 86,530        |
|  | <b>Calculated Single-Family Diversion Level</b>              |                |                       |                    |               |
| Multi-Family   | Targeted Recyclable Materials                                | 8,000          | 9.00%                 | 720                | 7,280         |
|  | Other Recyclable Materials                                   | 1,000          | N/A                   | N/A                | 1,000         |
|  | Organic Materials  | 6,000          | 9.00%                 | 540                | 5,460         |
|  | Plant Materials  | 1,000          | 2.00%                 | 20                 | 980           |
|  | Total Diversion  | 16,000         | N/A                   | 1,280              | 14,720        |
|  | Solid Waste  | 30,000         | N/A                   | 1,280              | 31,280        |
| Commercial   | Targeted Recyclable Materials                                | 28,000         | 6.00%                 | 1,680              | 26,320        |
|  | Other Recyclable Materials                                   | 2,000          | N/A                   | N/A                | 2,000         |
|  | Organic Materials  | 13,000         | 6.00%                 | 780                | 12,220        |
|  | Plant Materials  | 5,000          | 4.00%                 | 200                | 4,800         |
|  | Total Diversion  | 48,000         | N/A                   | 2,660              | 45,340        |
|  | Solid Waste  | 147,000        | N/A                   | 2,660              | 149,660       |
| Agency Facilities  | Targeted Recyclable Materials                                | 2,000          | 6.00%                 | 120                | 1,880         |
|  | Other Recyclable Materials                                   | 500            | N/A                   | N/A                | 500           |
|  | Organic Materials  | 500            | 6.00%                 | 30                 | 470           |
|  | Plant Materials  | 200            | 4.00%                 | 8                  | 192           |
|  | Total Diversion  | 3,200          | N/A                   | 158                | 3,042         |
|  | Solid Waste  | 9,000          | N/A                   | 158                | 9,158         |
| Multi-Family, Commercial and Agency Facilities Total                       | Targeted Recyclable Materials                                | 38,000         | N/A                   | 2,520              | 35,480        |
|  | Other Recyclable Materials                                   | 3,500          | N/A                   | N/A                | 3,500         |
|  | Organic Materials  | 19,500         | N/A                   | 1,350              | 18,150        |
|  | Plant Materials  | 6,200          | N/A                   | 228                | 5,972         |
|  | Total Diversion  | 67,200         | N/A                   | 4,098              | 63,102        |
|  | Solid Waste  | 186,000        | N/A                   | 4,098              | 190,098       |
|  | <b>Calculated Commercial Diversion Level<sup>1</sup></b>     |                |                       |                    | <b>24.92%</b> |
| Single-Family, Multi-Family, Commercial and Agency Facilities <sup>2</sup> | Targeted Recyclable Materials                                | 73,000         | N/A                   | 4,970              | 68,030        |
|  | Other Recyclable Materials                                   | 6,500          | N/A                   | N/A                | 6,500         |
|  | Organic Materials  | 70,500         | N/A                   | 5,430              | 65,070        |
|  | Plant Materials  | 6,200          | N/A                   | 228                | 5,972         |
|  | Total Diversion  | 156,200        | N/A                   | 10,628             | 145,572       |
|  | Solid Waste  | 266,000        | N/A                   | 4,098              | 276,628       |
|  | <b>Calculated Overall Annual Diversion Level<sup>2</sup></b> |                |                       |                    | <b>34.48%</b> |

<sup>1</sup> Commercial Diversion includes: Multi-Family, Commercial and Agency Facility Service Sectors.

<sup>2</sup> Overall Diversion Level includes Single-Family, Multi-Family, Commercial and Agency Facility Service Sectors.

# ATTACHMENT I

## PERFORMANCE INCENTIVES AND DISINCENTIVES

### Exceptional Diversion Level Performance

For Rate Years Two (2012) through Ten (2020) Contractor shall receive an incentive payment if the calculated Overall Diversion Level achieved by Contractor in any given Rate Year exceeds (i) the highest calculated Overall Diversion Level achieved by Contractor in a prior Rate Year during the Term or (ii) the Overall Diversion Level achieved by Previous Contractor in 2010 which shall include all Recyclable Materials Collected by Contractor during the Recycling Blitz.

For example:

- If the Previous Contractor achieves an Overall Diversion Level of 36.45% (including all Recyclable Materials Collected by Contractor during the Recycling Blitz) in 2010 and Contractor achieves an Overall Diversion Level of 35.58% in Rate Year One, the Contractor must achieve an Overall Diversion Level greater than 36.45% in any given Rate Year to receive an incentive payment.
- If Contractor achieves Overall Diversion Levels for Rate Years Two, Three, Four and Five of 37.66%, 38.59%, 38.38% and 37.64%, respectively, Contractor shall receive an incentive payment for Rate Year Three only and the Overall Diversion Level that must be exceeded is 38.59% in future Rate Years, unless a higher Overall Diversion Level is achieved.

The targeted Overall Diversion Level shall be calculated based on the methodology used in the following example:

Example assumptions (actual results *will be based on Contractor performance*):

## ATTACHMENT I PERFORMANCE INCENTIVES AND DISINCENTIVES

| Rate Year   | Diversion Level          | Tons Diverted                           | Tons Disposed | Total Tons Collected | Disincentive Payment (\$70.00 per net Ton Diverted)                                     | Incentive Payment (\$70.00 per net Ton Diverted) |
|---|--------------------------|---|---------------|----------------------|---|--|
| Calculated Single-Family Diversion Level for 2013 | 49.42%                   | 83,700                                  | 85,658        | 169,358              |   |  |
| Minimum Single-Family Diversion Level for 2012    | 48.80%                   | 82,470                                  | 86,530        | 169,000              |   |  |
| Variance from 2012 to 2013                        | <b>0.62%</b>             |   |               | 1,055.30             | None  | N/A  |
| Calculated Commercial Diversion Level for 2013    | 24.70%                   | 62,010                                  | 189,000       | 251,010              |   |  |
| Minimum Commercial Diversion Level for 2012       | 24.92%                   | 63,102                                  | 190,098       | 253,200              |   |  |
| Variance from 2012 to 2013                        | <b>-0.22%</b>            |   |               | -546.21              | -\$38,234.88  | N/A  |
| Calculated Overall Diversion Level for 2013       | 34.66%                   | 145,710                                 | 274,658       | 420,368              |   |  |
| Targeted Overall Diversion Level for 2012         | 34.48%                   | 145,572                                 | 276,628       | 422,200              |   |  |
| Variance from 2012 to 2013                        | <b>0.18%</b>             |   |               | 769.66               | N/A   | \$53,876.37                                      |
| New Targeted Overall Diversion Level for 2014     | 34.66%                   |   |               |                      |   |  |
| Summary:  |                          |   |               |                      | <b>Net Payment Due: Positive Amount Due Contractor and Negative Amount Due Agencies</b> | <b>\$15,641.50</b>                               |
| Single-Family Diversion =                         | <u>Variance</u><br>0.62% | Positive results in no Disincentive due |               |                      |   |  |
| Commercial Diversion =                            | -0.22%                   | Negative results in Disincentive due    |               |                      |   |  |
| Overall Diversion =                               | 0.18%                    | Positive results in Incentive due       |               |                      |   |  |

### Minimum Diversion Level Requirements

#### Minimum Single-Family Diversion Level

For Rate Years One (2011) through Ten (2020), Contractor shall be assessed a Disincentive Payment if the calculated Single-Family Diversion Level is less than the targeted (minimum) Single-Family Diversion Level.

The minimum Single-Family Diversion Level for Rate Year One (2011) shall equal the calculated Single-Family Diversion Level achieved by the Previous Contractor in 2010 including all Recyclable Materials Tons Collected by Contractor during the Recycling Blitz. The minimum Single-Family Diversion Level for Rate Year Two (2012) through Rate Year Ten (2020) shall equal the higher of the following: (i) the Single-Family Diversion Level achieved by Previous Contractor in 2010 including all Recyclable



## **ATTACHMENT I**

### **PERFORMANCE INCENTIVES AND DISINCENTIVES**

Materials Tons Collected by Contractor during the Recycling Blitz or (ii) the Single-Family Diversion Level achieved by Contractor in Rate Year One (2011).

For example:

- If the Previous Contractor achieves a Single-Family Diversion Level of 44.45% in 2010 and Contractor's calculated Single-Family Diversion Level is 43.85% in Rate Year One (2011), Contractor shall be assessed a disincentive payment for Rate Year One.
- If the Previous Contractor achieves a Single-Family Diversion Level of 44.45% in 2010 and Contractor achieves calculated Single-Family Diversion Levels of 46.85% in Rate Year One and 45.54% in Rate Year Two, the targeted Single-Family Diversion Level for Rate Years Three (2013) through Ten (2020) shall be 46.85%.

#### Minimum Commercial Diversion Level

For Rate Years One (2011) through Ten (2020), Contractor shall be assessed a Disincentive Payment if the calculated Commercial Diversion Level is less than the targeted (minimum) Commercial Diversion Level. The minimum Commercial Diversion Level for Rate Year One (2011) shall equal the calculated Commercial Diversion Level achieved by the Previous Contractor in 2010 including all Recyclable Materials Tons Collected by Contractor during the Recycling Blitz. The minimum Commercial Diversion Level for Rate Year Two (2012) through Rate Year Ten (2020) shall equal the higher of the following: (i) the Commercial Diversion Level achieved by Previous Contractor in 2010 including all Recyclable Materials Tons Collected by Contractor during the Recycling Blitz or (ii) the Commercial Diversion Level achieved by Contractor in Rate Year One (2011).

For example:

- If the Previous Contractor achieves a Commercial Diversion Level of 21.35% in 2010 and the Commercial Recyclable Materials Tons Collected by Contractor during the Recycling Blitz increases this Diversion level to 26.35% and Contractor's calculated Commercial Diversion Level is 25.85% in Rate Year One, Contractor shall be assessed a disincentive payment for Rate Year One.
- If the Previous Contractor's activities in 2010 and Contractor's Recycling Blitz activities combined achieve a Commercial Diversion Level of 26.35% in 2010 and Contractor achieves calculated Commercial Diversion Levels of 27.13% in Rate Year One and 25.38% in Rate Year Two, the targeted Single-Family Diversion Level for Rate Years Three through Nine shall be 27.13%.

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## PERFORMANCE INCENTIVES AND DISINCENTIVES

### 3. CONTAMINATION LEVELS

#### Contamination Level Requirements

The maximum Contamination Levels shall be:

- Rate Year One (2011) Single-Family Targeted Recyclable Materials = twenty percent (20%) for the last six (6) months of Rate Year One (2011)
- Rate Year Two (2012) through Ten (2020) Single-Family Targeted Recyclable Materials = TBD%

“TBD” is: To Be Determined. The Rate Year Two (2012) through Rate Year Ten (2020) maximum Contamination Level will be established by calculating the arithmetic average of the quarterly results obtained from the sampling for Rate Year One (2011) conducted pursuant to Section 6.02.B and Attachment E-2.

- Residential Organic Materials = 5%
- Commercial Source Separated and Targeted Recyclable Materials = 8%
- Commercial Organic Materials = 10%
- MFD and Commercial Plant Materials = 5%

#### Contamination Disincentive Payment shall be:

- \$175.00 per Ton for Single-Family Targeted Recyclable Materials
- \$70.00 per Ton for Commercial Source Separated and Targeted Recyclable Materials
- \$70.00 per Ton for Organic Materials
- \$70.00 per Ton for Plant Materials

The Contamination Levels achieved will be determined based on the results of the Contamination Measurement Procedure conducted pursuant to Section 6.02.B and Attachment E-2.

#### Contamination Disincentive Payment

Contractor shall be assessed a disincentive payment for exceeding the maximum Contamination Level(s), based on the methodology shown in the following example:

## ATTACHMENT I PERFORMANCE INCENTIVES AND DISINCENTIVES

| Material Type                               | Tons Collected | Allowable Contamination Threshold | Measured Contamination Level | Variance | Tons | Payment Amount | Payment Due     |
|---|----------------|-----------------------------------|------------------------------|----------|------|----------------|-----------------|
| Single-Family Targeted Recyclable Materials | 35,000         | 6.20%                             | 7.10%                        | 0.90%    | 315  | \$175          | \$55,125        |
| Commercial Targeted Recyclable Materials    | 38,000         | 8.00%                             | 6.40%                        | -1.60%   | N/A  | \$70           | N/A             |
| Residential Organic Materials               | 51,000         | 5.00%                             | 4.82%                        | -0.18%   | N/A  | \$70           | N/A             |
| Commercial Organic Materials                | 13,000         | 10.00%                            | 8.50%                        | -1.50%   | N/A  | \$70           | N/A             |
| Multi-Family and Commercial Plant Materials | 6,000          | 5.00%                             | 5.60%                        | 0.60%    | 36   | \$70           | \$2,520         |
|   |                |                                   |                              |          |      | <b>Total</b>   | <b>\$57,645</b> |

#### 4. SINGLE-FAMILY MISSED PICK-UP INITIAL COMPLAINTS

##### Incentive Payment for Exceptionally Low Missed Pick-Up Initial Complaint Level

Contractor shall receive an incentive payment if the percentage of Missed Pick-Up Initial Complaints for Agency is less than one (1) per three-thousand (1:3,000) of the total Single-Family Service Opportunities during the monthly reporting period (e.g., 15,000 SFD that are provided service for three carts or 45,000 total weekly Service Opportunities x 4.33 weeks per month = 194,850 Service Opportunities per month, which equates to a total allowance of 58 or fewer Missed Pick-Up Initial Complaints each month; or, the total number of Complaints is less 0.033% of all Service Opportunities). In such cases, the incentive payment shall be calculated based on the following example:

Actual number of Missed Pick-Up Initial Complaints = 36

Allowable threshold of Missed Pick-Up Initial Complaints = 58

##### Incentive Payment = \$50 per complaint

Incentive = Actual number < 0.033% of monthly Service Opportunities (i.e., 58)

$36 - 58 = -22 = < 58$

$22 \times \$50 = \$1,100$

If the percentage of Single-Family Missed Pick-Up Initial Complaints for Agency is equal to or greater than one- per three-thousand (1:3,000) Service Opportunities during the monthly reporting period, no incentive payment shall be provided for the monthly reporting period.

# ATTACHMENT I

## PERFORMANCE INCENTIVES AND DISINCENTIVES

### **Disincentive Payment for Excessive Initial Single-Family Missed Pick-Up Complaints**

Contractor shall be assessed a disincentive payment if the percentage of Contractor's Missed Pick-Up Initial Complaints for Agency is less than one per one-thousand (1:1,000) Service Opportunities each month. If Contractor exceeds the minimum Missed Pick-Up Initial Complaints threshold, Agency shall assess a disincentive payment based on the following example:

Actual number of Single-Family Missed Pick-Up Initial Complaints = 267

Allowable threshold of Single-Family Missed Pick-Up Complaints = 195

#### **Disincentive Payment = \$50 per complaint**

Disincentive = Actual number > 0.1% of monthly Service Opportunities (i.e., 195)

$267 - 195 = 72$

$72 * \$50 = \$3,600$

### **5. SINGLE-FAMILY MISSED PICK-UP COLLECTION EVENTS**

Contractor shall be assessed a disincentive payment for the actual number of Single-Family Missed Pick-Up Collection Events for Agency that occur during each month. Disincentive payments for Missed Pick-Up Collection Events will be based on the following example:

Actual number of Single-Family Missed Pick-Up Collection Events = 87

Allowable threshold of Single-Family Missed Pick-Up Collection Events = 0

#### **Disincentive Payment = \$50 per Missed Pick-Up Collection Event**

$87 * \$50 = \$4,350$

### **6. AVERAGE SPEED OF ANSWER AT CUSTOMER SERVICE CENTER**

#### **Exceptionally Fast Average Speed of Answer**

Contractor shall receive an incentive payment if the actual Average Speed of Answer is less than fifteen (15) seconds each month. In such cases, the incentive payment shall be calculated based on the following example:

Actual Average Speed of Answer = 14 seconds

Average Speed of Answer Standard = 15 seconds

#### **Speed of Answer Incentive Payment = \$500.00 per second**

Incentive = Actual Average < 15 seconds

$14 - 15 = -1$  second

$1 * \$500.00 = \$500$

If the actual Average Speed of Answer is equal to or greater than fifteen (15) seconds each month, no incentive payment will be provided.

#### **Maximum Average Speed of Answer**

## **ATTACHMENT I PERFORMANCE INCENTIVES AND DISINCENTIVES**

Contractor shall be assessed a disincentive payment if the Average Speed of Answer is less than or equal to thirty (30) seconds each month. If Contractor fails to achieve this maximum Average Speed of Answer, the Agency shall assess a disincentive payment based on the following example:

Actual Average Speed of Answer= 47 seconds

Average Speed of Answer Standard = 30 seconds

### **Speed of Answer Disincentive Payment = \$500.00 per second**

Disincentive = Actual Average > 30 seconds

47 - 30 = 17 seconds

17 x \$500.00 = \$8,500

If the actual Average Speed of Answer is equal to or greater than fifteen (15) seconds and less than thirty (30) seconds each month, neither incentives or disincentives shall be applied.

# ATTACHMENT I

## PERFORMANCE INCENTIVES AND DISINCENTIVES

### 7. NINETY SECOND (90) MAXIMUM HOLD TIME

The maximum Hold Time shall be ninety (90) seconds. If Contractor fails to achieve this performance standard, the Agency shall assess a disincentive payment based on the following example:

Number of calls exceeding the Ninety (90) Second threshold = 312

**Disincentive Payment = \$5.00 per call**

312 x \$5.00 = \$1,560

### 8. INCENTIVE/DISINCENTIVE PAYMENT PROCEDURES

A. **Record Keeping.** In accordance with Article 9, records shall be maintained by Contractor for Agency in a manner that adequately demonstrates and documents Contractor's performance in accordance with this Agreement. The records shall be sufficient for Agency and SBWMA to determine Contractor's compliance with the specified performance standards.

B. **Determination of Achievement of Performance Standards.** In accordance with the requirements of Sections 9.06, 9.07 and 11.07, Contractor shall provide with its quarterly and annual reports, a report that identifies compliance with the performance standards listed in this Attachment and calculation of the performance incentive payments and disincentive assessments due.

Performance incentives and disincentives for Overall Diversion Level, Minimum Single-Family Diversion Level, Minimum Commercial Diversion Level, Average Speed of Answer and Ninety (90) Second Maximum Hold Time shall be calculated in aggregate for the SBWMA Service Area and Agency's share shall be proportional based on the tons of Solid Waste Collected in the previous Rate Year by Contractor or for Rate Year One (2011) by Previous Contractor in 2010. Performance incentives and disincentives for Single-Family Missed Pick-Up Initial Complaints and Single-Family Missed Pick-Up Collection Events shall be calculated separately for each Agency. Disincentive assessments for Contamination shall be calculated in aggregate and paid to the SBWMA quarterly pursuant to Agreement Sections 9.06 and 11.07, and Section 8.D of this Attachment.

The incentives and disincentives that will be calculated monthly include:

- Single-Family Missed Pick-Up Initial Complaints
- Single-Family Missed Pick-Up Collection Events
- Average Speed of Answer
- Ninety (90) Second Maximum Hold Time

The disincentives that will be calculated quarterly include:

- Single-Family Targeted Recyclable Materials maximum Contamination Level
- Single-Family Organic Materials maximum Contamination Level
- Commercial Source Separated and Targeted Recyclable Materials maximum Contamination Level

## ATTACHMENT I

### PERFORMANCE INCENTIVES AND DISINCENTIVES

- Commercial Organic Materials maximum Contamination Level
- MFD and Commercial Plant Materials maximum Contamination Level

The incentives and disincentives that will be calculated annually include:

- Overall Diversion Level
- Minimum Single Family Diversion
- Minimum Commercial Diversion Level

- C. **Amount.** The incentive and disincentive payment amounts shall be determined in accordance with the formulas presented in Sections 2 - 7 of this Attachment I.
- D. **Timing of Payment.** Payments related to performance incentives and disincentives that are calculated monthly and annually are to be included in Contractor's annual Application for adjustment to Contractor's Compensation. Contractor's Compensation for the next Rate Year will be increased or decreased by the net amount of performance incentive payments and disincentive assessments calculated. Payment by Contractor for Contamination related performance disincentives that are calculated quarterly shall be paid to the SBWMA within ten (10) days after submittal of Contractor's quarterly report. The SBWMA will review Contractor's calculations of incentives and disincentive payments and underlying data for accuracy, will confer with Member Agencies to confirm data as to each Member Agency, and will meet with Contractor to resolve any errors or inconsistencies.
- E. **Disputes by Contractor.** Contractor may, within ten (10) calendar days after receiving the Agency's or SBWMA's written notice containing Agency's or SBWMA's revised determination of incentive and disincentive payments, provide written notice to Agency and SBWMA of any disagreement with Agency's or SBWMA's determination. Contractor may present evidence in writing to support its position. Agency and SBWMA shall review Contractor's submission and within ten (10) calendar days shall schedule a meeting with Contractor to discuss Contractor's concerns. The decision of Agency or SBWMA shall be final.





# **ATTACHMENT J**

## **Liquidated Damages**



## **ATTACHMENT J LIQUIDATED DAMAGES**

The following table lists the events that constitute breaches of the Agreement's standard of performance warranting the imposition of liquidated damages; the acceptable performance level; the definition of the Complaint, incident or event; the method by which occurrences will principally be tracked (by Contractor or Agency), and the amount of liquidated damages for failure to meet the contractually-required standard of performance.

Contractor is required to maintain records of Customer Complaints which show for each Complaint: date and time received; name, address and telephone number of caller; nature of Complaint (e.g., missed pick-up, excessive noise, property damage, etc.); name of employee receiving Complaint; action taken by Contractor to respond to Complaint; and date Complaint was resolved.

Contractor shall submit to Agency with its quarterly report a liquidated damages report which summarizes the number of Complaints in each category and computes the amount (if any) of liquidated damages accrued by month during the preceding quarter. If Agency requests, Contractor shall also provide a printout of the full records for the quarter.

Agency intends to suspend imposition of select liquidated damages for the initial six (6) months of Collection Service, provided that Contractor diligently applies its best efforts to minimize the occurrence of events which can result in the imposition of liquidated damages. The liquidated damages that will be suspended for the initial six (6) months of collection service are denoted with an asterisk (i.e., " \* "). If Contractor does not exert such best efforts, as determined by Agency, Agency may, after notice to Contractor, end this policy and begin enforcement of the performance standards through liquidated damages.

**TABLE 1**

| Event of Non-Performance   | Acceptable Performance Level  | Definition of Complaint, Incident, or Event   | Tracking Method  | Liquidated Damage Amount   |
|--|---|---|--|--|
| <p><b>COLLECTION QUALITY</b></p> <p>Collection Quality Complaint (includes Solid Waste, Recyclable Materials and Organic Materials Collection service)</p> | <p>Number of "Collection quality Complaints" is less than or equal to thirty (30) per month for each of the following three categories (i.e., A, B and C) for the SBWMA Service Area. Table 2 provides the proportional distribution of the total monthly allowance to all Member Agencies.</p> | <p>"Collection quality Complaints" shall include all Complaints received regarding events described under Items 1A through 1C herein.</p>   | <p>Contractor shall print a report on a quarterly basis from its Customer service system listing the total number of Complaints coded for each category (Items 1A through 1C) for the Agency</p> | <p>\$150 per Complaint received above the acceptable performance level</p> |
| <p>A. Unauthorized Collection Hours (includes: Solid Waste, Recyclable Materials and Organic Materials Collection service)</p>                             | <p>See above</p>  | <p>Each Complaint that Contractor has performed Collection services outside of hours authorized in Section 8.01.A.</p>  | <p>See above</p>   | <p>See above</p>   |
| <p>B. Inadequate Care of or Damage to Private Property</p>   | <p>See above</p>  | <p>Each Complaint that Contractor has not closed a Customer's gate, has crossed planted areas, or has damaged private property (including damage of private vehicles) pursuant to Section 8.02.H.</p> | <p>See above</p>   | <p>See above</p>   |

**TABLE 1**

| Event of Non-Performance  | Acceptable Performance Level   | Definition of Complaint, Incident, or Event   | Tracking Method   | Liquidated Damage Amount  |
|---|--|---|---|---|
| C. Failure to Resolve Property Damage Claims                      | See above  | Each Complaint of Contractor's failure to resolve claims of damage to property within thirty (30) calendar days of the date the Complaint of damage was reported pursuant to Section 8.02.H.  | See above   | See above   |
| 2. * Failure to Provide New Service or Initiate Change in Service | Number of "Failures to Provide New Service or Initiate Change in Service" is less than or equal to sixty (60) each month for the SBWMA Service Area. Table 2 provides the proportional distribution of the total monthly allowance to all Member Agencies. | Each Complaint of Contractor's failure to provide new service or change an existing service level within five (5) Business Days of receiving the request pursuant to Section 8.02.C.  | Contractor shall print a report on a quarterly basis from its Customer service system listing the total number of Complaints coded to this category for the Agency. | \$100 per Complaint received above the acceptable performance level |
| 3. * Improper Container Placement Complaints                      | The number of "Improper Container Placement Complaints" shall be less than or equal to 500 per month for the SBWMA Service Area. Table 2 provides the proportional distribution of the total monthly allowance to all Member Agencies.                     | Each Complaint of Contractor's failure to return empty Containers to original location (or alternate location if original location was not safe with regard to pedestrian and vehicular traffic), and each Complaint of failure to place Containers in an upright position with lids closed pursuant to Section 8.02.B.1, provided that Contractor shall not be responsible for placement of Containers that are moved due to wind, rain or other inclement weather conditions, third parties or other factors outside Contractor's reasonable control. | Contractor shall print a report on a quarterly basis from its Customer service system listing the total number of Complaints coded to this category for the Agency. | \$50 per Complaint received above the acceptable performance level  |

**TABLE 1**

| Event of Non-Performance                                    | Acceptable Performance Level   | Definition of Complaint, Incident, or Event  | Tracking Method   | Liquidated Damage Amount                                  |
|---|--|--|---|---|
| 4. Failure to Effectively Distribute Non-Collection Notices | The number of non-collection notices that Contractor distributes is at least 50% of all Container set-outs that require a non-collection notice based on the presence of contamination.  | An event is a Container set-out that contains contamination but was not provided a non-collection notice.  | Contractor shall provide a report on a monthly basis that contains information on Contractor's use of non-collection notices.                                       | \$25 per event  |
| 5. Excessive Noise Complaints                               | The number of "excessive noise Complaints" shall be less than or equal to sixty (60) per month for the SBWMA Service Area. Table 2 provides the proportional distribution of the total monthly allowance to all Member Agencies. | Each Complaint of excessive noise reportedly related to Contractor's Collection operations pursuant to Section 8.02.J.   | Contractor shall print a report on a quarterly basis from its Customer service system listing the total number of Complaints coded to this category for the Agency. | \$50 per Complaint above the acceptable performance level |
| 6. Unacceptable Employee Behavior                           | No incidents or Complaints in this category are acceptable; therefore, any Complaint of this nature shall be considered unacceptable.  | Each Complaint of reportedly discourteous, rude, or inappropriate behavior by Collection vehicle personnel, Customer service personnel, or other employees of Contractor pursuant to Section 8.06.H. | Contractor shall print a report on a quarterly basis from its Customer service system listing the total number of Complaints coded to this category for the Agency. | \$250 per Complaint                                       |

**TABLE 1**

| Event of Non-Performance   | Acceptable Performance Level  | Definition of Complaint, Incident, or Event   | Tracking Method   | Liquidated Damage Amount                                  |
|--|---|---|---|---|
| 7. A. Complaints of Spills of Discarded Materials                  | The number of "Complaints of spills of Discarded Materials" shall be less than or equal to one-hundred and twenty (120) per month for the SBWMA Service Area. Table 2 provides the proportional distribution of the total monthly allowance to all Member Agencies. | Each Complaint of litter, or spills of Solid Waste, Recyclable Materials, or Organic Materials near Containers or on public streets and Contractor's failure to pick up or clean up such material immediately pursuant to Section 8.02.1. | Contractor shall print a report on a quarterly basis from its Customer service system listing the total number of Complaints coded to this category for the Agency. | \$50 per Complaint above the acceptable performance level |
| B. Complaints of Failure to Clean Up Spills of Discarded Materials | See above   | Each Complaint of Contractor failing to clean up Solid Waste, Recyclable Materials, or Organic Materials that were littered on public property pursuant to Section 8.02.1.  | See above   | See above   |
| 8. Spills of Vehicle Fluids  | No incidents or Complaints in this category are acceptable; therefore, any Complaint of this nature shall be considered unacceptable.   | Each Complaint of unreasonable leaks or spills of hydraulic fluids, fuel, motor oil, and other motor vehicle fluids and liquids from the Collection vehicle on public streets pursuant to Section 8.02.1.                                 | Contractor shall print a report on a quarterly basis from its Customer service system listing the total number of Complaints coded to this category for the Agency. | \$500 per Complaint                                       |

**TABLE 1**

| Event of Non-Performance   | Acceptable Performance Level  | Definition of Complaint, Incident, or Event   | Tracking Method   | Liquidated Damage Amount                            |
|--|---|---|---|---|
| <p><b>Customer Service Quality</b></p> <p>* Untimely Resolution of Complaints and Inquiries</p>      | <p>No failures or Complaints in this category are acceptable; therefore, any Complaint of this nature shall be considered unacceptable.</p> | <p>Each failure to resolve or remedy a Complaint or Inquiry within ten (10) Business Days of receipt of Complaint or Inquiry pursuant to Section 7.02.D, with the exception of missed pick-ups which are addressed above or other service related events that have Liquidated Damages associated with them.</p>   | <p>Contractor shall document all Complaints and Inquiries including the date of response pursuant to Section 7.02.D, and, upon request, shall provide detailed reports for the Agency's review.</p> | <p>\$100 per incident</p>                           |
| <p><b>Reporting</b></p> <p>Late Submittal of Reports, Application, Proposal, or Other Submittals</p> | <p>Report, application or proposal shall be submitted on the date or in accordance with the timeframe specified in this Agreement.</p>      | <p>For each day Contractor fails to submit: (i) reports in the timeframe specified in Article 9, (ii) Application for determination of Contractor's Compensation in the timeframe specified in Article 11; (iii) proposal requested by Agency for change in service in the timeframe specified in Article 9; and (iv) other submittals required by this Agreement in the timeframe specified in this Agreement.</p> | <p>Contractor's submittal dates shall be recorded and compared to the submittal requirements of the Agreement</p>   | <p>\$250 per day for each day report is overdue</p> |



**TABLE 1**

| Event of Non-Performance   | Acceptable Performance Level   | Definition of Complaint, Incident, or Event   | Tracking Method  | Liquidated Damage Amount  |
|--|--|---|--|---|
| 2. Submittal of Inaccurate Report, Application, Proposal, or Other Submittals and Correspondence | Report, application, proposal or correspondence submitted does not contain inaccurate, misleading or erroneous data and information. | For each day Contractor fails to submit corrections or restatements rectifying the inaccurate, misleading or erroneous data and information contained in reports, applications, proposals or correspondence submitted to Agency or SBWMA commencing with the third (3 <sup>rd</sup> ) Business Day after receiving notification from Agency or SBWMA of Contractor having submitted inaccurate, misleading or erroneous data and information. | The data and information contained in Contractor's submittal shall be recorded and verified for accuracy by Agency or SBWMA. | \$250 per day for each day inaccurate or erroneous information is not corrected by Contractor commencing with the third (3 <sup>rd</sup> ) Business Day after receiving notification from Agency or SBWMA of Contractor having submitted inaccurate, misleading or erroneous data and information |
| 3. Failure to Perform and Report on Billing Review   | Reports on billing reviews are submitted on time.  | Failure to conduct Billing reviews and report on the findings of the review pursuant to Section 7.01.F.   | Contractor's submittal dates shall be recorded and compared to the submittal requirements of the Agreement                   | \$250 per day for each day report is overdue  |
| <b>Other</b>   |  |   |  |   |
| 1. Disposal of Diversion Program Materials   | Contractor does not Dispose of Recyclable Materials or Organic Materials Collected.  | For each Ton of Recyclable Materials or Organic Materials Disposed of without written approval of the Agency pursuant to Section 8.02.D.  | Alleged incidents shall be investigated by Agency  | \$175 per Ton Disposed for Recyclables<br>\$100 per Ton Disposed for Organics   |

**TABLE 1**

| Event of Non-Performance          | Acceptable Performance Level  | Definition of Complaint, Incident, or Event   | Tracking Method                                   | Liquidated Damage Amount   |
|-----------------------------------|---|---|---|--|
| 2. Use of Unauthorized Facilities | Each Ton of material shall be delivered to the Designated Transfer and Processing Site. | For each Ton of Solid Waste, Recyclable Materials or Organic Materials that is not delivered to the Designated Transfer and Processing Facility pursuant to Section 6.01. | Alleged incidents shall be investigated by Agency | <p>\$175 per Ton Delivered to unauthorized facility for Recyclables</p> <p>\$100 per Ton Delivered to unauthorized facility for Organics and Solid Waste</p> |

Table 2

| Liquidated Damages Number | Member Agency    | Monthly Percentage Threshold (Based on Total Monthly SFD Service Opportunities) | Acceptable Performance Level Allowance |   |
|---------------------------|------------------|---|--|---|
| 1.A, 1.B, 1.C             | Atherton         | 2.49%   | 1                                      |   |
|                           | Belmont          | 7.13%   | 2                                      |   |
|                           | Burlingame       | 6.99%   | 2                                      |   |
|                           | Hillsborough     | 3.92%   | 1                                      |   |
|                           | EPA              | 4.54%   | 1                                      |   |
|                           | Foster City      | 7.08%   | 2                                      |   |
|                           | Menlo Park       | 8.40%   | 3                                      |   |
|                           | Redwood City     | 18.72%  | 6                                      |   |
|                           | Menlo Park       | 9.22%   | 3                                      |   |
|                           | San Mateo        | 21.02%  | 6                                      |   |
|                           | San Mateo County | 2.86%   | 1                                      |   |
|                           | WBSD             | 2.28%   | 1                                      |   |
|                           | Uninc. County    | 5.32%   | 2                                      |   |
|                           | Total            |   | 30                                     |   |
|                           | 2                | Atherton  | 2.49%                                  | 1 |
|                           |                  | Belmont   | 7.13%                                  | 4 |
| Burlingame                |                  | 6.99%   | 4                                      |   |
| Hillsborough              |                  | 3.92%   | 2                                      |   |
| EPA                       |                  | 4.54%   | 3                                      |   |
| Foster City               |                  | 7.08%   | 4                                      |   |
| Menlo Park                |                  | 8.40%   | 5                                      |   |
| Redwood City              |                  | 18.72%  | 11                                     |   |
| San Carlos                |                  | 9.22%   | 6                                      |   |
| San Mateo                 |                  | 21.02%  | 13                                     |   |
| San Mateo County          |                  | 2.86%   | 2                                      |   |
| WBSD                      |                  | 2.28%   | 1                                      |   |
| Uninc. County             |                  | 5.32%   | 3                                      |   |
| Total                     |                  |   | 60                                     |   |

Table 2

| Liquidated Damages Number | Member/Agency    | Monthly Percentage Threshold (Based on Total Monthly SFD Service Opportunities) | Acceptable Performance Level Allowance |
|---------------------------|------------------|---|--|
| 3                         | Atherton         | 2.49%   | 12                                     |
|                           | Belmont          | 7.13%   | 36                                     |
|                           | Burlingame       | 6.99%   | 35                                     |
|                           | Hillsborough     | 3.92%   | 20                                     |
|                           | EPA              | 4.54%   | 23                                     |
|                           | Foster City      | 7.08%   | 35                                     |
|                           | Menlo Park       | 8.40%   | 42                                     |
|                           | Redwood City     | 18.72%  | 94                                     |
|                           | San Carlos       | 9.22%   | 46                                     |
|                           | San Mateo        | 21.02%  | 105                                    |
|                           | San Mateo County | 2.86%   | 14                                     |
|                           | WBSD             | 2.28%   | 11                                     |
|                           | Uninc. County    | 5.32%   | 27                                     |
|                           | Total            |   | 500                                    |
| 5                         | Atherton         | 2.49%   | 1                                      |
|                           | Belmont          | 7.13%   | 4                                      |
|                           | Burlingame       | 6.99%   | 4                                      |
|                           | Hillsborough     | 3.92%   | 2                                      |
|                           | EPA              | 4.54%   | 3                                      |
|                           | Foster City      | 7.08%   | 4                                      |
|                           | Menlo Park       | 8.40%   | 5                                      |
|                           | Redwood City     | 18.72%  | 11                                     |
|                           | San Carlos       | 9.22%   | 6                                      |
|                           | San Mateo        | 21.02%  | 13                                     |
|                           | San Mateo County | 2.86%   | 2                                      |
|                           | WBSD             | 2.28%   | 1                                      |
|                           | Uninc. County    | 5.32%   | 3                                      |
|                           | Total            |   | 60                                     |

**Table 2**

| Liquidated Damages Number | Member/Agency    | Monthly Percentage Threshold (Based on Total Monthly SFD Service Opportunities) | Acceptable Performance Level/Allowance |
|---------------------------|------------------|---|--|
| 7,7.A                     | Atherton         | 2.49%   | 3                                      |
|                           | Belmont          | 7.13%   | 9                                      |
|                           | Burlingame       | 6.99%   | 8                                      |
|                           | Hillsborough     | 3.92%   | 5                                      |
|                           | EPA              | 4.54%   | 5                                      |
|                           | Foster City      | 7.08%   | 9                                      |
|                           | Menlo Park       | 8.40%   | 10                                     |
|                           | Redwood City     | 18.72%  | 22                                     |
|                           | San Carlos       | 9.22%   | 11                                     |
|                           | San Mateo        | 21.02%  | 25                                     |
|                           | San Mateo County | 2.86%   | 3                                      |
|                           | WBSD             | 2.28%   | 3                                      |
|                           | Uninc. County    | 5.32%   | 6                                      |
|                           | Total            |   | 120                                    |



# **ATTACHMENT K**

## **Contractor's Compensation and Rate Setting Process**





**Attachment K**  
**Contractor's Compensation**  
**and**  
**Rate Setting Process**

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## **ATTACHMENT K CONTRACTOR'S COMPENSATION AND RATE SETTING PROCESS**

### **1. Introduction**

As provided in Article 11 of the Agreement, Member Agencies expect the South Bayside Waste Management Authority (SBWMA), of which they are all members, to provide substantial assistance in administering the annual review of Contractor's Compensation and the integration of that review with Agencies' adjustment of rates charged to Customers for Contractor's services.

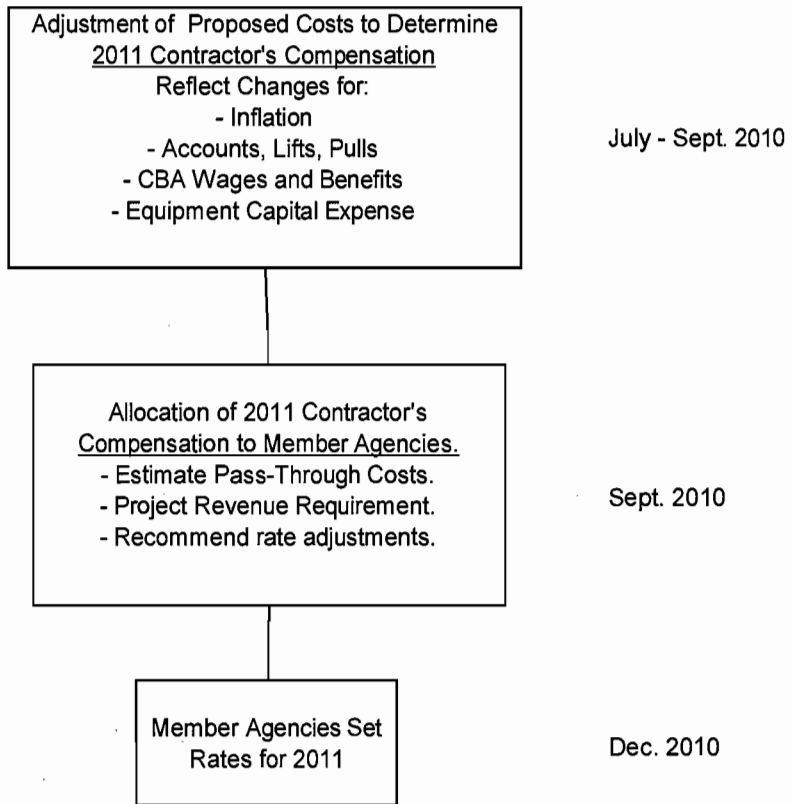
This Attachment describes Contractor's accountability regarding Contractor's Proposal assumptions (section 2); the procedures by which specific elements of Contractor's Compensation will be adjusted annually (section 3); the format and content of Contractor's annual application for adjustments in compensation (section 4); the actions to be taken by SBWMA in reviewing that application (section 5); allocating Contractor's overall compensation among Member Agencies (section 6); an explanation of Pass-Through Costs (section 7); reconciling the revenue earned by Contractor each year with the approved compensation for that year (section 8); preparing and reviewing reports to Member Agencies with recommendations for adjustments in each Agency's rates (section 9); a discussion of Performance Incentives and Disincentives (section 10); and the role of each Agency in establishing rates and the rate structure (section 11).

SBWMA and Contractor may agree to modifications in the procedures and schedules in this Attachment in order to adapt them to changed circumstances or to improve their efficiency and timeliness. Such modifications shall not change the methodology for allocation of costs among Member Agencies. Before implementing any such modifications, SBWMA will provide at least thirty (30) days prior written notice to Agency and all other Member Agencies. The notice will include an explanation of the reason(s) for the proposed modification(s) and the section(s) of this Attachment that would be affected by the proposed modification(s).

Figure K-1 is a flow chart depicting the process for determining Contractor's Compensation and rates for Rate Year One (2011).

**ATTACHMENT K**  
**CONTRACTOR'S COMPENSATION AND RATE SETTING PROCESS**

Figure K-1  
Determination of Contractor's Compensation for Rate Year One (2011)



**ATTACHMENT K**  
**CONTRACTOR'S COMPENSATION AND RATE SETTING PROCESS**

**2. Contractor Accountability for Proposal Assumptions**

The method of adjusting Contractor's Compensation holds Contractor accountable for several projections and assumptions on which its Proposal was based, and which are incorporated into the baseline costs shown on Attachment N, including: proposed technology, route productivity, Single-Family Container placement assumptions; and recycling/organics participation rates, as follows:

- Proposed Technology – No additional adjustments shall be made to Contractor's Compensation if the technology proposed by Contractor does not achieve the intended results or productivity. (If a change in law or regulations requires consideration of new or alternative technology or if the parties mutually agree to consider a change in technology, cost impacts related to the change in technology will be reviewed.)
- Route Productivity – The assumptions regarding route productivity directly impact costs related to labor, route hours, vehicles, fuel use, and vehicle maintenance. No adjustments to Contractor's Compensation will be made for differences between route productivity levels assumed in Contractor's Proposal and actual route productivity.
- Container Placement (Curbside or Backyard) Rates – Contractor's Proposal was based on its best estimate of the number of Single-Family Dwelling Customers who will place their Containers Curbside for Collection or choose to pay additional fees for backyard Collection. No adjustments to Contractor's Compensation will be made for differences between estimated and actual levels, unless the Agency's adjustment of rates results in a migration between Curbside and Backyard Service resulting in a change of two percent (2%) in Contractor costs per Section 11.07.C.
- Weekly Recycling Participation Levels – Contractor's estimate of the number of Single-Family Dwelling Customers that will be provided weekly Targeted Recyclable Materials and Organic Materials Collection Service is incorporated into the baseline costs shown on Attachment N. No adjustments to Contractor's Compensation will be made for differences between estimated and actual participation levels.

**3. Adjustments to Contractor's Compensation**

The annual process for adjusting Contractor's Compensation is summarized in Table 1. Column One of the table illustrates the adjustment of 2008 costs shown on Attachment N in 2010 to establish Rate Year One (2011) Contractor's Compensation; Column Two describes annual adjustments to determine Contractor's Compensation for Rate Year Two (2012) and each year thereafter.

With regard to changes in service levels (i.e., accounts, lifts, and pulls), adjustments to Contractor's costs in 2010 to establish Contractor's Compensation for Rate Year One (2011) and in 2012 to establish Contractor's Compensation for Rate Year Three (2013) will be made as described in Table 1 and 2.

Contractor's Compensation will be adjusted by the change in service levels for Rate Year One and Rate Year Three only. No adjustments to reflect changes in service levels shall be made after the adjustments made in 2012, when calculating Contractor's Compensation for Rate Year Three (2013).

**ATTACHMENT K  
CONTRACTOR'S COMPENSATION AND RATE SETTING PROCESS**

Table 1

| <p align="center">Cost</p> <p>ANNUAL COST OF OPERATIONS</p>   | <p align="center">Adjustment to Proposed Costs for Rate Year One (2011) Contractor's Compensation</p>   | <p align="center">Annual Adjustment to Contractor's Compensation for Rate Years Two – Ten (2012 - 2020)</p>   |
|---|---|---|
| <p>A.</p> <p>Wages and benefits for all employees represented through collective bargaining agreements (CBA).</p> | <p>Two adjustments will be made:</p> <ul style="list-style-type: none"> <li>• Revise 2008 wage rates and benefits shown on Attachment N to reflect wage rates and benefit levels to be in effect in 2011 based on the collective bargaining agreements between the Previous Contractor and unions in effect in 2010. The number of full-time equivalent employees and hours in each labor category shown in Attachment N Cost Form 2 will be used in making the adjustment.</li> <li>• Revise to reflect service level changes in 2010 from the 2008 proposal assumptions by increasing or decreasing wage and benefits costs by the percentage change in accounts, lifts, or pulls as described in Table 2.</li> </ul> | <ul style="list-style-type: none"> <li>• Annually adjust labor costs based on the collective bargaining agreements between the Previous Contractor and unions in effect on the Commencement Date, until they expire.</li> <li>• After expiration of the above collective bargaining agreements, annually adjust wage and benefit costs for the one (1) year change in the U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Service-Producing Industries (seasonally adjusted, total compensation, <small>cis201s000000000i</small> successor to series no. <small>ecs12102i</small>). Average index change between index for May of prior year to April of current year (i.e., twelve (12) months average change)<sup>1</sup>.</li> <li>• For Rate Year Three (2013) only, adjust wages and benefits to reflect service level changes by increasing or decreasing wage and benefit costs by the percentage change in accounts, lifts, and pulls as described in Table 2. No further adjustment for changes in service levels will be made after Rate Year Three (2013).</li> </ul> <p><sup>1</sup> The term "average index change" in this Attachment K means the percentage change between the simple average of all twelve (12) (or fewer) monthly index levels for one (1) year and the same average for a following year.</p> |

**ATTACHMENT K  
CONTRACTOR'S COMPENSATION AND RATE SETTING PROCESS**

**Table 1**

| <b>Cost</b>   | <b>Adjustment to Proposed Costs for Rate Year One (2011) Contractor's Compensation</b>   | <b>Annual Adjustment to Contractor's Compensation for Rate Years Two – Ten (2012 - 2020)</b>   |
|---|--|--|
| <p>B.</p> <p>Wages and benefits for employees not represented through collective bargaining agreements.</p> | <ul style="list-style-type: none"> <li>• <b>Step One:</b><br/>Initially adjust Attachment N 2008 costs using the U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Service-Producing Industries (seasonally adjusted, total compensation, cis201s0000000000i successor to series no. ecs12102i). Average index change between index for May 2008 and April 2010 (i.e., twenty four (24) months).</li> <li>• <b>Step Two:</b><br/>In order to reflect 2011 base costs, adjust the costs resulting from the adjustment in Step One using the U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Service-Producing Industries (seasonally adjusted, total compensation, cis201s0000000000i successor to series no. ecs12102i). Average index change between index for May 2009 to April 2010 (i.e., twelve (12) months).</li> <li>• <b>Revise to reflect service level changes by increasing or decreasing wage and benefit costs by sixty five percent (65%) of the percentage change in accounts, lifts or pulls as described in Table 2.</b></li> </ul> | <ul style="list-style-type: none"> <li>• <b>Adjust to reflect the one (1) year average index change in the U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Service-Producing Industries (seasonally adjusted, total compensation, cis201s0000000000i successor to series no. ecs12102i). Average index change between index for May of prior year to April of current year (i.e., twelve (12) months).</b></li> <li>• <b>For Rate Year Three (2013) only, revise to reflect service level changes by increasing or decreasing wage and benefit costs by sixty-five percent (65%) of the percentage change in accounts, lifts or pulls as described in Table 2.</b></li> </ul> |

**ATTACHMENT K  
CONTRACTOR'S COMPENSATION AND RATE SETTING PROCESS**

Table 1

| Cost  | Adjustment to Proposed Costs for Rate Year One (2011) Contractor's Compensation  | Annual Adjustment to Contractor's Compensation for Rate Years Two – Ten (2012 - 2020)   |
|---|--|---|
| C.<br><br>Payroll taxes                             | <ul style="list-style-type: none"> <li>• Payroll tax expense will be calculated based on the following effective tax rates in Contractor's Proposal:               <ul style="list-style-type: none"> <li>▪ 8.32% for Direct Labor; and,</li> <li>▪ 8.15% for Indirect Labor.</li> </ul> </li> <li>• The effective tax rate will be applied to the adjusted wages for direct or indirect labor to calculate payroll tax expense. When the Federal and/or State employer payroll tax rates or limits are changed, Contractor will submit to SBWMA a new effective payroll tax rate for review and approval. If approved, the new rates will be used to calculate payroll tax expense for the Rate Year affected by the change(s).</li> </ul>  | <ul style="list-style-type: none"> <li>• Same method as prior year.</li> </ul>  |
| D.<br><br>Workers compensation, direct and indirect | <ul style="list-style-type: none"> <li>• Step One:<br/>Initially adjust Attachment N 2008 costs using the U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Total All Workers (not seasonally adjusted, total benefits, series no. CIU2030000000000A). Average index change between Index for May 2008 and April 2010 (i.e., twenty four (24) months).</li> <li>• Step Two:<br/>In order to reflect 2011 base costs, adjust costs using the U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Total All Workers (not seasonally adjusted, total benefits, series no. CIU2030000000000A). Average index change between index for May 2009 and April 2010 (i.e., twelve (12) months).</li> </ul> | <ul style="list-style-type: none"> <li>• Adjust to reflect one (1) year average index change in the U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Total All Workers (not seasonally adjusted, total benefits, series no. CIU2030000000000A). Average index change between index for May of prior year to April of current year (i.e., twelve (12) months).</li> <li>• For Rate Year Three (2013) only, service level change adjustment to workers compensation costs for direct labor based on one-hundred percent (100%) of the service level changes and for worker compensation costs for indirect labor based on sixty-five percent (65%) of service level changes as described in Table 2.</li> </ul> |



**ATTACHMENT K  
CONTRACTOR'S COMPENSATION AND RATE SETTING PROCESS**

**Table 1**

| Cost | Adjustment to Proposed Costs for Rate Year One (2011) Contractor's Compensation  | Annual Adjustment to Contractor's Compensation for Rate Years Two – Ten (2012 - 2020) |
|------|--|---|
|      | <ul style="list-style-type: none"> <li>• Service level change adjustment for workers compensation costs for direct labor based on one-hundred percent (100%) of the service level changes and to workers compensations costs for indirect labor based on sixty-five percent (65%) of service level changes as described in Table 2.</li> </ul> |   |

**ATTACHMENT K  
CONTRACTOR'S COMPENSATION AND RATE SETTING PROCESS**

Table 1

| Cost  | Adjustment to Proposed Costs for Rate Year One (2011) Contractor's Compensation  | Annual Adjustment to Contractor's Compensation for Rate Years Two – Ten (2012 - 2020)   |
|---|--|---|
| <p>E.<br/><br/>Fuel for route and service vehicles, direct and indirect</p> | <ul style="list-style-type: none"> <li>• Step One:<br/>Initially adjust 2008 fuel costs on Attachment N using the U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index - Commodity Index for #2 diesel fuel (not seasonally adjusted, fuels and related products and power, series no. wpu057303). Average index change between index for May 2008 and April 2010 (i.e., twenty four (24) months).</li> <li>• Step Two:<br/>In order to reflect 2011 base costs, adjust the costs resulting from the adjustment in Step One using the U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index - Commodity Index for #2 diesel fuel (not seasonally adjusted, fuels and related products and power, series no. wpu057303) Five (5) year average index change between index for May 2005 and April 2010.</li> <li>• Service level change adjustment for direct fuel costs based on one-hundred percent (100%) of the service level changes and for indirect fuel costs based on sixty-five percent (65%) of the service level changes as described in Table 2.</li> </ul> | <ul style="list-style-type: none"> <li>• Inflation adjustment to reflect one-year change in the U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index - Commodity Index for #2 diesel fuel (not seasonally adjusted, fuels and related products and power, series no. wpu057303). Average index change between index for May of prior year and April of current year (i.e., twelve (12) months).</li> <li>• For Rate Year Three (2013) only, adjustment will be made for direct fuel costs based on one-hundred percent (100%) of the service level changes and for indirect fuel costs based on sixty-five percent (65%) of service level changes as described in Table 2.</li> </ul> |

**ATTACHMENT K  
CONTRACTOR'S COMPENSATION AND RATE SETTING PROCESS**

Table 1

| Cost   | Adjustment to Proposed Costs for Rate Year One (2011) Contractor's Compensation  | Annual Adjustment to Contractor's Compensation for Rate Years Two – Ten (2012 - 2020)   |
|--|--|---|
| <p>F.</p> <p>Other costs, direct and indirect, excluding depreciation and wages and benefits</p> | <ul style="list-style-type: none"> <li>• <b>Step One:</b><br/>Initially adjust Attachment N 2008 costs using 80% of the change in the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index – All Urban Consumers, U.S. city average (not seasonally adjusted, all items, base period: 1982-84=100, series no. cuur0000sa0). Average index change between index for May 2008 and April 2010 (i.e., twenty four (24) months).</li> <li>• <b>Step Two:</b><br/>In order to reflect 2011 base costs, adjust the costs resulting from the adjustment in Step One using 80% of the change in the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index – All Urban Consumers, U.S. city average (not seasonally adjusted, all items, base period: 1982-84=100, series no. cuur0000sa0). Average index change between index for May 2009 and April 2010 (i.e., twelve (12) months).</li> <li>• <b>Service level change adjustment will be made for direct other costs based on one-hundred percent (100%) of the service level changes and for indirect other costs based on sixty-five percent (65%) of service level changes as described in Table 2.</b></li> </ul> | <ul style="list-style-type: none"> <li>• <b>Adjust to reflect 80% of the one (1) year average index change in the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index – All Urban Consumers, U.S. city average (not seasonally adjusted, all items, base period: 1982-84=100, series no. cuur0000sa0). Average index change between index for May of prior year and April of current year (i.e., twelve (12) months).</b></li> <li>• <b>For Rate Year Three (2013) only, service level change adjustment for direct other costs based on one-hundred percent (100%) of the service level changes and for indirect other costs based on sixty-five percent (65%) of service level changes as described in Table 2.</b></li> </ul> |

**ATTACHMENT K  
CONTRACTOR'S COMPENSATION AND RATE SETTING PROCESS**

**Table 1**

| Cost   | Adjustment to Proposed Costs for Rate Year One (2011) Contractor's Compensation   | Annual Adjustment to Contractor's Compensation for Rate Years Two – Ten (2012 - 2020)   |
|--|---|---|
| <p>G.<br/><br/>Depreciation for Collection vehicles and Containers</p> | <ul style="list-style-type: none"> <li>• The adjustment process outlined below for depreciation will be applied separately to each of the four (4) categories of capital equipment: Collection Vehicles, Other Vehicles, Containers, and Other Equipment.</li> <li>• Price adjustment of 2008 equipment costs shown in Attachment N up to CPI adjustment to actual month ordered. CPI Index: the U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index Industry Data for motor vehicle body manufacturing, truck, bus, car, and other vehicle bodies, for sale separately (not seasonally adjusted, base date: 8212, series no. pcu336211336211). Average index change between index for March 2008 and that for actual month ordered.</li> <li>• Price Adjustment: Actual cost of purchase will be used if purchase price is less than CPI-adjusted price.</li> <li>• Change in sales or other tax will be separately adjusted to reflect the actual tax rate at time of purchase.</li> <li>• Price Adjustment: If the total price of a capital equipment category increases more than the inflation adjustment, then Contractor may request additional adjustment to depreciation in 2010; in such case, Contractor must demonstrate that prices paid reflected market rates for equipment.</li> </ul> | <ul style="list-style-type: none"> <li>• The adjustment process outlined below for depreciation will be applied separately to each of the four (4) categories of capital equipment: Collection Vehicles, Other Vehicles, Containers, and Other Equipment.</li> <li>• No indexed cost adjustments shall be made to depreciation over the remaining Term. In Rate Year Two (2012) when determining Contractor's Compensation for Rate Year Three (2013), if changes in service levels (see Table 2) warrant the purchase of additional capital equipment, depreciation on additional capital equipment whose purchase has been authorized by SBWMA will be added to the adjusted depreciation expense.</li> <li>• Depreciation expense shall be based on Contractor's depreciation schedule in Attachment N Cost Form 11 for the appropriate year, as adjusted for any allowed and approved change to capital purchases.</li> <li>• Added new capital equipment will be depreciated over ten (10) years from date placed in service. Agency has no responsibility to pay Contractor for remaining net book value of any Containers not fully depreciated at end of Term, unless Agency elects to purchase Containers pursuant to subsection 8.05.F.</li> <li>• If purchase of used equipment is authorized by Agency and SBWMA, depreciation expense</li> </ul> |

**ATTACHMENT K  
CONTRACTOR'S COMPENSATION AND RATE SETTING PROCESS**

Table 1

| Cost | Adjustment to Proposed Costs for Rate Year One (2011) Contractor's Compensation  | Annual Adjustment to Contractor's Compensation for Rate Years Two – Ten (2012 - 2020)   |
|------|--|---|
|      | <ul style="list-style-type: none"> <li>• Quantity Adjustment: Revise number of pieces of equipment specified in Attachment N Cost Form 4 to reflect Agency changes in accounts, lifts, and pulls (see Table 2). Any purchase of additional equipment must be authorized by SBWMA. Depreciation on such additional capital equipment will be added to the adjusted base depreciation. Depreciation of new equipment will be based on a ten (10) year life from date placed in service.</li> <li>• If purchase of used equipment is authorized by Agency and SBWMA, depreciation expense will be revised to reflect actual costs of used equipment.</li> <li>• Depreciation expense shall be based on Contractor's depreciation schedule in Attachment N Cost Form 11 for the appropriate year, as adjusted for any authorized change to capital equipment purchases.</li> <li>• Depreciation on used capital equipment will be calculated on a straight line method, using a ten (10) year service life. If used capital equipment is taken out of service before the expiration of the Term, the remaining undepreciated net book value less market value shall be treated as an expense in the following year in which the equipment is removed from service.</li> <li>•</li> </ul> | <p>will be revised to reflect actual costs of used equipment.</p> <ul style="list-style-type: none"> <li>• Depreciation on used capital equipment will be calculated on a straight line method, using a ten (10) year service life. If used capital equipment is taken out of service before the expiration of the Term, the remaining undepreciated net book value less market value shall be treated as an expense in the following year in which the equipment is removed from service.</li> </ul> |

**ATTACHMENT K  
CONTRACTOR'S COMPENSATION AND RATE SETTING PROCESS**

Table 1

| Cost   | Adjustment to Proposed Costs for Rate Year One (2011) Contractor's Compensation  | Annual Adjustment to Contractor's Compensation for Rate Years Two – Ten (2012 - 2020)   |
|--|--|---|
| <p>H.<br/>Allocated Indirect Depreciation Costs (related to vehicle and container maintenance equipment, shop equipment, office equipment, etc.)</p> | <ul style="list-style-type: none"> <li>• Step One:<br/>Initially adjust 2008 costs in Attachment N using one-hundred percent (100%) of the change in the U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index Industry Data for motor vehicle body manufacturing, truck, bus, car, and other vehicle bodies, for sale separately (not seasonally adjusted, base date: 8212, series no. pcu336211336211). Average index change between Index for March 2008 and April 2010 (i.e., twenty six (26) months).</li> <li>• Step Two:<br/>In order to reflect 2011 base costs, adjust the costs resulting from the adjustment in Step One using the U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index Industry Data for motor vehicle body manufacturing, truck, bus, car, and other vehicle bodies, for sale separately (not seasonally adjusted, base date: 8212, series no. pcu336211336211). Average index change between for May 2009 to April 2010 (i.e., twelve (12) months).</li> <li>• If purchase of used equipment is authorized by Agency and SBWMA, depreciation expense in the following year will be revised to reflect the actual cost of the used equipment.</li> </ul> | <ul style="list-style-type: none"> <li>• No additional adjustments.</li> <li>• If purchase of additional equipment is authorized by SBWMA, depreciation expense will be revised to reflect the actual cost of the additional equipment.</li> <li>• If purchase of used equipment is authorized by Agency and SBWMA, depreciation expense in the following year will be revised to reflect the actual cost of the used equipment.</li> </ul> |

**ATTACHMENT K  
CONTRACTOR'S COMPENSATION AND RATE SETTING PROCESS**

**Table 1**

| <b>Cost</b>                            | <b>Adjustment to Proposed Costs for Rate Year One (2011) Contractor's Compensation</b>   | <b>Annual Adjustment to Contractor's Compensation for Rate Years Two – Ten (2012 - 2020)</b> |
|--|--|--|
| I.<br>Implementation Costs             | <ul style="list-style-type: none"> <li>• Same Inflation Index and method as that described for Other Costs (Cost F).</li> <li>• No adjustment based on changes in service levels will be made.</li> </ul>  | <ul style="list-style-type: none"> <li>• No additional adjustment.</li> </ul>                |
| <b>Total Annual Cost of Operations</b> | <ul style="list-style-type: none"> <li>• Calculated as the sum of the cost components adjusted as described above.</li> </ul>  | <ul style="list-style-type: none"> <li>• Same method as prior year.</li> </ul>               |
|  | <ul style="list-style-type: none"> <li>• Profit calculated using the operating ratio and the adjusted total annual cost of operations. The operating ratio is fixed for the length of the Agreement at ninety and one-half percent (90.5%).</li> </ul> | <ul style="list-style-type: none"> <li>• Same method as prior year</li> </ul>                |

**ATTACHMENT K  
CONTRACTOR'S COMPENSATION AND RATE SETTING PROCESS**

**Table 1**

| <b>Cost</b>  | <b>Adjustment to Proposed Costs for Rate Year One (2011) Contractor's Compensation</b>  | <b>Annual Adjustment to Contractor's Compensation for Rate Years Two – Ten (2012 - 2020)</b>   |
|--|---|--|
| <p><b>CONTRACTOR PASS-THROUGH COSTS</b></p> <p>A.<br/>Interest expense (on capital and implementation costs)</p> | <ul style="list-style-type: none"> <li>• Interest rate on loans used to acquire capital equipment will be 5.5% as specified in Contractor's Proposal.</li> <li>• Compensation for interest expense will be specified on the Debt Service Schedule in Attachment N Cost Form 11.</li> <li>• Interest expense in Attachment N will be revised for any approved changes in the amount of capital equipment purchased.</li> </ul> | <ul style="list-style-type: none"> <li>• No interest rate adjustment.</li> <li>• Compensation for interest expense will be based on the revised and SBWMA approved Debt Service Schedule in Attachment N for Rate Year One (2011).</li> <li>• The Debt Service Schedule may be revised again for any given Rate Year for allowed and approved changes to the capital equipment schedule.</li> <li>• Interest expense will be based on ten (10) year financing terms on any approved additional capital.</li> </ul> |
| <p>B.<br/>Regulatory Agency Fees</p>   | <ul style="list-style-type: none"> <li>• Any non-operating fees (but not fines) paid by Contractor (e.g., to U.S. Department of Transportation, Bay Area Air Quality Management District, Local Enforcement Agency, Bay Area Water Quality Control Board, California Highway Patrol).</li> </ul>  | <ul style="list-style-type: none"> <li>• Actual amount paid in prior year for Regulatory Agency Fees will be adjusted by one hundred percent (100%) of CPI Index used to adjust Cost F - "Other costs."</li> </ul>   |
| <p><b>Total Contractor Pass-Through Costs</b></p>  | <ul style="list-style-type: none"> <li>• Calculated as the sum of the Contractor Pass-Through Costs.</li> </ul>   | <ul style="list-style-type: none"> <li>• Same method as prior year.</li> </ul>   |
| <p><b>TOTAL CONTRACTOR'S COMPENSATION</b></p>  | <p>Calculated as the sum of total Annual Cost of Operations, Profit, and Contractor's Pass-Through Costs.</p>   | <p>Same method as prior year.</p>  |



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**Table 2**

| <b>Adjustment Metric</b>   | <b>Rate Year One (2011)<br/>Adjustment and Source of Data</b>   | <b>Rate Year Three (2013)<br/>Adjustment and Source of Data</b>  |
|--|---|--|
| <p><b>Accounts</b><br/><br/>(Single-Family Dwelling accounts for Solid Waste Collection)</p>   | <ul style="list-style-type: none"> <li>• Adjustment shall be based on the percentage change in accounts from March 2008<sup>1</sup> (Source: SBWMA RFP for Collection Services) to June 2010 (Source: current service provider).</li> </ul> | <ul style="list-style-type: none"> <li>• Adjustment shall be based on the percentage change in accounts from June 2010 (Source: current service provider data) to June 2012 (Source: Contractor).</li> </ul> |
| <p><b>Lifts</b><br/><br/>(Multi-Family Dwelling, Commercial and Agency Facility Bin and Cart lifts for Solid Waste, Recyclable and Organic Materials Collection)</p>           | <ul style="list-style-type: none"> <li>• Adjustment shall be based on the percentage change in lifts from March 2008<sup>1</sup> (Source: SBWMA RFP for Collection Services) to June 2010 (Source: current service provider).</li> </ul>    | <ul style="list-style-type: none"> <li>• Adjustment shall be based on the percentage change in lifts from June 2010 (Source: current service provider data) to June 2012 (Source: Contractor).</li> </ul>    |
| <p><b>Pulls</b><br/><br/>(Multi-Family Dwelling, Commercial and Agency Facility Drop Box and Compactor pulls for Solid Waste, Recyclable and Organic Materials Collection)</p> | <ul style="list-style-type: none"> <li>• Adjustment shall be based on the percentage change in pulls from March 2008<sup>1</sup> (Source: SBWMA RFP for Collection Services) to June 2010 (Source: current service provider).</li> </ul>    | <ul style="list-style-type: none"> <li>• Adjustment shall be based on the percentage change in pulls from June 2010 (Source: current service provider) to June 2012 (Source: Contractor).</li> </ul>         |

<sup>1</sup> Contractor's proposal was submitted in March 2008.

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**4. Application for Contractor's Compensation Adjustment**

**4.1 Preparation of Application for Contractor's Compensation Adjustment**

Contractor is required to submit an Application for Contractor's Compensation Adjustment (Application) annually by July 1 for determination of Contractor's Compensation for the following Rate Year. This Section describes the content of the Application.

**A. Reporting of Operational Information**

Operational information shall be reported in total as well as disaggregated by each Line of Business, by Service Sector and by Member Agency. The information shall be submitted on forms provided by Contractor and approved by SBWMA. This data is required to allocate Contractor's Compensation to each Member Agency. Operational information to be provided includes, but is not limited to:

- Tonnage collected by Line of Business;
- Number of accounts by Line of Business and account type (i.e., Container size, Collection frequency, and material type);
- Number of pulls for Roll-Off service;
- Number of lifts for Bin service;
- Number of Containers in service by Line of Business;
- Set-out rates by Line of Business;
- Number of routes and annual route hours by Line of Business;
- Number and type of vehicles by Line of Business;
- Annual route labor hours by Line of Business; and
- Roster of all personnel by category including direct, indirect, and general and administrative (G&A).

**B. Audited Financial Statements**

Financial statements (balance sheet, income and expense statement) for the operations covered by this Agreement for Contractor's immediately preceding fiscal year (October 1 – September 30) shall be submitted with the Application. The financial statements shall be accompanied by a report of an independent Certified Public Accountant licensed by the California Board of Public Accountancy stating that (i) it has audited the financial statements in accordance with auditing standards generally accepted in the United States, and (ii) in its opinion the financial statements present fairly, in all material respects, the financial position of Contractor as of September 30 of the year under review and of the immediately preceding year, and the changes in its financial position for the years then ended in conformity with United States generally accepted accounting principles.

The Certified Public Accountant's report shall also contain a separate statement identifying the amounts of audited revenue and expense that are attributable to the last nine months of the Contractor's fiscal year (January - September 30).

In addition, Contractor shall submit financial statements covering the last three months of the preceding calendar year (October 1 - December 30) and a compiled twelve (12) month statement covering the preceding calendar year. These

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statements shall be accompanied by a report of the independent Certified Public Accountant stating that it has conducted a review of the statements in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants and that contains the elements described in AICPA Professional Standards, section AR 100.

#### **C. Preparation of Management Representation Letter**

The Application shall include a management representation letter signed by the President of Contractor, which states that:

- Management accepts responsibility for the accuracy and completeness of the Application;
- The Application is based on the Contractor's Compensation adjustment procedures described in Article 11, this Attachment K - including Tables 1 and 2, and on the forms approved by the SBWMA; and,
- All significant information and supporting documents relevant to the Contractor's Compensation adjustment process are available for review by SBWMA.

#### **D. Calculation of Contractor's Compensation and Projection of Gross Revenue Billed for the Next Rate Year**

The Application shall include a calculation of the next year's Contractor's Compensation (i) in total, (ii) by Agency including overage(s) or shortfall(s) from the prior year identified in the Revenue Reconciliation process described in Section 11.03 of the Agreement and Section 8 of this Attachment, (iii) by Service Sector, and (iv) by Line of Business.

Contractor shall also project the following year's Gross Revenue Billed (i) in total, (ii) by Agency, (iii) by Service Sector, and (iv) by Line of Business based on rates currently in effect. Contractor shall provide an explanation of, and supporting documentation for, the Gross Revenue Billed projection.

#### **E. Supporting Documentation**

Contractor shall make available to SBWMA and Agency, upon request, supporting documentation and summary reports for all calculations, assumptions, and data used in the calculation of the Contractor's Compensation for the following Rate Year and in the annual revenue reconciliation of Gross Revenue Billed to approved Contractor Compensation. Supporting documents and reports requested may include:

- General Ledger
- Revenue and Accounts Receivable Ledgers
- Collective Bargaining Agreements
- Solid Waste Transfer Tickets
- Weight tickets for all C&D Materials, Recyclable Materials, Inert Materials, and Organic Materials
- Customer billing information and service levels
- Copies of Bureau of Labor Statistics Index Data
- Other information requested by SBWMA

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**5. SBWMA Review of Application**

Agency delegates to SBWMA the authority to conduct the review of the Application. SBWMA will review the Application and supporting documentation to determine that it has been prepared in a manner consistent with the Agreement, including this Attachment. SBWMA may request and Contractor shall provide any missing information necessary to complete the Application. Agency may participate in meetings with SBWMA and Contractor to discuss the Application.

**A. Preliminary Review**

SBWMA shall determine if the Application is complete and ready for analysis.

1. Completeness and Mathematical Accuracy of Application. SBWMA shall determine if:
  - a. All required forms and financial statements are included;
  - b. All forms are completed correctly and data and indexes tie to correct source; and
  - c. All calculations are mathematically correct.

If the Application is incomplete or contains arithmetic errors, SBWMA will notify Contractor and Contractor will promptly provide missing information and corrected calculations.

2. Verification of Operating Statistics. SBWMA may perform an on-site review of Contractor's operations to determine if the then-current operating statistics remain appropriate to allocate costs among Member Agencies for the coming Rate Year.
3. Verification of Supporting Documents and Schedules. Various documents are to be included in the Application to support the requested adjustment in Contractor's Compensation. Any supporting information SBWMA finds to have been omitted shall be promptly be provided by Contractor.
4. Contractor Notification. SBWMA will notify Contractor when it has determined that the Application is complete.

**B. Review of Application**

The Contractor's Compensation review process is intended to allow SBWMA to determine whether the Application is consistent with the Agreement and accurately calculates Contractor's Compensation for the coming Rate Year. SBWMA shall take the following steps during its review of the Application.

1. Review of Contractor's Compensation Calculations. SBWMA shall review Contractor's Compensation adjustment calculations to verify that the calculations are performed in accordance with Article 11 and relevant attachments including this Attachment. SBWMA shall notify Contractor of any apparent errors or discrepancies in the calculation of Contractor's Compensation which it identifies.
2. Review of Revenue Projection for Following Year. SBWMA shall review Contractor's projection of Gross Revenue Billed. Any unusual trends will be identified and explanations obtained from the Contractor.
3. Determine Prior Year Revenue Surplus/Shortfall. SBWMA will review the Contractor's Revenue Reconciliation calculations submitted in March in light of audited financial statements.

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**6. Methodology for Allocating Contractor's Compensation Among Member Agencies**

**A. Overview**

After having calculated Contractor's Compensation in total, Contractor will allocate it among the Member Agencies using the methodology described in subsection 6.B and illustrated in Attachment N.

A cost allocation process will be used to attribute the Contractor's costs to the individual Member Agencies it services. The allocation process will rely on operating statistics compiled by Contractor including those from the annual route audit described in Section 7.12, including route labor hours per year, route hours per year, number of accounts, service stops, Bin and Cart lifts, Drop Box pulls, tonnage, and number of Containers, reported separately for each Member Agency. Route labor hours and route hours shall include hours related to on and off route time, collection time, and hauling time to deliver materials to the Designated Transfer and Processing Facility. Contractor shall compile these operating statistics based on the annual route audit or best available information.

**B. Contractor's Compensation Allocation Methodology**

The following methodology will be used in allocating Contractor's Compensation to each Member Agency when Contractor's Compensation for Rate Year One (2011) and each subsequent Rate Year is determined.

If particular costs can be assigned to a specific Member Agency, such costs shall be attributed to that Member Agency. Otherwise, expenses shall be assigned to each Member Agency as follows:

**Rate Year One (2011)**

For Rate Year One, Contractor's Compensation, adjusted in 2010 as described above, will be allocated using the 2011 operating statistics contained in Attachment N.

**1. COSTS OF OPERATION**

- a. Wages for Direct Labor (drivers and mechanics). Direct Labor Wages shall be allocated to each Member Agency based on its proportional share of Rate Year One (2011) annual route labor hours.
- b. Benefits for Direct Labor. Benefit costs shall be allocated to each Member Agency based on its proportional share of Rate Year One (2011) annual route labor hours.
- c. Payroll Taxes. Costs shall be allocated to each Member Agency based on its proportional share of Rate Year One (2011) annual route labor hours.
- d. Workers Compensation Expense. Costs shall be allocated to each Member Agency based on its proportional share of Rate Year One (2011) annual route labor hours.
- e. Direct Fuel Costs. Costs shall be allocated to each Member Agency based on its proportional share of Rate Year One (2011) annual route hours.
- f. Other Direct Costs. Costs shall be allocated to each Member Agency based on its proportional share of Rate Year One (2011) annual route hours.
- g. Depreciation for Collection Equipment:

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- i. Route Vehicles - Costs shall be allocated to each Member Agency based on its proportional share of the Rate Year One (2011) annual route hours.
- ii. Collection Containers - Costs shall be allocated to each Member Agency based on its proportional share of the number of Containers in service in 2011.
- iii. Other - Costs shall be allocated to each Member Agency based on its proportional share of Rate Year One (2011) annual route hours.
- h. Allocated Indirect Costs Excluding Depreciation and Interest:
  - i. General and Administration – Indirect General and Administration Costs (excluding depreciation and interest) shall be allocated to each Member Agency based on its proportional share of Rate Year One (2011) customer accounts serviced.
  - ii. Vehicle Maintenance - Indirect Vehicle Maintenance Costs (excluding depreciation and interest) shall be allocated to each Member Agency based on its proportional share of Rate Year One (2011) annual route hours.
  - iii. Container Maintenance - Container Maintenance Costs (excluding depreciation and interest) shall be allocated to each Member Agency based on its proportional share of Rate Year One (2011) Containers in service.
  - iv. Operations – Indirect Operations Costs (excluding depreciation and interest) shall be allocated to each Member Agency based on its proportional share of Rate Year One (2011) annual route hours.
- i. Implementation - Implementation Costs (excluding depreciation and interest) shall be allocated to each Member Agency based on its proportional share of Rate Year One (2011) annual route hours.
- j. Allocated Indirect Depreciation. The Allocated Indirect Depreciation Expenses shall be allocated in the manner described in subsection h.iv above.
- k. Total Annual Cost of Operations. The Rate Year One (2011) Total Annual Cost of Operations for each Member Agency shall equal the sum of the projected costs listed above in subsections a through j.

2. PROFIT

Profit shall be calculated for each Member Agency using a ninety and one-half percent (90.5%) Operating Ratio and the Total Annual Cost of Operations for each Member Agency per subsection k above. [The calculation is:  $(k \div 0.905) - k = \text{profit}$ ].

3. CONTRACTOR'S PASS-THROUGH COSTS

- a. Regulatory Agency Fees. Regulatory Agency Fees shall be allocated based on Rate Year One (2011) annual route hours. Agency fees required by Article 10 of the Agreement shall not be included in this calculation, as they will be calculated later in the process.
- b. Direct Interest Expense. The Direct Interest Expense shall be allocated based on the ratio of each Agency's depreciation expense to the total depreciation expense.
- c. Implementation Cost Interest Expense. The Implementation Interest Expenses shall be allocated in the manner described in subsection 1.i.

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- d. Other Agency Costs shall be directly allocated to the specific Member Agency that applies to the individual expense in this category.
- e. Total Contractor Pass-Through Costs. The Rate Year One (2011) Total Pass-Through Costs for each Agency shall equal the sum of the Agency's allocated Regulatory Agency Fees, Interest Expense, Implementation Interest Expense, and other Agency costs, if any.

4. RATE YEAR ONE (2011) CONTRACTOR'S COMPENSATION

The Rate Year One (2011) Contractor's Compensation for each Agency shall equal the sum of the Agency's Rate Year One (2011) Total Annual Cost of Operations, plus Rate Year One (2011) Profit, plus Rate Year One (2011) Total Contractor Pass-Through Costs.

Subsequent Rate Years (2012-2020)

The allocation methodology set forth above shall be used by the SBWMA in subsequent years, utilizing operating statistics compiled by Contractor in May of each Rate Year.

**7. Pass-Through Costs**

Pass-Through Costs are costs which are included in Gross Revenue Billed but not retained by Contractor and on which no profit is paid to Contractor. Pass-Through Costs include Member Agency Franchise and other Fees which are paid to each Member Agency and charges billed by SBWMA for processing and Disposal of Materials delivered by Contractor to the Designated Transfer and Processing Facility.

Franchise and other Fees paid to each Member Agency will be identified by jurisdiction in the Application and do not need to be allocated. SBWMA will estimate the amount of these fees for the Rate Year covered by the Application based on each Member Agency's fee structure and the amount of recommended Contractor's Compensation.

Payments to SBWMA for its charges shall be allocated by SBWMA based on Tonnage projected to be delivered to the Designated Transfer and Processing Facility during the Rate Year.

**8. Revenue Reconciliation of Gross Revenue Billed to Approved Contractor's Compensation for Prior Year**

Annually, Contractor's Gross Revenues Billed for the prior Rate Year will be reconciled to the Contractor's Compensation approved for the prior Rate Year. The difference will be added to or subtracted from Contractors' Compensation for the following rate year.

The Revenue Reconciliation shall be reported annually by March 31 of each year (in a format to be approved by SBWMA) commencing with the Application submitted in 2012 for Rate Year Three (2013) and shall include the following:

- a. Statement of Gross Revenue Billed for the most-recently completed Rate Year for each Member Agency, by Line of Business.
- b. Statement of Pass-Through Costs by Agency, by Line of Business.

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- c. Statement of Revenues Billed attributable to unscheduled/intermittent service, by Agency.

Subtracting the sum of items b and c from a, yields Net Revenue Billed. [The calculation is:  $a - (b + c) = \text{Net Revenue Billed}$ .] Net Revenue Billed is compared to the approved Contractor's Compensation and the surplus, or shortfall, is determined.

The amounts described in items a, b and c for the prior Rate Year must be included in the audited financial statement due by August 1. Any variance between the March 31 data and the final audited data must be explained and the Revenue Reconciliation report revised accordingly. The audited data will be considered in calculating the adjustment to Contractor's Compensation for the following Rate Year.

Payment(s) made by Contractor to SBWMA under section 6.02 for transportation and Disposal and supplemental processing fees shall not be subtracted from Gross Revenue Billed.

The revenue reconciliation process will not be carried out during the last year of the Term.

### **9. Preparation and Review of Reports**

SBWMA staff will prepare a report on its review of the Application. The report will contain SBWMA staff findings on each of the following components of the Application.

- Contractor's Annual Costs of Operation (Changes in service levels for Rate Years One and Three only)
- Contractor's Pass-Through Costs
- Calculated Profit
- Revenue surplus or shortfall for the prior Rate Year, based on Revenue Reconciliation
- Pass-Through Costs, including Contractor payments to SBWMA for Processing and Disposal and to Agency for Franchise Fees
- Total Revenue Requirement for Contractor for the Rate Year
- Allocation of Revenue Requirement (and components) to each Member Agency
- Recommended overall percentage change in each Agency's rates
- Discussion of issues for consideration by Member Agencies, including unresolved disagreements, if any, that Contractor has with the report's findings and recommendations.

On or before September 1 of each year, SBWMA staff will provide a draft of its report to Contractor and to each Member Agency for review and shall consider all comments received within ten (10) days after the draft report is released. Agency will be responsible to include in its comments any special or intermittent Agency specific costs that should be included in Contractor's Revenue Requirement for the next year. SBWMA staff will submit the final report to the SBWMA Board of Directors for consideration at a regular or special meeting held before September 30.

Upon approval by the SBWMA Board, the report will be distributed to each Member Agency, on or before October 1.



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**10. Performance Incentives and Disincentives for Contractor's Performance**

Contractor performance will be monitored against established and quantifiable standards in the areas of Diversion, Collection Performance, and Customer Service. Incentives have been designed to reward Contractor for outstanding levels of performance with regard to Diversion, Number of Missed Pick-Up Initial Complaints, and Average Hold Time for customer service calls. Disincentives (in the form of reduced compensation to Contractor) may be assessed for substandard performance related to: diversion level attained (i.e., Single-Family and Commercial sectors), Contamination Level (i.e., Targeted Recyclable Materials, Residential and Commercial Organic Materials, and Commercial Plant Materials), Missed Pick-Up Initial Complaints, Missed Pick-Up Collection Events, Average Hold Time, and Calls Answered in Ninety (90) Seconds.

The Performance Incentives and Disincentives are detailed in Attachment I. Payment related to Performance Incentives and Disincentives shall be included in Contractor's Application, with the exception of Disincentive assessments pertaining to Contamination which are calculated and paid to SBWMA quarterly. Contractor's Compensation for the next Rate Year will be increased or decreased by the net amount of Performance Incentive payments and Disincentive assessments calculated.

**11. Rate Setting**

Member Agencies shall review their collection rates annually (or as frequently as they determine necessary) and adjust them in amount and with an effective date sufficient to achieve the Revenue Requirement projected for that year in the SBWMA report. The Revenue Requirement consists of: (i) their allocated portion of Contractor's Compensation; (ii) an adjustment to reflect a revenue shortfall or surplus for the prior Rate Year; (iii) Pass-Through Costs including, but not limited to, Franchise Fees and payments to SBWMA for processing and disposal; and (iv) Performance Incentive and Disincentive payments due, if any.



**ATTACHMENT L**

**Implementation Plan**



# ATTACHMENT L IMPLEMENTATION PLAN

The implementation plan specified in this Attachment is based on Contractor's Proposal for roll-out of new services on January 1, 2011.

| <b>Implementation Plan Timeline Detail</b>                   |            |   |
|--|------------|---|
| <b>1 - Implementation Management</b>                         |            |   |
| <u>Start</u>   | <u>End</u> | <u>Description</u>  |
| 1-Jun-09   | 31-Dec-11  | RSMC / SBWMA coordination meetings – minimum once per month   |
| <b>2 - SBWMA/Member Agency Public Education and Outreach</b> |            |   |
| <u>Start</u>   | <u>End</u> | <u>Description</u>  |
| 1-Jun-09   | 31-Dec-10  | RSMC Public Education coordination meetings with SBWMA and Member Agencies  |
| 1-Jan-10   | 31-Dec-10  | RSMC collaboration with SBWMA/Member Agencies on design of public education materials   |
| 1-Jun-10   |            | Suggested date to send introductory mailer to all residential customers   |
| 1-Jul-10   |            | Suggested date to send introductory mailer to all multi-family and commercial accounts  |
| 1-Jul-10   |            | Suggested date to send comprehensive residential services brochure including tear-off postcard for selection of garbage cart size   |
| <b>3 - RSMC Public Education and Outreach</b>                |            |   |
| <u>Start</u>   | <u>End</u> | <u>Description</u>  |
| 1-Jun-09   | 31-Dec-10  | RSMC Public Education coordination meetings with SBWMA and Member Agencies  |
| 1-Jan-10   | 31-Dec-10  | SBWMA/Member Agencies collaboration with RSMC on design of public education materials   |
| 1-Jan-10   | 1-June-10  | Design and produce "How to" recycling DVD   |
| 1-Jan-10   | 1-June-10  | Develop RSMC website  |
| 1-Jan-10   | 31-Dec-10  | Design and produce door hangers   |
| 1-Jan-10   | 31-Dec-10  | Design and produce Non-Collection Notices   |
| 1-Jan-10   | 31-Dec-10  | Assemble used motor oil recycling kits  |
| 1-Jan-10   | 31-Dec-10  | Design and produce annual on-call collection service collection notices   |
| 1-Jan-10   | 31-Dec-10  | Design and produce annual holiday tree recycling notices  |
| 1-Jan-10   | 31-Dec-10  | Design and produce twice-annual commercial recycling notices  |
| 2-Apr-10   | 31-Dec-10  | Begin staffing booth at local public events, PSA's, presentations at service organizations & schools.   |
| <b>4 - Customer Service</b>                                  |            |   |
| <u>Start</u>   | <u>End</u> | <u>Description</u>  |
| 1-Jun-09   |            | Request for database including all customer information in electronic flat file. Initial request occurring in June 2009. Subsequent requests will be done on a quarterly basis. |
| 1-Sep-09   | 31-Dec-09  | RSMC database conversion to NCRM  |
| 1-Sep-09   | 31-Dec-09  | Verify accuracy and completion of all customer information  |
| 1-Sep-09   | 31-Dec-09  | Installation of all NCRM service codes for daily work orders and reporting  |
| 1-Sep-09   | 31-Dec-09  | Installation and testing of all systems   |

# ATTACHMENT L IMPLEMENTATION PLAN

| <b>Implementation Plan Timeline Detail</b>     |            |  |
|--|------------|--|
| <b>5 - Cart Procurement</b>                    |            |  |
| <u>Start</u>                                   | <u>End</u> | <u>Description</u>   |
| 3-Aug-09                                       | 30-Sep-09  | Determine configuration of cart orders   |
| 1-Sep-09                                       | 30-Sep-09  | Place all cart orders for residential, multi-family, and commercial customers  |
| 1-Apr-10                                       | 30-Sep-10  | Delivery of all carts to RSMC storage location   |
| <b>6 - Container Procurement</b>               |            |  |
| <u>Start</u>                                   | <u>End</u> | <u>Description</u>   |
| 3-Aug-09                                       | 30-Sep-09  | Determine configuration of cart orders   |
| 1-Sep-09                                       | 31-Dec-09  | Place all steel container orders   |
| 1-Apr-10                                       | 31-Jul-10  | Delivery of all steel containers to RSMC storage location  |
| <b>7 - Vehicle Procurement</b>                 |            |  |
| <u>Start</u>                                   | <u>End</u> | <u>Description</u>   |
| 1-Sep-09                                       | 30-Sep-09  | Place all truck and chassis orders including all support vehicles  |
| 1-Jul-10                                       | 30-Sep-10  | Distributor QC inspections, vehicle registration, and delivery to RSMC   |
| 16-Aug-10                                      | 15-Oct-10  | Install Routeware equipment in collection vehicles   |
| 1-Jul-10                                       | 30-Nov-10  | Final inspection and field testing of all vehicles by RSMC   |
| <b>8 - Collection Routing</b>                  |            |  |
| <u>Start</u>                                   | <u>End</u> | <u>Description</u>   |
| 1-Sep-09                                       | 31-Dec-09  | RSMC database conversion to NCRM   |
| 1-Sep-09                                       | 31-Dec-09  | Verify accuracy and completion of all customer information   |
| 1-Jan-10                                       | 30-Jun-10  | Download customer data file to Route Smart, Obtain Updated GIS Maps, Gecode and trouble shoot data, create initial routes, test and modify as necessary. |
| 1-Oct-09                                       | 31-Dec-10  | Quarterly obtain updated customer files, update NCRM files, changes in Route Smart   |
| 1-Oct-09                                       | 31-Dec-09  | Obtain updated customer files, update NCRM files, changes in Route Smart   |
| 1-Jan-10                                       | 31-Mar-10  | Obtain updated customer files, update NCRM files, changes in Route Smart   |
| 1-Apr-10                                       | 30-Jun-10  | Obtain updated customer files, update NCRM files, changes in Route Smart   |
| 1-Jul-10                                       | 30-Sep-10  | Obtain updated customer files, update NCRM files, changes in Route Smart   |
| 1-Oct-10                                       | 31-Dec-10  | Obtain updated customer files, update NCRM files, changes in Route Smart   |
| 1-Jul-10                                       | 31-Dec-10  | Download customer data file to Route Ware Software and install on-board system, test and modify as necessary.  |
| 1-Sep-10                                       | 31-Dec-10  | Field-check all MFD and Commercial customer locations / verify readiness for service   |
| 1-Oct-10                                       | 31-Dec-10  | Obtain customer changes daily, update NCRM files and make changes in Route Smart and Route Ware.   |
| <b>9 - Operations and Maintenance Facility</b> |            |  |
| <u>Start</u>                                   | <u>End</u> | <u>Description</u>   |
| 1-Oct-09                                       | 30-Oct-09  | Develop plan for computer/communications/office equipment procurement and installation   |
| 2-Nov-09                                       | 31-Dec-09  | Place orders for all SRDC computers/communications/office equipment  |
| 1-Jul-10                                       | 31-Dec-10  | Coordinate with SBWMA and Allied for equipment installations and move to SRDC  |
| 1-Oct-10                                       | 31-Dec-10  | Install and test computer and communications systems   |

## ATTACHMENT L IMPLEMENTATION PLAN

| <b>Implementation Plan Timeline Detail</b>       |            |   |
|--|------------|---|
| <b>10 - MFD &amp; Commercial Recycling Blitz</b> |            |   |
| <u>Start</u>                                     | <u>End</u> | <u>Description</u>  |
| 1-Jan-10   | 31-Mar-10  | Design and produce New Service brochure for Recycling Blitz   |
| 1-Jan-10   | 31-Mar-10  | Establish Recycling Blitz operations base in Burlingame   |
| 1-Jan-10   | 31-Mar-10  | Recruit and train Recycling Blitz Team personnel  |
| 1-Jan-10   | 31-Mar-10  | Develop detailed Recycling Blitz Operations Plan and Team assignments   |
| 1-July-10  | 31-Dec-10  | Conduct MFD & commercial recycling promotion Blitz  |
| <b>11 - Personnel Recruitment and Training</b>   |            |   |
| <u>Start</u>                                     | <u>End</u> | <u>Description</u>  |
| 19-Jul-10  |            | Reception BBQ to meet RSMC team and opportunity to ask questions.   |
| 09-Aug-10  |            | Job fair including a formal presentation, mandatory training schedule, Q & A, and employment application process. |
| 23-Aug-10  |            | Make-up meeting for employees that were not able to attend the job fair.  |
| 1-Sep-10   | 30-Sep-10  | Issue letters of employment offer   |
| 1-Oct-10   | 29-Oct-10  | Pre-employment exams  |
| 1-Dec-10   | 28-Dec-10  | New-hire orientation and onboarding   |
| 4-Oct-10   | 17-Dec-10  | Customer Service, Sales & Administration, and Operations training.  |
| 18-Oct-10  | 17-Dec-10  | Driver and Mechanic training.   |
| 15-Nov-10  | 17-Dec-10  | Practice collection route runs by all new drivers   |
| <b>12 - Container Distribution</b>               |            |   |
| <u>Start</u>                                     | <u>End</u> | <u>Description</u>  |
| 2-Aug-10   |            | Deadline for selection of SFD cart size pending delivery of default size  |
| 16-Aug-10  | 3-Dec-10   | Exchange all commercial and multi-family containers   |
| 13-Sep-10  | 18-Dec-10  | Delivery of all residential carts and kitchen pails   |
| 15-Nov-10  | 31-Dec-10  | Distribution to multi-family dwelling customers of public education door hangers, posters, and Tote-Bags          |
|  |            |   |





# **ATTACHMENT M**

## **Agency's Franchise Fee and Other Fees**



## **ATTACHMENT M AGENCY'S FRANCHISE FEES AND OTHER FEES**

### **FRANCHISE FEE**

In consideration of the exclusive franchise granted to Contractor by this Agreement, Contractor shall pay to Agency an annual Franchise Fee of 8%.

### **LANDFILL CLOSURE FEE**

The Agency must finance the federal and State mandated costs associated with the long-term monitoring requirements of the former landfill located along the San Francisco Bay shore. The Regional Water Quality Control Board and the Bay Area Air Quality Management District require on-going sampling and analysis of ground water and air quality. In addition, the former landfill is required to extract landfill gas and burn it using a flare system. The annual costs of monitoring, testing and continued engineering support are approximately \$200,000 or approximately 3% of Agency's revenue requirements for the Previous Contractor in the 2010 rate year. The Agency shall include this amount in Rates and Contractor shall pay it to Agency as a separate item.

### **ADMINISTRATIVE/AB 939 FEE**

The Agency approved a 2% Rate adjustment to Residential and Commercial Customers in the 2008 rate year to augment the current level of Recycling services and programs offered to Single-Family, Multi-family and Commercial Customers in Agency. The funds provide financial resources for the Agency to implement and administer these programs as outlined in Agency's approved Climate Action Plan. The Agency shall include this amount in future Rates and Contractor shall pay it to Agency as a separate item.

### **STEAM CLEANING OF PUBLIC WASTE AND RECYCLING RECEPTACLES**

The Agency currently collects \$75,000 for the steam cleaning and sanitizing of all Agency-owned Solid Waste and Recycling receptacles located within the business districts. The Agency shall include this amount in its Rates and Contractor shall pay it to the Agency as a separate item.



# **ATTACHMENT N**

## **Contractor's Compensation and Operating Statistics**



# **ATTACHMENT N CONTRACTOR'S COMPENSATION AND OPERATING STATISTICS**

## **EXAMPLE CALCULATION OF CONTRACTOR'S COMPENSATION FOR RATE YEAR ONE (2011) AND ALLOCATION OF 2011 COSTS AMONG MEMBER AGENCIES**

The basic principles by which Contractor's Compensation is to be determined each year are contained in Article 11 of the Agreement.

Attachment K to the Agreement describes in more detail the procedures which will be used to adjust Contractor's Compensation annually and to allocate it, and specified Pass-Through costs, among the Member Agencies. The first column in Table 1 of Attachment K describes the steps by which the various components of Contractor's Cost of Operations and Contractor's Pass-Through Costs, as proposed in 2008 dollars, will be adjusted in 2010 to reflect inflationary and other changes which have occurred since March 2008 and/or are projected to occur by 2011. Table 1 also describes the steps by which the same components of Cost of Operations and Contractor's Pass-Through Costs will be adjusted in each succeeding year during the Term.

This Attachment N is intended to illustrate the initial adjustment of costs from 2008 to 2011 and the allocation of the 2011 adjusted costs, Profit and Pass-Through Costs (which together comprise the 2011 Revenue Requirement) among the Member Agencies. Subsequent annual adjustments will follow a similar, though simpler, process described in the second column of Table 1 in Attachment K.

The dollar amounts contained in the various forms contained in Attachment N are intended to provide concrete illustrations of the process that will be followed by Contractor in preparing its Application for 2011 Contractor's Compensation and by SBWMA in reviewing that Application. They are not intended to be predictive of the results of that process. In almost all cases, the 2011 forecasts in Attachment N have been developed, in part, on the basis of estimated Bureau of Labor Statistics index levels for the period from July 2009 to June 2010. They also are based on assumed changes in services levels, the actual data for which will not be available until 2010. Moreover, the figure used for the largest component of Pass-Through Costs (the SBWMA charges for use of the Shoreway Facility) are in 2008 values. Finally, the metrics used to allocate the forecasted 2011 costs among Member Agencies (e.g., number of customers, number of route miles, number of containers, tonnage, etc.) use data as of February 2008; the compensation adjustments made in 2010 will use more current data.

The components of Attachment N, and a brief description of each, are as follows:

### **Form A: Contractor's Compensation - SBWMA Summary**

This table shows the change, in amount and percentage, between the elements of Contractor's Compensation as proposed in 2008 dollars, and as forecast to be in effect in 2011 on a total SBWMA Service Area basis.

### **Form B: Projected Contractor's Compensation in 2011 by Service Sector**

This table distributes the total Contractor's Compensation forecast for 2011 (Form A) among the three (3) "Service Sectors" (Single-Family Residential, Multi-Family Residential and Commercial, and Member Agency Facilities).

### **Form C: Projected 2011 Revenue Requirement by Member Agency**

This table allocates the Contractor's Compensation forecast for 2011 (Form A) and unadjusted 2008 Pass-Through Costs among the Member Agencies. The allocation is

based on the methodology described in Attachment K, Section 6, using the statistics shown on Form J.

**Form D: 2011 Revenue Requirement - Agency Detail**

This form provides more detail on the components of the forecast 2011 Revenue Requirement for Agency.

**Form E: Forecast 2011 Costs of Operations – Single-Family Dwelling Cost Detail**

This table displays the forecast 2011 cost of operations allocated to the Single-Family Dwelling Service Sector, disaggregated among the relevant "Lines of Business" (e.g., Solid Waste, Targeted Recyclable Materials, etc.).

**Form F: Forecast 2011 Costs of Operations - Multi-Family and Commercial Cost Detail**

This table displays the forecast 2011 Costs of Operations allocated to the Multi-Family Residential and Commercial Service Sectors, disaggregated among the relevant Lines of Business.

**Form G: Forecast 2011 Costs of Operations - Member Agency Facilities Cost Detail**

This table displays the forecast 2011 Costs of Operation allocated to the Member Agency Facilities Service Sector, disaggregated among the relevant Lines of Business.

**Form H: Indexes for Compensation Adjustment**

These tables display the historical, and assumed future, index levels which are used to adjust five (5) categories of Operating Costs. The calculations shown illustrate the two-step procedures described in Attachment K, Table 1 to adjust these costs from 2008 to 2011. These tables illustrate the calculation of the period to period changes in costs contained in Form K, Detail 1 and Detail 4.

**Form I: CBA Wages and Benefits Worksheet**

This form identifies the 2008 wages and benefit levels contained in collective bargaining agreements currently in effect and the calculations that will be used to determine the adjustments to these costs to 2011.

**Form J: Statistics for Cost Allocation**

This form contains the data on relative service provided to individual Member Agencies (e.g., number of customers, tons delivered to the Shoreway Facility, etc.) that will be used to distribute various categories of cost among the Member Agencies.

**Form K: Detail on Adjustments of Cost Categories to Reflect Changes in Levels of Price Indices and Changes in Service Levels**

**Detail 1 - Indirect Cost Change**

This table provides the calculations used to generate the 2011 costs for the "Indirect Costs excluding Depreciation and Interest" cost category. An explanation of the methodology used to adjust this cost category is contained in Attachment K, Table 2.



The indirect costs specified in this form are used to populate the changes to this cost category in the "Detail 2 - Adjust Cost" worksheet.

#### **Detail 2 - Adjust Cost**

This table provides the calculations used to generate the 2011 costs for the "Indirect Costs excluding Depreciation and Interest" cost category by Line of Business and are based on the costs calculated in the "Detail 1 - Indirect Cost Change" worksheet. The costs specified in this form are used to populate the changes to this cost category in the "Detail 3 - Service Level Changes" worksheet.

#### **Detail 3 - Service Level Changes**

This table provides the calculations to adjust the costs delineated on the "Detail 2 - Adjust Cost" worksheet for changes in service levels. The adjustment to costs based on service level changes are calculated for each Service Sector by Line of Business. The costs that are updated based on service level changes are used to populate the costs in the "Detail 4 - Updated Total Costs" worksheet. The adjustment to costs based on changes in service levels will only be calculated for Rate Year One (2011) and Rate Year Three (2013).

#### **Detail 4 - Updated Total Costs**

This table provides the updated costs for 2011 by Service Sector and Line of Business that are calculated in the "Detail 3 - Service Level Change" worksheet. The calculations used to adjust costs by the annual average percentage change in various indices are included in Forms H and I.

#### **Form L: Recology Cost Forms (March 2008)**

|               |   |
|---------------|---|
| Cost Form 1:  | General Information                       |
| Cost Form 2:  | Direct Labor                              |
| Cost Form 3:  | Other Personnel                           |
| Cost Form 4:  | Capital Schedule                          |
| Cost Form 5:  | Total SBWMA Cost Summary                  |
| Cost Form 6:  | Single Family Dwelling Cost               |
| Cost Form 7:  | Commercial and Multi-Family Dwelling Cost |
| Cost Form 8:  | Agency Services Cost                      |
| Cost Form 9:  | Allocated Indirect Costs                  |
| Cost Form 10: | Allocated Startup Costs                   |
| Cost Form 11: | Debt Service and Depreciation Schedule    |
| Cost Form 12: | Interest Expense on Startup Costs         |

Cost Projection: Next Rate Year vs. Current Year

**EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY**

Combined Collection - SBWMA SUMMARY

**A. SBWMA SUMMARY**

|   | Costs - 2008      | Estimated Costs - 2011 | Change           | % Change    |
|---|-------------------|------------------------|------------------|-------------|
| <b>Annual Cost of Operations</b>                      |                   |                        |                  |             |
| Direct Labor-Related Costs                            |                   |                        |                  |             |
| Wages for CBAs  | 12,180,646        | 14,367,375             | 2,186,728        | 18.0%       |
| Benefits for CBAs                                     | 3,782,561         | 4,425,358              | 642,797          | 17.0%       |
| Payroll Taxes   | 1,012,978         | 1,195,366              | 182,388          | 18.0%       |
| Workers Compensation Insurance                        | 1,218,046         | 1,307,879              | 89,833           | 7.4%        |
| Total Direct Labor Related-Costs                      | 18,194,231        | 21,295,977             | 3,101,746        | 60.3%       |
| Direct Fuel Costs                                     | 3,361,635         | 2,748,036              | (613,599)        | -18.3%      |
| Other Direct Costs                                    | 1,959,869         | 2,050,911              | 91,042           | 4.6%        |
| Depreciation  |                   |                        |                  |             |
| - Collection Vehicles                                 | 3,680,736         | 3,905,261              | 224,525          | 6.1%        |
| - Containers  | 2,160,702         | 2,292,505              | 131,803          | 6.1%        |
| Total Depreciation                                    | 5,841,438         | 6,197,766              | 356,328          | 6.1%        |
| Allocated Indirect Costs excluding Depreciation       |                   |                        |                  |             |
| General and Administrative                            | 5,970,593         | 6,369,065              | 398,472          | 6.7%        |
| Operations  | 1,510,853         | 1,624,603              | 113,750          | 7.5%        |
| Vehicle Maintenance                                   | 2,236,261         | 2,549,498              | 313,237          | 14.0%       |
| Container Maintenance                                 | 787,633           | 848,526                | 60,893           | 7.7%        |
| Total Allocated Indirect Costs excluding Depreciation | 10,505,341        | 11,391,692             | 886,351          | 8.4%        |
| Total Allocated Indirect Depreciation Costs           | 166,018           | 176,145                | 10,127           | 6.1%        |
| Annual Implementation Cost Amortization               | 217,225           | 224,016                | 6,791            | 3.1%        |
| <b>Total Annual Cost of Operations</b>                | <b>40,245,755</b> | <b>44,084,542</b>      | <b>3,838,787</b> | <b>9.5%</b> |
| <b>Profit</b>   | 4,224,692         | 4,627,659              | 402,967          | 9.5%        |
| <b>Operating Ratio</b>                                | 90.5%             | 90.5%                  |                  |             |
| <b>Total Operating Costs</b>                          | <b>44,470,447</b> | <b>48,712,201</b>      | <b>4,241,754</b> | <b>9.5%</b> |
| <b>Contractor Pass-Through Costs</b>                  |                   |                        |                  |             |
| Regulatory Agency Fees                                | -                 | -                      | -                |             |
| Interest Expense                                      | 2,990,538         | 3,172,961              | 182,423          | 6.1%        |
| Interest Expense on Implementation Cost               | 115,290           | 115,290                | -                | 0.0%        |
| <b>Total Contractor Pass-Through Costs</b>            | <b>3,105,828</b>  | <b>3,288,251</b>       | <b>182,423</b>   | <b>5.9%</b> |
| <b>TOTAL CONTRACTOR'S COMPENSATION</b>                | <b>47,576,275</b> | <b>52,000,452</b>      | <b>4,424,176</b> | <b>9.3%</b> |
| <b>Other Pass-Through Costs</b>                       |                   |                        |                  |             |
| Disposal & Processing Fees                            | -                 | -                      | -                |             |
| Agency Franchise Fees                                 | -                 | -                      | -                |             |
| <b>Total Other Pass-Through Costs</b>                 | <b>-</b>          | <b>-</b>               | <b>-</b>         |             |
| <b>TOTAL REVENUE REQUIREMENT</b>                      |                   |                        |                  |             |

## EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY

## B. 2011 PROJECTED CONTRACTOR'S COMPENSATION BY SERVICE SECTOR

| TOTAL COLLECTION COSTS                                | 2011 Total Costs    |                                   |                     |                     |
|---|---------------------|-----------------------------------|---------------------|---------------------|
|   | Single-Family Costs | Multi-Family and Commercial Costs | Member Agency Costs | Total Costs         |
| <b>Annual Cost of Operations</b>                      |                     |                                   |                     |                     |
| Direct Labor-Related Costs                            |                     |                                   |                     |                     |
| Wages for CBAs  | \$7,767,212         | \$6,409,813                       | \$190,350           | \$14,367,375        |
| Benefits for CBAs                                     | \$2,450,691         | \$1,915,765                       | \$58,902            | \$4,425,358         |
| Payroll Taxes   | \$646,232           | \$533,296                         | \$15,837            | \$1,195,366         |
| Workers Compensation Insurance                        | \$707,059           | \$583,493                         | \$17,327            | \$1,307,879         |
| Total Direct Labor Related-Costs                      | \$11,571,195        | \$9,442,366                       | \$282,416           | \$21,295,977        |
| Direct Fuel Costs                                     | \$1,571,462         | \$1,133,674                       | \$42,899            | \$2,748,036         |
| Other Direct Costs                                    | \$1,122,829         | \$884,663                         | \$43,419            | \$2,050,911         |
| Depreciation  |                     |                                   |                     |                     |
| - Collection Vehicles                                 | \$2,259,409         | \$1,587,085                       | \$58,767            | \$3,905,261         |
| - Containers  | \$1,646,998         | \$645,507                         | \$0                 | \$2,292,505         |
| Total Depreciation                                    | \$3,906,407         | \$2,232,592                       | \$58,767            | \$6,197,766         |
| Allocated Indirect Costs excluding Depreciation       |                     |                                   |                     |                     |
| General and Administrative                            | \$3,684,464         | \$2,492,844                       | \$191,757           | \$6,369,065         |
| Operations  | \$939,822           | \$635,867                         | \$48,913            | \$1,624,603         |
| Vehicle Maintenance                                   | \$1,474,869         | \$997,870                         | \$76,759            | \$2,549,498         |
| Container Maintenance                                 | \$490,867           | \$332,112                         | \$25,547            | \$848,526           |
| Total Allocated Indirect Costs excluding Depreciation | \$6,590,022         | \$4,458,694                       | \$342,977           | \$11,391,692        |
| Total Allocated Indirect Depreciation Costs           | \$102,164           | \$68,696                          | \$5,284             | \$176,145           |
| Annual Implementation Cost Amortization               | \$123,209           | \$94,087                          | \$6,720             | \$224,016           |
| <b>Total Annual Cost of Operations</b>                | <b>\$24,987,288</b> | <b>\$18,314,772</b>               | <b>\$782,482</b>    | <b>\$44,084,542</b> |
| <b>Profit</b>   | <b>\$2,622,975</b>  | <b>\$1,922,545</b>                | <b>\$82,139</b>     | <b>\$4,627,659</b>  |
| <b>Operating Ratio</b>                                | 90.5%               | 90.5%                             | 90.5%               | 90.5%               |
| <b>Total Operating Cost</b>                           | <b>\$27,610,263</b> | <b>\$20,237,317</b>               | <b>\$864,620</b>    | <b>\$48,712,201</b> |
| <b>Contractor Pass-Through Costs</b>                  |                     |                                   |                     |                     |
| Regulatory Agency Fees                                |                     |                                   |                     |                     |
| Interest Expense                                      | \$1,808,588         | \$1,300,913                       | \$63,459            | \$3,172,961         |
| Interest Expense on Implementation Cost               | \$65,715            | \$47,268                          | \$2,307             | \$115,290           |
| <b>Total Contractor Pass-Through Costs</b>            | <b>\$1,874,303</b>  | <b>\$1,348,181</b>                | <b>\$65,766</b>     | <b>\$3,288,251</b>  |
| <b>TOTAL CONTRACTOR'S COMPENSATION</b>                | <b>\$29,484,566</b> | <b>\$21,585,499</b>               | <b>\$930,387</b>    | <b>\$52,000,452</b> |

FRANCHISE AGREEMENT FOR COLLECTION SERVICES  
 EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY  
 C. 2011 PROJECTED REVENUE REQUIREMENT BY MEMBER AGENCY

ATTACHMENT N

| TOTAL COLLECTION COSTS                                       | 2011 Costs          |                    |                    |                    |                    |                    |                    |                    |                     |                    |                     |                  |                         |
|--|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------|---------------------|------------------|-------------------------|
|  | 2011 Total          | Atherton           | Belmont            | Burlingame         | E Palo Alto        | Foster City        | Hillsborough       | Menlo Park         | Redwood City        | San Carlos         | San Mateo           | West Bay         | Uninc. San Mateo County |
| <b>Annual Cost of Operations</b>                             |                     |                    |                    |                    |                    |                    |                    |                    |                     |                    |                     |                  |                         |
| Direct Labor-Related Costs                                   |                     |                    |                    |                    |                    |                    |                    |                    |                     |                    |                     |                  |                         |
| Wages for CBAs   | \$14,367,374        | \$431,312          | \$787,170          | \$1,424,240        | \$543,302          | \$940,174          | \$729,533          | \$1,457,210        | \$2,610,977         | \$1,094,202        | \$3,277,525         | \$207,135        | \$864,594               |
| Benefits for CBAs  | \$4,425,358         | \$133,575          | \$244,893          | \$432,230          | \$168,621          | \$286,397          | \$228,276          | \$447,990          | \$803,513           | \$338,515          | \$1,009,437         | \$64,890         | \$267,020               |
| Payroll Taxes  | \$1,195,366         | \$35,885           | \$65,493           | \$118,497          | \$45,203           | \$78,222           | \$60,697           | \$121,240          | \$217,233           | \$91,038           | \$272,690           | \$17,234         | \$71,934                |
| Workers Compensation Insurance                               | \$1,307,872         | \$39,263           | \$71,657           | \$129,650          | \$49,458           | \$85,585           | \$66,410           | \$132,652          | \$237,680           | \$99,606           | \$298,357           | \$18,856         | \$78,705                |
| <b>Total Direct Labor Related-Costs</b>                      | <b>\$21,295,977</b> | <b>\$640,035</b>   | <b>\$1,169,213</b> | <b>\$2,104,617</b> | <b>\$806,583</b>   | <b>\$1,390,379</b> | <b>\$1,084,916</b> | <b>\$2,159,092</b> | <b>\$3,869,403</b>  | <b>\$1,623,361</b> | <b>\$4,858,009</b>  | <b>\$308,114</b> | <b>\$1,282,253</b>      |
| Direct Fuel Costs  | \$2,748,036         | \$91,498           | \$159,608          | \$253,892          | \$111,498          | \$188,119          | \$156,362          | \$275,244          | \$477,135           | \$222,371          | \$588,924           | \$41,073         | \$182,311               |
| Other Direct Costs   | \$2,050,911         | \$65,692           | \$118,585          | \$194,839          | \$83,120           | \$141,160          | \$112,494          | \$204,791          | \$358,055           | \$167,022          | \$443,193           | \$29,678         | \$132,280               |
| Depreciation   |                     |                    |                    |                    |                    |                    |                    |                    |                     |                    |                     |                  |                         |
| - Collection Vehicles  | \$3,905,261         | \$130,923          | \$227,598          | \$359,516          | \$158,511          | \$266,419          | \$223,848          | \$389,101          | \$678,373           | \$317,036          | \$835,919           | \$58,723         | \$259,294               |
| - Containers   | \$2,292,205         | \$47,273           | \$148,584          | \$201,406          | \$95,628           | \$158,605          | \$66,794           | \$222,443          | \$433,239           | \$202,344          | \$511,960           | \$41,563         | \$166,516               |
| <b>Total Depreciation</b>                                    | <b>\$6,197,466</b>  | <b>\$178,696</b>   | <b>\$376,181</b>   | <b>\$560,922</b>   | <b>\$254,139</b>   | <b>\$425,025</b>   | <b>\$290,593</b>   | <b>\$611,544</b>   | <b>\$1,102,312</b>  | <b>\$524,380</b>   | <b>\$1,347,879</b>  | <b>\$100,286</b> | <b>\$425,810</b>        |
| Allocated Indirect Costs excluding Depreciation              |                     |                    |                    |                    |                    |                    |                    |                    |                     |                    |                     |                  |                         |
| General and Administrative                                   | \$6,369,065         | \$117,069          | \$378,344          | \$671,965          | \$248,711          | \$454,377          | \$160,066          | \$627,380          | \$1,184,480         | \$556,954          | \$1,461,257         | \$96,838         | \$411,624               |
| Operations   | \$1,624,603         | \$58,293           | \$89,926           | \$153,587          | \$65,846           | \$115,138          | \$96,542           | \$159,291          | \$282,690           | \$128,208          | \$343,045           | \$24,215         | \$107,820               |
| Vehicle Maintenance  | \$2,549,498         | \$91,480           | \$141,121          | \$241,026          | \$103,333          | \$180,687          | \$151,504          | \$249,977          | \$443,627           | \$201,197          | \$538,342           | \$38,001         | \$169,203               |
| Container Maintenance  | \$848,526           | \$15,597           | \$50,402           | \$89,232           | \$33,125           | \$60,535           | \$21,322           | \$82,583           | \$157,804           | \$74,201           | \$194,678           | \$12,901         | \$54,877                |
| <b>Total Allocated Indirect Costs excluding Depreciation</b> | <b>\$11,391,692</b> | <b>\$282,439</b>   | <b>\$659,796</b>   | <b>\$1,156,102</b> | <b>\$451,025</b>   | <b>\$810,737</b>   | <b>\$429,437</b>   | <b>\$1,120,231</b> | <b>\$2,068,601</b>  | <b>\$960,560</b>   | <b>\$2,537,322</b>  | <b>\$171,955</b> | <b>\$743,624</b>        |
| Total Allocated Indirect Depreciation Costs                  | \$176,145           | \$6,332            | \$9,755            | \$16,633           | \$7,142            | \$12,478           | \$10,490           | \$17,259           | \$30,645            | \$13,901           | \$37,179            | \$2,630          | \$11,701                |
| Annual Implementation Cost Amortization                      | \$224,016           | \$7,344            | \$12,897           | \$21,087           | \$9,369            | \$15,527           | \$12,445           | \$22,380           | \$38,877            | \$17,074           | \$48,424            | \$3,269          | \$14,423                |
| <b>Total Annual Cost of Operations<sup>3</sup></b>           | <b>\$44,084,542</b> | <b>\$1,272,036</b> | <b>\$2,506,036</b> | <b>\$4,308,092</b> | <b>\$1,722,875</b> | <b>\$2,983,426</b> | <b>\$2,096,737</b> | <b>\$4,410,542</b> | <b>\$7,945,029</b>  | <b>\$3,529,569</b> | <b>\$9,860,931</b>  | <b>\$657,005</b> | <b>\$2,792,264</b>      |
| <b>Profit</b>  | <b>\$4,627,659</b>  | <b>\$133,529</b>   | <b>\$263,065</b>   | <b>\$452,231</b>   | <b>\$180,854</b>   | <b>\$313,177</b>   | <b>\$220,099</b>   | <b>\$462,985</b>   | <b>\$834,009</b>    | <b>\$370,507</b>   | <b>\$1,035,125</b>  | <b>\$68,067</b>  | <b>\$293,111</b>        |
| <b>Operating Ratio</b>                                       | <b>90.5%</b>        | <b>90.5%</b>       | <b>90.5%</b>       | <b>90.5%</b>       | <b>90.5%</b>       | <b>90.5%</b>       | <b>90.5%</b>       | <b>90.5%</b>       | <b>90.5%</b>        | <b>90.5%</b>       | <b>90.5%</b>        | <b>90.5%</b>     | <b>90.5%</b>            |
| <b>Total Operating Cost</b>                                  | <b>\$48,712,201</b> | <b>\$1,405,565</b> | <b>\$2,769,101</b> | <b>\$4,760,323</b> | <b>\$1,903,729</b> | <b>\$3,296,603</b> | <b>\$2,316,836</b> | <b>\$4,873,527</b> | <b>\$8,779,037</b>  | <b>\$3,900,077</b> | <b>\$10,896,056</b> | <b>\$725,972</b> | <b>\$3,085,375</b>      |
| Check  |                     |                    |                    |                    |                    |                    |                    |                    |                     |                    |                     |                  |                         |
| Contractor Pass-Through Costs                                |                     |                    |                    |                    |                    |                    |                    |                    |                     |                    |                     |                  |                         |
| Regulatory Agency Fees                                       |                     |                    |                    |                    |                    |                    |                    |                    |                     |                    |                     |                  |                         |
| Interest Expense   | \$3,172,961         | \$91,484           | \$192,587          | \$287,165          | \$130,107          | \$217,592          | \$148,770          | \$313,081          | \$564,331           | \$268,458          | \$690,050           | \$51,342         | \$217,994               |
| Interest Expense on Implementation Cost                      | \$115,290           | \$3,780            | \$6,638            | \$10,852           | \$4,822            | \$7,991            | \$6,405            | \$11,518           | \$20,008            | \$9,250            | \$24,922            | \$1,682          | \$7,423                 |
| <b>Total Contractor Pass-Through Costs</b>                   | <b>\$3,288,251</b>  | <b>\$95,264</b>    | <b>\$199,225</b>   | <b>\$298,018</b>   | <b>\$134,929</b>   | <b>\$225,584</b>   | <b>\$155,175</b>   | <b>\$324,599</b>   | <b>\$584,339</b>    | <b>\$277,708</b>   | <b>\$714,972</b>    | <b>\$53,024</b>  | <b>\$225,417</b>        |
| <b>TOTAL CONTRACTOR'S COMPENSATION</b>                       | <b>\$52,000,452</b> | <b>\$1,500,828</b> | <b>\$2,968,325</b> | <b>\$5,058,340</b> | <b>\$2,038,658</b> | <b>\$3,522,187</b> | <b>\$2,472,011</b> | <b>\$5,198,126</b> | <b>\$9,363,376</b>  | <b>\$4,177,784</b> | <b>\$11,611,028</b> | <b>\$778,996</b> | <b>\$3,310,792</b>      |
| Other Pass-Through Costs                                     |                     |                    |                    |                    |                    |                    |                    |                    |                     |                    |                     |                  |                         |
| Disposal & Processing Fees <sup>1</sup>                      | \$15,520,578        | \$400,623          | \$917,195          | \$1,419,478        | \$889,322          | \$1,013,045        | \$369,213          | \$1,625,803        | \$3,157,906         | \$1,179,580        | \$3,196,085         | \$203,521        | \$1,148,807             |
| Agency Franchise Fees <sup>2</sup>                           | \$7,478,118         | \$193,561          | \$849,961          | \$620,677          | \$333,032          | \$295,833          | \$220,959          | \$660,126          | \$1,788,943         | \$348,038          | \$2,093,615         | \$5,012          | \$58,351                |
| <b>Total Other Pass-Through Costs</b>                        | <b>\$22,998,696</b> | <b>\$594,184</b>   | <b>\$1,767,156</b> | <b>\$2,050,155</b> | <b>\$1,222,354</b> | <b>\$1,308,878</b> | <b>\$590,172</b>   | <b>\$2,285,939</b> | <b>\$4,946,849</b>  | <b>\$1,527,618</b> | <b>\$5,289,700</b>  | <b>\$208,533</b> | <b>\$1,207,158</b>      |
| <b>TOTAL REVENUE REQUIREMENT</b>                             | <b>\$74,999,148</b> | <b>\$2,095,012</b> | <b>\$4,735,481</b> | <b>\$7,108,495</b> | <b>\$3,261,012</b> | <b>\$4,831,065</b> | <b>\$3,062,183</b> | <b>\$7,484,065</b> | <b>\$14,310,225</b> | <b>\$5,705,402</b> | <b>\$16,900,728</b> | <b>\$987,529</b> | <b>\$4,517,950</b>      |

<sup>1</sup> Disposal Fees for example only, not actual or projected.  
<sup>2</sup> Franchise Fee for example only, not actual or projected.  
<sup>3</sup> Costs do not reflect any Agency directed changes in service.

FRANCHISE AGREEMENT FOR COLLECTION SERVICES  
**D. Burlingame**

ATTACHMENT N

EXAMPLE ONLY

| 2011 Costs  | City # of accounts | SBWMA # of accounts | City Total Route Labor hours year | SBWMA Total Route Labor hours year | City # of route hours/year | SBWMA # of route hours/year | City Total Containers in Service (Accounts for example) | SBWMA Total Containers in Service | City Tonnages | SBWMA Tonnages | Total  |
|---|--------------------|---------------------|-----------------------------------|------------------------------------|----------------------------|-----------------------------|---|-----------------------------------|---------------|----------------|--------|
| City # of accounts                                      | 6,325              | 90,461              | 3,663.14                          | 58,630.74                          | 3,581.74                   | 57,108.73                   | 6,325   | 90,461                            | 3,492.70      | 60,158.09      | 6,325  |
| SBWMA # of accounts                                     | 6,325              | 90,461              | 3,859.49                          | 57,470.96                          | 3,740.63                   | 56,052.72                   | 6,325   | 90,461                            | 3,945.30      | 47,323.16      | 90,461 |
| City Total Route Labor hours year                       | 6,325              | 90,461              | 19.30                             | 264.63                             | 18.70                      | 258.00                      | 6,325   | 90,461                            | 1.58          | 22.62          | 6,325  |
| SBWMA Total Route Labor hours year                      | 6,325              | 90,461              | 19.30                             | 264.63                             | 18.70                      | 258.00                      | 6,325   | 90,461                            | 1.58          | 22.62          | 90,461 |
| City # of route hours/year                              | 6,325              | 90,461              | 671.06                            | 9,752.36                           | 671.06                     | 9,752.36                    | 31  | 402                               | 235.61        | 3,222.07       | 31     |
| SBWMA # of route hours/year                             | 6,325              | 90,461              | 671.06                            | 9,752.36                           | 671.06                     | 9,752.36                    | 31  | 402                               | 235.61        | 3,222.07       | 402    |
| City Total Containers in Service (Accounts for example) | 6,325              | 90,461              | 31                                | 452,707                            | 31                         | 452,707                     | 31  | 452,707                           | 11,845        | 170,163        | 31     |
| SBWMA Total Containers in Service                       | 6,325              | 90,461              | 31                                | 452,707                            | 31                         | 452,707                     | 31  | 452,707                           | 11,845        | 170,163        | 402    |
| City Tonnages   | 6,325              | 90,461              | 11,845                            | 170,163                            | 11,845                     | 170,163                     | 11,845  | 170,163                           | 11,845        | 170,163        | 11,845 |
| SBWMA Tonnages  | 6,325              | 90,461              | 11,845                            | 170,163                            | 11,845                     | 170,163                     | 11,845  | 170,163                           | 11,845        | 170,163        | 90,461 |

FTE Routes

| SFD   | Solid Waste        | Recyclable Materials | Organic Materials (Including Holiday Routes) | Weekly Battery and Cell Phones | Weekly Used Motor Oil and Oil Filters | Two On-Call Collection Events | TOTAL               |
|---|--------------------|----------------------|--|--------------------------------|---------------------------------------|-------------------------------|---------------------|
| <b>Annual Cost of Operations</b>                                      |                    |                      |  |                                |                                       |                               |                     |
| Direct Labor-Related Costs  |                    |                      |  |                                |                                       |                               |                     |
| Wages for CBAs  | \$173,710          | \$152,782            | \$124,616                                    | \$838                          | \$838                                 | \$45,128                      | \$497,912           |
| Benefits for CBAs   | \$53,122           | \$48,761             | \$38,832                                     | \$267                          | \$267                                 | \$16,067                      | \$157,317           |
| Payroll Taxes   | \$14,453           | \$12,711             | \$10,368                                     | \$70                           | \$70                                  | \$3,755                       | \$41,426            |
| Workers Compensation Insurance  | \$15,813           | \$13,998             | \$11,344                                     | \$76                           | \$76                                  | \$4,108                       | \$45,326            |
| Total Direct Labor Related-Costs                                      | \$257,098          | \$228,162            | \$185,161                                    | \$1,251                        | \$1,251                               | \$69,058                      | \$741,982           |
| Direct Fuel Costs   | \$32,667           | \$35,294             | \$28,498                                     | \$194                          | \$194                                 | \$3,785                       | \$100,632           |
| Other Direct Costs  | \$23,084           | \$24,940             | \$20,388                                     | \$137                          | \$137                                 | \$3,248                       | \$71,933            |
| Depreciation - Collection Vehicles                                    | \$47,472           | \$50,007             | \$40,909                                     | \$274                          | \$274                                 | \$5,730                       | \$144,667           |
| Depreciation - Containers   | \$35,253           | \$35,958             | \$43,584                                     | \$182                          | \$182                                 | \$0                           | \$115,157           |
| Depreciation for Collection Equipment                                 | \$82,725           | \$85,964             | \$84,493                                     | \$456                          | \$456                                 | \$5,730                       | \$259,825           |
| Lease   | \$0                | \$0                  | \$0  | \$0                            | \$0                                   | \$0                           | \$0                 |
| Allocated Indirect Costs excluding Depreciation and Interest (Form 9) |                    |                      |  |                                |                                       |                               |                     |
| General and Administrative Operations                                 | \$82,437           | \$85,013             | \$85,872                                     | \$429                          | \$429                                 | \$3,739                       | \$257,919           |
| Vehicle Maintenance   | \$18,862           | \$20,697             | \$19,350                                     | \$114                          | \$114                                 | \$863                         | \$59,999            |
| Container Maintenance   | \$29,600           | \$32,480             | \$30,366                                     | \$178                          | \$178                                 | \$1,354                       | \$94,156            |
|   | \$10,983           | \$11,326             | \$11,440                                     | \$57                           | \$57                                  | \$498                         | \$34,362            |
| Total Allocated Indirect Costs excluding Depreciation and Interest    | \$141,882          | \$149,516            | \$147,029                                    | \$778                          | \$778                                 | \$6,453                       | \$446,436           |
| Total Allocated Indirect Depreciation Costs (Form 9)                  | \$2,050            | \$2,250              | \$2,103                                      | \$12                           | \$12                                  | \$94                          | \$6,522             |
| Annual Implementation Cost Amortization (Form A)                      | \$2,550            | \$2,549              | \$2,283                                      | \$45                           | \$45                                  | \$424                         | \$7,895             |
| <b>Total Annual Cost of Operations</b>                                | <b>\$542,056</b>   | <b>\$528,675</b>     | <b>\$469,955</b>                             | <b>\$2,873</b>                 | <b>\$2,873</b>                        | <b>\$88,793</b>               | <b>\$1,635,215</b>  |
| <b>Profit (Insert Operating Ratio below)</b>                          | <b>\$56,900.93</b> | <b>\$55,496.23</b>   | <b>\$49,332.29</b>                           | <b>\$301.59</b>                | <b>\$301.59</b>                       | <b>\$9,320.78</b>             | <b>\$171,653.40</b> |
| 90.5%   |                    |                      |  |                                |                                       |                               |                     |
| <b>Total Proposed Costs before Pass-Through Cost Allocation</b>       | <b>\$598,957</b>   | <b>\$584,171</b>     | <b>\$519,287</b>                             | <b>\$3,175</b>                 | <b>\$3,175</b>                        | <b>\$98,113</b>               | <b>\$1,806,878</b>  |

FRANCHISE AGREEMENT FOR COLLECTION SERVICES WITH RECOLOGY SAN MATEO COUNTY  
 ATTACHMENT N - CONTRACTOR'S COMPENSATION  
 CITY OF BURLINGAME

FRANCHISE AGREEMENT FOR COLLECTION SERVICES

D. Burlingame

EXAMPLE ONLY

Total

| 2011 Costs   | City       | SBWMA     | City      | SBWMA     | City     | SBWMA  | City | SBWMA | City | SBWMA | Total |
|--|------------|-----------|-----------|-----------|----------|--------|------|-------|------|-------|-------|
| City # of Lifts per week                             | 4,585      | 3,000     | 600       | 1,273     | 142      | 27     |      |       |      |       |       |
| SBWMA # Lifts per week                               | 32,101     | 21,807    | 4,997     | 4,446     | 1,201    | 307    |      |       |      |       |       |
| City Total Route Labor hours year                    | 12,278.44  | 4,676.34  | 654.11    | 1,483.20  | 165.45   | 31.46  |      |       |      |       |       |
| SBWMA Total Route Labor hours year                   | 87,822.68  | 34,237.07 | 6,578.51  | 5,737.20  | 1,629.66 | 433.14 |      |       |      |       |       |
| City # of route hours/year                           | 7,685.53   | 4,734.53  | 693.43    | 1,451.69  | 161.93   | 30.79  |      |       |      |       |       |
| SBWMA # of route hours/year                          | 61,603.29  | 34,735.51 | 6,551.58  | 5,615.29  | 1,595.03 | 423.93 |      |       |      |       |       |
| City Total Containers in Service (Lifts for example) | 4,585      | 3,000     | 600       | 1,273     | 142      | 27     |      |       |      |       |       |
| SBWMA Total Containers in Service                    | 32,101     | 21,807    | 4,997     | 4,446     | 1,201    | 307    |      |       |      |       |       |
| City Tonnages  | 15,896.74  | 3,873.77  | 2,359.16  | 7,761.49  | 0.00     | 0.00   |      |       |      |       |       |
| SBWMA Tonnages                                       | 116,200.03 | 31,400.40 | 21,096.79 | 57,275.71 | 0.00     | 0.00   |      |       |      |       |       |
|  | 3.69       | 2.28      | 0.33      | 0.70      | 0.08     | 0.01   |      |       | 0.31 |       | 7.41  |

| Commercial & MFD  | Cert and Bin Solid Waste | Cert and Bin Recyclable Materials | Cert and Bin Organic Materials (including Holiday Trees) | Drop Box Solid Waste | Drop Box Recyclable Materials | Drop Box Organic Materials | Two On-Call Collection Events | TOTAL                 |
|---|--------------------------|-----------------------------------|--|----------------------|-------------------------------|----------------------------|-------------------------------|-----------------------|
| <b>Proposed Costs in 2009 Dollars</b>                                 |                          |                                   |  |                      |                               |                            |                               |                       |
| <b>Annual Cost of Operations</b>                                      |                          |                                   |  |                      |                               |                            |                               |                       |
| Direct Labor-Related Costs  |                          |                                   |  |                      |                               |                            |                               |                       |
| Wages for CBAs  | \$549,556                | \$205,209                         | \$40,842   | \$95,666             | \$5,521                       | \$2,528                    | \$7,340                       | \$906,661             |
| Benefits for CBAs   | \$173,452                | \$60,842                          | \$8,508  | \$21,145             | \$1,709                       | \$782                      | \$2,390                       | \$268,827             |
| Payroll Taxes   | \$45,723                 | \$17,073                          | \$3,398  | \$7,959              | \$459                         | \$210                      | \$611                         | \$57,434              |
| Workers Compensation Insurance  | \$50,027                 | \$18,680                          | \$3,718  | \$8,708              | \$503                         | \$230                      | \$668                         | \$82,534              |
| Total Direct Labor Related-Costs                                      | \$818,758                | \$301,804                         | \$56,467   | \$133,477            | \$8,192                       | \$3,751                    | \$11,008                      | \$1,333,457           |
| Direct Fuel Costs   | \$83,053                 | \$36,754                          | \$10,378   | \$15,400             | \$1,244                       | \$570                      | \$1,417                       | \$148,816             |
| Other Direct Costs  | \$61,331                 | \$31,746                          | \$6,756  | \$15,683             | \$1,264                       | \$581                      | \$1,046                       | \$118,408             |
| Depreciation - Collection Vehicles                                    | \$114,486                | \$55,333                          | \$13,297   | \$21,232             | \$1,712                       | \$787                      | \$1,593                       | \$208,760             |
| Depreciation - Containers   | \$34,865                 | \$27,658                          | \$23,151   | \$0                  | \$0                           | \$0                        | \$574                         | \$86,249              |
| Depreciation for Collection Equipment                                 | \$149,351                | \$82,991                          | \$36,409   | \$21,232             | \$1,712                       | \$787                      | \$2,527                       | \$295,009             |
| Lease   | \$0                      | \$0                               | \$0  | \$0                  | \$0                           | \$0                        | \$0                           | \$0                   |
| Allocated Indirect Costs excluding Depreciation and Interest (Form 9) |                          |                                   |  |                      |                               |                            |                               |                       |
| General and Administrative  | \$93,851                 | \$93,191                          | \$81,337   | \$98,918             | \$8,009                       | \$4,170                    | \$1,546                       | \$381,023             |
| Operations  | \$20,910                 | \$23,552                          | \$18,288   | \$22,782             | \$1,754                       | \$878                      | \$357                         | \$88,522              |
| Vehicle Maintenance   | \$32,815                 | \$36,960                          | \$28,700   | \$35,752             | \$2,753                       | \$1,379                    | \$560                         | \$138,917             |
| Container Maintenance   | \$12,503                 | \$12,415                          | \$10,836   | \$13,172             | \$1,067                       | \$556                      | \$206                         | \$50,762              |
| Total Allocated Indirect Costs excluding Depreciation and Interest    | \$160,080                | \$166,118                         | \$139,162  | \$170,630            | \$13,583                      | \$6,983                    | \$2,669                       | \$659,224             |
| Total Allocated Indirect Depreciation Costs (Form 9)                  | \$2,259                  | \$2,544                           | \$1,976  | \$2,461              | \$190                         | \$95                       | \$39                          | \$9,564               |
| Annual Implementation Cost Amortization (Form A)                      | \$5,986                  | \$3,206                           | \$1,295  | \$1,703              | \$134                         | \$68                       | \$104                         | \$12,495              |
| <b>Total Annual Cost of Operations</b>                                | <b>\$1,280,819</b>       | <b>\$625,163</b>                  | <b>\$352,441</b>   | <b>\$360,587</b>     | <b>\$26,319</b>               | <b>\$12,835</b>            | <b>\$18,809</b>               | <b>\$2,576,973</b>    |
| <b>Profit (insert Operating Ratio below)</b>                          | <b>\$134,450.58</b>      | <b>\$65,625</b>                   | <b>\$26,499</b>  | <b>\$37,852</b>      | <b>\$2,763</b>                | <b>\$1,347</b>             | <b>\$1,974</b>                | <b>\$270,511</b>      |
| 90.5%   |                          |                                   |  |                      |                               |                            |                               |                       |
| <b>Total Proposed Costs before Pass-Through Cost Allocation</b>       | <b>\$1,415,269.30</b>    | <b>\$690,787.71</b>               | <b>\$278,940.87</b>                                      | <b>\$398,438.39</b>  | <b>\$29,081.64</b>            | <b>\$14,182.49</b>         | <b>\$20,783.68</b>            | <b>\$2,847,484.08</b> |

**FRANCHISE AGREEMENT FOR COLLECTION SERVICES**

**D. Burlingame**

*EXAMPLE ONLY*

| 2011 Costs  |          |        |          | Totals |
|---|----------|--------|----------|--------|
| City # of Lifts per week                            | 9.83     | 4.96   | 299.00   |        |
| SBWMA # Lifts per year (Accounts for Venues/Events) | 56       | 17     | 3,000    |        |
| City Total Route Labor hours year                   | 28.69    | 14.48  | 820.19   |        |
| SBWMA Total Route Labor hours year                  | 1,581.41 | 456.46 | 2,122.13 |        |
| City # of route hours/year                          | 28.08    | 14.18  | 802.76   |        |
| SBWMA # of route hours/year                         | 1,547.80 | 446.76 | 2,069.58 |        |
| City # of Containers (Lifts for example)            | 511      | 258    | 15,548   |        |
| SBWMA # of Containers                               | 2,901    | 898    | 156,000  |        |
|   | 0.01     | 0.01   | 0.39     | 0.00   |
|   |          |        |          | 0.41   |

| Agency   | Solid Waste     | Organic Materials | Public Litter and Recycling Cans | Venues and Events | TOTAL            |
|--|-----------------|-------------------|----------------------------------|-------------------|------------------|
| <b>Annual Cost of Operations</b>   |                 |                   |                                  |                   |                  |
| <b>Direct Labor-Related Costs</b>  |                 |                   |                                  |                   |                  |
| Wages for CBAs   | \$2,072         | \$906             | \$14,714                         | \$1,975           | \$19,667         |
| Benefits for CBAs  | \$641           | \$280             | \$4,553                          | \$611             | \$6,086          |
| Payroll Taxes  | \$172           | \$75              | \$1,224                          | \$164             | \$1,636          |
| Workers Compensation Insurance   | \$189           | \$82              | \$1,339                          | \$180             | \$1,790          |
| <b>Total Direct Labor Related-Costs</b>                                      | <b>\$3,074</b>  | <b>\$1,344</b>    | <b>\$21,830</b>                  | <b>\$2,931</b>    | <b>\$29,179</b>  |
| <b>Direct Fuel Costs</b>   | \$467           | \$204             | \$3,328                          | \$445             | \$4,444          |
| <b>Other Direct Costs</b>  | \$473           | \$207             | \$3,368                          | \$451             | \$4,499          |
| Depreciation - Collection Vehicles   | \$640           | \$280             | \$4,559                          | \$610             | \$6,088          |
| Depreciation - Containers  | \$0             | \$0               | \$0                              | \$0               | \$0              |
| Depreciation for Collection Equipment  | \$640           | \$280             | \$4,559                          | \$610             | \$6,088          |
| Lease  | \$0             | \$0               | \$0                              | \$0               | \$0              |
| <b>Allocated Indirect Costs excluding Depreciation and Interest (Form 9)</b> |                 |                   |                                  |                   |                  |
| General and Administrative   | \$20,266        | \$8,264           | \$3,822                          | \$670             | \$33,023         |
| Operations   | \$532           | \$233             | \$3,795                          | \$508             | \$5,067          |
| Vehicle Maintenance  | \$835           | \$365             | \$5,955                          | \$797             | \$7,952          |
| Container Maintenance  | \$2,700         | \$1,101           | \$509                            | \$89              | \$4,400          |
| <b>Total Allocated Indirect Costs excluding Depreciation and Interest</b>    | <b>\$24,334</b> | <b>\$9,963</b>    | <b>\$14,081</b>                  | <b>\$2,064</b>    | <b>\$50,442</b>  |
| <b>Total Allocated Indirect Depreciation Costs (Form 9)</b>                  | \$58            | \$25              | \$410                            | \$55              | \$547            |
| <b>Annual Implementation Cost Amortization (Form A)</b>                      | \$73            | \$32              | \$521                            | \$70              | \$696            |
| <b>Total Annual Cost of Operations</b>                                       | <b>\$29,117</b> | <b>\$12,055</b>   | <b>\$48,098</b>                  | <b>\$6,624</b>    | <b>\$95,894</b>  |
| <b>Profit (insert Operating Ratio below)</b>                                 | \$3,057         | \$1,265           | \$5,049                          | \$695             | \$10,066         |
| 91%  |                 |                   |                                  |                   |                  |
| <b>Total Operating Costs before Pass-Through Cost Allocation</b>             | <b>\$32,174</b> | <b>\$13,321</b>   | <b>\$53,147</b>                  | <b>\$7,320</b>    | <b>\$105,961</b> |

FRANCHISE AGREEMENT FOR COLLECTION SERVICES

ATTACHMENT N

E. Single Family Dwelling (SFD) - Forecast 2011 Cost of Operations

EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY

| SFD COLLECTION COSTS                                   | Solid Waste        | Recyclable Materials | Organic Materials (including Holiday Trees) | Weekly Battery and Cell Phone | Weekly Used Motor Oil and Oil Filters | Two On-Call Collection Events | TOTAL 2011          |
|--|--------------------|----------------------|---|-------------------------------|---------------------------------------|-------------------------------|---------------------|
|  | A                  | B                    | C   | D                             | D                                     | J                             |                     |
| <b>Annual Cost of Operations</b>                       |                    |                      |   |                               |                                       |                               |                     |
| Direct Labor-Related Costs                             |                    |                      |   |                               |                                       |                               |                     |
| Wages for CBAs   | \$2,780,331        | \$2,275,048          | \$2,033,010                                 | \$11,490                      | \$11,490                              | \$655,842                     | \$7,767,212         |
| Benefits for CBAs                                      | \$850,252          | \$726,088            | \$633,518                                   | \$3,667                       | \$3,667                               | \$233,499                     | \$2,450,691         |
| Payroll Taxes  | \$231,324          | \$189,284            | \$169,146                                   | \$956                         | \$956                                 | \$54,566                      | \$646,232           |
| Workers Compensation Insurance                         | \$253,103          | \$207,097            | \$185,064                                   | \$1,046                       | \$1,046                               | \$59,702                      | \$707,059           |
| Total Direct Labor Related-Costs                       | \$4,115,010        | \$3,397,518          | \$3,020,739                                 | \$17,159                      | \$17,159                              | \$1,003,609                   | \$11,571,195        |
| Direct Fuel Costs                                      | \$520,864          | \$528,877            | \$461,371                                   | \$2,671                       | \$2,671                               | \$55,009                      | \$1,571,462         |
| Other Direct Costs                                     | \$368,056          | \$373,719            | \$330,074                                   | \$1,887                       | \$1,887                               | \$47,205                      | \$1,122,829         |
| Depreciation   |                    |                      |   |                               |                                       |                               |                     |
| - Collection Vehicles                                  | \$756,914          | \$749,345            | \$662,301                                   | \$3,785                       | \$3,785                               | \$83,280                      | \$2,259,409         |
| - Containers   | \$504,187          | \$514,271            | \$623,345                                   | \$2,597                       | \$2,597                               | \$0                           | \$1,646,998         |
| Total Depreciation                                     | \$1,261,101        | \$1,263,616          | \$1,285,646                                 | \$6,382                       | \$6,382                               | \$83,280                      | \$3,906,407         |
| Allocated Indirect Costs excluding Depreciation        |                    |                      |   |                               |                                       |                               |                     |
| General and Administrative                             | \$1,179,024        | \$1,215,868          | \$1,228,150                                 | \$6,141                       | \$6,141                               | \$49,141                      | \$3,684,464         |
| Operations   | \$300,742          | \$310,140            | \$313,273                                   | \$1,566                       | \$1,566                               | \$12,535                      | \$939,822           |
| Vehicle Maintenance                                    | \$471,956          | \$486,705            | \$491,621                                   | \$2,458                       | \$2,458                               | \$19,671                      | \$1,474,869         |
| Container Maintenance                                  | \$157,077          | \$161,985            | \$163,622                                   | \$818                         | \$818                                 | \$6,547                       | \$490,867           |
| Total Allocated Indirect Costs excluding Depreciation  | \$2,108,798        | \$2,174,698          | \$2,196,665                                 | \$10,983                      | \$10,983                              | \$87,894                      | \$6,590,022         |
| Total Allocated Indirect Depreciation Costs            | \$32,692           | \$33,714             | \$34,055                                    | \$170                         | \$170                                 | \$1,362                       | \$102,164           |
| Annual Implementation Cost Amortization                | \$40,659           | \$38,195             | \$36,963                                    | \$616                         | \$616                                 | \$6,160                       | \$123,209           |
| <b>Total Annual Cost of Operations</b>                 | <b>\$8,447,181</b> | <b>\$7,810,337</b>   | <b>\$7,365,512</b>                          | <b>\$39,869</b>               | <b>\$39,869</b>                       | <b>\$1,284,520</b>            | <b>\$24,987,288</b> |
| <b>Profit</b>  | <b>\$886,721</b>   | <b>\$819,870</b>     | <b>\$773,175</b>                            | <b>\$4,185</b>                | <b>\$4,185</b>                        | <b>\$134,839</b>              | <b>\$2,622,975</b>  |
| Operating Ratio  | 90.5%              | 90.5%                | 90.5%                                       | 90.5%                         | 90.5%                                 | 90.5%                         | 90.5%               |
| <b>Total Operating Costs before Pass-Through Costs</b> | <b>\$9,333,902</b> | <b>\$8,630,207</b>   | <b>\$8,138,687</b>                          | <b>\$44,054</b>               | <b>\$44,054</b>                       | <b>\$1,419,359</b>            | <b>\$27,610,263</b> |



F. Commercial & Multi-Family Dwelling (MFD) - Forecast 2011 Cost of Operations

| COMMERCIAL & MED COLLECTION COSTS                      | Cart and Bin Solid Waste | Cart and Bin Recyclable Materials | Cart and Bin Organic Materials (including Holiday/Trees) | Drop Box Solid Waste | Drop Box Recyclable Materials | Drop Box Organic Materials | Two-On-Call Collection Events | TOTAL 2011         |
|--|--------------------------|-----------------------------------|--|----------------------|-------------------------------|----------------------------|-------------------------------|--------------------|
|  | E                        | F                                 | G  | H                    | I                             | J                          | K                             | L                  |
| <b>Annual Cost of Operations</b>                       |                          |                                   |  |                      |                               |                            |                               |                    |
| Direct Labor-Related Costs                             |                          |                                   |  |                      |                               |                            |                               |                    |
| Wages for CBAs   | \$3,930,750              | \$1,502,403                       | \$410,753  | \$370,045            | \$54,386                      | \$34,807                   | \$106,669                     | \$6,409,813        |
| Benefits for CBAs                                      | \$1,240,634              | \$445,444                         | \$85,571   | \$81,790             | \$16,829                      | \$10,771                   | \$34,727                      | \$1,915,765        |
| Payroll Taxes  | \$327,038                | \$125,000                         | \$34,175   | \$30,788             | \$4,525                       | \$2,896                    | \$8,875                       | \$533,296          |
| Workers Compensation Insurance                         | <u>\$357,821</u>         | <u>\$136,766</u>                  | <u>\$37,394</u>  | <u>\$33,683</u>      | <u>\$4,950</u>                | <u>\$3,168</u>             | <u>\$9,710</u>                | <u>\$583,493</u>   |
| Total Direct Labor Related-Costs                       | \$5,856,243              | \$2,209,612                       | \$567,893  | \$516,306            | \$80,690                      | \$51,642                   | \$159,981                     | \$9,442,366        |
| Direct Fuel Costs                                      | \$665,712                | \$269,650                         | \$98,054   | \$59,568             | \$12,257                      | \$7,844                    | \$20,589                      | \$1,133,674        |
| Other Direct Costs                                     | \$491,600                | \$232,907                         | \$63,828   | \$60,665             | \$12,454                      | \$8,005                    | \$15,204                      | \$884,663          |
| Depreciation   |                          |                                   |  |                      |                               |                            |                               |                    |
| - Collection Vehicles                                  | \$917,663                | \$405,959                         | \$125,256  | \$82,129             | \$16,859                      | \$10,838                   | \$28,381                      | \$1,587,085        |
| - Containers   | <u>\$244,103</u>         | <u>\$201,043</u>                  | <u>\$192,812</u>   | <u>\$0</u>           | <u>\$0</u>                    | <u>\$0</u>                 | <u>\$7,550</u>                | <u>\$645,507</u>   |
| Total Depreciation                                     | \$1,161,765              | \$607,002                         | \$318,068  | \$82,129             | \$16,859                      | \$10,838                   | \$35,931                      | \$2,232,592        |
| Allocated Indirect Costs excluding Depreciation        |                          |                                   |  |                      |                               |                            |                               |                    |
| General and Administrative Operations                  | \$657,081                | \$677,403                         | \$677,403  | \$345,476            | \$67,740                      | \$47,418                   | \$20,322                      | \$2,492,844        |
| Vehicle Maintenance                                    | \$263,026                | \$271,160                         | \$271,160  | \$138,292            | \$27,116                      | \$18,981                   | \$8,135                       | \$997,870          |
| Container Maintenance                                  | <u>\$87,540</u>          | <u>\$90,248</u>                   | <u>\$90,248</u>  | <u>\$46,026</u>      | <u>\$9,025</u>                | <u>\$6,317</u>             | <u>\$2,707</u>                | <u>\$332,112</u>   |
| Total Allocated Indirect Costs excluding Depreciation  | \$1,175,253              | \$1,211,602                       | \$1,211,602  | \$617,917            | \$121,160                     | \$84,812                   | \$36,348                      | \$4,458,694        |
| Total Allocated Indirect Depreciation Costs            | \$18,108                 | \$18,668                          | \$18,668   | \$9,520              | \$1,867                       | \$1,307                    | \$560                         | \$68,696           |
| Annual Implementation Cost Amortization                | \$47,984                 | \$23,522                          | \$12,231   | \$6,586              | \$1,317                       | \$941                      | \$1,505                       | \$94,087           |
| <b>Total Annual Cost of Operations</b>                 | \$9,416,666              | \$4,572,961                       | \$2,290,343  | \$1,352,690          | \$246,605                     | \$165,389                  | \$270,118                     | \$18,314,772       |
| <b>Profit</b>  | <u>\$988,489.80</u>      | <u>\$480,035</u>                  | <u>\$240,423</u>   | <u>\$141,995</u>     | <u>\$25,887</u>               | <u>\$17,361</u>            | <u>\$28,355</u>               | <u>\$1,922,545</u> |
| Operating Ratio  | 90.5%                    | 90.5%                             | 90.5%  | 90.5%                | 90.5%                         | 90.5%                      | 90.5%                         | 90.5%              |
| <b>Total Operating Costs before Pass-Through Costs</b> | \$10,405,155.79          | \$5,052,995.90                    | \$2,530,765.55   | \$1,494,685.58       | \$272,491.19                  | \$182,749.94               | \$298,473.31                  | \$20,237,317.27    |

FRANCHISE AGREEMENT FOR COLLECTION SERVICES

ATTACHMENT N

G. Member Agency Services - Forecast 2011 Cost of Operations

EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY

| MEMBER AGENCY COLLECTION COSTS                         | Solid Waste<br>E | Organic Materials<br>G | Public Litter and<br>Recycling Cans<br>I | Venues and Events<br>I | TOTAL            |
|--|------------------|------------------------|--|------------------------|------------------|
| <b>Annual Cost of Operations</b>                       |                  |                        |  |                        |                  |
| Direct Labor-Related Costs                             |                  |                        |  |                        |                  |
| Wages for CBAs   | \$114,209        | \$28,554               | \$38,070                                 | \$9,517                | \$190,350        |
| Benefits for CBAs                                      | \$35,341         | \$8,836                | \$11,780                                 | \$2,945                | \$58,902         |
| Payroll Taxes  | \$9,502          | \$2,376                | \$3,167                                  | \$792                  | \$15,837         |
| Workers Compensation Insurance                         | \$10,396         | \$2,599                | \$3,465                                  | \$866                  | \$17,327         |
| Total Direct Labor Related-Costs                       | \$169,448        | \$42,364               | \$56,483                                 | \$14,121               | \$282,416        |
| Direct Fuel Costs                                      | \$25,739         | \$6,435                | \$8,580                                  | \$2,145                | \$42,899         |
| Other Direct Costs                                     | \$26,051         | \$6,513                | \$8,684                                  | \$2,171                | \$43,419         |
| Depreciation   |                  |                        |  |                        |                  |
| - Collection Vehicles                                  | \$35,260         | \$8,815                | \$11,754                                 | \$2,938                | \$58,767         |
| - Containers   | \$0              | \$0                    | \$0                                      | \$0                    | \$0              |
| Total Depreciation                                     | \$35,260         | \$8,815                | \$11,754                                 | \$2,938                | \$58,767         |
| Allocated Indirect Costs excluding Depreciation        |                  |                        |  |                        |                  |
| General and Administrative                             | \$115,054        | \$28,764               | \$38,351                                 | \$9,588                | \$191,757        |
| Operations   | \$29,348         | \$7,337                | \$9,783                                  | \$2,446                | \$48,913         |
| Vehicle Maintenance                                    | \$46,055         | \$11,514               | \$15,352                                 | \$3,838                | \$76,759         |
| Container Maintenance                                  | \$15,328         | \$3,832                | \$5,109                                  | \$1,277                | \$25,547         |
| Total Allocated Indirect Costs excluding Depreciation  | \$205,785        | \$51,448               | \$68,595                                 | \$17,149               | \$342,977        |
| Total Allocated Indirect Depreciation Costs            | \$3,171          | \$793                  | \$1,057                                  | \$264                  | \$5,284          |
| Annual Implementation Cost Amortization                | \$4,032          | \$1,008                | \$1,344                                  | \$336                  | \$6,720          |
| <b>Total Annual Cost of Operations</b>                 | <b>\$469,486</b> | <b>\$117,376</b>       | <b>\$156,496</b>                         | <b>\$39,124</b>        | <b>\$782,482</b> |
| <b>Profit</b>  | <b>\$49,283</b>  | <b>\$12,321</b>        | <b>\$16,428</b>                          | <b>\$4,107</b>         | <b>\$82,139</b>  |
| <b>Operating Ratio</b>                                 | 90.5%            | 90.5%                  | 90.5%                                    | 90.5%                  | 90.5%            |
| <b>Total Operating Costs before Pass-Through Costs</b> | <b>\$518,769</b> | <b>\$129,697</b>       | <b>\$172,924</b>                         | <b>\$43,230</b>        | <b>\$864,620</b> |

H. INDEXES FOR COMPENSATION ADJUSTMENT

EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY

*example only*

**1. Worker's Comp**

*Index: U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Private Industry (Not seasonally adjusted, total compensation, series no. CIU2030000000000A)*

|                            | 2011         | 2010  | 2009  | 2008  | 2007  |
|----------------------------|--------------|-------|-------|-------|-------|
| Q1                         |              | 110.4 | 108.2 | 106.5 | 103.2 |
| Q2                         |              |       | 108.7 | 107.0 | 104.3 |
| Q3                         |              |       | 109.3 | 107.5 | 105.0 |
| Q4                         |              |       | 109.8 | 107.7 | 105.6 |
| Four quarters Total to Q1  |              | 438.2 | 430.4 | 421.4 |       |
| Average Index              |              | 109.6 | 107.6 | 105.4 |       |
| Factor                     | 1.018        | 1.018 | 1.021 |       |       |
| Year One Adjustment Factor | <b>5.81%</b> |       |       |       |       |

*see Attachment K, Table 1, D. Steps One and Two combined*

**2. Wages & Benefits for non-CBA Employees**

*Index: U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Service-Producing Industries (seasonally adjusted, total compensation, series no. cis201s000000000i successor to Ecs12102i ended 2005)*

|                            | 2011         | 2010  | 2009  | 2008  | 2007  |
|----------------------------|--------------|-------|-------|-------|-------|
| Q1                         |              | 113.1 | 109.8 | 107.6 | 104.3 |
| Q2                         |              |       | 110.6 | 108.4 | 105.1 |
| Q3                         |              |       | 111.5 | 109.1 | 106   |
| Q4                         |              |       | 112.3 | 109.6 | 106.9 |
| Four quarters Total to Q1  |              | 447.5 | 436.9 | 425.6 |       |
| Average Index              |              | 111.9 | 109.2 | 106.4 |       |
| Factor                     | 1.024        | 1.024 | 1.027 |       |       |
| Year One Adjustment Factor | <b>7.69%</b> |       |       |       |       |

*see Attachment K, Table 1, B. Steps One and Two combined*

**3. Fuel**

*Index: U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index - Commodity Index for #2 diesel fuel (not seasonally adjusted, fuels and related products and power, series no. wpu057303)*

|                                  | 2011          | 2010    | 2009    | 2008    | 2007    | 2006    | 2005    | 2004  |
|----------------------------------|---------------|---------|---------|---------|---------|---------|---------|-------|
| Jan                              |               | 197.0   | 161.6   | 278.2   | 180.9   | 197.1   | 141.1   | 109   |
| Feb                              |               | 198.0   | 145.6   | 287.5   | 193.5   | 196.2   | 149.5   | 104   |
| Mar                              |               | 205.0   | 132.6   | 353.7   | 220.2   | 206.5   | 173.3   | 110   |
| Apr                              |               | 210.0   | 159.8   | 365.1   | 238.0   | 230.4   | 175.4   | 120   |
| May                              |               |         | 165.0   | 398.2   | 226.5   | 239.6   | 170.8   | 121   |
| Jun                              |               |         | 187.2   | 421.0   | 227.6   | 246.9   | 187.2   | 114   |
| Jul                              |               |         | 189.8   | 431.9   | 243.5   | 237.5   | 189.8   | 123   |
| Aug                              |               |         | 200.6   | 346.7   | 231.2   | 250.2   | 200.6   | 135   |
| Sep                              |               |         | 212.6   | 342.3   | 246.2   | 201.3   | 212.6   | 141   |
| Oct                              |               |         | 250.0   | 281.8   | 249.6   | 197.5   | 264.1   | 167   |
| Nov                              |               |         | 205.0   | 224.1   | 296.7   | 197.2   | 206.2   | 160   |
| Dec                              |               |         | 196.0   | 168.0   | 271.9   | 203.0   | 198.5   | 135   |
| Total May PY to April CY         |               | 2,416.2 | 3,213.6 | 3,277.7 | 2,605.8 | 2,460.0 | 1,735.1 | 442.6 |
| Avg                              |               | 201.4   | 267.8   | 273.1   | 217.2   | 205.0   | 144.6   | 36.9  |
| %                                |               | -24.81% | -1.96%  | 25.78%  | 5.93%   | 41.78%  | 292.02% |       |
| Factor                           |               | 0.752   | 0.980   | 1.258   | 1.059   | 1.418   |         |       |
| 5 Year Average Index to Estimate | 109.3%        |         |         |         |         |         |         |       |
| Year One Adjustment Factor       | <b>-19.4%</b> |         |         |         |         |         |         |       |

*see Attachment K, Table 1, E. Steps One and two combined*

**H. INDEXES FOR COMPENSATION ADJUSTMENT**

**EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY**

*example only*

**4. Other Costs**

*Index: U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index – All Urban Consumers, U.S. city average (not seasonally adjusted, all items, base period: 1982-84=100, series no. cuur0000sao)*

|                             | <u>2011</u> | <u>2010</u>        | <u>2009</u>    | <u>2008</u> | <u>2007</u> |
|-----------------------------|-------------|--------------------|----------------|-------------|-------------|
| Jan                         |             | 218.086            | 211.143        | 211.080     | 202.416     |
| Feb                         |             | 218.631            | 212.193        | 211.693     | 203.499     |
| Mar                         |             | 219.178            | 212.709        | 213.528     | 205.352     |
| Apr                         |             | 219.726            | <b>213.240</b> | 214.823     | 206.686     |
| May                         |             |                    | 213.773        | 216.632     | 207.949     |
| Jun                         |             |                    | 214.306        | 218.825     | 208.352     |
| Jul                         |             |                    | 214.843        | 219.964     | 208.299     |
| Aug                         |             |                    | 215.380        | 219.086     | 207.917     |
| Sep                         |             |                    | 215.919        | 218.783     | 208.490     |
| Oct                         |             |                    | 216.459        | 216.573     | 208.936     |
| Nov                         |             |                    | 217.000        | 212.425     | 210.177     |
| Dec                         |             |                    | 217.542        | 210.228     | 210.036     |
| Total May PY to April CY    |             | 2,600.8            | 2,581.8        | 2,521.3     |             |
| Average Index               |             | 216.737            | 215.150        | 210.107     |             |
| Factor                      | 1.007       | 1.0070             | 1.024          |             |             |
| <b>80% of:</b> Factor @ 80% | 1.0060      | 1.0060             | 1.0190         |             |             |
| Year One Adjustment Factor  |             | <b>3.13%</b> @ 80% |                |             |             |

*see Attachment K, Table 1, F. Steps One and two combined*

**5. Depreciation**

*Index: U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index Industry Data for motor vehicle body manufacturing, truck, bus, car, and other vehicle bodies, for sale separately (not seasonally adjusted, base date: 8212, series no. pcu336211336211).*

|                            | <u>2011</u> | <u>2010</u>  | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|----------------------------|-------------|--------------|-------------|-------------|-------------|
| Jan                        |             |              | 217.5       | 204.6       | 204.2       |
| Feb                        |             |              | 217.2       | 204.6       | 204.1       |
| Mar                        |             |              | 216.7       | 206.7       | 203.0       |
| Apr                        |             |              | 215.9       | 209.7       | 204.3       |
| May                        |             |              | 216.4       | 210.3       | 204.5       |
| Jun                        |             |              | 217.0       | 212.3       | 205.8       |
| Jul                        |             |              | 217.5       | 214.7       | 205.9       |
| Aug                        |             |              | 218.1       | 215.2       | 206.0       |
| Sep                        |             |              | 218.6       | 215.2       | 206.2       |
| Oct                        |             |              | 219.2       | 216.2       | 206.2       |
| Nov                        |             |              | 219.7       | 216.8       | 206.2       |
| Dec                        |             |              | 220.3       | 217.8       | 203.9       |
| Total                      |             |              | 2,614       | 2,465       |             |
| Avg                        |             |              | 217.8       | 205.4       |             |
| Factor                     |             |              | 1.061       |             |             |
| Year One Adjustment Factor |             | <b>6.10%</b> |             |             |             |

Uses 12 month average to month of purchase and 12 month average to March 2008 assumes capital equipment purchased in December 2009  
*see Attachment K, Table 1, G & H (direct and indirect). Steps One and Two combined*

FRANCHISE AGREEMENT FOR COLLECTION SERVICES  
I. CBA WAGES & BENEFITS WORKSHEET

ATTACHMENT N  
EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY

| DIRECT LABOR                             | BASE 2008 COST   |              |                 |                     |
|--|------------------|--------------|-----------------|---------------------|
| Drivers and Maintenance Personnel        | Hourly Wage Rate | Proposed FTE | OT Hrs / FTE/Yr | Annual Cost         |
| <b>Route Labor</b>                       |                  |              |                 |                     |
| Helper                                   | \$29.30          | 7            | 260             | \$506,597           |
| Driver - Tag                             | \$29.93          | 0            | 0               | \$0                 |
| Recycling Driver                         | \$30.55          | 71           | 370             | \$5,716,259         |
| Commercial Driver                        | \$30.55          | 42           | 370             | \$3,381,449         |
| Route Manager                            | \$30.55          | 32           | 370             | \$2,576,342         |
| Subtotal                                 |                  | 152          | 1,371           | \$12,180,646        |
| <b>Mechanics - Vehicle Maintenance</b>   |                  |              |                 |                     |
| Senior Mechanic                          | \$30.90          | 10           | 697             | \$965,997           |
| Preventive Maintenance Technician        | \$28.05          | 2            | 697             | \$175,380           |
| Welder                                   | \$29.70          | 1            | 697             | \$92,848            |
| Shop Laborer (Utility)                   | \$16.00          | 1            | 260             | \$39,520            |
| Subtotal                                 |                  | 14           | 2,352           | \$1,273,746         |
| <b>Mechanics - Container Maintenance</b> |                  |              |                 |                     |
| Senior Mechanic                          | \$30.90          | 0            | 0               | \$0                 |
| Preventive Maintenance Technician        | \$28.05          | 0            | 0               | \$0                 |
| Welder                                   | \$29.70          | 4            | 697             | \$371,393           |
| Shop Laborer (Utility)                   | \$16.00          | 1            | 260             | \$39,520            |
| Subtotal                                 |                  | 5            | 957             | \$410,913           |
| <b>Total</b>                             |                  | <b>171</b>   | <b>4,681</b>    | <b>\$13,865,305</b> |

| 2011 Rates       |                   |
|------------------|-------------------|
| Hourly Wage Rate | Annual Cost       |
| \$ 34.25         | 592,183           |
| \$ 34.25         | -                 |
| \$ 35.50         | 6,642,461         |
| \$ 35.50         | 3,929,343         |
| \$ 35.50         | 2,993,785         |
|                  | 14,157,771        |
| \$ 35.70         | 1,116,055         |
| \$ 33.00         | 206,330           |
| \$ 32.00         | 100,039           |
| \$ 18.00         | 44,460            |
|                  | 1,466,883         |
| \$ 35.70         | -                 |
| \$ 33.00         | -                 |
| \$ 32.00         | 400,154           |
| \$ 18.00         | 44,460            |
|                  | 444,614           |
|                  | <b>16,069,269</b> |

Driver Wage Increase  
**16.23%**

Vehicle Mechanic Wage  
**15.16%**

Container Mechanic Wage  
**8.20%**

**BENEFITS**

| Teamsters              | 2008 Benefits Costs |         |
|------------------------|---------------------|---------|
|                        | / month             | / hour  |
| H&W                    | \$ 1,449.86         | \$ 8.36 |
| Income Protection      | \$ -                | \$ -    |
| Total H&W              | \$ 1,449.86         | \$ 8.36 |
| Annual Cost per person | \$ 17,398.32        |         |
| Pension                | \$ 624.00           | \$ 3.60 |
| Annual Cost per person | \$ 7,488.00         |         |
| <b>Total Teamster</b>  | <b>\$ 11.96</b>     |         |

| 2011 Benefits Costs |          |
|---------------------|----------|
| / month             | / hour   |
| \$ 1,667.34         | \$ 9.62  |
| \$ -                | \$ -     |
| \$ 1,667.34         | \$ 9.62  |
| \$ 20,008.07        | 15.0%    |
| \$ 723.84           | \$ 4.18  |
| \$ 8,686.08         | 16.0%    |
|                     | \$ 13.80 |
|                     | 15.3%    |

Driver Benefits Increase  
**15.30%**

| Mechanics              | 2008 Benefits Costs |         |
|------------------------|---------------------|---------|
|                        | / month             | / hour  |
| H&W                    | \$ 1,050.00         | \$ 6.06 |
| Annual Cost per person | \$ 12,600.00        |         |
| Pension                | \$ 525              | \$ 3.03 |
| Annual Cost per person | \$ 6,300            |         |
| <b>Total Mechanics</b> | <b>\$ 9.09</b>      |         |

| 2011 Benefits Costs |          |
|---------------------|----------|
| / month             | / hour   |
| \$ 1,218.00         | \$ 7.03  |
| \$ 14,616.00        | 16.0%    |
| \$ 688              | \$ 3.89  |
| \$ 7,059            | 12.0%    |
|                     | \$ 10.58 |
|                     | 16.4%    |

Mechanics Benefits Increase  
**16.44%**

FRANCHISE AGREEMENT FOR COLLECTION SERVICES

ATTACHMENT N  
EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY

J. 2010 SERVICE METRICS BY MEMBER AGENCY

|                                      | 2010 Metrics Summary |          |         |            |             |             |              |            |              |            |           |          |                         |
|--------------------------------------|----------------------|----------|---------|------------|-------------|-------------|--------------|------------|--------------|------------|-----------|----------|-------------------------|
|                                      | Total                | Atherton | Belmont | Burlingame | E Palo Alto | Foster City | Hillsborough | Menlo Park | Redwood City | San Carlos | San Mateo | West Bay | Uninc. San Mateo County |
| <b><u>SINGLE-FAMILY DWELLING</u></b> |                      |          |         |            |             |             |              |            |              |            |           |          |                         |
| # of Accounts                        | 90,461               | 2,254    | 6,452   | 6,325      | 4,104       | 6,409       | 3,549        | 7,600      | 16,938       | 8,342      | 19,018    | 2,066    | 7,404                   |
| Total Route Labor hours year         | 176,092              | 8,998    | 11,413  | 11,279     | 7,950       | 11,434      | 16,088       | 13,743     | 29,464       | 14,035     | 33,491    | 3,926    | 14,272                  |
| # of route hours/year                | 171,836              | 8,915    | 11,043  | 11,021     | 7,750       | 10,952      | 15,981       | 13,497     | 28,844       | 13,761     | 32,570    | 3,712    | 13,789                  |
| Total Containers in Service          | 452,707              | 11,276   | 32,293  | 31,656     | 20,539      | 32,078      | 17,759       | 38,027     | 84,763       | 41,748     | 95,201    | 10,337   | 37,030                  |
| Tonnage                              | 170,163              | 8,480    | 10,579  | 11,345     | 10,216      | 10,014      | 8,209        | 16,264     | 27,127       | 14,393     | 33,170    | 4,412    | 15,953                  |
| <b><u>COMMERCIAL &amp; MFD</u></b>   |                      |          |         |            |             |             |              |            |              |            |           |          |                         |
| # of Lifts per week                  | 64,859               | 342      | 3,445   | 9,627      | 1,725       | 4,051       | 146          | 7,631      | 11,974       | 5,820      | 17,154    | 301      |                         |
| Total Route Labor hours year         | 136,438              | 685      | 5,676   | 19,289     | 3,248       | 8,587       | 311          | 18,352     | 27,393       | 9,806      | 37,072    | 659      | 5,359                   |
| # of route hours/year                | 110,525              | 643      | 5,454   | 14,758     | 3,224       | 8,223       | 304          | 14,510     | 20,637       | 9,500      | 27,495    | 653      | 5,124                   |
| # of FTE Routes                      | 57.71                | 0.38     | 2.96    | 7.41       | 1.79        | 4.36        | 0.29         | 7.31       | 10.83        | 5.04       | 14.34     | 0.44     | 3                       |
| Tonnage                              | 225,973              | 3,994    | 9,605   | 29,891     | 7,953       | 14,869      | 1,332        | 29,082     | 49,226       | 18,411     | 50,906    | 840      | 9,863                   |
| <b><u>AGENCY SERVICES</u></b>        |                      |          |         |            |             |             |              |            |              |            |           |          |                         |
| # of Lifts per week                  | 3,073                | 1        | 4       | 314        | 12          | 10          | 4            | 1,238      | 1,163        | 66         | 247       | 0        | 15                      |
| Total Route Labor hours year         | 4,160                | 83       | 217     | 863        | 448         | 198         | 256          | 294        | 531          | 154        | 1,108     | 0        | 8                       |
| # of route hours/year                | 4,064                | 81       | 212     | 845        | 439         | 194         | 251          | 288        | 520          | 151        | 1,084     | 0        | 0                       |
| # of FTE Routes                      | 1.95                 | 0.04     | 0.10    | 0.41       | 0.21        | 0.09        | 0.12         | 0.14       | 0.25         | 0.07       | 0.52      | 0.00     | 0                       |

*These statistics are for illustration purposes only.*

FRANCHISE AGREEMENT FOR COLLECTION SERVICES

K. Detail 1 - INDIRECT COSTS, ONLY

ATTACHMENT N

EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY

Step 1 The first step is to increase the indirect costs for the prior rate year. This is done first as the accounts, lifts, pulls do not exist for indirect costs, therefore the allocated costs will be adjusted for accounts, lifts and pulls at each Line of Business Level.

| COLLECTION COSTS                       | 2008 Base Costs            |              |                     |                       |               |
|--|----------------------------|--------------|---------------------|-----------------------|---------------|
|  | General and Administrative | Operations   | Vehicle Maintenance | Container Maintenance | TOTAL         |
| <b>Annual Cost of Operations</b>       |                            |              |                     |                       |               |
| Indirect Labor-Related Costs           |                            |              |                     |                       |               |
| Wages for CBAs                         | \$ -                       | \$ -         | \$ 1,292,742        | \$ 335,380            | \$ 1,628,122  |
| Benefits for CBAs                      | \$ -                       | \$ -         | \$ 301,326          | \$ 80,352             | \$ 381,678    |
| Wages for non-CBAs                     | \$ 2,361,226               | \$ 1,013,616 | \$ 244,628          | \$ 155,301            | \$ 3,774,771  |
| Benefits for non-CBAs                  | \$ 651,363                 | \$ 225,823   | \$ 60,264           | \$ 40,175             | \$ 977,629    |
| Payroll Taxes                          | \$ 192,380                 | \$ 82,697    | \$ 125,138          | \$ 39,998             | \$ 440,213    |
| Workers Compensation Insurance         | \$ 234,084                 | \$ 101,263   | \$ 153,737          | \$ 49,269             | \$ 548,353    |
| Total Indirect Labor-Related-Costs     | \$ 3,441,053               | \$ 1,423,499 | \$ 2,178,025        | \$ 700,279            | \$ 7,742,857  |
| Indirect Fuel Costs                    | \$ -                       | \$ 51,129    | \$ 34,086           | \$ 51,129             | \$ 136,344    |
| Other Indirect Costs                   | \$ 2,529,540               | \$ 36,225    | \$ 24,190           | \$ 36,225             | \$ 2,626,140  |
| * Costs excluding Depreciation         | \$ 5,970,593               | \$ 1,510,853 | \$ 2,236,261        | \$ 787,633            | \$ 10,505,341 |
| Depreciation                           | \$ 20,000                  | \$ 22,907    | \$ 44,133           | \$ 78,978             | \$ 166,018    |
| <b>Total Annual Cost of Operations</b> | \$ 5,990,593               | \$ 1,533,760 | \$ 2,280,395        | \$ 866,611            | \$ 10,671,359 |

| Allocation to Service Sector         |           |           |           |         |            |
|--------------------------------------|-----------|-----------|-----------|---------|------------|
| Total Indirect Costs excluding Depr. |           |           |           |         |            |
| SFD                                  | 3,462,944 | 876,295   | 1,297,032 | 456,827 | 6,093,098  |
| Commercial & MFD                     | 2,328,531 | 589,233   | 872,142   | 307,177 | 4,097,083  |
| Agency                               | 179,118   | 45,326    | 67,088    | 23,629  | 315,161    |
| Total                                | 5,970,593 | 1,510,853 | 2,236,261 | 787,633 | 10,505,341 |
| Variance at the 10*                  | 0         | 0         | 0         | 0       | 0          |
| Indirect Depreciation                |           |           |           |         |            |
| SFD                                  |           |           |           |         | 96,200     |
| Commercial & MFD                     |           |           |           |         | 64,747     |
| Agency                               |           |           |           |         | 4,981      |
| Total                                |           |           |           |         | \$ 166,018 |

|                                   |        |  |
|-----------------------------------|--------|--|
| Change in CBA Wages               | 15.16% | Increase in wages Vehicle Mechanic                       |
| Change in CBA Wages               | 8.20%  | Increase in wages Container Mechanic                     |
| Change in P/R Taxes               | 8.15%  | Increase with wages at 8.15% of wages for Indirect Labor |
| Change in Series 8820300000000000 | 5.81%  | Increase in Workers Compensation                         |

| 2011 Indirect Costs Example |              |                     |                       |               |
|-----------------------------|--------------|---------------------|-----------------------|---------------|
| General and Administrative  | Operations   | Vehicle Maintenance | Container Maintenance | TOTAL         |
| \$ -                        | \$ -         | \$ 1,488,760        | \$ 362,886            | \$ 1,851,647  |
| \$ 207,236                  | \$ 88,961    | \$ 142,804          | \$ 43,205             | \$ 482,207    |
| \$ 249,797                  | \$ 107,251   | \$ 162,607          | \$ 51,919             | \$ 571,635    |
| \$ 3,701,253                | \$ 1,530,949 | \$ 2,473,435        | \$ 762,084            | \$ 8,467,722  |
| \$ -                        | \$ -         | \$ 22,466           | \$ 21,599             | \$ 44,065     |
| \$ 6,309,879                | \$ 1,609,506 | \$ 2,525,806        | \$ 840,641            | \$ 11,285,832 |
| \$ 6,329,879                | \$ 1,632,412 | \$ 2,569,940        | \$ 919,619            | \$ 11,451,850 |

|           |           |           |         |            |
|-----------|-----------|-----------|---------|------------|
| 3,659,730 | 933,513   | 1,464,968 | 487,572 | 6,545,783  |
| 2,460,853 | 627,707   | 985,065   | 327,850 | 4,401,474  |
| 189,296   | 48,285    | 75,774    | 25,219  | 338,575    |
| 6,309,879 | 1,609,506 | 2,525,806 | 840,641 | 11,285,832 |
| 0         | 0         | 0         | 0       | 0          |
|           |           |           |         | 96,200     |
|           |           |           |         | 64,747     |
|           |           |           |         | 4,981      |
|           |           |           |         | \$ 166,018 |

Step 2 The next step is to update the prior year Line of Business Costs of Operations to include the increased indirect costs from Detail 1. The same percentage of total indirect cost will be allocated to each Line of Business (i.e. Solid Waste, Recyclable Materials)

| SINGLE FAMILY DWELLING                                   |             |                      |   |                |                     |                  |             |
|--|-------------|----------------------|---|----------------|---------------------|------------------|-------------|
| 2008 BASE COST   |             |                      |   |                |                     |                  |             |
| COLLECTION COSTS   | Solid Waste | Recyclable Materials | Organic Materials (Including Yardwaste) | Drop Box Waste | Drop Box Recyclable | Drop Box Organic | TOTAL       |
| Indirect Costs excluding Depreciation and Interest       |             |                      |   |                |                     |                  |             |
| Operational and Administrative                           | \$1,108,142 | \$1,142,772          | \$1,154,315                             | \$5,772        | \$5,772             | \$46,173         | \$3,462,944 |
| Operations   | \$280,414   | \$280,177            | \$292,098                               | \$1,460        | \$1,460             | \$11,684         | \$876,295   |
| Vehicle Maintenance                                      | \$415,090   | \$428,020            | \$432,344                               | \$2,162        | \$2,162             | \$17,294         | \$1,297,032 |
| Container Maintenance                                    | \$156,185   | \$150,733            | \$152,325                               | \$761          | \$761               | \$6,091          | \$456,827   |
| Total Indirect Costs excluding Depreciation and Interest | \$1,949,791 | \$2,010,722          | \$2,031,032                             | \$10,155       | \$10,155            | \$81,241         | \$6,093,098 |

| SINGLE FAMILY DWELLING                                   |             |                      |   |                |                     |                  |             |
|--|-------------|----------------------|---|----------------|---------------------|------------------|-------------|
| 2011 INDIRECT COSTS                                      |             |                      |   |                |                     |                  |             |
| COLLECTION COSTS   | Solid Waste | Recyclable Materials | Organic Materials (Including Yardwaste) | Drop Box Waste | Drop Box Recyclable | Drop Box Organic | TOTAL       |
| Indirect Costs excluding Depreciation and Interest       |             |                      |   |                |                     |                  |             |
| Operational and Administrative                           | \$1,171,113 | \$1,207,711          | \$1,219,910                             | \$6,100        | \$6,100             | \$48,796         | \$3,659,730 |
| Operations   | \$298,724   | \$308,059            | \$311,171                               | \$1,556        | \$1,556             | \$12,447         | \$923,513   |
| Vehicle Maintenance                                      | \$468,790   | \$483,439            | \$488,323                               | \$2,442        | \$2,442             | \$19,533         | \$1,464,968 |
| Container Maintenance                                    | \$156,091   | \$150,899            | \$152,521                               | \$761          | \$761               | \$6,501          | \$497,272   |
| Total Indirect Costs excluding Depreciation and Interest | \$2,094,658 | \$2,160,108          | \$2,181,928                             | \$10,910       | \$10,910            | \$87,277         | \$6,545,783 |

| MFD/Commercial   |                          |                         |                                |                      |                     |                  |             |
|--|--------------------------|-------------------------|--------------------------------|----------------------|---------------------|------------------|-------------|
| 2008 BASE COST   |                          |                         |                                |                      |                     |                  |             |
| COLLECTION COSTS   | Cart and Bin Solid Waste | Cart and Bin Recyclable | Cart and Bin Organic Materials | Drop Box Solid Waste | Drop Box Recyclable | Drop Box Organic | TOTAL       |
| Indirect Costs excluding Depreciation and Interest       |                          |                         |                                |                      |                     |                  |             |
| Operational and Administrative                           | \$613,371                | \$632,753               | \$632,753                      | \$332,704            | \$63,275            | \$44,293         | \$2,328,531 |
| Operations   | \$155,314                | \$160,118               | \$160,118                      | \$81,660             | \$16,012            | \$11,288         | \$589,233   |
| Vehicle Maintenance                                      | \$250,885                | \$236,995               | \$236,995                      | \$120,867            | \$23,700            | \$16,590         | \$872,142   |
| Container Maintenance                                    | \$89,268                 | \$85,472                | \$85,472                       | \$42,371             | \$8,347             | \$5,843          | \$307,177   |
| Total Indirect Costs excluding Depreciation and Interest | \$1,079,938              | \$1,113,338             | \$1,113,338                    | \$567,802            | \$111,334           | \$77,954         | \$4,097,083 |

| MFD/Commercial   |                          |                         |  |                      |                     |                  |             |
|--|--------------------------|-------------------------|--|----------------------|---------------------|------------------|-------------|
| 2011 INDIRECT COSTS                                      |                          |                         |  |                      |                     |                  |             |
| COLLECTION COSTS   | Cart and Bin Solid Waste | Cart and Bin Recyclable | Cart and Bin Organic Materials (Including Yardwaste) | Drop Box Solid Waste | Drop Box Recyclable | Drop Box Organic | TOTAL       |
| Indirect Costs excluding Depreciation and Interest       |                          |                         |  |                      |                     |                  |             |
| Operational and Administrative                           | \$648,649                | \$668,710               | \$668,710  | \$341,042            | \$66,871            | \$46,810         | \$3,061,853 |
| Operations   | \$165,455                | \$170,573               | \$170,573  | \$86,992             | \$17,057            | \$11,940         | \$627,707   |
| Vehicle Maintenance                                      | \$259,650                | \$267,481               | \$267,481  | \$136,517            | \$26,748            | \$19,738         | \$986,065   |
| Container Maintenance                                    | \$88,417                 | \$89,090                | \$89,090   | \$45,438             | \$8,902             | \$6,256          | \$327,650   |
| Total Indirect Costs excluding Depreciation and Interest | \$1,160,171              | \$1,196,053             | \$1,196,053  | \$609,987            | \$119,605           | \$83,724         | \$4,401,474 |

| Agency Services  |             |           |                 |          |           |
|--|-------------|-----------|-----------------|----------|-----------|
| 2008 BASE COSTS  |             |           |                 |          |           |
| COLLECTION COSTS   | Solid Waste | Materials | Recycling Costs | Events   | TOTAL     |
| Indirect Costs excluding Depreciation and Interest       |             |           |                 |          |           |
| Operational and Administrative                           | \$107,471   | \$26,808  | \$35,874        | \$8,956  | \$179,118 |
| Operations   | \$27,194    | \$6,798   | \$9,063         | \$2,266  | \$45,326  |
| Vehicle Maintenance                                      | \$40,233    | \$10,063  | \$13,418        | \$3,354  | \$67,088  |
| Container Maintenance                                    | \$14,177    | \$3,544   | \$4,728         | \$1,181  | \$23,622  |
| Total Indirect Costs excluding Depreciation and Interest | \$189,096   | \$47,274  | \$63,032        | \$15,758 | \$315,160 |

| Agency Services  |             |           |                 |          |           |
|--|-------------|-----------|-----------------|----------|-----------|
| 2011 INDIRECT COSTS                                      |             |           |                 |          |           |
| COLLECTION COSTS   | Solid Waste | Materials | Recycling Costs | Events   | TOTAL     |
| Indirect Costs excluding Depreciation and Interest       |             |           |                 |          |           |
| Operational and Administrative                           | \$113,378   | \$28,384  | \$37,839        | \$9,465  | \$189,096 |
| Operations   | \$28,911    | \$7,243   | \$9,657         | \$2,414  | \$48,285  |
| Vehicle Maintenance                                      | \$45,465    | \$11,366  | \$15,155        | \$3,789  | \$77,714  |
| Container Maintenance                                    | \$15,132    | \$3,793   | \$5,011         | \$1,261  | \$25,312  |
| Total Indirect Costs excluding Depreciation and Interest | \$203,145   | \$50,786  | \$67,715        | \$16,929 | \$338,575 |



FRANCHISE AGREEMENT FOR COLLECTION SERVICES

ATTACHMENT N  
EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY

K. Detail 3 - COST CHANGE DUE TO SERVICE LEVEL CHANGES - CURRENT YEAR TO NEXT RATE YEAR

Done in Acts Year One & Three only  
 Step 3 The third step is to increase cost of operations by the associated increase in accounts, lifts, pulls & SPD Costs are increased based on change in accounts, Commercial, MFD are increased by on the change in lifts, Agency costs based in the change in pulls  
 The individual cost of operations are affected differently by the change in accounts, Labor Related Costs, Direct Fuel Costs and Other Direct Costs are affected by 100% of the change in accounts (highlighted in yellow)  
 Indirect Costs are affected by 65% of the change in accounts (highlighted in green)  
 Fixed Costs do not change with changes in accounts

|                                     | 2008 Base Cost | 2009 Cost | 2010 Cost | 2011 Cost | 2012 Cost | 2013 Cost |
|-------------------------------------|----------------|-----------|-----------|-----------|-----------|-----------|
| SPD/Lift # of accounts current year | \$3,407        | \$1,481   | \$1,481   | \$1,481   | \$1,481   | \$1,481   |
| SPD/Lift # of accounts prior year   | \$5,443        | \$5,443   | \$5,443   | \$5,443   | \$5,443   | \$5,443   |
| Change in accounts                  | \$2,036        | \$4,000   | \$4,000   | \$4,000   | \$4,000   | \$4,000   |
| Percent Change in Accounts          | 1.00%          | 1.00%     | 1.00%     | 1.00%     | 1.00%     | 1.00%     |
| 100% of Change                      | \$2,036        | \$4,000   | \$4,000   | \$4,000   | \$4,000   | \$4,000   |

SINGLE FAMILY ROWLING

Note: Costs based on increase/decrease in Accounts

| COLLECTION COSTS   | 2008 BASE COST & Indirect Cost adjusted to 2011 |             |             |             |             |             |             | 2008 Cost, except Indirect Cost, adjusted to 2013 Cost |             |             |             |             |             |             |
|--|---|-------------|-------------|-------------|-------------|-------------|-------------|--|-------------|-------------|-------------|-------------|-------------|-------------|
|  | 2008  | 2009        | 2010        | 2011        | 2012        | 2013        | 2014        | 2008   | 2009        | 2010        | 2011        | 2012        | 2013        | 2014        |
| <b>Annual Cost of Operations</b>   |   |             |             |             |             |             |             |  |             |             |             |             |             |             |
| Direct Labor Related Costs   |   |             |             |             |             |             |             |  |             |             |             |             |             |             |
| Wages for CSAs   | \$1,367,438                                     | \$1,377,259 | \$1,387,080 | \$1,396,901 | \$1,406,722 | \$1,416,543 | \$1,426,364 | \$1,367,438  | \$1,377,259 | \$1,387,080 | \$1,396,901 | \$1,406,722 | \$1,416,543 | \$1,426,364 |
| Benefits for CSAs  | \$729,824                                       | \$732,231   | \$734,638   | \$737,045   | \$739,452   | \$741,859   | \$744,266   | \$729,824  | \$732,231   | \$734,638   | \$737,045   | \$739,452   | \$741,859   | \$744,266   |
| Payroll Taxes  | \$192,844                                       | \$193,219   | \$193,594   | \$193,969   | \$194,344   | \$194,719   | \$195,094   | \$192,844  | \$193,219   | \$193,594   | \$193,969   | \$194,344   | \$194,719   | \$195,094   |
| Workshop Compensation Insurance  | \$234,542                                       | \$235,117   | \$235,692   | \$236,267   | \$236,842   | \$237,417   | \$237,992   | \$234,542  | \$235,117   | \$235,692   | \$236,267   | \$236,842   | \$237,417   | \$237,992   |
| <b>Total Direct Labor Related Costs</b>  | \$2,534,658                                     | \$2,548,826 | \$2,562,994 | \$2,577,162 | \$2,591,330 | \$2,605,498 | \$2,619,666 | \$2,534,658  | \$2,548,826 | \$2,562,994 | \$2,577,162 | \$2,591,330 | \$2,605,498 | \$2,619,666 |
| Direct Fuel Costs  | \$439,733                                       | \$439,733   | \$439,733   | \$439,733   | \$439,733   | \$439,733   | \$439,733   | \$439,733  | \$439,733   | \$439,733   | \$439,733   | \$439,733   | \$439,733   | \$439,733   |
| Other Direct Costs   | \$333,238                                       | \$333,238   | \$333,238   | \$333,238   | \$333,238   | \$333,238   | \$333,238   | \$333,238  | \$333,238   | \$333,238   | \$333,238   | \$333,238   | \$333,238   | \$333,238   |
| Depreciation - Collection Vehicles   | \$715,397                                       | \$715,397   | \$715,397   | \$715,397   | \$715,397   | \$715,397   | \$715,397   | \$715,397  | \$715,397   | \$715,397   | \$715,397   | \$715,397   | \$715,397   | \$715,397   |
| Depreciation - Collection Equipment  | \$419,320                                       | \$419,320   | \$419,320   | \$419,320   | \$419,320   | \$419,320   | \$419,320   | \$419,320  | \$419,320   | \$419,320   | \$419,320   | \$419,320   | \$419,320   | \$419,320   |
| Less (If I provided only for Collection Equipment vehicles, computers, and other collection-related equipment) | \$0   | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0  | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
| <b>Indirect Costs including Depreciation and Leases</b>  |   |             |             |             |             |             |             |  |             |             |             |             |             |             |
| General and Administrative   | \$1,271,111                                     | \$1,271,111 | \$1,271,111 | \$1,271,111 | \$1,271,111 | \$1,271,111 | \$1,271,111 | \$1,271,111  | \$1,271,111 | \$1,271,111 | \$1,271,111 | \$1,271,111 | \$1,271,111 | \$1,271,111 |
| Operations   | \$208,724                                       | \$208,724   | \$208,724   | \$208,724   | \$208,724   | \$208,724   | \$208,724   | \$208,724  | \$208,724   | \$208,724   | \$208,724   | \$208,724   | \$208,724   | \$208,724   |
| Vehicles Maintenance   | \$468,790                                       | \$468,790   | \$468,790   | \$468,790   | \$468,790   | \$468,790   | \$468,790   | \$468,790  | \$468,790   | \$468,790   | \$468,790   | \$468,790   | \$468,790   | \$468,790   |
| Vehicle Maintenance  | \$194,023                                       | \$194,023   | \$194,023   | \$194,023   | \$194,023   | \$194,023   | \$194,023   | \$194,023  | \$194,023   | \$194,023   | \$194,023   | \$194,023   | \$194,023   | \$194,023   |
| <b>Indirect Costs including Depreciation and Leases</b>  | \$2,142,648                                     | \$2,142,648 | \$2,142,648 | \$2,142,648 | \$2,142,648 | \$2,142,648 | \$2,142,648 | \$2,142,648  | \$2,142,648 | \$2,142,648 | \$2,142,648 | \$2,142,648 | \$2,142,648 | \$2,142,648 |
| <b>Total Annual Cost of Operations</b>   | \$4,677,306                                     | \$4,691,474 | \$4,705,642 | \$4,719,810 | \$4,733,978 | \$4,748,146 | \$4,762,314 | \$4,677,306  | \$4,691,474 | \$4,705,642 | \$4,719,810 | \$4,733,978 | \$4,748,146 | \$4,762,314 |
| Profit (Operating Ratio before)  | \$548,994                                       | \$548,994   | \$548,994   | \$548,994   | \$548,994   | \$548,994   | \$548,994   | \$548,994  | \$548,994   | \$548,994   | \$548,994   | \$548,994   | \$548,994   | \$548,994   |
| %  | 9.5%  | 9.5%        | 9.5%        | 9.5%        | 9.5%        | 9.5%        | 9.5%        | 9.5%   | 9.5%        | 9.5%        | 9.5%        | 9.5%        | 9.5%        | 9.5%        |
| <b>Total Operating Costs before Pass Through Cost Allowance</b>  | \$4,128,312                                     | \$4,141,480 | \$4,154,648 | \$4,167,816 | \$4,180,984 | \$4,194,152 | \$4,207,320 | \$4,128,312  | \$4,141,480 | \$4,154,648 | \$4,167,816 | \$4,180,984 | \$4,194,152 | \$4,207,320 |

done in Table used as base for \$1 Cost Inflation Change

FRANCHISE AGREEMENT FOR COLLECTION SERVICES WITH RECOLOGY SAN MATEO COUNTY  
 ATTACHMENT N - CONTRACTOR'S COMPENSATION  
 CITY OF BURLINGAME

FRANCHISE AGREEMENT FOR COLLECTION SERVICES

**E. Detail 3 - COST CHANGE DUE TO SERVICE LEVEL CHANGES - CURRENT YEAR TO NEXT RATE YEAR**

Show in row Two Cost & Three only  
 Step 3 The third step is to increase cost of operations by the associated increase in accounts, lbs, pulls (ie. DFO Costs are increased based on change in accounts, Commercial MFO are increased by on the change in lbs, Agency costs based in the change in pulls)  
 The individual cost of operations are affected differently by the change in accounts, Labor Related Costs, Direct Fuel Costs and Other Direct Costs are affected by 100% of the change in accounts (highlighted in yellow)  
 Indirect Costs are affected by 65% of the change in accounts (highlighted in green)  
 Fixed Costs do not change with changes in accounts

ATTACHMENT N  
 EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY

|                 | 2023 Cost | 2024 Cost | % Change | 2025 Cost | % Change |
|-----------------|-----------|-----------|----------|-----------|----------|
| Operating Costs | 1,080,812 | 1,136,461 | 5.2%     | 1,192,110 | 5.0%     |
| Fixed Costs     | 1,417,880 | 1,417,880 | 0.0%     | 1,417,880 | 0.0%     |
| Total Costs     | 2,498,692 | 2,554,341 | 2.2%     | 2,609,990 | 2.2%     |

COMMERCIAL AND MULTIFAMILY OVERLIES

| COLLECTION COSTS  | 2023 MFO Commercial Cost of Operations with Fuel Cost Increase |                            |                            |          |                            |                            |                            |          |                            |                            |                            |          |
|---|--|----------------------------|----------------------------|----------|----------------------------|----------------------------|----------------------------|----------|----------------------------|----------------------------|----------------------------|----------|
|   | Cost and lbs pulled (2023)                                     | Cost and lbs pulled (2024) | Cost and lbs pulled (2025) | % Change | Cost and lbs pulled (2023) | Cost and lbs pulled (2024) | Cost and lbs pulled (2025) | % Change | Cost and lbs pulled (2023) | Cost and lbs pulled (2024) | Cost and lbs pulled (2025) | % Change |
| <b>Account Cost of Operations</b>   |  |                            |                            |          |                            |                            |                            |          |                            |                            |                            |          |
| Direct Labor-Related Costs  |  |                            |                            |          |                            |                            |                            |          |                            |                            |                            |          |
| Wages for CMAA  | \$1,203,213  | \$1,247,258                | \$1,291,303                | 6.7%     | \$40,874                   | \$40,874                   | \$40,874                   | 0.0%     | \$99,970                   | \$99,970                   | \$99,970                   | 0.0%     |
| Benefits for CMAA   | \$1,054,989  | \$1,098,754                | \$1,142,519                | 4.1%     | \$14,510                   | \$14,510                   | \$14,510                   | 0.0%     | \$29,020                   | \$29,020                   | \$29,020                   | 0.0%     |
| Payroll Taxes   | \$278,753  | \$285,423                  | \$292,093                  | 2.4%     | \$1,819                    | \$1,819                    | \$1,819                    | 0.0%     | \$4,548                    | \$4,548                    | \$4,548                    | 0.0%     |
| Written Compensation Insurance  | \$331,258  | \$339,231                  | \$347,204                  | 2.4%     | \$4,281                    | \$4,281                    | \$4,281                    | 0.0%     | \$10,703                   | \$10,703                   | \$10,703                   | 0.0%     |
| Total Direct Labor-Related Costs  | \$4,978,113  | \$5,178,676                | \$5,379,239                | 6.6%     | \$69,493                   | \$69,493                   | \$69,493                   | 0.0%     | \$143,821                  | \$143,821                  | \$143,821                  | 0.0%     |
| Direct Fuel Costs   | \$889,819  | \$1,278,778                | \$1,667,737                | 48.3%    | \$1,814                    | \$1,814                    | \$1,814                    | 0.0%     | \$4,536                    | \$4,536                    | \$4,536                    | 0.0%     |
| Other Direct Costs  | \$447,334  | \$335,117                  | \$222,900                  | -24.4%   | \$11,849                   | \$11,849                   | \$11,849                   | 0.0%     | \$14,574                   | \$14,574                   | \$14,574                   | 0.0%     |
| Depreciation - Collection Vehicles  | \$964,904  | \$964,904                  | \$964,904                  | 0.0%     | \$13,890                   | \$13,890                   | \$13,890                   | 0.0%     | \$17,363                   | \$17,363                   | \$17,363                   | 0.0%     |
| Depreciation - Computers  | \$230,008  | \$198,484                  | \$166,960                  | -13.7%   | \$0                        | \$0                        | \$0                        | 0.0%     | \$2,514                    | \$2,514                    | \$2,514                    | 0.0%     |
| Depreciation for Collection Equipment   | \$1,094,973  | \$773,104                  | \$451,235                  | -30.8%   | \$1,890                    | \$1,890                    | \$1,890                    | 0.0%     | \$2,363                    | \$2,363                    | \$2,363                    | 0.0%     |
| Leases (To-1 included only for Collection Equipment (vehicles, trailers, and other collection-related equipment)) | \$0  | \$0                        | \$0                        | 0.0%     | \$0                        | \$0                        | \$0                        | 0.0%     | \$0                        | \$0                        | \$0                        | 0.0%     |
| Indirect Costs including Depreciation and Interest  | \$648,689  | \$648,689                  | \$648,689                  | 0.0%     | \$86,871                   | \$86,871                   | \$86,871                   | 0.0%     | \$214,678                  | \$214,678                  | \$214,678                  | 0.0%     |
| General and Administrative Expenses   | \$164,433  | \$170,370                  | \$176,307                  | 3.6%     | \$2,597                    | \$2,597                    | \$2,597                    | 0.0%     | \$6,493                    | \$6,493                    | \$6,493                    | 0.0%     |
| Vehicle Maintenance   | \$230,008  | \$207,491                  | \$184,974                  | -10.2%   | \$2,748                    | \$2,748                    | \$2,748                    | 0.0%     | \$6,871                    | \$6,871                    | \$6,871                    | 0.0%     |
| Computer Maintenance  | \$86,611   | \$86,611                   | \$86,611                   | 0.0%     | \$1,139                    | \$1,139                    | \$1,139                    | 0.0%     | \$2,847                    | \$2,847                    | \$2,847                    | 0.0%     |
| Total Indirect Costs including Depreciation and Interest  | \$1,166,111  | \$1,166,111                | \$1,166,111                | 0.0%     | \$118,401                  | \$118,401                  | \$118,401                  | 0.0%     | \$298,342                  | \$298,342                  | \$298,342                  | 0.0%     |
| Total Account Cost of Operations  | \$11,066   | \$11,066                   | \$11,066                   | 0.0%     | \$1,273                    | \$1,273                    | \$1,273                    | 0.0%     | \$4,474                    | \$4,474                    | \$4,474                    | 0.0%     |
| Annual Implementation Cost Assumptions  | \$44,729   | \$22,364                   | \$11,182                   | -25.1%   | \$1,771                    | \$1,771                    | \$1,771                    | 0.0%     | \$4,426                    | \$4,426                    | \$4,426                    | 0.0%     |
| Total Annual Cost of Operations   | \$1,211,341  | \$1,211,341                | \$1,211,341                | 0.0%     | \$1,273                    | \$1,273                    | \$1,273                    | 0.0%     | \$4,474                    | \$4,474                    | \$4,474                    | 0.0%     |
| Profit (Operating Ratio below)  | \$908,684  | \$844,684                  | \$780,684                  | -9.3%    | \$24,526                   | \$24,526                   | \$24,526                   | 0.0%     | \$31,372                   | \$31,372                   | \$31,372                   | 0.0%     |
| %   | 90.3%  |                            |                            |          |                            |                            |                            |          |                            |                            |                            |          |
| Total Operating Costs before Pass-Through Cost Allowance  | \$9,979,748.03   | \$10,488,921.46            | \$10,998,094.89            | 5.1%     | \$28,453.42                | \$28,453.42                | \$28,453.42                | 0.0%     | \$71,127.13                | \$71,127.13                | \$71,127.13                | 0.0%     |

| COLLECTION COSTS  | 2024 MFO Commercial Cost of Operations with Fuel Cost Increase |                            |                            |          |                            |                            |                            |          |                            |                            |                            |          |
|---|--|----------------------------|----------------------------|----------|----------------------------|----------------------------|----------------------------|----------|----------------------------|----------------------------|----------------------------|----------|
|   | Cost and lbs pulled (2024)                                     | Cost and lbs pulled (2025) | Cost and lbs pulled (2026) | % Change | Cost and lbs pulled (2024) | Cost and lbs pulled (2025) | Cost and lbs pulled (2026) | % Change | Cost and lbs pulled (2024) | Cost and lbs pulled (2025) | Cost and lbs pulled (2026) | % Change |
| <b>Account Cost of Operations</b>   |  |                            |                            |          |                            |                            |                            |          |                            |                            |                            |          |
| Direct Labor-Related Costs  |  |                            |                            |          |                            |                            |                            |          |                            |                            |                            |          |
| Wages for CMAA  | \$1,247,258  | \$1,291,303                | \$1,335,348                | 3.7%     | \$44,919                   | \$44,919                   | \$44,919                   | 0.0%     | \$112,277                  | \$112,277                  | \$112,277                  | 0.0%     |
| Benefits for CMAA   | \$1,098,754  | \$1,142,519                | \$1,186,284                | 4.0%     | \$16,156                   | \$16,156                   | \$16,156                   | 0.0%     | \$32,312                   | \$32,312                   | \$32,312                   | 0.0%     |
| Payroll Taxes   | \$285,423  | \$292,093                  | \$298,763                  | 2.3%     | \$1,968                    | \$1,968                    | \$1,968                    | 0.0%     | \$4,920                    | \$4,920                    | \$4,920                    | 0.0%     |
| Written Compensation Insurance  | \$339,231  | \$347,204                  | \$355,177                  | 2.3%     | \$4,518                    | \$4,518                    | \$4,518                    | 0.0%     | \$11,295                   | \$11,295                   | \$11,295                   | 0.0%     |
| Total Direct Labor-Related Costs  | \$5,178,676  | \$5,379,239                | \$5,579,802                | 3.9%     | \$77,561                   | \$77,561                   | \$77,561                   | 0.0%     | \$160,802                  | \$160,802                  | \$160,802                  | 0.0%     |
| Direct Fuel Costs   | \$1,278,778  | \$1,667,737                | \$2,056,696                | 30.4%    | \$1,814                    | \$1,814                    | \$1,814                    | 0.0%     | \$4,536                    | \$4,536                    | \$4,536                    | 0.0%     |
| Other Direct Costs  | \$335,117  | \$222,900                  | \$110,683                  | -33.1%   | \$11,849                   | \$11,849                   | \$11,849                   | 0.0%     | \$14,574                   | \$14,574                   | \$14,574                   | 0.0%     |
| Depreciation - Collection Vehicles  | \$964,904  | \$964,904                  | \$964,904                  | 0.0%     | \$13,890                   | \$13,890                   | \$13,890                   | 0.0%     | \$17,363                   | \$17,363                   | \$17,363                   | 0.0%     |
| Depreciation - Computers  | \$198,484  | \$166,960                  | \$135,436                  | -16.3%   | \$0                        | \$0                        | \$0                        | 0.0%     | \$2,514                    | \$2,514                    | \$2,514                    | 0.0%     |
| Depreciation for Collection Equipment   | \$773,104  | \$451,235                  | \$129,366                  | -37.8%   | \$1,890                    | \$1,890                    | \$1,890                    | 0.0%     | \$2,363                    | \$2,363                    | \$2,363                    | 0.0%     |
| Leases (To-1 included only for Collection Equipment (vehicles, trailers, and other collection-related equipment)) | \$0  | \$0                        | \$0                        | 0.0%     | \$0                        | \$0                        | \$0                        | 0.0%     | \$0                        | \$0                        | \$0                        | 0.0%     |
| Indirect Costs including Depreciation and Interest  | \$648,689  | \$648,689                  | \$648,689                  | 0.0%     | \$86,871                   | \$86,871                   | \$86,871                   | 0.0%     | \$214,678                  | \$214,678                  | \$214,678                  | 0.0%     |
| General and Administrative Expenses   | \$170,370  | \$176,307                  | \$182,244                  | 3.4%     | \$2,597                    | \$2,597                    | \$2,597                    | 0.0%     | \$6,493                    | \$6,493                    | \$6,493                    | 0.0%     |
| Vehicle Maintenance   | \$207,491  | \$184,974                  | \$162,457                  | -11.0%   | \$2,748                    | \$2,748                    | \$2,748                    | 0.0%     | \$6,871                    | \$6,871                    | \$6,871                    | 0.0%     |
| Computer Maintenance  | \$86,611   | \$86,611                   | \$86,611                   | 0.0%     | \$1,139                    | \$1,139                    | \$1,139                    | 0.0%     | \$2,847                    | \$2,847                    | \$2,847                    | 0.0%     |
| Total Indirect Costs including Depreciation and Interest  | \$1,166,111  | \$1,166,111                | \$1,166,111                | 0.0%     | \$118,401                  | \$118,401                  | \$118,401                  | 0.0%     | \$298,342                  | \$298,342                  | \$298,342                  | 0.0%     |
| Total Account Cost of Operations  | \$11,066   | \$11,066                   | \$11,066                   | 0.0%     | \$1,273                    | \$1,273                    | \$1,273                    | 0.0%     | \$4,474                    | \$4,474                    | \$4,474                    | 0.0%     |
| Annual Implementation Cost Assumptions  | \$22,364   | \$11,182                   | \$0                        | -100.0%  | \$1,771                    | \$1,771                    | \$1,771                    | 0.0%     | \$4,426                    | \$4,426                    | \$4,426                    | 0.0%     |
| Total Annual Cost of Operations   | \$1,211,341  | \$1,211,341                | \$1,211,341                | 0.0%     | \$1,273                    | \$1,273                    | \$1,273                    | 0.0%     | \$4,474                    | \$4,474                    | \$4,474                    | 0.0%     |
| Profit (Operating Ratio below)  | \$844,684  | \$780,684                  | \$716,684                  | -7.7%    | \$22,754                   | \$22,754                   | \$22,754                   | 0.0%     | \$28,896                   | \$28,896                   | \$28,896                   | 0.0%     |
| %   | 89.7%  |                            |                            |          |                            |                            |                            |          |                            |                            |                            |          |
| Total Operating Costs before Pass-Through Cost Allowance  | \$10,488,921.46  | \$10,998,094.89            | \$11,513,268.32            | 4.9%     | \$31,226.84                | \$31,226.84                | \$31,226.84                | 0.0%     | \$79,553.27                | \$79,553.27                | \$79,553.27                | 0.0%     |

FRANCHISE AGREEMENT FOR COLLECTION SERVICES WITH RECOLOGY SAN MATEO COUNTY  
 ATTACHMENT N - CONTRACTOR'S COMPENSATION  
 CITY OF BURLINGAME

FRANCHISE AGREEMENT FOR COLLECTION SERVICES

**K. Detail B - COST CHANGE DUE TO SERVICE LEVEL CHANGES - CURRENT YEAR TO NEXT RATE YEAR**

Done in Rate Year One & Three only

Step 5 The third step is to increase cost of operations by the associated increase in accounts. If the public fee, SFD Costs are increased based on change in accounts, Commercial, MFD are increased by the change in the Agency costs based in the change in public fee

The Individual cost of operations are effected differently by the change in accounts, Labor Related Costs, Direct Fuel Costs and Other Direct Costs are effected by 100% of the change in accounts (Highlighted in Yellow)

Indirect Costs are effected by 65% of the change in accounts (Highlighted in Green)

Fixed Costs do not change with changes in accounts

ATTACHMENT N

**EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY**

| Category                          | 2008  | 2009  | 2010  | 2011  | 2012  |
|-----------------------------------|-------|-------|-------|-------|-------|
| Public Labor and Franchising Cost | 1,915 | 2,000 | 2,085 | 2,170 | 2,255 |
| Variable Cost                     | 1,915 | 2,000 | 2,085 | 2,170 | 2,255 |
| Fixed Cost                        | 1,915 | 1,915 | 1,915 | 1,915 | 1,915 |
| Total                             | 3,830 | 3,915 | 4,000 | 4,085 | 4,170 |

Note: SFD account used for Variable and Fixed costs

**MUNICIPAL AGENCY SERVICES**

**2008 Agency Costs of Operations with Indirect Increase**

| COLLECTION COSTS  | 2008 Costs (before Indirect Costs added to 2011 Cost) |           |           |           |           |
|---|---|-----------|-----------|-----------|-----------|
|   | 2008  | 2009      | 2010      | 2011      | 2012      |
| <b>Annual Cost of Operations</b>  |   |           |           |           |           |
| <b>Direct Labor Related Costs</b>   |   |           |           |           |           |
| Wages for CSOs  | 894,134   | 924,493   | 954,852   | 985,211   | 1,015,570 |
| Benefits for CSOs   | 200,230   | 207,241   | 214,252   | 221,263   | 228,274   |
| Payroll Taxes   | 18,018  | 18,594    | 19,170    | 19,746    | 20,322    |
| Workers Compensation Insurance  | 92,611  | 95,428    | 98,245    | 101,062   | 103,879   |
| Total Direct Labor Related Costs  | 1,185,003   | 1,245,956 | 1,305,519 | 1,365,082 | 1,424,645 |
| <b>Direct Fuel Costs</b>  | 53,117  | 57,829    | 62,541    | 67,253    | 71,965    |
| <b>Other Direct Costs</b>   | 124,766   | 131,192   | 137,618   | 144,044   | 150,470   |
| <b>Depreciation - Collection Vehicles</b>   | 103,333   | 106,308   | 109,283   | 112,258   | 115,233   |
| Depreciation - Computers  | 50  | 50        | 50        | 50        | 50        |
| Depreciation for Collection Equipment   | 113,113   | 116,088   | 119,063   | 122,038   | 125,013   |
| Lease (TV) (included only for Collection Equipment (collection, meters, and other collection-related equipment) | 50  | 50        | 50        | 50        | 50        |
| <b>Indirect Costs including Depreciation and Interest</b>   |   |           |           |           |           |
| Owner and Administrative  | 113,278   | 116,253   | 119,228   | 122,203   | 125,178   |
| Operations  | 128,975   | 133,241   | 137,507   | 141,773   | 146,039   |
| Vehicle Maintenance   | 104,443   | 108,709   | 112,975   | 117,241   | 121,507   |
| Contract Maintenance  | 15,132  | 15,667    | 16,202    | 16,737    | 17,272    |
| Total Indirect Costs including Depreciation and Interest  | 461,828   | 473,870   | 485,912   | 497,954   | 510,000   |
| Total Annual Cost of Operations   | 1,646,831   | 1,719,826 | 1,791,431 | 1,863,036 | 1,934,645 |
| Profit (Operating Ratio below)  |   |           |           |           |           |
| %   | 90.5%   |           |           |           |           |
| Total Operating Costs before Pass-Through Cost Allocation   | \$489,958   | \$122,484 | \$163,313 | \$184,839 | \$216,545 |

**2008 Agency Costs of Operations with Service Level Changes**

| COLLECTION COSTS  | 2008 Costs (before Indirect Costs added to 2011 Cost) |           |           |           |           |
|---|---|-----------|-----------|-----------|-----------|
|   | 2008  | 2009      | 2010      | 2011      | 2012      |
| <b>Annual Cost of Operations</b>  |   |           |           |           |           |
| <b>Direct Labor Related Costs</b>   |   |           |           |           |           |
| Wages for CSOs  | 894,134   | 924,493   | 954,852   | 985,211   | 1,015,570 |
| Benefits for CSOs   | 200,230   | 207,241   | 214,252   | 221,263   | 228,274   |
| Payroll Taxes   | 18,018  | 18,594    | 19,170    | 19,746    | 20,322    |
| Workers Compensation Insurance  | 92,611  | 95,428    | 98,245    | 101,062   | 103,879   |
| Total Direct Labor Related Costs  | 1,185,003   | 1,245,956 | 1,305,519 | 1,365,082 | 1,424,645 |
| <b>Direct Fuel Costs</b>  | 53,117  | 57,829    | 62,541    | 67,253    | 71,965    |
| <b>Other Direct Costs</b>   | 124,766   | 131,192   | 137,618   | 144,044   | 150,470   |
| <b>Depreciation - Collection Vehicles</b>   | 103,333   | 106,308   | 109,283   | 112,258   | 115,233   |
| Depreciation - Computers  | 50  | 50        | 50        | 50        | 50        |
| Depreciation for Collection Equipment   | 113,113   | 116,088   | 119,063   | 122,038   | 125,013   |
| Lease (TV) (included only for Collection Equipment (collection, meters, and other collection-related equipment) | 50  | 50        | 50        | 50        | 50        |
| <b>Indirect Costs including Depreciation and Interest</b>   |   |           |           |           |           |
| Owner and Administrative  | 113,278   | 116,253   | 119,228   | 122,203   | 125,178   |
| Operations  | 128,975   | 133,241   | 137,507   | 141,773   | 146,039   |
| Vehicle Maintenance   | 104,443   | 108,709   | 112,975   | 117,241   | 121,507   |
| Contract Maintenance  | 15,132  | 15,667    | 16,202    | 16,737    | 17,272    |
| Total Indirect Costs including Depreciation and Interest  | 461,828   | 473,870   | 485,912   | 497,954   | 510,000   |
| Total Annual Cost of Operations   | 1,646,831   | 1,719,826 | 1,791,431 | 1,863,036 | 1,934,645 |
| Profit (Operating Ratio below)  |   |           |           |           |           |
| %   | 90.5%   |           |           |           |           |
| Total Operating Costs before Pass-Through Cost Allocation   | \$489,958   | \$122,484 | \$163,313 | \$184,839 | \$216,545 |

FRANCHISE AGREEMENT FOR COLLECTION SERVICES

K. Detail 4 - COST CHANGE DUE TO INDEXED COST CHANGES

Increase Updated Cost of Operations for Increases in Attachment K Indices (Step 4)

ATTACHMENT N

EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY

SINGLE FAMILY DWELLING

data from B2 (Step 3)

| COLLECTION COSTS  | 2011 COST ADJUSTED FOR SERVICE LEVEL CHANGES |   |                                     |   |                                    |             |                |
|---|--|---|-------------------------------------|---|------------------------------------|-------------|----------------|
|   | 2011 Solid Waste                             | 2011 Organic Materials (Including Recyclable) | 2011 Weekly Battery and Oil (W/Oil) | 2011 Weekly Used Motor Oil and Oil Filter | 2011 Two-Drop Call Collection Fees | 2011 TOTAL  | 2011 TOTAL     |
| <b>Annual Cost of Operations</b>                                |  |   |                                     |   |                                    |             |                |
| <b>Direct Labor-Related Costs</b>                               |  |   |                                     |   |                                    |             |                |
| Wages for CMAA  | \$2,192,059                                  | \$1,971,239                                   | \$1,791,101                         | \$0,886                                   | \$9,898                            | \$54,254    | \$6,668,233    |
| Benefits for CMAA   | \$737,420                                    | \$629,733                                     | \$549,448                           | \$3,180                                   | \$3,180                            | \$202,512   | \$2,151,475    |
| Payroll Taxes   | \$198,889                                    | \$162,894                                     | \$145,337                           | \$823                                     | \$823                              | \$46,974    | \$533,969      |
| Workers Compensation Insurance                                  | \$32,202                                     | \$26,728                                      | \$23,802                            | \$122                                     | \$122                              | \$6,563     | \$36,819       |
| <b>Total Direct Labor-Related Costs</b>                         | \$3,400,370                                  | \$2,991,694                                   | \$2,614,688                         | \$1,411                                   | \$1,411                            | \$87,326    | \$10,036,009   |
| <b>Direct Fuel Costs</b>  | \$646,399                                    | \$696,344                                     | \$377,568                           | \$3,315                                   | \$3,315                            | \$68,267    | \$1,800,309    |
| <b>Other Direct Costs</b>                                       | \$356,898                                    | \$362,399                                     | \$320,687                           | \$1,830                                   | \$1,830                            | \$45,774    | \$1,088,789    |
| <b>Depreciation - Collection Vehicles</b>                       | \$713,397                                    | \$706,263                                     | \$624,323                           | \$2,367                                   | \$2,367                            | \$78,402    | \$2,126,599    |
| <b>Depreciation - Containers</b>                                | \$473,200                                    | \$484,704                                     | \$387,501                           | \$2,448                                   | \$2,448                            | \$0         | \$1,353,307    |
| <b>Depreciation for Collection Equipment</b>                    | \$1,188,197                                  | \$1,190,987                                   | \$1,211,730                         | \$6,015                                   | \$6,015                            | \$78,492    | \$3,681,816    |
| <b>Lease</b>  | \$0  | \$0   | \$0                                 | \$0                                       | \$0                                | \$0         | \$0            |
| <b>Indirect Costs including Depreciation and Interest</b>       |  |   |                                     |   |                                    |             |                |
| General and Administrative                                      | \$1,179,024                                  | \$1,211,608                                   | \$1,228,150                         | \$6,141                                   | \$6,141                            | \$49,141    | \$3,681,464    |
| Operations  | \$300,742                                    | \$310,140                                     | \$313,373                           | \$1,366                                   | \$1,366                            | \$12,335    | \$939,922      |
| Vehicle Maintenance   | \$471,936                                    | \$486,705                                     | \$491,831                           | \$2,438                                   | \$2,438                            | \$19,671    | \$1,471,869    |
| Condition Maintenance   | \$137,977                                    | \$161,985                                     | \$163,922                           | \$818                                     | \$818                              | \$6,547     | \$48,282       |
| <b>Total Indirect Costs excluding Depreciation and Interest</b> | \$2,108,798                                  | \$2,174,698                                   | \$2,196,653                         | \$10,983                                  | \$10,983                           | \$87,804    | \$6,549,922    |
| <b>Total Indirect Depreciation Costs</b>                        | \$30,813                                     | \$31,776                                      | \$32,097                            | \$160                                     | \$160                              | \$1,284     | \$96,289       |
| <b>Annual Implementation Cost Amortization (From A)</b>         | \$39,476                                     | \$37,027                                      | \$33,842                            | \$597                                     | \$597                              | \$5,971     | \$19,474       |
| <b>Total Annual Cost of Operations</b>                          | \$7,638,509                                  | \$7,398,008                                   | \$6,987,989                         | \$27,779                                  | \$27,779                           | \$1,372,858 | \$23,508,801   |
| <b>Profit (Operating Ratio below)</b>                           | 95.5%  | \$833,718                                     | \$776,669                           | \$732,548                                 | \$3,963.70                         | \$3,963.70  | \$2,473,033.34 |
| <b>Total Operating Costs before Pass-Through Cost</b>           | \$8,771,824                                  | \$8,174,596                                   | \$7,720,537                         | \$41,744                                  | \$41,744                           | \$2,379,333 | \$26,031,835   |

|                     |        |  |
|---------------------|--------|--|
| Change in CMA Wages | 16.22% | Increase in wages - Drivers                                      |
| Change in PPS Fees  | 8.27%  | Increase in PPS fees increase at 8.27% of wages for Direct Labor |
| Change in PPS Fees  |        |  |
| Change in PPS Fees  |        |  |
| Change in PPS Fees  |        |  |

| 2011 COST EXAMPLE (Service Level Changes and Cost Indexed Changes) |   |                                     |   |                                    |             |              |              |
|--|---|-------------------------------------|---|------------------------------------|-------------|--------------|--------------|
| 2011 Solid Waste   | 2011 Organic Materials (Including Recyclable) | 2011 Weekly Battery and Oil (W/Oil) | 2011 Weekly Used Motor Oil and Oil Filter | 2011 Two-Drop Call Collection Fees | 2011 TOTAL  | 2011 TOTAL   | 2011 TOTAL   |
| \$2,780,331  | \$2,275,048                                   | \$2,032,010                         | \$11,400                                  | \$11,400                           | \$655,842   | \$7,581,231  | \$7,581,231  |
| \$231,274  | \$189,284                                     | \$169,144                           | \$856                                     | \$856                              | \$54,560    | \$644,234    | \$644,234    |
| \$4,112,605  | \$2,464,332                                   | \$2,201,154                         | \$12,256                                  | \$12,256                           | \$1,264,962 | \$8,229,819  | \$8,229,819  |
| \$0  | \$0   | \$0                                 | \$0                                       | \$0                                | \$0         | \$0          | \$0          |
| \$0  | \$0   | \$0                                 | \$0                                       | \$0                                | \$0         | \$0          | \$0          |
| \$6,447,811  | \$6,447,811                                   | \$6,447,811                         | \$6,447,811                               | \$6,447,811                        | \$6,447,811 | \$6,447,811  | \$6,447,811  |
| \$886,721  | \$819,978                                     | \$773,375                           | \$4,185                                   | \$4,185                            | \$34,839    | \$2,487,973  | \$2,487,973  |
| \$9,334,532  | \$7,267,789                                   | \$7,221,186                         | \$10,640                                  | \$10,640                           | \$1,492,650 | \$11,129,814 | \$11,129,814 |

FRANCHISE AGREEMENT FOR COLLECTION SERVICES  
 K. Detail 4 - COST CHANGE DUE TO INDEXED COST CHANGES

ATTACHMENT N  
 EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY

MULTI-FAMILY DWELLING/COMMERCIAL

Auto From B7 (Step 3)

| COLLECTION COSTS  | 2011 COST ADJUSTED FOR SERVICE LEVEL CHANGES |                               |                             |                               |                             |                               |                             |                               |
|---|--|-------------------------------|-----------------------------|-------------------------------|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
|   | Cost and Fee<br>2010 Actual                  | Cost and Fee<br>2011 Proposed | Cost and Fee<br>2011 Actual | Cost and Fee<br>2011 Proposed | Cost and Fee<br>2011 Actual | Cost and Fee<br>2011 Proposed | Cost and Fee<br>2011 Actual | Cost and Fee<br>2011 Proposed |
| <b>Annual Cost of Operations</b>                                |  |                               |                             |                               |                             |                               |                             |                               |
| Direct Labor-Related Costs                                      |  |                               |                             |                               |                             |                               |                             |                               |
| Wages for CBAs  | \$3,381,833                                  | \$1,292,593                   | \$333,361                   | \$318,349                     | \$46,791                    | \$29,946                      | \$91,773                    | \$5,214,686                   |
| Benefits for CBAs   | \$1,071,997                                  | \$386,332                     | \$74,215                    | \$70,956                      | \$14,596                    | \$9,241                       | \$30,118                    | \$1,661,535                   |
| Payroll Taxes   | \$281,270                                    | \$107,561                     | \$20,517                    | \$24,310                      | \$3,894                     | \$2,492                       | \$7,628                     | \$458,303                     |
| Workers Compensation Insurance                                  | \$264,277                                    | \$129,337                     | \$26,341                    | \$21,854                      | \$4,829                     | \$2,884                       | \$9,277                     | \$321,460                     |
| <b>Total Direct Labor-Related Costs</b>                         | <b>\$3,077,267</b>                           | <b>\$1,915,743</b>            | <b>\$495,466</b>            | <b>\$447,448</b>              | <b>\$69,960</b>             | <b>\$44,774</b>               | <b>\$138,706</b>            | <b>\$8,186,063</b>            |
| Direct Fuel Costs   | \$826,139                                    | \$734,639                     | \$131,687                   | \$75,213                      | \$15,211                    | \$9,733                       | \$23,531                    | \$1,406,907                   |
| Other Direct Costs  | \$476,697                                    | \$231,846                     | \$61,893                    | \$58,825                      | \$12,077                    | \$7,762                       | \$14,743                    | \$837,843                     |
| Depreciation - Collection Vehicles                              | \$864,904                                    | \$382,835                     | \$118,254                   | \$77,407                      | \$15,890                    | \$10,215                      | \$26,730                    | \$1,495,839                   |
| Depreciation - Catalogs   | \$230,098                                    | \$199,484                     | \$181,727                   | \$0                           | \$0                         | \$0                           | \$7,116                     | \$608,359                     |
| Depreciation for Collection Equipment                           | \$129,972                                    | \$72,104                      | \$299,791                   | \$77,407                      | \$15,890                    | \$10,215                      | \$33,863                    | \$1,041,234                   |
| Lease   | \$0  | \$0                           | \$0                         | \$0                           | \$0                         | \$0                           | \$0                         | \$0                           |
| Indirect Costs including Depreciation and Interest              |  |                               |                             |                               |                             |                               |                             |                               |
| General and Administrative                                      | \$637,281                                    | \$677,403                     | \$677,403                   | \$343,476                     | \$67,740                    | \$47,418                      | \$20,322                    | \$2,492,844                   |
| Operations  | \$187,406                                    | \$172,790                     | \$172,790                   | \$88,123                      | \$17,279                    | \$12,095                      | \$3,104                     | \$635,867                     |
| Vehicle Maintenance   | \$30,256                                     | \$71,140                      | \$71,140                    | \$18,293                      | \$7,116                     | \$4,981                       | \$8,135                     | \$997,970                     |
| Customer Maintenance  | \$87,432                                     | \$92,216                      | \$92,216                    | \$45,052                      | \$9,052                     | \$6,111                       | \$3,302                     | \$332,112                     |
| <b>Total Indirect Costs including Depreciation and Interest</b> | <b>\$1,173,253</b>                           | <b>\$1,211,602</b>            | <b>\$1,211,602</b>          | <b>\$617,517</b>              | <b>\$121,140</b>            | <b>\$84,812</b>               | <b>\$36,348</b>             | <b>\$4,458,694</b>            |
| <b>Total Indirect Depreciation Costs</b>                        | <b>\$17,066</b>                              | <b>\$17,594</b>               | <b>\$17,594</b>             | <b>\$8,973</b>                | <b>\$1,759</b>              | <b>\$1,232</b>                | <b>\$358</b>                | <b>\$64,747</b>               |
| Annual Depreciation Cost Amortization (Firm A)                  | \$46,529                                     | \$23,800                      | \$11,860                    | \$6,306                       | \$1,277                     | \$912                         | \$1,460                     | \$91,254                      |
| <b>Total Annual Cost of Operations</b>                          | <b>\$6,713,943</b>                           | <b>\$4,360,334</b>            | <b>\$2,316,583</b>          | <b>\$1,390,861</b>            | <b>\$327,214</b>            | <b>\$129,442</b>              | <b>\$83,102</b>             | <b>\$17,146,732</b>           |
| Profit (Operating Ratio below) 90.5%                            | \$94,713,244                                 | \$481,417                     | \$833,680                   | \$184,507                     | \$24,474                    | \$16,517                      | \$16,669                    | <u>\$1,222,146</u>            |
| <b>Total Operating Costs before Pass-Through Cost</b>           | <b>\$9,658,667</b>                           | <b>\$4,781,753</b>            | <b>\$3,149,263</b>          | <b>\$1,416,388</b>            | <b>\$262,247</b>            | <b>\$176,179</b>              | <b>\$177,971</b>            | <b>\$18,972,048</b>           |

|                     |        |                   |
|---------------------|--------|-------------------|
| Change in CBA Wages | 16.23% | Increase in wages |
|---------------------|--------|-------------------|

Example of Annual Cost of Operations for 2011

| 2010 Actual  | 2011 Proposed | 2011 Actual | 2011 Proposed | 2011 Actual | 2011 Proposed | 2011 Actual | 2011 Proposed      |
|--------------|---------------|-------------|---------------|-------------|---------------|-------------|--------------------|
| \$3,930,750  | \$1,202,403   | \$410,735   | \$370,045     | \$54,386    | \$34,807      | \$106,669   | \$6,409,813        |
| \$5,856,343  | \$2,209,612   | \$567,893   | \$516,506     | \$80,690    | \$31,642      | \$159,281   | \$9,442,366        |
| \$0          | \$0           | \$0         | \$0           | \$0         | \$0           | \$0         | \$0                |
| \$1,173,253  | \$1,211,602   | \$1,211,602 | \$617,517     | \$121,140   | \$84,812      | \$36,348    | \$4,458,694        |
| \$9,616,666  | \$4,277,941   | \$2,296,343 | \$1,242,690   | \$146,605   | \$165,349     | \$170,318   | \$16,314,773       |
| \$968,490    | \$488,035     | \$740,432   | \$141,995     | \$15,887    | \$17,341      | \$18,355    | <u>\$1,222,146</u> |
| \$10,485,156 | \$5,025,996   | \$3,336,766 | \$1,494,684   | \$272,491   | \$182,750     | \$198,673   | \$18,237,217       |

FRANCHISE AGREEMENT FOR COLLECTION SERVICES WITH RECOLOGY SAN MATEO COUNTY  
 ATTACHMENT N - CONTRACTOR'S COMPENSATION  
 CITY OF BURLINGAME

FRANCHISE AGREEMENT FOR COLLECTION SERVICES  
 K. Detail 4 - COST CHANGE DUE TO INDEXED COST CHANGES

ATTACHMENT N  
 EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY

|                     |                          |
|---------------------|--------------------------|
| Change in CIA Wages | 16.23% Increase in Wages |
|                     |                          |
|                     |                          |
|                     |                          |

AGENCY COSTS

| COLLECTION COSTS  | Solid Waste      | Organic Materials | Public Litter and Recycling Costs | Vehicle and Driver | TOTAL            |
|---|------------------|-------------------|-----------------------------------|--------------------|------------------|
| <b>Annual Cost of Operations</b>                                |                  |                   |                                   |                    |                  |
| Direct Labor Related Costs                                      |                  |                   |                                   |                    |                  |
| Wages for CIA's   | \$76,260         | \$24,546          | \$12,753                          | \$8,388            | \$122,947        |
| Benefits for CIA's  | \$30,651         | \$7,660           | \$10,217                          | \$2,554            | \$51,082         |
| Payroll Taxes   | \$8,178          | \$2,043           | \$3,726                           | \$682              | \$14,629         |
| Workers Compensation Insurance                                  | \$9,255          | \$2,156           | \$2,228                           | \$612              | \$16,251         |
| <b>Total Direct Labor Related Costs</b>                         | <b>\$144,344</b> | <b>\$36,505</b>   | <b>\$28,924</b>                   | <b>\$11,836</b>    | <b>\$221,609</b> |
| Direct Fuel Costs   | \$31,943         | \$7,986           | \$10,648                          | \$2,652            | \$53,229         |
| Other Direct Costs  | \$12,261         | \$6,316           | \$8,430                           | \$2,105            | \$29,112         |
| Depreciation - Collection Vehicles                              | \$33,233         | \$8,308           | \$11,078                          | \$2,769            | \$55,388         |
| Depreciation - Containers                                       | \$0              | \$0               | \$0                               | \$0                | \$0              |
| Depreciation for Collection Equipment                           | \$33,233         | \$8,308           | \$11,078                          | \$2,769            | \$55,388         |
| Lease   | \$0              | \$0               | \$0                               | \$0                | \$0              |
| Indirect Costs including Depreciation and Interest              |                  |                   |                                   |                    |                  |
| General and Administrative                                      | \$115,054        | \$28,764          | \$38,331                          | \$9,388            | \$191,537        |
| Operations  | \$29,348         | \$7,337           | \$9,783                           | \$2,446            | \$48,914         |
| Vehicle Maintenance   | \$46,055         | \$11,514          | \$15,332                          | \$3,838            | \$76,739         |
| Container Maintenance   | \$15,328         | \$3,833           | \$5,189                           | \$1,277            | \$25,627         |
| <b>Total Indirect Costs including Depreciation and Interest</b> | <b>\$205,785</b> | <b>\$51,468</b>   | <b>\$68,595</b>                   | <b>\$17,149</b>    | <b>\$342,997</b> |
| <b>Total Indirect Depreciation Costs</b>                        | <b>\$3,988</b>   | <b>\$747</b>      | <b>\$996</b>                      | <b>\$249</b>       | <b>\$4,980</b>   |
| Annual Implementation Cost Amortization (Form A)                | \$3,910          | \$975             | \$1,265                           | \$316              | \$6,466          |
| <b>Total Annual Cost of Operations</b>                          | <b>\$490,034</b> | <b>\$112,513</b>  | <b>\$106,013</b>                  | <b>\$37,500</b>    | <b>\$746,060</b> |
| Profit (Operating Ratio below)                                  | \$42,241         | \$11,811          | \$15,747                          | \$3,937            | \$73,736         |
| <b>Total Operating Costs before Pass-Through Cost</b>           | <b>\$447,793</b> | <b>\$100,702</b>  | <b>\$90,266</b>                   | <b>\$33,563</b>    | <b>\$672,324</b> |

| Change in CIA Wages | 16.23% Increase in Wages |           |          |           |
|---------------------|--------------------------|-----------|----------|-----------|
| \$114,209           | \$38,554                 | \$28,070  | \$9,517  | \$190,350 |
| \$169,448           | \$42,554                 | \$56,483  | \$14,121 | \$282,606 |
| \$0                 | \$0                      | \$0       | \$0      | \$0       |
| \$205,785           | \$51,468                 | \$68,595  | \$17,149 | \$342,997 |
| \$469,486           | \$117,276                | \$256,496 | \$39,124 | \$882,382 |
| \$49,283            | \$12,331                 | \$16,028  | \$4,107  | \$81,749  |
| \$218,769           | \$59,697                 | \$72,624  | \$20,220 | \$371,310 |

**Form 1 - General Proposal Information**

**SBWMA COLLECTION AGREEMENT**  
**Section L, Cost Form 1: General Information**  
**Recology San Mateo County**

**ATTACHMENT N**

| <b>A. Method of Collection (e.g. manual, semi-automated, fully-automated, etc.)</b>  |  |
|--|--|
| <b>1. Single-Family Solid Waste</b>  | Fully Automated  |
| <b>2. Single-Family Recyclable Materials</b>   | Fully Automated  |
| <b>3. Single-Family Organic Materials</b>  | Fully Automated  |
| <b>B. Collection Vehicle Manufacturer, Model Number, and Year (for each vehicle)</b> |  |
| <b>1. Single-Family Solid Waste</b>  | 2010 Autocar ACX-84 4 axel Chasis, Dual Drive with Heil 28 cubic yard - DP Python Eject Body   |
| <b>2. Single-Family Recyclable Materials</b>   | 2010 Autocar ACX-84 4 axel Chasis, Dual Drive with Heil 28 cubic yard - DP Python Eject Body   |
| <b>3. Single-Family Organic Materials</b>  | 2010 Autocar ACX-84 4 axel Chasis, Dual Drive with Heil 28 cubic yard - DP Python Eject Body   |
| <b>4. Multi-Family and Commercial Solid Waste</b>                                    | 2010 Autocar ACX-84 4 axel Chasis, Dual Drive with Heil 28 cubic yard - DP Python Eject Body. 2010 Autocar ACX-84 4 axel chasis L/S Steer only with Heil 40 cubic yard Sierra Eject Body |
| <b>5. Multi-Family and Commercial Recyclable Materials</b>                           | 2010 Autocar ACX-84 4 axel Chasis, Dual Drive with Heil 28 cubic yard - DP Python Eject Body. 2010 Autocar ACX-84 4 axel chasis L/S Steer only with Heil 40 cubic yard Sierra Eject Body |
| <b>6. Multi-Family and Commercial Organic Materials</b>                              | 2010 Autocar ACX-84 4 axel Chasis, Dual Drive with Heil 28 cubic yard - DP Python Eject Body. 2010 Autocar ACX-84 4 axel chasis L/S Steer only with Heil 40 cubic yard Sierra Eject Body |

**Form 1 - General Proposal Information**

**SBWMA COLLECTION AGREEMENT**  
**Section L, Cost Form 1: General Information**  
**Recology San Mateo County**

**ATTACHMENT N**

| <b>C. Container Manufacturer and Specifications</b>        |  |
|--|--|
| <b>1. Single-Family Solid Waste</b>                        | Toter EVR Advanced Rotational Moulding ANSI Standards 245.3 or greater Safety, 245.6 or greater Compatability with 30% post consumer recycled content  |
| <b>2. Single-Family Recyclable Materials</b>               | Toter EVR Advanced Rotational Moulding ANSI Standards 245.3 or greater Safety, 245.6 or greater Compatability with 30% post consumer recycled content  |
| <b>3. Single-Family Organic Materials</b>                  | Toter EVR Advanced Rotational Moulding ANSI Standards 245.3 or greater Safety, 245.6 or greater Compatability with 30% post consumer recycled content  |
| <b>4. Multi-Family and Commercial Solid Waste</b>          | Consolidated Fabricators 14 GA. Construction/6" Roller Bearing Casters and Toter EVR Advanced Rotational Moulding ANSI Standards 245.3 or greater Safety, 245.6 or greater Compatability with 30% post consumer recycled content |
| <b>5. Multi-Family and Commercial Recyclable Materials</b> | Consolidated Fabricators 14 GA. Construction/6" Roller Bearing Casters and Toter EVR Advanced Rotational Moulding ANSI Standards 245.3 or greater Safety, 245.6 or greater Compatability with 30% post consumer recycled content |
| <b>6. Multi-Family and Commercial Organic Materials</b>    | Consolidated Fabricators 14 GA. Construction/6" Roller Bearing Casters and Toter EVR Advanced Rotational Moulding ANSI Standards 245.3 or greater Safety, 245.6 or greater Compatability with 30% post consumer recycled content |



**Form 2 - Route and Maintenance Personnel**

**SBWMA COLLECTION AGREEMENT**

**ATTACHMENT N**

**Section L, Cost Form 2: Direct Labor**

**Recology San Mateo County**

| <b>DIRECT LABOR</b>                      |                         |                     |                       |                     |
|--|-------------------------|---------------------|-----------------------|---------------------|
| <b>Route and Maintenance Personnel</b>   | <b>Total</b>            |                     |                       |                     |
|  | <b>Hourly Wage Rate</b> | <b>Proposed FTE</b> | <b>OT Hrs./FTE/yr</b> | <b>Annual Cost</b>  |
| <u>Route Labor</u>                       |                         |                     |                       |                     |
| Helper                                   | \$29.30                 | 7                   | 260                   | \$506,597           |
| Driver - Tag                             | \$29.93                 | 0                   | 0                     | \$0                 |
| Recycling Driver                         | \$30.55                 | 71                  | 370                   | \$5,716,259         |
| Commercial Driver                        | \$30.55                 | 42                  | 370                   | \$3,381,449         |
| Route Manager                            | \$30.55                 | 32                  | 370                   | \$2,576,342         |
| Subtotal                                 |                         | 152                 | 1,371                 | \$12,180,646        |
| <u>Mechanics - Vehicle Maintenance</u>   |                         |                     |                       |                     |
| Senior Mechanic                          | \$30.90                 | 10                  | 697                   | \$965,997           |
| Preventive Maintenance Technician        | \$28.05                 | 2                   | 697                   | \$175,380           |
| Welder                                   | \$29.70                 | 1                   | 697                   | \$92,848            |
| Shop Laborer (Utility)                   | \$16.00                 | 1                   | 260                   | \$39,520            |
| Subtotal                                 |                         | 14                  | 2,352                 | \$1,273,746         |
| <u>Mechanics - Container Maintenance</u> |                         |                     |                       |                     |
| Senior Mechanic                          | \$30.90                 | 0                   | 0                     | \$0                 |
| Preventive Maintenance Technician        | \$28.05                 | 0                   | 0                     | \$0                 |
| Welder                                   | \$29.70                 | 4                   | 697                   | \$371,393           |
| Shop Laborer (Utility)                   | \$16.00                 | 1                   | 260                   | \$39,520            |
| Subtotal                                 |                         | 5                   | 957                   | \$410,913           |
| <b>Total</b>                             |                         | <b>171</b>          | <b>4,681</b>          | <b>\$13,865,305</b> |

| <b>BENEFITS &amp; PENSION COST</b>     |                                       |                                       |
|--|---------------------------------------|---------------------------------------|
| <b>Route and Maintenance Personnel</b> | <b>Per-Person Annual Benefit Cost</b> | <b>Per-Person Annual Pension Rate</b> |
| <u>Truck Drivers and Helpers</u>       |                                       |                                       |
| Helper                                 | \$17,398.32                           | \$7,488.00                            |
| Driver - Tag                           | \$17,398.32                           | \$7,488.00                            |
| Recycling Driver                       | \$17,398.32                           | \$7,488.00                            |
| Commercial Driver                      | \$17,398.32                           | \$7,488.00                            |
| Route Manager                          | \$17,398.32                           | \$7,488.00                            |
| <u>Mechanics</u>                       |                                       |                                       |
| Senior Mechanic                        | \$12,600.00                           | \$6,300.00                            |
| Preventive Maintenance Technician      | \$12,600.00                           | \$6,300.00                            |
| Welder                                 | \$12,600.00                           | \$6,300.00                            |
| Shop Laborer (Utility)                 | \$12,600.00                           | \$6,300.00                            |

Form 3 - Other Personnel

**SBWMA COLLECTION AGREEMENT**  
**Section L, Cost Form 3: Other Personnel**  
**Recology San Mateo County**

**ATTACHMENT N**

| <b>Other Personnel (Indirect Costs)</b>     |             | <b>Total<br/>Proposed FTE</b> |
|---|-------------|-------------------------------|
| CEO/COO                                     | G&A         | 0                             |
| General Manager                             | G&A         | 1                             |
| Controller                                  | G&A         | 1                             |
| Office Manager                              | G&A         | 0                             |
| Operations Manager                          | Operations  | 1                             |
| Operations/Route Supervisor                 | Operations  | 6                             |
| Dispatcher                                  | Operations  | 3                             |
| Container Distribution                      | Operations  | 0                             |
| Operations Clerk                            | Operations  | 2                             |
| Maintenance Supervisor                      | Maintenance | 1                             |
| Shop Foreman                                | Maintenance | 1                             |
| Recycling Manager                           | G&A         | 1                             |
| Community Relations Manager                 | G&A         | 0                             |
| Recycling/Public Education Coordinator      | G&A         | 1                             |
| Customer Service Supervisor                 | G&A         | 1                             |
| Customer Service Representatives            | G&A         | 15                            |
| Inside Sales                                | G&A         | 0                             |
| Billing and Collections Manager             | G&A         | 1                             |
| Accounting Clerk                            | G&A         | 8                             |
| Receptionist                                | G&A         | 1                             |
| Safety Manager                              | G&A         | 1                             |
| Other: Residential/Commercial Route Auditor | Operations  | 4                             |
| Other: Recycling Coordinators               | Operations  | 8                             |
| <b>Total FTE</b>                            |             | <b>57</b>                     |

Form 4 - Capital Schedule

**SBWMA COLLECTION AGREEMENT**  
**Section L, Cost Form 4: Capital Schedule**  
**Recology San Mateo County**

| Collection Vehicles                              | Total      |           |            | Total Cost (\$)     |
|--|------------|-----------|------------|---------------------|
|  | Quantity   |           |            |                     |
|  | Active     | Spare     | Total      |                     |
| Single-Family Solid Waste                        | 22.0       | 2.0       | 24.0       | \$6,420,576         |
| Single-Family Recyclable Materials               | 22.0       | 2.0       | 24.0       | \$6,420,576         |
| Single-Family Organic Materials                  | 19.0       | 2.0       | 21.0       | \$5,618,004         |
| Multi-Family and Commercial Solid Waste          | 28.0       | 4.0       | 32.0       | \$8,024,878         |
| Multi-Family and Commercial Recyclable Materials | 11.0       | 2.0       | 13.0       | \$3,443,576         |
| Multi-Family and Commercial Organic Materials    | 4.0        | 0.0       | 4.0        | \$1,062,488         |
| Drop Box - Solid Waste                           | 1.8        | 0.4       | 2.2        | \$449,460           |
| Drop Box - Recyclable Material                   | 0.7        | 0.4       | 1.1        | \$224,730           |
| Drop Box - Organic Material                      | 0.7        | 0.4       | 1.1        | \$224,730           |
| Member Agency Facilities - Solid Waste           | 1.2        | 0.4       | 1.6        | \$326,880           |
| Member Agency Facilities - Recyclable Material   | 0.4        | 0.2       | 0.6        | \$122,580           |
| Member Agency Facilities - Organic Material      | 0.2        | 0.2       | 0.4        | \$81,720            |
| Two On-Call Clean-Up Events (SFD and MFD)        | 4.0        | 0.0       | 4.0        | \$628,380           |
| describe   |            |           | 0.0        |                     |
| describe   |            |           | 0.0        |                     |
| describe   |            |           | 0.0        |                     |
| <b>Subtotal</b>                                  | <b>115</b> | <b>14</b> | <b>129</b> | <b>\$33,048,578</b> |
| Other Vehicles                                   | Total      |           |            | Total Cost (\$)     |
|  | Quantity   |           |            |                     |
|  | Active     | Spare     | Total      |                     |
| Pickup Trucks                                    | 6          | 0         | 6          | \$206,160           |
| Container Distribution                           | 10         | 0         | 10         | \$867,336           |
| Mobile Service Truck                             | 4          | 0         | 4          | \$217,200           |
| Other:   |            |           | 0          |                     |
| Other:   |            |           | 0          |                     |
| <b>Subtotal</b>                                  | <b>20</b>  | <b>0</b>  | <b>20</b>  | <b>\$1,290,696</b>  |

Form 4 - Capital Schedule

**SBWMA COLLECTION AGREEMENT**  
**Section L, Cost Form 4: Capital Schedule**  
**Recology San Mateo County**

| Containers   | Total          |               |                |                     |
|--|----------------|---------------|----------------|---------------------|
|  | Quantity       |               |                | Total Cost (\$)     |
|  | Active         | Spare         | Total          |                     |
| Single-Family Solid Waste                              | 90,461         | 8,539         | 99,000         | \$4,752,000         |
| Single-Family Recyclable Materials                     | 90,461         | 8,539         | 99,000         | \$4,896,000         |
| Single-Family Organic Materials                        | 182,436        | 11,539        | 193,975        | \$5,875,073         |
| Multi-Family and Commercial Solid Waste Carts          | 16,600         | 200           | 16,800         | \$756,000           |
| Multi-Family and Commercial Recyclable Materials Carts | 6,000          | 200           | 6,200          | \$279,000           |
| Multi-Family and Commercial Organic Materials Carts    | 29,225         | 200           | 29,425         | \$201,428           |
| Multi-Family and Commercial Solid Waste Bins           | 2,980          | 40            | 3,020          | \$1,615,840         |
| Multi-Family and Commercial Recyclable Materials Bins  | 2,980          | 40            | 3,020          | \$1,615,840         |
| Multi-Family and Commercial Organic Materials Bins     | 2,980          | 40            | 3,020          | \$1,615,840         |
| Drop Box - Solid Waste                                 | 0              | 0             | 0              | \$0                 |
| Drop Box - Recyclable Material                         | 0              | 0             | 0              | \$0                 |
| Drop Box - Organic Material                            | 0              | 0             | 0              | \$0                 |
| Member Agency Facilities - Solid Waste                 | 0              | 0             | 0              | \$0                 |
| Member Agency Facilities - Recyclable Material         | 0              | 0             | 0              | \$0                 |
| Member Agency Facilities - Organic Material            | 0              | 0             | 0              | \$0                 |
| Other: _____   |                |               | 0              |                     |
| Other: _____   |                |               | 0              |                     |
| Other: _____   |                |               | 0              |                     |
| <b>Subtotal</b>  | <b>424,123</b> | <b>29,337</b> | <b>453,460</b> | <b>\$21,607,021</b> |
| Other  | Total          |               |                |                     |
|  |                |               |                | Total Cost (\$)     |
|  |                |               |                |                     |
| Shop Equipment   |                |               | 0              | \$300,000           |
| Computer Equipment                                     |                |               | 0              | \$50,000            |
| Office Furniture & Equipment                           |                |               | 0              | \$50,000            |
| Cameras for Hillsborough Vehicle (Form 26)             |                |               | 0              |                     |
| Other: _____   |                |               | 0              |                     |
| Other: _____   |                |               | 0              |                     |
| <b>Subtotal</b>  | <b>0</b>       | <b>0</b>      | <b>0</b>       | <b>\$400,000</b>    |
| <b>SubTotal</b>  | <b>424,258</b> | <b>29,351</b> | <b>453,609</b> | <b>\$56,346,295</b> |
| Startup Capital  | Total          |               |                |                     |
|  |                |               |                | Total Cost (\$)     |
|  |                |               |                |                     |
|  |                |               |                | \$0                 |
| Misc. Start-up Capital                                 |                |               |                |                     |
| <b>Subtotal</b>  |                |               |                | <b>\$0</b>          |
| <b>Total</b>   | <b>424,258</b> | <b>29,351</b> | <b>453,609</b> | <b>\$56,346,295</b> |

Includes all costs - sales tax, delivery, assembly, etc.

## Section L, Cost Form 5: Total Cost Summary

## Recology San Mateo County

| Costs in 2008 Dollars                                  | Single-Family<br>Costs (Form 6) | Multi-Family and<br>Commercial Costs<br>(Form 7) | Member Agency<br>Costs (Form 8) | Total Costs         |
|--|---------------------------------|--|---------------------------------|---------------------|
| <b>Annual Cost of Operations</b>                       |                                 |  |                                 |                     |
| Direct Labor-Related Costs                             |                                 |  |                                 |                     |
| Wages for CBAs   | \$6,613,535                     | \$5,406,555                                      | \$160,556                       | \$12,180,646        |
| Benefits for CBAs                                      | \$2,103,521                     | \$1,628,956                                      | \$50,084                        | \$3,782,561         |
| Payroll Taxes  | \$550,220                       | \$449,395  | \$13,363                        | \$1,012,978         |
| Workers Compensation Insurance                         | \$661,345                       | \$540,647  | \$16,054                        | \$1,218,046         |
| Total Direct Labor Related-Costs                       | \$9,928,621                     | \$8,025,552                                      | \$240,058                       | \$18,194,231        |
| Direct Fuel Costs for Collection Vehicles              | \$1,930,120                     | \$1,379,321                                      | \$52,194                        | \$3,361,635         |
| Other Direct Costs                                     | \$1,077,570                     | \$841,022  | \$41,277                        | \$1,959,869         |
| Depreciation for Collection Equipment                  | \$3,681,816                     | \$2,104,234                                      | \$55,388                        | \$5,841,438         |
| Allocated Indirect Costs excluding Depreciation        |                                 |  |                                 |                     |
| General and Administrative                             | \$3,462,944                     | \$2,328,531                                      | \$179,118                       | \$5,970,593         |
| Operations   | \$876,295                       | \$589,233  | \$45,326                        | \$1,510,853         |
| Vehicle Maintenance                                    | \$1,297,032                     | \$872,142  | \$67,088                        | \$2,236,261         |
| Container Maintenance                                  | \$456,827                       | \$307,177  | \$23,629                        | \$787,633           |
| Total Allocated Indirect Costs excluding Depreciation  | \$6,093,098                     | \$4,097,083                                      | \$315,160                       | \$10,505,341        |
| Total Allocated Indirect Depreciation Costs            | \$96,290                        | \$64,747   | \$4,981                         | \$166,018           |
| Annual Implementation Cost Amortization                | \$119,474                       | \$91,234   | \$6,517                         | \$217,225           |
| <b>Total Annual Cost of Operations</b>                 | <b>\$22,926,987</b>             | <b>\$16,603,193</b>                              | <b>\$715,574</b>                | <b>\$40,245,755</b> |
| <b>Profit</b>  | <b>\$2,406,700</b>              | <b>\$1,742,877</b>                               | <b>\$75,116</b>                 | <b>\$4,224,692</b>  |
| <b>Operating Ratio</b>                                 | 90.5%                           | 90.5%  | 90.5%                           | 90.5%               |
| <b>Total Costs before Pass-Through Cost Allocation</b> | <b>\$25,333,688</b>             | <b>\$18,346,070</b>                              | <b>\$790,690</b>                | <b>\$44,470,447</b> |
| <b>Pass-Through Costs</b>                              |                                 |  |                                 |                     |
| Regulatory & Agency Fees                               |                                 |  |                                 |                     |
| Disposal & Processing Fees                             |                                 |  |                                 |                     |
| Interest Expense on Agr. 8.04, 8.05 Capital (Form C)   | \$1,704,607                     | \$1,226,120                                      | \$59,811                        | \$2,990,538         |
| Interest Expense on Implementation Cost (Form D)       | \$65,715                        | \$47,268   | \$2,307                         | \$115,290           |
| <b>Total Pass-Through Costs</b>                        | <b>\$1,770,322</b>              | <b>\$1,273,388</b>                               | <b>\$62,118</b>                 | <b>\$3,105,828</b>  |
| <b>Total Costs</b>                                     | <b>\$27,104,010</b>             | <b>\$19,619,458</b>                              | <b>\$852,808</b>                | <b>\$47,576,275</b> |

Form 6 - Costs for Single-Family Core Collection Services

**SBWMA COLLECTION AGREEMENT**  
**Section L, Cost Form 6: Single Family Dwelling Cost**  
**Recology San Mateo County**

| Costs in 2008 Dollars   | Solid Waste         | Recyclable Materials | Organic Materials<br>(including Holiday<br>Trees) | Weekly Battery and<br>Cell Phone | Weekly Used Motor<br>Oil and Oil Filters | Two On-Call<br>Collection Events | TOTAL                 |
|---|---------------------|----------------------|---|----------------------------------|--|----------------------------------|-----------------------|
|   | A                   | B                    | C   | D                                | D  | J                                |                       |
| <b>Annual Cost of Operations</b>                                      |                     |                      |   |                                  |  |                                  |                       |
| Direct Labor-Related Costs  |                     |                      |   |                                  |  |                                  |                       |
| Wages for CBAs  | \$2,367,458         | \$1,937,209          | \$1,731,113                                       | \$9,784                          | \$9,784                                  | \$558,187                        | \$6,613,535           |
| Benefits for CBAs   | \$729,836           | \$623,257            | \$543,797   | \$3,148                          | \$3,148                                  | \$200,335                        | \$2,103,521           |
| Payroll Taxes   | \$196,844           | \$161,219            | \$144,060   | \$814                            | \$814                                    | \$46,469                         | \$550,220             |
| Workers Compensation Insurance  | \$236,749           | \$193,715            | \$173,106   | \$978                            | \$978                                    | \$55,818                         | \$661,345             |
| Total Direct Labor Related-Costs                                      | \$3,530,887         | \$2,915,400          | \$2,592,076                                       | \$14,724                         | \$14,724                                 | \$860,809                        | \$9,928,621           |
| Direct Fuel Costs for Collection Vehicles                             | \$639,752           | \$649,594            | \$566,680   | \$3,281                          | \$3,281                                  | \$67,533                         | \$1,930,120           |
| Other Direct Costs  | \$353,228           | \$358,662            | \$316,775   | \$1,811                          | \$1,811                                  | \$45,282                         | \$1,077,570           |
| Depreciation for Collection Equipment                                 | \$1,188,597         | \$1,190,967          | \$1,211,730                                       | \$6,015                          | \$6,015                                  | \$78,492                         | \$3,681,816           |
| Allocated Indirect Costs excluding Depreciation and Interest (Form 9) |                     |                      |   |                                  |  |                                  |                       |
| General and Administrative  | \$1,108,142         | \$1,142,772          | \$1,154,315                                       | \$5,772                          | \$5,772                                  | \$46,173                         | \$3,462,944           |
| Operations  | \$280,414           | \$289,177            | \$292,098   | \$1,460                          | \$1,460                                  | \$11,684                         | \$876,295             |
| Vehicle Maintenance   | \$415,050           | \$428,020            | \$432,344   | \$2,162                          | \$2,162                                  | \$17,294                         | \$1,297,032           |
| Container Maintenance   | \$146,185           | \$150,753            | \$152,276   | \$761                            | \$761                                    | \$6,091                          | \$456,827             |
| Total Allocated Indirect Costs excluding Depreciation and Interest    | \$1,949,791         | \$2,010,722          | \$2,031,033                                       | \$10,155                         | \$10,155                                 | \$81,241                         | \$6,093,098           |
| Total Allocated Indirect Depreciation Costs (Form 9)                  | \$30,813            | \$31,776             | \$32,097  | \$160                            | \$160                                    | \$1,284                          | \$96,290              |
| Annual Implementation Cost Amortization (Form A)                      | \$39,426            | \$37,037             | \$35,842  | \$597                            | \$597                                    | \$5,974                          | \$119,474             |
| <b>Total Annual Cost of Operations</b>                                | <b>\$7,732,494</b>  | <b>\$7,194,158</b>   | <b>\$6,786,233</b>                                | <b>\$36,744</b>                  | <b>\$36,744</b>                          | <b>\$1,140,614</b>               | <b>\$22,926,987</b>   |
| <b>Profit (insert Operating Ratio below)</b>                          | <b>\$811,698.25</b> | <b>\$755,187.81</b>  | <b>\$712,366.96</b>                               | <b>\$3,857.15</b>                | <b>\$3,857.15</b>                        | <b>\$119,733.01</b>              | <b>\$2,406,700.33</b> |
| 90.5%   |                     |                      |   |                                  |  |                                  |                       |
| <b>Total Costs before Pass-Through Cost Allocation</b>                | <b>\$8,544,192</b>  | <b>\$7,949,345</b>   | <b>\$7,498,600</b>                                | <b>\$40,602</b>                  | <b>\$40,602</b>                          | <b>\$1,260,347</b>               | <b>\$25,333,688</b>   |

**SBWMA COLLECTION AGREEMENT**

**Form 7 - Costs for Multi-Family and Commercial Core Collection Services**

**Section L, Cost Form 7: Commercial & Multi-Family Dwelling Cost  
Recology San Mateo County**

| Costs in 2008 Dollars   | Cart and Bin Solid Waste | Cart and Bin Recyclable Materials | Cart and Bin Organic Materials (including Holiday Trees) | Drop Box Solid Waste  | Drop Box Recyclable Materials | Drop Box Organic Materials | Two On-Call Collection Events | TOTAL                  |
|---|--------------------------|-----------------------------------|--|-----------------------|-------------------------------|----------------------------|-------------------------------|------------------------|
| <b>Annual Cost of Operations</b>                                      |                          |                                   |  |                       |                               |                            |                               |                        |
| Direct Labor-Related Costs  |                          |                                   |  |                       |                               |                            |                               |                        |
| Wages for CBAs  | \$3,315,513              | \$1,267,248                       | \$346,462  | \$312,126             | \$45,873                      | \$29,359                   | \$89,973                      | \$5,406,555            |
| Benefits for CBAs   | \$1,054,899              | \$378,756                         | \$72,760   | \$69,545              | \$14,310                      | \$9,158                    | \$29,528                      | \$1,628,956            |
| Payroll Taxes   | \$275,755                | \$105,452                         | \$28,645   | \$25,794              | \$3,818                       | \$2,444                    | \$7,488                       | \$449,395              |
| Workers Compensation Insurance  | \$331,546                | \$126,723                         | \$34,649   | \$31,210              | \$4,587                       | \$2,936                    | \$8,997                       | \$540,647              |
| Total Direct Labor Related-Costs                                      | \$4,977,712              | \$1,878,180                       | \$482,515  | \$438,674             | \$68,588                      | \$43,896                   | \$135,987                     | \$8,025,552            |
| Direct Fuel Costs for Collection Vehicles                             | \$809,959                | \$328,078                         | \$119,301  | \$72,475              | \$14,913                      | \$9,544                    | \$25,050                      | \$1,379,321            |
| Other Direct Costs  | \$467,350                | \$221,417                         | \$60,679   | \$57,672              | \$11,840                      | \$7,610                    | \$14,454                      | \$841,022              |
| Depreciation for Collection Equipment                                 | \$1,094,972              | \$572,104                         | \$299,781  | \$77,407              | \$15,890                      | \$10,215                   | \$33,865                      | \$2,104,234            |
| Allocated Indirect Costs excluding Depreciation and Interest (Form 9) |                          |                                   |  |                       |                               |                            |                               |                        |
| General and Administrative  | \$613,771                | \$632,753                         | \$632,753  | \$322,704             | \$63,275                      | \$44,293                   | \$18,983                      | \$2,328,531            |
| Operations  | \$155,314                | \$160,118                         | \$160,118  | \$81,660              | \$16,012                      | \$11,208                   | \$4,804                       | \$589,233              |
| Vehicle Maintenance   | \$229,885                | \$236,995                         | \$236,995  | \$120,867             | \$23,700                      | \$16,590                   | \$7,110                       | \$872,142              |
| Container Maintenance   | \$80,968                 | \$83,472                          | \$83,472   | \$42,571              | \$8,347                       | \$5,843                    | \$2,504                       | \$307,177              |
| Total Allocated Indirect Costs excluding Depreciation and Interest    | \$1,079,938              | \$1,113,338                       | \$1,113,338  | \$567,802             | \$111,334                     | \$77,934                   | \$33,400                      | \$4,097,083            |
| Total Allocated Indirect Depreciation Costs (Form 9)                  | \$17,066                 | \$17,594                          | \$17,594   | \$8,973               | \$1,759                       | \$1,232                    | \$528                         | \$64,747               |
| Annual Implementation Cost Amortization (Form A)                      | \$46,529                 | \$22,809                          | \$11,860   | \$6,386               | \$1,277                       | \$912                      | \$1,460                       | \$91,234               |
| <b>Total Annual Cost of Operations</b>                                | <b>\$8,493,527</b>       | <b>\$4,153,519</b>                | <b>\$2,105,069</b>                                       | <b>\$1,229,390</b>    | <b>\$225,601</b>              | <b>\$151,343</b>           | <b>\$244,744</b>              | <b>\$16,603,193</b>    |
| <b>Profit (insert Operating Ratio below)</b>                          | <b>\$891,585.72</b>      | <b>\$436,005</b>                  | <b>\$220,974</b>   | <b>\$129,052</b>      | <b>\$23,682</b>               | <b>\$15,887</b>            | <b>\$25,691</b>               | <b>\$1,742,877</b>     |
| 90.5%   |                          |                                   |  |                       |                               |                            |                               |                        |
| <b>Total Costs before Pass-Through Cost Allocation</b>                | <b>\$9,385,112.87</b>    | <b>\$4,589,524.20</b>             | <b>\$2,326,042.88</b>                                    | <b>\$1,358,442.53</b> | <b>\$249,282.63</b>           | <b>\$167,229.67</b>        | <b>\$270,435.09</b>           | <b>\$18,346,069.88</b> |

**SBWMA COLLECTION AGREEMENT**  
**Section L, Cost Form 8: Agency Service Costs**  
**Recology San Mateo County**

|   | Solid Waste      | Organic Materials | Public Litter and Recycling Cans | Venues and Events | TOTAL            |
|---|------------------|-------------------|----------------------------------|-------------------|------------------|
| Costs in 2008 Dollars   | E                | G                 | I                                | I                 |                  |
| <b>Annual Cost of Operations</b>                                      |                  |                   |                                  |                   |                  |
| Direct Labor-Related Costs  |                  |                   |                                  |                   |                  |
| Wages for CBAs  | \$96,334         | \$24,083          | \$32,111                         | \$8,028           | \$160,556        |
| Benefits for CBAs   | \$30,050         | \$7,513           | \$10,017                         | \$2,504           | \$50,084         |
| Payroll Taxes   | \$8,018          | \$2,004           | \$2,673                          | \$668             | \$13,363         |
| Workers Compensation Insurance  | \$9,633          | \$2,408           | \$3,211                          | \$803             | \$16,054         |
| Total Direct Labor Related-Costs                                      | \$144,035        | \$36,009          | \$48,012                         | \$12,003          | \$240,058        |
| Direct Fuel Costs for Collection Vehicles                             | \$31,317         | \$7,829           | \$10,439                         | \$2,610           | \$52,194         |
| Other Direct Costs  | \$24,766         | \$6,192           | \$8,255                          | \$2,064           | \$41,277         |
| Depreciation for Collection Equipment                                 | \$33,233         | \$8,308           | \$11,078                         | \$2,769           | \$55,388         |
| Allocated Indirect Costs excluding Depreciation and Interest (Form 9) |                  |                   |                                  |                   |                  |
| General and Administrative  | \$107,471        | \$26,868          | \$35,824                         | \$8,956           | \$179,118        |
| Operations  | \$27,195         | \$6,799           | \$9,065                          | \$2,266           | \$45,326         |
| Vehicle Maintenance   | \$40,253         | \$10,063          | \$13,418                         | \$3,354           | \$67,088         |
| Container Maintenance   | \$14,177         | \$3,544           | \$4,726                          | \$1,181           | \$23,629         |
| Total Allocated Indirect Costs excluding Depreciation and Interest    | \$189,096        | \$47,274          | \$63,032                         | \$15,758          | \$315,160        |
| Total Allocated Indirect Depreciation Costs (Form 9)                  | \$2,988          | \$747             | \$996                            | \$249             | \$4,981          |
| Annual Implementation Cost Amortization (Form A)                      | \$3,910          | \$978             | \$1,303                          | \$326             | \$6,517          |
| <b>Total Annual Cost of Operations</b>                                | <b>\$429,345</b> | <b>\$107,336</b>  | <b>\$143,115</b>                 | <b>\$35,778</b>   | <b>\$715,574</b> |
| <b>Profit (insert Operating Ratio below)</b>                          | <b>\$45,069</b>  | <b>\$11,267</b>   | <b>\$15,023</b>                  | <b>\$3,756</b>    | <b>\$75,116</b>  |
| 91%   |                  |                   |                                  |                   |                  |
| <b>Total Costs before Pass-Through Cost Allocation</b>                | <b>\$474,414</b> | <b>\$118,603</b>  | <b>\$158,138</b>                 | <b>\$39,534</b>   | <b>\$790,690</b> |



Form 9 - Indirect Costs

SBWMA COLLECTION AGREEMENT  
Section L, Cost Form 9: Allocated Indirect Costs  
Recology San Mateo County

|  | General and Administrative | Operations          | Vehicle Maintenance | Container Maintenance | TOTAL                |
|--|----------------------------|---------------------|---------------------|-----------------------|----------------------|
| <b>Proposed Costs in 2008 Dollars</b>                  |                            |                     |                     |                       |                      |
| <b>Annual Cost of Operations</b>                       |                            |                     |                     |                       |                      |
| Indirect Labor-Related Costs                           |                            |                     |                     |                       |                      |
| Wages for CBAs   | \$ -                       | \$ -                | \$ 1,292,742        | \$ 335,380            | \$ 1,628,122         |
| Benefits for CBAs                                      | \$ -                       | \$ -                | \$ 301,326          | \$ 80,352             | \$ 381,678           |
| Wages for non-CBAs                                     | \$ 2,361,226               | \$ 1,013,616        | \$ 244,628          | \$ 155,301            | \$ 3,774,771         |
| Benefits for non-CBAs                                  | \$ 651,363                 | \$ 225,823          | \$ 60,264           | \$ 40,179             | \$ 977,629           |
| Payroll Taxes  | \$ 192,380                 | \$ 82,697           | \$ 125,328          | \$ 39,998             | \$ 440,403           |
| Workers Compensation Insurance                         | \$ 236,084                 | \$ 101,363          | \$ 153,737          | \$ 49,069             | \$ 540,253           |
| <b>Total Indirect Labor Related-Costs</b>              | <b>\$ 3,441,053</b>        | <b>\$ 1,423,499</b> | <b>\$ 2,178,025</b> | <b>\$ 700,279</b>     | <b>\$ 7,742,857</b>  |
| Indirect Fuel Costs                                    | \$ -                       | \$ 51,129           | \$ 34,086           | \$ 51,129             | \$ 136,344           |
| Other Indirect Costs                                   | \$ 2,529,540               | \$ 36,225           | \$ 24,150           | \$ 36,225             | \$ 2,626,140         |
| <b>Allocated Indirect Costs excluding Depreciation</b> | <b>\$ 5,970,593</b>        | <b>\$ 1,510,853</b> | <b>\$ 2,236,261</b> | <b>\$ 787,633</b>     | <b>\$ 10,505,341</b> |
| Indirect Depreciation                                  | \$ 20,000                  | \$ 22,907           | \$ 44,133           | \$ 78,978             | \$ 166,018           |
| <b>Total Annual Cost of Operations</b>                 | <b>\$ 5,990,593</b>        | <b>\$ 1,533,760</b> | <b>\$ 2,280,395</b> | <b>\$ 866,611</b>     | <b>\$ 10,671,359</b> |

**Partial Allocation for Forms 6 - 8**

|  |                     |                     |                     |                   |                      |
|--|---------------------|---------------------|---------------------|-------------------|----------------------|
| <b>Total Indirect Costs excluding Depr. (to Forms 6 - 8)</b> |                     |                     |                     |                   |                      |
| SFD  | 3,462,944.12        | 876,294.74          | 1,297,031.61        | 456,827.20        | 6,093,097.67         |
| Commercial & MFD   | 2,328,531.39        | 589,232.67          | 872,141.94          | 307,176.91        | 4,097,082.92         |
| Agency   | 179,117.80          | 45,325.59           | 67,087.84           | 23,628.99         | 315,160.22           |
| <b>Total</b>   | <b>\$ 5,970,593</b> | <b>\$ 1,510,853</b> | <b>\$ 2,236,261</b> | <b>\$ 787,633</b> | <b>\$ 10,505,341</b> |
| <i>Variance s/ be "0"</i>                                    |                     |                     |                     |                   |                      |
|  | \$ -                | \$ -                | \$ -                | \$ -              | \$ -                 |
| <b>Indirect Depreciation (to Forms 6 - 8)</b>                |                     |                     |                     |                   |                      |
| SFD  |                     |                     |                     |                   | 96,290.31            |
| Commercial & MFD   |                     |                     |                     |                   | 64,746.93            |
| Agency   |                     |                     |                     |                   | 4,980.53             |
| <b>Total</b>   |                     |                     |                     |                   | <b>\$ 166,018</b>    |
| <i>Variance s/ be "0"</i>                                    |                     |                     |                     |                   |                      |
|  |                     |                     |                     |                   | \$ -                 |

**Form 10 - Costs of Contract Implementation (Startup)**

**SBWMA COLLECTION AGREEMENT  
Section L, Cost Form 10: Allocated Startup Costs  
Recology San Mateo County**

| Costs in 2008 Dollars                                 | SFD                 | MFD               | Member Agency    | TOTAL               | Annual Amortization |
|---|---------------------|-------------------|------------------|---------------------|---------------------|
|   |                     |                   |                  |                     | (Year-1)            |
| <b>Total Contract Implementation Cost</b>             |                     |                   |                  |                     |                     |
| Personnel Costs, prior to January 1, 2011, start date |                     |                   |                  |                     |                     |
| Wages for CBAs  | \$ 488,099          | \$ 372,730        | \$ 26,624        | \$ 887,453          | \$ 88,745           |
| Benefits for CBAs                                     | \$ 54,693           | \$ 41,765         | \$ 2,983         | \$ 99,441           | \$ 9,944            |
| Wages for non-CBAs                                    | \$ 126,815          | \$ 96,841         | \$ 6,917         | \$ 230,573          | \$ 23,057           |
| Benefits for non-CBAs                                 | \$ 19,720           | \$ 15,059         | \$ 1,076         | \$ 35,855           | \$ 3,586            |
| Payroll Taxes   | \$ 47,656           | \$ 36,392         | \$ 2,599         | \$ 86,647           | \$ 8,665            |
| Workers Compensation Insurance                        | \$ 61,490           | \$ 46,956         | \$ 3,354         | \$ 111,800          | \$ 11,180           |
| <b>Total Labor Related-Costs</b>                      | <b>\$ 798,473</b>   | <b>\$ 609,743</b> | <b>\$ 43,553</b> | <b>\$ 1,451,769</b> | <b>\$ 145,177</b>   |
| Hiring Costs  | \$ 118,965          | \$ 90,846         | \$ 6,489         | \$ 216,300          | \$ 21,630           |
| Training Materials                                    | \$ 115,500          | \$ 88,200         | \$ 6,300         | \$ 210,000          | \$ 21,000           |
| Truck, equipment rental                               | \$ 38,115           | \$ 29,106         | \$ 2,079         | \$ 69,300           | \$ 6,930            |
| Fuel Costs  | \$ 22,758           | \$ 17,379         | \$ 1,241         | \$ 41,378           | \$ 4,138            |
| Legal   | \$ 11,550           | \$ 8,820          | \$ 630           | \$ 21,000           | \$ 2,100            |
| Consultants   |                     |                   |                  | \$ -                | \$ -                |
| Other: Facility Lease Costs                           | \$ 11,550           | \$ 8,820          | \$ 630           | \$ 21,000           | \$ 2,100            |
| Other: Temp Labor                                     | \$ 72,626           | \$ 55,460         | \$ 3,961         | \$ 132,047          | \$ 13,205           |
| Other: Security                                       | \$ 5,198            | \$ 3,969          | \$ 284           | \$ 9,451            | \$ 945              |
| Total Implementation Capital Depreciation Costs       |                     |                   |                  | \$ -                | \$ -                |
| <b>Total Implementation Costs (to Form 6 - 8)</b>     | <b>\$ 1,194,735</b> | <b>\$ 912,343</b> | <b>\$ 65,167</b> | <b>\$ 2,172,245</b> | <b>\$ 217,225</b>   |
| <b>Interest Expense (to Form 5)</b>                   |                     |                   |                  | <b>\$ 656,703</b>   | <b>\$ 115,290</b>   |
| <b>Total Implementation Costs</b>                     | <b>\$ 1,194,735</b> | <b>\$ 912,343</b> | <b>\$ 65,167</b> | <b>\$ 2,828,948</b> | <b>\$ 332,515</b>   |

**SBWMA COLLECTION AGREEMENT**

**Section L, Cost Form 11: Debt Service & Depreciation Schedule**

**Recology of San Mateo County**

***Annual Interest Cost on Contractor Supplied  
Equipment (Agreement 8.04, 8.05, Cost Form 4)***

| Year              | Financed Purchase   |                     |                     |
|-------------------|---------------------|---------------------|---------------------|
|                   | Depreciation        | Interest            | Total               |
|                   |                     | <b>5.5%</b>         |                     |
| 1                 | \$6,016,177         | \$2,990,538         | \$9,006,715         |
| 2                 | \$6,016,177         | \$2,745,303         | \$8,761,480         |
| 3                 | \$6,016,177         | \$2,486,236         | \$8,502,413         |
| 4                 | \$6,016,177         | \$2,212,554         | \$8,228,731         |
| 5                 | \$6,016,177         | \$1,923,435         | \$7,939,612         |
| 6                 | \$6,016,177         | \$1,618,008         | \$7,634,185         |
| 7                 | \$6,016,177         | \$1,295,351         | \$7,311,528         |
| 8                 | \$6,016,177         | \$954,495           | \$6,970,672         |
| 9                 | \$6,016,177         | \$594,412           | \$6,610,589         |
| 10                | \$2,200,702         | \$214,016           | \$2,414,718         |
| <b>TOTAL COST</b> | <b>\$56,346,295</b> | <b>\$17,034,348</b> | <b>\$73,380,643</b> |
| <b># Years</b>    | <b>10</b>           |                     |                     |

Form 12 - Interest on Startup Costs

**SBWMA COLLECTION AGREEMENT**

**Section L, Cost Form 12: Interest Schedule on Startup Costs**

**Recology of San Mateo County**

| Year                          | Principal Beginning Balance |                     |                  |                    |
|-------------------------------|-----------------------------|---------------------|------------------|--------------------|
|                               |                             | Annual Amortization | Interest         | Total              |
| <b><u>Interest Rate %</u></b> |                             |                     | <b>5.5%</b>      |                    |
| 1                             | \$2,172,245                 | \$217,225           | \$115,290        | \$332,515          |
| 2                             | \$1,955,021                 | \$217,225           | \$105,836        | \$323,061          |
| 3                             | \$1,737,796                 | \$217,225           | \$95,849         | \$313,074          |
| 4                             | \$1,520,572                 | \$217,225           | \$85,298         | \$302,523          |
| 5                             | \$1,303,347                 | \$217,225           | \$74,152         | \$291,377          |
| 6                             | \$1,086,123                 | \$217,225           | \$62,377         | \$279,602          |
| 7                             | \$868,898                   | \$217,225           | \$49,938         | \$267,163          |
| 8                             | \$651,674                   | \$217,225           | \$36,797         | \$254,022          |
| 9                             | \$434,449                   | \$217,225           | \$22,916         | \$240,141          |
| 10                            | \$217,225                   | \$217,225           | \$8,250          | \$225,475          |
| 11                            | \$0                         |                     |                  | \$0                |
| <b>TOTAL COST</b>             |                             | <b>\$2,172,245</b>  | <b>\$656,703</b> | <b>\$2,828,948</b> |

# **ATTACHMENT O**

## **List of Contractor's Personnel**



**ATTACHMENT O  
LIST OF CONTRACTOR'S PERSONNEL**

**Non-CBA Employees**

|                                       |           |
|---------------------------------------|-----------|
| General Manager -----                 | 1         |
| Operations Manager -----              | 1         |
| Customer Service Manager - -----      | 1         |
| Commercial Recycling Manager -----    | 1         |
| Public Education Manger-----          | 1         |
| Maintenance Manager-----              | 1         |
| Accounting Manager -----              | 1         |
| Community Affairs Manager- -----      | 2         |
| Operation Supervisors-----            | 6         |
| Recycling Coordinators-----           | 8         |
| Dispatchers--- -----                  | 2         |
| Route Auditors-----                   | 2         |
| Diversion Auditors -----              | 2         |
| Maintenance Supervisor -----          | 1         |
| Maintenance Clerk-----                | 3         |
| Accounting Staff-----                 | 8         |
| Customer Service Representatives----- | <u>16</u> |
| <b>Subtotal-----</b>                  | <b>57</b> |

**CBA Employees**

|                 |            |
|-----------------|------------|
| Drivers -----   | 152        |
| Mechanics ----- | 19         |
| Subtotal-----   | <u>171</u> |
| Total-----      | 228        |





**ATTACHMENT P**

**Vehicle Specifications**



## ATTACHMENT P VEHICLE SPECIFICATION FORMS

| Vehicle Specifications (Container Fork Truck)<br>(One for each vehicle type. Two pages per form.) |   |   |
|---|---|---|
| <b>1. Type of Vehicle</b>   | <input type="checkbox"/> Front Loader                           | <input type="checkbox"/> Rear Loader                  |
|   | <input type="checkbox"/> Side Loader                            | <input type="checkbox"/> Roll-off                     |
|   | <input checked="" type="checkbox"/> Container Delivery          | <input type="checkbox"/> ½ Ton Pickup                 |
|   | <input type="checkbox"/> Flat Bed                               | _____ Other   |
| <b>2. Material to be Collected</b>  | <input type="checkbox"/> Solid Waste                            | <input type="checkbox"/> Targeted Recyclables         |
|   | <input type="checkbox"/> Bulky Items                            | <input type="checkbox"/> C&D Material                 |
|   |   | <input checked="" type="checkbox"/> Other             |
| <b>3. Age of Vehicle</b> .....  |   | _____   |
| <b>4. New or Used Vehicle</b> .....   | <input checked="" type="checkbox"/> New                         | <input type="checkbox"/> Used                         |
| <b>5. If Used, Date Last Rebuilt</b> .....  |   | _____   |
| <b>6. Manufacturer and Model</b> .....  | <u>Freightliner M2-106</u><br><u>W/ 6000lb Mast CBS Rotator</u> |   |
| <b>7. Will the vehicles be owned, leased or other?</b>  | <u>Owned</u>  |   |
| <b>8. Purchase cost of each vehicle</b> .....   | <u>\$111,358.00</u>   |   |
| a. Cab and Chassis.....   | _____   |   |
| b. Body.....  | _____   |   |
| c. Engine.....  | _____   |   |
| d. Transmission.....  | _____   |   |
| <b>9. Color</b>   | <u>White</u> Cab  | <u>White</u> Body                                     |
| <b>10. Cab and Chassis:</b>   |   |   |
| a. Cab Height .....   | <u>94</u> "   | inches  |
| b. Number of Axles (including Tag).....   | <input checked="" type="checkbox"/> 2                           | <input type="checkbox"/> 3 <input type="checkbox"/> 4 |
| c. Overall Length With Body Mounted .....   | <u>250</u> "  | inches  |

## ATTACHMENT P VEHICLE SPECIFICATION FORMS

Vehicle Specifications (Container Fork Truck)  
(One for each vehicle type. Two pages per form.)

**11. Body:**

- a. Collection Method.....  Manual  Automated  
 Semi-Automated \_\_\_\_\_ Other
- b. Rated Capacity..... 6,000 lbs. cu. yd.
- c. Practical or Net Capacity..... 6,000 lbs. cu. yd.
- d. No. of collection Compartments..... N/A \_\_\_\_\_
- e. Net Capacity of Each Compartment ..... N/A \_\_\_\_\_
- f. Overall Body Length..... 139" inches
- g. Body Height ..... 60" inches
- h. Body Width ..... 96" inches
- i. Used Oil Containers and Filter Rack ..... No

**12. Weight**..... GWW 32,000 lbs. Tare 18,000 lbs.

**13. Fuel type**.....  B-20  Hybrid Gas/Electric  Other

**14. Fuel usage**..... 4 mpg

**15. Emissions rating**

- a. CO..... 0.1 g/bhp/hr
- b. HC (total hydrocarbons)..... 0.02 g/bhp/hr
- c. NO<sub>x</sub>..... 1.09 g/bhp/hr
- d. Particulate Matter..... 0.00000 g/bhp/hr

**16. Safety Features (list all)**..... Fire Extinguisher/ Triangle Kit

**17. Spill Containment Kit (list all)**..... Included

**18. GPS/Routeware On Board Computer System**..... Yes

## ATTACHMENT P VEHICLE SPECIFICATION FORMS

| Vehicle Specifications (FLATBED)<br>(One for each vehicle type. Two pages per form.) |  |   |  |
|--|--|---|--|
| <b>1. Type of Vehicle</b>  | <input type="checkbox"/> Front Loader                      | <input type="checkbox"/> Rear Loader                                    |  |
|  | <input type="checkbox"/> Side Loader                       | <input type="checkbox"/> Roll-off                                       |  |
|  | <input type="checkbox"/> Container Delivery                | <input type="checkbox"/> ½ Ton Pickup                                   |  |
|  | <input checked="" type="checkbox"/> Flat Bed               | _____ Other   |  |
| <b>2. Material to be Collected</b>   | <input type="checkbox"/> Solid Waste                       | <input checked="" type="checkbox"/> Targeted<br>Recyclable<br>Materials | <input type="checkbox"/> Organic Materials |
|  | <input checked="" type="checkbox"/> Bulky Items            | <input checked="" type="checkbox"/> C&D Material                        | <u>Container/Cart<br/>Delivery</u>         |
| <b>3. Age of Vehicle</b> .....   | _____  |   |  |
| <b>4. New or Used Vehicle</b> .....  | <input checked="" type="checkbox"/> New                    |   | <input type="checkbox"/> Used              |
| <b>5. If Used, Date Last Rebuilt</b> .....   | _____  |   |  |
| <b>6. Manufacturer and Model</b> .....   | <u>Freightliner M2-106</u><br><u>24ft w 48' sidestakes</u> |   |  |
| <b>7. Will the vehicles be owned, leased or other?</b>                               | <u>Owned</u>   |   |  |
| <b>8. Purchase cost of each vehicle</b> .....  | <u>\$78,268.00</u>   |   |  |
| a. Cab and Chassis.....  | _____  |   |  |
| b. Body.....   | _____  |   |  |
| c. Engine.....   | _____  |   |  |
| d. Transmission.....   | _____  |   |  |
| <b>9. Color</b>  | <u>White</u> Cab   | <u>White</u> Body   |  |
| <b>10. Cab and Chassis:</b>  |  |   |  |
| a. Cab Height .....  | <u>94"</u>   | inches  |  |
| b. Number of Axles (including Tag).....  | <input checked="" type="checkbox"/> 2                      | <input type="checkbox"/> 3  | <input type="checkbox"/> 4                 |
| c. Overall Length With Body Mounted .....  | <u>399"</u>  | inches  |  |

## ATTACHMENT P VEHICLE SPECIFICATION FORMS

Vehicle Specifications (FLATBED)  
(One for each vehicle type. Two pages per form.)

**11. Body:**

- a. Collection Method.....  Manual  Automated  
 Semi-Automated \_\_\_\_\_ Other
- b. Rated Capacity..... 8,000 lbs. cu. yd.
- c. Practical or Net Capacity..... 8,000 lbs. cu. yd.
- d. No. of collection Compartments..... 1 \_\_\_\_\_
- e. Net Capacity of Each Compartment ..... 8,000 lbs. pounds
- f. Overall Body Length..... 288" inches
- g. Body Height ..... 50" inches
- h. Body Width ..... 96" inches
- i. Used Oil Containers and Filter Rack..... No

**12. Weight**..... GVW 26,000 lbs. Tare 16,000 lbs.

**13. Fuel type**.....  B-20  Hybrid Gas/Electric  Other

**14. Fuel usage**..... 4 mpg

**15. Emissions rating**

- a. CO..... 0.1 g/bhp/hr
- b. HC (total hydrocarbons)..... 0.02 g/bhp/hr
- c. NO<sub>x</sub>..... 1.09 g/bhp/hr
- d. Particulate Matter..... 0.0000 g/bhp/hr

**16. Safety Features (list all)**..... Fire Extinguisher/ Triangle Kit

**17. Spill Containment Kit (list all)**..... Included

**18. GPS/Routeware On Board Computer System**..... Yes

## ATTACHMENT P VEHICLE SPECIFICATION FORMS

| Vehicle Specifications (Flat Bed w/ Boom)<br>(One for each vehicle type. Two page per form.) |  |   |  |
|--|--|---|--|
| <b>1. Type of Vehicle</b>  | <input type="checkbox"/> Front Loader                              | <input type="checkbox"/> Rear Loader                              |  |
|  | <input type="checkbox"/> Side Loader                               | <input type="checkbox"/> Roll-off                                 |  |
|  | <input type="checkbox"/> Container Delivery                        | <input type="checkbox"/> ½ Ton Pickup                             |  |
|  | <input checked="" type="checkbox"/> Flat Bed                       | <input type="checkbox"/> Other _____                              |  |
| <b>2. Material to be Collected</b>   | <input type="checkbox"/> Solid Waste                               | <input checked="" type="checkbox"/> Targeted Recyclable Materials | <input type="checkbox"/> Organic Materials |
|  | <input checked="" type="checkbox"/> Bulky Items                    | <input checked="" type="checkbox"/> C&D Material                  | <u>Container/Cart Delivery</u>             |
| <b>3. Age of Vehicle</b> .....   | _____  |   |  |
| <b>4. New or Used Vehicle</b> .....  | <input checked="" type="checkbox"/> New                            | <input type="checkbox"/> Used                                     |  |
| <b>5. If Used, Date Last Rebuilt</b> .....   | _____  |   |  |
| <b>6. Manufacturer and Model</b> .....   | <u>Freightliner M2-106 22ft</u><br><u>w/ HIAB 035 Knuckle Boom</u> |   |  |
| <b>7. Will the vehicles be owned, leased or other?</b>                                       | <u>Owned</u>   |   |  |
| <b>8. Purchase cost of each vehicle</b> .....  | <u>\$99,932.00</u>   |   |  |
| a. Cab and Chassis.....  | _____  |   |  |
| b. Body.....   | _____  |   |  |
| c. Engine.....   | _____  |   |  |
| d. Transmission.....   | _____  |   |  |
| <b>9. Color</b>  | <u>White Cab</u>   | <u>White Body</u>   |  |
| <b>10. Cab and Chassis:</b>  |  |   |  |
| a. Cab Height .....  | <u>94"</u>   | inches  |  |
| b. Number of Axles (including Tag).....  | <input checked="" type="checkbox"/> 2                              | <input type="checkbox"/> 3  | <input type="checkbox"/> 4                 |
| c. Overall Length With Body Mounted .....  | <u>399"</u>  | inches  |  |

## ATTACHMENT P VEHICLE SPECIFICATION FORMS

Vehicle Specifications (Flat Bed w/ Boom)  
(One for each vehicle type. Two page per form.)

**11. Body:**

- a. Collection Method.....  Manual  Automated  
 Semi-Automated \_\_\_\_\_ Other
- b. Rated Capacity..... 6,000 lbs. cu. yd.
- c. Practical or Net Capacity..... 6,000 lbs. cu. yd.
- d. No. of collection Compartments..... 1 \_\_\_\_\_
- e. Net Capacity of Each Compartment ..... 6,000 lbs. \_\_\_\_\_
- f. Overall Body Length..... 288" inches
- g. Body Height ..... 50" inches
- h. Body Width ..... 96" inches
- i. Used Oil Containers and Filter Rack ..... \_\_\_\_\_

**12. Weight**..... GW 26,000 lbs. Tare 20,000 lbs.

**13. Fuel type**.....  B-20  Hybrid Gas/Electric  Other

**14. Fuel usage**..... 4 mpg

**15. Emissions rating**

- a. CO..... 0.1 g/bhp/hr
- b. HC (total hydrocarbons)..... 0.02 g/bhp/hr
- c. NO<sub>x</sub>..... 1.09 g/bhp/hr
- d. Particulate Matter..... 0.0000 g/bhp/hr

**16. Safety Features (list all)**..... Fire Extinguisher/ Triangle Kit

**17. Spill Containment Kit (list all)**..... Included

**18. GPS/Routeware On Board Computer System**..... Yes



## ATTACHMENT P VEHICLE SPECIFICATION FORMS

| Vehicle Specifications (Shop Truck)<br>(One for each vehicle type. Two pages per form.) |  |   |
|---|--|---|
| <b>1. Type of Vehicle</b>   | <input type="checkbox"/> Front Loader                                  | <input type="checkbox"/> Rear Loader                    |
|   | <input type="checkbox"/> Side Loader                                   | <input type="checkbox"/> Roll-off                       |
|   | <input type="checkbox"/> Container Delivery                            | <input type="checkbox"/> ½ Ton Pickup                   |
|   | <input type="checkbox"/> Flat Bed                                      | <input checked="" type="checkbox"/> Other (Shop Trucks) |
| <b>2. Material to be Collected</b>  | <input type="checkbox"/> Solid Waste                                   | <input type="checkbox"/> Targeted Recyclable Materials  |
|   | <input type="checkbox"/> Bulky Items                                   | <input type="checkbox"/> C&D Material                   |
|   |  | <input type="checkbox"/> Organic Materials              |
|   |  | <input checked="" type="checkbox"/> Other               |
| <b>3. Age of Vehicle</b> .....  |  | _____   |
| <b>4. New or Used Vehicle</b> .....   | <input checked="" type="checkbox"/> New                                | <input type="checkbox"/> Used                           |
| <b>5. If Used, Date Last Rebuilt</b> .....  |  | _____   |
| <b>6. Manufacturer and Model</b> .....  | <u>GMC 3500 HD 1-Ton</u><br><u>w /11' Pacific Body &amp; Lift Gate</u> |   |
| <b>7. Will the vehicles be owned, leased or other?</b>                                  | <u>Owned</u>   |   |
| <b>8. Purchase cost of each vehicle</b> .....   | <u>\$54,300.00</u>   |   |
| a. Cab and Chassis.....   | _____  |   |
| b. Body.....  | _____  |   |
| c. Engine.....  | _____  |   |
| d. Transmission.....  | _____  |   |
| <b>9. Color</b>   | <u>White Cab</u>   | <u>White Body</u>                                       |
| <b>10. Cab and Chassis:</b>   |  |   |
| a. Cab Height .....   | <u>76.3"</u>   | inches  |
| b. Number of Axles (including Tag).....   | <input checked="" type="checkbox"/> 2                                  | <input type="checkbox"/> 3                              |
|   |  | <input type="checkbox"/> 4                              |
| c. Overall Length With Body Mounted .....   | <u>265"</u>  | inches  |

## ATTACHMENT P VEHICLE SPECIFICATION FORMS

Vehicle Specifications (Shop Truck)  
(One for each vehicle type. Two pages per form.)

**11. Body:**

- a. Collection Method.....  Manual  Automated  
 Semi-Automated  Other
- b. Rated Capacity..... 11,400 lbs. cu. yd.
- c. Practical or Net Capacity..... 7,620 lbs. cu. yd.
- d. No. of collection Compartments..... N/A \_\_\_\_\_
- e. Net Capacity of Each Compartment ..... N/A \_\_\_\_\_
- f. Overall Body Length..... 132" inches
- g. Body Height ..... 44" inches
- h. Body Width ..... 96" inches
- i. Used Oil Containers and Filter Rack ..... N/A

**12. Weight**..... GW 11,400 lbs. Tare 5,723 lbs.

**13. Fuel type**.....  B-20  Hybrid Gas/Electric  Other

**14. Fuel usage**..... 18 mpg

**15. Emissions rating**

- a. CO..... N/A g/bhp/hr
- b. HC (total hydrocarbons)..... N/A g/bhp/hr
- c. NO<sub>x</sub>..... N/A g/bhp/hr
- d. Particulate Matter..... .01 g/bhp/hr

**16. Safety Features (list all)**..... Fire Extinguisher/ Triangle Kit

**17. Spill Containment Kit (list all)**..... Included

**18. GPS/Routeware On Board Computer System**..... NO

## ATTACHMENT P VEHICLE SPECIFICATION FORMS

| Vehicle Specifications (1/2 Ton Pickup)<br>(One for each vehicle type. Two pages per form.) |   |  |
|---|---|--|
| <b>1. Type of Vehicle</b>   | <input type="checkbox"/> Front Loader       | <input type="checkbox"/> Rear Loader                   |
|   | <input type="checkbox"/> Side Loader        | <input type="checkbox"/> Roll-off                      |
|   | <input type="checkbox"/> Container Delivery | <input checked="" type="checkbox"/> 1/2 Ton Pickup     |
|   | <input type="checkbox"/> Flat Bed           | _____ Other  |
| <b>2. Material to be Collected</b>  | <input type="checkbox"/> Solid Waste        | <input type="checkbox"/> Targeted Recyclable Materials |
|   | <input type="checkbox"/> Bulky Items        | <input type="checkbox"/> C&D Material                  |
|   |   | <input checked="" type="checkbox"/> Other              |
| <b>3. Age of Vehicle</b> .....  | _____                                       |  |
| <b>4. New or Used Vehicle</b> .....   | <input checked="" type="checkbox"/> New     | <input type="checkbox"/> Used                          |
| <b>5. If Used, Date Last Rebuilt</b> .....  | _____                                       |  |
| <b>6. Manufacturer and Model</b> .....  | <u>GMC Hybrid 1500 Extended Cab</u>         |  |
| <b>7. Will the vehicles be owned, leased or other?</b>                                      | <u>Owned</u>                                |  |
| <b>8. Purchase cost of each vehicle</b> .....   | <u>\$34,360.00</u>                          |  |
| a. Cab and Chassis.....   | _____                                       |  |
| b. Body.....  | _____                                       |  |
| c. Engine.....  | _____                                       |  |
| d. Transmission.....  | _____                                       |  |
| <b>9. Color</b>   | <u>White</u> Cab                            | <u>White</u> Body                                      |
| <b>10. Cab and Chassis:</b>   |   |  |
| a. Cab Height .....   | <u>73.8</u> "                               | inches   |
| b. Number of Axles (including Tag).....   | <input checked="" type="checkbox"/> 2       | <input type="checkbox"/> 3                             |
|   |   | <input type="checkbox"/> 4                             |
| c. Overall Length With Body Mounted .....   | <u>229</u> "                                | inches   |

## ATTACHMENT P VEHICLE SPECIFICATION FORMS

Vehicle Specifications (1/2 Ton Pickup)  
(One for each vehicle type. Two pages per form.)

**11. Body:**

- a. Collection Method.....  Manual  Automated  
 Semi-Automated N/A Other
- b. Rated Capacity..... 7,100 lbs. cu. yd.
- c. Practical or Net Capacity..... 1,873 lbs. cu. yd.
- d. No. of collection Compartments..... N/A \_\_\_\_\_
- e. Net Capacity of Each Compartment ..... N/A \_\_\_\_\_
- f. Overall Body Length..... 96" inches
- g. Body Height ..... 50" inches
- h. Body Width ..... 62.5" inches
- i. Used Oil Containers and Filter Rack ..... Yes

**12. Weight**..... GWW 7,100 lbs. Tare 5,227 lbs.

**13. Fuel type**.....  B-20  Hybrid Gas/Electric  Other

**14. Fuel usage**.....unleaded gas ..... 22 mpg

**15. Emissions rating**

- a. CO..... N/A g/bhp/hr
- b. HC (total hydrocarbons)..... N/A g/bhp/hr
- c. NO<sub>x</sub>..... N/A g/bhp/hr
- d. Particulate Matter..... N/A g/bhp/hr

**16. Safety Features (list all)**..... Fire Extinguisher/ Triangle Kit

**17. Spill Containment Kit (list all)**..... Included

**18. GPS/Routeware On Board Computer System**..... No

## ATTACHMENT P VEHICLE SPECIFICATION FORMS

| Vehicle Specifications (Front End Loader)<br>(One for each vehicle type. Two pages per form.) |   |   |
|---|---|---|
| <b>1. Type of Vehicle</b>   | <input checked="" type="checkbox"/> Front Loader  | <input type="checkbox"/> Rear Loader                              |
|   | <input type="checkbox"/> Side Loader  | <input type="checkbox"/> Roll-off                                 |
|   | <input type="checkbox"/> Container Delivery   | <input type="checkbox"/> ½ Ton Pickup                             |
|   | <input type="checkbox"/> Flat Bed   | _____ Other   |
| <b>2. Material to be Collected</b>  | <input checked="" type="checkbox"/> Solid Waste   | <input checked="" type="checkbox"/> Targeted Recyclable materials |
|   | <input type="checkbox"/> Bulky Items  | <input type="checkbox"/> C&D Material _____ Other                 |
| <b>3. Age of Vehicle</b> .....  | _____   |   |
| <b>4. New or Used Vehicle</b> .....   | <input checked="" type="checkbox"/> New   | <input type="checkbox"/> Used                                     |
| <b>5. If Used, Date Last Rebuilt</b> .....  | _____   |   |
| <b>6. Manufacturer and Model</b> .....  | <u>Autocar ACX 84 Chassis L/S Steer</u><br><u>with Heil 40 Cubic Yard – Sierra</u><br><u>Eject Body</u> |   |
| <b>7. Will the vehicles be owned, leased or other?</b>  | <u>Owned</u>  |   |
| <b>8. Purchase cost of each vehicle</b> .....   | <u>\$270,000.00</u>   |   |
| a. Cab and Chassis.....   | _____   |   |
| b. Body.....  | _____   |   |
| c. Engine.....  | _____   |   |
| d. Transmission.....  | _____   |   |
| <b>9. Color</b>   | <u>White Cab</u>  | <u>White Body</u>   |
| <b>10. Cab and Chassis:</b>   |   |   |
| a. Cab Height .....   | <u>101.85"</u>  | inches  |
| b. Number of Axles (including Tag).....   | <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> 4             |   |
| c. Overall Length With Body Mounted .....   | <u>415"</u>   | inches  |

## ATTACHMENT P VEHICLE SPECIFICATION FORMS

Vehicle Specifications (Front End Loader)  
(One for each vehicle type. Two pages per form.)

**11. Body:**

- a. Collection Method.....  Manual  Automated  
 Semi-Automated \_\_\_\_\_ Other
- b. Rated Capacity..... 28 cu. yd.
- c. Practical or Net Capacity..... 28 cu. yd.
- d. No. of collection Compartments..... 1 \_\_\_\_\_
- e. Net Capacity of Each Compartment ..... 28 cu. yd
- f. Overall Body Length..... 415" inches
- g. Body Height ..... 120" inches
- h. Body Width ..... 96" inches
- i. Used Oil Containers and Filter Rack ..... No

**12. Weight**..... GVW 57,500 lbs. Tare 37,500 lbs.

**13. Fuel type**.....  B-20  Hybrid Gas/Electric  Other

**14. Fuel usage**..... 4 mpg

**15. Emissions rating**

- a. CO..... 0.1 g/bhp/hr
- b. HC (total hydrocarbons)..... 0.02 g/bhp/hr
- c. NO<sub>x</sub>..... 1.09 g/bhp/hr
- d. Particulate Matter..... 0.0000 g/bhp/hr

**16. Safety Features (list all)**..... Fire Extinguisher/ Triangle Kit

**17. Spill Containment Kit (list all)**..... Included

**18. GPS/Routeware On Board Computer System**..... Yes

## ATTACHMENT P VEHICLE SPECIFICATION FORMS

Vehicle Specifications (4-Axle Roll Off)  
(One for each vehicle type. Two pages per form.)

|  |  |   |
|--|--|---|
| <b>1. Type of Vehicle</b>                              | <input type="checkbox"/> Front Loader  | <input type="checkbox"/> Rear Loader                                    |
|  | <input type="checkbox"/> Side Loader   | <input checked="" type="checkbox"/> Roll-off                            |
|  | <input type="checkbox"/> Container Delivery  | <input type="checkbox"/> ½ Ton Pickup                                   |
|  | <input type="checkbox"/> Flat Bed  | _____ Other   |
| <b>2. Material to be Collected</b>                     | <input checked="" type="checkbox"/> Solid Waste  | <input checked="" type="checkbox"/> Targeted<br>Recyclable<br>Materials |
|  | <input type="checkbox"/> Bulky Items   | <input checked="" type="checkbox"/> C&D Material _____ Other            |
| <b>3. Age of Vehicle</b> .....                         | _____  |   |
| <b>4. New or Used Vehicle</b> .....                    | <input checked="" type="checkbox"/> New  | <input type="checkbox"/> Used   |
| <b>5. If Used, Date Last Rebuilt</b> .....             | _____  |   |
| <b>6. Manufacturer and Model</b> .....                 | <u>Autocar ACX-84 Axle Chassis L/S Steer<br/>Norcal Waste Equipment 22' Tilt Frame w/<br/>Winch,<br/>Rear Stabilizer roller &amp; OBrian Auto Tarp</u> |   |
| <b>7. Will the vehicles be owned, leased or other?</b> | <u>Owned</u>   |   |
| <b>8. Purchase cost of each vehicle</b> .....          | <u>\$204,000.00</u>  |   |
| a. Cab and Chassis.....                                | _____  |   |
| b. Body.....   | _____  |   |
| c. Engine.....   | _____  |   |
| d. Transmission.....                                   | _____  |   |
| <b>9. Color</b>  | <u>White</u> Cab   | <u>White</u> Body   |
| <b>10. Cab and Chassis:</b>                            |  |   |
| a. Cab Height .....                                    | <u>101.85"</u>   | inches  |
| b. Number of Axles (including Tag).....                | <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> 4  |   |
| c. Overall Length With Body Mounted .....              | <u>384"</u>  | inches  |

## ATTACHMENT P VEHICLE SPECIFICATION FORMS

Vehicle Specifications (4-Axle Roll Off)  
(One for each vehicle type. Two pages per form.)

**11. Body:**

|  |  |                                    |
|--|--|------------------------------------|
| a. Collection Method.....                    | <input type="checkbox"/> Manual                    | <input type="checkbox"/> Automated |
|  | <input checked="" type="checkbox"/> Semi-Automated | _____ Other                        |
| b. Rated Capacity.....                       | <u>50</u>  | cu. yd.                            |
| c. Practical or Net Capacity.....            | <u>50</u>  | cu. yd.                            |
| d. No. of collection Compartments.....       | <u>N/A</u>   | _____                              |
| e. Net Capacity of Each Compartment .....    | <u>N/A</u>   | _____                              |
| f. Overall Body Length.....                  | <u>290"</u>  | inches                             |
| g. Body Height .....                         | <u>57.75"</u>                                      | inches                             |
| h. Body Width .....                          | <u>96"</u>   | inches                             |
| i. Used Oil Containers and Filter Rack ..... |  | <u>No</u>                          |

|                 |                   |      |                    |      |
|-----------------|-------------------|------|--------------------|------|
| 12. Weight..... | GVW <u>54,500</u> | lbs. | Tare <u>30,000</u> | lbs. |
|-----------------|-------------------|------|--------------------|------|

|                    |  |  |                                |
|--------------------|--|--|--------------------------------|
| 13. Fuel type..... | <input checked="" type="checkbox"/> B-20 | <input type="checkbox"/> Hybrid Gas/Electric | <input type="checkbox"/> Other |
|--------------------|--|--|--------------------------------|

|                     |          |     |
|---------------------|----------|-----|
| 14. Fuel usage..... | <u>4</u> | mpg |
|---------------------|----------|-----|

**15. Emissions rating**

|                                 |               |          |
|---------------------------------|---------------|----------|
| a. CO.....                      | <u>0.1</u>    | g/bhp/hr |
| b. HC (total hydrocarbons)..... | <u>0.02</u>   | g/bhp/hr |
| c. NO <sub>x</sub> .....        | <u>1.09</u>   | g/bhp/hr |
| d. Particulate Matter.....      | <u>0.0000</u> | g/bhp/hr |

|                                     |  |
|-------------------------------------|--|
| 16. Safety Features (list all)..... | <u>Fire Extinguisher/ Triangle Kit</u> |
|-------------------------------------|--|

|   |                 |
|---|-----------------|
| 17. Spill Containment Kit (list all)..... | <u>Included</u> |
|---|-----------------|

|  |            |
|--|------------|
| 18. GPS/Routeware On Board Computer System | <u>Yes</u> |
|--|------------|



## ATTACHMENT P VEHICLE SPECIFICATION FORMS

| Vehicle Specifications (Rear End Loader)<br>(One for each vehicle type. Two pages per form.) |  |   |
|--|--|---|
| <b>1. Type of Vehicle</b>  | <input type="checkbox"/> Front Loader  | <input checked="" type="checkbox"/> Rear Loader                   |
|  | <input type="checkbox"/> Side Loader   | <input type="checkbox"/> Roll-off                                 |
|  | <input type="checkbox"/> Container Delivery  | <input type="checkbox"/> ½ Ton Pickup                             |
|  | <input type="checkbox"/> Flat Bed  | _____ Other   |
| <b>2. Material to be Collected</b>   | <input checked="" type="checkbox"/> Solid Waste                                    | <input checked="" type="checkbox"/> Targeted Recyclable Materials |
|  | <input type="checkbox"/> Bulky Items   | <input type="checkbox"/> C&D Material                             |
|  |  | _____ Other   |
| <b>3. Age of Vehicle</b> .....   |  | _____   |
| <b>4. New or Used Vehicle</b> .....  | <input checked="" type="checkbox"/> New  | <input type="checkbox"/> Used                                     |
| <b>5. If Used, Date Last Rebuilt</b> .....   |  | _____   |
| <b>6. Manufacturer and Model</b> .....   | <u>Chassis-Autocar ACX 84</u><br><u>Body- Heil Durapack Formula</u><br><u>5000</u> |   |
| <b>7. Will the vehicles be owned, leased or other?</b>                                       | <u>Owned</u>   |   |
| <b>8. Purchase cost of each vehicle</b> .....  | <u>\$273,000.00</u>  |   |
| a. Cab and Chassis.....  | _____  |   |
| b. Body.....   | _____  |   |
| c. Engine.....   | _____  |   |
| d. Transmission.....   | _____  |   |
| <b>9. Color</b>  | <u>White Cab</u>   | <u>White Body</u>   |
| <b>10. Cab and Chassis:</b>  |  |   |
| a. Cab Height .....  | <u>101.85"</u>   | inches  |
| b. Number of Axles (including Tag).....  | <input type="checkbox"/> 2   | <input type="checkbox"/> 3  |
|  |  | <input checked="" type="checkbox"/> 4                             |
| c. Overall Length With Body Mounted .....  | <u>364"</u>  | inches  |

## ATTACHMENT P VEHICLE SPECIFICATION FORMS

Vehicle Specifications (Rear End Loader)  
(One for each vehicle type. Two pages per form.)

**11. Body:**

- a. Collection Method.....  Manual  Automated  
 Semi-Automated \_\_\_\_\_ Other
- b. Rated Capacity..... 25 cu. yd.
- c. Practical or Net Capacity..... 25 cu. yd.
- d. No. of collection Compartments..... 1 \_\_\_\_\_
- e. Net Capacity of Each Compartment ..... 25 cu. yd.
- f. Overall Body Length..... 270" inches
- g. Body Height ..... 96" inches
- h. Body Width ..... 96" inches
- i. Used Oil Containers and Filter Rack ..... No

**12. Weight**..... GWW 54,000 lbs. Tare 36,000 lbs.

**13. Fuel type**.....  B-20  Hybrid Gas/Electric  Other

**14. Fuel usage**..... 4 mpg

**15. Emissions rating**

- a. CO..... 0.1 g/bhp/hr
- b. HC (total hydrocarbons)..... 0.02 g/bhp/hr
- c. NO<sub>x</sub>..... 1.09 g/bhp/hr
- d. Particulate Matter..... 0.0000 g/bhp/hr

**16. Safety Features (list all)**..... Fire Extinguisher/ Triangle Kit

**17. Spill Containment Kit (list all)**..... Included

**18. GPS/Routeware On Board Computer System**..... Yes

## ATTACHMENT P VEHICLE SPECIFICATION FORMS

| Vehicle Specifications (Side Loader)<br>(One for each vehicle type. Two pages per form.) |   |   |   |
|--|---|---|---|
| <b>1. Type of Vehicle</b>  | <input type="checkbox"/> Front Loader           | <input type="checkbox"/> Rear Loader                        |   |
|  | <input checked="" type="checkbox"/> Side Loader | <input type="checkbox"/> Roll-off                           |   |
|  | <input type="checkbox"/> Container Delivery     | <input type="checkbox"/> ½ Ton Pickup                       |   |
|  | <input type="checkbox"/> Flat Bed               | _____ Other   |   |
| <b>2. Material to be Collected</b>   | <input checked="" type="checkbox"/> Solid Waste | <input checked="" type="checkbox"/> Targeted<br>Recyclables | <input checked="" type="checkbox"/> Organic Waste |
|  | <input type="checkbox"/> Bulky Items            | <input type="checkbox"/> C&D Material                       | _____ Other                                       |
| <b>3. Age of Vehicle</b> .....   | _____   |   |   |
| <b>4. New or Used Vehicle</b> .....  | <input checked="" type="checkbox"/> New         |   | <input type="checkbox"/> Used                     |
| <b>5. If Used, Date Last Rebuilt</b> .....   | _____   |   |   |
| <b>6. Manufacturer and Model</b> .....   | <u>Heil DP Python</u>                           |   |   |
| <b>7. Will the vehicles be owned, leased or other?</b>                                   | <u>Owned</u>                                    |   |   |
| <b>8. Purchase cost of each vehicle</b> .....  | <u>\$270,000.00</u>                             |   |   |
| a. Cab and Chassis.....  | _____   |   |   |
| b. Body.....   | _____   |   |   |
| c. Engine.....   | _____   |   |   |
| d. Transmission.....   | _____   |   |   |
| <b>9. Color</b>  | <u>White</u> Cab                                | <u>White</u> Body   |   |
| <b>10. Cab and Chassis:</b>  |   |   |   |
| a. Cab Height .....  | <u>101.85"</u>                                  |   | inches  |
| b. Number of Axles (including Tag).....  | <input type="checkbox"/> 2                      | <input type="checkbox"/> 3                                  | <input checked="" type="checkbox"/> 4             |
| c. Overall Length With Body Mounted .....  | <u>378"</u>                                     |   | inches  |

## ATTACHMENT P VEHICLE SPECIFICATION FORMS

Vehicle Specifications (Side Loader)  
(One for each vehicle type. Two pages per form.)

**11. Body:**

- a. Collection Method.....  Manual  Automated  
 Semi-Automated \_\_\_\_\_ Other
- b. Rated Capacity..... 28 cu. yd.
- c. Practical or Net Capacity..... 28 cu. yd.
- d. No. of collection Compartments..... 1 \_\_\_\_\_
- e. Net Capacity of Each Compartment ..... 28 cu.yd cu. yd.
- f. Overall Body Length..... 284" inches
- g. Body Height ..... 103" inches
- h. Body Width ..... 96" inches
- i. Used Oil Containers and Filter Rack ..... Yes

**12. Weight**..... GWW 58,000 lbs. Tare 35,000 lbs.

**13. Fuel type**.....  B-20  Hybrid Gas/Electric  Other

**14. Fuel usage**..... 4 mpg

**15. Emissions rating**

- a. CO..... 0.1 g/bhp/hr
- b. HC (total hydrocarbons)..... 0.02 g/bhp/hr
- c. NO<sub>x</sub>..... 1.09 g/bhp/hr
- d. Particulate Matter..... 0.0000 g/bhp/hr

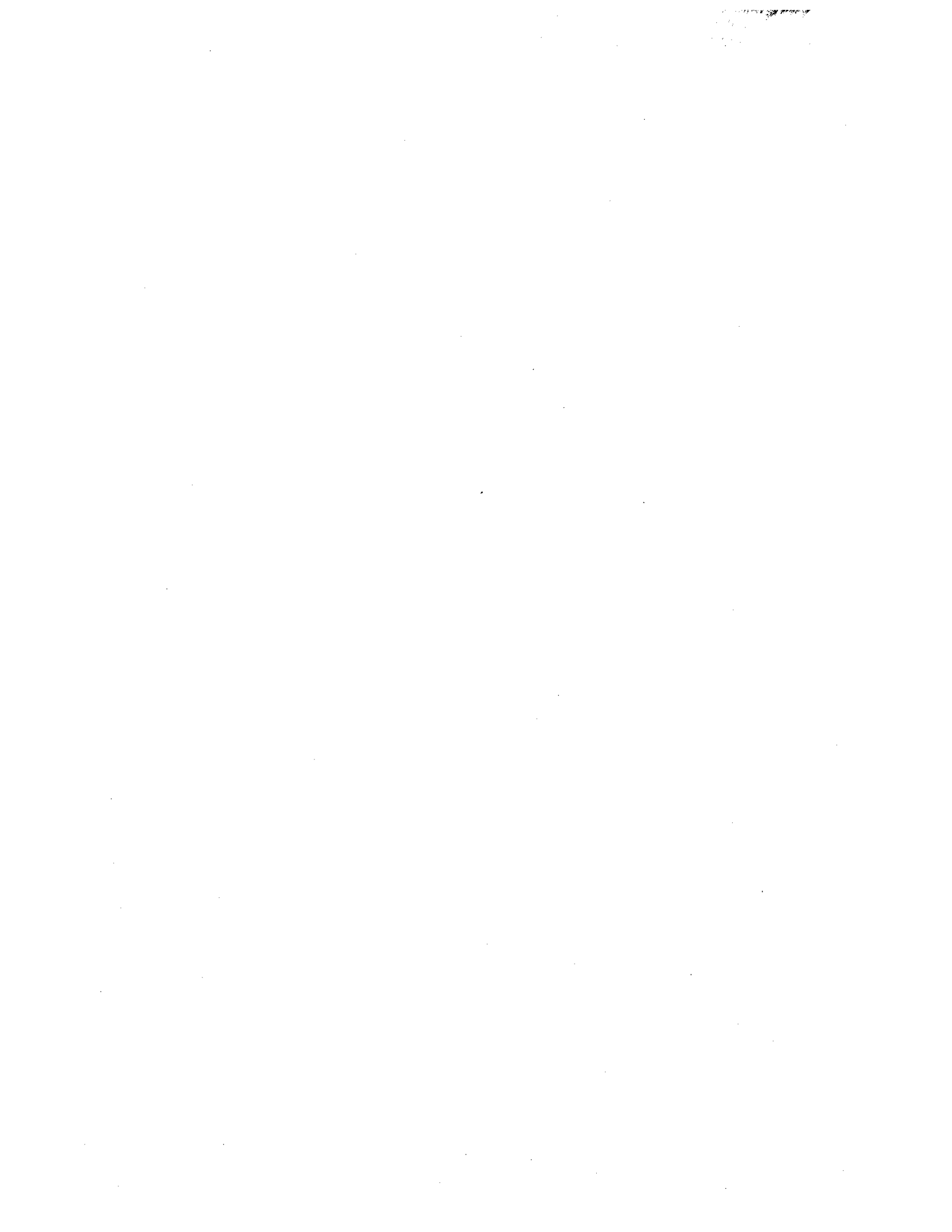
**16. Safety Features (list all)**..... Fire Extinguisher & Triangle Kit

**17. Spill Containment Kit (list all)**..... Spill Kit Included

**18. GPS/Routeware On Board Computer System**..... Yes

# **ATTACHMENT Q**

## **Unscheduled Services**



## ATTACHMENT Q UNSCHEDULED SERVICES

For Rate Years Two (2012) through Ten (2020), the fixed costs specified in this Attachment, with the exception of costs for Community Drop-Off Events and Collection for Agency-Sponsored and Non-Agency sponsored Large Events (Section 5.13), shall be adjusted to reflect 100% of the one (1) year change in the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index – All Urban Consumers, U.S. city average (not seasonally adjusted, all items, base period: 1982-84=100, series no. cuur0000sa0). The one (1) year change shall be calculated as the average index change between this index for May of prior year and April of current year (i.e., twelve (12) months). For Rate Years Two (2012) through Ten (2020), the costs specified in this Attachment for Community Drop-Off Events and Collection for Agency-Sponsored and Non-Agency sponsored Large Events (Section 5.13) shall be adjusted to reflect the year-over-year percentage change in Total Contractor's Compensation on Attachment N Form A - SBWMA Summary.

| Unscheduled Service Category  | Reference                  | Cost   | Description of Cost  |
|---|----------------------------|--|--|
| Single-Family Dwelling Backyard Collection Service  | Section 5.02.A             | See table below  | See table below  |
| Distance Charge for MFD and Commercial Accounts   | Sections 5.02.B and 5.02.C | A – 10% of base monthly Rate<br>B – 25% of base monthly Rate                   | A – 51 to 100 feet from access by Contractor's collection vehicle<br>B – 101 feet or more from access by Contractor's collection vehicle |
| Extra Pick-up Cost for MFD and Commercial Customers   | Section 5.02.B and 5.02.C  | 25% of the base monthly Rate for the size of Container Collected once per week | Per Collection event   |
| Single-Family Return Trip Cost (i.e., request to provide Collection service after the regularly scheduled Collection day) | Section 5.02.A             | \$15.00  | Per Collection event   |

**ATTACHMENT Q  
UNSCHEDULED SERVICES**

| <b>Unscheduled Service Category</b>   | <b>Reference</b>           | <b>Cost</b>                                       | <b>Description of Cost</b>   |
|---|----------------------------|---|--|
| Additional Targeted Recyclable Materials or Organic Materials Cart Rental or Purchase | Sections 5.03.A and 5.04.A | A – \$3.00<br>B – \$63.00<br>C – \$69.00          | A – monthly rental fee (any size Cart)<br>B – Customer purchase of a 64 gallon Cart<br>C – Customer purchase of a 96 gallon Cart   |
| Universal Roll-Out for MFD and Commercial Customers                                   | Sections 5.03.B and 5.03.C | A - \$221,848.00<br>B - \$4,772.00<br>C - \$6,175 | Cost based on providing service to one (1) Collection route of approximately 512 Accounts:<br>A – Annual Vehicle Cost (all inclusive)<br>B – Annual Cost of Containers<br>C – One-time start-up charge |
| Additional Confidential Document Destruction Service Event                            | Section 5.07               | \$1,200.00  | Per event  |
| Additional Compost Material Delivery  | Section 5.11               | A – \$125.00<br>B – \$250.00                      | A – one-way only delivery (compost only left on-site)<br>B – Round-trip delivery (Drop-Box left on-site)   |
| Fee for Service On-Call Bulky Item Collection Service                                 | Section 5.12               | \$81.55   | Per event  |
| Community Drop-Off Events   | Section 5.13               | \$17,000.00                                       | Per event targeting 5,000 households. Does not include disposal or public education expenses.  |



**ATTACHMENT Q  
UNSCHEDULED SERVICES**

| Unscheduled Service Category   | Reference                 | Cost   | Description of Cost   |
|--|---------------------------|--|---|
| Collection for Agency-Sponsored and Non-Agency sponsored Large Events                    | Section 5.13              | A – \$3,000.00<br>B – \$5,000.00<br>C – \$7,500.00   | A – one-day events with a projected 2,500 or fewer attendees<br>B – one (1) or two (2) day events with a projected 2,501 to 7,500 attendees per day<br>C – one (1) or two (2) day events with a projected 7,501 to 10,000 attendees per day |
| Fee to Collect Contaminated Targeted Recyclable Materials or Organic Materials Container | Section 6.03.A and 8.02.F | 25% of the base monthly Rate for the size of Container Collected once per week<br><br><u>plus</u><br>\$15.00 | Per Collection event  |
| Key Service  | Section 8.02.B            | A – \$8.50<br>B – \$9.50   | Monthly cost:<br>A – Residential Customers<br>B – Commercial Customers  |
| Lock purchase fee (replacement at no additional cost)                                    | Section 8.02.B            | \$17.00  | One-time per Account cost.  |
| Overage Fee  | Section 8.02.G            | 100% of the base monthly Rate  | Per Collection event  |
| Overage Bags Cost  | Section 8.02.G            | 50% of the base monthly Rate or \$8.00 minimum   | Per bag   |
| Container Cleaning Fee   | Section 8.05.D            | A – \$50.00<br>B – \$85.00   | A – per Cart<br>B – per Bin or Drop-Box   |

**ATTACHMENT Q  
UNSCHEDULED SERVICES**

| <b>Unscheduled Service Category</b> | <b>Reference</b> | <b>Cost</b>                               | <b>Description of Cost</b>   |
|-------------------------------------|------------------|---|--|
| Dirty Cart Replacement Cost         | Section 8.05.D   | A – \$65.00<br>B – \$75.00<br>C – \$85.00 | A – per 32 gallon Cart<br>B – per 64 gallon Cart<br>C – per 96 gallon Cart |

**ATTACHMENT Q  
UNSCHEDULED SERVICES**

| <b>Backyard Collection Service Distance Costs for Single-Family Dwellings<br/>(Section 5.02.A)</b> |   |   |   |   |
|--|---|---|---|---|
|  | <b>One (1) Solid Waste Cart</b>           | <b>Two (2) Solid Waste Carts</b>          | <b>Three (3) Solid Waste Carts</b>        | <b>Four (4) Solid Waste Carts</b>         |
| <b>Distance from Curbside</b>  | <b>Base monthly Solid Waste Rate plus</b> | <b>Base monthly Solid Waste Rate plus</b> | <b>Base monthly Solid Waste Rate plus</b> | <b>Base monthly Solid Waste Rate plus</b> |
| 0 – 50 feet  | \$18.00                                   | \$28.72                                   | \$57.44                                   | \$86.16                                   |
| 51-100 feet  | \$21.00                                   | \$31.72                                   | \$60.44                                   | \$89.16                                   |
| 101-150 feet   | \$24.00                                   | \$34.72                                   | \$63.44                                   | \$92.16                                   |
| 151 – 200 feet   | \$27.00                                   | \$37.72                                   | \$66.44                                   | \$95.16                                   |
| 201 – 250 feet   | \$30.00                                   | \$40.72                                   | \$69.44                                   | \$98.16                                   |
| 251 – 300 feet   | \$33.00                                   | \$43.72                                   | \$72.44                                   | \$101.16                                  |
| 301 feet or more   | \$36.00                                   | \$46.72                                   | \$75.44                                   | \$104.16                                  |

