

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

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1 **FRANCHISE AGREEMENT**
2 **FOR**
3 **RECYCLABLE MATERIALS, ORGANIC MATERIALS, AND SOLID WASTE**
4 **COLLECTION SERVICES**

5
6 THIS AGREEMENT is made as of this 20th day of October, 2009, by and
7 between **County of San Mateo**, a political subdivision of the State of California (hereafter,
8 "Agency" or "County"), and **RECOLOGY SAN MATEO COUNTY**, a California corporation
9 (hereafter, "Contractor").

10 **RECITALS**

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

39 account the qualifications and experience of Contractor and the cost of providing
40 such services.

41 6. Contractor has participated in the development of this Agreement and is ready,
42 willing and able to perform the services, which the Agreement requires.

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

46

ARTICLE 1 DEFINITIONS

47 **1.01 DEFINITIONS**

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

50 **1.02 STATUTORY DEFINITIONS**

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

55 **ARTICLE 2 REPRESENTATION AND WARRANTIES OF**
56 **CONTRACTOR**

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

58 **2.01 CORPORATE STATUS**

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

62 **2.02 CORPORATE AUTHORIZATION**

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

67 **2.03 AGREEMENT DULY EXECUTED**

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

70 **2.04 NO CONFLICT WITH APPLICABLE LAW OR OTHER DOCUMENTS**

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

77 **2.05 NO LITIGATION**

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

85 **2.06 FINANCIAL CONDITION**

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

92 **2.07 ABILITY TO PERFORM**

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

95 **2.08 CONTRACTOR'S INVESTIGATION**

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

102 **2.09 STATEMENTS AND INFORMATION IN PROPOSAL**

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

107 **ARTICLE 3 TERM OF AGREEMENT**

108 **3.01 EFFECTIVE DATE**

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

110 **3.02 TERM**

111 The Term of this Agreement shall begin on the Effective Date and shall end at midnight
112 on December 31, 2020, unless earlier terminated, or extended as provided in Section
113 3.03. Contractor's obligation to Collect Solid Waste, Targeted Recyclable Materials and
114 Organic Materials shall begin on January 1, 2011 at 12:01 a.m. and shall continue for
115 the remainder of the Term.

116 **3.03 EXTENSION OF TERM**

117 During calendar year 2017, the Parties shall meet and confer on the possible extension
118 of the Term. However, the term shall not be extended unless the parties execute a
119 written amendment to this Agreement.

120 **3.04 CONDITIONS TO EFFECTIVENESS OF AGREEMENT.**

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

125 1. Accuracy of Representations. The representations and warranties made by
126 Contractor in Article 2 shall be true and correct on and as of the Effective
127 Date.

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

131 3. Effectiveness of Agency's Approval. The approval of this Agreement by
132 Agency shall have become effective, pursuant to California law, on or before
133 the Effective Date.

134 4. Performance Bond & Guaranty Contractor shall have provided a
135 performance bond meeting the requirements of Section 13.03 and Guaranty
136 per Section 13.07.

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

140 1. Absence of Litigation. There shall be no litigation pending on the Effective
141 Date in any court challenging the execution of this Agreement, or seeking to
142 enjoin its performance.

- 143
144
2. Effectiveness of Agency's Approval. The approval of this Agreement by Agency shall have become effective, pursuant to California law.
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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 shown on Attachment N Form C (i.e., \$74,999,148), have also approved franchise agreements with Contractor substantially similar to this Agreement on or before the Effective Date.
- 151
152
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- C. **Notice.** If either Party wishes to assert that a condition for its benefit has not been satisfied and has not been waived, it must deliver written notice to that effect to the other party on or before the Effective Date. If no such notice is received, the Agreement will become effective on the Effective Date.
- 155
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- D. **Good Faith.** Each Party is obligated to perform in good faith the actions, if any, which this Agreement requires it to perform before the Effective Date and to cooperate towards the satisfaction of the conditions set forth above.

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ARTICLE 4 SCOPE OF AGREEMENT

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4.01 SCOPE OF AGREEMENT

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

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- 1. Solid Waste generated at Residential Premises and Commercial Premises; and
- 2. Source Separated Targeted Recyclable Materials and Source Separated Organic Materials generated at Residential Premises.

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

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

170
171

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

172

3. Non-putrescible wastes placed in Drop Boxes.

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4. Agency Facilities

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4.02 LIMITATIONS ON SCOPE

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

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180

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

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

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

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187

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

188
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E. By-products of sewage treatment including sludge, sludge ash, grit, and screenings;

190

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

191

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

192

H. Organic Materials composted at Residential and Commercial Premises;

- 193 I. Materials generated by State facilities (including public schools), provided that the
194 Generator has arranged services with other Persons or has arranged services with
195 the Contractor through a separate agreement;
- 196 J. The incidental removal of Solid Waste when the primary service performed is either
197 of the following:
- 198 1. Landscaping, gardening, weed or refuse abatement, yard clean-up, or
199 grading of a lot; or
 - 200 2. Construction, remodeling, or demolition of a building or structure.
- 201 K. Solid Waste generated at Residential Premises Collected on an infrequent,
202 unscheduled, "on-call" basis (other than On-Call Bulky Item Collection Service
203 scheduled by Customers per Section 5.12).

204 **4.03 GEOGRAPHIC LIMITS ON CONTRACTOR'S OPERATIONS**

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

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

216 **ARTICLE 5** **COLLECTION SERVICES**

217 **5.01 GENERAL**

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

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

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

238
239 **5.02 SOLID WASTE COLLECTION**

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

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

256 Contractor shall Collect Carts Curbside unless: (i) the Occupant is provided a
257 Special Handling Service exemption; or, (ii) the San Mateo County Ordinance

258 Code provides for a curbside level of service at no additional cost, or (iii) the
259 Customer has requested Backyard Collection Service and has agreed to pay the
260 premium service Rate approved by the Agency. The Rates set by Agency shall be
261 based on Contractor's cost as specified in Attachment Q. In such case, Contractor
262 shall Collect Carts from and return Carts to the alternative service location (such as
263 the side yard or backyard) specified by the Customer.

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

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

294 Contractor shall service Containers provided to MFD Customers that are three (3)
295 cubic yards or less in capacity or wheeled Containers, that are stored in enclosures
296 or on private or public property within fifty (50) feet of the public right of way (i.e.,
297 accessible to Contractor's collection vehicles), if access to the Containers is paved
298 and the slope is less than seven percent (7%). Agency will make the final
299 determination on the slope of the access if a dispute arises between Customer and
300 Contractor. Containers that are four (4) cubic yards or larger must be stored in a
301 location that is accessible to Contractor's collection vehicle(s) to be serviced by
302 Contractor. Contractor shall provide service to wheeled Containers that are located
303 at a distance in excess of that described in this paragraph and shall be entitled to
304 bill Customer as specified in Attachment Q.

305 Contractor shall give special consideration when determining the Collection location
306 for Multi-Family Residential complexes to ensure that the flow of traffic is not
307 impeded and that it does not result in aesthetic degradation of an area. The
308 designated Collection location, if disputed by Customer or Contractor, shall be
309 determined by the Agency. Additionally, if in the Agency's opinion the location of an
310 existing Collection location is inappropriate, Agency may require the Customer or
311 Contractor to relocate the Collection Containers.

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

319 Contractor shall service Containers provided to Commercial Customers that are
320 three (3) cubic yards or less in capacity, and Drop-Boxes stored in enclosures or on
321 private or public property within fifty (50) feet of the public right of way, if access to
322 the Containers is paved and the slope is less than seven percent (7%). Agency will
323 make the final determination on the slope of the access if a dispute arises between
324 Customer and Contractor. Containers that are four (4) cubic yards or larger must be
325 stored in a location that is accessible to Contractor's collection vehicle(s).
326 Contractor shall provide service to Containers that are located at distances in
327 excess of those described in this paragraph and shall be entitled to bill Customer as
328 specified in Attachment Q.

329 Specifically, the Contractor shall offer the following Collection service
330 methodologies to Commercial Customers:

331 1. Individual Cart or Bin Service. Contractor shall allow each Commercial
332 Premises to use Carts, Bins, Compactors, or Drop Boxes for Solid Waste
333 Collection. Contractor shall provide each Customer with a choice of one (1) or
334 more Carts or Bins as specified in Section 8.05.

335 2. Centralized Bin or Cart Service. Contractor shall allow each Commercial
336 Premises to use Carts or Bins for Solid Waste Collection that are shared by the
337 Occupants of two (2) or more adjacent Commercial Premises. In such case,
338 Contractor shall provide one or more Carts or Bins as requested by the
339 Customer(s) provided that no less than ninety-six (96) gallons of Container
340 capacity is provided for every four (4) Commercial Premises or a specified in
341 San Mateo County Ordinance Code. Contractor shall provide each Customer
342 with a choice of one (1) or more Carts or Bins as specified in Section 8.05.

343 3. Drop Boxes and Compactors. Contractor shall allow a Customer to use a Drop
344 Box or Compactor for Solid Waste Collection to meet the Customer's Disposal
345 needs. In such case, Contractor shall provide Customer with a choice of
346 Container capacities ranging from three (3) to forty (40) cubic yards (or similar
347 sizes). Contractor shall offer Customers the option to purchase or lease
348 Compactors through either the Contractor or an outside vendor. Regular
349 maintenance of Compactors shall be provided by Contractor (or outside

350 vendor) as frequently as needed to keep the Compactors in good working
351 order and functioning at high compaction levels.

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

358 1. Individual Cart or Bin Service. Contractor shall allow each Agency Facility to
359 use Carts, Bins, Compactors, or Covered Drop Boxes for Solid Waste
360 Collection. Contractor shall provide each Agency Facility with a choice of one
361 (1) or more Carts or Bins as specified in Attachment D.

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

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

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

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

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

407 **5.03 TARGETED RECYCLABLE MATERIALS COLLECTION**

408 Contractor shall Collect Targeted Recyclable Materials from Customers that have
409 Source Separated the Targeted Recyclable Materials from Solid Waste and placed
410 these materials in the Customer's Recyclable Materials Collection Container for
411 Collection by Contractor.

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

422 **A. Single-Family Dwellings.**

423 1. General. Once per week, Contractor shall Collect Single-Stream Targeted
424 Recyclable Materials from SFD. Contractor shall provide each SFD Customer
425 with one (1) Cart for Single-Stream Targeted Recyclable Materials at no
426 additional charge. Contractor shall provide each Customer with a Cart
427 specified in Attachment D, unless Customer requests an alternative Cart
428 specified in Attachment D. Customer can rent or purchase additional Targeted
429 Recyclable Materials Carts from Contractor and Contractor shall be entitled to
430 bill Customer as specified in Attachment Q. Purchased Carts shall become the
431 property of Customer. Approximately one (1) month prior to distribution of SFD
432 Targeted Recyclable Materials Carts, Contractor shall mail a notice to each
433 SFD Customer indicating that the Customer will receive the default Targeted
434 Recyclable Materials Cart size specified in Attachment D, unless the Customer
435 responds to the notice (i.e., by mail, email, phone or website form) and
436 requests an alternate Cart size by selecting the preferred size.

437 Contractor shall Collect Carts Curbside unless the Customer is provided
438 Special Handling or Backyard Collection Service. In such case, Contractor

439 shall Collect Carts from and return Carts to the alternative service location
440 (such as the side yard or backyard) specified by the Customer.

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

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

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

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

470 1. General. Multi-Family Dwelling Customers that subscribe to Solid Waste
471 Collection service shall be entitled to Single-Stream Targeted Recyclable
472 Materials Collection at no additional charge, and Contractor shall provide the
473 level of service required by Multi-Family Dwelling Customers requesting
474 Recyclable Materials Collection services. Contractor shall provide each Multi-
475 Family Dwelling Customer with Containers for Single-Stream Targeted
476 Recyclable Materials Collection. At a minimum, Contractor shall provide thirty
477 two (32) gallons per week of Container capacity for Single-Stream Targeted
478 Recyclable Materials Collection for every Multi-Family Dwelling at the
479 Premises. Contractor shall provide each Customer with Carts or Bins as
480 specified in Attachment D, as requested by the Customer. If the San Mateo
481 County Ordinance code regulating collection of Targeted Recyclable Materials
482 is different than the requirements specified in this subsection, the terms of the
483 ordinance shall govern.

484

485 Contractor shall Collect Single-Stream Targeted Recyclable Materials
86 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 mail
496 room, or multi-use rooms of the Multi-Family Residential complexes if
497 requested 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
501 within five (5) Business Days to the property Owner, property manager or
502 Occupant who requested the Recycling Tote-Bags; (ii) prior to complying with
503 (i), contact the property Owner or property manager directly by phone or in
504 person to determine if additional Recycling Tote-Bags are needed and/or if
505 they are interested in a site assessment of the property; (iii) upon request for a
506 site assessment, ensure that a site assessment is done per the requirements
507 set 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 Roll Out to All Customers. If requested by Agency, Contractor shall
535 make all necessary arrangements to implement this service within one hundred
536 and twenty (120) days and ensure the service is implemented within the time
537 frame agreed to by Agency and Contractor. Attachment Q provides
538 information about the service and cost. To maximize participation in the
539 Single-Stream Targeted Recyclable Materials Collection program, the
540 Contractor shall distribute Recyclable Materials Containers to all Multi-Family
541 Dwelling Customers unless the Customer has notified the Contractor that they
542 do not want to participate in the Targeted Recyclable Materials Collection
543 program.

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

554 Using the information obtained from the site assessment and prior to
555 distribution of the Targeted Recyclable Materials Containers, the Contractor
556 shall mail each Multi-Family Dwelling Customer a notice describing the
557 "universal" implementation of Single-Stream Targeted Recyclable Materials
558 Collection; the number and size of Containers the Contractor plans to deliver to
559 the Multi-Family Dwelling Complex (based on Contractor's estimate of the
560 service volume needed for the complex with a minimum of thirty two (32)
561 gallons per week per Multi-Family Dwelling); and a description of how
562 Customers can contact the Contractor and request additional or different sized
563 Containers or request not to participate in the Targeted Recyclable Materials
564 Collection program. If Contractor delivers Targeted Recyclable Materials
565 Collection Containers to a Multi-Family Residential Complex and the Customer
566 requests a change in the number or size of Containers or states that they do
567 not want to participate in the Collection program, Contractor shall adjust the
568 service level or remove the Collection Containers within ten (10) Business
569 Days of the Customer's request. For Multi-Family Dwelling Customers that
570 subscribe to Solid Waste Collection service during the Term of the Agreement,
571 Contractor shall automatically deliver and service Single-Stream Recyclable
572 Materials Collection Containers at the Multi-Family Residential Complex unless
573 the Customer specifically refuses to participate in the Targeted Recyclable
574 Materials Collection program.

575 **C. Commercial Premises**

576 1. General. Commercial Customers that subscribe to Solid Waste Collection
577 service shall be entitled to Collection of Targeted Recyclable Materials at no
578 additional charge, and Contractor shall provide the level of service required by

579 Commercial Customers requesting Recyclable Materials Collection services.
580 The level of service Contractor shall provide includes: Single-Stream Targeted
581 Recyclable Materials Collection or Source Separated Collection of cardboard,
582 mixed paper, food and recyclable beverage containers, or other Targeted
583 Recyclable Materials in a manner that best suits the needs of the Commercial
584 Customer.

585 Contractor shall Collect Single-Stream Targeted Recyclable Materials or other
586 Source Separated Recyclable Materials Generated at Commercial Premises at
587 least once per week or more frequently, up to seven (7) times per week, as
588 scheduled by the Customer provided that the Generator has Source Separated
589 the Targeted Recyclable Materials from Solid Waste and placed the materials in
590 the appropriate Contractor-provided Container. Contractor shall Collect
591 Targeted Recyclable Materials at the designated location agreed upon by
592 Contractor and Customer. The designated Collection location, if disputed by
593 Customer or Contractor, shall be determined by the Agency.

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

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

602 b. Bin service. Contractor shall allow Commercial Customers to use Bins for
603 Targeted Recyclable Materials Collection. Contractor shall provide each
604 Customer with a choice of one (1) or more Bins as specified in Section
605 8.05.

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

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- d. Drop Boxes and Compactors. Contractor shall allow Commercial Customers to use Drop Boxes or Compactors for Targeted Recyclable Materials. In such case, Contractor shall provide Customers with a choice of Container capacities as specified in Section 8.05. Contractor shall offer Customers the option to purchase or lease Compactors through Contractor or an outside vendor. Regular maintenance of Compactors shall be provided by Contractor (or outside vendor) as frequently as needed to keep the Compactors in good working order and functioning at high compaction levels.
- 3. Universal Implementation of Service. Upon request by Agency, Contractor shall “universally” implement Single-Stream Targeted Recyclable Materials Collection services to all Commercial Customers in the same manner as that described for Multi-Family Customers pursuant to Section 5.03.B.4.

D. Agency Facilities

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

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

- 2. Collection Containers. Contractor shall allow Agency Facilities to select a Collection service method that best suits the needs of its Premises. Specifically, the Contractor shall offer the following choices to Member Agency Facilities:
 - a. Cart service. Contractor shall allow Agency Facilities to use Carts for Targeted Recyclable Materials Collection. Contractor shall provide each Customer with a choice of one (1) or more Carts as specified in Attachment D.
 - b. Bin service. Contractor shall allow Agency Facilities to use Bins for Targeted Recyclable Materials Collection. Contractor shall provide each Agency with a choice of one (1) or more Bins for each Agency Facility.
 - c. Centralized Cart or Bin service. Contractor shall allow Agency Facilities to use Carts or Bins for Targeted Recyclable Materials Collection that are shared by the Occupants of two (2) or more adjacent Agency Facilities. In

672 such case, Contractor shall provide one (1) or more Carts or Bins to such
673 Premises as requested by Agency.

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

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

693 **5.04 ORGANIC MATERIALS COLLECTION**

694 A. Single-Family Dwelling. Contractor shall Collect Source Separated Organic
695 Materials from SFD once per week. Collection of Organic Materials, Targeted
696 Recyclable Materials, and Solid Waste from the SFD shall occur on the same Day
697 each week at no additional charge. Contractor shall provide each Customer with
698 one (1) Cart to be used for storage and Collection of Organic Materials. Customer
699 can rent or purchase additional Organic Materials Carts from Contractor and
700 Contractor shall be entitled to bill Customer as specified in Attachment Q.
701 Purchased Carts shall become the property of Customer. Customer will be
702 provided the opportunity to subscribe to service levels of additional Organics
703 Materials Carts and shall be billed in accordance with Agency-approved rates for
704 additional Organic Materials Carts service. The Contractor shall provide each
705 Customer a Cart as specified in Attachment D, unless the Customer requests an
706 alternative Cart size, in which case, the Contractor shall provide an alternative Cart
707 as specified in Attachment D. Approximately one (1) month prior to distribution of
708 SFD Organic Material Carts, Contractor shall mail a notice to each SFD Customer
709 indicating that the Customer will receive the default Organic Materials Cart size
710 specified in Attachment D, unless the Customer responds to the notice (i.e., by
711 mail, email, phone or website form) and requests an alternate Cart size by selecting
712 the preferred size.

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

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

727 B. **Multi-Family Premises.** Multi-Family Dwelling Customers shall have the option of
728 voluntarily subscribing to Organic Materials or Plant Materials Collection services
729 and shall pay Contractor for such service in accordance with Agency-approved
730 Rates. If the San Mateo County Ordinance code regulating collection of Organic
731 Materials or Plant Materials is different than the requirements specified in this
732 subsection, the terms of the ordinance shall govern.

733 Contractor shall Collect Source Separated Organic Materials or Plant Materials
734 from Multi-Family Residential Complexes that have subscribed to Organic Materials
735 or Plant Materials Collection service as frequently as scheduled by Customer, but
736 not less than once per week. Contractor shall provide each Customer with a choice
737 of Carts or Bins as specified in Attachment D. Contractor shall Collect Organic
738 Materials and Plant Materials at the location agreed upon by Contractor and
739 Customer. The designated Collection location, if disputed by Customer or
740 Contractor, shall be determined by the Agency.

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

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

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

756 Contractor shall provide Organic Materials or Plant Materials Collection service to
757 Agency Facilities requesting service. Contractor shall Collect Organic Materials or
758 Plant Materials from Agency Facilities that have subscribed to Organic Materials or
759 Plant Materials Collection service as frequently as scheduled by Agency, but not
760 less than once per week.

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

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

777 Contractor shall deliver a Bin or Drop Box for Holiday Tree Collection to Multi-
778 Family Residential Complexes upon request of the Owner or property manager.
779 Contractor shall provide this Collection service annually commencing December 26
780 and shall continue to provide this service as long as requests are submitted to
781 Contractor, at no additional cost to Customer(s) or Agency. The location for delivery
782 of the Bin or Drop Box shall be agreed upon by the Owner or property manager,
783 and Contractor shall remove the Bin or Drop Box, or Collect the trees loose, on the
784 date requested by the Owner or property manager. If the use of a Bin or Drop Box
785 is not feasible, Contractor shall Collect the uncontainerized Holiday Trees from one
786 (1) or more designated consolidation locations (e.g., adjacent to a Solid Waste
787 enclosure) at each Multi-Family Residential Complex as determined by the Owner
788 or property manager. Contractor shall be required to Collect all trees or pieces of
789 trees, which are eight feet (8') or less in length, void of tinsel, lights, ornaments,
790 other decorations, and metal or plastic stands (although flocked trees are
791 acceptable) and are placed in the Bin or Drop Box or at the agreed upon location.
792 Contractor shall make accommodations and provide Collection service for
793 Customers who are unable to cut trees into lengths of eight feet (8') or less at no
794 additional cost to the Customer or Agency.

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

801 **5.05 SINGLE-FAMILY AND MULTI-FAMILY TWICE ANNUAL ON-CALL CURBSIDE**
802 **BULKY ITEM COLLECTION SERVICE**

803 A. **General.** Contractor shall provide two (2) separate On-Call Curbside Bulky Item
804 Collection Service events to each Single-Family Dwelling Residential Premise
805 annually upon Owner or Occupant's request at no additional charge. Contractor will
806 schedule the On-Call Bulky Item Collection Service events on the regularly

807 scheduled Solid Waste Collection Day for Single-Family Dwellings, no more than
808 ten (10) Business Days after the Owner or Occupant's request.

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

817 Contractor shall assist Owners and property managers of Multi-Family Residential
818 Complexes with scheduling events to effectively and efficiently provide the volume
819 of Collection service to which the complex is entitled annually based on the number
820 of Residential Premises at the complex. The provision of On-Call Collection of
821 Bulky Items is not intended to encourage or permit Multi-Family Residential
822 Premises to reduce the level of regularly scheduled Solid Waste Collection service
823 that has been previously provided to the complex. If Contractor, in its reasonable
824 business judgment, concludes that an Owner or property manager of a Multi-Family
825 Residential Complex is requesting On-Call Bulky Item Collection in order to reduce
826 its historical level of regular Solid Waste Collection service, Contractor may present
827 a factual report to Agency in support of an application to decline further requests for
828 On-Call Bulky Item Collection events at that complex for the remainder of the
829 calendar year. Agency will review the application and report and determine whether
830 Contractor may decline all subsequent requests from that complex for that calendar
831 year or may limit the number of On-Call Bulky Item Collection events it must
832 provide. Until Agency makes, and notifies Contractor of, its determination,
833 Contractor is not required to provide additional On -Call Bulky Item Collection
834 service events to the complex in question.

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

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

- 848 1. Solid Waste, Recyclable Materials, Organic Materials – Up to two (2) cubic
849 yards of materials per event, provided that such materials, except as set forth
850 below have been bagged, boxed, bundled, or containerized by the Customer.
- 851 2. Major Appliances – One (1) large appliance per event (e.g., washing machine,
852 clothes dryer, refrigerator, freezer).

853 3. Bulky Items – One (1) large Bulky Item per event (e.g., reusable furniture,
854 mattresses, four tires).

855 4. E-Scrap – One (1) item per event (e.g., a computer, computer monitor or
856 television).

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

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

873 D. **Handling Major Appliances.** Major Appliances, Universal Waste, and E-Scrap
874 shall be reused, Recycled or Disposed by Contractor in accordance with
875 requirements of Applicable Law and in accordance with the State of California
876 Department of Toxic Substances Control and California Integrated Waste
877 Management Board regulations. Any changes to such regulations made after the
878 Effective Date shall be addressed as though they are a Change in Law in
879 accordance with Section 11.05.

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

894 **5.06 AGENCY FACILITY ANNUAL ON-CALL BULKY ITEM COLLECTION SERVICE**

895 Contractor shall provide each Agency Facility designated by the County
896 Department of Public Works an Annual On-Call Bulky Item Collection service event
897 at each site at no additional charge. The On-Call Bulky Item Collection Service

898 provisions set forth in Section 5.05 shall apply to the On-Call Bulky Item Collection
899 Service provided to Agency Facilities with the following exceptions for frequency
900 and service level/acceptable materials.

901 **A. Frequency of Service.**

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

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

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

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

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

926 **5.07 CONFIDENTIAL DOCUMENT DESTRUCTION SERVICE EVENT**

927 Contractor shall provide one confidential document destruction service event in
928 Agency annually at no additional cost to Agency or Customers at locations
929 designated by the Agency. Upon receipt of a request to schedule a confidential
930 document destruction event by Agency, Contractor shall schedule the event within
931 ten (10) Business Days. Contractor shall provide adequate equipment and staffing
932 necessary for the event and shall ensure full destruction of confidential documents
933 and other materials delivered by Customers to the site of the event. Upon request
934 from Agency, Contractor shall provide additional events and shall be compensated
935 by Agency as specified in Attachment Q.

936 **5.08 COLLECTION FOR LARGE VENUES AND EVENTS**

937 Contractor shall provide Collection services, upon request, to any Venue and Event
938 within Service Area. Specifically, Contractor shall provide, at a minimum, Solid Waste
939 and Targeted Recyclable Materials Collection services, and shall also provide Organic
940 Materials Collection services if one (1) cubic yard or more of Organic Material is

941 generated per day at the Venue or Event. Contractor shall provide Collection as
942 frequently as requested by the Agency or the Event organizer. Contractor shall provide
943 an adequate number and type of Collection Container(s) for the Venue or Event and
944 shall coordinate its Collection services with Agency or Event organizer. Containers shall
945 be appropriately labeled to collect Solid Waste, Recyclable Materials or Organic
946 Material, per the requirements specified by the SBWMA. Upon request of the Agency or
947 the Event organizer, Contractor shall provide an adequate number of its employee(s) for
948 each Event to ensure all Solid Waste, Recyclable Materials and Organic Materials
949 Collection locations (i.e., Containers that are placed on-site for use by event patrons)
950 are kept clean and uncontaminated; to empty or exchange Containers as the need
951 arises; and to respond to overages or spills.

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

959 Contractor shall also supply and staff an information booth at each Venue and Event,
960 upon request from Agency. In addition, Contractor shall prepare and distribute
961 information to the public at Venues and Events describing the Collection options
962 available at the Venue or Event and promoting Recycling programs in the Agency, upon
963 request from Agency. All information prepared for distribution to Venues and Events
964 shall be approved by Agency prior to distribution. The Contractor shall report the
965 Tonnage of material Collected at each Venue and Event to the Agency and, upon
966 Agency request, to the Event organizer.

967 For Venues and Events which are required to comply with the Large Venues and Events
968 Recycling Law, codified at Public Resources Code Section 42648 et seq., Contractor
969 shall assist the Venue or Event organizer in preparing a Recycling plan using Agency
970 form and reporting all information required by those provisions of the law. Contractor
971 shall be required to provide, at a minimum, the following information for each Venue or
972 Event:

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

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

996 **5.09 ABANDONED WASTE CLEANUP COLLECTION SERVICE**

997 Contractor shall provide abandoned waste cleanup collection service at no additional
998 cost to Agency within one (1) Business Day of being notified by Agency, SBWMA,
999 Customer, or Contractor's vehicle drivers and route supervisors of the occurrence of
1000 abandoned waste or illegal dumping, at no additional cost to Agency or Customer. If a
1001 report of abandoned waste or illegal dumping is received by Contractor from a party
1002 other than Agency, Contractor shall notify Agency of the reported location within one (1)
1003 Business Day and shall notify Agency of the estimated or actual time Contractor
1004 Collected the material or will Collect the material. This service shall require Contractor to
1005 Collect all abandoned or illegally dumped Solid Waste, Recyclable Materials and
1006 Organic Materials. This service does not include Collection of litter or litter abatement
1007 activities.

1008 For abandoned Recyclable Materials, Organic Materials, and Solid Waste, Contractor
1009 shall dispatch its regular route drivers to provide Collection service. For Bulky Items,
1010 Contractor shall dispatch a flatbed truck to provide Collection service. For other items
1011 including, but not limited to, Hazardous Waste, Household Hazardous Waste and
1012 Sharps, Contractor shall promptly notify Agency.

1013 All abandoned or illegally dumped materials Collected by Contractor shall be transported
1014 to the SRDC for processing, with the exception of scrap metal, and all related diversion
1015 statistics will be included in the appropriate reports to the Agency for all materials
1016 collected. Contractor shall be allowed to transport scrap metal directly to a licensed
1017 scrap metal recycler. Contractor shall, to the greatest extent possible, deliver all
1018 reusable non-metal abandoned waste items to organizations such as Society of St.
1019 Vincent de Paul and Goodwill Industries, or other organizations as directed by Agency.

1020 **5.10 COATS FOR KIDS PROGRAM**

1021 If requested by Agency, Contractor shall implement a "Coats for Kids Program" annually
1022 at no additional cost to Agency or Customers. The program shall consist of Contractor's
1023 drivers Collecting coats from Customers on their route over a one (1) to two (2) week
1024 period during the fall, as well as from Collection Containers placed by Contractor in
1025 various public locations specified by Agency, such as libraries, County facilities, and
1026 businesses. The coats collected through this program will be sorted and laundered by
1027 Contractor, and arrangements made by Contractor for distribution to a local non-profit
1028 organization, such as the Family Services Agency. Prior to the implementation of the

1029 program, Contractor shall present a detailed program plan to Agency for review and
30 approval. All related diversion statistics will be included in the appropriate reports to the
1031 Agency.

1032 **5.11 COMPOST GIVE-AWAY**

1033 Contractor will coordinate, at no additional cost to Agency or Customer, with the Agency
1034 to host "Bring Your Own Bucket" (BYOB) giveaway of compost to residents. The BYOB
1035 compost giveaway will provide residents with free compost to enrich their gardens while
1036 also educating residents on the benefits of home composting. In addition, Contractor
1037 representatives will be on hand to distribute recycling guides and other educational
1038 material promoting waste reduction and recycling. Contractor is required to deliver to
1039 Agency thirty (30) cubic yards of compost annually in one (1) or two (2) deliveries at no
1040 additional cost. Agency shall provide Contractor ten (10) Business Days notice to deliver
1041 additional compost to Agency and Contractor shall be entitled to increase Contractor's
1042 Compensation for the Rate Year that the compost is delivered to Agency based on the
1043 costs specified in Attachment Q.

1044 **5.12 FEE FOR SERVICE ON-CALL BULKY ITEM COLLECTION**

1045 In addition to Collections provided under Section 5.05 and Section 5.06, Contractor shall
1046 Collect Bulky Items from Single-Family, Multi-Family, and Commercial Customers and
1047 Agency Facilities and shall charge Customers the Rate established by Agency, which
1048 will cover the cost of service. The cost of service in 2011 is specified in Attachment Q.
1049 Contractor will schedule fee for service On-Call Bulky Item Collection service on the
1050 Customer's regularly scheduled Collection Day or a Business Day scheduled by
51 Contractor, no more than ten (10) Business Days after Customer's request. The fee for
1052 service On-Call Bulky Item Collection Service shall be limited to Collection of Bulky
1053 Items, Major Appliances, and E-Scrap.

1054 When a Commercial Customer calls to request and schedule the collection of Bulky
1055 Items, Contractor shall ask the caller to describe the items to be collected, and will
1056 provide the caller with an estimate of the cost to provide the service, based on Rates
1057 established by Agency.

1058 If Contractor determines that the volume of the described items can be accommodated
1059 in a single load on a flatbed boom truck equipped with a hydraulic-lift tailgate, Contractor
1060 shall instruct the caller to set out the items for pickup on the next regular Solid Waste
1061 Collection Day at a location where Solid Waste Collection occurs for the Customer, or at
1062 an alternative nearby location that avoids interference with regular Solid Waste,
1063 Recyclable Materials, or Organic Materials Collection service.

1064 If Contractor determines the volume of the described items cannot be accommodated in
1065 a single load on a flatbed boom truck, Contractor shall schedule a site visit and meet
1066 with the Customer within five (5) Business Days to: (1) develop a plan for the most
1067 effective mode and location for Collection service, and (2) schedule the Collection
1068 service event.

1069 **5.13 COMMUNITY DROP-OFF EVENTS**

1070 Upon request by Agency, Contractor shall hold drop-off events at a location selected by
1071 the Agency to allow Residential Customers to drop off acceptable materials. Acceptable
1072 materials, which shall be determined by the Agency, may include one or more of the
1073 following: E-Scrap, Universal Waste, Recyclable Materials, Organic Materials, and Solid
1074 Waste.

1075 A. General Requirements. Contractor shall promote, manage, staff, and operate
1076 drop-off event(s) for Residential Customers scheduled for one (1) weekend Day
1077 (i.e., Saturday or Sunday) or two (2) consecutive weekend Days upon request from
1078 Agency.

1079 The Agency shall approve the date of the drop-off event and all advertisements or
1080 public announcements related to such event. Contractor shall promote the event
1081 by preparing Billing inserts to be included in each Customer's Bill and by
1082 advertising in a minimum of two local area newspapers as approved by the Agency.

1083 Contractor shall manage, staff, and supervise the event. Contractor shall provide
1084 traffic control and signage; inspect materials delivered to the event; separate
1085 materials; document each material type and quantity; transport Collected materials
1086 to reuse, processing or Disposal locations; and clean up the location at the end of
1087 the event.

1088 Contractor shall not charge Customers delivering materials to the event.

1089 B. Accepted Materials. Customers may deliver and Contractor shall accept Major
1090 Appliances, Bulky Items, Source Separated Targeted Recyclable Materials, Source
1091 Separated Organic Materials, tires (i.e., four (4) per Customer, removed from rims,
1092 no commercial tires), clean unpainted wood, construction and demolition debris,
1093 Universal Waste, E-Scrap and Solid Waste. Contractor shall be allowed to reject:
1094 liquids or sludge; cement; dirt; asphalt; concrete; Hazardous Waste; or Infectious
1095 Waste. Contractor shall not establish a limit on the volume or weight of materials
1096 that a Customer may bring for Collection.

1097 C. Participants. Contractor shall verify Residents live in the Agency by reviewing a
1098 driver's license or utility bill.

1099 D. Event Hours. Contractor shall accept materials from Residential Customers over
1100 one (1) weekend Day (i.e., Saturday or Sunday) or two (2) consecutive weekend
1101 Days from 8:00 a.m. to 5:00 p.m.

1102 E. Recycling and Reuse. Contractor shall Collect materials in a manner that
1103 maximizes reuse, Recycling, composting, and diversion of materials from Disposal.
1104 Contractor shall make reasonable efforts to ensure that diversion goals are met or
1105 exceeded. Contractor shall separate Recyclable Materials and Organic Materials
1106 and transport such materials to the Designated Transfer and Processing Facility or
1107 an alternative processing site with advance authorization from Agency. Contractor
1108 shall coordinate with re-use vendor(s) to have a representative present at the drop-
1109 off event to accept donated clothes or other reusable items. Disposal of materials
1110 shall be the Contractor's last option.

1111 F. Handling Major Appliances. Major Appliances shall be reused, Recycled, or
1112 Disposed by Contractor in accordance with requirements of Applicable Law. Any

1113 changes to such regulations made after the Effective Date shall be addressed as
1114 though they are a Change in Law in accordance with Section 11.05.

1115 G. Scheduling Community Drop-Off Events. Upon request from Agency, Contractor
1116 shall promote, manage, staff, and operate community drop-off events described in
1117 this Section. If Agency exercises such right, it shall provide written notice to
1118 Contractor at least three (3) months before the first day of the requested drop-off
1119 event. The Contractor's Compensation attributable to Agency for such service
1120 shall be based on Contractor's proposed cost, provided in Attachment Q.

1121 H. Confidential Document Destruction Service. If requested by Agency, Contractor
1122 shall provide confidential document destruction service at the drop off event(s).
1123 Contractor will provide adequate equipment and staffing necessary for the event
1124 and shall ensure full destruction of confidential documents and other materials
1125 delivered by Customers at the site of the event. Contractor will provide this service
1126 at no additional cost to the Agency or Customers.

1127 **5.14 WEEK-LONG AGENCY-WIDE BULKY ITEMS COLLECTION SERVICE EVENT**

1128 Upon request by Agency, Contractor shall hold a one (1) week-long Agency-wide Bulky
1129 Items Collection service event for Residential Customers. Agency shall select the dates
1130 of the event and provide Contractor four (4) months notice to provide this service.
1131 Contractor shall schedule these events for SBWMA Member Agencies on a first-come,
1132 first-serve basis, such that Contractor shall not be required to provide more than one (1)
1133 event any given week. The acceptable materials and participation requirements for the
1134 week-long Agency-wide Bulky Items Collection service event shall be the same as
1135 specified in section 5.05. Customers shall be provided this service on their regularly
1136 scheduled Solid Waste Collection Day. Contractor shall be entitled to increase
1137 Contractor's Compensation attributable to Agency pursuant to the costs specified in
1138 Attachment Q for the Rate Year that this service is provided with its submittal of the
1139 annual Application.

1140

ARTICLE 6 TRANSPORTATION

1141 6.01 TRANSPORTATION OF COLLECTED MATERIALS

1142 Contractor shall transport and deliver all Solid Waste, Source Separated Targeted
1143 Recyclable Materials and Organic Materials Collected under this Agreement to the
1144 Designated Transfer and Processing Facility. Once Collected materials are deposited
1145 by Contractor at the Designated Transfer and Processing Facility, such materials shall
1146 become the property of SBWMA or Operator. The Contractor is not responsible for
1147 providing processing services except as provided in Section 6.04.

1148 6.02 LIMITATIONS ON CONTAMINATION

1149 A. General. The Agency is required by the Act and implementing regulations to
1150 divert a substantial portion of Solid Waste generated by residents, businesses
1151 and institutions within its Service Area from disposal at a landfill. In order to
1152 accomplish this, the Agency, through the SBWMA, is making a major investment
1153 in new recycling equipment and facilities at the Shoreway Recycling and
1154 Disposal Center. In order for that equipment to operate efficiently, the amount of
1155 Contamination in loads of Recyclable Materials, Organic Materials and Plant
1156 Materials delivered to the Shoreway Recycling and Disposal Center must be
1157 limited to specific levels. Moreover, higher levels of Contamination can make
1158 processed Recyclable Materials unmarketable or substantially reduce the price
1159 that purchasers are willing to pay. The cost that the SBWMA must charge users
1160 of the Shoreway Recycling and Disposal Center (including Agency) is directly
1161 affected by the amount of revenue generated by sales of Recyclable Materials
1162 processed by its Operator. Therefore, for both environmental and financial
1163 reasons, it is important that Contractor place a high priority on ensuring that
1164 Contamination in loads of Recyclable Materials, Plant Materials and Organic
1165 Materials delivered to the Shoreway Recycling and Disposal Center is minimized.
1166 Contractor shall work collaboratively with Agency and SBWMA to accomplish this
1167 and will implement the specific measures described in this Section and Section
1168 6.03.

1169 B. Disincentive Payments Based on Quarterly Performance. The maximum
1170 contamination levels for each category of Recyclable Materials, Plant Materials
1171 and Organic Materials are specified in Table 1:

Table 1
Material Category | Maximum Contamination Level (% by weight)
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 | 20%1

(Rate Year One)	
Single-Family Targeted Recyclable Materials (Years Two - Ten)	TBD ²

1172 ¹ Disincentives shall only be assessed for the last six (6) months of Rate Year
1173 One.

1174 ² "TBD" means "to be determined" and shall equal the arithmetic average of the
1175 Measured Contamination Levels calculated for four (4) quarters of samples
1176 of Single-Family Targeted Recyclable Materials taken pursuant to
1177 Attachment E-2 during Rate Year One (2011).

1178 The Measured Contamination Level for each category will be determined through
1179 sampling of loads of Recyclable Materials, Organic Materials, and Plant Materials
1180 generated within the SBWMA Service Area and delivered to the Shoreway
1181 Recycling and Disposal Center. The methodology for sampling is set forth in
1182 Attachment E-2. For purposes of assessing performance disincentives, the
1183 Contamination Level of each material category shall be the arithmetic average of
1184 the Measured Contamination Level of the samples of such material category
1185 taken during each calendar quarter pursuant to Attachment E-2. Under no
1186 circumstances shall samples taken pursuant to Section 6.02.C be used for
1187 purposes of assessing performance disincentives.

1188 If the Measured Contamination Level for a material category in any quarter
1189 exceeds the applicable maximum Contamination Level in Table 1, Contractor
1190 shall be assessed disincentives in the amounts specified in Attachment I
1191 (Performance Incentives and Disincentives). Contractor shall remit
1192 Contamination-related disincentive payments to SBWMA quarterly, as provided
1193 in Section 9.06.

1194 No disincentive will be assessed for exceeding the maximum Contamination
1195 Level for Single Family Targeted Recyclable Materials during the first six (6)
1196 months of Rate Year One (2011).

1197 The maximum Contamination Level for Single-Family Targeted Recyclable
1198 Materials applicable during Rate Years Two (2012) through Ten (2020) shall be
1199 equal to the arithmetic average of the Measured Contamination Levels
1200 calculated for four (4) quarters of samples of Single-Family Targeted Recyclable
1201 Materials taken pursuant to Attachment E-2 during Rate Year One (2011). (As
1202 provided in Attachment E-2, twelve (12) such samples will be taken in each
1203 calendar quarter and forty eight (48) such samples will be taken each year,
1204 unless Contractor requests and pays for additional samples to be taken pursuant
1205 to Attachment E-2, Section 3.)

1206 **C. Inspecting for Excessive Contamination in Single Loads of Recyclable**
1207 **Materials.**

1208 The Operator will inspect loads of materials delivered to the Shoreway Recycling
1209 and Disposal Center. The Operator may set aside for sampling (i) a load of
1210 Source Separated or Targeted Recyclable Materials that appears to contain
1211 more than fifteen percent (15%) contamination, and (ii) a load of Organic

1212 Materials that appears to exceed the applicable maximum contamination level of
1213 five percent (5%) or ten percent (10%).

1214 When setting aside a load for sampling, the Operator will document the truck
1215 number, the date and time of delivery, and will take a photograph of the load.
1216 The methodology for sampling of single loads is set forth in Attachment E-1.

1217 **D. Supplemental Processing Fee for Excessive Contamination in Salvageable**
1218 **Single Loads of Recyclable Materials.**

1219 1. Material Delivered to MRF. If a load of Source Separated or Targeted
1220 Recyclable Materials is determined based on testing pursuant to Section
1221 6.02.C to contain contamination in excess of the levels specified in Table 2,
1222 but is determined by Operator or SBWMA to be salvageable, Contractor will
1223 be required to pay SBWMA a supplemental processing fee of \$25.00 per ton
1224 for the tons exceeding the maximum contamination level.

1225 2. Material Delivered to Transfer Station. If a load of Organic Materials is
1226 determined based on testing pursuant to Section 6.02.C to contain
1227 contamination in excess of the levels specified in Table 1, but is determined
1228 by Operator or SBWMA to be salvageable, Contractor will be required to pay
1229 SBWMA a supplemental processing fee of \$7.00 per ton for the tons
1230 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%

1231 The supplemental processing fees for Source Separated or Targeted Recyclable
1232 Materials and Organic Materials will be adjusted in subsequent years by the
1233 same percentage that the MRF Processing Fee described in Section 7.03 of the
1234 2009 agreement between SBWMA and South Bay Recycling LLC for operation
1235 of the Shoreway Recycling and Disposal Center is adjusted each year.

1236 **E. Payment of Transportation and Disposal of Excessive Contamination in**
1237 **Unsalvageable Single Loads.**

1238 1. Material Delivered to the MRF. If a load of Source Separated or Targeted
1239 Recyclable Materials is determined based on testing pursuant to Section
1240 6.02.C to contain contamination in excess of the levels specified in Table 2,
1241 and is determined by Operator or SBWMA to be unsalvageable (i.e., the
1242 entire load will be disposed of at the Designated Disposal Site), Contractor
1243 shall reimburse SBWMA for the cost of transportation and disposal of the
1244 weight of the load minus the weight of the maximum contamination level.
1245 For example, if the maximum contamination level is 15% and a 10 Ton load

1246 is determined to contain 30% Contamination, and is unsalvageable, the
 1247 Contractor will be responsible for the cost of transportation and disposal of
 1248 8.5 Tons (e.g., 10 Tons x 85% = 8.5 Tons). The transportation cost shall be
 1249 the Operator's then-current cost per Ton for delivery of loads of that material
 1250 to the Designated Disposal Site. The disposal cost shall be the then-current
 1251 cost per Ton at the Designated Disposal Site.

1252 2. Material Delivered to the Transfer Station. If a load of Organic Materials is
 1253 determined based on testing pursuant to Section 6.02.C to contain
 1254 contamination in excess of the levels specified in Table 3, and is determined
 1255 by Operator or SBWMA to be unsalvageable, (i.e., the entire load will be
 1256 disposed of at the Designated Disposal Site), Contractor shall reimburse
 1257 SBWMA for the cost of transportation and disposal of the weight of the load.
 1258 The transportation cost shall be the Operator's then-current cost per Ton for
 1259 delivery of loads of that material to the Designated Disposal Site. The
 1260 disposal cost shall be the then-current cost per Ton at the Designated
 1261 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%

1262 **F. Agency Directed Change in Controlling Contamination**

1263 If Agency requests or directs Contractor to reduce the number or frequency of
 1264 non-collection notices, courtesy notices, non-collection events or public
 1265 education and outreach activities described in Section 6.03 and sampling of
 1266 individual loads from Agency pursuant to Section 6.02.C thereafter results in the
 1267 imposition by SBWMA of supplemental processing fees under Section 6.02.D or
 1268 transportation and disposal reimbursements under Section 6.02.E, Agency shall
 1269 reimburse Contractor for such payments within thirty (30) days of receiving a
 1270 request for reimbursement, together with supporting documentation (e.g., reports
 1271 on sampling, and evidence of imposition of assessment by SBWMA and
 1272 Contractor's payment to SBWMA).

1273 If Agency has requested or directed Contractor to reduce the number or
 1274 frequency of non-collection notices, courtesy notices, non-collection events, or
 1275 public education and outreach activities described in Section 6.03, and
 1276 Contractor is thereafter assessed disincentives under Section 6.02.B for
 1277 exceeding a maximum contamination level on a quarterly basis, Agency
 1278 ratepayers shall reimburse Contractor for its proportional contribution to the
 1279 excessive level of contamination. That proportional contribution shall be
 1280 determined by extrapolating the results of single load sampling of Agency loads
 1281 performed under Section 6.02.C during the quarter in question to the total

1282 amount of tonnage in the specific material category for which Contractor has
1283 been assessed a disincentive. For example, samples of Commercial Recyclable
1284 Materials delivered from Agency during a quarter average 10% Contamination
1285 (i.e., in excess of the 8% maximum contamination level), the Agency ratepayers
1286 will reimburse Contractor for an amount calculated as follows:

1287 $[\$ \text{ per Ton disincentive payment}] \times [\text{total Tons of Commercial}$
1288 $\text{Recyclable Material delivered from Agency during quarter}] \times 2\%$
1289 $[\text{10\%} - \text{8\%}]$

1290 Agency shall pay Contractor the amount due within thirty (30) days of receiving a
1291 request for reimbursement, together with supporting documentation (e.g., reports
1292 on sampling, reports on total tonnage of material in relevant category delivered
1293 from Agency, and evidence of assessment of disincentive by SBWMA and
1294 Contractor's payment to SBWMA).

1295 **6.03 CONTRACTOR METHODS OF CONTROLLING CONTAMINATION**

1296 **A. General.** Contractor shall assist in controlling Contamination levels by helping to
1297 educate Customers on acceptable and non-acceptable materials, by monitoring
1298 the contents of Collection Containers and by refusing to Collect Containers of
1299 Targeted Recyclable Materials, Plant Materials and Organic Materials that
1300 appear to exceed the maximum contamination levels in Section 6.02 Table 1, all
1301 as and to the extent set forth in this Section 6.03.

1302 Drivers that dismount from Collection vehicles in order to empty Containers shall
1303 lift the Container lid and observe the contents. If Contamination appears to be
1304 present in excess of the applicable maximum contamination level, the driver will
1305 not empty the Container, but will instead affix a "non-collection notice." The non-
1306 collection notice shall (i) inform the Customer of the reason(s) for non-collection,
1307 (ii) include the date and time the notice was left, and (iii) describe the premium
1308 charge to Customer for Contractor to return and Collect the Container after
1309 Customer removes the contamination. The driver will document the non-
1310 collection event and a customer service representative will update the
1311 Customer's computerized account record to note the event. Upon request from
1312 Customer, Contractor shall Collect Carts that received non-collection notices
1313 within one (1) Business Day of Customer's request if the request is made at least
1314 two (2) Business Days prior to the regularly scheduled Collection day.
1315 Contractor shall be entitled to compensation for the extra Collection service
1316 event based on the costs specified in Attachment Q only if Contractor notifies
1317 Customer of the premium charge for this service at the time the request is made
1318 by Customer.

1319 Drivers providing automated collection service shall observe, via the hopper
1320 video camera and monitor system, the contents of the Cart as it is being emptied
1321 into the vehicle. If the driver observes Contamination in excess of the applicable
1322 maximum contamination level, the driver shall affix a "courtesy notice" to the
1323 emptied Cart. The courtesy notice shall (i) inform the Customer of the observed
1324 presence of unacceptable levels of Contamination, (ii) include the date and time
1325 the notice was left, (iii) describe the premium charge to Customer for Contractor
1326 to return and Collect contaminated Containers after Customer removes the

1327 contamination. The next day on which that Customer is to receive service, the
1328 driver shall dismount the Collection vehicle, lift the lid of the Cart and visually
1329 inspect the contents. If the driver determines that the Cart again contains excess
1330 Contamination, the Cart will not be collected. Instead, the driver will record the
1331 non-collection event in the on-board computer system and shall affix a non-
1332 collection notice to the Cart.

1333 If a driver observes Hazardous Materials in an uncollected Container, the driver
1334 shall record that observation in the on-board computer system and also inform
1335 the route supervisor. The route supervisor shall investigate and initiate
1336 applicable action within one (1) Business Day.

1337 Whenever a Container at a Commercial or a Multi-Family Dwelling complex
1338 Customer is not collected, Contractor shall contact the Customer on the
1339 scheduled Collection Day by telephone to explain why the Container was not
1340 collected. Whenever a Container is not Collected because of excess
1341 Contamination, a customer representative will contact the Customer to discuss,
1342 and encourage the Customer to adopt, proper materials-preparation and
1343 separation procedures.

1344 **B. Periodic Route Audits.** Contractor shall conduct a route audit of any route from
1345 which two (2) or more loads are found based on testing pursuant to Section
1346 6.02.C to exceed the applicable maximum contamination levels set forth in
1347 Section 6.02 Table 1 during any thirty (30) day period, as well as any other route
1348 whose loads consistently exceed the maximum contamination levels.

1349 When a route is identified as requiring a route audit, Contractor will provide a
1350 route auditor to precede the Collection vehicle and physically examine the
1351 contents of each Container or Cart prior to emptying. The route auditor shall
1352 affix non-collection notices to at least ninety percent (90%) of all Containers that
1353 contain Contamination in excess of applicable maximum contamination levels.

1354 Contractor shall submit a monthly route audit report within five (5) Business Days
1355 after the end of each route audit that has been conducted during the previous
1356 month. The report shall describe in detail Contractor's conduct of the audit, as
1357 well as the public education and outreach activities that it employed to encourage
1358 and facilitate changes in Customer behavior that will reduce Customers
1359 discarding Contamination in Containers designated for Recyclable Materials or
1360 Organic Materials.

1361 The audit of a route shall continue for a period of four (4) consecutive weeks
1362 after the route has been identified as requiring an audit under the first paragraph
1363 of this Section 6.03.B.

1364 **6.04 PROCESSING OF OTHER MATERIALS**

1365 Upon request by Agency, and with the prior approval of SBWMA, the Contractor shall be
1366 responsible for, or shall arrange for, processing, Recycling, and/or reuse of Bulky Items,
1367 Major Appliances, and Specialty Recyclable or Reusable Materials (excluding
1368 Construction and Demolition Debris) Collected pursuant to this Agreement.

1369

ARTICLE 7 OTHER SERVICES

1370 7.01 CUSTOMER BILLING

1371 With the sole exception of Customers as defined in County ordinance code, for CSA-8 (North
1372 Fair Oaks), who shall be billed for a minimum level of service through the County property tax
1373 system, Contractor will directly bill and collect payment for all services provided by Contractor
1374 except as noted in Sections 5.03 through 5.12.

1375 A. Billing. Contractor shall prepare and mail Bills for services provided by Contractor
1376 and shall collect Customer payments.

1377 1. Frequency. Contractor shall Bill Single-Family Customers quarterly in amounts
1378 equal to the Rate for service for a three (3) month period (i.e., using a quarterly
1379 format), unless the Agency requests a more frequent Billing interval in which
1380 case the Contractor shall be entitled to a reasonable adjustment in its
1381 compensation related to the additional costs for the Agency-directed change in
1382 billing frequency. Contractor shall issue Single-Family Residential Bills three
1383 (3) months in advance in a manner such that one-third (1/3) of SFD Customers
1384 are Billed each month. Contractor shall bill Multi-Family Dwelling and
1385 Commercial Customers monthly in arrears in the amount equal to Customers'
1386 subscribed Rate for service for a one (1) month period. All deductions for
1387 services paid for on property tax bill and property parcel number shall be noted
1388 on all customer statements.

1389 2. Automated Billing and Payment. In an effort to reduce paper waste,
1390 Contractor shall make available to all Customers an automated Billing and
1391 payment system. This system should be website-based and allow Customers
1392 to view and pay Bills through Contractor's website. Through the Contractor's
1393 website, Customers may request to cease paper Billing and receive all bills
1394 through e-mail and/or Contractor's website. Contractor will ensure that the
1395 electronic Billing and payment website conforms to industry-standard practices
1396 for electronic commerce security. However, Contractor must ensure that these
1397 Customers are compiled in a list to ensure that Billing inserts are mailed
1398 directly.

1399 3. Bill Format. Contractor shall Bill Customers using a Bill format (i.e., post- card
1400 Billing format or conventional envelope/insert) approved by the Agency, if
1401 Customer does not opt-out by requesting use of the automated Billing and
1402 payment system. Contractor shall promote the website-based Billing and
1403 payment system on all paper Bills sent to Customers. Agency shall have the
1404 right to revise the Billing format (e.g., size, font, frequency, etc.) and to itemize
1405 certain charges and to review the Billing procedures. Contractor shall be
1406 compensated for any cost increases that result from the Agency-directed
1407 change to the Billing format.

1408 4. Records. Contractor shall maintain, for inspection by the Agency, copies of
1409 Customer Billings and receipts, in chronological order, for a period of five (5)
1410 years after the date of service. Contractor shall maintain those records in
1411 electronic format. SBWMA and Agency staff or representatives shall be given
1412 access to such records upon one (1) Business Day notice Contractor shall be

- 1413 allowed to access Agency Billing systems on an appointment basis and such
1414 review shall not be unreasonably withheld by Agency.
- 1415 Agency shall be allowed to access Contractor's Billing systems on an
1416 appointment basis and such review shall not be unreasonably withheld by
1417 Contractor.
- 1418 5. Rates. Agency shall establish, by resolution or ordinance, Rates for the types
1419 of service provided as described in Section 11.07. Contractor shall Bill and
1420 collect at those Rates.
- 1421 6. Service Stops. Contractor shall allow Customers to suspend service and
1422 Billings when the Premises are unoccupied. Single-Family Residential
1423 Customers may suspend service for a minimum of one (1) Service Day on a
1424 maximum of three (3) occasions each Rate Year. Commercial Customers may
1425 suspend service for a minimum of two (2) Service Days on a maximum of six
1426 (6) occasions each Rate Year. Multi-Family Customers may not suspend
1427 service without prior written approval from Agency. The Billings for both
1428 Residential and Commercial Customers shall be prorated by Contractor in
1429 accordance with Customer's requests to suspend service.
- 1430 B. **Delinquent Payment**. Residential Customers will be considered delinquent sixty
1431 (60) Days after start of the quarter in which the services are provided and Multi-
1432 Family Dwelling and Commercial Customers will be considered delinquent thirty
1433 (30) Days after payment is due. Contractor shall address the issue of delinquent
1434 payment as specified in Attachment H.
- 1435 C. **Local Office**. Contractor shall maintain a local office in the Shoreway Recycling
1436 and Disposal Center for acceptance of in-person payment of bills. At the local
1437 office, Contractor shall accept as payment personal checks, money orders,
1438 cashiers checks, and credit cards. The local office shall be open for business from
1439 8:00 a.m. until 5:00 p.m. Monday through Friday, exclusive of Holidays.
- 1440 D. **Contractor Revenue Collection**. Contractor shall collect revenue for services
1441 described herein on behalf of the Agency. Revenues collected on behalf of the
1442 Agency or SBWMA shall be handled as described in Article 11 of this Agreement.
- 1443 E. **Review of Billings**. Contractor shall review its Billings to Customers, issued
1444 pursuant to Section 7.01.A. The purpose of the review is to determine that the
1445 amount which Contractor is Billing each Customer is correct in terms of the level of
1446 service (i.e., frequency of Collection, size of Container, location of Container) being
1447 provided to such Customer by Contractor. Contractor shall review Customer
1448 accounts not less than once every three (3) calendar years for each Commercial,
1449 Multi-Family Dwelling and SFD Customer, unless Agency shall direct Contractor to
1450 do so more frequently. Contractor shall submit to Agency a written report of the
1451 status of its review annually no later than forty-five (45) Days after the end of each
1452 calendar year. The intent of this Section is for Agency to receive reports on an
1453 annual basis for one-third (1/3) of all Customer accounts, and for all Customer
1454 accounts to be reviewed every third year of the Agreement. The scope of the
1455 review and the reviewer's work plan shall be submitted to Agency for approval no
1456 later than six (6) months before the submission of the first report.

1457 F. **Agency or SBWMA Billing Review.** Contractor acknowledges that Agency or
1458 SBWMA may perform, or cause to be performed, Billing reviews periodically.
1459 Contractor agrees to participate and cooperate with SBWMA and Agency and its
1460 agents to accomplish these reviews and conduct any data collection and report
1461 preparation that may be requested. The Contractor's full cooperation with these
1462 reviews may include, but is not limited to: allowing Agency or SBWMA staff or
1463 consultants to ride along with drivers in Collection vehicles during daily Collection
1464 operations; providing for interviews of personnel at all levels, with or without
1465 management oversight; providing reporting related to franchised operations
1466 available through Contractor's automated systems; and adjusting routing, public
1467 information, outreach, or program availability based upon the recommendations of
1468 the audit, if approved by the SBWMA or Agency.

1469 G. **Privacy of Customer Information.** Contractor shall not distribute or sell
1470 Customer, Owner, or Occupant information such as names, addresses, and
1471 telephone numbers to other Persons with the exception of distribution to the
1472 Agency, SBWMA, or its agents for reporting and contract compliance purposes and
1473 distribution to Contractor's Billing agent (if Contractor uses a Related Party Entity or
1474 Subcontractor for Billing purposes).

1475 7.02 CUSTOMER SERVICE

1476 Contractor is responsible for ensuring that all staff and Customer Service
1477 representatives (CSR) maintain a professional and courteous demeanor when in contact
1478 with Agency, SBWMA and the public. Contractor shall be responsible for all employee
1479 interactions with Customers, SBWMA, and Agency staff. Contractor is required to
1480 ensure that its Customers are consistently treated courteously and are presented with
1481 timely, responsive and thorough solutions to problems and requests for information.
1482 Contractor shall meet monthly to discuss compliance with the Customer Service
1483 standards described herein if requested by Agency.

1484 A. **Local Office**

1485 Contractor shall operate a local office at the Shoreway Recycling and Disposal
1486 Center, located at 225 Shoreway Road, San Carlos. Office hours shall be at a
1487 minimum, from 8:00 a.m. to 5:00 p.m., Monday through Friday, exclusive of
1488 Holidays. Contractor shall be responsible for ensuring that a qualified
1489 representative is available at the local office during office hours to communicate
1490 with the public and accept Bill payments from Customers. Contractor shall offer bi-
1491 lingual customer service at the local office by employing CSR's with English and
1492 Spanish language capabilities. The local office and customer service telephone
1493 number(s) shall either be a local or toll free call.

1494 Contractor's telephone system shall adequately handle the volume of calls typically
1495 experienced on the busiest days. Contractor shall have a company representative,
1496 an answering service, or voice-mail system available for calls received during non-
1497 business hours and Holidays.

1498 Contractor shall employ sufficient customer service staff and management
1499 practices to ensure that the Average Speed of Answer is equal to or less than thirty
1500 (30) seconds and the maximum Hold Time is ninety (90) seconds or less.

1501 Contractor will be required to track all informational requests so that appropriate
1502 public outreach materials can be designed to target commonly asked questions.
1503 Contractor shall be responsible for promoting use of the Contractor's website for
1504 scheduling of On-Call Collection Service events and obtaining answers related to
1505 common informational requests through: (i) public education and promotion
1506 materials; and (ii) a recorded message Customers will hear while on-hold with the
1507 customer service department.

1508 Contractor shall maintain and publicize an e-mail address whereby Customers can
1509 communicate with the Contractor's customer service staff. Contractor shall monitor
1510 the email at least once per Business Day, and ensure that a twenty-four (24) hour
1511 response time is maintained.

1512 **B. Customer Service Call Center and Staffing**

1513 Contractor is required to operate a Customer service call center that will serve as
1514 the primary telephone point of contact and information for all services. The
1515 Customer service call center hotline is required to be staffed live during regular
1516 business hours (i.e., Monday through Friday 8:00 a.m. to 5:00 p.m.) by sixteen (16)
1517 customer service representatives (includes one (1) receptionist who performs
1518 customer service activities). In addition, the Customer service call center will offer
1519 multi-lingual Customer service by employing a minimum of two (2) bilingual
1520 customer service representatives with English and Spanish language capabilities,
1521 and contracting with a service to provide bilingual capacity for other languages
1522 including Cantonese, Mandarin, and Vietnamese. Contractor shall provide
1523 immediate access to interpreters for over one-hundred and seventy-five (175)
1524 languages through the use of Language Line service, or a similar service.

1525 **C. Website**

1526 Contractor shall maintain and publicize an up-to-date website whereby Customers
1527 can conduct business with Contractor in both English and Spanish. Contractor is
1528 required to update the Website monthly, and more frequently if necessary. At a
1529 minimum, the website shall:

- 1530 1. Allow Customers to view and pay Bills issued by Contractor, as required in
1531 Section 7.01;
- 1532 2. Allow Customers to schedule services such as, but not limited to, On-Call
1533 Collection service events, On-Call Bulky Item Collections, extra Collections,
1534 service changes, temporary Drop Box service, service terminations, and
1535 service stops;
- 1536 3. Provide answers to frequently asked questions including, but not limited to:
1537 proper Container set-out instructions; list of acceptable Recyclable and
1538 Organic Materials; Collection Days (in response to Customer input of service
1539 address); Billing issues, customer service telephone and e-mail contact
1540 information; and the Designated Transfer and Processing Site hours,
1541 directions, and acceptable materials;
- 1542 4. Provide complete list of Agency-approved Rates for all Customers;

- 1543 5. Allow Customers to file Complaints and receive from Contractor e-mail
1544 responses to Complaints;
- 1545 6. Provide a link to enable Customers to email Contractor; and
- 1546 7. Maintain and produce visitor logs and reporting including, but not limited to,
1547 website and individual page visitation, number of web-based Bill payments per
1548 month, number of website-submitted Complaints per month, and individual and
1549 summary Customer Complaint and resolution reporting.

1550 **D. Customer Information System Requirements**

1551 Contractor is required to use a Customer information system with software
1552 applications capable of documenting all correspondence and conversations,
1553 pertaining to the services specified herein, between Contractor, Customers,
1554 Occupants, Agency and SBWMA. The system shall include, at a minimum, the
1555 following data fields:

- 1556 1. Date and time of Customer correspondence or contact with Contractor (e.g.,
1557 phone call, email)
- 1558 2. Date and time response was provided
- 1559 3. Date and time resolution was provided
- 1560 4. Customer's name and contact information (multiple phone numbers and email
1561 addresses)
- 1562 5. Account address
- 1563 6. Service address
- 1564 7. Occupant address
- 1565 8. Service location information including:
- 1566 a. Number of units
- 1567 b. Number, size and type of Solid Waste, Organic Materials, and Targeted
1568 Recyclable Materials Containers
- 1569 c. Collection Service Day
- 1570 d. Route number
- 1571 e. Backyard service status
- 1572 f. Special Handling Service status
- 1573 g. Bulky Item Collection history (e.g., number of annual services
1574 performed, date requested, date provided)
- 1575 9. Service issue, Complaint or Inquiry. Refer to Attachment J, Customer Service
1576 Quality.
- 1577 10. Time frame stipulated for Contractor to resolve issue. Refer to Attachment J,
1578 Customer Service Quality.
- 1579 11. Description of Contractor's resolution of service issue or Complaint, or response
1580 to Inquiry
- 1581 12. Date and time that Contractor's resolution took place
- 1582 13. CSR or Contractor's employee identification code of employee inputting the
1583 Complaint or inquiry

- 1584 14. CSR or Contractor's employee identification code of employee inputting the
1585 resolution
- 1586 The system shall be capable of:
- 1587 1. Providing real-time access to complete Customer contact history from the
1588 commencement of service in 2011;
 - 1589 2. Providing Agency and SBWMA the capacity to submit work orders (e.g.,
1590 specifying the Inquiry, Complaint or request for service) electronically directly
1591 to Contractor using Contractor's web-based software.
 - 1592 3. Documenting non-Collection events including problem description and
1593 resolution;
 - 1594 4. Tracking non-Collection events necessary to fulfill the requirements in Section
1595 8.02(F); and
 - 1596 5. Fulfilling Customer service reporting requirements as specified in Article 9.
- 1597 E. **Monthly Meetings with Agency.** If requested, Contractor shall meet monthly with
1598 Agency to discuss compliance with the Customer service standards specified in this
1599 Section 7.02, Attachment I (Performance Incentives and Disincentives) and
1600 Attachment J (Liquidated Damages).
- 1601 F. **Quality Assurance Program.** Each month Contractor's customer service
1602 representatives will contact by telephone a minimum of two-hundred (200)
1603 Customers within the SBWMA Service Area to inquire about their satisfaction with
1604 Contractor's Collection services. The Customers contacted will be (i) representative
1605 of different Service Sectors, (ii) distributed among Member Agencies, and (iii)
1606 randomly selected. Customer service representatives shall ask about (i)
1607 Customers' satisfaction with Solid Waste and Recyclable Materials Collection
1608 services, (ii) the number of Collection Containers the Customer has and the
1609 frequency of collections, in order to ensure that the Customer has subscribed to the
1610 appropriate level of Collection service, and (iii) Customer's suggestions for
1611 opportunities to improve service. The quality assurance program reporting
1612 requirements are specified in subsection 9.05.G.
- 1613 G. **Preprogrammed Call Transfer.** Contractor shall maintain the ability to provide
1614 preprogrammed call transfer service to Agency. With this communications feature
1615 in place, when a Customer calls Contractor about an issue or concern that pertains
1616 to Agency but is not related to Collection services provided by Contractor,
1617 Contractor shall immediately transfer the phone call to the offices of Agency
1618 through a dedicated telephone line as designated by Agency.
- 1619 J. **Customer Service Operations Plan.** Contractor shall annually submit its
1620 Customer service operations plan. The Customer service operations plan shall
1621 describe how Contractor uses its Norcal or Recology customer relationship
1622 management system (NCRM), linked to on-board GPS tracking system, to share
1623 real-time information between Customers, drivers, customer service
1624 representatives, managers, and SBWMA and Agency staff. The plan will provide
1625 details on how Contractor automatically detects and records information on each
1626 Customer pickup, real-time transmission of service extras, blocked cars, safety
1627 notes, and exceptions to service.

1628 **7.03 PUBLIC EDUCATION AND PROMOTION**

1629 Contractor and Agency agree that all public education activities will be a collaborative
1630 effort among the SBWMA, Agency, and Contractor. Contractor shall be responsible for
1631 ensuring that its Customers consistently receive a high level of service and
1632 responsiveness.

1633 A. **General.** Contractor acknowledges and agrees that education and public
1634 awareness are critical and essential elements of any effort to achieve diversion.
1635 Contractor shall educate Residential and Commercial Customers on the following:
1636 (i) the benefits of source reduction, reuse, Recycling, and Composting and related
1637 program opportunities; (ii) proper handling of Hazardous Waste; (iii) specific
1638 services offered by the Contractor; and (iv) Rates for Collection services. The
1639 public education program shall include distribution of public education materials at
1640 the commencement of the Agreement; when Collection services are changed
1641 during the Term; and when new Collection services are implemented during the
1642 Term. In addition, the public education program shall include on-going education
1643 activities throughout the Term. Educational materials that Contractor must pay for,
1644 produce and distribute shall include, but not be limited to, those listed in Section
1645 7.03 (E).

1646 B. **Annual Public Education Plan.** On or before September 1st of each Rate Year,
1647 Contractor shall submit to Agency and SBWMA a public education plan outlining its
1648 public education activities for the coming Rate Year. Agency and SBWMA shall
1649 review and approve the plan or request modifications to the plan by October 1.
1650 Contractor shall revise and resubmit the plan to Agency and SBWMA by October
1651 15. If Agency and SBWMA determine the plan has not been adequately revised,
1652 Contractor shall ensure its public education manager is available to meet and
1653 confer with Agency and SBWMA to ensure the plan is finalized by November 1.
1654 The plan shall list each public education piece or activity (e.g., newsletters, Bill
1655 inserts, flyers, newspaper advertisements, website enhancements, etc.) to be
1656 prepared, the purpose of the piece, the key subject(s) to be covered, and the
1657 anticipated date of issuance. In addition, the plan shall list all Events the Contractor
1658 plans to attend and the public education it intends to provide (e.g., exhibit at Earth
1659 Day Event, Chamber of Commerce meetings, etc.). During the Rate Year,
1660 Contractor shall complete all elements and tasks specified in the annual public
1661 education plan in accordance with the schedule presented in the plan unless the
1662 Agency or SBWMA has provided written approval to waive or postpone a
1663 requirement.

1664 C. **Content and Production Requirements.** Prior to preparing public education
1665 materials, Contractor shall discuss with the Agency and SBWMA its general
1666 approach to preparing the materials and shall determine if the Agency has any
1667 Agency-specific guidelines to be followed and if the Agency wants the Contractor to
1668 work with templates prepared by SBWMA or others.

1669 The public education materials shall emphasize use of visual/graphic images as
1670 much as practical. Furthermore, the materials shall include a clear listing of
1671 program participation parameters and targeted materials.

1672 All public education materials shall be printed on paper containing the highest levels
1673 of recycled-content material reasonably practical.

1674 The Contractor shall develop a multi-lingual approach to preparing all public
1675 education materials, and all public education materials shall be provided in both
1676 English and Spanish.

1677 **D. SBWMA and Agency Responsibilities**

1678 SBWMA shall take primary responsibility for implementation of the public education
1679 and outreach campaign that will be used to announce changes in collection
1680 services. SBWMA will fund the new services kick-off public education campaign.
1681 Development of the public education and promotion strategy and implementation
1682 schedule will be a collaborative process among Contractor, SBWMA, and Agency.

1683 The SBWMA and Agency's responsibilities with regard to public education and
1684 promotion activities shall include, but not be limited to, the following:

- 1685 1. Provision of public education to SFD, MFD, Commercial and Agency Facility
1686 Customers with a broad focus on waste prevention, reuse, and Recycling.
- 1687 2. Preparation and distribution of a quarterly newsletter for all SFD and MFD
1688 Occupants.
- 1689 3. Preparation and distribution of Multi-Family Dwelling toolkits for MFD complex
1690 Owners and managers.
- 1691 4. Purchase of desk-side and other interior Targeted Recyclable Materials and
1692 Organic Materials receptacles for Commercial Customers.
- 1693 5. Purchase of Recycling Tote-Bags for distribution to MFD complexes.
- 1694 6. Preparation and distribution of an electronic newsletter for the Commercial
1695 sector and MFD complex managers.
- 1696 7. Preparation and provision of outreach materials to schools.
- 1697 8. Development and maintenance of SBWMA website.
- 1698 9. Production of decals for Used Motor Oil jugs.
- 1699 10. Upon request from Agency, produce Household Battery and Cell Phone
1700 Recycling bags.

1701 **E. Contractor Responsibilities**

1702 Contractor will be required to provide the following services:

- 1703 1. Distribute public education and promotion materials during roll-out of the new
1704 Collection services program. This will entail distributing program literature and
1705 other promotional items with delivery of the Carts, Kitchen Pails and Bins to all
1706 Customers at inception of the new program.
- 1707 2. Actively collaborate with Agency and SBWMA on the public education strategy
1708 and development of materials to support roll-out of new Collection services.
- 1709 3. Distribute public education and promotion materials to new Customers during
1710 the Term.

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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.
 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, or mailing to CSA-8 SFD customers).
 - b. Annual Holiday Tree Recycling notice (separate for SFD and MFD - two (2) Solid Waste Bill inserts or mailings to CSA-8 SFD and MFD customers).

- 1756 c. Annual "Reduce Holiday Packaging" notice (one (1) SFD and MFD Solid
57 Waste Bill insert or mailing to CSA-8 SFD and MFD customers).
- 1758 d. Twice annual compost giveaway notice (two (2) SFD and MFD Solid
1759 Waste Bill inserts or mailings to CSA-8 SFD and MFD customers).
- 1760 e. Twice annual Commercial Recycling notice (two (2) Commercial Solid
1761 Waste Bill inserts).
- 1762 f. Annual Commercial Recycling awards notice (one (1) Commercial Solid
1763 Waste Bill insert).
- 1764 g. Non-collection notice (set-out correction notice).

1765 13. Contractor's outreach and education material will place a strong emphasis on
1766 Recycling and reuse, encouraging Customers to take advantage of donation
1767 opportunities offered by local non-profit organizations such as the Society of
1768 St. Vincent de Paul, Goodwill Industries, and the Salvation Army. In addition,
1769 Contractor will promote other resources for reuse, such as the Freecycle
1770 Network™ an online resource for the free and local exchange of goods, the
1771 Resource Area for Teachers (RAFT), local schools, and other community
1772 organizations that are in need of reusable goods.

1773 14. Contractor shall develop and distribute to all Customers a professionally
1774 produced DVD Contractor shall work collaboratively with the SBWMA to
1775 produce a DVD using local settings, that illustrates and explains the Recyclable
1776 Materials, Organic Materials and Solid Waste Collection services provided by
1777 Contractor and Customer participation protocols and other pertinent
1778 sustainability-related information. Contractor shall provide customers with
1779 responsible alternatives for recycling or reuse of distributed DVDs.

1780 15. Upon request by Agency, Contractor shall promote its services to Customers
1781 using Agency's email distribution list or an email distribution list authorized by
1782 Agency.

1783 **F. Staffing**

1784 Contractor will have on staff a full-time management level employee who will serve
1785 as the public education manager. Contractor must notify Agency and SBWMA
1786 within two (2) Business Days if this individual resigns or is terminated from
1787 employment. Contractor shall provide to Agency and SBWMA a current job
1788 description and resume of the public education manager.

1789 **G. Meeting Requirements**

1790 Upon request from Agency or SBWMA, the public education manager is required to
1791 meet quarterly, and more frequently if necessary, with Agency and/or SBWMA staff
1792 to review public education and promotion activities. In addition, the public education
1793 manager will be required to represent Contractor at all monthly SBWMA Board of
1794 Director meetings.

1795 **H. Agency Rights**

1796 Contractor acknowledges that the public education and promotion activities listed
1797 are critical to the success of Agency's diversion performance relative to the Act. As
1798 such, Contractor acknowledges Agency's rights to the following:

- 1799 1. Contractor shall make available to Agency and SBWMA all public educational
1800 materials used by Contractor, which Agency and SBWMA shall approve prior
1801 to their use;
- 1802 2. Agency and SBWMA shall retain the right to modify, expand, or reduce the
1803 minimum public education requirements;
- 1804 3. Agency may require Contractor to work with a public education consultant
1805 selected by Agency or the SBWMA;
- 1806 4. Agency may perform, or request that the SBWMA perform on its behalf, the
1807 public education efforts assigned to the Contractor; and
- 1808 5. Agency or SBWMA may provide additional, supplemental public education
1809 materials as it deems appropriate.

1810 **I. Reporting Requirements**

1811 Contractor is required to prepare quarterly and annual public education activity
1812 status reports. The annual reports will in part summarize the prior twelve (12)
1813 months and also contain adjustments to current and ongoing event calendars.

1814 **J. Service Notice**

1815 Contractor shall periodically prepare and distribute to each Customer a notice listing
1816 Contractor's Rates for standard Collection services, Rates for other services,
1817 annual Holiday schedule, and a general summary of services required under this
1818 Agreement to be provided Customers and optional services which may be furnished
1819 by Contractor. Such notice shall be approved by the Agency prior to distribution.

1820 **7.04 COMMERCIAL RECYCLING PROMOTION PROGRAM**

1821 **A. Commercial Recycling Promotion Program Staff.** Contractor shall maintain a
1822 Commercial Recycling promotion program staff that will be primarily responsible for
1823 supporting Commercial and Multi-Family Dwelling Accounts and Agency Facilities
1824 Recycling-related Collection services. The Commercial Recycling promotion staff
1825 for the SBWMA Service Area shall consist of a minimum of the following full-time
1826 staff: eight (8) "sales" representatives (recycling coordinators), two (2) diversion
1827 auditors and one (1) supervisor (commercial recycling manager), as specified in
1828 Attachment O.

1829 **B. Signs and Placards.** Contractor shall be responsible for preparing, distributing,
1830 and posting signs at Commercial Collection Premises that promote Targeted
1831 Recyclable Materials and Organic Materials Collection services, describe the
1832 program requirements, and identify allowable and prohibited types of materials for
1833 Collection. At a minimum, the signs or placards shall be durable and weather
1834 resistant and affixed in the Container areas. Upon request from Customer,
1835 Contractor shall provide signs and Container labeling in a second language such
1836 as, but not limited to, Spanish. Within ten (10) Business Days of a Customer's

1837 request, Contractor shall provide extra signs for use in areas such as employee
1838 training areas, break rooms, kitchens, and janitorial areas at Commercial Premises.
1839 All signage and placards should be approved by SBWMA.

1840 C. **Community Events.** At the direction of Agency or SBWMA, Contractor shall
1841 participate in and promote diversion techniques at community events and local
1842 activities. The events requiring Contractor assistance are not limited to the list of
1843 Agency-sponsored or other events contained in Attachment C. Participation
1844 includes providing educational and public outreach information and promotional
1845 giveaways in an effort to promote the Agency's waste reduction and Recycling
1846 program goals.

1847 D. **Notification to Commercial Customers.** Immediately upon request from a new or
1848 current Customer for new or changes in service, Contractor shall notify Customer
1849 by phone or email of the Targeted Recyclable Materials and Organic Materials
1850 Collection services offered by Contractor. Such notification shall be provided in
1851 English and Spanish and shall be provided prior to finalizing a Customer's request
1852 for a subscription to new service(s).

1853 E. **Targeted Commercial Recycling Promotion.** Contractor shall provide full on-site
1854 waste assessment and technical assistance to, at a minimum, one-hundred (100) of
1855 Agency's largest Commercial Generators (based on weekly Solid Waste
1856 generation) annually to assist in maximizing diversion. For all other Commercial
1857 Generators, Contractor shall provide technical assistance as needed or requested
1858 and visual on-site Collection Container assessments at least once every three (3)
1859 years. Contractor shall document the site assessments, the date of the
1860 assessment, the Person contacted, the Solid Waste, Source Separated or Targeted
1861 Recyclable Materials, and Organic Materials service levels at the time of the
1862 assessment, and recommended changes to service level(s). Contractor shall
1863 submit results of site assessments monthly, or upon request, provide copies of
1864 assessment data and recommendations for individual site assessments.

1865 F. **Enclosure Specifications.** Contractor shall work with the Agency to develop
1866 standard specifications for Collection Container enclosures at Multi-Family
1867 Residential Complexes and Commercial Premises to ensure that Container
1868 enclosures have adequate space and suitable configuration to allow the Contractor
1869 to safely and efficiently service the Containers. The enclosure specifications shall
1870 require provision of adequate space for Solid Waste, Targeted Recyclable
1871 Materials, and Organic Materials Collection Containers. Contractor shall provide
1872 the enclosure specifications to the Agency on or before the Effective Date and shall
1873 update as frequently as needed or as requested by Agency.

1874 G. **Plan Review.** Contractor shall review plans for land use or property developments,
1875 upon request of the Agency, to assess the adequacy of Container enclosure space
1876 allowances for Solid Waste, Recyclable Materials, and Organic Materials Collection
1877 Containers and the accessibility of Containers by Collection vehicles. The
1878 Contractor's review shall be completed by the Contractor's operations manager or
1879 route supervisor within ten (10) Business Days of request by Agency and receipt of
1880 the project design drawings. If site conditions warrant, the Contractor shall conduct
1881 a site visit of the proposed property to complete its evaluation. The Contractor's
1882 review shall be summarized in a letter report that states acceptability of the

1883 proposed enclosure arrangements or notes specific changes that are required to
1884 comply with the enclosure specification. The letter report shall be signed by the
1885 Person that conducted the review on behalf of the Contractor. This review shall
1886 include, but not be limited to:

1887 1. Adequacy of the Container enclosure space to store Containers for the
1888 anticipated volume of Solid Waste, Targeted Recyclable Materials, and
1889 Organic Materials generated by a development of the size and purpose
1890 contemplated;

1891 2. Adequacy of Container enclosure space to store Containers for Solid Waste,
1892 Targeted Recyclable Materials, and Organic Materials in a fashion that allows
1893 for the greatest possible diversion of materials; and,

1894 3. Adequacy and accessibility of the Container enclosure space for Contractor to
1895 safely and efficiently service all Containers in the contemplated service
1896 locations taking into account the dimensions of the enclosure space, the
1897 access road dimensions, parking arrangements, pedestrian traffic, change in
1898 elevation, other site considerations, and Collection vehicle capabilities.

1899 H. **Reporting.** Contractor shall prepare and submit reports related to the Commercial
1900 Recycling promotion program as provided in Article 9.

1901 I. **Mandatory Commercial Recycling Assistance to Agency.** In the event Agency
1902 adopts a policy or strategy to encourage or require Recycling at Commercial and
1903 Multi-Family Dwelling Customers, Contractor shall assist Agency and SBWMA with
1904 implementing the policy or strategy. Contractor shall be required to provide Agency
1905 with prompt notification of Customers that do not comply with the policy or strategy
1906 based on the observations of Contractor's employees. Contractor shall assist the
1907 Agency and SBWMA with collecting related data from Commercial and Multi-Family
1908 Dwelling Customers and facilitating outreach and education programs focusing on
1909 encouraging participation by these Customers in the mandatory Recycling policy or
1910 strategy. Upon request from Agency, Contractor shall modify its protocol regarding
1911 use of non-collection notices pursuant to subsection 8.02.F to include Solid Waste
1912 Containers, in order to assist with implementing Agency's mandatory Commercial
1913 Recycling policy or strategy.

1914 **7.05 MULTI-FAMILY RECYCLING PROMOTION**

1915 A. **Multi-Family Dwelling Promotion.** Contractor shall provide adequate staff to
1916 work directly with Owners or property managers of Multi-Family Residential
1917 Complexes to implement the Single-Stream Targeted Recyclable Materials
1918 Collection services and to assess Customer service needs at least annually for
1919 each Multi-Family Residential Complex. The Contractor's implementation activities
1920 shall include, but not be limited to, the following tasks for each Multi-Family
1921 Residential Complex that subscribes to Single-Stream Targeted Recyclable
1922 Materials Collection services:

1923 1. Site Assessments. Contractor shall meet in person with Owner or property
1924 manager to explain the Single-Stream Targeted Recyclable Materials
1925 Collection program and conduct an on-site assessment of Multi-Family
1926 Residential Complexes containing twenty (20) or more Residential units to

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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.

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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.

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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.

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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.

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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 provide signage and Container labeling in a second language such as, but not limited to, Spanish. Within ten (10) Business Days of a Customer's request, Contractor shall provide extra signage for use in areas such as laundry and mail rooms at Multi-Family Residential Complexes. All signage and placards should be approved by SBWMA.

1971 **7.06 WASTE GENERATION/CHARACTERIZATION STUDIES**

1972 Contractor acknowledges that Agency may perform Solid Waste generation and
1973 characterization studies periodically to determine the composition and contamination
1974 levels of Collected materials. Contractor agrees to participate and cooperate with
1975 SBWMA and Agency and its agents and to accomplish studies and data collection and
1976 prepare reports, as needed, to determine weights and volumes of Solid Waste,
1977 Targeted Recyclable Materials, Plant Materials and Organic Materials and characterize
1978 materials generated, Disposed, transformed, diverted or otherwise handled/processed
1979 to satisfy requirements of the Act. Contractor shall also facilitate visual audits of Multi-
1980 Family Dwelling, Commercial and Agency Cart and Bin service accounts. The visual
1981 audits will entail tipping the contents of Customers Container on the tipping floor at the
1982 Designated Transfer and Processing Facility and visually observing and documenting
1983 the contents (without pursuing a detailed weight-based characterization study). The
1984 materials will then be processed at the Designated Transfer and Processing Facility.
1985 Contractor will be required to facilitate said visual audits at the request of Agency;
1986 however, the annual total quantity of requests for visual audits for each Service Sector
1987 shall be limited to ten percent (10%) of the total number of accounts for each Service
1988 Sector.

1989 The SBWMA will use the Contamination Measurement Procedures set forth in
1990 Attachment E-1 and E-2, to determine the Contamination levels of single loads and
1991 quarterly Contamination Levels, respectively, of Source Separated and Targeted
1992 Recyclable Materials, Plant Materials and Organic Materials delivered to the Designated
1993 Transfer and Processing Facility.

1994 **7.07 PROGRAM EVALUATION**

1995 The Agency may require the Contractor to periodically conduct audits of the Residential
1996 and Commercial Solid Waste, Targeted Recyclable Materials, and Organic Materials
1997 Collection programs to assess one (1) or more of the following performance indicators:
1998 average volume of Targeted Recyclable Materials per set-out per Customer, average
1999 volume of Organic Materials per set-out per Customer, participation level (i.e., number
2000 of Customers setting out Containers per week), Contamination levels, etc. Contractor
2001 shall perform up to five (5) Days of route auditing at no additional cost to the Agency or
2002 Customers once per calendar year. Prior to the program evaluation audit, Agency and
2003 Contractor shall meet and discuss the purpose of the audit and agree on the method,
2004 scope, and data to be provided by the Contractor. If Agency requires more than five (5)
2005 Days of auditing for the purposes of program evaluation, the activity shall be considered
2006 an Agency-directed change in scope and handled in accordance with provisions in
2007 Section 15.12.

2008 If the Contractor does not Collect Multi-Family Dwelling Solid Waste, Targeted
2009 Recyclable Materials, and Organic Materials using dedicated Collection vehicles,
2010 thereby precluding regular and accurate reporting of the Tonnage of Solid Waste,
2011 Targeted Recyclable Materials, and Organic Materials Collected from Multi-Family
2012 Residential Complexes, the Agency may require the Contractor to conduct a semi-
2013 annual or annual Tonnage assessment that involves separately Collecting, weighing,
2014 and reporting Multi-Family Dwelling Solid Waste, Targeted Recyclable Materials, and
2015 Organic Materials to quantify Tonnage Collected during a given week. This assessment
2016 shall be performed by Contractor at no additional cost to the Agency or Customers.

2017 If the Agency wants to collect program data, perform field work, conduct route audits to
2018 investigate Customer participation levels and set-out volumes, and/or evaluate and
2019 monitor program results related to Solid Waste, Targeted Recyclable Materials, and
2020 Organic Materials Collected in the Agency by the Contractor, the Contractor shall
2021 cooperate with the Agency and its agent(s), which may include the SBWMA and its
2022 consultants.

2023 **7.08 PROVISION OF EMERGENCY SERVICES**

2024 Contractor shall provide emergency services at the Agency's request in the event of
2025 major accidents, disruptions, or natural calamities. Emergency services may include,
2026 but are not limited to: assistance handling, salvaging, processing, composting, or
2027 Recycling materials; or Disposing of Solid Waste following a major accident, disruption,
2028 or natural calamity. Contractor shall be capable of providing emergency services within
2029 twenty-four (24) hours of notification by the Agency or as soon thereafter as is
2030 reasonably practical in light of the circumstances. Emergency services, which exceed
2031 the Contractor's obligations as specified in Article 5 shall be compensated in accordance
2032 with Article 11. If Contractor cannot provide the requested emergency services, the
2033 Agency shall have the right to temporarily take possession of the Contractor's
2034 equipment for the purposes of providing emergency services in accordance with Article
2035 12.

2036 **7.09 MFD AND COMMERCIAL RECYCLING BLITZ**

2037 Contractor has developed a comprehensive early roll-out recycling promotion plan
2038 (Recycling Blitz) that will target Multi-Family Dwelling and Commercial Customers over a
2039 six (6) month period prior to the start of Collection Services on January 1, 2011.
2040 Contractor shall offer to provide Single-Stream Targeted Materials Recycling Collection
2041 Service to Multi-Family Dwelling and Commercial Customers that are currently receiving
2042 limited or no recycling service. The promotional materials, messages and
2043 communications used by Contractor to support Recycling Blitz activities shall be
2044 developed collaboratively with the SBWMA and production of materials shall be paid for
2045 by Contractor at no additional cost to Agency or SBWMA. All promotional materials used
2046 by Contractor shall be authorized by the SBWMA.

2047 Contractor will form a Recycling Blitz team, utilizing resources from within the Recology
2048 organization, such as managers, recycling coordinators and operational staff of other
2049 Recology subsidiaries, who will be recruited in one (1) to two (2) week assignments, to
2050 assist in this promotion campaign. The focus of the Recycling Blitz program will be on
2051 Customers that are either not currently recycling, or have only limited service. The
2052 Recycling Blitz team will work with Customers to expand Collection of Targeted
2053 Recyclable Materials and make recommendations for reduced Solid Waste Container
2054 sizes and/or frequency of Solid Waste Collection service. Contractor shall work
2055 collaboratively with the SBWMA and the Agency's Previous Contractor.

2056 Contractor projects that, as the result of undertaking this recycling promotion program, it
2057 will increase the volume of Targeted Recyclable Materials collected in the SBWMA
2058 Service Area by 9,800 annual tons starting January 1, 2011.

2059 All Recycling tons Collected through the Recycling Blitz will be delivered by Contractor
2060 to the SRDC or to an alternate Recycling processor approved by the SBWMA. All
2061 revenue received by Contractor from an alternate recycling processor for Targeted

2062 Recyclable Materials Collected during the Recycling Blitz will be remitted by Contractor
2063 to the SBWMA. Contractor shall provide SBWMA with monthly tonnage reports of
2064 materials Collected during the Recycling Blitz.

2065 **7.10 CARBON FOOTPRINT MEASURING**

2066 Contractor shall develop and submit to Agency and SBWMA an annual climate action
2067 report. Contractor shall annually file its emissions data with the California Climate Action
2068 Registry (CCAR). The annual climate action report shall be submitted with Contractor's
2069 annual report. This report shall include: information on Contractor's emissions data filed
2070 with CCAR; a description of Contractor's carbon footprint; and, a description of
2071 Contractor's activities both planned and implemented to reduce its carbon footprint.

2072 **7.11 ENVIRONMENTAL MANAGEMENT PROGRAM**

2073 Contractor shall implement and maintain an environmental management program
2074 combining several elements to minimize the environmental impacts of its operations in
2075 the Service Area. Contractor shall provide upon request from Agency a description of
2076 topics discussed at its bi-monthly environmental team roundtable and training program
2077 meeting(s) and the semiannual corporate environmental compliance staff meetings.
2078 Contractor shall provide Agency access to its "Norcal's Environmental and Safety
2079 Tracking" (NEST) system upon request. Contractor shall provide Agency copies of its
2080 internal environmental compliance audits, third-party audits and disposition of corrective
2081 actions, within thirty (30) Days upon request from Agency.

2082 **7.12 ANNUAL ROUTE ASSESSMENT**

2083 Contractor shall conduct a route assessment of the Service Area each Rate Year. This
2084 comprehensive route assessment shall require Contractor to assess all of its Solid
2085 Waste, Targeted Recyclable Materials and Organic Materials Collection Customers over
2086 a one (1) week period during the same month each year for the Term. The assessment
2087 is intended to annually confirm and update Contractor's data related to Customer
2088 accounts, service levels and operations, including, but not limited to: (i) number of
2089 Accounts; (ii) Customer address; (iii) number and type of Containers at each Account;
2090 and (iv) Collection frequency of each Container at each Account; (v) Bin and Cart lifts;
2091 (vi) Drop Box pulls; (vii) service stops; (viii) route hours per year; and (ix) tonnage
2092 Collected. All service level information related to lifts and pulls will be derived in part
2093 from Contractors database management system. All route labor hours shall be based
2094 on total route hours for routes exclusive to each Agency and Tonnage information shall
2095 be based on actual tons Collected. For routes that service more than one Agency, the
2096 Tonnage Collected on these routes and total route hours shall be allocated to the
2097 respective Agencies based on the type and number of accounts and service levels
2098 attributable to each Agency.

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ARTICLE 8
REQUIREMENTS FOR OPERATIONS, EQUIPMENT, AND PERSONNEL

8.01 COLLECTION HOURS AND SCHEDULES

A. Hours of Collection

1. Residential. Residential Solid Waste, Targeted Recyclable Materials, and Organic Materials (including all such services provided to SFD and Multi-Family Dwelling Premises) shall be Collected on weekdays (i.e., Monday through Friday) between 6:00 a.m. and 6:00 p.m. exclusive of Holidays.
2. Commercial. Commercial and Agency Facilities Solid Waste, Targeted Recyclable Materials, and Organic Materials shall be Collected on weekdays (i.e., Monday through Friday) between 3:00 a.m. and 6:00 p.m. and weekends (i.e., Saturday and Sunday) between 6:00 a.m. and 5:00 p.m., exclusive of Holidays. The Agency may restrict or require modifications to hours for Collection from Commercial Premises and Agency Facilities to resolve noise Complaints, and, in such case, the Agency Manager may restrict the allowable operating hours.
3. Commercial Exception. Collection from Commercial Premises that are two-hundred (200) feet or less from Residential Premises shall only occur between the hours of 6:00 a.m. and 6:00 p.m., Monday through Saturday and all such operations shall be in accordance with permissions provided to Contractor by Agency. The Agency may restrict or require modifications to hours for Collection from Commercial Premises and Agency Facilities to resolve noise Complaints, and, in such case, the Agency Manager may restrict the allowable operating hours.
4. Exception. In the event of an unforeseen circumstance, the Contractor may Collect materials from Residential Premises, Commercial Premises, or Agency Facilities that are two-hundred (200) feet or less from Residential Premises between the hours of 3:00 a.m. and 6:00 p.m., Monday through Saturday, upon prior written approval from the Agency Manager.
5. Local Noise Ordinance. If a San Mateo County Ordinance regulating noise limits the hours of Collection more restrictively than the preceding subsections, the terms of the Ordinance shall govern.

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

Contractor shall be prepared to review its operations plan outlining the Collection routes, intervals of Collection and Collection times for all materials Collected under this Agreement with the Agency or its representatives at least annually. More frequent reviews may be required if operations are not satisfactory based on

2143 documented observations or reports or Complaints. If the plan is determined to
2144 inadequately address the unsatisfactory performance as documented by
2145 observations and Complaints, the Agency may direct Contractor to revise the plan
2146 incorporating any changes into a revised plan and review said revised plan with the
2147 Agency within thirty (30) Days of the initial meeting with the Agency.

2148 C. **Contingency Plan.** Contractor shall submit to Agency ninety (90) Days prior to
2149 Commencement Date, a written contingency plan demonstrating Contractor's
2150 arrangements to provide vehicles and personnel and to maintain uninterrupted
2151 service during breakdowns, and in case of natural disaster or other emergency,
2152 including the events described in Section 14.09.

2153 8.02 COLLECTION STANDARDS

2154 A. **Implementation of Services.** The Contractor's implementation of the services
2155 required by this Agreement shall occur in a smooth and seamless manner so that
2156 Customers and/or Generators do not experience disruption in Collection services
2157 when services are initiated on the Commencement Date. Contractor shall be
2158 responsible for managing implementation of new Collection services and other
2159 related services and shall do so in accordance with the Implementation Plan
2160 prepared by the Contractor and incorporated into this Agreement as Attachment L.

2161 B. **Servicing Containers and Missed Pick-Ups**

2162 1. General. Contractor shall Collect the contents and return each Container to
2163 the location where the Occupant properly placed the Container for Collection.
2164 Contractor shall place the Containers upright with lids properly closed and
2165 secured.

2166 Contractor shall use due care when handling Containers. Contractor shall not
2167 throw, roughly handle, damage, or break Containers.

2168 Upon Customer request, Contractor shall provide special services including:
2169 unlocking and locking Containers; accessing locked Container enclosures
2170 (e.g., with a key or combination lock); and pulling or pushing Containers to the
2171 Collection vehicle. Contractor shall provide the special services described in
2172 this paragraph upon request from Customer and Contractor shall be entitled to
2173 bill Customer as specified in Attachment Q.

2174 2. Missed Pick-Ups. When notified of a missed pick-up, Contractor shall Collect
2175 the Solid Waste, Targeted Recyclable Materials, or Organic Materials on the
2176 day the notice is received, if possible, and in all cases shall Collect the missed
2177 pick-up by 6:00 p.m. of the next Business Day following receipt of the missed
2178 pick-up notification.

2179 C. **New Customers and Change in Service Levels.** Contractor shall deliver
2180 Containers and initiate Collection services for a new Customer within five (5)
2181 Business Days of the Customer's request for service. If an existing Customer
2182 requests a change in the number or size of their Solid Waste, Recyclable Materials,
2183 or Organic Materials Containers and/or frequency of Collection, the Contractor shall
2184 deliver additional Containers and/or remove Containers and shall initiate changes in

2185 the Collection services within five (5) Business Days of the Customer's request for a
2186 change in service.

2187 **D. Separate Collection of Materials and Allocation of Agency Materials.**
2188 Contractor shall separately Collect and segregate Solid Waste, Targeted
2189 Recyclable Materials, and Organic Materials from each other and shall not
2190 Comingle these materials at any time during the transportation or delivery of
2191 those materials to the Designated Transfer and Processing Facility. Solid Waste,
2192 Targeted Recyclable Materials, and Organic Materials Collected in the Agency,
2193 which are combined with materials Collected from other SBWMA Member
2194 Agencies, shall be allocated by Contractor to the Agency's Collection program
2195 based on volume or Tonnage using a method approved by the Agency and
2196 SBWMA. Contractor shall not collect materials from within Agency in the same
2197 Collection vehicles used to provide Collection service to non-SBWMA Member
2198 Agencies, unless provided written approval by Agency.

2199 **E. Setout Instructions to Customer.** Contractor shall instruct Customers as to any
2200 preparation of Solid Waste, Targeted Recyclable Materials, or Organic Materials
2201 and the proper placement of Containers. If Customers are not adhering to
2202 Contractor's instructions, Contractor shall notify such Customers in writing. In
2203 cases of extreme or repeated failure to comply with the instructions, Contractor may
2204 decline to pick-up the Targeted Recyclable Materials or Organic Materials provided
2205 that Contractor leaves an adequate number of non-collection notices on the
2206 Container, as determined by the Agency, indicating the reason for refusing to
2207 Collect the material. Such notices shall also identify the steps Generator must take
2208 to recommence Collection service.

2209 **F. Non-Collection Notices.** Contractor may choose not to Collect materials for the
2210 following reasons: (i) Source Separated or Targeted Recyclable Materials or
2211 Organic Materials do not comply with the allowable Contamination thresholds; (ii)
2212 materials contain Hazardous Waste; or (iii) the loaded weight of a Container
2213 exceeds the maximum load limit specified by the Cart manufacturer and specified in
2214 Attachment D. In such case, Contractor shall issue non-collection notices stating
2215 the reason(s) the materials were not Collected. The non-collection notice shall be
2216 affixed prominently onto the Cart to ensure that it is not inadvertently removed from
2217 Cart due to weather conditions. The non-collection notices must be protected from
2218 rain, if precipitation is present or forecasted, by placing the notice in a clear plastic
2219 bag prior to affixing to Cart.

2220 Contractor shall document the use of non-collection notices by recording the date
2221 and time of issuance, address of service recipient, reason(s) for issuance, name of
2222 employee who issued the notice, and truck and route numbers. The notice shall
2223 conform to the requirements specified in Section 6.03.A, be at least two inches by
2224 six inches (2" x 6") in size and shall be approved by the SBWMA. The non-
2225 collection notices must identify the steps the Generator must take to recommence
2226 Collection service. In the event a Container is not collected due to excessive
2227 Contamination and Customer does not take the necessary steps to recommence
2228 Collection service, Customer shall be assessed a fee approved by Agency for
2229 Collection of the Container as Solid Waste by Contractor. This additional fee
2230 charged to Customer may include: (i) a return trip charge and (ii) a extra Solid
2231 Waste Collection charge.

2232 Contractor shall report monthly to Agency any non-collection notices issued.
2233 Contractor shall take direction from the Agency with regard to termination or
2234 reinstatement of service to a service recipient due to numerous non-collection
2235 notices issued to the same Customer.

2236 **G. Collection of Excess Materials (Overages).** Contractor shall direct its employees
2237 to Collect an Overage on two (2) occasions each Rate Year at no additional cost to
2238 Customer. Contractor must provide a notice to Customer documenting the Overage
2239 in order to count the Overage Collection towards the allocated two (2) per Rate
2240 Year for each Customer. Customers that place an Overage for Collection for a third
2241 and subsequent events, may be assessed an Overage fee by Contractor if
2242 Contractor documents said Overage with a photograph and sends the Customer a
2243 letter within two (2) Business Days notifying them of the Overage Collected. The
2244 Overage fee billed by Contractor to Customer for a third and subsequent Overage
2245 event is specified in Attachment Q.

2246 Contractor shall provide Customers the opportunity to subscribe to Overage
2247 Collection service, in advance, or purchase Overage bag(s) from the Contractor.
2248 Contractor shall provide Customers the opportunity to purchase Overage bags
2249 through its customer service department or electronically via Contractor's website.
2250 The Overage bag(s) shall have markings identifying it as the Contractor's Overage
2251 bag. Contractor shall mail or deliver Overage bags to Customers within three (3)
2252 Business days of Customer's request. The cost for Overage bags is specified in
2253 Attachment Q and includes all aspects of purchasing the bags, printing and
2254 distribution (i.e., mailing or direct delivery by Contractor). Customers shall also be
2255 provided the opportunity to purchase Overage bags at Contractor's local office.
2256 The quantity of Overage bags per request from Customer shall be limited to five (5)
2257 per request.

2258 If the Agency and/or Contractor receive numerous Complaints (as determined by
2259 the Agency) from Customers regarding Customer dissatisfaction with the
2260 requirement to purchase Overage bags, the Agency reserves the right to require
2261 the Contractor to modify its Overage program to better serve its Customers and/or
2262 require the Customer to subscribe to additional Collection service.

2263 **H. Care of Private Property.** Contractor shall not damage private property.
2264 Contractor shall ensure that its employees: (i) close all gates opened in making
2265 Collections, unless otherwise directed by the Customer, (ii) do not cross
2266 landscaped areas, and (iii) do not climb or jump over hedges and fences.

2267 Agency shall refer Complaints about damage to private property to Contractor.
2268 Contractor shall repair, to its previous condition, all damage to private or public
2269 property caused by its employees.

2270 Contractor shall endeavor to resolve all claims regarding damage to private
2271 property as soon as reasonably practicable following receipt thereof, made by
2272 Owners or Occupants of property served by Contractor, for damages to property
2273 including, but not limited to, Containers. In the event such damage shall have been
2274 caused by the negligence or intentional acts of Contractor, its officers, agents, or
2275 employees, Contractor shall promptly repair or replace such damaged property.
2276 The provisions of this Section 8.02.H shall not be deemed a limitation upon any

2277 other provisions of this Agreement, or any rights or remedies which may accrue to
2278 Agency by reason of Contractor's acts or omissions to act hereunder. Contractor is
2279 required to repair damage and/or resolve claims regarding damage to property
2280 within thirty (30) Days of receipt of the Complaint.

2281 **I. Litter Abatement**

2282 1. Minimization of Spills. If any Solid Waste, Targeted Recyclable Materials, or
2283 Organic Materials are spilled or scattered during Collection or transportation
2284 operations, the Contractor shall promptly clean up all spilled and scattered
2285 materials. Contractor shall use due care to prevent vehicle oil, vehicle fuel, or
2286 other liquids from being spilled during Collection or transportation operations
2287 including maintenance of the Collection vehicles to minimize and correct any
2288 leaks. Contractor shall ensure that all liquid spills or leaked liquids fluids are
2289 cleaned up promptly on the same day that they occur.

2290 Contractor shall not transfer loads from one vehicle to another on any public
2291 street, unless it is necessary to do so because of mechanical failure,
2292 emergency (e.g., combustion of material in the vehicle), accidental damage to
2293 a vehicle, or unless approved by the Agency.

2294 2. Clean-Up. During Collection operations, the Contractor shall clean-up litter in
2295 the immediate vicinity of any Container storage area (including the areas
2296 where Containers are delivered for Collection) if Contractor's actions are the
2297 cause of the litter. Each Collection vehicle shall be equipped with protective
2298 gloves, a broom, and shovel at all times for cleaning up litter. Absorbent
2299 material shall be carried on each Collection vehicle at all times and used by
2300 Contractor for cleaning up liquid spills. The Contractor shall document and
2301 discuss instances of repeated spillage not caused by it with the Customer
2302 where spillage occurs, and Contractor shall report such instances to Agency. If
2303 the Contractor has attempted to have a Customer stop creating spillage but is
2304 unsuccessful, the Agency will attempt to rectify such situation with the
2305 Customer. The Contractor shall coordinate with Agency regarding Agency
2306 street cleaning activities to minimize litter.

2307 3. Covering of Loads. Contractor shall cover all open Drop Boxes with an
2308 Agency-approved cover, at the Collection location before transporting materials
2309 to the Designated Transfer and Processing Facility.

2310 **J. Noise.** All Collection operations shall be conducted as quietly as possible and shall
2311 conform to applicable federal, State, County, and Agency noise level regulations.
2312 Contractor shall promptly resolve any Complaints of noise to the satisfaction of the
2313 Agency.

2314 **K. Route Books and Route Maps.** For each Collection route, Contractor shall
2315 maintain a route book and route map that documents each Customer on the route,
2316 their service address, service level, and the order in which Customers shall be
2317 serviced (e.g., the order in which routes shall be driven). Contractor shall distribute
2318 new route books and route maps to its Collection vehicle drivers as frequently as
2319 necessary; and each driver shall note differences in the service levels shown in the
2320 route book, adding and subtracting Customers and service levels, as necessary.
2321 Route supervisors shall periodically check the routes to ensure that drivers are

2322 providing service in accordance with their route books. Contractor shall provide
2323 Agency with route books and maps including assessor parcel data when and where
2324 available within ten (10) Business Days of request. L. Change in Collection
2325 Schedule. Contractor shall notify Agency a minimum of sixty (60) Business Days
2326 prior to a change in the Residential Collection schedule and shall request approval
2327 of Contractor's notice to Residential Customers thirty (30) Business Days prior to a
2328 change in Service Day, unless this requirement is waived in writing by Agency.
2329 Contractor shall notify Owners and Occupants of Residential Premises not later
2330 than ten (10) Business Days prior to any change in Residential Collection
2331 operations which results in a change in the day on which Solid Waste, Targeted
2332 Recyclable Materials, and Organic Materials Collection occurs. Contractor shall not
2333 permit any Customer to go more than five (5) Business Days without service in
2334 connection with a Collection schedule change.

2335 **8.03 UNLOADING MATERIALS AT THE DESIGNATED TRANSFER AND PROCESSING**
2336 **FACILITY**

2337 Contractor shall be required to unload at the Designated Transfer and Processing
2338 Facility all materials from its Collection vehicles by its own personnel. Contractor
2339 shall be required to ensure that unloaded materials are properly placed in the
2340 designated areas and containers as directed by Operator and SBWMA. For
2341 example, Contractor shall be required to deposit at the Designated Transfer and
2342 Processing Facility Batteries and Cell Phones, Used Motor Oil and Used Motor Oil
2343 Filters in the containers provided by Operator and designated for storage of these
2344 materials. Contractor shall cooperate with Operator to ensure its Collection vehicles
2345 unload Solid Waste, Targeted Recyclable Materials, Organic Materials and all other
2346 Discarded Materials Collected by Contractor in the locations designated by
2347 Operator and SBWMA.

2348 **8.04 VEHICLES**

2349 A. **General.** Contractor shall provide a fleet of Collection vehicles sufficient in number
2350 and capacity to efficiently perform the work required by the Agreement in strict
2351 accordance with its terms. Contractor shall have available sufficient back-up
2352 vehicles for each type of Collection vehicle used (e.g., side loader, front loader, and
2353 roll-off vehicles) to respond to mechanical breakdowns, Complaints, and
2354 emergencies. Contractor shall maintain a spare ratio of ten percent (10%) for all
2355 Collection vehicles used in the SBWMA Service Area. As of the Commencement
2356 Date, all Residential and Commercial Collection vehicles shall be new; and other
2357 vehicles such as roll-off trucks, support vehicles, and spare vehicles may be new or
2358 used. At no time during the Term shall any vehicle used to perform the services
2359 required under this Agreement exceed ten (10) years of age from the first date the
2360 vehicle was registered. Contractor shall provide Collection vehicles in accordance
2361 with the specifications contained in Attachment P. Collection vehicles whose
2362 acquisition cost is included in the calculation of Contractor's Compensation may be
2363 used only in the SBWMA Service Area.

2364 B. **General Vehicle Specifications**

2365 1. All vehicles used by Contractor in providing Solid Waste, Targeted Recyclable
2366 Material, and Organic Material Collection services shall be registered with the
2367 California Department of Motor Vehicles.

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2. All Collection vehicles shall have leak-proof bodies designed to prevent leakage, spillage and/or overflow and shall be designed so that Collected materials are not visible.
 3. All vehicles shall comply with California Environmental Protection Agency (EPA) noise emission regulations and California Air Resources Board air quality regulations and other applicable pollution control regulations.
 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.
 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.
 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.
 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.
 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.
 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.
 10. Route supervisors and management personnel shall use one-half (½) ton hybrid pickup trucks while performing services.
- 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.
- 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.
- 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.
 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.
 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

2457 2700 et seq. and all applicable safety and local ordinances. Annually, Contractor
58 shall provide the SBWMA and Agency with documentation of such compliance for
2459 each vehicle. For example, with regard to CARB regulations, such documentation
2460 shall demonstrate, at a minimum, the vehicle number, make, model, year, control
2461 technology used or planned, and the year that the control technology was applied
2462 or is planned to be applied. Contractor shall not load vehicles in excess of the
2463 manufacturer's recommendations or limitations imposed by federal, State, or local
2464 weight restrictions on vehicles or roads.

2465 Contractor equipment used for Solid Waste, Targeted Recyclable Materials, and
2466 Organic Materials services shall be registered with the California Department of
2467 Motor Vehicles. Equipment shall comply with US EPA noise emission regulations,
2468 currently codified at 40 CFR Part 205 and other applicable noise control
2469 regulations, and shall incorporate noise control features throughout the entire
2470 vehicle.

2471 Annually, Contractor shall have each Collection vehicle weighed at the Designated
2472 Transfer and Processing Facility to determine the unloaded weight ("tare weight") of
2473 the vehicle, and the total loaded weight of each load delivered to the Designated
2474 Transfer and Processing Facility. Upon a major repair that could affect the
2475 Collection vehicle tare weight, Contractor shall have the Collection vehicle re-
2476 weighed to establish a new tare weight. Contractor shall track and make
2477 adjustments to routes to eliminate ongoing over-weights associated with individual
2478 routes.

2479 8.05 CONTAINERS

2480 A. **General.** Contractor shall provide all Carts, Bins, Compactors, Kitchen Pails, and
2481 Drop Boxes, as appropriate, to all Customers as part of its obligations under this
2482 Agreement. In the event the bins or drop boxes are placed in the road right of way,
2483 an Encroachment Permit must be obtained by the property owner prior to delivery.
2484 As of the Commencement Date, all Single-Family Carts and Kitchen Pails must be
2485 new while other Containers may be used. Contractor-provided Containers shall be
2486 designed and constructed to be watertight and prevent the leakage of liquids. All
2487 Carts shall be manufactured by injection or rotational molding methods; contain
2488 post-consumer content; and meet the Cart design and performance requirements
2489 provided in Attachment D – Container Specifications. Carts provided to
2490 Customers shall have a useful life of ten (10) years as evidenced by a
2491 manufacturer's warranty or other documentation acceptable to the Agency.

2492 All Containers with a capacity of one (1) cubic yard or more shall meet applicable
2493 federal, State, and local regulations for Bin safety; shall be covered with attached
2494 lids; and shall have the capability to be locked if required or requested by Customer
2495 or Agency.

2496 All Containers shall be maintained in a safe, serviceable, and functional condition.

2497 B. Container Specifications

2498 1. Sizes. The Container sizes to be provided to Single-Family, Multi-Family,
2499 Commercial, and Agency Facility Customers are specified in Attachment D.

- 2500 2. Color. The colors of the Containers provided to Single-Family, Multi-Family,
2501 Commercial, and Agency Facility Customers are specified in Attachment D.
- 2502 3. Loading. Minimum allowable loading requirements for the Bin and Drop Box
2503 contents shall be approved by the Agency prior to purchase based on the
2504 minimum manufacturer's load limits, as specified in Attachment D.
- 2505 C. **Container Labeling**. Contractor shall label each Container with white, hot-
2506 stamped lettering, and in-mold or heavy duty vinyl adhesive labels with graphics,
2507 illustrations or artwork that clearly conveys the type of materials (e.g., Solid Waste,
2508 Recyclable Materials, cardboard, mixed paper, Organic Materials, wood waste,
2509 metal, etc.) to be placed in the Container for Collection. The labeling shall be
2510 positioned on each Container so it is visible to the Customer and Collection vehicle
2511 drivers on the front side and top. The labeling shall be durable and weather
2512 resistant to outdoor conditions and have a minimum ten (10) year lifetime.
- 2513 All Containers shall prominently display information and graphics agreed upon by
2514 Agency, SBWMA and Contractor pursuant to Article 7.
- 2515 Final Container labeling layout, graphics and text shall be approved by the Agency
2516 and SBWMA prior to distribution to Customers.
- 2517 D. **Cleaning and Painting**. Contractor shall be responsible for steam cleaning and
2518 repainting all Containers, except Carts, to present an aesthetically pleasing clean
2519 appearance and to ensure this equipment is safely maintained and operationally
2520 sound. Contractor shall repaint all used Containers within eighteen (18) months of
2521 the Commencement Date and thereafter on an as needed basis. Upon Customer's
2522 request, Contractor shall steam clean all Solid Waste and Recyclable Materials
2523 Containers (or exchange existing Containers with clean Containers) twice annually,
2524 except Carts provided to Residential Premises, which Contractor is not obligated to
2525 clean or exchange. Contractor shall clean all Organic Materials Containers (or
2526 exchange existing Containers with clean Containers) quarterly, except Carts
2527 provided to Residential Premises, which Contractor is not obligated to clean or
2528 exchange. Contractor shall offer additional cleaning (or clean Container exchange)
2529 to Customers requesting such service and shall be entitled to bill Customers for
2530 such cleaning (or Container exchange) as specified in Attachment Q.
- 2531 Contractor shall be responsible for cleaning Containers at no additional charge to
2532 Customer to ensure that nuisance or public health concerns associated with vectors
2533 are addressed within two (2) Business Days after receipt of notification of said
2534 condition.
- 2535 If any Container is impacted by graffiti, Contractor shall remedy the situation within
2536 forty-eight (48) hours of being notified.
- 2537 E. **Repair and Replacement**. Contractor shall repair or replace all Containers
2538 damaged by Collection operations (e.g., vehicle apparatus interface) within three
2539 (3) Business Days of being notified by Customer or observing the damaged
2540 Container. If the repair or replacement cannot be completed within three (3)
2541 Business Days, the Contractor shall notify Customer and provide a Container of the
2542 same size or larger until the original Container can be replaced.

2543 At no additional cost, Contractor shall replace Customer Carts that have been
44 stolen, lost, damaged or destroyed within five (5) Business Days. Contractor shall
2545 allow Customer to exchange Containers for a Container of a different size at no
2546 additional cost and shall replace Containers within five (5) Business Days of
2547 Customer request. Upon written approval from Agency, Contractor shall allow
2548 Customers to rent or purchase additional Carts and shall be entitled to bill
2549 Customers as specified in Attachment Q.

2550 F. **Agency's Rights to Containers.** All Carts, Bins, Compactors, and Drop Boxes
2551 purchased or leased by Contractor and put into service at Customers' Premises
2552 before the first anniversary of the Commencement Date shall become property of
2553 the Agency upon expiration or early termination of this Agreement. All Carts, Bins,
2554 Containers, and Drop Boxes purchased or leased and put into service at
2555 Customers' Premises on or after the first anniversary of the Commencement Date
2556 that have not been fully depreciated shall be available to the Agency, at the
2557 Agency's option, at their net book value.

2558 At its sole discretion, the Agency may elect not to exercise its rights under this
2559 subsection. In such case, the Containers shall remain the property of the Contractor
2560 upon the expiration or earlier termination of this Agreement. In such case,
2561 Contractor shall be responsible for removing all Containers in service from
2562 Premises within ten (10) Business Days.

2563 8.06 PERSONNEL

2564 A. **General.** Contractor shall furnish such qualified drivers, mechanical, supervisory,
65 customer service, clerical and other personnel as may be necessary to provide the
2566 services required by this Agreement in a safe, thorough, professional and efficient
2567 manner and shall provide, at a minimum, the number and type of personnel listed in
2568 Attachment O. All personnel furnished by Contractor shall be subject to the
2569 "relationship of parties" provisions of Section 15.01.

2570 B. **Employees of Previous Contractor.** The Contractor shall offer employment to
2571 Collection vehicle drivers and helpers, mechanics, technicians, welders, and shop
2572 laborers by seniority under the Agreement who are qualified employees working
2573 under the prior franchise agreement who would otherwise become unemployed by
2574 reason of the change in contractors, provided that (i) the Contractor shall not be
2575 obligated to offer employment to more existing employees than the Contractor
2576 needs to perform the services required under this Agreement and (ii) the Contractor
2577 shall not be obligated to offer employment to existing employees that have not been
2578 employed by the Previous Contractor for at least one-hundred-twenty (120) Days
2579 immediately prior to the Commencement Date.

2580 For the purposes of Section 8.06.B, "qualified employee" shall mean an employee
2581 who: (i) is eligible for employment under federal and state law, (ii) meets the
2582 Contractor's minimum employment standards for new employees, (iii) is in a
2583 bargaining unit covered by collective bargaining agreements between the Previous
2584 Contractor and Teamsters Local 350 or Machinists Local 1414, (iv) does not
2585 present a demonstrable danger to customers, co-workers or employees of the
2586 Agency or the Collection Contractor and (v) possesses a valid and proper

2587 commercial driver's license and California Department of Transportation medical
2588 certificate.

2589 Contractor shall not discharge any retained workers for at least ninety (90) Days
2590 after the Commencement Date, except for cause.

2591 Additional employees, if needed, shall be obtained by Contractor pursuant to
2592 procedures in effect under the collective bargaining agreement of the Agency's
2593 Previous Contractor that provided Solid Waste Collection services prior to the
2594 Effective Date.

2595 Contractor shall maintain a list of the Previous Contractor's qualified employees
2596 who were not offered employment by the Contractor pursuant to this section prior to
2597 the Commencement Date or during the two (2) months following the
2598 Commencement Date. If any positions become available during the three (3)
2599 months following the initial two (2) month contract period (i.e., from March 1, 2011
2600 through May 30, 2011), Contractor shall offer employment to qualified employees
2601 on the list by seniority within the collective bargaining unit (if it exists). Contractor
2602 shall include this language in the collective bargaining agreements, if any such
2603 agreement exists or is negotiated.

2604 Contractor shall pay employees who (i) are retained by Contractor pursuant to this
2605 Section 8.06 and (ii) were in bargaining units covered by collective bargaining
2606 agreements in effect as of the Effective Date between the Previous Contractor and
2607 Teamsters Local 350 or Machinists Local 1414, wages and benefits no less than
2608 those included in the collective bargaining agreements in place in 2010.

2609 This Section 8.06.B does not apply to management and supervisory personnel,
2610 non-represented employees, or workers furnished by an employment agency
2611 operating as an independent contractor.

2612 C. **Collective Bargaining Agreements.** This Agreement does not obligate Contractor
2613 to become a party to a collective bargaining agreement entered into by the Previous
2614 Contractor. If Contractor negotiates a new collective bargaining agreement with a
2615 union representing employees of the Previous Contractor, or an amendment to a
2616 collective bargaining agreement currently in force, either of which increases wages
2617 or benefits payable prior to October 2013 above those required by the collective
2618 bargaining agreement currently in force, the Agency is not required to include costs
2619 attributable to the increased wages or benefits in Contractor's Compensation for
2620 Rate Years One (2011) through Three (2013).

2621 D. **Approval of Management.** Contractor recognizes the importance of establishing a
2622 successful relationship between its management and Agency and SBWMA staff.
2623 Before extending an offer of employment for the position of general manager, both
2624 initially and throughout the Term, Contractor shall provide the SBWMA with the
2625 description of the proposed position, an opportunity to review and comment upon
2626 the position description, the background, experience and qualifications of each
2627 candidate being considered for the position, and an opportunity to meet with each
2628 candidate. Contractor shall give thoughtful consideration to the SBWMA's

- 2629 comments on the descriptions of the proposed position and each candidate, but
2630 shall have the ultimate right to make employment decisions in its best business
2631 judgment.
- 2632 If the Agency is dissatisfied with the performance of the management personnel,
2633 the Agency shall contact the general manager to discuss the employee's
2634 performance. If the Agency is dissatisfied with the general manager, the Agency
2635 shall contact the group manager to whom the general manager reports to discuss
2636 the general manager's performance.
- 2637 Contractor shall advise the affected management employee of any complaints
2638 made by the Agency regarding the employee's performance. The Parties shall
2639 meet and confer in good faith to address the Agency's concerns, and shall agree on
2640 a corrective course of action to be implemented immediately. Contractor agrees to
2641 consider in good faith, but shall not be bound by, any requests by the Agency to
2642 transfer or re-assign a management employee should the Agency maintain in good
2643 faith that it can no longer work constructively with said employee.
- 2644 E. **Provision of Field Supervision.** Contractor shall designate qualified employees
2645 as supervisors of field operations. The field supervisor shall devote their time in the
2646 field supervising, managing, and monitoring Collection operations for reliability,
2647 quality, efficiency, safety, and for responding to Complaints. The number of field
2648 supervisors is specified in Attachment O.
- 2649 F. **Driver Qualifications.** All drivers shall be trained and qualified in the operation of
2650 Collection vehicles, and must have in effect a valid license, of the appropriate class,
2651 issued by the California Department of Motor Vehicles. Contractor shall use the
2652 Class II California Department of Motor Vehicles employer "Pull Notice Program" to
2653 monitor its drivers for safety.
- 2654 G. **Customer Service Representative Training.** Customer service representatives
2655 shall be trained on specific Agency service requirements, a minimum of once per
2656 quarter. An Agency information sheet shall be provided to each customer service
2657 representative for easy reference of Agency requirements and general Customer
2658 needs. Contractor shall provide the information sheet, training agenda, and
2659 associated documentation within five (5) Business Days of request from Agency.
- 2660 H. **Safety Training.** Contractor shall provide suitable operational and safety training
2661 for all of its employees who operate Collection vehicles or equipment or who are
2662 otherwise directly involved in such Collection. Contractor shall train its employees
2663 involved in Collection to identify, and not to Collect, Hazardous Waste or Infectious
2664 Waste. Upon the Agency's request, Contractor shall provide a copy of its safety
2665 policy and safety training program, the name of its safety officer, and the frequency
2666 of its trainings.
- 2667 I. **No Gratuities.** Contractor shall not permit its employees to demand or solicit,
2668 directly or indirectly, any additional compensation or gratuity from members of the
2669 public for Collection services or accept gratuities or compensation in exchange for
2670 additional collection services.

2671 J. **Employee Conduct and Courtesy.** Contractor shall employ only competent and
2672 qualified personnel who serve the public in a courteous, helpful, and impartial
2673 manner. Contractor shall use its best efforts to assure that all employees present a
2674 neat appearance and conduct themselves in a courteous manner. Contractor shall
2675 regularly train its employees in Customer courtesy, shall prohibit the use of loud or
2676 profane language, and shall instruct Collection employees to perform the work as
2677 quietly as possible. If any employee is found not to be courteous or not to be
2678 performing services in the manner required by this Agreement, Contractor shall
2679 take all appropriate corrective measures. The Agency may require Contractor to
2680 reassign an employee, if the employee has conducted himself or herself
2681 inconsistently with the terms of this Agreement.

2682 Contractor shall adopt policies and procedures consistent with State and federal
2683 law that ensure a sober and drug-free workplace. This includes strictly prohibiting
2684 unlawful manufacture, distribution, possession, or use of any controlled substance
2685 in the workplace, regardless of whether the employee is on duty at the time.
2686 Further, the policies and procedures shall prohibit an employee from operating
2687 either Agency or Contractor equipment and vehicles (whether on or off duty) while
2688 under the influence of alcohol or drugs. The purpose of these policies and
2689 procedures is to ensure workplace safety, productivity, efficiency, and the quality of
2690 Contractor's service to Customers.

2691 K. **Uniforms.** While performing services under this Agreement, all Contractor's
2692 employees performing field service shall be dressed in clean uniforms and shall
2693 wear visible identification that include the employee's name and/or employee
2694 number, and Contractor's name. Uniform type, style, colors, and any modifications
2695 may be subject to approval by the Agency.

2696 8.07 HAZARDOUS WASTE INSPECTION AND HANDLING

2697 A. **Inspection Program and Training.** Contractor is required to inspect Solid Waste,
2698 Targeted Recyclable Materials, Organic Materials, and other materials put out for
2699 Collection and may reject Solid Waste, Targeted Recyclable Materials, Organic
2700 Materials, and other materials observed to be contaminated with Hazardous Waste
2701 and not Collect Hazardous Waste put out with Solid Waste, Targeted Recyclable
2702 Materials, and Organic Materials. Contractor shall develop a load inspection
2703 program that includes the following components: (i) personnel and training; (ii) load
2704 checking activities; (iii) management of wastes; and (iv) record keeping and
2705 emergency procedures.

2706 Contractor's load checking personnel, including its Collection vehicle drivers, shall
2707 be trained in: (i) the effects of Hazardous Substances on human health and the
2708 environment; (ii) identification of prohibited materials; and (iii) emergency
2709 notification and response procedures. Collection vehicle drivers shall inspect
2710 Containers before Collection when practical.

2711 B. **Response to Hazardous Waste Identified During Collection.** Under no
2712 circumstances shall Contractor's employees knowingly Collect Hazardous Waste or
2713 remove unsafe or poorly containerized Hazardous Waste from a Collection
2714 Container. If Contractor determines that material placed in any Container for
2715 Collection is Hazardous Waste or other material that may not legally be accepted or

2716 safely processed at the Designated Transfer and Processing Facility or presents a
2717 hazard to Contractor's employees, or those at the Designated Transfer and
2718 Processing Facility, the Contractor shall have the right to refuse to accept such
2719 material. The Generator shall be contacted by the Contractor and requested to
2720 arrange proper Disposal. If the Generator cannot be reached immediately, the
2721 Contractor shall, before leaving the Premises, leave a non-collection notice, which
2722 indicates the reason for refusing to Collect the material and lists the phone number
2723 for the San Mateo County Household Hazardous Waste Facility, or other resources
2724 as directed by Agency. Contractor's environmental technician shall be notified to
2725 handle the issue with the Generator. The Contractor's environmental technician
2726 shall be required to guide the Generator to safely containerizing the Hazardous
2727 Waste and shall explain the Generator's options for proper disposition of such
2728 material.

2729 If Hazardous Waste is found in a Collection Container or Collection area that could
2730 possibly result in imminent danger to people or property, the Contractor shall
2731 immediately notify the Agency's Fire Department using the nine-one-one (911)
2732 emergency telephone number. The Contractor shall notify the Agency of any
2733 Hazardous Waste identified in Containers or left at any Premises within twenty-four
2734 (24) hours of identification of such material.

2735 **C. Response to Hazardous Waste Identified at Designated Transfer and**
2736 **Processing Facility.** Contractor shall not knowingly deliver Unpermitted Material
2737 to the Designated Transfer and Processing Facility. The Operator shall use
2738 reasonable business efforts and standard industry practices to detect and discover
2739 Unpermitted Material at the facility and shall not knowingly accept Unpermitted
2740 Material. In the event that Unpermitted Material is delivered to the Designated
2741 Transfer and Processing Facility, the Operator shall be entitled to pursue whatever
2742 remedies, if any, it may have against the Generator or Person(s) bringing such
2743 Unpermitted Material to the Designated Transfer and Processing Facility provided
2744 that in no case shall the Agency be considered the Person bringing such
2745 Unpermitted Material to the Designated Transfer and Processing Facility.

2746 Contractor acknowledges that in the event the operator identifies Unpermitted
2747 Materials in the materials delivered by Contractor before the materials are unloaded
2748 at the facility, the Operator has the right to reject the load and direct the Contractor
2749 to cause removal and Disposal of the Unpermitted Material in a safe and lawful
2750 manner, at the sole expense of the Contractor. If the Unpermitted Materials are
2751 delivered to the Designated Transfer and Processing Facility by Contractor and
2752 unloaded at the facility before their presence is detected, and the Generator cannot
2753 be identified or fails to remove the material after being requested to do so, the
2754 Contractor shall arrange for and/or pay for its proper Disposal. Contractor shall
2755 make reasonable efforts to identify and notify the Generator. The Contractor shall
2756 make a good faith effort to recover the cost of any transportation and Disposal from
2757 the Generator, and the cost of this effort, as well as the cost of Disposal shall be
2758 chargeable to the Generator, if appropriate documentation, as deemed necessary
2759 by the Agency, is provided to the Agency within five (5) Business Days of the
2760 occurrence.

2761 In the event Contractor delivers Unpermitted Materials on a frequent or continuous
2762 basis to the Designated Transfer and Processing Facility and the Contractor

2763 refuses to provide for the proper handling and disposition of such Unpermitted
2764 Material, the Operator may provide written notice to Agency of such refusal by
2765 Contractor.

2766 **D. Reporting, Regulations, and Record Keeping.** Contractor shall comply with
2767 emergency notification procedures required by Applicable Laws and regulatory
2768 requirements. Contractor shall notify all appropriate agencies, including the
2769 California Department of Toxic Substances Control and Local Emergency
2770 Response Providers and the National Response Center of reportable quantities of
2771 Hazardous Waste found or observed in Solid Waste, Targeted Recyclable
2772 Materials, Organic Materials, Electronic Waste, Universal Waste, and Construction
2773 and Demolition Debris anywhere within Service Area. In addition to other required
2774 notifications, if Contractor observes any substances which it or its employees
2775 reasonably believe or suspect to contain Hazardous Wastes unlawfully Disposed of
2776 or released on any Agency property, including storm drains, streets or other public
2777 rights of way, Contractor will immediately notify the Agency and SBWMA.

2778 All records required by regulations shall be maintained at the Contractor's Facility.
2779 These records shall include: waste manifests, waste inventories, waste
2780 characterization records, inspection records, incident reports, and training records.
2781 Contractor shall maintain records showing the types and quantities, if any, of
2782 Hazardous Waste found in Solid Waste, Targeted Recyclable Materials, and
2783 Organic Materials which was inadvertently Collected from Customers within the
2784 Service Area, but diverted from landfilling.

2785 **8.08 COMMUNICATION AND COOPERATION WITH AGENCY**

2786 **A. Communications.** The Contractor's general manager shall have e-mail
2787 capabilities to enable the Agency and the Contractor's general manager to
2788 communicate via e-mail. Contractor's general manager shall respond to Agency
2789 email correspondence within twenty-four (24) hours.

2790 **B. Monthly Meetings.** Upon request from Agency, beginning on the Commencement
2791 Date, and then on a monthly basis thereafter, Contractor shall meet with the
2792 Agency to discuss progress of each active diversion program, quality and reliability
2793 of Collection services, and compliance with the terms of the Agreement. SBWMA
2794 may attend and participate in these meetings. At each monthly meeting, the
2795 Agency, Contractor and SBWMA, if attending, shall have the opportunity to present
2796 and discuss proposed changes in service such as changing program requirements
2797 or modifying Collection methods.

2798 **C. Inspection by Agency.** Agency shall have the right, but not the obligation, to
2799 observe and inspect all of the Contractor's operations under this Agreement. In
2800 connection therewith, Agency shall have the right to enter facilities used by
2801 Contractor during operating hours, speak to any of Contractor's employees and
2802 receive cooperation from such employees in response to inquiries. In addition,
2803 upon reasonable notice and without interference with Contractor's operations,
2804 Agency may review and copy any of Contractor's operational and business records
2805 related to this Agreement. If Agency so requests, Contractor shall make specified
2806 personnel available to accompany Agency employees on inspections and shall
2807 provide electronic copies of records stored in electronic media.

2808 **8.09 COOPERATION WITH DESIGNATED TRANSFER AND PROCESSING FACILITY**
2809 **OPERATOR**

2810 A. **Communications.** If requested by SBWMA, the Contractor shall meet with the
2811 SBWMA and Operator at least once each month to discuss issues related to the
2812 interaction of operations between Contractor and Operator including, but not limited
2813 to:

- 2814 1. Traffic flow;
- 2815 2. Vehicle weighing procedures;
- 2816 3. Targeted Recyclable Materials and Organic Materials Contamination;
- 2817 4. Hazardous Waste screening and safety policies;
- 2818 5. Receiving hours;
- 2819 6. Billing and payment of gate fees for delivery of materials;
- 2820 7. Vehicle parking;
- 2821 8. Employee facilities; and
- 2822 9. Maintenance facilities.

2823 The Contractor's general manager shall have e-mail capabilities to enable the
2824 Operator and the Contractor's general manager to communicate via e-mail.
2825 Contractor's general manager shall respond to the Operator's email
2826 correspondence within twenty-four (24) hours.

2827 B. **Coordination of Hours.** Contractor shall plan its Collection routes to be
2828 compatible with the Designated Transfer and Processing Facility receiving hours,
2829 which shall be, at a minimum, Monday through Friday from 3:00 a.m. to 6:00 p.m.
2830 and Saturday and Sunday from 6:00 a.m. to 5:00 p.m. Contractor shall deliver
2831 Collected materials to the Designated Transfer and Processing Facility during the
2832 receiving hours of the Designated Transfer and Processing Facility.

2833 C. **Compliance with Facility Rules.** Contractor shall cooperate with Operator and
2834 comply with Operator's requirements including: (i) how and where to unload
2835 Collection vehicles; (ii) respecting operations and construction of new facilities; and
2836 (iii) the Operator's Hazardous Waste exclusion program. Contractor shall also
2837 cooperate with the contamination assessment procedures specified in Attachment
2838 E. All costs charged by the SBWMA for acceptance of Contractor's materials shall
2839 be paid by Contractor. Contractor shall receive compensation for transfer and
2840 processing costs in accordance with Article 11.

2841 **8.10 BUY-RECYCLED POLICY**

2842 The Contractor shall comply with the purchasing requirements described in this Section,
2843 and shall document its on-going compliance with these requirements upon Agency
2844 request.

2845 A. **Recycled Paper.** The Contractor shall use recycled paper for invoices, Bills,
2846 reports, and public education materials. The recycled paper shall have at least

2847 thirty percent (30%) post-consumer recycled content for uncoated paper and ten
2848 percent (10%) post-consumer recycled content for coated paper based on federal
2849 standards. Contractor shall state on all materials prepared with post-consumer
2850 recycled content the following: "Printed on Recycled Paper."

2851 B. **Re-Refined Motor Oil.** Contractor shall be encouraged but not required to use re-
2852 refined motor oil for its Collection vehicles.

2853 C. **Recycled Plastic.** Contractor shall purchase Carts and Kitchen Pails that contain
2854 the minimum post-consumer content as specified in Attachment D. All Carts and
2855 Kitchen Pails shall be 100% recyclable.

2856 **8.11 ANNUAL PERFORMANCE HEARING**

2857 A. **Objectives.** Agency and/or SBWMA may hold a public performance hearing in
2858 April or May of each Rate Year, at which time Contractor shall be present and shall
2859 participate by making a presentation and responding to questions. SBWMA shall
2860 convene the hearing to address the positive and negative aspects of Contractor's
2861 overall performance. The purpose of the hearing may also involve discussion and
2862 review of technological, economic, and regulatory changes in Collection, waste
2863 reduction, Recycling, processing, and Disposal practices that can improve quality of
2864 service; increase waste reduction and diversion; and ensure services are being
2865 provided effectively and economically. Topics for discussion and review at the
2866 performance hearing shall include, but not be limited to: Contractor's
2867 accomplishments and compliance with various provisions of the Agreement,
2868 services provided, feasibility of providing new services, application of new
2869 technologies, Customer Complaints, possible amendments to this Agreement,
2870 developments in the Applicable Laws and regulations, new initiatives for meeting or
2871 exceeding waste reduction and Recycling goals, regulatory constraints, and
2872 Contractor performance. SBWMA and Contractor may each select additional topics
2873 for discussion at the performance hearing.

2874 B. **Process.** Within sixty (60) Days of notification provided by Agency or SBWMA to
2875 Contractor of its intent to conduct a performance hearing, Agency or SBWMA will
2876 submit questions to Contractor pertaining to Contractor's performance and
2877 Contractor shall submit its written response within thirty (30) days. SBWMA and
2878 Contractor shall meet to discuss the questions and Contractor's response prior to
2879 submittal by Contractor. SBWMA and Contractor may request from one another
2880 information or documents related to the scheduled public hearing and SBWMA and
2881 Contractor shall provide such information promptly.

2882 In addition to Contractor's responses to the questions submitted by SBWMA,
2883 Contractor may be required to submit a self-assessment report of Contractor's
2884 performance and information pertaining to the following:

2885 1. Recommended Changes or New Services. Changes and/or new services
2886 recommended to improve Agency's ability to meet and/or exceed the Agency's
2887 waste reduction and recycling goals and those of the Act.

2888 2. Complaint Records. The reports required by this Agreement regarding
2889 Complaints shall be used as one basis for review. Contractor may submit
2890 other relevant performance information and reports for consideration. Agency

2891 may request Contractor to submit specific information for the hearing. In
2892 addition, any Person may submit comments or Complaints during or before the
2893 hearing, either orally or in writing, and these shall be considered.

2894 3. Action Plan. Contractor shall prepare and submit an action plan for improving
2895 and/or modifying its Collection services and other services if requested.

2896 Not less than ten (10) Business Days prior to the scheduled hearing date, SBWMA
2897 and Contractor shall exchange any written reports and other documents that will be
2898 provided or presented at the hearing. Not less than five (5) Business Days before
2899 the scheduled hearing date, SBWMA and Contractor shall ensure their availability
2900 to discuss the content and underlying support for such reports.

2901 SBWMA and Contractor shall attend and participate in the performance hearing.
2902 Contractor may be required to present an oral report on its performance at the
2903 performance hearing. Contractor's failure to attend and participate in the
2904 performance hearing and provide an oral presentation upon request; provide a
2905 written response to the questions or request for a self assessment report submitted
2906 by Agency or SBWMA; or submit an action plan if requested by Agency or SBWMA
2907 may result in Liquidated Damages pursuant to Attachment J.

2908 Within sixty (60) Days after the conclusion of each performance hearing, SBWMA
2909 may issue a report. As a result of the review, Agency may require Contractor to
2910 provide expanded or new services within a reasonable time frame and for
2911 reasonable compensation; and Agency or SBWMA may direct Contractor to take
2912 corrective actions for any performance inadequacies.

2913

ARTICLE 9 RECORD KEEPING AND REPORTING

2914 **9.01 GENERAL**

2915 Contractor shall compile and maintain records related to its performance as necessary
2916 to develop the reports required by this Agreement. Contractor agrees to conduct data
2917 collection, record keeping, and reporting activities necessary to meet the reporting and
2918 Solid Waste program management needs of the Agency, and to comply with the Act,
2919 other Applicable Laws (including those specified in Section 15.14), and the requirements
2920 of this Agreement.

2921 Record keeping and reporting requirements specified in this Agreement shall not be
2922 considered a comprehensive list of reporting requirements. In particular, Article 9 is
2923 intended to highlight the general nature of records and reports and their minimum
2924 content and is not meant to comprehensively define the scope and content of the
2925 records and reports. Upon written direction or approval of Agency, the records and
2926 reports required by Contractor in accordance with this and other Articles of the
2927 Agreement shall be adjusted in number, format, or frequency.

2928 Contractor shall maintain all records necessary to allow the Agency to determine
2929 Contractor's compliance with the Terms of the Agreement and compliance with the
2930 Performance Standards and Performance Incentives/Disincentives presented in this
2931 Agreement including, but not limited to, those related to the quality of Collection services
2932 and customer service and those identified in Attachments I and J. The records shall be
2933 maintained in a manner that allows for easy verification of Contractor's performance.

2934 **9.02 GENERAL RECORD KEEPING PROVISIONS**

2935 A. **General.** Contractor shall maintain records required to conduct its operations, to
2936 support requests it may make to Agency, and to respond to requests from Agency.
2937 All records shall be maintained for five (5) years after the expiration or early
2938 termination of this Agreement.

2939 In order to set Contractor's Compensation pursuant to Article 11, it is necessary for
2940 Contractor to maintain accurate, detailed financial and operational information in a
2941 consistent format and to make such information available to the Agency in a timely
2942 fashion, and in accordance with reporting requirements specified in this Article.

2943 B. **Inspection of Records.** Agency shall have the right to inspect or review the
2944 payroll tax reports, specific documents or records required expressly or by
2945 inference pursuant to this Agreement, or any other similar records or reports of
2946 Contractor that Agency shall deem, in its sole discretion, reasonably necessary to
2947 evaluate annual reports, compensation applications provided for in this Agreement,
2948 and Contractor's performance or other matters related to this Agreement.

2949 The Agency, its auditors and other agents selected by the Agency, shall have the
2950 right, during regular business hours, to conduct unannounced on-site inspections
2951 and review of the records and accounting systems of Contractor and to make
2952 copies of any of Contractor's documents relevant to this Agreement. Upon request,
2953 Contractor shall arrange for records of Related Party Entities to be made available

2954 to Agency and its official representatives for review, to the extent such records are
2955 reasonably necessary to evaluate annual reports, compensation applications,
2956 Contractor's performance, or other matters related to this Agreement.

2957 C. **Retention of Records.** Unless otherwise herein required, Contractor shall retain
2958 all records and data required to be maintained by this Agreement for the Term plus
2959 at least five (5) years after expiration or early termination of the Agreement.
2960 Records and data shall be in a chronological and organized form and readily and
2961 easily interpreted. At the Agency's request, records and data required to be
2962 retained shall be retrieved in a timely manner (which shall not exceed more than ten
2963 (10) Business Days unless Contractor obtains prior written approval from the
2964 Agency) by Contractor and made available to the Agency.

2965 Contractor shall maintain copies of all Billings and Billing Collections (e.g.,
2966 Customer payments) records or copies of Billing summary reports (that document
2967 all Billings and Billing Collections for each Customer) for five (5) years, following the
2968 date of Billings, for inspection and verification by Agency.

2969 Records and data required to be maintained that are not specifically directed to be
2970 retained that are, in the sole opinion of the Agency, material to the determination of
2971 Contractor's Compensation or Rates or to determination of Contractor's
2972 performance, shall be retrieved by Contractor and made available to the Agency in
2973 a timely manner (which shall not exceed ten (10) Business Days unless Contractor
2974 obtains prior written approval from the Agency). When records and data are not
2975 retained or provided by the Contractor, the Agency may make reasonable
2976 assumptions regarding what information is contained in such records and data, and
2977 such assumption(s) shall be conclusive in whatever action the Agency takes.

2978 D. **Record Security.** Contractor shall maintain adequate record security to preserve
2979 records from events that can be reasonably anticipated such as a fire, theft, and an
2980 earthquake. Electronically-maintained data and/or records shall be protected,
2981 backed up, and stored at a separate site from the original data.

2982 9.03 RECORD KEEPING REQUIREMENTS

2983 A. **Maintenance of Financial and Operational Records**

2984 1. General. In order to effectuate Contractor's Compensation pursuant to Article
2985 11, it is necessary for Contractor to maintain accurate, detailed financial and
2986 operational information in a consistent format and to make such information
2987 available to the Agency and the SBWMA in a timely fashion.

2988 2. Contractor's Accounting Records. Contractor shall maintain accurate and
2989 complete accounting records containing the underlying financial and operating
2990 data relating to, and showing the basis for computation of, all costs associated
2991 with providing services under this Agreement. The accounting records shall be
2992 prepared in accordance with Generally Accepted Accounting Principles
2993 (GAAP) consistently applied.

2994 B. **Collection Service Records**

2995 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:
 - a. Names, addresses, and phone numbers of Customer, Billing contact Person, and, if appropriate, for property manager or on-site contact Person;
 - b. Solid Waste service level, Targeted Recyclable Materials service level, and Organic Materials service level (where service level includes the number of Containers, size of each Container, and the Collection frequency of each Container);
 - c. Number of tenant or living units at Multi-Family Residential Complexes;
 - d. Service exemptions for SFD Premises (if applicable);
 - e. Special services (e.g., Backyard and Special Handling Collection for SFD Premises, push/pull charges, lock/unlock charges, etc.).
- 3009 Contractor's Customer and Billing system shall allow for information to be compiled
3010 easily and separately for each Service Sector.
2. Weight and volume of material Collected by type (e.g., Solid Waste, Targeted Recyclable Materials, Organic Materials). Where possible, information shall be provided separately for each Service Sector.
 3. Route sheets and route maps identifying the accounts serviced by each Collection vehicle on a daily basis (e.g., detailed GPS reports).
 4. Facilities, equipment and personnel used.
 5. Facilities and equipment operations, maintenance and repair.
 6. Tonnage of Solid Waste, Targeted Recyclable Materials, Universal Waste, and Organic Materials listed separately by materials type and Service Sector and the facility where materials were delivered (e.g., Designated Transfer and Processing Facility).
 7. Monthly Overall Diversion Level, monthly SFD Diversion Level, and the monthly Commercial Diversion Level (each stated as a percentage) and calculated in accordance with Attachment I.
 8. Targeted Recyclable Materials, Used Motor Oil and Used Motor Oil Filters, Household Batteries, Cell Phones and Organic Materials Collection participation and set-out rates.
 9. Tonnage of materials Collected from On-Call Bulky Item Collection services described in sections 5.05, 5.06 and 5.12, community collection events as described in sections 5.13 and 5.14, and abandoned waste clean-up events described in section 5.09, reported separately by material type Collected and listing destination where materials were delivered (e.g., Goodwill Industries, Designated Transfer and Processing Facility, etc.).
 10. Tonnage of Solid Waste, Recyclable Materials, and Organic Materials Collected from Venues and Events as described in Section 5.08 reported separately by material type Collected and reported separately for each Venue and Event as the total Tonnage of each material type for each Venue or Event monthly.
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3039 11. Volume of Used Motor Oil and number of Used Motor Oil Filters Collected by
40 Contractor reported separately for each facility where materials were delivered.

3041 **C. Other Programs Records**

3042 Records for other programs shall be tailored to specific needs. In general,
3043 Contractor shall maintain and retain the following records:

- 3044 1. Plans, tasks, and milestones; and
3045 2. Accomplishments including activities conducted, dates, quantities of products
3046 used, produced or distributed, and numbers of participants and responses.

3047 **D. Customer Service Records.** Daily logs of all Complaints and Inquiries shall be
3048 retained for a minimum of thirty-six (36) months. Contractor shall maintain and
3049 retain customer service center records which include, but are not limited to the
3050 following statistics:

- 3051 1. Number of calls received on a daily and monthly basis;
3052 2. Number of calls answered on a daily and monthly basis;
3053 3. Number of abandoned (dropped) calls on a daily and monthly basis;
3054 4. Average abandoned time (i.e., Hold Time before abandoning call);
3055 5. Number of delayed calls (i.e., calls where caller is placed on hold before
3056 speaking with a customer service agent) on a daily and monthly basis;
3057 6. Average Hold Time for incoming calls on a daily and monthly basis;
3058 7. Percentage of calls answered by a Person within thirty (30) seconds on a daily
3059 and monthly basis;
3060 8. Percentage of calls answered within three (3) minutes on a daily and monthly
3061 basis;
3062 9. Number of e-mail responses sent from the customer service department to
3063 Customers on a monthly basis;
3064 10. Number and percentage of Complaint and Inquiry e-mails or submissions
3065 through Contractor website that received responses before close of business
3066 on the Day received on a monthly basis;
3067 11. Number and percentage of Complaint and Inquiry e-mails that received
3068 responses by the close of business on the Day following the receipt of the
3069 Complaint or Inquiry;
3070 12. Number of Complaints and Inquiries received through Contractor's website on
3071 a daily and monthly basis;
3072 13. Names of all Customer service representatives employed; and,
3073 14. Minimum, average, and maximum number of customer service representatives
3074 employed during each month.

3075 **E. CERCLA Defense Records.** Agency views the ability to defend against CERCLA
3076 and related litigation as a matter of great importance. For this reason, the Agency
3077 regards the ability to prove where Solid Waste Collected in the Agency area was

3078 taken for transfer or Disposal, to be matters of concern. Contractor shall maintain
3079 data retention and preservation systems which can establish where Solid Waste
3080 Collected in the Service Area was delivered for transfer or Disposal. This provision
3081 shall survive the expiration of this Agreement.

3082 F. **Compilation of Information for State Law Purposes.** Contractor shall compile
3083 information on amounts of Solid Waste delivered to the Designated Transfer and
3084 Processing Facility and to other locations, as well as other information which the
3085 Agency may reasonably request.

3086 Contractor shall maintain these records for a minimum of ten (10) years after
3087 expiration or earlier termination of the Agreement. Contractor shall provide these
3088 records to Agency (upon request or at the end of the record retention period) in an
3089 organized and indexed manner rather than destroying or Disposing of them.

3090 **9.04 GENERAL REPORTING REQUIREMENTS**

3091 A. **Purpose.** Records shall be maintained and retained in forms, on media, and by
3092 methods that facilitate flexible use of data contained in them to structure reports, as
3093 needed. Reports are intended to compile recorded data into useful forms of
3094 information that can be used to, among other things:

- 3095 1. Evaluate Diversion performance
- 3096 2. Evaluate Contractor's performance
- 3097 3. Monitor Customer participation in Targeted Recyclable Materials and Organic
3098 Materials Collection programs and in other programs using several different
3099 performance measures
- 3100 4. Monitor changes in the number of Customers and Customers' service levels
- 3101 5. Determine needs for adjustment to programs and cost for such changes
- 3102 6. Evaluate customer service and Complaints
- 3103 7. Determine and set Contractor's Compensation and Rates

3104 B. **Report Format.** Contractor may propose report formats that are responsive to the
3105 objectives and audiences for each report. The format of each report shall be
3106 approved by Agency. The Agency may review and request changes to Contractor's
3107 report formats and content and Contractor shall not unreasonably deny such
3108 requests. Contractor agrees to mail a copy of all reports to the Agency, and submit
3109 all reports by e-mail in a format compatible with the Agency's software and
3110 computers so the Agency can sort and analyze data. Contractor shall provide a
3111 certification statement, under penalty of perjury by the responsible Contractor
3112 official, that the report being submitted is true and correct to the best knowledge of
3113 such official after their reasonable inquiry.

3114 C. **Submittal Schedule and Instructions.** Contractor shall submit monthly reports
3115 within fifteen (15) Days after the end of the reporting month. Contractor shall
3116 submit quarterly reports within thirty (30) Days after the end of the reporting
3117 quarter. Contractor shall submit annual reports within forty-five (45) Days after the
3118 end of each Rate Year.

3119 Contractor shall submit (via mail and e-mail) all reports to the person(s) designated
3120 by SBWMA and Agency.

3121 D. **Failure to Report.** The refusal or failure of Contractor to file any required reports,
3122 or to provide required information to Agency, or the inclusion of any materially false
3123 or misleading statement or representation by Contractor in such report shall be
3124 deemed a Contractor default as described in Section 14.01 subject to the notice
3125 and cure provisions of that section and shall subject Contractor to all remedies
3126 which are available to the Agency under the Agreement or otherwise.

3127 E. **Accuracy of Reports.** The failure of Contractor to file accurate and timely reports,
3128 proposal(s), information or correspondence to Agency or SBWMA, or the inclusion
3129 of any inaccurate or misleading data, statement or representation by Contractor in
3130 such report(s), proposal(s), information or correspondence to Agency or SBWMA,
3131 shall be subject to Liquidated Damages as set forth in Attachment J. In addition, the
3132 inclusion of any materially false or misleading statement or representation by
3133 Contractor in such report shall be deemed a Contractor default as described in
3134 Section 14.01 subject to the notice and cure provisions of that section and shall
3135 subject Contractor to all remedies which are available to the Agency under the
3136 Agreement or otherwise.

3137 **9.05 MONTHLY REPORTS**

3138 Monthly reports shall present the information described in this Section. Each monthly
3139 report shall present the information below for that month and for each of the preceding
3140 twelve (12) months.

3141 A. **Tonnage Information.** Contractor shall provide the Tonnage information
3142 requested below by Service Sector on a monthly and year-to-date basis. However,
3143 the Agency reserves the right to request the monthly Tonnage data by route.

3144 1. Solid Waste. Total Solid Waste Tonnage Collected and Disposed by Service
3145 Sector.

3146 2. Targeted Recyclable Materials Services. Total Targeted Recyclable Materials
3147 Tonnage Collected and delivered for processing by Service Sector listed
3148 separately by material type Collected (e.g., Single-Stream Recyclable
3149 Materials, Source Separated Cardboard, Source Separated Paper, Used Motor
3150 Oil, Used Motor Oil Filters, etc.).

3151 3. Organic Materials Services. Total Organic Materials Tonnage Collected and
3152 delivered for processing by Service Sector listed separately by material type
3153 (e.g., Plant Materials, Food Scraps, or Organic Materials).

3154 If Contractor does not separately track Multi-Family Tonnage data, Contractor shall
3155 conduct a semi-annual or annual Tonnage assessment if requested by the Agency
3156 in accordance with Section 7.06, which involves separately Collecting and weighing
3157 Multi-Family Solid Waste, Targeted Recyclable Materials, and Organic Materials to
3158 quantify Tonnage Collected during a given week.

3159 B. **Diversion Level.** Contractor shall provide the monthly and year-to-date Calculated
3160 Overall Diversion Level, the monthly and year-to-date Residential Diversion Level,

3161 and the monthly and year-to-date Commercial Diversion Level (each stated as a
3162 percentage) calculated in accordance with Attachment I. In addition, Contractor
3163 shall present the calculations used to determine the diversion levels.

3164 C. **Complaint, Inquiry and Service Requests Data.** Contractor shall provide
3165 information on the number of Complaints, Inquiries service requests received from
3166 Customers, Generators, or other Person by category (e.g., missed pickups, noise
3167 Complaints, scheduled On-Call Bulky Item Collection Events, Overage events,
3168 Billing concerns, property damage claims, requests for information, delivery of
3169 Recycling Tote-Bags, inventory of Recycling Tote-Bags etc.). Complaint summary,
3170 for each month and cumulative for Rate Year to date, summarized by nature of
3171 Complaint, Inquiry and service request on a compatible computer disc or other
3172 memory device approved by Agency. The categorization of Complaints, Inquiries
3173 and service requests shall be agreed-upon by the Agency, SBWMA, and Contractor
3174 prior to the Commencement Date, and shall be adjusted during the Term upon
3175 agreement between Agency, SBWMA and Contractor.

3176 D. **Call Center Data.** Number of calls received, number of calls answered, number of
3177 dropped calls, percentage of dropped calls, Average Hold Time, percentage of calls
3178 answered in thirty (30) seconds.

3179 E. **Monthly Gross Revenues and Fee Reports.** Pursuant to Article 10, a statement
3180 itemizing each fee paid by Contractor to Agency in the month; detailing calculation
3181 of each monthly fee amount; and stating monthly Gross Revenues, by Service
3182 Sector, for all operations conducted or permitted by this Agreement.

3183 F. **On-Site Customer Assessments and Visual Audits.** Contractor shall report the
3184 number of and results of the site assessments and visual audits conducted for
3185 Multi-Family Dwelling, Commercial, and Agency Customers, which are required by
3186 Section 7.06.

3187 G. **Quality Assurance Program.** Contractor shall report monthly on its implementation
3188 of this program, described in Section 7.02.F, during the prior month. The report
3189 shall include (i) name and Service Sector of each Customer contacted, (ii) date,
3190 time and length of telephone call, (iii) name of customer service representative
3191 placing call, (iv) summary of Customer's responses to questions and other
3192 information provided, and (v) follow-up actions taken, if any, in response to calls.

3193 9.06 QUARTERLY REPORTS

3194 Quarterly reports shall present the information described in this Section. Each quarterly
3195 report shall present the information below for the reporting months of that quarter and
3196 for each of the preceding twelve (12) months.

3197 A. **Tonnage Information.** Contractor shall provide the Tonnage information
3198 requested below by Service Sector on a monthly and year-to-date basis. However,
3199 the Agency reserves the right to request the monthly Tonnage data by route.

3200 1. Solid Waste. Total Solid Waste Tonnage Collected and Disposed by Service
3201 Sector.

- 3202
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3206
2. **Targeted Recyclable Materials Services.** Total Targeted Recyclable Materials Tonnage Collected and delivered for processing by Service Sector listed separately by material type Collected (e.g., Single-Stream Targeted Recyclable Materials, Source Separated cardboard, Source Separated paper, Used Motor Oil, Used Motor Oil Filters, etc.).
- 3207
3208
3209
3. **Organic Materials Services.** Total Organic Materials Tonnage Collected and delivered for processing by Service Sector listed separately by material type (e.g., Plant Materials, Food Scraps, or Organic Materials).
- 3210
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- If Contractor does not separately track Multi-Family Tonnage data, Contractor shall conduct a semi-annual or annual Tonnage assessment if requested by Agency in accordance with Section 7.08 that involves separately Collecting and weighing Multi-Family Solid Waste, Targeted Recyclable Materials, and Organic Materials to quantify Tonnage Collected during a given week.
- 3215
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3219
- 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.
- 3220
- C. **Education Activities**
- 3221
3222
3223
3224
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.
- 3225
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3231
- 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.
- 3232
3233
3234
3235
- 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.
- 3236
3237
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3239
- 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.
- 3240
3241
3242
- 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

3243 compliance with diversion-related standards which shall be reported as part of the
3244 Contractor's annual report) and include calculation of the Liquidated Damages due.
3245 This report shall be accompanied by supporting documentation identifying either
3246 compliance with or level of non-compliance with the performance measures.
3247 Contractor may include with its report a written request to meet with Agency's
3248 Manager or his or her designee to discuss Contractor's evidence refuting the basis
3249 for assessing Liquidated Damages pertaining to unacceptable employee behavior.
3250 In such cases, Contractor shall include with its report evidence in writing and written
3251 testimony of its employees and others relevant to the incident(s)/non-performance.
3252 Agency's Manager or his or her designee will provide Contractor with a written
3253 explanation of his or her determination on each incident(s)/non-performance. The
3254 decision of Agency's Manager or his or her designee shall be final.

3255 H. **Account Summary.** For monthly reports following the end of each quarter (e.g.,
3256 for monthly reports submitted in January, April, July, and October), provide the
3257 following account summary information in table format:

- 3258 1. Number of Customers in each Rate category.
- 3259 2. Total number of Residential, Commercial, and Drop Box Customers
3260 subscribing to Solid Waste, Targeted Recyclable Materials, and Organic
3261 Materials Collection service listed separately by Service Sector and material
3262 type.
- 3263 3. Percentage of Customers subscribing to Targeted Recyclable Materials
3264 Collection service (listed separately for Multi-Family, Commercial, and Drop
3265 Box Customers), which shall be equal to the total number of Targeted
3266 Recyclable Materials Customers divided by the total number of Solid Waste
3267 Customers.
- 3268 4. Percentage of Customers subscribing to Organic Materials Collection service
3269 (listed separately for Multi-Family, Commercial, and Drop Box Customers),
3270 which shall be equal to the total number of Organic Materials Customers
3271 divided by the total number of Solid Waste Customers.

3272 I. **On-Site Customer Assessments and Visual Audits.** Contractor shall report the
3273 number of and results of the site assessments conducted for Multi-Family and
3274 Commercial Customers, which are required by Article 7.

3275 J. **Summary Assessment.** Highlight significant accomplishments and problems.
3276 Identify recommendations and/or plans to improve services.

3277 K. **Public Education Plan.** The quarterly report submitted in October of each year
3278 shall include the public education plan for the coming year pursuant to Section 7.03
3279 of this Agreement.

3280 L. **Hazardous Waste Records.** A summary or copy of the Hazardous Waste records
3281 required under Section 8.07.D.

3282 M. **Operational Data.** Contractor shall provide GPS reports as requested by Agency
3283 or SBWMA. In addition, Contractor shall submit a summary of Collection route
3284 operational data including: average number of Customers and Containers serviced
3285 per route per Day for each Collection route; average number of actual both on-route

3286 and off-route hours per Day by route (distinguishing between normal and hard-to-
87 serve routes, if appropriate); and, one-hundred (100) largest generators based on
3288 weekly Solid Waste volumes (listed in descending order) within Agency for both
3289 Commercial and Multi-Family Customers. This reporting shall include, at a
3290 minimum: the name of the Customer; the name of the business; the address of the
3291 business; the type(s) of service received (e.g. Collection of Solid Waste, Single-
3292 Stream Targeted Recyclable Materials, Plant Materials, Food Scraps, Organic
3293 Materials, Source Separated cardboard, Source Separated paper, etc.); the volume
3294 of service received weekly measured in cubic yards; the frequency of service
3295 received measured in number of Collections per week; the diversion volume
3296 measured as total service level volume divided by Targeted Recyclables Materials
3297 and/or Organic Materials Collection volume; and, the change in service level from
3298 the prior quarter.

3299 **N. Commercial Recycling Promotion Program Status Report.** Contractor must
3300 prepare and submit, both quarterly and annually, to Agency and SBWMA, a
3301 Commercial Recycling Program Status Report. The Commercial Recycling Program
3302 Status Report shall include, but not be limited to:

3303 1. A summary of training and professional development activities for the
3304 Commercial Recycling Promotion and supervisory staff;

3305 2. A description of the strategy and overall approach to attract and retain a high
3306 quality and effective Commercial Recycling Promotion Program and
3307 supervisory staff;

3308 3. A description and status of meeting the goals and objectives for the
3309 Commercial Recycling Promotion team and how these goals and objectives
3310 are tied to the compensation incentive plan. (Contractor must explain how the
3311 stated goals and objectives will be accomplished if no compensation incentive
3312 plan is used.)

3313 4. A description of Contractor's sales strategy for maintaining and/or expanding
3314 the existing Commercial Recycling account base and diversion levels.

3315 5. A description of the services provided to the Commercial and Agency Facility
3316 sectors.

3317 6. A detailed accounting of diversion statistics for the Commercial and Agency
3318 Facility sectors.

3319 **O. Other Information.** Other information or reports that Agency may reasonably
3320 request or require be added to quarterly reporting. These requests may include,
3321 but shall not be limited to, information regarding On-Call Collection programs, Used
3322 Motor Oil and Used Motor Oil Filter Collection, and large Events and Venues
3323 Collection.

3324 **P. Determination and Payment of Performance Incentives and Disincentives.** In
3325 accordance with the requirements of Section 11.07, Contractor shall provide with its
3326 quarterly report, a report that identifies compliance with the performance standards
3327 listed in Attachment I and includes calculation of the Performance Incentive

3328 payments and disincentive assessments due. Performance incentives (in the form
3329 of increased compensation to Contractor) will be awarded by Agency for excellent
3330 performance on aspects of Solid Waste diversion, Collection service delivery and
3331 customer service as specified in Attachment I. Performance disincentives will be
3332 assessed by Agency for substandard performance on aspects of Solid Waste
3333 diversion, Targeted Recyclable Materials contamination, Organic Materials
3334 contamination, Plant Materials contamination, Collection service delivery and
3335 customer service specified in Attachment I.

3336 Contractor's payment of performance disincentives related to Contamination are to
3337 be included with submittal of Contractor's quarterly report to the SBWMA. All other
3338 performance incentives and disincentives payments are to be included in
3339 Contractor's annual Rate Application and Contractor's Compensation for the next
3340 Rate Year will be increased or decreased by the net amount of performance
3341 incentive payments and disincentive assessments calculated in the Application.
3342 Performance incentives and disincentives for Overall Diversion Level, Minimum
3343 Single-Family Diversion Level, Minimum Commercial Diversion Level,
3344 Contamination, Average Speed of Answer and Ninety (90) Second Maximum Hold
3345 Time shall be calculated in aggregate for the SBWMA Service Area and Agency's
3346 share shall be proportional based on the tons of Solid Waste Collected by
3347 Contractor for Rate Year One (2011) by Previous Contractor. Performance
3348 incentives and disincentives for Single-Family Missed Pick-Up Initial Complaints
3349 and Single-Family Missed Pick-Up Collection Events shall be calculated separately
3350 for each Agency.

3351 **9.07 ANNUAL REPORTS**

3352 Annual reports shall present the information described in this Section in addition to the
3353 information required for quarterly reports pursuant to Section 9.05.

3354 **A. Operational Information**

3355 1. Routes by Service Sector

- 3356 a. Number of routes per Day
- 3357 b. Types of vehicles
- 3358 c. Crew size per route
- 3359 e. Number of full-time equivalent routes
- 3360 f. Number of accounts per route
- 3361 g. Total hours per Service Sector per Day and per year
- 3362 h. Average cost per route
- 3363 i. Route sheets and maps

3364 2. Personnel

- 3365 a. Organizational chart
- 3366 b. Job classifications and number of full-time equivalent positions for each
3367 (e.g. administrative, customer service representatives, drivers,
3368 supervisors, educational staff, etc.)

- 3369 c. Annual wages by job classification including benefits
- 3370
- 3371 3. Productivity Statistics
 - 3372 a. Number of accounts per Service Sector
 - 3373 b. Number of set-outs per Service Sector
 - 3374 c. Tons per route per Day by Service Sector
- 3375 4. Operational Changes
 - 3376 a. Number of routes
 - 3377 b. Staffing
 - 3378 c. Supervision
 - 3379 d. Collection services
- 3380 5. Equipment - An inventory of equipment in accordance with Section 8.04.D.
- 3381 6. Billing - Billing review report in accordance with Section 7.01.F.
- 3382
- 3383 B. **Customer Account Information.** As part of the annual reporting requirement,
- 3384 Contractor shall make available to Agency detailed Customer account information
- 3385 in tabular format and in electronic format (in computer software format that is
- 3386 compatible with the Agency's) that includes, at a minimum, the following information
- 3387 for each Customer: account number; service address; assessor parcel number
- 3388 when and where agreed to by Contractor and Agency; Customer's name, address,
- 3389 and phone number; Billing contact name, Billing address, and phone number; Solid
- 3390 Waste, Targeted Recyclable Materials, and Organic Materials Collection service
- 3391 level (i.e., number of Containers, size of Containers, frequency of Collection, and
- 3392 Day(s) of Collection), and Rate charged. For Multi-Family Customers, the
- 3393 Customer account information shall also include the number of dwelling units at
- 3394 each Multi-Family Residential Complex.
- 3395
- 3396 C. **Customer Service Operations.** Contractor shall annually prepare and submit, to
- 3397 Agency and SBWMA, a Customer Service Operations Plan that shall include, at a
- 3398 minimum, the following sections:
- 3399 1. Customer Service Call Center
 - 3400 A. Provide the number CSR supervisory staff and describe their
 - 3401 responsibilities.
 - 3402 B. Contractor must describe its training strategy for CSR's and CSR
 - 3403 supervisory staff.
 - 3404 C. Contractor must describe its strategy and overall approach to attracting and
 - 3405 retaining a high quality CSR staff.
- 3406 2. Website
 - 3407 A. Number of on-line payments made
 - 3408 B. Number of On-Call Collection Services scheduled
 - 3409 C. Number of On-Call Bulky Goods Collections scheduled
 - 3410 D. Number of extra Solid Waste pick-ups scheduled
 - E. Number of service changes requested
 - F. Number of Complaints documented and resolved
- 3. Customer Information System

- 3411 A. Status of any changes or upgrades made to system software
3412 B. Description of proposed changes to system software
3413 C. Explanation and schedule of training activities
3414 4. Staffing
3415 5. Commercial customer service
- 3416 D. **Related Party Entities.** Contractor agrees that all financial transactions with all
3417 Related Party Entities shall be approved in advance in writing and disclosed
3418 annually (coinciding with Contractor's annual audited financial statements referred
3419 to in this Section 9.07) to the Agency in a separate disclosure letter to the Agency.
3420 This letter shall include the following information: a general description of the nature
3421 of each transaction, or type of (for many similar) transaction, as applicable. Such
3422 description shall include for each (or similar) transaction, amounts, specific Related
3423 Party Entity, basis of amount (how amount was determined), and description of the
3424 allocation methodology used to allocate any common costs. Amounts shall be
3425 reconciled to the Related Party Entity disclosures made in Contractor's annual
3426 audited financial statements referred to in this Section.
- 3427 At the Agency's request, Contractor shall provide the Agency with copies of working
3428 papers or other documentation deemed relevant by the Agency relating to
3429 information shown in the annual disclosure letter. The annual disclosure letter shall
3430 be provided to the Agency within sixty (60) Business Days of Contractor's Fiscal
3431 Year end.
- 3432 E. **Contractor's Review of Billings.** Pursuant to the requirements described in
3433 Section 7.01.F, Contractor shall submit a report on its review of Billings.
- 3434 F. **Determination and Payment of Liquidated Damages.** In accordance with the
3435 requirements of subsections 14.07 and 11.07.D, Contractor shall provide with its
3436 annual report, a report that identifies any non-compliance with the performance
3437 standards listed in Attachment J and includes calculation of the Liquidated
3438 Damages due. This report shall be accompanied by supporting documentation
3439 identifying Contractor's compliance or non-compliance with the specified
3440 performance standards. The report submittal shall be accompanied by a check
3441 from Contractor in the amount of the Liquidated Damages due (per Contractor's
3442 calculation and self-reporting) for the reporting period.
- 3443 G. **Determination and Payment of Performance Incentives and Disincentives.** In
3444 accordance with the requirements of subsection 11.07, Contractor shall provide
3445 with its annual report, a report that identifies any non-compliance with the
3446 performance standards listed in Attachment I and includes calculation of the
3447 Performance Incentive payments and Disincentive assessments due. Performance
3448 Incentives (in the form of increased compensation to Contractor) will be awarded by
3449 Agency for excellent performance on aspects of Solid Waste diversion, Collection
3450 service delivery and customer service as specified in Attachment I. Performance
3451 disincentives will be assessed by Agency for substandard performance on aspects
3452 of Solid Waste diversion, Collection service delivery and customer service specified
3453 in Attachment I.

3454 Payment related to Performance Incentives and Disincentives, other than those
3455 related to Contamination, are to be included in Contractor's annual Rate Application
3456 and Contractor's Compensation for the next Rate Year will be increased or
3457 decreased by the net amount of Performance Incentive payments and Disincentive
3458 assessments calculated. Performance Incentives and Disincentives shall be
3459 calculated as specified in Section 9.06.P.

3460 **9.08 REQUIRED SPECIFIC REPORTING**

3461 Event-specific reports shall be submitted following the occurrence of the event as
3462 described in this Section.

3463 A. **Report of Accumulated Solid Waste; Unauthorized Dumping.** As required by
3464 Section 7.07, Contractor shall report: (i) the addresses of any Premises at which
3465 the driver observes that Solid Waste, Targeted Recyclable Materials, and/or
3466 Organic Materials is accumulating; and (ii) the address, or other location
3467 description, at which Solid Waste, Targeted Recyclable Materials, and/or Organic
3468 Materials has been dumped in an apparently unauthorized manner. The report
3469 shall be delivered to the Agency within one (1) Business Day of such observation.

3470 B. **Hazardous Waste.** As required by Section 8.07, the Contractor shall notify the
3471 Agency of any Hazardous Waste identified in Containers or left at any Premises
3472 within twenty-four (24) hours of identification of such material.

3473 C. **Reporting Adverse Information.** Contractor shall provide Agency two (2) copies
3474 (one (1) to the Agency Manager, one (1) to the Agency Attorney) of all reports,
3475 pleadings, applications, notifications, Notices of Violation, communications or other
3476 material relating specifically to Contractor's performance of services pursuant to
3477 this Agreement, submitted by Contractor to, or received by Contractor from, the
3478 United States or California Environmental Protection Agency, the California
3479 Integrated Waste Management Board, the Securities and Exchange Commission or
3480 any other federal, State, County, or local agency, including any federal or State
3481 court. Copies shall be submitted to Agency simultaneously with Contractor's filing
3482 or submission of such matters with said agencies. Contractor's routine
3483 correspondence to said agencies need not be submitted to Agency, but shall be
3484 made available to Agency promptly upon Agency's written request.

3485 **9.09 UPON-REQUEST REPORTING**

3486 A. **Holiday Tree Services.** Within ten (10) Business Days of Agency's request,
3487 Contractor shall report the Tonnage of Holiday Trees collected at the Drop Box
3488 sites or at drop-off sites (if drop-off sites were established).

3489 B. **Other.** The Agency reserves the right to request additional reports from the
3490 Contractor, and the Contractor shall deliver such reports within twenty-five (25)
3491 Business Days of such request provided that such information is similar in nature to
3492 the required elements of the monthly, quarterly or annual reporting requirements
3493 described in Sections 9.05, 9.06, and 9.07. If the information requested by the
3494 Agency is not typically part of the Contractor's reporting requirements described in
3495 Sections 9.05, 9.06, and 9.07, Contractor shall provide such information if the
3496 Contractor is required to maintain the information under the record-keeping
3497 requirements described in Sections 9.01, 9.02, and 9.03.

3498

ARTICLE 10 FRANCHISE FEE AND OTHER FEES

3499 **10.01 GENERAL**

3500 The fees described in this Article shall be treated as Pass-Through Costs for the
3501 purposes of determining Contractor's Compensation and shall be recoverable through
3502 the Rates that Contractor charges to Customers. Contractor shall separately identify
3503 any of the fees established under this Article on Customer bills if directed to do so by
3504 Agency.

3505 **10.02 FRANCHISE FEE**

3506 In consideration of the exclusive franchise granted to Contractor by this Agreement, and
3507 to reimburse Agency for costs incurred in administering this Agreement, Contractor shall
3508 pay to Agency a Franchise Fee specified in Attachment M.

3509 **10.03 OTHER FEES**

3510 Agency has adopted or may adopt other fees which are intended to recover the costs of
3511 services related to solid waste management, recycling, cleanliness of public streets
3512 and/or public litter and recycling containers through inclusion in solid waste/recycling
3513 collection Rates. The other fees currently in effect, or which are expected to be in effect
3514 as of January 1, 2011 are also listed on Attachment M, which may be amended.

3515 **10.04 TIME AND METHOD OF PAYMENT**

3516 On or before the twentieth (20th) day after the end of each month, Contractor shall pay
3517 to Agency (i) the amount of the Franchise Fees due on Gross Revenues Billed during
3518 the immediate previous month, (ii) one-twelfth of any other fee established by Agency
3519 unless Agency directs a different payment schedule for such other fees.

3520 Contractor shall provide, concurrently with the payment of fees, a statement showing the
3521 calculation of each fee, including the Gross Revenues Billed from Customers in each
3522 Service Sector for that month. The statement shall be in a format, and contain the level
3523 of detail, specified by Agency. Payments from Contractor to Agency shall be made by
3524 wire transfer or other method authorized by Agency.

3525 If a fee is not paid on time, Contractor shall pay a late payment charge equal to two
3526 percent (2%) of the fees due for that month. In addition, Contractor shall pay an
3527 additional two percent (2%) on any unpaid balance for each thirty (30) Day period a
3528 portion of the fee due remains unpaid. Late payment charges are not included in
3529 Contractor's Compensation and may not be recovered through Rates. Changes to
3530 Contractor's Compensation to reflect increases or decreases in fees, or the addition of
3531 new fees, are not subject to the Special Compensation Review provisions in Section
3532 11.05.

3533 **10.05 ADJUSTMENTS TO FEES; ADDITIONAL FEES**

3534 Agency may from time to time adjust the amount of the fees described in this Article and
3535 may establish other fees which shall be set forth in attachment M as amended.
3536 Changes in the total amount of fees to be collected by Contractor and remitted to
3537 Agency shall be reflected in an adjustment to Contractor's Compensation and Rates.

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**ARTICLE 11 CONTRACTOR'S COMPENSATION, PASS-THROUGH
 COSTS, AND RATES**

3540 **11.01 OVERVIEW**

- 3541 A. Contractor's Compensation, which shall be paid by Rate Payers, includes three
3542 components:
- 3543 1. Annual Cost of Operations. These include the cost of labor, equipment,
3544 materials and supplies, fuel, insurance, bonds, taxes, overhead and all other
3545 costs necessary to perform all the services required, in the manner required, by
3546 this Agreement, with the exception of costs identified in subsection A.3.
- 3547 2. Profit. Contractor's profit is determined by applying the Operating Ratio of ninety
3548 and one-half percent (90.5%) to annual costs of operation described in
3549 subsection A.1.
- 3550 3. Contractor Pass-Through Costs. These consist of costs which Contractor is
3551 obligated to pay but on which Contractor does not earn a profit and currently
3552 consist of: (i) interest; and (ii) regulatory agency fees.
- 3553 B. Attachment N includes baseline financial and operational information which is used
3554 to calculate Contractor's Compensation. The Annual Costs of Operation, Profit,
3555 and Contractor Pass-Through Costs shown on Attachment N: (i) are based on
3556 Contractor's Proposal; (ii) are allocated among Member Agencies using the
3557 methodology specified in Attachment K, Section 6; and (iii) have been adjusted to
3558 reflect refinements in the scope of services and decisions by individual Member
3559 Agencies as to specific programs, levels of service or other unique factors affecting
3560 only their jurisdiction.
- 3561 C. Contractor's Compensation for Rate Year One will be determined as provided in
3562 Section 11.02.A. Annually thereafter, Contractor's Compensation will be adjusted
3563 as provided in Section 11.02.B, C and D.
- 3564 D. After the conclusion of each Rate Year, SBWMA will conduct a revenue
3565 reconciliation process as provided in Section 11.03. The purpose of this procedure
3566 is to reconcile Net Revenues Billed by Contractor for a Rate Year with the approved
3567 Contractor's Compensation. Adjustments to Contractor's Compensation will be
3568 made in a subsequent year to recover any excess revenue from Contractor or to
3569 compensate Contractor for a revenue shortfall.
- 3570 E. However, no adjustments to Contractor's Compensation will be made for
3571 differences between Costs of Operation or Pass-Through Costs as calculated and
3572 as actually incurred, with the exception of cost differences due to changes in scope
3573 of services (Section 11.06) or as authorized by a Special Compensation Review
3574 (Section 11.05). If Contractor's actual Costs of Operation are more or less than the
3575 amounts included in the annual calculation of Contractor's Compensation,
3576 Contractor is neither entitled to an increase in compensation, nor subject to a
3577 reduction in compensation, in future Rate Years.

3578 **11.02 DETERMINATION OF CONTRACTOR'S COMPENSATION**

3579 A. **Contractor's Compensation for Rate Year One (2011).** Contractor's
3580 Compensation for 2011 shall be determined in 2010. Costs shown on Attachment N
3581 will be adjusted to reflect changes from 2008 when Contractor submitted its
3582 Proposal, for the following factors:

- 3583 • Inflation;
- 3584 • Wage rates and benefits for employees covered by collective bargaining
3585 agreements;
- 3586 • Capital equipment costs; and
- 3587 • Customer account and service levels.

3588 All as provided in Attachment K, Section 3.

3589 If Contractor enters into a franchise agreement with any other Member Agency which
3590 uses a substantially different methodology for calculating Contractor's Compensation
3591 than that set forth in Article 11 and Attachments K and N of this Agreement, then (i) for
3592 purposes of calculating Contractor's Compensation under this Agreement, Contractor's
3593 costs of providing service to such other Member Agency shall continue to be calculated
3594 and allocated using the methodology set forth in Attachments K and N and (ii)
3595 Contractor's Compensation for providing service to such other Member Agency shall be
3596 as set forth in the franchise agreement between it and Contractor. Any such franchise
3597 agreement shall (i) implement the performance incentives and disincentives provided for
3598 in this Agreement and (ii) require Contractor to pay sums due to SBWMA for delivery of
3599 materials from such Member Agency to the SRDC.

3600 B. **Contractor's Compensation for Rate Year Two (2012).** Contractor's
3601 Compensation for 2012 shall be based on Contractor's Compensation for 2011
3602 adjusted to reflect inflation, changes in wage rates and benefits for employees
3603 covered by collective bargaining agreements.

3604 C. **Contractor's Compensation for Rate Year Three (2013).** Contractor's
3605 Compensation for 2013 shall be based on Contractor's Compensation for 2012
3606 adjusted to reflect inflation, changes in wage rates and benefits for employees
3607 covered by collective bargaining agreements, 2013 Customer account and service
3608 levels, and the difference between Contractor's Compensation approved for 2011
3609 and Net Revenues Billed for 2011. The adjustment for Customer account and
3610 service levels shall be the final adjustment made during the Term for those
3611 variables.

3612 D. **Contractor's Compensation for Rate Year Four (2014) and Subsequent Years.**
3613 Contractor's Compensation shall be adjusted annually, commencing with the
3614 determination of Contractor's Compensation for Rate Year Four (2014) and
3615 continuing through the remaining Term including any extension periods to reflect
3616 inflation, changes in wages and benefits for employees covered by collective
3617 bargaining agreements in effect as of the Commencement Date of this Agreement,
3618 and the difference between Contractor's Compensation approved for the prior year
3619 (e.g., 2012) and Net Revenues Billed for 2012 and similarly for subsequent years.

3620 For Rate Year Four (2014) through the last Rate Year of the Term, no changes to
3621 Contractor's Compensation will be made to reflect actual costs or to reflect changes
3622 in Customer account and service levels.

3623 **11.03 ANNUAL REVENUE RECONCILIATION PROCESS**

3624 After completion of each Rate Year, a revenue reconciliation process will be
3625 implemented as provided in this section and described in Attachment K, Section 8.

3626 The purpose of this process is to determine the difference between the actual Net
3627 Revenues Billed by Contractor for the preceding Rate Year and the Contractor's
3628 Compensation approved for that Rate Year.

3629 The Contractor shall submit a report to Agency and SBWMA on or before March 31 of
3630 each Rate Year, commencing March 31, 2012.

3631 The report shall include the following information (items) for the preceding Rate Year:

3632 **A. Gross Revenue Billed.** Gross Revenue Billed is the total amount billed by
3633 Contractor to Customers for all services attributable to the Rate Year in question.
3634 The report will identify the amount attributable to each Member Agency. (In the
3635 case of agencies that bill Customers directly for some or all of the services provided
3636 by Contractor, Gross Revenue Billed will include all amounts paid to Contractor by
3637 those agencies.)

3638 **B. Payments to SBWMA.** Payments to SBWMA are the amounts charged by SBWMA
3639 for delivery of materials to the Designated Transfer and Disposal Facility. They do
3640 not include payments to SBWMA pursuant to Section 6.02 for excess
3641 contamination. The report will identify the amount of these payments attributable to
3642 each Member Agency, using the methodology described in Attachment K, Section
3643 6.

3644 **C. Payments to Agencies for Franchise Fees and other fees described in Article**
3645 **10.** The report will identify the amount of these payments attributable to the Rate
3646 Year in question made to each Member Agency.

3647 **D. Revenues Attributable to Unscheduled Service.** Contractor is obligated to
3648 provide some services to Customers or Member Agencies on an unscheduled "on-
3649 call" or intermittent basis. A list of these unscheduled services is included as
3650 Attachment Q.

3651 Because the amount of such services may vary from year to year and is
3652 unpredictable, the costs and revenues associated with them are not included in
3653 SBWMA's prospective calculation of Contractor's Compensation. The report shall
3654 identify the amount of billings for unscheduled or intermittent service for each
3655 Member Agency.

3656 Net Revenue Billed equals the result obtained by subtracting the sum of items B, C and
3657 D from item A [i.e., $A - (B+C+D)$].

3658 Liquidated Damages assessed by Member Agencies pursuant to Section 14.07 are not
3659 included in the revenue reconciliation process. Similarly, performance incentive
3660 payments and performance disincentive assessments provided for in Section 11.07 are
3661 not included in the revenue reconciliation process.

3662 The SBWMA will review the report and underlying financial data for accuracy, will confer
3663 with Member Agencies to confirm data as to each agency, and will meet with Contractor
3664 to resolve any errors or inconsistencies.

3665 The SBWMA will incorporate its conclusions as to revenue shortfalls or revenue
3666 surpluses experienced by Contractor as to each Member Agency into its calculation of
3667 Contractor's Compensation for the following Rate Year distributed to all Member
3668 Agencies in the Fall of each year.

3669 The revenue reconciliation process will not be conducted for the last Rate Year of the
3670 Agreement. As a result, Contractor shall not be compensated for, nor obligated to
3671 rebate, any difference between Contractor's Compensation established for that Rate
3672 Year and actual Net Revenue Billed for that Rate Year.

3673 **11.04 APPLICATION PROCESS FOR CONTRACTOR'S COMPENSATION**

3674 A. **Application Date and Content.** Contractor shall prepare and submit to Agency
3675 and SBWMA by July 1 of each year, beginning on July 1, 2010, an Application for
3676 determination of Contractor's Compensation for the next Rate Year. This
3677 Application will cover all Member Agencies and will allocate total costs to each
3678 Member Agency using the allocation methodology prescribed in Attachment K and
3679 illustrated in Attachment N. Contractor shall provide any additional information
3680 requested by the Agency or by SBWMA during its review of the Application.

3681 B. **Review of Application.** The Application shall be reviewed by SBWMA for
3682 accuracy and consistency with the procedures for determining Contractor's
3683 Compensation specified in this Agreement as described in Attachment K. SBWMA
3684 shall share with Contractor any factual or calculation errors identified in the
3685 Application and Contractor shall have the opportunity to revise its Application.

3686 C. **SBWMA Report on Application.** As provided in Attachment K, Authority staff shall
3687 distribute, on or before September 1 of each year, a report in draft form which (i)
3688 identifies the amount of Contractor's Compensation and Pass-Through Costs
3689 allocable to Agency for the following Rate Year and (ii) provides an overall
3690 percentage increase or decrease in Agency's collection Rates which SBWMA
3691 calculates will generate Customer revenues sufficient to cover Contractor's
3692 Compensation and Pass-Through Costs.

3693 SBWMA will take into account comments received from Agency and other Member
3694 Agencies within 10 days after distribution of the report in draft form. A final report
3695 will be presented to and considered by the SBWMA Board of Directors and
3696 approved for distribution to all Member Agencies on or before October 1 of each
3697 year. The determination of Contractor's Compensation, the estimation of Pass-
3698 Through Costs, and the allocation of costs among Member Agencies contained in
3699 the final Report shall be binding on Contractor and Agency.

3700 **11.05 SPECIAL COMPENSATION REVIEW**

3701 A. **Eligible Items.** The Contractor may apply to the Agency for consideration of a
3702 special review of Contractor's Compensation, and the Agency may initiate such a
3703 review, if one or more of the following occur and cause an increase in or decrease
3704 to Contractor's Compensation by two percent (2%) or more for the then-current
3705 Rate Year:

- 3706 1. Provision of emergency services pursuant to Section 7.08.
- 3707 2. Flood, earthquake, or other similar catastrophic event affecting the Agency
3708 which is beyond the control of and not the fault of the Contractor.
- 3709 3. Change in Law occurring after the Effective Date.
- 3710 4. Changes in the rates charged for Backyard Collection Service and/or Curbside
3711 Collection Service that alter the price differential between the two, causing
3712 Customers to migrate from one to the other, with the result of increasing or
3713 decreasing Contractor's annual cost of operation by two percent (2%) or more.

3714 A special compensation review must be requested by Contractor, or initiated by
3715 Agency, within twelve (12) months after one of the above-described events has
3716 occurred.

3717 B. **Ineligible Items.** A special review of Contractor's Compensation may not be
3718 initiated for any of the following reasons:

- 3719 1. Increases or decreases in Contractor's cost of operations in excess of the
3720 adjustments provided through the annual adjustment mechanism described in
3721 Attachment K.
- 3722 2. Growth or decline in the number of Customers or their service levels, with the
3723 exception of adjustments made when determining Contractor's Compensation
3724 for Rate Year One (2011) and Rate Year Three (2013).
- 3725 3. Changes in the mix of Container sizes or frequency of Collection, with the
3726 exception of adjustments made when determining Contractor's Compensation
3727 for Rate Year One (2011) and Rate Year Three (2013).

3728 C. **Review of Costs.** Agency shall have the right to review any and all financial and
3729 operating records of Contractor. Agency will take into account the net overall impact
3730 of the event on Contractor's costs, including reductions in cost resulting from
3731 curtailments in service levels or other factors.

3732 D. **Submittal of Request.** Contractor must submit its request for a special review in a
3733 form and manner specified by the Agency, together with required cost and
3734 operational data. Agency will review the request and determine the amount owed,
3735 if any, to Contractor and the time period to be covered by special compensation
3736 circumstances.

3737 E. **Burden of Justification.** In a special compensation review under this section,
3738 Contractor shall bear the burden of justifying to the Agency by substantial evidence
3739 its entitlement to continuation of current, as well as any increases in, Contractor's
3740 Compensation. If the Agency determines that the Contractor has not met its
3741 burden, it shall notify Contractor that it is prepared to deny Contractor's request for

3742 an increase in compensation, or to proceed with a reduction in compensation.
3743 Within ten (10) days after such notice, Contractor may request a hearing before the
3744 Agency's governing body to produce additional evidence. Upon such request, the
3745 Agency shall provide a hearing before the Agency governing body.

3746 F. **Hearing.** Based on evidence presented to it, including, that submitted by
3747 Contractor, the Agency governing body may grant some, all, or none of the
3748 requested increase in, or may reduce, Contractor's Compensation. In the event
3749 Agency denies Contractor's requested increase in whole or in part, Contractor shall
3750 have the right to present its claim to a court of competent jurisdiction.

3751 G. **Cost of Review.** Contractor shall bear all reasonable costs incurred by Agency
3752 (including assistance provided to it by SBWMA) of a special review which it has
3753 requested up to a maximum of fifty-thousand dollars (\$50,000). Costs of a review
3754 requested by Contractor may not be included in Contractor's Compensation,
3755 charged to Agency or Customers, nor included in the calculation used as rationale
3756 to initiate a special compensation review.

3757 **11.06 COMPENSATION ADJUSTMENTS FOR CHANGES IN SCOPE OF SERVICES OR**
3758 **SERVICE LEVELS**

3759 In the event the Agency directs a change in accordance with Section 15.12 of this
3760 Agreement, an equitable adjustment in Contractor's Compensation will be made,
3761 effective with the commencement of the change, to reflect increases or decreases, if
3762 any, in Contractor's costs. The adjustment in compensation will also reflect the
3763 corresponding change in profit. The change in Contractor's Compensation will therefore
3764 consist of the sum of (i) the incremental change to costs, and (ii) profit adjustment at the
3765 allowed operating ratio of ninety and one-half percent (90.5%).

3766 Within forty-five (45) Days of a request by Agency to initiate a change in service,
3767 Contractor shall present a proposal to Agency containing a complete description of the
3768 following, if and to the extent applicable:

- 3769 1. Collection methodology to be employed.
- 3770 2. Equipment to be utilized (number of vehicles, types, capacity, age, etc.).
- 3771 3. Labor requirements (number of employees by classification).
- 3772 4. Type of Containers to be used.
- 3773 5. Description of program publicity/education/marketing materials to be developed.
- 3774 6. Estimated Tonnage to be diverted and the methodology for determining that
3775 diverted Tonnage.
- 3776 7. Anticipated impacts of the change, if any, on performance incentive and
3777 disincentive measures included in Attachment I.
- 3778 8. Description of end uses of Collected material.
- 3779 9. Three (3) year projection of the financial impact of the program's operations in a
3780 balance sheet and operating statement format including documentation of the key
3781 assumptions underlying the projections and the support for those assumptions,

3782 giving full effect to the savings or costs to existing services and the rate impact to
3783 affected Customers.

3784 10. Monitoring tools and quantitative measures including: cost per Ton; annual
3785 diversion; and pre-implementation as well as expected post-implementation route
3786 information including cost per route and accounts or lifts per route per Day.

3787 **11.07 RATE-SETTING PROCESS**

3788 A. **General.** The Agency shall be solely responsible for establishing and adjusting
3789 Rates as described in this Article.

3790 B. **Annual Review Process.**

3791 (1) The Rates shall be reviewed annually by Agency, commencing with Rate Year
3792 One (2011) and continuing through the remaining Term including any extension
3793 periods. The Agency shall adjust Rates as necessary to generate annual Gross
3794 Revenues Billed equal to Contractor's Compensation approved for the Rate Year
3795 and approved Pass-Through Costs.

3796 (2) If the Agency elects to set rates that are below those recommended in the
3797 SBWMA report, (or delays acting to revise rates such that the recommended rates
3798 do not go into effect until after January 1), and the Revenue Reconciliation process
3799 conducted by SBWMA for that Rate Year demonstrates that Net Revenues Billed
3800 were less than the approved Contractor's Compensation contained in the SBWMA
3801 report, interest shall accrue on the difference. Interest shall apply (i) to fifty percent
3802 (50%) of the difference during the Rate Year in which the shortfall in revenue
3803 occurred, and (ii) one-hundred percent (100%) of the difference during the
3804 immediately following Rate Year. The interest rate applied to both years shall be
3805 the prime rate in effect when SBWMA issued the report for that Rate Year plus one
3806 percent (1%).

3807 C. **Rate Structure.** The Agency shall have the sole and exclusive right to change the
3808 relationship of individual Rates in comparison with other Rates and to allocate total
3809 costs among Service Sectors and Lines of Business. However, the Agency will not
3810 direct Contractor to charge Customers a Rate less than the cost for Contractor to
3811 provide Backyard Collection Service specified in Attachment Q without considering
3812 Contractor's written comments regarding the proposed change. If a change in the
3813 Rates charged for Backyard Collection service or Curbside Collection service
3814 causes a Customer migration from one to the other which in turn increases or
3815 decreases Contractor's annual cost of operation by two percent (2%), or more,
3816 either party may initiate a special compensation review as specified in Section
3817 11.05.

3818 If at any time Contractor believes that a Rate not included in the Agency approved
3819 Rate schedule would be necessary or useful, Contractor shall notify the Agency and
3820 recommend establishment of such Rate. For example, if a Customer requests
3821 Collection of a fifteen (15) cubic yard Compactor five (5) times per week and the
3822 Agency-approved Rate schedule does not include this level of service, the
3823 Contractor shall recommend that the Agency establish a Rate for this level of
3824 service.

3825 D. **Liquidated Damages.** Contractor shall pay Agency the amounts, if any, due for
3826 Liquidated Damages under Section 14.07 and Attachment J with submittal of its
3827 annual report to Agency pursuant to Section 9.07.

3828 E. **Performance Incentives and Disincentives.** Contractor shall submit an annual
3829 report on the Performance Incentives and Disincentives detailed in Attachment I
3830 with submittal of its quarterly and annual reports to Agency and SBWMA pursuant
3831 to Section 9.06 and Section 9.07. Contractor may pay Agency or Agency may pay
3832 Contractor the net amount, if any, due for Performance Incentives and
3833 Disincentives calculated pursuant to section 11.07, Attachment I, and Attachment
3834 N.

3835 Payment related to Performance Incentives and Disincentives are to be included in
3836 Contractor's Application, with the exception of Disincentive assessments calculated
3837 quarterly pertaining to Contamination which are paid directly to the SBWMA, and
3838 Contractor's Compensation for the next Rate Year will be increased or decreased
3839 by the net amount of Performance Incentive payments and Disincentive
3840 assessments calculated.

3841 **11.08 NOTICE OF RATE ADJUSTMENTS**

3842 If requested by Agency, Contractor shall provide Agency with a complete and current list
3843 of its Customer service addresses within ten (10) Days of the request. In addition, if
3844 requested by Agency, Contractor shall arrange for notices (prepared by Agency) to be
3845 mailed.

3846 **11.09 POTENTIAL RATE CONSTRAINTS**

3847 A. The parties recognize that, as of the date this Agreement is entered into, there is no
3848 authoritative judicial determination of whether Articles 13.C and D of the California
3849 Constitution apply to charges imposed by private enterprises for Solid Waste handling
3850 and Recycling services when those charges are regulated by a local government.

3851 B. The Agency will not be in default of this Agreement if (i) a majority protest prevents a
3852 proposed Rate increase from being adopted, (ii) a court rules that Rates adopted by the
3853 Agency are not consistent with Article 13.D, or (iii) an initiative reduces Rates from those
3854 in effect. After any such event, the Parties shall promptly meet and confer in good faith
3855 to consider modifications to service levels commensurate with the Rates that Contractor
3856 may legally charge.
3857

3858 C. The County of San Mateo shall not, under any circumstances, be required to pay
3859 County funds to compensate Contractor for revenue shortfalls that may result of any of
3860 the events described in section 11.09.B.
3861

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ARTICLE 12 AGENCY RIGHT TO USE EQUIPMENT AND FACILITIES

3863 12.01 PURPOSE

3864 The Parties recognize (i) that frequent and continuous collection of Solid Waste,
3865 Targeted Recyclable Materials and Organic Materials is an essential public service and
3866 an important element of public health in developed communities such as Agency, and
3867 (ii) that even a temporary interruption in the Collection and transport services entrusted
3868 to Contractor may threaten the public health and safety, as well as causing serious
3869 financial harm to business operations in the Agency.

3870 The purpose of this Article is to provide the Agency the ability to respond to such threats
3871 to the public health, safety and welfare by making use of Contractor's Facilities and
3872 equipment. This Article applies to any interruption of services, regardless of whether or
3873 not Contractor's failure to perform is excused under Section 14.09.

**3874 12.02 CONDITIONS AUTHORIZING AGENCY'S RIGHT TO USE OF FACILITIES AND
3875 EQUIPMENT**

3876 If Contractor, for any reason, fails, refuses or is unable to Collect Solid Waste, Targeted
3877 Recyclable Materials and Organic Materials at the times and in the manner required by
3878 this Agreement, and transport them to the Designated Transfer and Processing Facility,
3879 for more than two (2) Business Days, Agency may invoke this Article. Agency shall
3880 provide Contractor written notice that it intends to consider invoking this Article at a
3881 public meeting of its governing body, to be held two (2) or more Business Days from the
3882 date of the notice.

3883 At the meeting, the governing body may invoke its rights under this Article if it
3884 determines that there has been an interruption in Collection service and that such
3885 interruption may continue, thereby threatening the public health, safety and welfare. If
3886 the governing body makes that determination, it may also determine to exercise the
3887 Agency's right to (i) perform Collection and transport services with its own personnel
3888 and/or those of other Member Agencies which have invoked this right under their
3889 Franchise Agreements with Contractor or authorize a third party to do so, and (ii) take
3890 possession of any of Contractor's property, including vehicles and other equipment used
3891 or useful in providing such services or in the Billing and collection of fees for such
3892 services (collectively "Properties").

3893 12.03 NOTICE TO CONTRACTOR

3894 Agency shall deliver written notice to Contractor of its determination to exercise its right
3895 to provide Collection services and to make use of Contractor's Properties to do so.
3896 Upon receipt of the notice, Contractor shall immediately take all steps necessary to
3897 make available to Agency any of its vehicles and equipment that are requested by
3898 Agency. Contractor shall also cooperate in any other way requested by Agency to
3899 assist Agency in providing Collection services on a temporary basis.

3900 12.04 RIGHTS AND RESPONSIBILITIES OF PARTIES

3901 Agency will be responsible for the proper use and operation of Contractor's Properties,
3902 including maintenance and repair of vehicles and equipment. Agency will defend,

3903 indemnify and hold Contractor harmless from claims by third parties that are due solely
3904 to Agency's negligence in operating Contractor's vehicles or equipment, and not due in
3905 whole or in part to defects in the design or manufacture of the vehicles or equipment or
3906 to Contractor's failure to maintain them in good and safe operating condition.

3907 If the interruption in service is excused under Section 14.09, Agency will pay Contractor
3908 one hundred dollars (\$100) per Business Day per vehicle, which will constitute full
3909 compensation for use of all Properties. If the interruption in service constitutes a breach
3910 of contract or default, no payment is required.

3911 Revenue received from Customers that is attributable to the period of time during which
3912 Agency provides temporary Collection service shall accrue to Agency rather than
3913 Contractor.

3914 Agency may delegate the use and operation of any or all of Contractor's Properties to a
3915 third party.

3916 If the interruption of Collection service is caused by a breach of contract or default by
3917 Contractor, Liquidated Damages and performance disincentives will continue to accrue
3918 until Contractor resumes the provision of Collection services in full compliance with the
3919 Agreement.

3920 **12.05 DURATION OF AGENCY'S RIGHT TO POSSESSION AND USE OF**
3921 **VEHICLES/EQUIPMENT**

3922 Agency may retain possession of Contractor's Properties and provide Collection
3923 services until the Contractor demonstrates to Agency's satisfaction that it is ready,
3924 willing and able to resume providing such services, or one hundred eighty (180) Days
3925 from the notice given under Section 12.03, whichever occurs first.

3926 Agency has no obligation to exercise its rights under this Article or, having done so, to
3927 continue to provide Collection services. It may at any time, in its sole discretion,
3928 relinquish possession of Contractor's Properties to Contractor.

3929 Contractor's Properties shall be returned to Contractor in a condition substantially the
3930 same as that which existed at the time the Agency took possession of them, ordinary
3931 wear and tear excepted.

3932 **12.06 GENERAL**

3933 The Agency's exercise of its rights under this Article, (i) does not constitute taking or
3934 damaging of property for which compensation (other than as provided in this Article)
3935 must be paid, (ii) does not exempt Contractor from its indemnity obligations under Article
3936 13, which are meant to extend to circumstances arising under this Article, provided that
3937 Contractor is not required to indemnify Agency against claims arising from the sole
3938 negligence of Agency's employees or agents in the operation and use of Contractor's
3939 Properties during the time the Agency has sole possession of them.

3940 The Agency's exercise of its rights under this Article does not limit its ability to seek any
3941 of the remedies available to it under Article 14.

3942 The Agency's rights under this Article do not preclude its permanent acquisition of
43 Contractor's vehicles and equipment used in providing service to Agency through the
3944 exercise of eminent domain.

3945 **ARTICLE 13 INDEMNITY, INSURANCE, BOND, GUARANTY**

3946 **13.01 INDEMNIFICATION**

3947 Contractor shall indemnify, defend and hold harmless Agency, its officers, employees
3948 and agents (collectively, the "Indemnitees"), from and against (i) any and all liability,
3949 penalty, claim, demand, action, proceeding or suit, of any and every kind and
3950 description, whether judicial, quasi-judicial or administrative in nature, (ii) any and all
3951 loss including, but not limited to, injury to and death of any person and damage to
3952 property, and (iii) contribution or indemnity demanded by third parties (collectively, the
3953 "Claims"), arising out of or occasioned in any way by, directly or indirectly, Contractor's
3954 performance of, or its failure to perform, its obligations under this Agreement. The
3955 foregoing indemnity shall not apply to the extent that a Claim is caused solely by the
3956 active negligence or intentional misconduct of the Indemnitees, but shall apply if the
3957 Claim is caused by the joint negligence of Contractor and other Persons, including an
3958 Indemnatee. Upon the occurrence of any Claim, Contractor shall defend (with attorneys
3959 reasonably acceptable to Agency) the Indemnitees. Contractor's duty to defend and
3960 indemnify shall survive the expiration or earlier termination of this Agreement.

3961 **13.02 INSURANCE**

3962 **A. Types and Amounts of Coverage.** Contractor shall procure from an insurance
3963 company or companies admitted to do business in the State of California, and shall
3964 maintain in force at all times during the Term, the following types and amounts of
3965 insurance:

3966 1. **Workers' Compensation and Employer's Liability.** Contractor shall maintain
3967 workers' compensation insurance covering its employees in statutory amounts
3968 and otherwise in compliance with the laws of the State of California. Contractor
3969 shall maintain employer's liability insurance in an amount not less than one
3970 million dollars (\$1,000,000) per accident or disease. Contractor shall not be
3971 obligated to carry workers compensation insurance if (i) it qualifies under
3972 California law and continuously complies with all statutory obligations to self-
3973 insure against such risks; (ii) furnishes a certificate of Permission to Self Insure
3974 issued by the Department of Industrial Relations; and (iii) furnishes updated
3975 certificates of Permission to Self Insure periodically to evidence continuous self
3976 insurance.

3977 2. **Comprehensive General Liability.** Contractor shall maintain comprehensive
3978 general liability insurance with a combined single limit of not less than ten million
3979 dollars (\$10,000,000) per occurrence covering all claims and all legal liability for
3980 personal injury, bodily injury, death, and property damage, including the loss of
3981 use thereof, arising out of, or occasioned in any way by, directly or indirectly,
3982 Contractor's performance of, or its failure to perform, services under this
3983 Agreement.

3984 The insurance required by this subsection shall include:

- 3985 (i) Premises Operations (including use of owned and non-owned
3986 equipment);
- 3987 (ii) Personal Injury Liability with employment exclusion deleted;
- 3988 (iii) Broad Form Blanket Contractual with no exclusions for bodily injury,
3989 personal injury or property damage (including coverage for the
3990 indemnity obligations contained herein);
- 3991 (iv) Owned, Non-Owned, and Hired Motor Vehicles;
- 3992 (v) Broad Form Property Damage.

3993 The comprehensive general liability insurance shall be written on an "occurrence"
3994 basis (rather than a "claims made" basis) in a form at least as broad as the most
3995 current version of the Insurance Service Office commercial general liability
3996 occurrence policy form (CG0001). If occurrence coverage is not obtainable,
3997 Contractor must arrange for "tail coverage" on a claims made policy to protect
3998 Agency from claims filed within four (4) years after the expiration or earlier
3999 termination of this Agreement relating to incidents that occurred prior to such
4000 expiration or termination.

- 4001 3. Automobile Liability. Contractor shall maintain automobile liability insurance
4002 covering all vehicles used in performing service under this Agreement with a
4003 combined single limit of not less than ten million dollars (\$10,000,000) per
4004 occurrence for bodily injury and property damage.
- 4005 4. Pollution (Environmental Impairment) Liability. Contractor shall maintain
4006 pollution liability insurance coverage of not less than ten million dollars
4007 (\$10,000,000) per occurrence covering claims for on-site, under-site, or off-site
4008 bodily injury and property damage as a result of pollution conditions arising out of
4009 its operations under this Agreement.

4010 **B. Acceptability of Insureds.** The insurance policies required by this section shall be
4011 issued by an insurance company or companies admitted to do business in the State
4012 of California, subject to the jurisdiction of the California Insurance Commissioner,
4013 and with a rating in the most recent edition of Best's Insurance Reports of size
4014 category XV or larger and a rating classification of A+ or better.

4015 **C. Required Endorsements.** Without limiting the generality of Sections 13.02.A and
4016 B, the policies shall contain endorsements in substantially the following form:

- 4017 1. Workers' Compensation and Employers' Liability Policy.
4018 (a) "Thirty (30) Days prior written notice shall be given to the
4019 County of San Mateo in the event of cancellation or non-
4020 renewal of this policy." Such notice shall be sent to:

4021 **Attention: Director of Public Works**
4022 **County of San Mateo**
4023 **555 County Center, 5th Floor**
4024 **Redwood City, CA. 94063**

4025 (b) "Insurer waives all right of subrogation against County of San Mateo and its
4026 officers and employees for injuries or illnesses arising from work performed
4027 for County of San Mateo".

4028 2. Comprehensive General Liability Policy; Automobile Liability Policy; Pollution
4029 Liability Policy; and Hazardous Materials Policy.

4030 (a) "Thirty (30) Days prior written notice shall be given to the County of San
4031 Mateo in the event of cancellation, reduction of coverage, or non-renewal of
4032 this policy." Such notice shall be sent to:

4033 **Attention: Director of Public Works**
4034 **County of San Mateo**
4035 **555 County Center, 5th Floor**
4036 **Redwood City, CA. 94063**

4037 (b) "The County of San Mateo, its officers, employees, and agents are
4038 additional insureds on this policy."

4039 (c) "This policy shall be considered primary insurance as respects any other
4040 valid and collectible insurance maintained by the County of San Mateo,
4041 including any self-insured retention or program of self-insurance, and any
4042 other such insurance shall be considered excess insurance only."

4043 (d) "Inclusion of the County of San Mateo as an insured shall not affect the
4044 County of San Mateo's rights as respects any claim, demand, suit or
4045 judgment brought or recovered against the Contractor. This policy shall
4046 protect Contractor and the County of San Mateo in the same manner as
4047 though a separate policy had been issued to each, but this shall not operate
4048 to increase the company's liability as set forth in the policy beyond the
4049 amount shown or to which the company would have been liable if only one
4050 party had been named as an insured."

4051 **D. Deductibles and Self-Insured Retentions.** The liability policies described in
4052 Sections 13.02.A(2) and (3) may contain a deductible or self-insured retention not
4053 to exceed \$500,000 per occurrence. This amount may not be increased without
4054 Agency's prior written consent.

4055 Contractor remains responsible for the payment of all losses and investigation,
4056 claim administration and defense expenses, including those of the Agency.

4057 **E. Delivery of Proof of Coverage.** No later than ninety (90) Days before the
4058 commencement of operations which includes the Recycling Blitz, Contractor shall
4059 furnish Agency one or more certificates of insurance on a standard ACORD form
4060 substantiating that each of the coverages required hereunder is in force, in form
4061 and substance satisfactory to Agency. Such certificates shall show the type and
4062 amount of coverage, effective dates and dates of expiration of policies and shall be
4063 accompanied by all required endorsements. If Agency requests, copies of each
4064 policy, together with all endorsements, shall also be promptly delivered to Agency.

4065 Contractor shall furnish renewal certificates to Agency to demonstrate maintenance
4066 of the required coverages throughout the Term.

4067 **F. Other Insurance Requirements**

- 4068 1. In the event performance of any services is delegated to a Subcontractor,
4069 Contractor shall require such subcontractor to provide statutory workers'
4070 compensation insurance and employer's liability insurance for all of the
4071 Subcontractor's employees engaged in the work. The liability insurance
4072 required by Subsection A.2 and the automobile liability policy required by
4073 subsection A.3 shall cover all Subcontractors or the Subcontractor must furnish
4074 evidence of insurance provided by it meeting all of the requirements of this
4075 Section 13.02.
- 4076 2. Contractor shall comply with all requirements of the insurers issuing policies.
4077 The carrying of insurance shall not relieve Contractor from any obligation under
4078 this Agreement, including those imposed by Section 13.01. If any claim is
4079 made by any third Person against Contractor or any Subcontractor on account
4080 of any occurrence related to this Agreement, other than claims by employees
4081 for work-related incidents, Contractor shall promptly report the facts in writing
4082 to the insurance carrier and to the Agency.
- 4083 3. If Contractor fails to procure and maintain any insurance required by this
4084 Agreement, Agency may take out and maintain such insurance as it may deem
4085 proper and may require Contractor to reimburse it for the cost incurred within
4086 thirty (30) Days and/or deduct the cost from any monies due Contractor.
4087 Agency may also treat the failure as a Contractor default.
- 4088 4. Agency is not responsible for payment of premiums for or deductibles under
4089 any required insurance coverages.
- 4090 5. Any excess or umbrella policies shall be written on a "following form" basis.

4091 **13.03 FAITHFUL PERFORMANCE BOND**

4092 On or before the Effective Date, Contractor shall file with Agency a bond securing the
4093 Contractor's faithful performance of its obligations under this Agreement. The principal
4094 sum of the bond shall be no less than ten percent (10%) of the amount of the 2011
4095 annual Revenue Requirement for Agency shown on Attachment N. The form of the
4096 bond shall be as set out in Attachment F. The bond shall be executed as surety by a
4097 corporation admitted to issue surety bonds in the State of California, regulated by the
4098 California Insurance Commissioner, and with a financial condition and record of service
4099 satisfactory to Agency.

4100 The term of the bond shall be twenty-four (24) months. The bond shall be extended, or
4101 replaced by a new bond in the same principal sum (adjusted by the percentage change
4102 in the Consumer Price Index), for the same Term (i.e., twenty-four (24) months) and in
4103 the same form, bi-annually thereafter. Not less than ninety (90) Days before the
4104 expiration of the initial, or any subsequent, bond, Contractor shall furnish either a
4105 replacement bond or a continuation certificate substantially in the form attached as
4106 Attachment F, executed by the surety.

4107 It is the intention of this section that there be in full force and effect at all times a bond
4108 securing the Contractor's faithful performance of the Agreement, throughout its Term.

4109 **13.04 ALTERNATIVE SECURITY**

4110 Agency may, in its sole discretion, allow Contractor to provide alternative security in the
4111 amount set forth in Section 13.03, in the form of (a) a prepaid irrevocable standby letter
4112 of credit in form and substance satisfactory to Agency, approved by the Agency's
4113 Attorney and issued by a financial institution acceptable to Agency, or (b) a certificate of
4114 deposit in the name of the Agency and in a form and with a Term satisfactory to Agency,
4115 accompanied by an agreement giving Agency the right to draw on the funds deposited
4116 satisfactory to Agency and with a financial institution acceptable to Agency. Interest on
4117 the certificate of deposit will be payable to Contractor.

4118 **13.05 HAZARDOUS WASTE INDEMNIFICATION**

4119 Contractor shall indemnify, defend and hold harmless the Indemnitees against all
4120 claims, of any kind whatsoever paid, incurred or suffered by, or asserted against
4121 Indemnitees arising from or attributable to any repair, cleanup or detoxification, or
4122 preparation and implementation of any removal, remedial, response, closure or other
4123 plan (regardless of whether undertaken due to governmental action) concerning any
4124 Hazardous Wastes released, spilled or disposed of by Contractor pursuant to this
4125 Agreement. The foregoing indemnity is intended to operate as an agreement pursuant
4126 to Section 107(e) of the Comprehensive Environmental Response, Compensation and
4127 Liability Act, ("CERCLA"), 42 U.S.C. Section 9607(e), and California Health and Safety
4128 Code Section 25364, to defend, protect, hold harmless and indemnify Indemnitees from
4129 liability and shall survive the expiration or earlier termination of this Agreement.
4130 Notwithstanding the foregoing, Contractor is not required to indemnify the Indemnitees
4131 against claims arising from Contractor's delivery of Solid Waste, Recyclable Materials
4132 and Organic Materials to the Designated Transfer and Processing Facility, or their
4133 subsequent delivery to other processing locations or the ultimate Disposal Site, unless
4134 such claims are due to Contractor's negligence or willful misconduct.

4135 **13.06 CALIFORNIA INTEGRATED WASTE MANAGEMENT ACT INDEMNIFICATION**

4136 Contractor agrees to indemnify and hold harmless the Indemnitees against all fines
4137 and/or penalties imposed by the California Integrated Waste Management Board
4138 (CIWMB) or the Local Enforcement Agency (LEA) based on Contractor's failure to
4139 comply with laws, regulations or permits issued or enforced by the CIWMB or the LEA or
4140 caused or contributed to by the Contractor's failure to perform obligations under this
4141 Agreement. This indemnity obligation is subject to the limitations and conditions in
4142 Public Resource Code Section 40059.1 but is enforceable to the maximum extent
4143 allowable by that Section. This indemnity shall survive the termination or earlier
4144 expiration of this Agreement.

4145 **13.07 GUARANTY**

4146 Concurrently with execution of this Agreement, Contractor shall furnish a Guaranty of its
4147 performance under this Agreement, in the form of Attachment G, properly executed by
4148 Recology Inc., a California corporation which owns all of the issues and outstanding
4149 common stock of Contractor.

4150

ARTICLE 14 DEFAULT AND REMEDIES

4151 **14.01 EVENTS OF DEFAULT.**

4152 Each of the following shall constitute an event of default ("Contractor default"):

4153 A. Contractor fails to perform its obligations under Article 5, 6 or 7 of this Agreement
4154 and its failure to perform is not cured within ten (10) Business Days after written
4155 notice from Agency.

4156 B. Contractor fails to perform its obligations under any other Article of this Agreement
4157 and its failure to perform is not cured within ten (10) Days after written notice from
4158 Agency, provided that if the nature of the failure is such that it will reasonably
4159 require more than ten (10) Days to cure, Contractor shall not be in default so long
4160 as it promptly commences the cure and diligently proceeds to completion of the
4161 cure, and provided further that neither notice nor opportunity to cure applies to
4162 events described in subsections C through H.

4163 C. Contractor ceases to provide Collection and transportation services for a period of
4164 two (2) Business Days for any reason within the Contractor's control, including labor
4165 unrest such as strike, work stoppage or slowdown, sickout, picketing, or other
4166 concerted job action by Contractor's employees.

4167 D. Contractor files a voluntary petition for relief under any bankruptcy, insolvency or
4168 similar law.

4169 E. An involuntary petition is brought against Contractor under any bankruptcy,
4170 insolvency or similar law which remains un-dismissed or un-stayed for ninety (90)
4171 Days.

4172 F. Contractor fails to furnish a replacement bond or a continuation certificate of the
4173 existing bond not less than ten (10) Days before expiration of the performance
4174 bond, as required by Section 13.03 or fails to maintain all required insurance
4175 coverage in force.

4176 G. Contractor fails to provide reasonable assurance of performance when required
4177 under Section 14.10.

4178 H. A representation or warranty contained in Article 2 proves to be false or misleading
4179 in a material respect as of the date such representation or warranty was made.

4180 **14.02 RIGHT TO SUSPEND OR TERMINATE UPON DEFAULT.**

4181 A. Upon any Contractor default, Agency may terminate this Agreement or suspend it, in
4182 whole or in part. Such suspension or termination shall be effective thirty (30) Days
4183 after Agency has given notice of suspension or termination to Contractor, except
4184 that such notice may be effective in a shorter period of time, or immediately, if the
4185 Contractor default is one which endangers the health, welfare or safety of the public,
4186 such as the failure to collect Solid Waste, Recyclable Materials, or Organic Materials
4187 for the period of time specified in Section 14.01.C. Notice may be given orally in

4188 person or by telephone to the representative of Contractor designated in or under
4189 Section 15.10 (or, if he/she is unavailable, to a responsible employee of Contractor)
4190 and shall be effective immediately. Written confirmation of such oral notice of
4191 suspension or termination shall be sent by personal delivery, facsimile, or other
4192 expedited means of delivery to Contractor within twenty-four (24) hours of the oral
4193 notification at the address shown in Section 15.09. Contractor shall continue to
4194 perform the portions of the Agreement, if any, not suspended, in full conformity with
4195 its terms.

4196 B. Agency may also suspend or terminate this Agreement, upon the same notice
4197 provisions, if Contractor's ability to perform is prevented or materially interfered with
4198 by a cause which excuses nonperformance under Section 14.09, despite the fact
4199 that nonperformance in such a case is neither a breach nor a Contractor default.

4200 **14.03 SPECIFIC PERFORMANCE**

4201 By virtue of the nature of this Agreement, the urgency of timely, continuous and high-
4202 quality service, the lead time required to effect alternative service, and the rights granted
4203 by Agency to Contractor, the remedy of damages for a breach hereof by Contractor is
4204 inadequate and Agency shall be entitled to injunctive relief.

4205 **14.04 RIGHT TO PERFORM; USE OF CONTRACTOR PROPERTY**

4206 If this Agreement is suspended and/or terminated due to a Contractor default, Agency
4207 shall have the right to perform, by contract, in conjunction with other Member Agencies,
4208 or otherwise, the work herein or such part thereof as it may deem necessary. In the
4209 event of Contractor's default, Agency shall have the right to use any of Contractor's
4210 equipment, facilities and other property reasonably necessary for the provision of
4211 services hereunder and for the Billing and collection of fees for those services, upon the
4212 terms provided in Article 12. Agency shall have the right to continue use of such
4213 property until other suitable arrangements can be made for the provision of such
4214 services, which may include the award of a contract to another service provider.

4215 **14.05 DAMAGES**

4216 Contractor shall be liable to Agency for all direct, indirect, special and consequential
4217 damages arising out of Contractor's default. This section is intended to be declarative
4218 of existing California law.

4219 **14.06 AGENCY'S REMEDIES CUMULATIVE**

4220 Agency's rights to suspend or terminate the Agreement under Section 14.02, to obtain
4221 specific performance under Section 14.03 and to perform under Section 14.04 are not
4222 exclusive, and Agency's exercise of one such right shall not constitute an election of
4223 remedies. Instead, they shall be in addition to any and all other legal and equitable
4224 rights and remedies that Agency may have, including a legal action for damages under
4225 Section 14.05 or imposition of Liquidated Damages under Section 14.07.

4226 **14.07 LIQUIDATED DAMAGES**

4227 The Parties acknowledge that consistent, courteous and efficient Collection of Solid
4228 Waste, Targeted Recyclable Materials and Organic Materials is of utmost importance
4229 and Agency has considered and relied on Contractor's representations as to its quality
4230 of service commitment in entering into this Agreement. The Parties further recognize
4231 that quantified standards of performance are necessary and appropriate to ensure
4232 consistent and reliable service. The Parties further recognize that if Contractor fails to
4233 achieve the performance standards, Agency and its residents will suffer damages and
4234 that it is and will be impracticable and extremely difficult to ascertain and determine the
4235 exact amount of damages that Agency will suffer. Therefore, the Parties agree that the
4236 Liquidated Damage amounts listed on Attachment J represent a reasonable estimate of
4237 the amount of such damages considering all of the circumstances existing on the date
4238 of this Agreement, including the relationship of the sums to the range of harm to Agency
4239 that reasonably could be anticipated and recognition that proof of actual damages would
4240 be costly or inconvenient. By initialing the places provided, each party specifically
4241 confirms the accuracy of the statements made above and the fact that each party had
4242 ample opportunity to consult with legal counsel and obtain an explanation of this
4243 Liquidated Damage provision at the time that this Agreement was made.

4244 Contractor Initial Here: MS. Agency Initial Here: AB

4245 Contractor agrees to pay (as Liquidated Damages and not as a penalty) the amount set
4246 forth in Attachment J.

4247 In addition to considering the reports submitted by Contractor pursuant to Article 9,
4248 Agency may determine the occurrence of events giving rise to Liquidated Damages
4249 through the observation of its own employees or agents, through discussions with
4250 Customers, and through investigation of Customer Complaints made directly to Agency.
4251 Prior to assessing Liquidated Damages based on such observations or investigations,
4252 Agency shall give Contractor notice of its intention to do so. The notice will include a
4253 brief description of the incident(s)/non-performance. Contractor may review (and make
4254 copies at its own expense) all non-confidential information in the possession of Agency
4255 relating to incident(s)/non-performance. Contractor may, within ten (10) Days after
4256 receiving the notice, request a meeting with Agency's Manager or his or her designee.
4257 Contractor may present evidence in writing and through testimony of its employees and
4258 others relevant to the incident(s)/non-performance. Agency's Manager or his or her
4259 designee will provide Contractor with a written explanation of his or her determination on
4260 each incident(s)/non-performance prior to authorizing the assessment of Liquidated
4261 Damages. The decision of Agency's Manager or his or her designee shall be final.

4262 Agency's right to recover Liquidated Damages for Contractor's failure to meet the
4263 service performance standards shall not preclude Agency from obtaining equitable relief
4264 for persistent failures to meet such standards nor from terminating the Agreement for
4265 such persistent failures.

4266 **14.08 AGENCY DEFAULT**

4267 Agency shall be in default under this Agreement ("Agency default") in the event Agency
4268 commits a material breach of its obligations under the Agreement, and fails to cure such
4269 breach within thirty (30) Days after receiving notice from the Contractor specifying the

4270 breach, provided that if the nature of the breach is such that it will reasonably require
71 more than thirty (30) Days to cure, Agency shall not be in default so long as Agency
4272 promptly commences the cure and diligently proceeds to completion of the cure. It is
4273 agreed that Agency's sole obligations under this Agreement are (1) to set rates as
4274 specified in Section 7.01.A (5), and (2) to permit solid waste, organics and recyclables to
4275 be transported pursuant to Section 6.01.

4276 In the event of an asserted Agency default, Contractor shall continue to perform all of its
4277 obligations hereunder until a court of competent jurisdiction has issued a final judgment
4278 declaring that Agency is in default.

4279 **14.09 EXCUSE FROM PERFORMANCE**

4280 A. **Force Majeure.** Neither Party shall be in default of its obligations under this
4281 Agreement in the event, and for so long as, it is impossible or extremely
4282 impracticable for it to perform its obligations due to an "act of God" (including, but
4283 not limited to, flood, earthquake or other catastrophic events), war, insurrection,
4284 riot, labor unrest of other than the Party's employees (including strike, work
4285 stoppage, slowdown, sick out, picketing, or other concerted job action), or other
4286 similar cause not the fault of, and beyond the reasonable control of, the Party
4287 claiming excuse. A Party claiming excuse under this Section must (i) have taken
4288 reasonable precautions, if possible, to avoid being affected by the cause, and (ii)
4289 notify the other party in writing as provided in Subsection C.

4290 B. **Obligation to Restore Ability to Perform.** Any suspension of performance by a
4291 Party pursuant to this Section shall be only to the extent, and for a period of no
4292 longer duration than, required by the nature of the event, and the Party claiming
4293 excuse shall use its best efforts to remedy its inability to perform as quickly as
4294 possible and to mitigate damages that may occur as result of the event.

4295 C. **Notice.** The Party claiming excuse shall deliver to the other Party a written notice
4296 of intent to claim excuse from performance under this Agreement by reason of an
4297 event of Force Majeure. Notice required by this Section shall be given promptly in
4298 light of the circumstances, but in any event not later than five (5) Days after the
4299 occurrence of the event of Force Majeure. Such notice shall describe in detail the
4300 event of Force Majeure claimed, the services impacted by the claimed event of
4301 Force Majeure, the expected length of time that the party expects to be prevented
4302 from performing, the steps which the party intends to take to restore its ability to
4303 perform, and such other information as the other party reasonably requests.

4304 D. **Agency's Rights in the Event of Force Majeure.** The partial or complete
4305 interruption or discontinuance of Contractor's services caused by an event of Force
4306 Majeure shall not constitute a Contractor default. Notwithstanding the foregoing: (i)
4307 Agency shall have the right to make use of Contractor's Facilities and equipment in
4308 accordance with Article 12 in the event of non-performance excused by Force
4309 Majeure; (ii) if Contractor's failure to perform by reason of Force Majeure continues
4310 for a period of thirty (30) Days or more, Agency shall have the right to immediately
4311 terminate this Agreement; (iii) if Contractor is unable to Collect and transport Solid
4312 Waste as required by this Agreement for a period of two (2) or more consecutive
4313 Business Days or for any three (3) Business Days in a seven (7) Day period as a
4314 result of Force Majeure, Agency shall have the right to make use of Contractor's

4315 property in accordance with Article 12, and (iv) if Contractor's inability to Collect and
4316 transport Solid Waste continues for two (2) Days or more from the date by which
4317 Contractor gave or should have given notice under Subsection C, Agency may
4318 terminate this Agreement.

4319 **14.10 ASSURANCE OF PERFORMANCE**

4320 If Contractor (i) persistently suffers the imposition of Liquidated Damages under Section
4321 14.07; (ii) is the subject of any labor unrest including work stoppage or slowdown,
4322 sickout, picketing or other concerted job action; (iii) appears in the reasonable judgment
4323 of Agency to be unable to regularly pay its bills as they become due; (iv) is the subject of
4324 a civil or criminal proceeding brought by a federal, State, regional or local agency for
4325 violation of an Environmental Law in the performance of this Agreement, or (v) performs
4326 in a manner that causes Agency to be uncertain about Contractor's ability and intention
4327 to comply with this Agreement, Agency may, at its option and in addition to all other
4328 remedies it may have, demand from Contractor reasonable assurances of timely and
4329 proper performance of this Agreement, in such form and substance as Agency may
4330 require.

4332 **15.01 RELATIONSHIP OF PARTIES**

4333 The Parties intend that Contractor shall perform the services required by this Agreement
 4334 as an independent contractor engaged by Agency and not as an officer or employee of
 4335 Agency nor as a partner of or joint venturer with Agency. No employee or agent of
 4336 Contractor shall be deemed to be an employee or agent of Agency. Except as
 4337 expressly provided herein, Contractor shall have the exclusive control over the manner
 4338 and means of conducting the services performed under this Agreement, and over all
 4339 Persons performing such services. Contractor shall be solely responsible for the acts
 4340 and omissions of its officers, employees, Subcontractors and agents. Neither
 4341 Contractor nor its officers, employees, Subcontractors and agents shall obtain any rights
 4342 to retirement benefits, workers' compensation benefits, or any other benefits which
 4343 accrue to Agency employees by virtue of their employment with Agency.

4344 **15.02 COMPLIANCE WITH LAW**

4345 In providing the services required under this Agreement, Contractor shall at all times
 4346 comply with all applicable laws of the United States, the State and Agency, with all
 4347 applicable ordinances and regulations promulgated by federal, State, regional or local
 4348 administrative and regulatory agencies, and by Agency, now in force and as they may
 4349 be enacted, issued or amended during the Term, and with all permits affecting the
 4350 services to be provided.

51 **15.03 ASSIGNMENT**

4352 Contractor acknowledges that this Agreement involves rendering a vital service to
 4353 Agency's residents and businesses, and that Agency has selected Contractor to perform
 4354 the services specified herein based on (i) Contractor's experience, skill and reputation
 4355 for conducting its operations in a safe, effective and responsible fashion, and (ii)
 4356 Contractor's and the Guarantor's financial resources to maintain the required equipment
 4357 and to support its indemnity obligations to Agency under this Agreement. Agency has
 4358 relied on each of these factors, among others, in choosing Contractor to perform the
 4359 services to be rendered by Contractor under this Agreement.

4360 A. **Agency Consent Required.** Contractor shall not assign its rights or delegate or
 4361 otherwise transfer its obligations under this Agreement to any other Person without
 4362 the prior written consent of Agency. Any such assignment made without the
 4363 consent of Agency shall be void and the attempted assignment shall constitute a
 4364 Contractor default.

4365 B. **Assignment Defined.** For the purpose of this Section, "assignment" shall include,
 4366 but not be limited to, (i) a sale, exchange or other transfer to a third party of
 4367 substantially all of Contractor's assets dedicated to service under this Agreement;
 4368 (ii) a sale, exchange or other transfer of outstanding common stock of Contractor to
 4369 a Person who is not a shareholder as of the Effective Date which results in a
 4370 change in control of Contractor; (iii) any dissolution, reorganization, consolidation,
 4371 merger, re-capitalization, stock issuance or reissuance, voting trust, pooling
 4372 agreement, escrow arrangement, liquidation or other transaction which results in a
 4373 change of ownership or control of Contractor; (iv) any assignment by operation of

4374 law, including insolvency or bankruptcy, an assignment for the benefit of creditors,
4375 a writ of attachment for an execution being levied against this Agreement,
4376 appointment of a receiver taking possession of Contractor's property, or transfer
4377 occurring in the event of a probate proceeding; and (v) any combination of the
4378 foregoing (whether or not in related or contemporaneous transactions) which has
4379 the effect of any such transfer or change of ownership, or change of control of
4380 Contractor.

4381 C. **Consent Requirements.** If Contractor requests Agency's consideration of and
4382 consent to an assignment, Agency may deny or approve such request in its
4383 complete discretion. No request by Contractor for consent to an assignment need
4384 be considered by Agency unless and until Contractor has met the following
4385 requirements:

4386 1. Contractor shall pay Agency its reasonable expenses for attorneys' fees and
4387 investigation costs necessary to investigate the suitability of any proposed
4388 assignee, and to review and finalize any documentation required as a condition
4389 for approving any such assignment;

4390 2. Contractor shall furnish Agency with audited financial statements of the
4391 proposed assignee's operations for the immediately preceding three (3)
4392 operating years;

4393 3. Contractor shall furnish Agency with satisfactory proof: (i) that the proposed
4394 assignee has at least ten (10) years of Solid Waste/Recycling management
4395 experience on a scale equal to or exceeding the scale of operations conducted
4396 by Contractor under this Agreement; (ii) that in the last five (5) years, the
4397 proposed assignee has not been the subject of any administrative or judicial
4398 proceedings initiated by a federal, State or local agency having jurisdiction over
4399 its operations due to an alleged failure to comply with federal, State or local laws
4400 or that the proposed assignee has provided Agency with a complete list of such
4401 proceedings and their status; (iii) that the proposed assignee conducts its
4402 operations in a safe and environmentally conscientious manner, in accordance
4403 with sound Solid Waste management practices in full compliance with all federal,
4404 State and local laws regulating the Collection and Disposal of Solid Waste and
4405 all Environmental Laws; (iv) of any other information required by Agency to
4406 ensure the proposed assignee can fulfill the terms of this Agreement in a timely,
4407 safe and effective manner.

4408 D. **No Obligation to Consider.** Agency will not be obligated to consider a proposed
4409 assignment if Contractor is in default.

4410 **15.04 SUBCONTRACTING**

4411 Contractor shall not engage any Subcontractors to perform any of the services required
4412 of it by Articles 5 or 6 of this Agreement without the prior written consent of Agency.
4413 Contractor shall notify Agency no later than ninety (90) Days prior to the date on which it
4414 proposes to enter into a subcontract. Agency may approve or deny any such request at
4415 its sole discretion. Parties agree that as of the Effective Date, Contractor, at its sole
4416 expense, shall contract with a consultant, subject to the approval of Agency and

4417 SBWMA, for a minimum sum of \$50,000 to provide additional outreach, diversion
.18 training, Organic Materials collection program training, monitoring, and education to
4419 Multi-Family Dwelling and Commercial Customers during Rate Year One (2011).

4420 **15.05 AFFILIATED ENTITY**

4421 Contractor will not form or use any Affiliate to perform any of the services or activities
4422 which Contractor is required or allowed to perform under this Agreement, other than as
4423 a Subcontractor approved by Agency under Section 15.04.

4424 If Contractor enters into any financial transactions with an Affiliate for the provision of
4425 labor, equipment, supplies, services, or capital related to the furnishing of service under
4426 this Agreement, that relationship shall be disclosed to Agency, and in the financial
4427 reports submitted to Agency. In such event, Agency's rights to inspect records and
4428 obtain financial data shall extend to records and data of such Affiliate that are relevant to
4429 those specific financial transactions.

4430 **15.06 CONTRACTOR'S INVESTIGATION**

4431 Contractor has made an independent investigation, satisfactory to it, of the conditions
4432 and circumstances surrounding the Agreement and the work to be performed by it.
4433 Contractor has carefully reviewed the information in the Request for Proposals, and
4434 Addenda if any. Contractor has had the opportunity to inspect the Designated Transfer
4435 and Processing Facility and to review the permits governing its operation, as well as the
4436 Source Reduction and Recycling Element adopted by Agency. Contractor has taken
4437 such matters into consideration in agreeing to provide the services required by, for the
38 compensation to be provided under, this Agreement.

4439 **15.07 NO WARRANTY BY AGENCY**

4440 While Agency believes that the information contained in the Request for Proposals is
4441 substantially correct, Agency makes no warranties in connection with this Agreement,
4442 including but not limited to the accuracy or completeness of the information contained in
4443 the Request for Proposals.

4444 **15.08 CONDEMNATION**

4445 Agency reserves the rights to acquire the Contractor's property utilized in the
4446 performance of this Agreement through the exercise of eminent domain.

4447 **15.09 NOTICE**

4448 All notices, demands, requests, proposals, approvals, consents and other
4449 communications which this Agreement requires, authorizes or contemplates shall,
4450 except as provided in Article 14, be in writing and shall either be personally delivered to
4451 a representative of the Parties at the address below or be deposited in the United States
4452 mail, first class postage prepaid, addressed as follows:

4453 If to Agency:

4454 **Attention: Director of Public Works**
4455

4456 **County of San Mateo**
4457 **555 County Center, 5th Floor**
4458 **Redwood City, CA. 94063**

4459
4460
4461
4462 If to Contractor:
4463 Mr. Mario Puccinelli, General Manager
4464 Recology San Mateo County
4465 225 Shoreway Rd.
4466 San Carlos, CA 94070

4467 The address to which communications may be delivered may be changed from time to
4468 time by a notice given in accordance with this Section.

4469 Contact information for Contractor's General Manager is as follows:

4470 Mr. Mario Puccinelli, General Manager
4471 Recology San Mateo County
4472 225 Shoreway Rd.
4473 San Carlos, CA 94070
4474

4475 Contact information for Contractor's Environmental Technician is as follows:

4476 Mr. Christopher Gibson
4477 Recology San Mateo County
4478 225 Shoreway Rd.
4479 San Carlos, CA 94070

4480

4481 Contractor shall promptly provide Agency the name and contact information for the
4482 above employees if there is a change during the Term.

4483 **15.10 REPRESENTATIVES OF THE PARTIES.**

4484 A. **Representatives of Agency.** References in this Agreement to "Agency" shall
4485 mean the County of San Mateo Board of Supervisors and all actions to be taken by
4486 Agency shall be taken by the County of San Mateo Board of Supervisors except as
4487 provided below. The County of San Mateo Board of Supervisors may delegate
4488 authority to the County Manager, and/or to other Agency officials and may permit
4489 such officials, in turn, to delegate in writing some or all of such authority to
4490 subordinate officers. Contractor may rely upon actions taken by such delegates if
4491 they are within the scope of the authority properly delegated to them.

4492 B. **Representative of Contractor.** Contractor shall, by the Effective Date, designate
4493 in writing a responsible officer who shall serve as the representative of Contractor in
4494 all matters related to the Agreement and shall inform Agency in writing of such
4495 designation and of any limitations upon his or her authority to bind Contractor.
4496 Agency may rely upon action taken by such designated representative as actions of

4497 Contractor unless they are outside the scope of the authority delegated to him/her
98 by Contractor as communicated to Agency.

4499 **15.11 DUTY OF CONTRACTOR NOT TO DISCRIMINATE**

4500 In the performance of this Agreement Contractor shall not discriminate, nor permit any
4501 subcontractor to discriminate, against any employee, applicant for employment, or
4502 Customer on account of race, color, national origin, ancestry, religion, sex, age, physical
4503 disability, medical condition, sexual orientation, marital status, or other characteristic, in
4504 violation of any Applicable Laws or County Ordinances. Contractor will comply will
4505 County of San Mateo Equal Benefits Ordinance and Jury Service Ordinances as stated
4506 in Attachment R.

4507 **15.12 RIGHT OF AGENCY TO MAKE CHANGES IN SERVICES AND SERVICE LEVELS**

4508 A. Agency may, without amending this Agreement, direct Contractor to cease
4509 performing one or more types of service described in Articles 5 or 6, may direct
4510 Contractor to modify the scope of one or more such services, may direct
4511 Contractor to perform additional Solid Waste, Targeted Recyclable Materials,
4512 Organic Materials or Plant Materials handling services, or may otherwise direct
4513 Contractor to modify its performance under any other Section of this Agreement.
4514 Contractor shall promptly and cooperatively comply with such direction.

4515 B. If such changes cause an increase or decrease in the cost of performing the
4516 services, an equitable adjustment in the Contractor's Compensation shall be made
4517 pursuant to Article 11. Contractor will continue to perform the new or changed
4518 service while the appropriate adjustment in compensation is being determined.

19 C. The Agency shall have the right to terminate a program if, in its discretion, the
4520 Contractor is not cost-effectively achieving the program's goals and objectives.
4521 Thereafter, the Agency may utilize a third party to perform these services if the
4522 Agency reasonably believes the third party can improve on Contractor's
4523 performance and cost effectiveness. Notwithstanding these changes, Contractor
4524 shall continue the program during the meet and confer period and, thereafter, until
4525 the third party takes over the program. This subsection C applies to programs
4526 initiated at Agency's direction after the Commencement Date that are beyond the
4527 basic scope of services described in Section 4.01.A.

4528 **15.13 TRANSITION TO NEXT SERVICE PROVIDER**

4529 At the expiration of the Term or the earlier termination of the Agreement, or upon
4530 Agency's approval of a proposed assignment, Contractor shall cooperate fully with
4531 Agency to ensure an orderly transition to any and all new service providers. Contractor
4532 shall provide, within ten (10) Days of a written request by Agency, then-current route
4533 lists, which identify each Customer on the route, its service level (number of Containers,
4534 Container sizes, frequency of Collection, scheduled Collection day), any special
4535 Collection notes, and detailed then-current Customer account and Billing information.
4536 Contractor may, but is not required to, sell Collection vehicles and containers to the next
4537 service provider.

4538 Contractor shall upon Agency request, at least one-hundred-eighty (180) Days prior to
4539 the transition of services, attend meetings with the next service provider and with
4540 Agency and SBWMA staff and consultants to plan the recovery of Contractor's

4541 Containers and placement of the new Containers. Contractor shall perform in
4542 accordance with such plan and direct route supervisors to provide "ride-alongs" so that
4543 the new service provider's employees may ride with drivers in Collection vehicles during
4544 Collection operations. Contractor will direct its drivers and other employees to provide
4545 accurate information to the new provider about routing and Customers.

4546 **15.14 REPORTS AS PUBLIC RECORDS**

4547 The reports, records and other information submitted or required to be submitted by
4548 Contractor to Agency (and documents copied pursuant to Section 9.02) are public
4549 records within the meaning of that term in the California Public Records Act,
4550 Government Code Section 6250 *et seq.* Unless a particular record is exempted from
4551 disclosure by the California Public Records Act, it must be disclosed to the public by
4552 Agency upon request.

4553 Contractor will not object to Agency making available to the public any information
4554 submitted by the Contractor, or required to be submitted in connection with the
4555 Contractor's Compensation, including but not limited to records described in Article 11.

ARTICLE 16 MISCELLANEOUS PROVISIONS

4556

4557 **16.01 GOVERNING LAW**

4558 This Agreement shall be governed by, and construed and enforced in accordance with,
4559 the laws of the State of California.

4560 **16.02 JURISDICTION**

4561 Any lawsuits between the Parties arising out of this Agreement shall be brought and
4562 concluded in the courts of the State of California, which shall have exclusive jurisdiction
4563 over such lawsuits. With respect to venue, the Parties agree that this Agreement is
4564 made in and will be performed in San Mateo County.

4565 **16.03 BINDING ON SUCCESSORS**

4566 The provisions of this Agreement shall inure to the benefit of and be binding on the
4567 successors and permitted assigns of the Parties.

4568 **16.04 PARTIES IN INTEREST**

4569 Nothing in this Agreement is intended to confer any rights on any Persons other than the
4570 Parties to it and their permitted successors and assigns.

4571 **16.05 WAIVER**

4572 The waiver by either Party of any breach or violation of any provisions of this Agreement
4573 shall not be deemed to be a waiver of any breach or violation of any other provision nor
4574 of any subsequent breach or violation of the same or any other provision.

4575 **16.06 ATTACHMENTS**

4576 Each of the attachments, identified as Attachments "A" through "R," is attached hereto
4577 and incorporated herein and made a part hereof by this reference.

4578 **16.07 ENTIRE AGREEMENT**

4579 This Agreement, including the attachments, represents the full and entire agreement
4580 between the Parties with respect to the matters covered herein and supersedes all prior
4581 negotiations and agreements, either written or oral.

4582 **16.08 SECTION HEADINGS**

4583 The article headings and section headings in this Agreement are for convenience of
4584 reference only and are not intended to be used in the construction of this Agreement nor
4585 to alter or affect any of its provisions.

4586 **16.09 INTERPRETATION**

4587 This Agreement shall be interpreted and construed reasonably and neither for nor
4588 against either Party, regardless of the degree to which either Party participated in its
4589 drafting.

4590 **16.10 AMENDMENT**

4591 This Agreement may not be modified or amended in any respect except by a writing
4592 signed by the Parties.

4593 **16.11 SEVERABILITY**

4594 If a court of competent jurisdiction holds any non-material provision of this Agreement to
4595 be invalid and unenforceable, the invalidity or unenforceability of such provision shall not
4596 affect any of the remaining provisions of this Agreement which shall be enforced as if
4597 such invalid or unenforceable provision had not been contained herein.

4598 **16.12 COSTS AND ATTORNEYS' FEES**

4599 The prevailing Party in any action brought to enforce the terms of this Agreement or
4600 arising out of this Agreement may recover its reasonable costs expended in connection
4601 with such an action from the other Party. However, each Party shall bear its own
4602 attorneys' fees.

4603 **16.13 NO DAMAGES FOR INVALIDATION OF AGREEMENT**

4604 If a final judgment of a court of competent jurisdiction determines that this Agreement is
4605 illegal or was unlawfully entered into by Agency, neither party shall have any claim
4606 against the other for damages of any kind (including but not limited to loss of profits) on
4607 any theory.

4608 **16.14 REFERENCES TO LAWS**

4609 All references in this Agreement to laws and regulations shall be understood to include
4610 such laws and regulations as they may be subsequently amended or recodified, unless
4611 otherwise specifically provided. In addition, references to specific governmental
4612 agencies shall be understood to include agencies that succeed to or assume the
4613 functions they are currently performing.

4614 **16.15 INDEMNITY AGAINST CHALLENGES TO AGREEMENT**

4615 Contractor shall indemnify, defend and hold harmless SBWMA, Agency, and its and
4616 their officers, employees and agents (collectively, the "Indemnitees") from and against
4617 any and all liability, claim, demand, action, proceeding or suit of any and every kind and
4618 description brought by a third party challenging the process by which proposals were
4619 solicited and evaluated, or this Agreement was negotiated or awarded to the extent that
4620 such liability, claim, demand, action, proceeding or suit was caused by Contractor's
4621 failure to comply with applicable law or the instructions of any indemnitee with respect to
4622 such process.
4623

4624

LAST PAGE OF AGREEMENT

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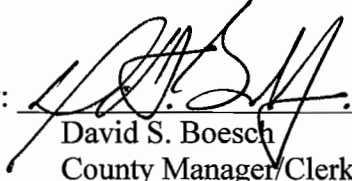
IN WITNESS WHEREOF, Agency and Contractor have executed this Contract as of the day and year first above written.

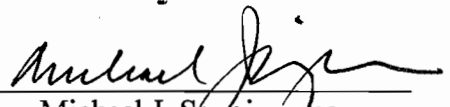
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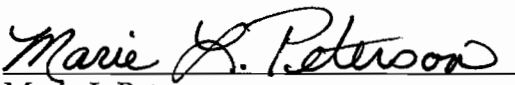
By: 
David S. Boesch
County Manager/Clerk of Said Board

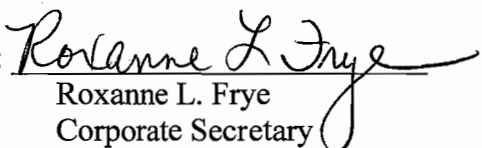
By: 
Michael J. Sangiacomo
President and CEO

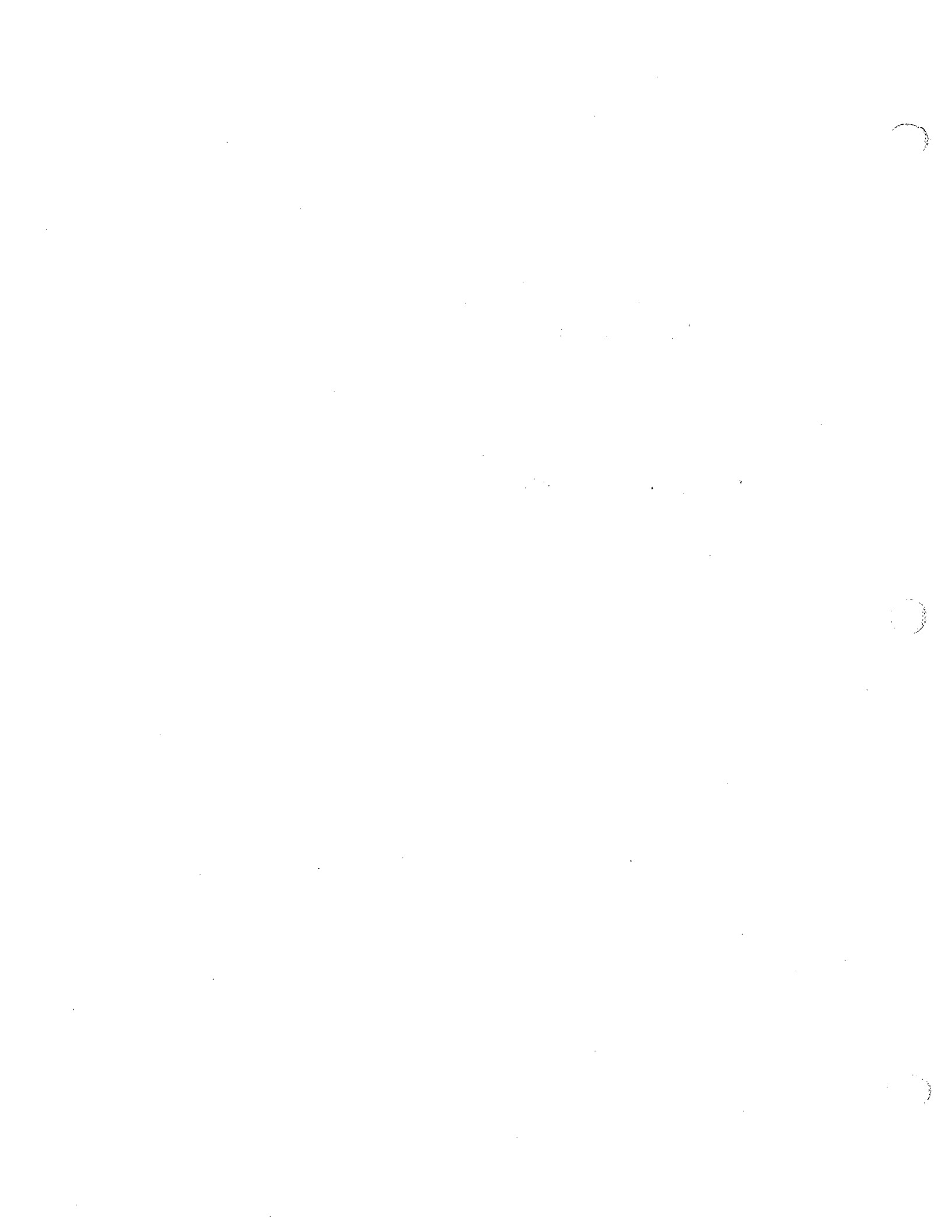
4632

Attest:

4633
4634
4635


Marie L. Peterson
Deputy Clerk of the Board of Supervisors

By: 
Roxanne L. Frye
Corporate Secretary



ATTACHMENT A

Definitions

ATTACHMENT A

DEFINITIONS

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

Act

"Act" means the California Integrated Waste Management Act of 1989 (AB 939) Public Resources Code, Section 40000 et seq. as currently in force or as hereafter amended.

Affiliate

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

Agency

"Agency" means the County of San Mateo.

Agency Facilities

"Agency Facilities" means County Parks and/or facilities owned and/or used by County, as designated by the County Manager or the Manager's designee at his sole discretion, from time to time.

Agency Manager

"Agency Manager" means County of San Mateo Board of Supervisors and/or the County Manager, and/or their designated representatives.

Agreement

"Agreement" means this Agreement, including the attachments.

Applicable Law

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

Application

"Application" means the application prepared and submitted by Contractor for determination of Contractor's Compensation for the following Rate Year.

Authority

"Authority" means the South Bayside Waste Management Authority or "SBWMA."

36 **Average Hold Time**

37 "Average Hold time" means the sum of all call Hold Times divided by the number of calls
38 answered by the agent or queue of agents over the same time interval.

39 **Average Speed of Answer**

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

44 **Backyard Collection Service**

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

47 **Billings**

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

52 **Bin**

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

55 **Bulky Items**

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

60 **Business Days**

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

63 **Cart**

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

67 **Cell Phones**

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

70 **CERCLA**

71 "CERCLA" means the Comprehensive Environmental Response Compensation and Liability
72 Act.

73 **Change in Law**

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

- 77 a. The enactment, adoption, promulgation, issuance, modification, or written change in
78 administrative or judicial interpretation on or after the Effective Date of any Applicable
79 Law; or
- 80 b. The order or judgment of any governmental body, on or after the Effective Date, to the
81 extent such order or judgment is not the result of willful or negligent action, error or
82 omission or lack of reasonable diligence of the Agency, or of the Contractor, whichever
83 is asserting the occurrence of a Change in Law; provided, however, that the contesting
84 in good faith or the failure in good faith to contest any such order or judgment shall not
85 constitute such a willful or negligent action, error or omission or lack of reasonable
86 diligence.

87 **Collect/Collection**

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

91 **Collection Container**

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

95 **Commencement Date**

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

98 **Commercial**

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

105 **Commercial Diversion Level**

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

108 **Commingle**

109 "Commingle" means to mix, mingle, or combine Targeted Recyclable Materials in a Collection
110 Container.
111

112 **Compactor**

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

117 **Compensation**

118 "Compensation" means monies paid to Contractor by ratepayers in service area.

119 **Complaint**

120 "Complaint" means written or orally communicated statements made by members of the public,
121 Customers, Owners, or Occupants of properties served by Contractor, by officers, employees or
122 agents of Agency or SBWMA alleging non-performance of, or deficiencies in Contractor's
123 performance of, its duties under this Agreement, or a violation by Contractor of this Agreement.

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

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

128 **Container**

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

132 **Contamination**

133 "Contamination" means (i) all materials other than those defined as Targeted Recyclable
134 Materials that were Collected by Contractor with Single-Stream or Source Separated Targeted
135 Recyclable Materials; (ii) all materials other than those defined as Plant Materials Collected by
136 Contractor with Plant Materials; or (iii) all materials other than those defined as Organic
137 Materials Collected by Contractor with Organic Materials.

138 **Contamination Level**

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

143 **Contamination Measurement Procedure**

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

148 **Contractor**

149 "Contractor" means Recology San Mateo County.

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

153 **Contractor Pass-Through Costs**
154 "Contractor Pass-Through Costs" means the costs described in Attachment K, Section 3, Table
155 1 to which no element of overhead, administrative expense, or profit, is added, such that the
156 specific amount of such cost is included without modification in the calculations or reports
157 prepared in implementing this Agreement.

158 **Contractor's Proposal**
159 "Contractor's Proposal" means the proposal submitted by Contractor and received by March 11,
160 2008 by the SBWMA in response to the November 1, 2007 SBWMA Request for Proposals for
161 Collection Services, and certain supplemental written materials.

162 **County**
163 "County" means the County of San Mateo.

164 **CSA-8**
165 "CSA-8" means County Service Area 8 (North Fair Oaks Area), which was formed in
166 accordance with State Government Code Section 25210.1 to provide garbage collection
167 services and fire protection services within its boundaries on November 21, 1972.

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

172 **Customer**
173 "Customer" means the Person to whom Contractor (or Agency if Agency bills directly) submits
174 billing invoices for Collection services provided to a Premise. The Customer may be the
175 Occupant or Owner of the Premises provided that the Owner of the Premises shall be
176 responsible for payment of Collection services if an Occupant of the Premises fails to make
177 such payment.

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

180 **Designated Transfer and Processing Facility**
181 "Designated Transfer and Processing Facility" means the Shoreway Recycling and Disposal
182 Center or "SRDC" at 225 and 333 Shoreway Road, San Carlos, California, which is owned by
183 SBWMA.

184 **Designated Waste**
185 "Designated Waste" means non-Hazardous Waste which may pose special Disposal problems
186 because of its potential to contaminate the environment and which may be disposed of only in
187 Class II Disposal Sites or Class III Disposal Sites pursuant to a variance issued by the California

188 Department of Health Services. Designated Waste consists of those substances classified as
189 Designated Waste in California Code of Regulations Title 23, Section 2522.

190 **Discarded Material**

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

196 **Disposal**

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

199 **Designated Disposal Site**

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

202 **Drop Box**

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

206 **Effective Date**

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

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

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

215 **Environmental Laws**

216 "Environmental Laws" means all federal and State statutes, County, and Agency ordinances
217 concerning public health, safety and the environment including, by way of example and not
218 limitation, the Act, the Comprehensive Environmental Response, Compensation and Liability
219 Act of 1980, 42 USC §9601 et seq.; the Resource Conservation and Recovery Act, 42 USC
220 §6902 et seq.; the Federal Clean Water Act, 33 USC §1251 et seq.; the Toxic Substances
221 Control Act, 15 USC §1601 et seq.; the Occupational Safety and Health Act, 29 USC §651 et
222 seq.; the California Hazardous Waste Control Act, California Health and Safety Code §25100 et
223 seq.; the California Toxic Substances Control Act, California Health and Safety Code §25300 et
224 seq.; the Porter-Cologne Water Quality Control Act, California Water Code §13000 et seq.; the
225 Safe Drinking Water and Toxic Enforcement Act, California Health and Safety Code §25249.5 et
226 seq.; as currently in force or as hereafter amended, and all rules and regulations promulgated
227 there under.

228 **Event**

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

233 **Facility/Facilities**

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

239 **Fiscal Year**

240 "Fiscal Year" means the period commencing July 1st through June 30th each year.

241 **Food Scraps**

242 "Food Scraps" means a subset of Organic Materials including: (i) all kitchen and table food
243 waste, and animal, or vegetable fruit, grain, dairy or fish waste that attends or results from the
244 storage, preparation, cooking or handling of foodstuffs, with the exception of animal excrement,
245 (ii) paper waste contaminated with putrescible material, and (iii) biodegradable plastic food
246 service ware.

247 **Franchise Fee**

248 "Franchise Fee" means the fee paid by Contractor to Agency pursuant to Section 10.02.

249 **Generator**

250 "Generator" means any Person whose act or process produces Solid Waste, Targeted
251 Recyclable Materials, or Organic Materials, or whose act first causes Solid Waste to become
252 subject to regulation.

253 **Gross Revenue Billed**

254 "Gross Revenue Billed" means the total revenue recognized per generally accepted accounting
255 principles by the Contractor for all services provided to Customers during the Rate Year in
256 question. Revenues may be billed by the Contractor to Customers or may be billed by Agency
257 to Customers.

258 **Guarantor**

259 "Guarantor" means Recology Inc.

260 **Guaranty**

261 "Guaranty" means the agreement to be executed by the Guarantor in the form of Attachment G.

262 **Hazardous Substance**

263 "Hazardous Substance" shall mean any of the following: (a) any substances defined, regulated
264 or listed (directly or by reference) as "Hazardous Substances", "hazardous materials",
265 "Hazardous Wastes", "toxic waste", "pollutant" or "toxic substances" or similarly identified as

266 hazardous to human health or the environment, in or pursuant to (i) the Comprehensive
267 Environmental Response, Compensation and Liability Act of 1980, 42 USC §9601 et
268 seq.(CERCLA); (ii) the Hazardous Materials Transportation Act, 49 USC §1802, et seq.; (iii) the
269 Resource Conservation and Recovery Act, 42 USC §6901 et seq.; (iv) the Clean Water Act, 33
270 USC §1251 et seq.; (v) California Health and Safety Code §§25115-25117, 25249.8, 25281,
271 and 25316; (vi) the Clean Air Act, 42 USC §7901 et seq.; and (vii) California Water Code
272 §13050; (b) any amendments, rules or regulations promulgated there under to such enumerated
273 statutes or acts currently existing or hereafter enacted; and (c) any other hazardous or toxic
274 substance, material, chemical, waste or pollutant identified as hazardous or toxic or regulated
275 under any other applicable Federal, State or local Environmental Laws currently existing or
276 hereinafter enacted, including, without limitation, friable asbestos, polychlorinated biphenyl's
277 ("PCBs"), petroleum, natural gas and synthetic fuel products, and by-products.

278 **Hazardous Waste**

279 "Hazardous Waste" means all substances defined as Hazardous Waste, acutely Hazardous
280 Waste, or extremely Hazardous Waste by the State in Health and Safety Code §25110.02,
281 §25115, and §25117 or in any future amendments to or recodifications of such statutes or
282 identified and listed as Hazardous Waste by the US Environmental Protection Agency (EPA),
283 pursuant to the Federal Resource Conservation and Recovery Act (42 USC §6901 et seq.), all
284 future amendments thereto, and all rules and regulations promulgated there under.

285 **Hold Time**

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

290 **Holidays**

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

292 **Holiday Schedule**

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

296 **Holiday Trees**

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

299 **Household Batteries**

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

305 **Household Hazardous Waste**

06 "Household Hazardous Waste" means Hazardous Waste generated at Residential Premises.
307 Household Hazardous Waste does not include those items defined as Targeted Recyclable
308 Materials.

309 **Including**

310 "Including" means including but not limited to.

311 **Infectious Waste**

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

316 **Inquiry**

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

321 **Kitchen Pail**

322 "Kitchen Pail" means a receptacle suitable for the storage of Food Scraps that has a capacity of
323 1.5 to 2.5 gallons, a wire or plastic handle, and a lid.

24 **Line of Business**

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

328 **Liquidated Damages**

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

331 **Major Appliances**

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

336 **Materials Recovery Facility (MRF)**

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

343 **Measured Contamination Level**

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

348 **Member Agencies**

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

352 **Member Agency Facilities**

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

355 **Missed Pick-Up Collection Event**

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

364 **Missed Pick-Up Initial Complaint**

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

372 **Multi-Family Dwelling**

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

375 **Multi-Family Residential Complex**

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

380 **Net Revenue Billed**

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

384 **New County Franchised Area**

385 "New County Franchised Area" means the unincorporated areas of the County of San Mateo
386 that are located in the SBWMA service area and that are shown in Attachment R. The "New
387 County Franchised Area" does not include CSA-8, which has previously been franchised.

388 **Occupant**

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

390 **On-Call Service**

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

395 **Operating Cost**

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

399 **Operating Ratio**

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

403 **Operator**

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

406 **Organic Materials**

407 "Organic Materials" means those materials that will decompose and/or putrefy and that the
408 Agency permits, directs, or requires Generators to separate from Solid Waste and Targeted
409 Recyclable Materials for Collection in specially designated Containers for Organic Materials
410 Collection. Organic Materials include Plant Materials, Food Scraps, paper contaminated with
411 Food Scraps, biodegradable plastic food service ware, pieces of unpainted and untreated wood,
412 and pieces of unpainted and untreated wallboard. No Discarded Material shall be considered
413 Organic Materials, unless such material is separated from Solid Waste and Targeted Recyclable
414 Material.

415 **Other Recyclable Material**

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

- 421 **Overage**
422 "Overage" means the amount of Solid Waste placed in or adjacent to a Collection Container that
423 is in excess of the Container capacity.
- 424 **Overall Diversion Level**
425 "Overall Diversion Level" means the sum of all Recyclable Materials Collected by Contractor
426 divided by the sum of all materials Collected by Contractor in a Rate Year.
- 427 **Owner**
428 "Owner" means the Person holding legal title to the real property constituting the Premises to
429 which Solid Waste, Targeted Recyclable Materials, and/or Organic Materials Collection service
430 is provided.
- 431 **Party(ies)**
432 "Party(ies)" refers to the Agency and Contractor, individually or together.
- 433 **Pass-Through Cost**
434 "Pass-Through Cost" means a cost to which no element of overhead, administrative expense, or
435 profit, is added, such that the specific amount of such cost is included without modification in the
436 calculations or reports prepared in implementing this Agreement.
- 437 **Person**
438 "Person" means any individual, firm, company, association, organization, partnership,
439 corporation, trust, joint venture, the United States, the State, the County, towns, cities, or special
440 purpose districts.
- 441 **Plant Materials**
442 "Plant Materials" means a subset of Organic Materials consisting of grass cuttings, weeds,
443 leaves, prunings, branches, dead plants, brush, tree trimmings, dead trees (not more than six
444 (6) inches in diameter) and five (5) feet in length, and similar materials generated at Premises,
445 separated and set out for Collection. Plant Materials does not include materials not normally
446 produced from gardens or landscape areas, such as, brick, rock, gravel, large quantities of dirt,
447 concrete, sod, non-organic wastes, oil, and painted or treated wood products. Diseased plants
448 and trees may be excluded from Plant Materials upon mutual consent of Agency and
449 Contractor.
- 450 **Premise**
451 "Premise" means any land, or building where Solid Waste, Recyclable Materials, or Organic
452 Materials is generated or accumulated.
- 453 **Previous Contractor**
454 "Previous Contractor" means Allied Waste Services of San Mateo County, a division of Republic
455 Services, Inc.
- 456 **Proposal**
457 "Proposal" means Contractor's Proposal.

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

461 **Rate Category**
462 "Rate Category" as referred to in Section 9.06 Quarterly Reports, Subsection H "Account
463 Summary", number 1 is equivalent to the "Service Sector" definition in Attachment A.

464 **Rate Payer**
465 "Rate Payer" means a person, entity, business, or customer who receives service from
466 Contractor, and who pays Contractor for services based upon the adopted rates by a
467 jurisdiction.

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

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

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

479 **Recycling Tote-Bag**
480 "Recycling Tote-Bag" means a durable, mesh plastic bag with handles and a carrying capacity
481 of approximately eight (8) gallons distributed to Multi-Family Dwelling Residential Premises and
482 Multi-Family Residential complexes for personal Recycling use.

483 **Recyclable Containers**
484 "Recyclable Containers" means food and beverage packaging receptacles including but not
485 limited to packaging that has California Redemption Value.

486 **Recyclable Materials**
487 "Recyclable Materials" means Discarded Materials that can be re-used, remanufactured,
488 reconstituted, or Recycled.

489 **Related Party Entity**
490 "Related Party Entity" means any Affiliate, which has financial transactions with Contractor
491 pertaining to this Agreement.

492 **Residential**

493 "Residential" means of, from, or pertaining to Single-Family Dwellings, and Multi-Family
494 Residential complexes, including single-family homes, apartments, condominiums, townhouse
495 complexes, mobile home parks, cooperative apartments, and yacht harbors and marinas where
496 residents live aboard boats.

497 **Residential Diversion Level**

498 "Residential Diversion Level" means the sum of all Residential Recyclable Materials Collected
499 by Contractor divided by the sum of all Residential materials Collected by Contractor.

500 **Residential Premise**

501 "Residential Premises" means individual dwelling units such as Single-Family Dwelling units,
502 Multi-Family Dwelling units (such as townhouses, apartments, and condominiums), mobile
503 home park dwelling units, cooperative apartments, and dwelling units at yacht harbors and
504 marinas where residents live aboard boats.

505 **Residential Property**

506 "Residential Property" means property used for residential purposes.

507 **Residential Recyclable Materials**

508 "Residential Recyclable Materials" means Targeted Recyclable Materials Collected from both
509 Single-Family Dwelling Customers and Multi-Family Residential Complexes.

510 **Revenue Requirement**

511 "Revenue Requirement" means the total projected amount of revenue that must be included in
512 Agency's Rates charged to Customers to cover all costs associated with Contractor's
513 Compensation, Contractor Pass-Through Costs and Pass-Through Costs for a Rate Year.

514 **SBWMA**

515 "SBWMA" means the South Bayside Waste Management Authority, which is a joint powers
516 authority comprised of the Member Agencies.

517 **SBWMA Service Area**

518 "SBWMA Service Area" means the service area comprised of the SBWMA's Member Agencies,
519 which include the following: Town of Atherton, City of Belmont, City of Burlingame, City of East
520 Palo Alto, City of Foster City, Town of Hillsborough, City of Menlo Park, City of Redwood City,
521 City of San Carlos, City of San Mateo, sections of unincorporated San Mateo County, as
522 designated in the map that is part of Attachment R, and West Bay Sanitary District.

523 **Service Area**

524 "Service Area" means the area within, and, if applicable, outside Agency's jurisdictional
525 boundaries with respect to which Agency exercises franchising authority for the Collection of
526 Solid Waste, Targeted Recyclable Materials, Organic Materials, or other materials pursuant to
527 this Agreement. The County of San Mateo Service Area is shown in the map that is part of
528 Attachment R.

- 529 **Service Day**
530 "Service Day" means Monday through Sunday excluding Holidays.
- 531 **Service Opportunity**
532 "Service Opportunity" means each individual opportunity the Contractor has to Collect Solid
533 Waste, Targeted Recyclable Materials, and Organic Materials from a Customer's Container
534 which is equivalent to the required Single-Family, Multi-Family and Commercial lifts. For
535 example, for a Single-Family Customer with regular weekly service, Contractor has three (3)
536 Service Opportunities per week – one (1) for Solid Waste Collection, one (1) for Targeted
537 Recyclable Materials, and one (1) for Organic Materials.
- 538 **Service Sector**
539 "Service Sector" means Collection services for each of the following types of services: Single-
540 Family; Multi-Family; Commercial; and Member Agency Facilities.
- 541 **Single-Family**
542 "Single-Family," "Single-Family Dwelling," or "SFD" means a Premises used as a Residential
543 dwelling and includes each unit of a duplex, triplex, fourplex or townhouse condominium at
544 which there are no more than four dwelling units where individual Solid Waste, Targeted
545 Recyclable Materials, and Organics Materials Collection is provided separately to each dwelling
546 unit.
- 547 **Single-Stream Targeted Recyclable Materials**
548 "Single-Stream Targeted Recyclable Materials" shall mean Targeted Recyclable Materials which
549 have been Commingled by the Generator and placed in a Container for the purposes of
550 Collection.
- 551 **Solid Waste**
552 "Solid Waste" means all putrescible and non-putrescible solid, semisolid, and liquid wastes, as
553 defined in California Public Resources Code Section 40191. For the purposes of this
554 Agreement, "Solid Waste" does not include abandoned vehicles and parts thereof, Hazardous
555 Waste or low-level radioactive waste, medical waste, Source Separated Targeted Recyclable
556 Materials, Source Separated Plant Materials, or Source Separated Organic Materials.
- 557 **Source Separated**
558 "Source Separated" means materials which otherwise would become Solid Waste, but have
559 been segregated by the Generator, such as Targeted Recyclable Materials or Organic
560 Materials, for the purpose of reuse, Recycling, or composting, to be Collected by Contractor or
561 others.
- 562 **Special Handling Service**
563 "Special Handling Service" means the provision of Collection service to a SFD in the rear or
564 side premises. Customers eligible for this service include only those that submit documentation
565 (e.g., a form signed by a doctor) of their inability to perform the generally applicable Curbside
566 Collection set-out requirements.

567 **Specialty Recyclable or Reusable Material**

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

573 **Speed of Answer**

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

577 **SRDC**

578 "SRDC" means the Shoreway Recycling and Disposal Center, located at 225 and 333
579 Shoreway Road San Carlos, CA.

580 **State**

581 "State" means the State of California.

582 **Subcontractor**

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

586 **Targeted Recyclable Materials**

587 "Targeted Recyclable Materials" means a subset of Recyclable Materials that includes:
588 newspaper (including inserts, coupons, and store advertisements); mixed paper (including office
589 paper, computer paper, magazines, junk mail, catalogs, brown paper bags, paperboard, paper
590 egg cartons, telephone books, books, colored paper, construction paper, envelopes, legal pad
591 backings, shoe boxes, cereal and other similar food boxes); chipboard; corrugated cardboard;
592 paper milk cartons; glass containers of any color (including brown, blue, clear, and green);
593 aluminum (including food and beverage containers, foil, small pieces of scrap metal); small
594 pieces of scrap metal weighing less than ten (10) pounds and fitting into the Targeted
595 Recyclable Materials Collection Container (excluding chain, cable, wire, banding, hand tools,
596 and automotive parts); steel, tin or bi-metal containers; plastic containers (i.e., all plastic
597 containers stamped with the Society for the Plastics Industry (SPI) code #1 through #7; and
598 plastic containers that are not stamped but clearly can be identified as PET, HDPE,
599 polypropylene). For Single-Family and Multi-Family Premises, Targeted Recyclable Materials
600 also include Used Motor Oil, Used Motor Oil Filters, Household Batteries, and Cell Phones.

601 **Term**

602 "Term" means the Term of this Agreement.

603 **Ton (or Tonnage)**

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

606 **Transfer Station**

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

612 **Spills of Discarded Materials**

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

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

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

622 **Unpermitted Materials**

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

626 **Unscheduled Service**

627 "Unscheduled Service," means services that are unscheduled or provided on an intermittent
628 basis. For the purposes of Section 11.03D, Unscheduled Service does not include services
629 described in Section 5.02 (other than Single-Family Backyard Collection Service provided to
630 Customers representing more than twenty percent (20%) of the Single-Family Accounts), 5.03
631 (other than universal implementation), 5.04 (other than universal implementation), 5.05, 5.06,
632 5.07, 5.08 (as to events described in Attachment C), 5.09, 5.10, 5.11 (up to 30 cubic yards),
633 5.13A, or in Article 6, or any other service not included in Attachment Q unless authorized by
634 Agency.

635 **Used Motor Oil**

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

639 **Used Motor Oil Filter**

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

643 **Venue**

644 "Venue" means a permanent facility that during any year seats or serves an average of more
645 than 2,000 individuals per day of operation. Both people attending the event and those working
646 at it, including volunteers, are included in this number.

647 **Weekly Collection Service**

648 "Weekly Collection Service" means Collection Service that is scheduled in advance from
649 Monday through Friday and provided once-per-week on the same day or days each week.

650 **White Goods**

651 "White Goods" means Major Appliances.

ATTACHMENT B

Service Levels of Agency Facilities

ATTACHMENT B SERVICE LEVELS OF AGENCY FACILITIES

List of Agency Facilities CSA-8

Type of Receptacle	Closest Address	Physical Location	Frequency of Collection	Notes
32g-concrete	5 th and Middlefield Rd	East Corner	3x M, W, F	Container with plastic 32 gal insert, lock doors, notify DPW if container is door is broken
32g-concrete	5 th and Middlefield Rd	West Corner	3x M, W, F	Container with plastic 32 gal insert, lock doors, notify DPW if container is door is broken
32g-concrete	6 th Middlefield Rd	West Corner	3x M, W, F	Container with plastic 32 gal insert, lock doors, notify DPW if container is door is broken
32g-concrete	6 th Middlefield Rd	East Corner	3x M, W, F	Container with plastic 32 gal insert, lock doors, notify DPW if container is door is broken
32g-concrete	6 th Middlefield Rd	South Corner	3x M, W, F	Container with plastic 32 gal insert, lock doors, notify DPW if container is door is broken
32g-concrete	7 th Middlefield Rd	East Corner	3x M, W, F	Container with plastic 32 gal insert lock doors, notify DPW if container is door is broken
32g-concrete	7 th Middlefield Rd	West Corner	3x M, W, F	Container with plastic 32 gal insert, lock doors, notify DPW if container is door is broken
32g-concrete	8 th Middlefield Rd	East Corner	3x M, W, F	Container with plastic 32 gal insert, lock doors, notify DPW if container is door is broken
32g-concrete	8 th Middlefield Rd	South Corner	3x M, W, F	Container with plastic 32 gal insert, lock doors, notify DPW if container is door is broken
32g-concrete	Semicircular Rd & Middlefield		3x M, W, F	

ATTACHMENT B SERVICE LEVELS OF AGENCY FACILITIES

Type of Receptacle	Closest Address	Physical Location	Frequency of Collection	Notes
32g. round metal x 2	Friendship Park	between Huntington Avenue and Curtis Street	1x a week M	
96 gal cart x 1	Fair Oaks Community Park	Corner of Fair Oaks Avenue. & Edison Way	1 x a week M	
1-4 yd MP 2-95gal B & C 1-4yd Solid Waste	Fair Oaks Community Center	2500/2600 Middlefield Road	1 4yd MP 2 -95 gal 1 x's 1-4yd 6x's a week	
1-95 MP 1-95 B&C 1-64 Organics 4-45 gal Trash	Fair Oaks- Fire Dept	4101 Fair Oaks Ave	1-95 x 1 a week 1-95 x 1 a week 1-64gal 1 a week 4 45 gal SW 1 x a week	

New County Franchised Area

1 4yd MP 1-6yd B&C 1-6yd Organics	Flood Park	215 Bay Road Menlo Park	1 x a week 1 x a week 2 x a week	
1-3 yd MP 1-2yd MP 1-3 yd B& C	Coyote Point Park	1701 Coyote Point Drive San Mateo	1 x a week 1x a week 1 x a week	
Unincorporated Area 4-32 g				
Agency Facilities 4-32 g				

ATTACHMENT C

Community Events

ATTACHMENT C COMMUNITY EVENTS

CSA-8

North Fair Oaks Community Festival

New County Franchised Area

Highlands 4th of July

Agency 4th of July event

Palomar Park Pancake Breakfast

Up to 6 additional events each year in the County areas specified by Agency.



ATTACHMENT D

Container Specifications

ATTACHMENT D CONTAINER SPECIFICATIONS

Container Specifications - Carts					
1.	Material to be Collected	Color	Default Capacity		
	Solid Waste	Black	32 or 64 gallon (CSA-8) 32 for New Franchised County Areas		
	Targeted Recyclable Materials	Blue	64 gallon		
	Organic Materials	Green	96 gallon		
2.	Manufacturer.....		<u>Toter Inc.</u>		
3.	Material of Construction.....		<u>LMPDE – Linear Medium Density Polyethylene</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> <u>Injection molding for 20 gallon cart</u>		
	Cart Size	20 gal ¹	32 gal	64 gal	96 gal
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> <u>19.8 x</u> <u>32.60</u>	<u>24.25 x</u> <u>19.25 x</u> <u>38.50</u>	<u>31.75 x</u> <u>24.25 x</u> <u>41.75</u>	<u>35.25 x</u> <u>29.75 x</u> <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>			

¹ 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

Container Specifications – Kitchen Pails	
1. Kitchen Pail (Food Waste) <input checked="" type="checkbox"/>	
2. Manufacturer.....	<u>Norseman Environmental Products</u>
3. Material of Construction	<u>High Density Polyethylene</u>
4. Recycled Content (percentage).....	<u>Minimum of twenty percent (20%) post-consumer recycled content material</u>
5. Color	<u>Green body</u> <u>White lid</u> <u>White handle</u>
6. Durability (in service years)	<u>Five years plus</u>
7. Cost of Each Kitchen Pail	<u>\$5.60 (delivery included)</u>
8. Dimensions of Each Kitchen Pail (Length x Width x Height) ...	<u>12" x 8.6" x 8.6"</u>
9. Manufacturer's warranty	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes If Yes No. of Years <u>5</u>
10. Labeling (list methods).....	<u>Hot stamped on front</u> <u>and/or</u> <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 Polypropylene, 35% Virgin Polypropylene, 3% White pigment, and 2% Printing ink</u>
5. Color	<u>Available in any Pantone color</u>
6. Durability (in service years)	<u>5 – 10 Years</u>
7. Cost of Tote	<u>3000 Bags - \$3.15 per</u> <u>5000 Bags - \$2.92 per</u> <u>10,000 Bags - \$2.87 per</u> <u>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 No. of Years _____
10. Labeling (list methods)	<u>Silkscreen</u>

ATTACHMENT D CONTAINER SPECIFICATIONS

Container Specifications - Bins				
1. Material to be Collected.	Garbage	<input checked="" type="checkbox"/>		
	Targeted Recyclables	<input checked="" type="checkbox"/>		
	Organic Waste	<input checked="" type="checkbox"/>		
	C&D Materials	<input checked="" type="checkbox"/>		
2. Manufacturer.....	<u>Consolidated Fabricators</u>			
3. Material of Construction	<u>Steel</u> Body	<u>HDPE Plastic</u> Lid		
4. Recycled Content (percentage).....	<u>30%</u>			
5. Manufacturing Method	<u>Welded (Body)</u>		<u>Molded (Lid)</u>	
6. New or Used (Agency authorization required).....	<input type="checkbox"/> New		<input type="checkbox"/> Used	
7. Date of Last Refurbished	_____			
Container Size (cubic yards)	<u>1</u> CY	<u>2</u> CY	<u>3</u> CY	<u>4</u> CY
8. Color	_____	_____	_____	_____
9. Durability (in service years)	<u>7+</u>	<u>7+</u>	<u>7+</u>	<u>7+</u>
10. Cost of Each Container	<u>\$460.00</u>	<u>\$590.00</u>	<u>\$620.00</u>	<u>\$700.00</u>
11. Dimensions of Each Container (Length x Width x Height)	<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>
12. Wheel Size (if appropriate)	<u>6"</u>	<u>6"</u>	<u>6"</u>	<u>6"</u>
13. Maximum Load Weight (lbs)	<u>600</u>	<u>1000</u>	<u>1400</u>	<u>1800</u>
14. Manufacturer's warranty (years)	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
15. Labeling (list methods)	<u>Paint and decals</u>			

ATTACHMENT D CONTAINER SPECIFICATIONS

Container Specifications – Bins				
1. Material to be Collected.	Garbage	<input checked="" type="checkbox"/>		
	Targeted Recyclables	<input checked="" type="checkbox"/>		
	Organic Waste	<input checked="" type="checkbox"/>		
	C&D Materials	<input checked="" type="checkbox"/>		
2. Manufacturer.....	<u>Consolidated Fabricators</u>			
3. Material of Construction	<u>Steel</u> Body	<u>HDPE Plastic</u> Lid		
4. Recycled Content (percentage).....	<u>30%</u>			
5. Manufacturing Method	<u>Welded (Body)</u>		<u>Molded (Lid)</u>	
6. New or Used (Agency authorization required).....	<input type="checkbox"/> New		<input type="checkbox"/> Used	
7. Date of Last Refurbished	_____			
Container Size	<u>6</u> CY	<u>8</u> CY	<u>9</u> CY	<u>15</u> CY
8. Color	_____	_____	_____	_____
9. Durability (in service years)	<u>7+</u>	<u>7+</u>	<u>7+</u>	<u>7+</u>
10. Cost of Each Container	<u>\$900.00</u>	<u>\$1,200.00</u>	<u>N/A</u>	<u>N/A</u>
11. Dimensions of Each Container (Length x Width x Height)	<u>72"x66"x50"</u>	<u>72" x 72" x 56"</u>	<u>8x12x34"</u>	<u>8x12x55"</u>
12. Wheel Size (if appropriate)	<u>n/a</u>	<u>n/a</u>	<u>10"</u>	<u>10"</u>
13. Maximum Load Weight (lbs)	<u>2000</u>	<u>2200</u>	<u>15,000 lb</u>	<u>15,000 lb</u>
14. Manufacturer's warranty (years)	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
15. Labeling (list methods)	<u>Paint and decals</u>			

N/A means "not applicable."

ATTACHMENT D CONTAINER SPECIFICATIONS

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

Material stream	Estimated sample weight	Number of samples	Expected statistical error range
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.

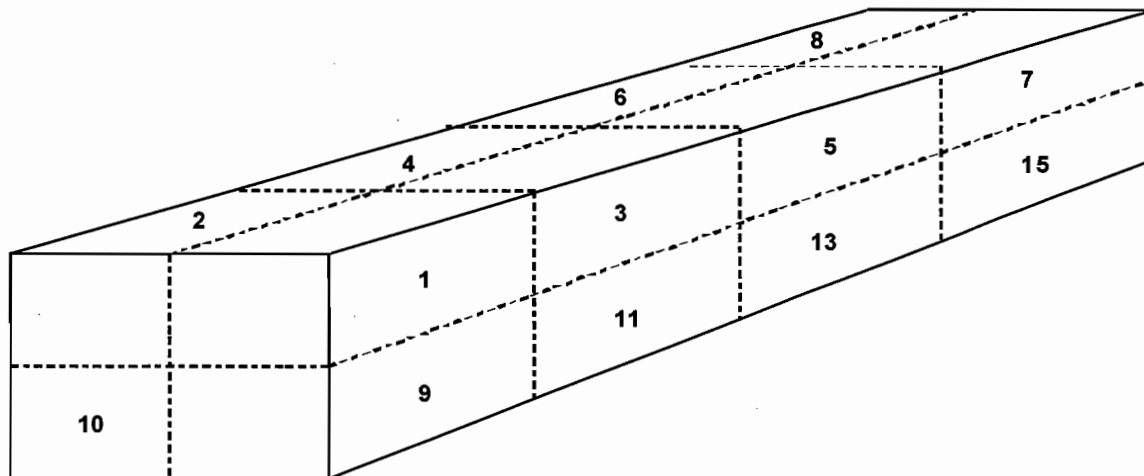
The *sampling crew manager* will assist the *loader operator* in locating the appropriate cell for each sample using the sample cell map in Figure 1 below.

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.¹ 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.

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

¹ 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.

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

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

<p>Date: _____</p> <p>Jurisdiction: _____</p> <p>RSS - 1</p> <p>Cell 13</p>

Figure 3: Example Tally sheet

South Bayside Waste Management Authority: Contamination Sampling					 RethinkWaste <small>South Bayside Waste Management Authority</small>			
CONTAMINANTS	Container 1				DATE:		SAMPLE ID:	
	Container 2				SAMPLING POPULATION:		SAMPLE WEIGHT:	
	Container 3							
	Container 4				TIME:		TRUCK NO.:	
	Container 5				LOAD NO.:		CELL NO.:	
	Container 6							
	Container 7				NOTES:			
	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

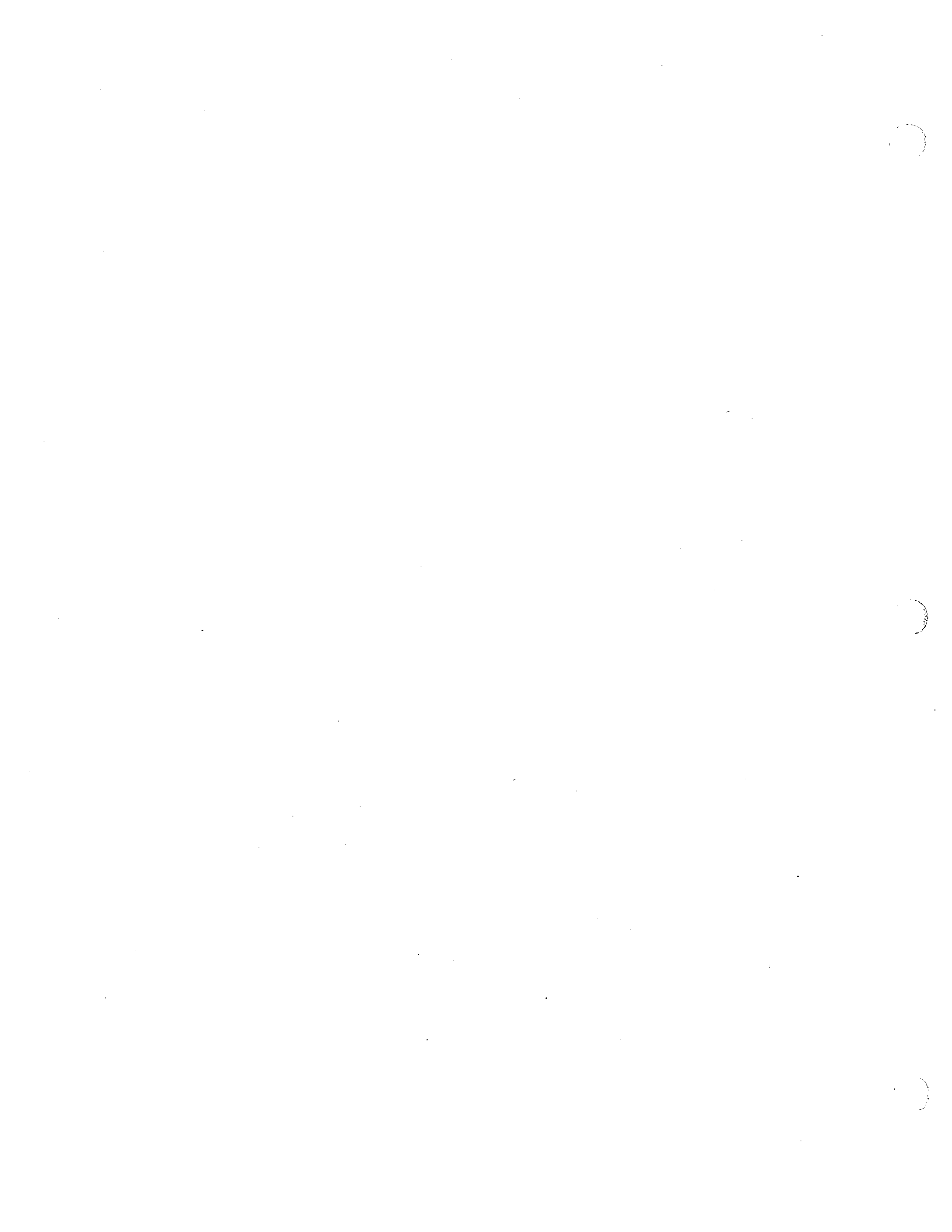
Appendix 3 provides a list of equipment necessary for all sampling and sorting activities. Extra safety equipment should be available to ensure the safety of observers or others at the sorting site.

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 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 Methodologies 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 ¹	Approximate statistical error range	Number of truckloads to be sampled ¹	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%

¹ 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

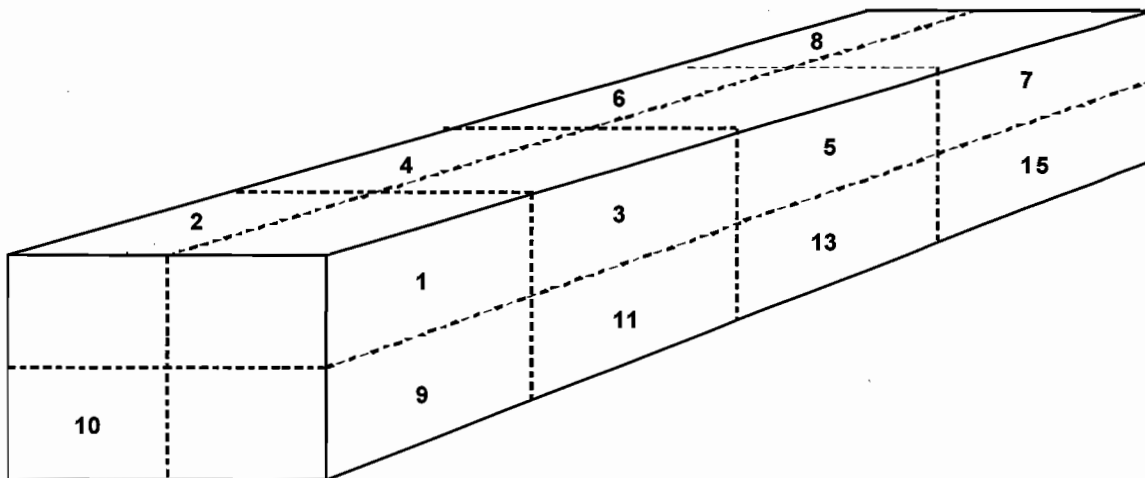
The *tipping house staff* will direct the driver to empty the entire truckload of material in an elongated pile on a designated dumping area. To the extent possible, this area shall be clean and the unloaded material shall be segregated from other loads on the tipping floor. The location of the unloading 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


Vehicle Selection Sheet			Sampling Date: June 25, 2009						
SBWMA: Contamination Sampling			1 st Load Arrives At: 9:00:00 AM						
 RethinkWaste <small>South Bay Side Waste Management Authority</small>			Notes: Betty working at scale house, helped with sampling before.						
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		
Multi Sample Loads									
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		
CONTINGENCY SAMPLES									
1316	1	11:30	RSS - N		7	FL	1		
2244	2	11:30	RO - W		14	FL	1		
Any Additional Samples or notes?									

Figure 3: Example Sampling placard

Date: _____
Jurisdiction: _____

RSS - 1

Cell 13

Figure 4: Example Tally sheet

South Bayside Waste Management Authority: Contamination Sampling					RethinkWaste <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 California, 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 County of San Mateo, hereinafter called the SURETY, are held and firmly bound to the County of San Mateo, a municipal corporation in the State of California, hereinafter called the OBLIGEE, in the sum of four hundred fifty one thousand seven hundred ninety five and 00/100 dollars (\$451,795.00) 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 there under, 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 _____, 2010.

RECOLOGY SAN MATEO COUNTY_
(PRINCIPAL)

By: _____
Name: Mark R. Lomele _____
Title: 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 1st day of January, 2010, by RECOLOGY, INC., ("Guarantor"), to the County of San Mateo, 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 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.

ATTACHMENT G GUARANTY

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 therefore 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 out of the Agreement based on Contractor's failure to perform which has not been settled or discharged.

ATTACHMENT G GUARANTY

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: Jim Porter, Director of Public Works
 County of San Mateo
 555 County Center, 5th Floor
 Redwood City, CA 94063

With a copy to Agency's Attorney at the same address.

To Guarantor: Recology, Inc.
 50 California Street, 24th Floor

**ATTACHMENT G
GUARANTY**

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.

Commercial Accounts

Contractor may discontinue service to any Commercial Account, except for properties billed on the property tax bill, if payment is not received within thirty (30) Days after the Account becomes delinquent. Contractor must provide all delinquent accounts with two written notices of its intent to discontinue service at least thirty (30) Days prior to such discontinuance. Agency shall allow Contractor to collect a premium fee to initiate service at a discontinued account in an amount not to exceed 10% of the balance due and payment of outstanding balance for Commercial Customers.

Single Family and Multi Family Dwelling Accounts

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 unpaid balance for Multi-Family Residential 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
Annual Diversion Level			
Overall Diversion Level ¹	Not applicable	calculated Overall Diversion Level > targeted Overall Diversion Level	Incentive payment = \$70.00 per Ton
Minimum Single-Family Diversion Level	Level < TBD% ¹	Not applicable	Disincentive payment = \$70.00 per Ton
Minimum Commercial Diversion Level	Level < TBD% ²	Not applicable	Disincentive payment = \$70.00 per Ton
Maximum Contamination Level – Residential Targeted Recyclable Materials	Rate Year One level > 20% ³ Rate Year Two (2012) through Ten (2020) level > TBD ⁴	Not applicable	Disincentive payment = \$175.00 per Ton
Maximum Contamination Level – Residential Organic Materials	Level > 5%	Not applicable	Disincentive payment = \$70.00 per Ton
Maximum Contamination Level – Commercial Targeted Recyclable Materials	Level > 8%	Not applicable	Disincentive payment = \$70.00 per Ton
Maximum Contamination Level – Commercial Organic Materials	Level > 10%	Not applicable	Disincentive payment = \$70.00 per Ton
Maximum Contamination Level – MFD and Commercial Plant Materials	Level > 5%	Not applicable	Disincentive payment = \$70.00 per Ton
Single-Family Missed Pick-Up Initial Complaints	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
Single-Family Missed Pick-Up Collection Event	Actual > 0	Not applicable	Disincentive payment = \$50.00 per Missed Pick-Up Collection Event
Average Speed of Answer	Actual > 30 seconds	Actual < 15 seconds	Incentive or disincentive payment = \$500 per second above or below the threshold
Ninety (90) Second Maximum Hold Time	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

¹ "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).

² "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).

³ 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).

⁴ "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):

Rate Year Two (2012) Results					
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
	Calculated Single-Family Diversion Level				
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
	Calculated Commercial Diversion Level¹				24.92%
Single-Family, Multi-Family, Commercial and Agency Facilities ²	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
	Calculated Overall Annual Diversion Level²				34.48%

¹ Commercial Diversion includes: Multi-Family, Commercial and Agency Facility Service Sectors.

² 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	0.62%			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	-0.22%			-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	0.18%			769.66	N/A	\$53,876.37
New Targeted Overall Diversion Level for 2014	34.66%					
Summary:					Net Payment Due: Positive Amount Due Contractor and Negative Amount Due Agencies	\$15,641.50
Single-Family Diversion =	<u>Variance</u> 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

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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:

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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
						Total	\$57,645

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.

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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

$87 \times \$50 = \$4,350$

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 \times \$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.

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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

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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>COLLECTION QUALITY</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 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>Customer Service Quality</p> <p>1. * 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>Reporting</p> <p>1. 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 rd) 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 rd) 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
Other				
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 \$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>

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
	CSA - 8	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
	CSA - 8	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
	CSA - 8	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
	CSA - 8	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
	CSA - 8	2.86%	3
	WBSD	2.28%	3
	Uninc. County	5.32%	6
	Total		120



Attachment K
Contractor's Compensation
and
Rate Setting Process

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ATTACHMENT K

Contractor's Compensation and Rate Setting Process

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.

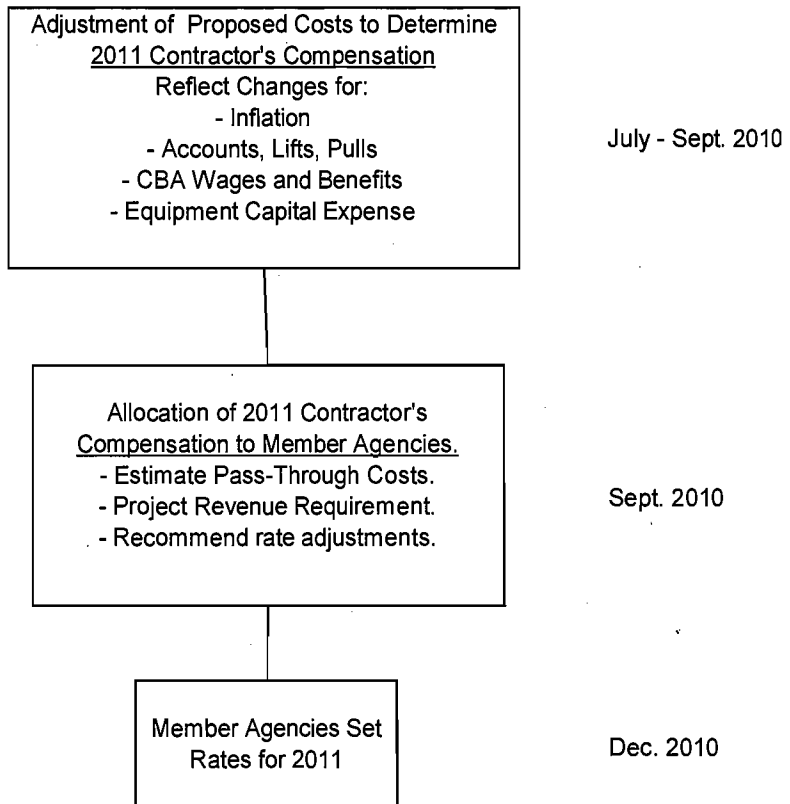
This Attachment describes Contractor's accountability regarding Contractor's Proposal assumptions (section 2); the procedures by which specific elements of Contractor's Compensation will be adjusted annually (section 3); the format and content of Contractor's annual application for adjustments in compensation (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).

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CONTRACTOR'S COMPENSATION AND RATE SETTING PROCESS**

Figure K-1
Determination of Contractor's Compensation for Rate Year One (2011)



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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).

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Table 1

ANNUAL COST OF OPERATION	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>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"> • 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. • 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. 	<ul style="list-style-type: none"> • 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. • 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, <i>cis201s0000000000i</i> successor to series no. <i>ecs12102i</i>). Average index change between index for May of prior year to April of current year (i.e., twelve (12) months average change)¹. • 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). <p>¹ 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>

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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>B.</p> <p>Wages and benefits for employees not represented through collective bargaining agreements.</p>	<ul style="list-style-type: none"> • Step One: 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, cis201s000000000i successor to series no. ecs12102i). Average index change between index for May 2008 and April 2010 (i.e., twenty four (24) months). • Step Two: 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, cis201s000000000i successor to series no. ecs12102i). Average index change between index for May 2009 to April 2010 (i.e., twelve (12) months). • 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. 	<ul style="list-style-type: none"> • 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, cis201s000000000i 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). • 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.

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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>C. Payroll taxes</p>	<ul style="list-style-type: none"> • Payroll tax expense will be calculated based on the following effective tax rates in Contractor's Proposal: <ul style="list-style-type: none"> ▪ 8.32% for Direct Labor; and, ▪ 8.15% for Indirect Labor. • 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). 	<ul style="list-style-type: none"> • Same method as prior year.
<p>D. Workers compensation, direct and indirect</p>	<ul style="list-style-type: none"> • Step One: 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). • Step Two: 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). 	<ul style="list-style-type: none"> • 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). • 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.

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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"> • 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. 	

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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. Fuel for route and service vehicles, direct and indirect</p>	<ul style="list-style-type: none"> • Step One: 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). • Step Two: 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. • 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. 	<ul style="list-style-type: none"> • 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). • 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.

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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"> • Step One: 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). • Step Two: 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). • 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. 	<ul style="list-style-type: none"> • 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). • 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.

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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.</p> <p>Depreciation for Collection vehicles and Containers</p>	<ul style="list-style-type: none"> • 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. • 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. • Price Adjustment: Actual cost of purchase will be used if purchase price is less than CPI-adjusted price. • Change in sales or other tax will be separately adjusted to reflect the actual tax rate at time of purchase. • 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. 	<ul style="list-style-type: none"> • 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. • 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. • 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. • 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. • If purchase of used equipment is authorized by Agency and SBWMA, depreciation expense

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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"> • 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. • If purchase of used equipment is authorized by Agency and SBWMA, depreciation expense will be revised to reflect actual costs of used equipment. • 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. • 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. • 	<p>will be revised to reflect actual costs of used equipment.</p> <ul style="list-style-type: none"> • 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.

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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.</p> <p>Allocated Indirect Depreciation Costs (related to vehicle and container maintenance equipment, shop equipment, office equipment, etc.)</p>	<ul style="list-style-type: none"> • Step One: 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). • Step Two: 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). • 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. 	<ul style="list-style-type: none"> • No additional adjustments. • If purchase of additional equipment is authorized by SBWMA, depreciation expense will be revised to reflect the actual cost of the additional equipment. • 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.

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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)
I. Implementation Costs	<ul style="list-style-type: none"> • Same Inflation Index and method as that described for Other Costs (Cost F). • No adjustment based on changes in service levels will be made. 	<ul style="list-style-type: none"> • No additional adjustment.
Total Annual Cost of Operations	<ul style="list-style-type: none"> • Calculated as the sum of the cost components adjusted as described above. 	<ul style="list-style-type: none"> • Same method as prior year.
Profit	<ul style="list-style-type: none"> • 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%). 	<ul style="list-style-type: none"> • Same method as prior year

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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)
CONTRACTOR PASS-THROUGH COSTS		
<p>A.</p> <p>Interest expense (on capital and implementation costs)</p>	<ul style="list-style-type: none"> • Interest rate on loans used to acquire capital equipment will be 5.5% as specified in Contractor's Proposal. • Compensation for interest expense will be specified on the Debt Service Schedule in Attachment N Cost Form 11. • Interest expense in Attachment N will be revised for any approved changes in the amount of capital equipment purchased. 	<ul style="list-style-type: none"> • No interest rate adjustment. • Compensation for interest expense will be based on the revised and SBWMA approved Debt Service Schedule in Attachment N for Rate Year One (2011). • The Debt Service Schedule may be revised again for any given Rate Year for allowed and approved changes to the capital equipment schedule. • Interest expense will be based on ten (10) year financing terms on any approved additional capital.
<p>B.</p> <p>Regulatory Agency Fees</p>	<ul style="list-style-type: none"> • 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). 	<ul style="list-style-type: none"> • 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."
<p>Total Contractor Pass-Through Costs</p>	<ul style="list-style-type: none"> • Calculated as the sum of the Contractor Pass-Through Costs. 	<ul style="list-style-type: none"> • Same method as prior year.
<p>TOTAL CONTRACTOR'S COMPENSATION</p>	<ul style="list-style-type: none"> • Calculated as the sum of total Annual Cost of Operations, Profit, and Contractor's Pass-Through Costs. 	<ul style="list-style-type: none"> • Same method as prior year.

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Table 2

Adjustment Metric	Rate Year One (2011) Adjustment and Source of Data	Rate Year Three (2013) Adjustment and Source of Data
Accounts (Single-Family Dwelling accounts for Solid Waste Collection)	<ul style="list-style-type: none"> Adjustment shall be based on the percentage change in accounts from March 2008¹ (Source: SBWMA RFP for Collection Services) to June 2010 (Source: current service provider). 	<ul style="list-style-type: none"> Adjustment shall be based on the percentage change in accounts from June 2010 (Source: current service provider data) to June 2012 (Source: Contractor).
Lifts (Multi-Family Dwelling, Commercial and Agency Facility Bin and Cart lifts for Solid Waste, Recyclable and Organic Materials Collection)	<ul style="list-style-type: none"> Adjustment shall be based on the percentage change in lifts from March 2008¹ (Source: SBWMA RFP for Collection Services) to June 2010 (Source: current service provider). 	<ul style="list-style-type: none"> Adjustment shall be based on the percentage change in lifts from June 2010 (Source: current service provider data) to June 2012 (Source: Contractor).
Pulls (Multi-Family Dwelling, Commercial and Agency Facility Drop Box and Compactor pulls for Solid Waste, Recyclable and Organic Materials Collection)	<ul style="list-style-type: none"> Adjustment shall be based on the percentage change in pulls from March 2008¹ (Source: SBWMA RFP for Collection Services) to June 2010 (Source: current service provider). 	<ul style="list-style-type: none"> Adjustment shall be based on the percentage change in pulls from June 2010 (Source: current service provider) to June 2012 (Source: Contractor).

¹ 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.

**ATTACHMENT K
CONTRACTOR'S COMPENSATION AND RATE SETTING PROCESS**

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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CONTRACTOR'S COMPENSATION AND RATE SETTING PROCESS

- 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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CONTRACTOR'S COMPENSATION AND RATE SETTING PROCESS

- 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.

ATTACHMENT K CONTRACTOR'S COMPENSATION AND RATE SETTING PROCESS

- 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.

**ATTACHMENT K
CONTRACTOR'S COMPENSATION AND RATE SETTING PROCESS**

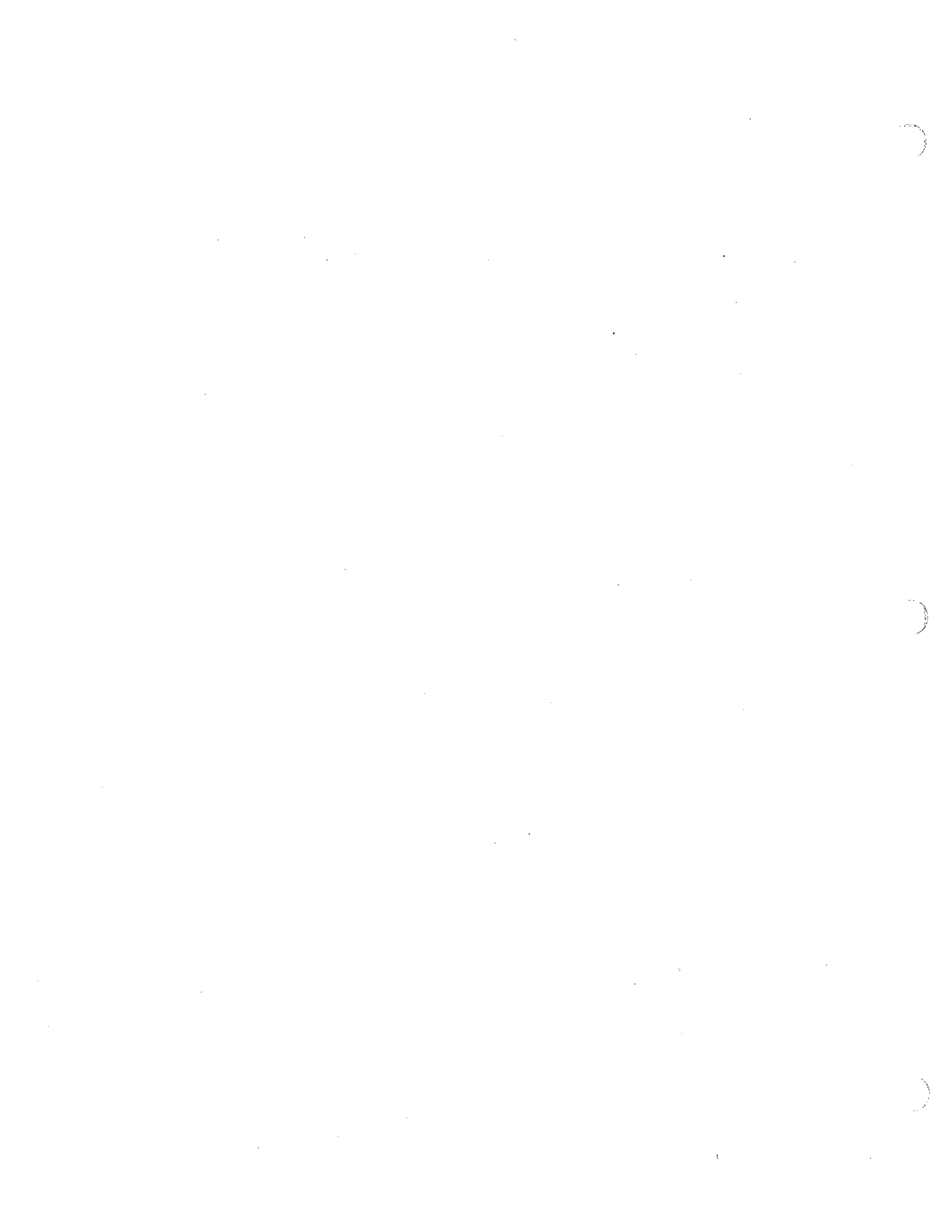
10. Performance Incentives and Disincentives for Contractor's Performance

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.

Implementation Plan Timeline Detail		
1 - Implementation Management		
<u>Start</u>	<u>End</u>	<u>Description</u>
1-Jun-09	31-Dec-11	Recology San Mateo County (RSMC) / SBWMA coordination meetings – minimum once per month
2 - SBWMA/Member Agency Public Education and Outreach		
<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
3 - RSMC Public Education and Outreach		
<u>Start</u>	<u>End</u>	<u>Description</u>
1-Jun-09	31-Dec-10	RSMC (Recology Database) 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.
4 - Customer Service		
<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 Norcal Customer Relationship Management (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
5 - Cart Procurement		

ATTACHMENT L IMPLEMENTATION PLAN

Implementation Plan Timeline Detail		
<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
6 - Container Procurement		
<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
7 - Vehicle Procurement		
<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
8 - Collection Routing		
<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.
9 - Operations and Maintenance Facility		
<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
10 - MFD & Commercial Recycling Blitz		
<u>Start</u>	<u>End</u>	<u>Description</u>
1-Jan-10	31-Mar-10	Design and produce New Service brochure for Recycling Blitz

ATTACHMENT L IMPLEMENTATION PLAN

Implementation Plan Timeline Detail		
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
11 - Personnel Recruitment and Training		
<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
12 - Container Distribution		
<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, and to reimburse Agency for costs incurred in administering this Agreement, Contractor shall pay to Agency an annual Franchise Fee of 5%.

AB 939 FEE

The County of San Mateo and other Agencies not currently imposing an AB 939 Fee on collection activities may impose such a fee, which could be effective as of January 1, 2011, or later. Any such AB 939 Fee would be considered a regulatory agency fee and shall be paid as required by the ordinance or resolution establishing and imposing such fee.

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
Annual Cost of Operations				
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%
Total Annual Cost of Operations	40,245,755	44,084,542	3,838,787	9.5%
Profit	4,224,692	4,627,659	402,967	9.5%
Operating Ratio	90.5%	90.5%		
Total Operating Costs	44,470,447	48,712,201	4,241,754	9.5%
Contractor Pass-Through Costs				
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%
Total Contractor Pass-Through Costs	3,105,828	3,288,251	182,423	5.9%
TOTAL CONTRACTOR'S COMPENSATION	47,576,275	52,000,452	4,424,176	9.3%
Other Pass-Through Costs				
Disposal & Processing Fees	-	-	-	
Agency Franchise Fees	-	-	-	
Total Other Pass-Through Costs	-	-	-	
TOTAL REVENUE REQUIREMENT				

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
Annual Cost of Operations				
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
Total Annual Cost of Operations	\$24,987,288	\$18,314,772	\$782,482	\$44,084,542
Profit	\$2,622,975	\$1,922,545	\$82,139	\$4,627,659
Operating Ratio	90.5%	90.5%	90.5%	90.5%
Total Operating Cost	\$27,610,263	\$20,237,317	\$864,620	\$48,712,201
Contractor Pass-Through Costs				
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
Total Contractor Pass-Through Costs	\$1,874,303	\$1,348,181	\$65,766	\$3,288,251
TOTAL CONTRACTOR'S COMPENSATION	\$29,484,566	\$21,585,499	\$930,387	\$52,000,452

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
Annual Cost of Operations													
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	\$1,207,879	\$39,263	\$71,657	\$122,650	\$49,458	\$85,585	\$66,410	\$132,652	\$237,680	\$99,606	\$298,357	\$18,856	\$78,705
Total Direct Labor Related-Costs	\$21,295,977	\$640,035	\$1,169,213	\$2,104,617	\$806,583	\$1,390,379	\$1,084,916	\$2,159,092	\$3,869,403	\$1,623,361	\$4,858,009	\$308,114	\$1,282,253
Direct Fuel Costs	\$2,748,036	\$91,498	\$159,608	\$253,892	\$111,498	\$188,119	\$156,362	\$275,244	\$477,135	\$222,371	\$388,924	\$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	\$2,292,505	\$47,773	\$148,584	\$201,496	\$95,628	\$148,605	\$66,744	\$222,443	\$423,939	\$207,344	\$511,060	\$41,563	\$166,516
Total Depreciation	\$6,197,766	\$178,696	\$376,181	\$560,922	\$254,139	\$425,025	\$290,593	\$611,544	\$1,102,312	\$524,380	\$1,347,879	\$100,286	\$425,810
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	\$30,405	\$89,523	\$33,135	\$60,535	\$21,323	\$83,583	\$157,804	\$74,201	\$194,678	\$12,901	\$54,87
Total Allocated Indirect Costs excluding Depreciation	\$11,391,692	\$282,439	\$659,796	\$1,156,102	\$451,025	\$810,737	\$429,437	\$1,120,231	\$2,068,601	\$960,560	\$2,537,322	\$171,955	\$743,4
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	\$17,974	\$48,424	\$3,269	\$14,423
Total Annual Cost of Operations³	\$44,084,542	\$1,272,036	\$2,506,036	\$4,308,092	\$1,722,875	\$2,983,426	\$2,096,737	\$4,410,542	\$7,945,029	\$3,529,569	\$9,860,931	\$657,005	\$2,792,264
Profit	\$4,627,659	\$133,529	\$263,065	\$452,231	\$180,854	\$313,177	\$720,092	\$462,985	\$834,002	\$370,507	\$1,035,125	\$68,967	\$293,111
Operating Ratio	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%
Total Operating Cost	\$48,712,201	\$1,405,565	\$2,769,101	\$4,760,323	\$1,903,729	\$3,296,603	\$2,316,836	\$4,873,527	\$8,779,037	\$3,900,077	\$10,896,056	\$725,972	\$3,085,375
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
Total Contractor Pass-Through Costs	\$3,288,251	\$95,264	\$199,225	\$298,018	\$134,929	\$225,584	\$155,175	\$324,599	\$584,339	\$277,708	\$714,972	\$53,024	\$225,417
TOTAL CONTRACTOR'S COMPENSATION	\$52,000,452	\$1,500,828	\$2,968,325	\$5,058,340	\$2,038,658	\$3,522,187	\$2,472,011	\$5,198,126	\$9,263,376	\$4,177,784	\$11,611,028	\$778,996	\$3,310,792
Other Pass-Through Costs													
Disposal & Processing Fees ¹	\$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 ²	\$7,478,118	\$193,561	\$849,961	\$620,677	\$333,032	\$295,832	\$220,959	\$660,136	\$1,788,943	\$348,028	\$2,093,615	\$5,012	\$58,351
Total Other Pass-Through Costs	\$22,998,696	\$594,184	\$1,767,156	\$2,050,155	\$1,222,354	\$1,308,878	\$590,172	\$2,285,939	\$4,946,849	\$1,527,618	\$5,289,700	\$208,533	\$1,207,158
TOTAL REVENUE REQUIREMENT	\$74,999,148	\$2,095,012	\$4,735,481	\$7,108,495	\$3,261,012	\$4,831,065	\$3,062,183	\$7,484,065	\$14,310,225	\$5,705,402	\$16,900,728	\$987,529	\$4,517,950

1 Disposal Fees for example only, not actual or projected.
 2 Franchise Fee for example only, not actual or projected.
 3 Costs do not reflect any Agency directed changes in service.

FRANCHISE AGREEMENT FOR COLLECTION SERVICES

ATTACHMENT N

D. County Total: North Fair Oaks, North pockets, South pockets

EXAMPLE ONLY

2011 Costs	City # of accounts	City # of accounts	City # of accounts	City # of accounts	City # of accounts	City # of accounts	Total
City # of accounts	7,404	7,404	7,404	7,404	7,404	10	7,404
SBWMA # of accounts	90,461	90,461	90,461	90,461	90,461	402	90,461
City Total Route Labor hours year	4,827	4,635	4,577	23	23	186	14,272
SBWMA Total Route Labor hours year	58,630.74	57,470.96	49,708.61	264.63	264.63	9,752.36	176,092
City # of route hours/year	4,722	4,560	4,275	23	23	186	13,789
SBWMA # of route hours/year	57,108.73	56,052.72	48,405.78	258.00	258.00	9,752.36	171,836
City Total Containers in Service (Accounts for example)	7,404	7,404	7,404	7,404	7,404	10	37,030
SBWMA Total Containers in Service	90,461	90,461	90,461	90,461	90,461	402	452,707

FTE Routes

SFD	Solid Waste	Recyclable Materials	Organic Materials (Including Holiday Trees)	Weekly Battery and Call Phone	Weekly Used Motor Oil and Oil Filters	Two On-Call Collection Events	TOTAL
Annual Cost of Operations							
Direct Labor-Related Costs							
Wages for CBAs	\$228,914	\$183,476	\$187,201	\$1,006	\$1,006	\$12,511	\$614,115
Benefits for CBAs	\$70,004	\$58,557	\$58,335	\$321	\$321	\$4,454	\$191,992
Payroll Taxes	\$19,046	\$15,265	\$15,375	\$84	\$84	\$1,041	\$51,094
Workers Compensation Insurance	\$20,839	\$16,702	\$17,041	\$92	\$92	\$1,139	\$55,904
Total Direct Labor Related-Costs	\$338,802	\$274,001	\$278,151	\$1,503	\$1,503	\$19,146	\$913,105
Direct Fuel Costs	\$43,070	\$43,024	\$40,746	\$236	\$236	\$1,049	\$128,362
Other Direct Costs	\$30,434	\$30,402	\$29,151	\$167	\$167	\$901	\$91,221
Depreciation - Collection Vehicles	\$62,589	\$60,960	\$58,492	\$334	\$334	\$1,589	\$184,298
Depreciation - Containers	\$41,266	\$42,092	\$51,019	\$213	\$213	\$0	\$134,803
Depreciation for Collection Equipment	\$103,855	\$103,051	\$109,511	\$547	\$547	\$1,589	\$319,100
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)							
General and Administrative	\$96,500	\$99,516	\$100,521	\$503	\$503	\$1,266	\$298,808
Operations	\$24,868	\$25,230	\$27,667	\$138	\$138	\$239	\$78,281
Vehicle Maintenance	\$39,026	\$39,594	\$43,418	\$217	\$217	\$375	\$122,847
Container Maintenance	\$12,856	\$13,258	\$13,392	\$67	\$67	\$169	\$39,802
Total Allocated Indirect Costs excluding Depreciation and Interest	\$173,250	\$177,598	\$184,998	\$925	\$925	\$2,049	\$539,745
Total Allocated Indirect Depreciation Costs (Form 9)	\$2,703	\$2,743	\$3,008	\$15	\$15	\$26	\$8,510
Annual Implementation Cost Amortization (Form A)	\$3,362	\$3,107	\$3,264	\$54	\$54	\$118	\$9,960
Total Annual Cost of Operations	\$695,477	\$633,926	\$648,829	\$3,447	\$3,447	\$24,877	\$2,010,003
Profit (Insert Operating Ratio below)	\$73,005.90	\$66,544.74	\$68,109.09	\$361.87	\$361.87	\$2,611.37	\$210,994.84
90.5%							
Total Proposed Costs before Pass-Through Cost Allocation	\$768,483	\$700,471	\$716,938	\$3,809	\$3,809	\$27,488	\$2,220,998

¹ CBA is "collective bargaining agreements."

FRANCHISE AGREEMENT FOR COLLECTION SERVICES

D. County Total: North Fair Oaks, North pockets, South pockets

EXAMPLE ONLY

Total

2011 Costs

City # of Lifts per week	1,511	670	359	0	51	52	
SBWMA # Lifts per week	32,101	21,807	4,997	4,446	1,201	307	
City Total Route Labor hours year	3,511	1,266	438	0	72	73	
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	3,258	1,295	430	0	70	72	
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)	1,511	670	359	0	51	52	
SBWMA Total Containers in Service	32,101	21,807	4,997	4,446	1,201	307	
	1.57	0.62	0.21	0.00	0.03	0.03	0.09
							2.55

Commercial & MFD	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	Low Call Collection Events	TOTAL
Annual Cost of Operations								
Direct Labor-Related Costs								
Wages for CBAs	\$157,132	\$55,542	\$27,355	\$0	\$2,391	\$5,871	\$2,035	\$250,325
Benefits for CBAs	\$49,594	\$16,467	\$5,699	\$0	\$740	\$1,817	\$662	\$74,980
Payroll Taxes	\$13,073	\$4,621	\$2,276	\$0	\$199	\$488	\$169	\$20,827
Workers Compensation Insurance	\$14,304	\$5,056	\$2,490	\$0	\$218	\$524	\$185	\$22,788
Total Direct Labor Related-Costs	\$234,104	\$81,686	\$37,820	\$0	\$3,548	\$8,710	\$3,052	\$368,920
Direct Fuel Costs	\$35,210	\$10,050	\$6,430	\$0	\$539	\$1,323	\$393	\$53,945
Other Direct Costs	\$26,001	\$8,680	\$4,186	\$0	\$548	\$1,350	\$290	\$41,055
Depreciation - Collection Vehicles	\$48,536	\$15,130	\$8,214	\$0	\$741	\$1,828	\$541	\$74,991
Depreciation - Containers	\$11,490	\$6,177	\$13,852	\$0	\$0	\$0	\$194	\$31,714
Depreciation for Collection Equipment	\$60,026	\$21,307	\$22,066	\$0	\$741	\$1,828	\$736	\$106,704
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)								
General and Administrative	\$30,929	\$20,813	\$48,667	\$0	\$2,877	\$8,032	\$523	\$111,840
Operations	\$8,865	\$6,440	\$11,331	\$0	\$760	\$2,040	\$99	\$29,535
Vehicle Maintenance	\$13,912	\$10,106	\$17,782	\$0	\$1,192	\$3,201	\$155	\$46,349
Container Maintenance	\$4,121	\$2,773	\$6,484	\$0	\$383	\$1,070	\$70	\$14,900
Total Allocated Indirect Costs excluding Depreciation and Interest	\$57,826	\$40,131	\$84,264	\$0	\$5,212	\$14,343	\$847	\$202,623
Total Allocated Indirect Depreciation Costs (Form 9)	\$958	\$696	\$1,224	\$0	\$82	\$220	\$11	\$3,191
Annual Implementation Cost Amortization (Form A)	\$2,538	\$877	\$802	\$0	\$58	\$159	\$29	\$4,462
Total Annual Cost of Operations	\$416,662	\$163,417	\$156,793	\$0	\$10,727	\$27,933	\$5,357	\$780,990
Profit (insert Operating Ratio below)	90.5%	\$43,738.04	\$17,155	\$16,459	\$0	\$1,126	\$562	\$81,973
Total Proposed Costs before Pass-Through Cost Allocation	\$460,400.39	\$180,582.47	\$173,251.47	\$0.00	\$11,852.94	\$30,865.63	\$5,919.76	\$862,872.65

¹ CBA is "collective bargaining agreements."

FRANCHISE AGREEMENT FOR COLLECTION SERVICES

D. County Total: North Fair Oaks, North pockets, South pockets

EXAMPLE ONLY

2011 Costs				Totals
City # of Lifts per week	0	0	15	
SBWMA # Lifts per year (Accounts for Venues/Events)	56	17	3,000	
City Total Route Labor hours year	0	0	8	
SBWMA Total Route Labor hours year	1,581.41	456.46	2,122.13	
City # of route hours/year	0	0	0	
SBWMA # of route hours/year	1,547.80	446.76	2,069.58	
City # of Containers (Lifts for example)	0	0	780	
SBWMA # of Containers	2,901	898	156,000	

Agency	Solid Waste	Organic Materials	Public Biter and Recycling Costs	Venues and Events	TOTAL
Annual Cost of Operations					
Direct Labor-Related Costs					
Wages for CBAs	\$0	\$0	\$137	\$17	\$154
Benefits for CBAs	\$0	\$0	\$42	\$5	\$48
Payroll Taxes	\$0	\$0	\$11	\$1	\$13
Workers Compensation Insurance	\$0	\$0	\$12	\$2	\$14
Total Direct Labor Related-Costs	\$0	\$0	\$203	\$26	\$229
Direct Fuel Costs	\$0	\$0	\$0	\$4	\$4
Other Direct Costs	\$0	\$0	\$0	\$4	\$4
Depreciation - Collection Vehicles	\$0	\$0	\$0	\$5	\$5
Depreciation - Containers	\$0	\$0	\$0	\$0	\$0
Depreciation for Collection Equipment	\$0	\$0	\$0	\$5	\$5
Lease	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)					
General and Administrative	\$0	\$0	\$192	\$785	\$976
Operations	\$0	\$0	\$0	\$4	\$4
Vehicle Maintenance	\$0	\$0	\$0	\$7	\$7
Container Maintenance	\$0	\$0	\$26	\$105	\$130
Total Allocated Indirect Costs excluding Depreciation and Interest	\$0	\$0	\$217	\$901	\$1,118
Total Allocated Indirect Depreciation Costs (Form 9)	\$0	\$0	\$0	\$0	\$0
Annual Implementation Cost Amortization (Form A)	\$0	\$0	\$0	\$1	\$1
Total Annual Cost of Operations	\$0	\$0	\$420	\$941	\$1,361
Profit (insert Operating Ratio below)	\$0	\$0	\$44	\$99	\$143
	91%				
Total Operating Costs before Pass-Through Cost Allocation	\$0	\$0	\$464	\$1,040	\$1,504

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	
Annual Cost of Operations							
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
Total Annual Cost of Operations	\$8,447,181	\$7,810,337	\$7,365,512	\$39,869	\$39,869	\$1,284,520	\$24,987,288
Profit	\$886,721	\$819,870	\$773,175	\$4,185	\$4,185	\$134,839	\$2,622,975
Operating Ratio	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%
Total Operating Costs before Pass-Through Costs	\$9,333,902	\$8,630,207	\$8,138,687	\$44,054	\$44,054	\$1,419,359	\$27,610,263

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
	F	F	G	H	H	H	J	
Annual Cost of Operations								
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	\$357,821	\$136,766	\$37,394	\$33,683	\$4,950	\$3,168	\$9,710	\$583,493
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	\$244,103	\$201,043	\$192,812	\$0	\$0	\$0	\$7,550	\$645,507
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	\$657,081	\$677,403	\$677,403	\$345,476	\$67,740	\$47,418	\$20,322	\$2,492,844
Operations	\$167,606	\$172,790	\$172,790	\$88,123	\$17,279	\$12,095	\$5,184	\$635,867
Vehicle Maintenance	\$263,026	\$271,160	\$271,160	\$138,292	\$27,116	\$18,981	\$8,135	\$997,870
Container Maintenance	\$87,540	\$90,248	\$90,248	\$46,026	\$9,025	\$6,317	\$2,707	\$332,112
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
Total Annual Cost of Operations	\$9,416,666	\$4,572,961	\$2,290,343	\$1,352,690	\$246,605	\$165,389	\$270,118	\$18,314,772
Profit	\$988,489.80	\$480,035	\$240,423	\$141,095	\$25,887	\$17,361	\$28,355	\$1,922,545
Operating Ratio	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%
Total Operating Costs before Pass-Through Costs	\$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
 G. Member Agency Services - Forecast 2011 Cost of Operations

ATTACHMENT N

EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY

MEMBER AGENCY COLLECTION COSTS	Solid Waste	Organic Materials	Public Litter and Recycling Cans	Venues and Events	TOTAL
	E	G	I	I	
Annual Cost of Operations					
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
Total Annual Cost of Operations	\$469,486	\$117,376	\$156,496	\$39,124	\$782,482
Profit	\$49,283	\$12,321	\$16,428	\$4,107	\$82,139
Operating Ratio	90.5%	90.5%	90.5%	90.5%	90.5%
Total Operating Costs before Pass-Through Costs	\$518,769	\$129,697	\$172,924	\$43,230	\$864,620

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. CIU203000000000A)

	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	5.81%				

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	7.69%				

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%	196%	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	-19.4%							

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. cuur000sac)

	<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		219,631	212.193	211.693	203.499
Mar		219,178	212.709	213.528	205.352
Apr		219,726	213.240	214.823	206.686
May			213,773	216.632	207.949
Jun			214,308	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		
80% of: Factor @ 80%	1.0060	1.0060	1.0190		
Year One Adjustment Factor		3.13%	@ 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. pccu336211336211).

	<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		6.10%			

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					
Route Labor					
	Hourly Wage Rate	Proposed FTE	OT Hrs / FTE/Yr	Annual Cost	
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	
Mechanics - Vehicle Maintenance					
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	
Mechanics - Container Maintenance					
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	
Total		171	4,681	\$13,865,305	

2011 Rates	
<i>not actual</i>	
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
	16,069,269

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	
Total Teamster	\$ 11.96	

<i>not actual</i>	
2011 Benefits Costs	
/ month	/ hour
\$ 1,687.34	\$ 9.62
\$ -	\$ -
\$ 1,687.34	\$ 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	/ 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			
Total Mechanics	\$ 9.09			

<i>not actual</i>	
2011 Benefits Costs	
/ month	/ hour
\$ 1,218.00	\$ 7.03
\$ 14,616.00	16.0%
\$ 688	\$ 3.39
\$ 7,059	12.0%
	\$ 10.58
	16.4%

Mechanics Benefits Increase
16.44%

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
SINGLE-FAMILY DWELLING													
# 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
COMMERCIAL & MFD													
# 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
AGENCY SERVICES													
# 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
Annual Cost of Operations					
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	\$ 123,328	\$ 39,998	\$ 440,403
Workers Compensation Insurance	\$ 296,084	\$ 101,343	\$ 153,737	\$ 49,869	\$ 599,033
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	\$ 24,150	\$ 36,225	\$ 2,626,140
Total 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
Total Annual Cost of Operations	\$ 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	21,629	315,161
Total	5,970,593	1,510,853	2,236,261	787,633	10,505,341
Variance at the "0"	0	0	0	0	0
Indirect Depreciation					
SFD					96,290
Commercial & MFD					64,747
Agency					4,981
Total					\$ 166,018

Change in CBA Wages	15.16%	Increase in wages Vehicle Mechanics
Change in CBA Wages	8.20%	Increase in wages Container Mechanics
Change in P/R Taxes	8.15%	Increase with wages at 8.15% of wages for Indirect
Change in Series 6102010000000000	\$ 81%	Increase in Workers Compensation
Change in Series 6102010000000000	\$ 19,42%	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
\$ 249,792	\$ 102,251	\$ 162,667	\$ 51,919	\$ 566,639
\$ 3,701,233	\$ 1,530,949	\$ 2,473,435	\$ 762,084	\$ 8,467,722
\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 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	Data used in B3 -
2,460,853	627,707	985,065	327,850	4,401,475	Step 2
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	
				96,290	
				64,747	
				4,981	
				\$ 166,018	

K. Detail 2 - 2008 INDIRECT COSTS ADJUSTED TO 2011 COSTS BY SERVICE SECTOR

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 Household Appliances)	Drop Box Solid Waste	Drop Box Recyclable Materials	Drop Box Organic Materials	Drop Box Other Collection Events	TOTAL
	Indirect Costs excluding Depreciation and Interest							
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	\$415,090	\$428,020	\$432,344	\$2,162	\$2,162	\$17,294		\$1,297,072
Container Maintenance	\$156,185	\$159,723	\$162,278	\$761	\$761	\$6,091		\$456,871
Total Indirect Costs excluding Depreciation and Interest	\$1,949,791	\$2,010,722	\$2,041,030	\$10,155	\$10,155	\$81,241		\$6,093,098

SINGLE FAMILY DWELLING		2011 INDIRECT COSTS						
COLLECTION COSTS	Solid Waste	Recyclable Materials	Organic Materials (Including Household Appliances)	Drop Box Solid Waste	Drop Box Recyclable Materials	Drop Box Organic Materials	Drop Box Other Collection Events	TOTAL
	Indirect Costs excluding Depreciation and Interest							
General and Administrative	\$1,171,113	\$1,207,711	\$1,219,810	\$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		\$1,464,908
Container Maintenance	\$156,021	\$160,892	\$162,524	\$761	\$761	\$6,501		\$487,472
Total Indirect Costs excluding Depreciation and Interest	\$2,094,658	\$2,160,108	\$2,181,928	\$10,910	\$10,910	\$87,277		\$6,545,780

MFD/Commercial		2008 BASE COST						
COLLECTION COSTS	Cart and Bin Solid Waste	Cart and Bin Recyclable Materials	Cart and Bin Organic Materials (Including Household Appliances)	Drop Box Solid Waste	Drop Box Recyclable Materials	Drop Box Organic Materials	Drop Box Other Collection Events	TOTAL
	Indirect Costs excluding Depreciation and Interest							
General and Administrative	\$613,771	\$672,753	\$632,753	\$322,704	\$63,275	\$44,293	\$18,983	\$2,728,531
Operations	\$155,314	\$160,118	\$160,118	\$81,660	\$16,012	\$11,208	\$4,804	\$489,233
Vehicle Maintenance	\$229,885	\$236,995	\$236,995	\$120,867	\$23,700	\$16,599	\$7,110	\$872,142
Container Maintenance	\$89,598	\$93,474	\$93,474	\$47,371	\$9,584	\$6,854	\$2,501	\$207,172
Total Indirect Costs excluding Depreciation and Interest	\$1,079,938	\$1,113,338	\$1,113,338	\$567,802	\$111,334	\$77,954	\$33,400	\$4,097,083

MFD/Commercial		2011 INDIRECT COSTS						
COLLECTION COSTS	Cart and Bin Solid Waste	Cart and Bin Recyclable Materials	Cart and Bin Organic Materials (Including Household Appliances)	Drop Box Solid Waste	Drop Box Recyclable Materials	Drop Box Organic Materials	Drop Box Other Collection Events	TOTAL
	Indirect Costs excluding Depreciation and Interest							
General and Administrative	\$648,649	\$668,710	\$668,710	\$341,042	\$66,871	\$46,810	\$20,061	\$2,460,853
Operations	\$165,455	\$170,573	\$170,573	\$86,992	\$17,057	\$11,940	\$5,117	\$627,707
Vehicle Maintenance	\$239,650	\$247,081	\$247,081	\$124,517	\$24,708	\$18,738	\$8,030	\$985,065
Container Maintenance	\$86,417	\$89,092	\$89,092	\$45,554	\$9,092	\$6,256	\$2,674	\$227,852
Total Indirect Costs excluding Depreciation and Interest	\$1,140,171	\$1,196,053	\$1,196,053	\$609,987	\$119,605	\$83,724	\$35,882	\$4,401,474

Agency Services		2008 BASE COST				
COLLECTION COSTS	Solid Waste	Materials	Recycling Cost	Events	TOTAL	
	Indirect Costs excluding Depreciation and Interest					
General and Administrative	\$107,471	\$26,888	\$35,874	\$8,956	\$179,119	
Operations	\$27,195	\$6,799	\$9,065	\$2,266	\$45,325	
Vehicle Maintenance	\$40,253	\$10,063	\$13,418	\$3,354	\$67,088	
Container Maintenance	\$14,177	\$3,544	\$4,726	\$1,181	\$23,628	
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 Cost	Events	TOTAL	
	Indirect Costs excluding Depreciation and Interest					
General and Administrative	\$115,578	\$28,394	\$37,859	\$9,465	\$191,296	
Operations	\$28,971	\$7,243	\$9,657	\$2,414	\$48,285	
Vehicle Maintenance	\$45,465	\$11,366	\$15,155	\$3,789	\$75,774	
Container Maintenance	\$15,132	\$3,783	\$5,044	\$1,261	\$25,219	
Total Indirect Costs excluding Depreciation and Interest	\$205,146	\$50,786	\$67,715	\$16,929	\$330,575	

FRANCHISE AGREEMENT FOR COLLECTION SERVICES

K. Detail 3 - COST CHANGE DUE TO SERVICE LEVEL CHANGES - CURRENT YEAR TO NEXT RATE YEAR

ATTACHMENT N
EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY

Done in Rate Year One & Three, only
 Step 3 The third step is to increase cost of operations by the associated increase in accounts, lifts, pull Dr. SFD 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 jobs
 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

	2020	2021	2022	2023	2024	2025
SWFLMA # of accounts prior year	90,451	90,451	90,451	90,451	90,451	90,451
Change in accounts	940,000	940,000	940,000	940,000	940,000	940,000
Percentage Change in Accounts	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%
100% of Change	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%
65% of Change	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%

SINGLE FAMILY DWELLING

Note - Changes based on increase/decrease in Accounts

COLLECTION COSTS	2020 BASE COST & Indirect Cost adjusted to 2021							2020 Costs, except Indirect Costs, adjusted to 2021 Cost							
	2020	2021	2022	2023	2024	2025	% Change	2020	2021	2022	2023	2024	2025	% Change	
Assess Cost of Operations															
Direct Labor Related Costs															
Wages for CMAs	\$2,347,438	\$1,977,309	\$1,711,113	\$2,784	\$2,784	\$3,181,187	\$4,613,310	\$2,392,039	\$1,877,839	\$1,749,161	\$2,884	\$2,884	\$5,612,134	\$4,681,753	
Benefits for CMAs	\$729,954	\$632,257	\$546,797	\$3,148	\$3,148	\$3,628,333	\$5,163,320	\$2,729,420	\$2,029,743	\$1,896,448	\$3,190	\$3,190	\$7,028,313	\$5,724,493	
Payroll Taxes	\$176,844	\$151,259	\$130,650	\$814	\$814	\$944,460	\$1,324,229	\$696,889	\$542,894	\$503,237	\$823	\$823	\$1,842,914	\$1,503,960	
Workers Compensation Expense	\$256,548	\$199,713	\$173,056	\$972	\$972	\$1,131,812	\$1,602,343	\$839,202	\$639,238	\$594,053	\$922	\$922	\$2,064,613	\$1,698,211	
Total Direct Labor Related Costs	\$3,316,884	\$2,960,536	\$2,561,616	\$8,724	\$8,724	\$10,868,006	\$15,003,612	\$7,076,550	\$5,489,714	\$5,142,643	\$8,017	\$8,017	\$18,548,587	\$15,528,427	
Direct Fuel Costs	\$439,232	\$469,294	\$546,480	\$1,281	\$1,281	\$1,343	\$1,290,220	\$446,999	\$434,344	\$173,248	\$1,313	\$1,313	\$68,247	\$1,204,238	
Other Direct Costs	\$511,228	\$346,642	\$214,773	\$1,281	\$1,281	\$43,282	\$1,077,378	\$234,898	\$342,380	\$120,067	\$1,200	\$1,200	\$43,774	\$1,088,780	
Depreciation - Collection Vehicles	\$313,397	\$246,243	\$204,223	\$1,247	\$1,247	\$74,493	\$2,123,249	\$713,397	\$556,263	\$214,223	\$1,247	\$1,247	\$78,474	\$1,723,249	
Depreciation - Computers	\$475,200	\$484,704	\$329,247	\$1,448	\$1,448	\$0	\$1,322,287	\$175,200	\$184,704	\$129,247	\$1,448	\$1,448	\$0	\$1,322,287	
Depreciation for Collection Equipment	\$1,190,297	\$1,139,287	\$1,121,750	\$4,013	\$4,013	\$78,492	\$1,481,814	\$439,232	\$469,294	\$546,480	\$1,281	\$1,281	\$1,343	\$1,481,814	
Lease (if 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	
Indirect Costs including Depreciation and Interest															
General and Administrative	\$1,171,113	\$1,207,571	\$1,250,870	\$1,100	\$1,100	\$44,794	\$1,628,790	\$1,171,113	\$1,207,571	\$1,250,870	\$1,100	\$1,100	\$44,794	\$1,628,790	
Operations	\$208,724	\$208,009	\$211,371	\$1,246	\$1,246	\$1,647	\$924,513	\$208,724	\$208,009	\$211,371	\$1,246	\$1,246	\$1,647	\$924,513	
Vehicles Maintenance	\$448,990	\$442,430	\$448,223	\$1,472	\$1,472	\$0	\$1,464,249	\$448,990	\$442,430	\$448,223	\$1,472	\$1,472	\$0	\$1,464,249	
Computer Maintenance	\$1,943,513	\$1,400,899	\$1,612,724	\$313	\$313	\$1,901	\$1,628,522	\$1,943,513	\$1,400,899	\$1,612,724	\$313	\$313	\$1,901	\$1,628,522	
Total Indirect Costs including Depreciation and Interest	\$2,869,540	\$2,658,909	\$2,525,258	\$1,630	\$1,630	\$46,737	\$6,642,762	\$2,869,540	\$2,658,909	\$2,525,258	\$1,630	\$1,630	\$46,737	\$6,642,762	
Annual Implementation Cost Amortization	\$30,813	\$11,776	\$12,097	\$190	\$190	\$1,294	\$50,292	\$30,813	\$11,776	\$12,097	\$190	\$190	\$1,294	\$50,292	
Total Annual Cost of Operations	\$7,879,353	\$7,042,444	\$6,474,128	\$17,499	\$17,499	\$11,444,411	\$23,779,673	\$7,910,353	\$7,042,444	\$6,474,128	\$17,499	\$17,499	\$11,444,411	\$23,779,673	
Profit (Operating Ratio Index)	99.3%	\$24,946,418	\$77,636,125	\$72,236,718	\$2,936,145	\$1,644,214	\$1,644,214	\$24,946,418	\$77,636,125	\$72,236,718	\$2,936,145	\$1,644,214	\$1,644,214	\$24,946,418	
Total Operating Costs before Pass-Through Cost Allocation	\$8,744,337	\$8,114,413	\$7,444,354	\$17,435	\$17,435	\$11,387,617	\$25,424,387	\$8,744,337	\$8,114,413	\$7,444,354	\$17,435	\$17,435	\$11,387,617	\$25,424,387	

Note: Table used as base for \$1 Cost Index Change

FRANCHISE AGREEMENT FOR COLLECTION SERVICES

K. Detail B - COST CHANGE DUE TO SERVICE LEVEL CHANGES - CURRENT YEAR TO NEXT RATE YEAR

Done in Any Year One & Three only
 Step 3 The third step is to increase cost of operations by the associated increase in accounts, IFL, pull (ie. SFO Costs are increased based on change in accounts, Commercial, MFD are increased by on the change in IFL, Agency costs based in the change in pull)
 The indirect cost of one items 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 K
 EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY**

	2008 MFD Commercial Cost of Operations with Indirect Increase	2009 MFD Commercial Cost of Operations with Indirect Increase	2010 MFD Commercial Cost of Operations with Indirect Increase	2011 MFD Commercial Cost of Operations with Indirect Increase	2012 MFD Commercial Cost of Operations with Indirect Increase	2013 MFD Commercial Cost of Operations with Indirect Increase	2014 MFD Commercial Cost of Operations with Indirect Increase
Summary of Indirects current year	1,085,858	1,146,443	1,213,028	1,281,613	1,352,198	1,424,783	1,499,368
Summary of Indirects prior year	1,017,383	1,078,968	1,146,453	1,216,038	1,287,623	1,360,208	1,434,793
Change in accounts	68,475	67,475	66,575	65,575	64,575	63,575	62,575
Percentage Change in Accounts	6.7%	6.3%	5.8%	5.4%	5.0%	4.6%	4.2%
100% of Change	68,475	67,475	66,575	65,575	64,575	63,575	62,575
65% of Change	44,509	43,860	43,274	42,724	42,174	41,624	41,074
Total Indirects	1,134,333	1,190,303	1,249,603	1,311,588	1,376,773	1,445,353	1,517,443

COMMERCIAL AND MULTI-FAMILY DWELING

2008 MFD Commercial Cost of Operations with Indirect Increase

COLLECTION COSTS	2008 MFD Commercial Cost of Operations with Indirect Increase		2009 MFD Commercial Cost of Operations with Indirect Increase		2010 MFD Commercial Cost of Operations with Indirect Increase		2011 MFD Commercial Cost of Operations with Indirect Increase		2012 MFD Commercial Cost of Operations with Indirect Increase		2013 MFD Commercial Cost of Operations with Indirect Increase		2014 MFD Commercial Cost of Operations with Indirect Increase	
	Current Year	2008 MFD Commercial Cost of Operations with Indirect Increase	Current Year	2009 MFD Commercial Cost of Operations with Indirect Increase	Current Year	2010 MFD Commercial Cost of Operations with Indirect Increase	Current Year	2011 MFD Commercial Cost of Operations with Indirect Increase	Current Year	2012 MFD Commercial Cost of Operations with Indirect Increase	Current Year	2013 MFD Commercial Cost of Operations with Indirect Increase	Current Year	2014 MFD Commercial Cost of Operations with Indirect Increase
Assess Cost of Operations														
Direct Labor Related Costs														
Wages for CDA	\$1,211,511	\$1,247,128	\$1,282,745	\$1,318,362	\$1,353,979	\$1,389,596	\$1,425,213	\$1,460,830	\$1,496,447	\$1,532,064	\$1,567,681	\$1,603,298	\$1,638,915	\$1,674,532
Benefits for CDA	\$1,254,899	\$1,278,136	\$1,301,373	\$1,324,610	\$1,347,847	\$1,371,084	\$1,394,321	\$1,417,558	\$1,440,795	\$1,464,032	\$1,487,269	\$1,510,506	\$1,533,743	\$1,556,980
Payroll Taxes	\$270,799	\$278,415	\$286,031	\$293,647	\$301,263	\$308,879	\$316,495	\$324,111	\$331,727	\$339,343	\$346,959	\$354,575	\$362,191	\$369,807
Waste Compostion Insurance	\$125,568	\$128,724	\$131,880	\$135,036	\$138,192	\$141,348	\$144,504	\$147,660	\$150,816	\$153,972	\$157,128	\$160,284	\$163,440	\$166,596
Total Direct Labor Related Costs	\$1,833,777	\$1,883,643	\$1,933,509	\$1,983,375	\$2,033,241	\$2,083,107	\$2,132,973	\$2,182,839	\$2,232,705	\$2,282,571	\$2,332,437	\$2,382,303	\$2,432,169	\$2,482,035
Direct Fuel Costs	\$889,959	\$923,078	\$956,197	\$989,316	\$1,022,435	\$1,055,554	\$1,088,673	\$1,121,792	\$1,154,911	\$1,188,030	\$1,221,149	\$1,254,268	\$1,287,387	\$1,320,506
Other Direct Costs	\$467,230	\$473,417	\$479,604	\$485,791	\$491,978	\$498,165	\$504,352	\$510,539	\$516,726	\$522,913	\$529,100	\$535,287	\$541,474	\$547,661
Depreciation - Collection Vehicles	\$866,504	\$862,528	\$858,552	\$854,576	\$850,600	\$846,624	\$842,648	\$838,672	\$834,696	\$830,720	\$826,744	\$822,768	\$818,792	\$814,816
Depreciation - Collection	\$1,094,971	\$1,077,104	\$1,059,237	\$1,041,370	\$1,023,503	\$1,005,636	\$987,769	\$969,902	\$952,035	\$934,168	\$916,301	\$898,434	\$880,567	\$862,700
Lease (if applicable only) for Collection Equipment, trailers, containers, and other related/unrelated equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indirect Costs including Depreciation and Interest	\$1,952,475	\$1,942,150	\$1,931,825	\$1,921,500	\$1,911,175	\$1,900,850	\$1,890,525	\$1,880,200	\$1,869,875	\$1,859,550	\$1,849,225	\$1,838,900	\$1,828,575	\$1,818,250
General and Administrative Expenses	\$146,619	\$146,710	\$146,801	\$146,892	\$146,983	\$147,074	\$147,165	\$147,256	\$147,347	\$147,438	\$147,529	\$147,620	\$147,711	\$147,802
Operating	\$146,619	\$146,710	\$146,801	\$146,892	\$146,983	\$147,074	\$147,165	\$147,256	\$147,347	\$147,438	\$147,529	\$147,620	\$147,711	\$147,802
Vehicle Maintenance	\$39,200	\$39,200	\$39,200	\$39,200	\$39,200	\$39,200	\$39,200	\$39,200	\$39,200	\$39,200	\$39,200	\$39,200	\$39,200	\$39,200
Contract Maintenance	\$61,412	\$61,412	\$61,412	\$61,412	\$61,412	\$61,412	\$61,412	\$61,412	\$61,412	\$61,412	\$61,412	\$61,412	\$61,412	\$61,412
Total Indirect Costs including Depreciation and Interest	\$1,163,737	\$1,163,737	\$1,163,737	\$1,163,737	\$1,163,737	\$1,163,737	\$1,163,737	\$1,163,737	\$1,163,737	\$1,163,737	\$1,163,737	\$1,163,737	\$1,163,737	\$1,163,737
Total Assess Cost of Operations	\$2,997,514	\$3,045,790	\$3,094,066	\$3,142,342	\$3,190,618	\$3,238,894	\$3,287,170	\$3,335,446	\$3,383,722	\$3,431,998	\$3,480,274	\$3,528,550	\$3,576,826	\$3,625,102
Profit (Operating Ratio below)	\$0.2%	\$0.2%	\$0.2%	\$0.2%	\$0.2%	\$0.2%	\$0.2%	\$0.2%	\$0.2%	\$0.2%	\$0.2%	\$0.2%	\$0.2%	\$0.2%
Total Operating Costs before Pass-Through Cost Allocation	\$3,000,000	\$3,046,000	\$3,092,000	\$3,138,000	\$3,184,000	\$3,230,000	\$3,276,000	\$3,322,000	\$3,368,000	\$3,414,000	\$3,460,000	\$3,506,000	\$3,552,000	\$3,598,000

2008 MFD Commercial Cost of Operations with Service Level Changes

COLLECTION COSTS	2008 MFD Commercial Cost of Operations with Service Level Changes		2009 MFD Commercial Cost of Operations with Service Level Changes		2010 MFD Commercial Cost of Operations with Service Level Changes		2011 MFD Commercial Cost of Operations with Service Level Changes		2012 MFD Commercial Cost of Operations with Service Level Changes		2013 MFD Commercial Cost of Operations with Service Level Changes		2014 MFD Commercial Cost of Operations with Service Level Changes	
	Current Year	2008 MFD Commercial Cost of Operations with Service Level Changes	Current Year	2009 MFD Commercial Cost of Operations with Service Level Changes	Current Year	2010 MFD Commercial Cost of Operations with Service Level Changes	Current Year	2011 MFD Commercial Cost of Operations with Service Level Changes	Current Year	2012 MFD Commercial Cost of Operations with Service Level Changes	Current Year	2013 MFD Commercial Cost of Operations with Service Level Changes	Current Year	2014 MFD Commercial Cost of Operations with Service Level Changes
Direct Labor Related Costs	\$1,211,511	\$1,247,128	\$1,282,745	\$1,318,362	\$1,353,979	\$1,389,596	\$1,425,213	\$1,460,830	\$1,496,447	\$1,532,064	\$1,567,681	\$1,603,298	\$1,638,915	\$1,674,532
Benefits for CDA	\$1,254,899	\$1,278,136	\$1,301,373	\$1,324,610	\$1,347,847	\$1,371,084	\$1,394,321	\$1,417,558	\$1,440,795	\$1,464,032	\$1,487,269	\$1,510,506	\$1,533,743	\$1,556,980
Payroll Taxes	\$270,799	\$278,415	\$286,031	\$293,647	\$301,263	\$308,879	\$316,495	\$324,111	\$331,727	\$339,343	\$346,959	\$354,575	\$362,191	\$369,807
Waste Compostion Insurance	\$125,568	\$128,724	\$131,880	\$135,036	\$138,192	\$141,348	\$144,504	\$147,660	\$150,816	\$153,972	\$157,128	\$160,284	\$163,440	\$166,596
Total Direct Labor Related Costs	\$1,833,777	\$1,883,643	\$1,933,509	\$1,983,375	\$2,033,241	\$2,083,107	\$2,132,973	\$2,182,839	\$2,232,705	\$2,282,571	\$2,332,437	\$2,382,303	\$2,432,169	\$2,482,035
Direct Fuel Costs	\$889,959	\$923,078	\$956,197	\$989,316	\$1,022,435	\$1,055,554	\$1,088,673	\$1,121,792	\$1,154,911	\$1,188,030	\$1,221,149	\$1,254,268	\$1,287,387	\$1,320,506
Other Direct Costs	\$467,230	\$473,417	\$479,604	\$485,791	\$491,978	\$498,165	\$504,352	\$510,539	\$516,726	\$522,913	\$529,100	\$535,287	\$541,474	\$547,661
Depreciation - Collection Vehicles	\$866,504	\$862,528	\$858,552	\$854,576	\$850,600	\$846,624	\$842,648	\$838,672	\$834,696	\$830,720	\$826,744	\$822,768	\$818,792	\$814,816
Depreciation - Collection	\$1,094,971	\$1,077,104	\$1,059,237	\$1,041,370	\$1,023,503	\$1,005,636	\$987,769	\$969,902	\$952,035	\$934,168	\$916,301	\$898,434	\$880,567	\$862,700
Lease (if applicable only) for Collection Equipment, trailers, containers, and other related/unrelated equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indirect Costs including Depreciation and Interest	\$1,952,475	\$1,942,150	\$1,931,825	\$1,921,500	\$1,911,175	\$1,900,850	\$1,890,525	\$1,880,200	\$1,869,875	\$1,859,550	\$1,849,225	\$1,838,900	\$1,828,575	\$1,818,250
General and Administrative Expenses	\$146,619	\$146,710	\$146,801	\$146,892	\$146,983	\$147,074	\$147,165	\$147,256	\$147,347	\$147,438	\$147,529	\$147,620	\$147,711	\$147,802
Operating	\$146,619	\$146,710	\$146,801	\$146,892	\$146,983	\$147,074	\$147,165	\$147,256	\$147,347	\$147,438	\$147,529	\$147,620	\$147,711	\$147,802
Vehicle Maintenance	\$39,200	\$39,200	\$39,200	\$39,200	\$39,200	\$39,200	\$39,200	\$39,200	\$39,200	\$39,200	\$39,200	\$39,200	\$39,200	\$39,200
Contract Maintenance	\$61,412	\$61,412	\$61,412	\$61,412	\$61,412	\$61,412	\$61,412	\$61,412	\$61,412	\$61,412	\$61,412	\$61,412	\$61,412	\$61,412
Total Indirect Costs including Depreciation and Interest	\$1,163,737	\$1,163,737	\$1,163,737	\$1,163,737	\$1,163,737	\$1,163,737	\$1,163,737	\$1,163,737	\$1,163,737	\$1,163,737	\$1,163,737	\$1,163,737	\$1,163,737	\$1,163,737
Total Operating Costs before Pass-Through Cost Allocation	\$2,997,514	\$3,045,790	\$3,094,066	\$3,142,342	\$3,190,618	\$3,238,894	\$3,287,170	\$3,335,446	\$3,383,722	\$3,431,998	\$3,480,274	\$3,528,550	\$3,576,826	\$3,625,102

**FRANCHISE AGREEMENT FOR COLLECTION SERVICES WITH RECOLOGY SAN MATEO COUNTY
 ATTACHMENT N - CONTRACTOR'S COMPENSATION
 COUNTY OF SAN MATEO**

FRANCHISE AGREEMENT FOR COLLECTION SERVICES

C. Detail 3 - COST CHANGE DUE TO SERVICE LEVEL CHANGES - CURRENT YEAR TO NEXT RATE YEAR

Covered Rate Year One & Three only

Section 3 The third step to increase cost of operations by the associated increase in accounts, lifts, pull-in, SPD Costs are increased based on change in accounts. Commercial SPD are increased by on the change in lifts, Agency costs based in the change in packs

In accounts (highlighted in Yellow)

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

Indirect Costs are affected by 63% of the change in accounts (highlighted in Green)

Fuel Costs do not change with changes in accounts

ATTACHMENT N

EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY

	2008	2009	2010	2011
SPD/MLA	2,558	316	3,993	22,270
SPD/MLA	2,901	879	3,901	20,421
Change of	343	-103	0	1,849
Percentage	1.00%	1.00%	1.00%	1.00%
100% of	1.00%	1.00%	1.00%	1.00%

Note: SPD amounts listed for Vehicles and assets

METERED AGENCY SERVICES

2008 Agency Costs of Operations with Inflation Adjusted

COLLECTION COSTS	2008 Costs, except Fuel Cost, adjusted to 2011 Cost				
	Public Agency	Commercial	Public Metered	Normal and	Total
	2008	2009	2010	2011	2011
Annual Cost of Operations					
Direct Labor Related Costs					
Wages for CRA's	\$94,334	\$14,981	\$72,113	\$8,028	\$188,256
Benefits for CRA's	\$30,050	\$7,213	\$10,017	\$2,304	\$50,284
Payroll Taxes	\$8,818	\$2,004	\$2,273	\$668	\$13,763
Workers Compensation Insurance	\$2,821	\$2,028	\$2,211	\$920	\$10,020
Total Direct Labor Related Costs	\$136,023	\$26,226	\$86,613	\$13,320	\$262,182
Direct Fuel Costs	\$11,217	\$7,829	\$16,419	\$2,610	\$33,114
Other Direct Costs	\$24,166	\$4,192	\$8,323	\$2,684	\$41,277
Depreciation - Collection Vehicles	\$3,233	\$8,208	\$1,078	\$2,789	\$15,888
Depreciation - Computers	\$0	\$0	\$0	\$0	\$0
Depreciation - Collection Equipment	\$1,133	\$8,308	\$1,078	\$2,789	\$13,888
Lease (7-1 period only) for Collection Equipment, vehicles, computers, and other collection-related equipment	\$0	\$0	\$0	\$0	\$0
Indirect Costs including Depreciation and Interest					
General and Administrative Expenses	\$11,278	\$28,334	\$7,829	\$9,463	\$56,299
Overhead	\$20,971	\$7,243	\$9,027	\$2,424	\$40,285
Vehicle Maintenance	\$4,640	\$1,306	\$2,133	\$1,789	\$10,714
Customer Maintenance	\$13,123	\$3,783	\$5,944	\$4,281	\$27,119
Total Indirect Costs including Depreciation and Interest	\$50,012	\$40,766	\$25,933	\$17,957	\$134,712
Total Indirect Depreciation Costs	\$2,968	\$747	\$994	\$249	\$4,961
Annual Implementation Cost Allocation	\$2,910	\$778	\$1,203	\$234	\$5,127
Total Annual Cost of Operations	\$243,293	\$116,846	\$147,799	\$34,499	\$429,941
Profit (Operating Ratio below)	\$46,544	\$18,434	\$15,519	\$3,879	\$77,377
%	19.1%				
Total Operating Costs before Pass-Through Cost Allocation	\$196,749	\$98,412	\$132,280	\$30,620	\$352,564

2009 Agency Costs of Operations with Service Level Changes

COLLECTION COSTS	2009 Costs, except Fuel Cost, adjusted to 2011 Cost				
	Public Agency	Commercial	Public Metered	Normal and	Total
	2009	2010	2011	2012	2012
Annual Cost of Operations					
Direct Labor Related Costs					
Wages for CRA's	\$94,334	\$14,981	\$72,113	\$8,028	\$188,256
Benefits for CRA's	\$30,050	\$7,213	\$10,017	\$2,304	\$50,284
Payroll Taxes	\$8,818	\$2,004	\$2,273	\$668	\$13,763
Workers Compensation Insurance	\$2,821	\$2,028	\$2,211	\$920	\$10,020
Total Direct Labor Related Costs	\$136,023	\$26,226	\$86,613	\$13,320	\$262,182
Direct Fuel Costs	\$11,217	\$7,829	\$16,419	\$2,610	\$33,114
Other Direct Costs	\$24,166	\$4,192	\$8,323	\$2,684	\$41,277
Depreciation - Collection Vehicles	\$3,233	\$8,208	\$1,078	\$2,789	\$15,888
Depreciation - Computers	\$0	\$0	\$0	\$0	\$0
Depreciation - Collection Equipment	\$1,133	\$8,308	\$1,078	\$2,789	\$13,888
Lease (7-1 period only) for Collection Equipment, vehicles, computers, and other collection-related equipment	\$0	\$0	\$0	\$0	\$0
Indirect Costs including Depreciation and Interest					
General and Administrative Expenses	\$11,278	\$28,334	\$7,829	\$9,463	\$56,299
Overhead	\$20,971	\$7,243	\$9,027	\$2,424	\$40,285
Vehicle Maintenance	\$4,640	\$1,306	\$2,133	\$1,789	\$10,714
Customer Maintenance	\$13,123	\$3,783	\$5,944	\$4,281	\$27,119
Total Indirect Costs including Depreciation and Interest	\$50,012	\$40,766	\$25,933	\$17,957	\$134,712
Total Indirect Depreciation Costs	\$2,968	\$747	\$994	\$249	\$4,961
Annual Implementation Cost Allocation	\$2,910	\$778	\$1,203	\$234	\$5,127
Total Annual Cost of Operations	\$243,293	\$116,846	\$147,799	\$34,499	\$429,941
Profit (Operating Ratio below)	\$46,544	\$18,434	\$15,519	\$3,879	\$77,377
%	19.1%				
Total Operating Costs before Pass-Through Cost Allocation	\$196,749	\$98,412	\$132,280	\$30,620	\$352,564

Increase Updated Cost of Operations for Increases in Attachment K Indices (Step 4)

SINGLE FAMILY DWELLING
 Data Row B2 (Step 3)

COLLECTION COSTS	2021 COST ADJUSTED FOR SERVICE LEVEL CHANGES						
	2020 Cost	2021 Cost	2021 Cost	2021 Cost	2021 Cost	2021 Cost	2021 Cost
Annual Cost of Operations							
Direct Labor-Related Costs							
Wages for CSAs	\$2,392,059	\$1,977,339	\$1,740,101	\$9,896	\$9,896	\$564,254	\$6,682,515
Benefits for CSAs	\$731,420	\$629,733	\$549,448	\$3,190	\$3,190	\$279,212	\$3,121,475
Payroll Taxes	\$198,889	\$182,894	\$141,397	\$923	\$923	\$46,974	\$533,960
Vehicle Compensation Insurance	\$232,229	\$225,278	\$153,925	\$289	\$289	\$36,652	\$565,243
Total Direct Labor-Related-Costs	\$3,567,577	\$2,945,698	\$2,499,811	\$14,877	\$14,877	\$879,165	\$10,003,203
Direct Fuel Costs	\$646,599	\$656,344	\$372,561	\$3,215	\$3,215	\$68,267	\$1,930,208
Other Direct Costs	\$356,898	\$362,389	\$320,267	\$1,830	\$1,830	\$43,774	\$1,088,789
Depreciation - Collective Vehicle	\$713,397	\$706,263	\$634,223	\$3,567	\$3,567	\$78,492	\$2,129,509
Depreciation - Containers	\$475,200	\$469,254	\$397,587	\$2,448	\$2,448	\$0	\$1,332,307
Depreciation for Collection Equipment	\$1,185,597	\$1,195,987	\$1,211,730	\$6,015	\$6,015	\$78,492	\$3,681,816
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indirect Costs excluding Depreciation and Interest							
General and Administrative	\$1,179,024	\$1,215,868	\$1,228,180	\$6,141	\$6,141	\$49,141	\$3,684,464
Operations	\$300,742	\$310,149	\$313,373	\$1,566	\$1,566	\$12,535	\$939,822
Vehicle Maintenance	\$473,256	\$468,205	\$491,831	\$2,428	\$2,428	\$19,871	\$1,476,969
Container Maintenance	\$137,277	\$141,985	\$145,822	\$818	\$818	\$6,547	\$492,862
Total Indirect Costs excluding Depreciation and Interest	\$2,119,799	\$2,174,698	\$2,199,663	\$10,983	\$10,983	\$97,894	\$6,590,922
Total Indirect Depreciation Costs	\$30,813	\$31,776	\$32,097	\$160	\$160	\$1,284	\$95,269
Annual Depreciation Cost Amortization (Form A)	\$39,426	\$37,037	\$33,843	\$397	\$397	\$3,974	\$19,474
Total Annual Cost of Operations	\$7,138,509	\$7,398,906	\$6,987,980	\$37,779	\$37,779	\$2,173,850	\$23,458,801
Profit (Operating Ratio below)	90.5%	\$833,374.18	\$716,680.89	\$733,544.86	\$3,945.70	\$3,945.23	\$2,475,023.36
Total Operating Costs before Pass-Through Cost	\$8,779,834	\$8,175,586	\$7,721,525	\$41,744	\$41,744	\$2,279,392	\$26,933,825

Change in CSA Wages	14.23%	Increase in wages - Drivers
Change in P/R Taxes	8.32%	Increase in P/R taxes increases at 8.32% of wages for Direct Labor

2021 COST EXAMPLE (Service Level Changes and Cost Indexed Changes)						
2020 Cost	2021 Cost	2021 Cost	2021 Cost	2021 Cost	2021 Cost	2021 Cost
\$2,780,331	\$2,375,048	\$2,033,010	\$11,400	\$11,400	\$655,842	\$7,587,212
\$233,324	\$189,264	\$169,348	\$950	\$950	\$24,266	\$646,322
\$4,113,610	\$3,397,218	\$3,020,759	\$17,139	\$17,139	\$1,003,609	\$11,571,195
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$2,119,799	\$2,174,698	\$2,199,663	\$10,983	\$10,983	\$97,894	\$6,590,922
\$30,813	\$31,776	\$32,097	\$160	\$160	\$1,284	\$95,269
\$39,426	\$37,037	\$33,843	\$397	\$397	\$3,974	\$19,474
\$8,441,481	\$7,819,337	\$7,365,312	\$19,869	\$19,869	\$1,184,519	\$14,973,986
\$864,711	\$819,870	\$772,270	\$4,185	\$4,185	\$23,439	\$1,623,975
\$9,333,902	\$8,639,207	\$8,138,682	\$44,054	\$44,054	\$2,419,359	\$27,618,243

MULTI-FAMILY DWELLING/COMMERCIAL

Rate from B1 (Step 3)

COLLECTION COSTS	2011 COST ADJUSTED FOR SERVICE LEVEL CHANGES							
	Cost and Bldg. Wages	Cost and Bldg. Payable Materials	Cost and Bldg. Original Materials (including Holiday Time)	Drop New Staff (2011-2010)	Drop Bldg. Payable Materials (2011-2010)	Drop Bldg. Original Materials (2011-2010)	Drop Old Staff (2011-2010)	Total
Annual Cost of Operations								
Direct Labor-Related Costs								
Wages for CDA	\$3,307,823	\$1,292,563	\$333,391	\$318,360	\$46,791	\$29,946	\$91,773	\$5,144,686
Benefits for CDA	\$1,075,997	\$386,332	\$74,313	\$70,856	\$14,566	\$9,341	\$26,118	\$1,661,535
Payroll Taxes	\$281,270	\$107,261	\$29,217	\$26,210	\$3,894	\$2,492	\$7,438	\$458,283
Workers Compensation Insurance	\$238,177	\$729,332	\$35,341	\$21,284	\$2,672	\$2,061	\$1,177	\$221,605
Total Direct Labor-Related Costs	\$3,972,337	\$1,914,743	\$492,166	\$447,444	\$69,960	\$44,774	\$138,706	\$6,141,663
Direct Fuel Costs	\$251,139	\$334,619	\$171,697	\$73,925	\$15,211	\$9,731	\$23,251	\$1,406,907
Other Direct Costs	\$476,697	\$233,846	\$61,893	\$58,825	\$12,077	\$7,763	\$14,743	\$837,849
Depreciation - Collection Vehicle	\$864,904	\$382,030	\$118,054	\$77,407	\$13,800	\$10,215	\$26,750	\$1,495,229
Depreciation - Containers	\$230,068	\$189,484	\$181,727	\$0	\$0	\$0	\$7,116	\$608,395
Depreciation for Collection Equipment	\$1,094,972	\$372,104	\$296,781	\$77,407	\$15,890	\$10,215	\$23,865	\$2,104,234
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indirect Costs excluding Depreciation and Interest								
General and Administrative	\$637,281	\$677,403	\$677,403	\$343,476	\$67,740	\$47,418	\$20,322	\$2,497,544
Operations	\$167,606	\$172,790	\$172,790	\$50,123	\$17,279	\$12,095	\$3,184	\$633,867
Vehicle Maintenance	\$20,870	\$271,140	\$271,140	\$138,292	\$7,116	\$18,061	\$8,135	\$997,870
Container Maintenance	\$27,249	\$90,588	\$90,588	\$45,294	\$2,358	\$6,217	\$3,158	\$322,132
Total Indirect Costs excluding Depreciation and Interest	\$1,172,933	\$1,211,602	\$1,211,602	\$617,917	\$121,160	\$84,812	\$36,549	\$4,458,694
Total Indirect Depreciation Costs	\$17,066	\$17,294	\$17,294	\$8,973	\$1,739	\$1,232	\$328	\$64,747
Annual Implementation Cost Amortization (Form A)	\$46,519	\$23,809	\$11,860	\$6,395	\$1,277	\$912	\$1,460	\$93,234
Total Annual Cost of Operations	\$8,783,843	\$4,300,336	\$2,116,862	\$1,290,881	\$237,234	\$129,642	\$291,202	\$12,149,723
Profit (Operating Ratio below)	\$914,732.24	\$431,417	\$333,080	\$235,507	\$24,494	\$16,729	\$24,369	\$1,922,543
Profit (Operating Ratio below)	90.5%							
Total Operating Costs before Pass-Through Cost	\$9,698,575	\$4,731,753	\$2,449,942	\$1,526,388	\$261,728	\$146,371	\$315,571	\$13,072,266

Change in CDA Wages	16.25%	Increase in wages

Cost and Bldg. Wages	Cost and Bldg. Payable Materials	Cost and Bldg. Original Materials (including Holiday Time)	Drop New Staff (2011-2010)	Drop Bldg. Payable Materials (2011-2010)	Drop Bldg. Original Materials (2011-2010)	Drop Old Staff (2011-2010)	Total
\$3,972,337	\$1,914,743	\$492,166	\$447,444	\$69,960	\$44,774	\$138,706	\$6,141,663
\$3,256,243	\$2,209,612	\$467,893	\$316,306	\$80,800	\$31,643	\$193,981	\$9,443,364
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$1,172,933	\$1,211,602	\$1,211,602	\$617,917	\$121,160	\$84,812	\$36,549	\$4,458,694
\$17,066	\$17,294	\$17,294	\$8,973	\$1,739	\$1,232	\$328	\$64,747
\$46,519	\$23,809	\$11,860	\$6,395	\$1,277	\$912	\$1,460	\$93,234
\$8,783,843	\$4,300,336	\$2,116,862	\$1,290,881	\$237,234	\$129,642	\$291,202	\$12,149,723
\$914,732.24	\$431,417	\$333,080	\$235,507	\$24,494	\$16,729	\$24,369	\$1,922,543
90.5%							
\$9,698,575	\$4,731,753	\$2,449,942	\$1,526,388	\$261,728	\$146,371	\$315,571	\$13,072,266

FRANCHISE AGREEMENT FOR COLLECTION SERVICES
 K. Detail 4 - COST CHANGE DUE TO INDEXED COST CHANGES

ATTACHMENT N
 EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY

Change in CBA Wages	16.23% Increase in wages

AGENCY COSTS

COLLECTION COSTS	Solid Waste	Organic Materials	Public Litter and Recycling Cur	Yardwaste	TOTAL	
Annual Cost of Operations						
Direct Labor-Related Costs						
Wages for CBA's	\$98,260	\$74,566	\$72,753	\$8,188	\$163,767	
Benefits for CBA's	\$30,651	\$7,663	\$10,317	\$2,534	\$51,165	
Payroll Taxes	\$8,178	\$2,043	\$2,728	\$682	\$13,631	
Workers Compensation Insurance	\$2,025	\$1,656	\$2,275	\$512	\$6,468	
Total Direct Labor-Related Costs	\$146,914	\$86,730	\$88,073	\$11,316	\$232,833	
Direct Fuel Costs	\$31,943	\$7,998	\$10,648	\$3,662	\$54,251	
Other Direct Costs	\$23,261	\$6,316	\$8,430	\$2,105	\$38,112	
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 excluding Depreciation and Interest						
General and Administrative	\$115,054	\$28,764	\$38,351	\$9,339	\$191,508	
Operations	\$29,348	\$7,337	\$9,780	\$2,446	\$48,911	
Vehicle Maintenance	\$46,055	\$11,314	\$15,332	\$3,828	\$76,529	
Container Maintenance	\$15,398	\$3,833	\$5,109	\$1,277	\$25,617	
Total Indirect Costs excluding Depreciation and Interest	\$205,755	\$51,448	\$68,572	\$17,149	\$342,924	
Total Indirect Depreciation Costs	\$2,988	\$747	\$996	\$249	\$4,980	
Annual Implementation Cost Amortization (Facts A)	\$3,910	\$978	\$1,303	\$326	\$6,517	
Total Annual Cost of Operations	\$450,034	\$133,313	\$156,012	\$37,500	\$786,859	
Profit (Operating Ratio below)	90.5%	\$47,241	\$13,811	\$18,947	\$3,817	\$83,816
Total Operating Costs before Pass-Through Cost	\$402,793	\$119,502	\$137,065	\$33,683	\$703,043	

COLLECTION COSTS	Solid Waste	Organic Materials	Public Litter and Recycling Cur	Yardwaste	TOTAL
\$114,309	\$28,554	\$38,070	\$9,517	\$190,350	
\$169,448	\$42,354	\$56,483	\$14,121	\$282,416	
\$0	\$0	\$0	\$0	\$0	
\$205,785	\$51,448	\$68,595	\$17,149	\$342,977	
\$469,486	\$117,376	\$156,496	\$39,114	\$782,472	
\$49,283	\$12,311	\$16,418	\$4,107	\$82,119	
\$518,769	\$129,687	\$172,914	\$43,221	\$864,591	

Form 1 - General Proposal Information

SBWMA COLLECTION AGREEMENT
Section L, Cost Form 1: General Information
Recology San Mateo County

ATTACHMENT N

A. Method of Collection (e.g. manual, semi-automated, fully-automated, etc.)	
1. Single-Family Solid Waste	Fully Automated
2. Single-Family Recyclable Materials	Fully Automated
3. Single-Family Organic Materials	Fully Automated
B. Collection Vehicle Manufacturer, Model Number, and Year (for each vehicle)	
1. Single-Family Solid Waste	2010 Autocar ACX-84 4 axel Chasis, Dual Drive with Heil 28 cubic yard - DP Python Eject Body
2. Single-Family Recyclable Materials	2010 Autocar ACX-84 4 axel Chasis, Dual Drive with Heil 28 cubic yard - DP Python Eject Body
3. Single-Family Organic Materials	2010 Autocar ACX-84 4 axel Chasis, Dual Drive with Heil 28 cubic yard - DP Python Eject Body
4. Multi-Family and Commercial Solid Waste	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
5. Multi-Family and Commercial Recyclable Materials	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
6. Multi-Family and Commercial Organic Materials	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

C. Container Manufacturer and Specifications	
1. Single-Family Solid Waste	Toter EVR Advanced Rotational Moulding ANSI Standards 245.3 or greater Safety, 245.6 or greater Compatability with 30% post consumer recycled content
2. Single-Family Recyclable Materials	Toter EVR Advanced Rotational Moulding ANSI Standards 245.3 or greater Safety, 245.6 or greater Compatability with 30% post consumer recycled content
3. Single-Family Organic Materials	Toter EVR Advanced Rotational Moulding ANSI Standards 245.3 or greater Safety, 245.6 or greater Compatability with 30% post consumer recycled content
4. Multi-Family and Commercial Solid Waste	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
5. Multi-Family and Commercial Recyclable Materials	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
6. Multi-Family and Commercial Organic Materials	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

DIRECT LABOR				
Route and Maintenance Personnel	Total			
	Hourly Wage Rate	Proposed FTE	OT Hrs / FTE / Yr	Annual Cost
<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
Total		171	4,681	\$13,865,305

BENEFITS & PENSION COST		
Route and Maintenance Personnel	Per-Person Annual Benefit Cost	Per-Person Annual Pension Rate
<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

Other Personnel (Indirect Costs)		Total Proposed FTE
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
Total FTE		57

Form 4 - Capital Schedule

SBWMA COLLECTION AGREEMENT
Section L, Cost Form 4: Capital Schedule
Recology San Mateo County

Collection Vehicles	Total			
	Quantity			Total Cost (\$)
	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	
Subtotal	115	14	129	\$33,048,578
Other Vehicles	Total			
	Quantity			Total Cost (\$)
	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	
Subtotal	20	0	20	\$1,290,696

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	
Subtotal	424,123	29,337	453,460	\$21,607,021
Other	Total			
	Quantity			Total Cost (\$)
	Active	Spare	Total	
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	
Subtotal	0	0	0	\$400,000
SubTotal	424,258	29,351	453,609	\$56,346,295
Startup Capital	Total			
	Quantity			Total Cost (\$)
	Active	Spare	Total	
Misc. Start-up Capital				\$0
Subtotal				\$0
Total	424,258	29,351	453,609	\$56,346,295

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 Costs (Form 6)	Multi-Family and Commercial Costs (Form 7)	Member Agency Costs (Form 8)	Total Costs
Annual Cost of Operations				
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	<u>\$661,345</u>	<u>\$540,647</u>	<u>\$16,054</u>	<u>\$1,218,046</u>
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	<u>\$456,827</u>	<u>\$307,177</u>	<u>\$23,629</u>	<u>\$787,633</u>
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
Total Annual Cost of Operations	\$22,926,987	\$16,603,193	\$715,574	\$40,245,755
Profit	\$2,406,700	\$1,742,877	\$75,116	\$4,224,692
Operating Ratio	90.5%	90.5%	90.5%	90.5%
Total Costs before Pass-Through Cost Allocation	\$25,333,688	\$18,346,070	\$790,690	\$44,470,447
Pass-Through Costs				
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
Total Pass-Through Costs	<u>\$1,770,322</u>	<u>\$1,273,388</u>	<u>\$62,118</u>	<u>\$3,105,828</u>
Total Costs	<u>\$27,104,010</u>	<u>\$19,619,458</u>	<u>\$852,808</u>	<u>\$47,576,275</u>

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 (including Holiday Trees)	Weekly Battery and Cell Phone	Weekly Used Motor Oil and Oil Filters	Two On-Call Collection Events	TOTAL
	A	B	C	D	D	J	
Annual Cost of Operations							
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
Total Annual Cost of Operations	\$7,732,494	\$7,194,158	\$6,786,233	\$36,744	\$36,744	\$1,140,614	\$22,926,987
Profit (insert Operating Ratio below)	\$811,698.25	\$755,187.81	\$712,366.96	\$3,857.15	\$3,857.15	\$119,733.01	\$2,406,700.33
90.5%							
Total Costs before Pass-Through Cost Allocation	\$8,544,192	\$7,949,345	\$7,498,600	\$40,602	\$40,602	\$1,260,347	\$25,333,688

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
Annual Cost of Operations								
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
Total Annual Cost of Operations	\$8,493,527	\$4,153,519	\$2,105,069	\$1,229,390	\$225,601	\$151,343	\$244,744	\$16,603,193
Profit (insert Operating Ratio below)	\$891,585.72	\$436,005	\$220,974	\$129,052	\$23,682	\$15,887	\$25,691	\$1,742,877
90.5%								
Total Costs before Pass-Through Cost Allocation	\$9,385,112.87	\$4,589,524.20	\$2,326,042.88	\$1,358,442.53	\$249,282.63	\$167,229.67	\$270,435.09	\$18,346,069.88

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	J	
Annual Cost of Operations					
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
Total Annual Cost of Operations	\$429,345	\$107,336	\$143,115	\$35,778	\$715,574
Profit (insert Operating Ratio below)	\$45,069	\$11,267	\$15,023	\$3,756	\$75,116
	91%				
Total Costs before Pass-Through Cost Allocation	\$474,414	\$118,603	\$158,138	\$39,534	\$790,690

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
Proposed Costs in 2008 Dollars					
Annual Cost of Operations					
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
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	\$ 24,150	\$ 36,225	\$ 2,626,140
Allocated Indirect Costs excluding Depreciation	\$ 5,970,593	\$ 1,510,853	\$ 2,236,261	\$ 787,633	\$ 10,505,341
Indirect Depreciation	\$ 20,000	\$ 22,907	\$ 44,133	\$ 78,978	\$ 166,018
Total Annual Cost of Operations	\$ 5,990,593	\$ 1,533,760	\$ 2,280,395	\$ 866,611	\$ 10,671,359

Partial Allocation for Forms 6 - 8

Total Indirect Costs excluding Depr. (to Forms 6 - 8)					
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
Total	\$ 5,970,593	\$ 1,510,853	\$ 2,236,261	\$ 787,633	\$ 10,505,341
<i>Variance s/ be "0"</i>	\$ -	\$ -	\$ -	\$ -	\$ -
Indirect Depreciation (to Forms 6 - 8)					
SFD					96,290.31
Commercial & MFD					64,746.93
Agency					4,980.53
Total					\$ 166,018
<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	MED	Member Agency	TOTAL	Annual Amortization
				(Year 1)	
Total Contract Implementation Cost					
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
Total Labor Related-Costs	\$ 798,473	\$ 609,743	\$ 43,553	\$ 1,451,769	\$ 145,177
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				\$ -	\$ -
Total Implementation Costs (to Form 6 - 8)	\$ 1,194,735	\$ 912,343	\$ 65,167	\$ 2,172,245	\$ 217,225
Interest Expense (to Form 5)				\$ 656,703	\$ 115,290
Total Implementation Costs	\$ 1,194,735	\$ 912,343	\$ 65,167	\$ 2,828,948	\$ 332,515

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
		5.5%	
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
TOTAL COST	\$56,346,295	\$17,034,348	\$73,380,643
# Years	10		

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
<u>Interest Rate %</u>				
		5.5%		
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
\$0				
TOTAL COST		\$2,172,245	\$656,703	\$2,828,948

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>
Subtotal-----	57

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) (One for each vehicle type. Two pages per form.)		
1. Type of Vehicle	<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
2. Material to be Collected	<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
3. Age of Vehicle	_____	
4. New or Used Vehicle	<input checked="" type="checkbox"/> New	<input type="checkbox"/> Used
5. If Used, Date Last Rebuilt	_____	
6. Manufacturer and Model	<u>Freightliner M2-106</u> <u>W/ 6000lb Mast CBS Rotator</u>	
7. Will the vehicles be owned, leased or other?	<u>Owned</u>	
8. Purchase cost of each vehicle	<u>\$111,358</u>	
a. Cab and Chassis.....	_____	
b. Body.....	_____	
c. Engine.....	_____	
d. Transmission.....	_____	
9. Color	<u>White</u> Cab	<u>White</u> Body
10. Cab and Chassis:		
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..... 6000 lb cu. yd.
- c. Practical or Net Capacity..... 6000 lb cu. yd.
- d. No. of collection Compartments..... N/A _____
- e. Net Capacity of Each Compartment N/A _____
- f. Overall Body Length..... 139" _____
- g. Body Height 60" inches
- h. Body Width 96" inches
- i. Used Oil Containers and Filter Rack No

12. Weight..... GVW 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_x..... 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) (One for each vehicle type. Two pages per form.)		
1. Type of Vehicle	<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
2. Material to be Collected	<input type="checkbox"/> Solid Waste	<input checked="" type="checkbox"/> Targeted Recyclable Materials
	<input checked="" type="checkbox"/> Bulky Items	<input checked="" type="checkbox"/> C&D Material
		<input type="checkbox"/> Organic Materials <u>Container/Cart Delivery</u>
3. Age of Vehicle	_____	
4. New or Used Vehicle	<input checked="" type="checkbox"/> New	<input type="checkbox"/> Used
5. If Used, Date Last Rebuilt	_____	
6. Manufacturer and Model	<u>Freightliner M2-106</u> <u>24ft w 48' sidestakes</u>	
7. Will the vehicles be owned, leased or other?	<u>Owned</u>	
8. Purchase cost of each vehicle	<u>\$78,268</u>	
a. Cab and Chassis.....	_____	
b. Body.....	_____	
c. Engine.....	_____	
d. Transmission.....	_____	
9. Color	<u>White</u> Cab	<u>White</u> Body
10. Cab and Chassis:		
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..... GWV 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_x..... 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) (One for each vehicle type. Two page per form.)			
1. Type of Vehicle	<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	
2. Material to be Collected	<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>
3. Age of Vehicle	_____		
4. New or Used Vehicle	<input checked="" type="checkbox"/> New		<input type="checkbox"/> Used
5. If Used, Date Last Rebuilt	_____		
6. Manufacturer and Model	<u>Freightliner M2-106 22ft w/ HIAB 035 Knuckle Boom</u>		
7. Will the vehicles be owned, leased or other?	<u>Owned</u>		
8. Purchase cost of each vehicle	<u>\$99,932</u>		
a. Cab and Chassis.....	_____		
b. Body.....	_____		
c. Engine.....	_____		
d. Transmission.....	_____		
9. Color	<u>White Cab</u>	<u>White Body</u>	
10. Cab and Chassis:			
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"
- g. Body Height 50" inches
- h. Body Width 96" inches
- i. Used Oil Containers and Filter Rack

12. Weight..... GVW 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_x..... 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) (One for each vehicle type. Two pages per form.)		
1. Type of Vehicle	<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)
2. Material to be Collected	<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
3. Age of Vehicle	_____	
4. New or Used Vehicle	<input checked="" type="checkbox"/> New	<input type="checkbox"/> Used
5. If Used, Date Last Rebuilt	_____	
6. Manufacturer and Model	<u>GMC 3500 HD 1-Ton</u> <u>w /11' Pacific Body & Lift Gate</u>	
7. Will the vehicles be owned, leased or other?	<u>Owned</u>	
8. Purchase cost of each vehicle	<u>\$54,300</u>	
a. Cab and Chassis.....	_____	
b. Body.....	_____	
c. Engine.....	_____	
d. Transmission.....	_____	
9. Color	<u>White Cab</u>	<u>White Body</u>
10. Cab and Chassis:		
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" _____
- g. Body Height 44" inches
- h. Body Width 96" inches
- i. Used Oil Containers and Filter Rack N/A

12. Weight..... GVW 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_x..... 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) (One for each vehicle type. Two pages per form.)			
1. Type of Vehicle	<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	
2. Material to be Collected	<input type="checkbox"/> Solid Waste	<input type="checkbox"/> Targeted Recyclable Materials	<input type="checkbox"/> Organic Materials
	<input type="checkbox"/> Bulky Items	<input type="checkbox"/> C&D Material	<input checked="" type="checkbox"/> Other
3. Age of Vehicle	_____		
4. New or Used Vehicle	<input checked="" type="checkbox"/> New		<input type="checkbox"/> Used
5. If Used, Date Last Rebuilt	_____		
6. Manufacturer and Model	<u>GMC Hybrid 1500 Extended Cab</u>		
7. Will the vehicles be owned, leased or other?	<u>Owned</u>		
8. Purchase cost of each vehicle	<u>\$34,360</u>		
a. Cab and Chassis.....	_____		
b. Body.....	_____		
c. Engine.....	_____		
d. Transmission.....	_____		
9. Color	<u>White Cab</u>	<u>White Body</u>	
10. Cab and Chassis:			
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" _____
- g. Body Height 50" inches
- h. Body Width 62.5" inches
- i. Used Oil Containers and Filter Rack Yes

12. Weight..... GW 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_x..... 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) (One for each vehicle type. Two pages per form.)		
1. Type of Vehicle	<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
2. Material to be Collected	<input checked="" type="checkbox"/> Solid Waste	<input checked="" type="checkbox"/> Targeted Recyclable materials
	<input checked="" type="checkbox"/> Organic Materials	
	<input type="checkbox"/> Bulky Items	<input type="checkbox"/> C&D Material _____ Other
3. Age of Vehicle	_____	
4. New or Used Vehicle	<input checked="" type="checkbox"/> New	<input type="checkbox"/> Used
5. If Used, Date Last Rebuilt	_____	
6. Manufacturer and Model	<u>Autocar ACX 84 Chassis L/S Steer with Heil 40 Cubic Yard – Sierra Eject Body</u>	
7. Will the vehicles be owned, leased or other?	<u>Owned</u>	
8. Purchase cost of each vehicle	<u>\$270,000</u>	
a. Cab and Chassis.....	_____	
b. Body.....	_____	
c. Engine.....	_____	
d. Transmission.....	_____	
9. Color	<u>White</u> Cab	<u>White</u> Body
10. Cab and Chassis:		
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" _____
- 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_x..... 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.)

1. Type of Vehicle	<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
2. Material to be Collected	<input checked="" type="checkbox"/> Solid Waste	<input checked="" type="checkbox"/> Targeted Recyclable Materials
	<input checked="" type="checkbox"/> Organic Materials	
	<input type="checkbox"/> Bulky Items	<input checked="" type="checkbox"/> C&D Material _____ Other
3. Age of Vehicle	_____	
4. New or Used Vehicle	<input checked="" type="checkbox"/> New	<input type="checkbox"/> Used
5. If Used, Date Last Rebuilt	_____	
6. Manufacturer and Model	<u>Autocar ACX-84 Axle Chassis L/S Steer Norcal Waste Equipment 22' Tilt Frame w/ Winch, Rear Stabilizer roller & OBrian Auto Tarp</u>	
7. Will the vehicles be owned, leased or other?	<u>Owned</u>	
8. Purchase cost of each vehicle	<u>\$204,000</u>	
a. Cab and Chassis.....	_____	
b. Body.....	_____	
c. Engine.....	_____	
d. Transmission.....	_____	
9. Color	<u>White Cab</u>	<u>White Body</u>
10. Cab and Chassis:		
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> | _____ |
| 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 _x | | <u>1.09</u> | g/bhp/hr | |
| d. Particulate Matter..... | | <u>0.0000</u> | 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 (Rear End Loader) (One for each vehicle type. Two pages per form.)		
1. Type of Vehicle	<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
2. Material to be Collected	<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
3. Age of Vehicle	_____	
4. New or Used Vehicle	<input checked="" type="checkbox"/> New	<input type="checkbox"/> Used
5. If Used, Date Last Rebuilt	_____	
6. Manufacturer and Model	<u>Chassis-Autocar ACX 84</u> <u>Body- Heil Durapack Formula</u> <u>5000</u>	
7. Will the vehicles be owned, leased or other?	<u>Owned</u>	
8. Purchase cost of each vehicle	<u>\$273,000</u>	
a. Cab and Chassis.....	_____	
b. Body.....	_____	
c. Engine.....	_____	
d. Transmission.....	_____	
9. Color	<u>White Cab</u>	<u>White Body</u>
10. Cab and Chassis:		
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" _____
- g. Body Height 96" inches
- h. Body Width 96" inches
- i. Used Oil Containers and Filter Rack No

12. Weight..... GVW 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_x..... 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)
(One for each vehicle type. Two pages per form.)

1. Type of Vehicle	<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
2. Material to be Collected	<input checked="" type="checkbox"/> Solid Waste	<input checked="" type="checkbox"/> Targeted Recyclables
	<input checked="" type="checkbox"/> Organic Waste	
	<input type="checkbox"/> Bulky Items	<input type="checkbox"/> C&D Material _____ Other
3. Age of Vehicle	_____	
4. New or Used Vehicle	<input checked="" type="checkbox"/> New	<input type="checkbox"/> Used
5. If Used, Date Last Rebuilt	_____	
6. Manufacturer and Model	<u>Heil DP Python</u>	
7. Will the vehicles be owned, leased or other?	<u>Owned</u>	
8. Purchase cost of each vehicle	<u>\$270,000</u>	
a. Cab and Chassis.....	_____	
b. Body.....	_____	
c. Engine.....	_____	
d. Transmission.....	_____	
9. Color	<u>White</u> Cab	<u>White</u> Body
10. Cab and Chassis:		
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
11. Body:		
a. Collection Method.....	<input type="checkbox"/> Manual	<input checked="" type="checkbox"/> Automated
	<input type="checkbox"/> Semi-Automated	_____ Other

**ATTACHMENT P
VEHICLE SPECIFICATION FORMS**

**Vehicle Specifications (Side Loader)
(One for each vehicle type. Two pages per form.)**

b. Rated Capacity.....	<u>28</u>	cu. yd.
c. Practical or Net Capacity.....	<u>28</u>	cu. yd.
d. No. of collection Compartments.....	<u>1</u>	_____
e. Net Capacity of Each Compartment	<u>28 cu.yd</u>	_____
f. Overall Body Length.....	<u>284"</u>	_____
g. Body Height	<u>103"</u>	inches
h. Body Width	<u>96"</u>	inches
i. Used Oil Containers and Filter Rack	<u>Yes</u>	
12. Weight.....	GVW <u>58,000</u> lbs.	Tare <u>35,000</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 _x	<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>Spill Kit Included</u>	
18. GPS/Routeware On Board Computer System	<u>Yes</u>	

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 B – 25% of base monthly Rate	A – 51 to 100 feet from public right of way access to Contractor's collection vehicle B – 101 feet or more from public right of way access to 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
Additional Targeted Recyclable Materials or Organic Materials Cart Rental or Purchase	Sections 5.03.A and 5.04.A	A – \$3.00 B – \$63.00 C – \$69.00	A – monthly rental fee (any size Cart) B – Customer purchase of a 64 gallon Cart C – Customer purchase of a 96 gallon Cart

**ATTACHMENT Q
UNSCHEDULED SERVICES**

Unscheduled Service Category	Reference	Cost	Description of Cost
Universal Roll-Out for MFD and Commercial Customers	Sections 5.03.B and 5.03.C and 5.04	A - \$221,848.00 B - \$4,772.00 C - \$6,175	Cost based on providing service to one (1) Collection route of approximately 512 Accounts: A – Annual Vehicle Cost (all inclusive) B – Annual Cost of Containers 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 B – \$250.00	A – one-way only delivery (compost only left on-site) 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.
Collection for Agency-Sponsored and Non-Agency sponsored Large Events	Section 5.13	A – \$3,000.00 B – \$5,000.00 C – \$7,500.00	A – one-day events with a projected 2,500 or fewer attendees B – one (1) or two (2) day events with a projected 2,501 to 7,500 attendees per day C – one (1) or two (2) day events with a projected 7,501 to 10,000 attendees per day

ATTACHMENT Q UNSCHEDULED SERVICES

Unscheduled Service Category	Reference	Cost	Description of Cost
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 <u>plus</u> \$15.00	Per Collection event
Key Service	Section 8.02.B	A – \$8.50 B – \$9.50	Monthly cost: A – Residential Customers 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 B – \$85.00	A – per Cart B – per Bin or Drop-Box
Dirty Cart Replacement Cost	Section 8.05.D	A – \$65.00 B – \$75.00 C – \$85.00	A – per 32 gallon Cart B – per 64 gallon Cart C – per 96 gallon Cart

**ATTACHMENT Q
UNSCHEDULED SERVICES**

Backyard Collection Service Distance Costs for Single-Family Dwellings (Section 5.02.A)				
	One (1) Solid Waste Cart	Two (2) Solid Waste Carts	Three (3) Solid Waste Carts	Four (4) Solid Waste Carts
Distance from Curbside	Base monthly Solid Waste Rate plus	Base monthly Solid Waste Rate plus	Base monthly Solid Waste Rate plus	Base monthly Solid Waste Rate plus
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

ATTACHMENT R

County of San Mateo Specific Requirements

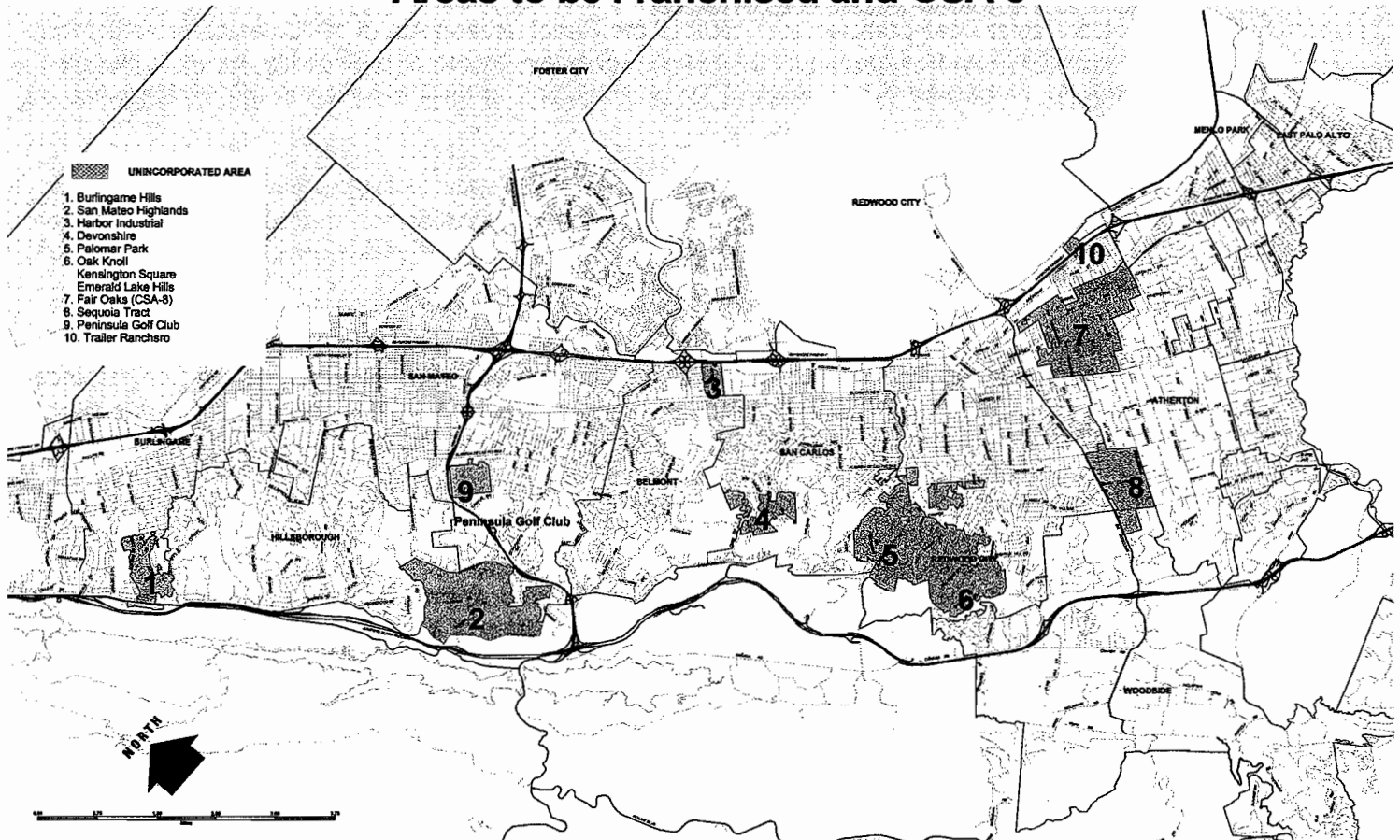
ATTACHMENT R

County of San Mateo - Specific Requirements

I. Unincorporated Franchised County Area to be Serviced by Contractor.

The following map shows all of the franchised area in the unincorporated area of the County of San Mateo.

Areas to be Franchised and CSA-8



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The “unincorporated franchised service area” is divided into two areas.

The first area is CSA-8, which is also known as the North Fair Oaks Area, and which is denoted as number seven (7) on the map. This area has been served by a franchise for the collection of solid waste since 1972.

The second area is the “newly franchised area,” which is defined by the Incorporated City boundaries, which are contiguous with the unincorporated County boundaries and which are denoted as numbers 1-6 and 8-10 on the map. This area has not been previously served by a franchise for the collection of solid waste.

ATTACHMENT R County of San Mateo - Specific Requirements

2. Contractor's Compliance with and certification of compliance with Specific County Ordinances and Policies.

Contractor shall comply with and shall document compliance with the following County ordinances and requirements:

A. Non-Discrimination and Other Requirements

Section 504. Contractor shall comply with § 504 of the Rehabilitation Act of 1973, which provides that no otherwise qualified handicapped individual shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of this Agreement.

General non-discrimination. No person shall, on the grounds of race, color, religion, ancestry, gender, age (over 40), national origin, medical condition (cancer), physical or mental disability, sexual orientation, pregnancy, childbirth or related medical condition, marital status, or political affiliation be denied any benefits or subject to discrimination under this Agreement.

Equal employment opportunity. Contractor shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this Agreement. Contractor's equal employment policies shall be made available to County of San Mateo upon request.

Violation of Non-discrimination provisions. Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Contractor to penalties, to be determined by the County Manager, including but not limited to termination of this Agreement; disqualification of the Contractor from bidding on or being awarded a County contract for a period of up to 3 years; liquidated damages of \$2,500 per violation; imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Manager.

To effectuate the provisions of this section, the County Manager shall have the authority to examine Contractor's employment records with respect to compliance with this paragraph and/or to set off all or any portion of the amount described in this paragraph against amounts due to Contractor under the Contract or any other Contract between Contractor and County.

Contractor shall report to the County Manager the filing by any person in any court of any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission or any other entity charged with the investigation of allegations within 30 days of such filing, provided that within such 30 days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include the name of the complainant, a copy of such complaint, and a description of the circumstance. Contractor shall provide County with a copy of their response to the Complaint when filed.

Compliance with Equal Benefits Ordinance. With respect to the provision of employee benefits, Contractor shall comply with the County Ordinance which prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse.

ATTACHMENT R

County of San Mateo - Specific Requirements

B. Compliance with County Employee Jury Service Ordinance

Contractor shall comply with the County Ordinance with respect to provision of jury duty pay to employees and have and adhere to a written policy that provides that its employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service in San Mateo County. The policy may provide that employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the employees' regular pay the fees received for jury service.

3. West Bay Sanitary District

In the event the County and West Bay Sanitary District enter into an agreement for the County to take on some or all of West Bay's responsibilities for solid waste, recyclable, and organic collection in the unincorporated West Bay service area, the following will apply:

- a. Contractor will consent to and assist in the transfer of any such assignment or transfer of responsibilities.
- b. In the event of any conflict between the County's Franchise agreement and the West Bay franchise agreement, the County, at its sole discretion, may determine which of the provisions shall control.
- c. County may request and Contractor shall consent to any amendments necessary to accomplish said transfer.

4. County Ordinance Code takes precedence over conflicting provisions of Agreement.

To the extent this agreement conflicts with an applicable provision of the San Mateo County ordinance Code, the provisions of the Ordinance Code shall take precedence over the provisions of this agreement.

