

REVISED AND RESTATED
AGREEMENT
BETWEEN
CITY OF BELLFLOWER
AND
CR&R INCORPORATED
FOR
INTEGRATED SOLID WASTE
MANAGEMENT SERVICES

* * *

April 11, 2011

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- 6. Faithful Performance Bond
- 7 Street Sweeping Maps
- 8. Notary Certification

AGREEMENT

This Revised and Restated Agreement for Integrated Solid Waste Management and Street Sweeping Services (hereinafter the "Agreement") is entered into this 11th day of April, 2011, by and between the City of Bellflower ("City") and CR&R Incorporated ("Company"), for the collection, transportation, recycling, processing, and disposal of solid waste, street sweeping and other services related to meeting the goals and requirements of the California Integrated Waste Management Act and Clean Water Act.

RECITALS

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (AB 939) (California Public Resources Code Sections 40000 *et seq.*), has declared it is in the public interest to authorize and require local agencies to make adequate provisions for solid waste handling within their jurisdictions, and,

WHEREAS, the United States Congress, by enactment of the Clean Water Act (33 U.S.C. Sections 1251, *et seq.*), and the Legislature of the State of California, by enactment of the Porter-Cologne Water Quality Control Act (California Water Code Sections 13000, *et seq.*), have declared it is in the public interest to authorize and require local agencies to make adequate provision to protect the United States' and California's water as a natural resource important to the health of many species of flora and fauna that co-exist in the local, national and global environment; and,

WHEREAS, pursuant to California Public Resources Code Sections 49300 and 49510, City has determined the public health, safety, and well-being require that an exclusive franchise be awarded to a qualified company for the collection, transfer and transportation, recycling, processing, and disposal of solid waste and other services related to meeting the diversion goals required by AB 939, and other requirements of the California Integrated Waste Management Act; and,

WHEREAS, pursuant to the Porter-Cologne Water Quality Act (Water Code sections 13000 *et seq.*), City has determined the public health, safety, and well-being also require an exclusive franchise be awarded to a qualified company for the collection, transfer and transportation, recycling, processing, and disposal of solid waste recovered from City's streets; and,

WHEREAS, City declares its intention of maintaining reasonable rates and quality service related to the collection, transfer and transportation, recycling, processing, and disposal of solid waste and other services; and,

WHEREAS, Company has provided Solid Waste services to City since 2005, and City has decided to renew its relationship with Company and award it the Franchise set forth in this Agreement, subject to the rules and limitations of this Agreement; and,

WHEREAS, City and Company ("Parties") hereto desire to enter this Agreement; and,

WHEREAS, City and Company are mindful of the provisions of the laws governing the safe collection, transport, recycling, processing and disposal of solid waste, including AB 939, the Resource Conservation and Recovery Act ("RCRA"), and the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") City and Company desire to leave no doubts as to their respective roles and to memorialize by entering into this Agreement, City is not thereby becoming an "arranger" or a "generator" as those terms are used in CERCLA, and it is Company, not City, who is "arranging for" the collection from residences in the City, transport for disposal, composting or other processing, and recycling of municipal solid waste which may contain hazardous substances; and further to confirm that as a material inducement to City entering into this Agreement, Company has agreed to fully indemnify City in connection with any claims, losses, liabilities, lawsuits or actions relating to the inadvertent or intentional collection, transportation and/or disposal of hazardous materials that may occur in connection with Company's performance under this Agreement; and,

WHEREAS, Company has agreed, as part of this Agreement, acting as an independent contractor to provide such personnel, equipment and supplies as are necessary to ensure City complies with the requirements of Public Resources Code Section 40000, et seq. and the Porter-Cologne Water Quality Act;

NOW, THEREFORE, in consideration of the premises above stated and the terms, conditions, covenants and agreements contained herein, the Parties do hereby agree as follows:

ARTICLE 1

DEFINITIONS

The terms used in this Agreement shall have the meaning set forth in this Article 1. In the event a term is not defined in this Article 1, then it shall have the meaning set forth in the Bellflower Municipal Code or in Division 30, Part 1, Chapter 2 of the California Public Resources Code (with precedence given to definitions in the Bellflower Municipal Code over conflicting definitions contained in the Public Resources Code). Except as provided in Article 1, words beginning with lower case letters are being used with their common ordinary meanings, not as defined terms. Otherwise, the following capitalized words and terms shall have the following meanings:

1.1 AB 939

"AB 939" means the California Integrated Waste Management Act of 1989 (California Public Resources Code Section 40000 et seq.), as it may be amended from time to time.

1.2 Affiliate

"Affiliate" means all businesses (including corporations, limited and general partnerships and sole proprietorships) which are directly or indirectly related to Company by virtue of direct or indirect ownership interest or common management shall be deemed to be "Affiliated with" Company and included within the term "Affiliates" as used herein. An Affiliate shall include a business in which Company owns a direct or indirect ownership interest, a business which has a direct or indirect ownership interest in Company and/or a business which is also owned, controlled or managed by any business or individual which has a direct or indirect ownership interest in Company. For purposes of determining whether an indirect ownership interest exists, the constructive ownership provisions of Subsection 318(a) of the Internal Revenue Code of 1986, as in effect on the date of this Agreement, shall apply; provided, however, that (i) "ten percent (10%)" shall be substituted for "fifty percent (50%)" in Subsection 318(a)(2)(C) and in Subsection 318(a)(3)(C) thereof; and (ii) Subsection 318(a)(5)(C) shall be disregarded. For purposes of determining ownership under this paragraph and constructive or indirect ownership under Subsection 318(a), ownership interest of less than ten percent (10%) shall be disregarded and percentage

interests shall be determined on the basis of the percentage of voting interest or value which the ownership interest represents, whichever is greater

1.3 Billings

"Billings" or "Billing" or "Bill" means the statements of charges provided to Customers for services rendered by Company

1.4 Bin

"Bin" means a metal Container with hinged lids and wheels with a capacity of less than ten (10) cubic yards.

1.5 Bin Service

"Bin Service" means Solid Waste Handling Services in which a Bin is used for the Collection of Solid Waste.

1.6 Bulky Items

"Bulky Items" means Solid Waste that cannot or would not typically be accommodated within a Cart including specifically: furniture (including chairs, sofas, mattresses, and rugs), appliances (including refrigerators, ranges, washers, dryers, water heaters, dishwashers, plumbing, small household appliances and other similar items, commonly known as "white goods"), electronic equipment (including stereos, televisions, computers and monitors, cellular phones, VCRs, microwaves and other similar items commonly known as "brown goods" and "e-waste"); Residential wastes (including wood waste, tree branches, scrap wood, rocks, sod and earth, in the aggregate not exceeding one (1) cubic yard per Collection), clothing; and tires. Bulky Items do not include car bodies, Construction and Demolition Debris or items requiring more than two (2) persons to remove. Other items not specifically included or excluded above will be Collected provided that they are not more than eight (8) feet in length, four (4) feet in width, or more than one hundred fifty (150) pounds. In the event a question ever arises as to whether a specific item or category of items meets the definition of Bulky Items, City shall be responsible to determine whether said definition shall apply, which determination shall be final and binding on the Parties.

1.6A DTSC

"DTSC" means the California Department of Toxic Substances Control.

1.7 CalRecycle

"CalRecycle" means the State of California's Department of Resources Recycling and Recovery, and, as this department was structured prior to January 1, 2010, the California Integrated Waste Management Board or CIWMB.

1.8 Cart

"Cart" means a plastic Container with a hinged lid and wheels serviced by an automated or semi-automated truck with a capacity of no less than 30- and no greater than 101-gallons.

1.9 City

"City" means City of Bellflower, a municipal corporation, and all the territory lying within the municipal boundaries of City as presently existing or as such boundaries may be modified during the term of this Agreement.

1.10 Collect/Collection

"Collect" or "Collection" means to take physical possession, transport, and remove Solid Waste within and from City

1.11 Commercial

"Commercial" refers to services performed at or for Commercial Premises.

1.12 Commercial Premises

"Commercial Premises" means Premises upon which business activity is conducted, including but not limited to retail sales, services, wholesale operations, manufacturing and industrial operations, but excluding Residential Premises upon which business activities are conducted when such activities are permitted under applicable zoning regulations and are not the primary use of the property. Notwithstanding any provision to the contrary herein, in the Bellflower Municipal Code, or otherwise, for purposes of this Agreement, Premises upon which the following uses (as defined in the

Bellflower Municipal Code) are occurring shall be deemed to be Commercial Premises: Adult Residential Facilities, Assisted Living Facilities, Convalescent Homes, Dormitories, Extended Stay Motels, Group Residential Facilities, Group Care Facilities, Hotels, and Motels.

1.13 Company

"Company" means CR&R, Incorporated, a corporation organized and operating under the laws of the State of California and its officers, directors, employees, agents, companies and subcontractors.

1.14 Company Compensation

"Company Compensation" means the revenue received by Company from Customers in return for providing services in accordance with this Agreement.

1.15 Construction and Demolition Debris

"Construction and Demolition Debris" means Solid Waste generated at a Premises that is directly related to construction or demolition activities occurring thereon.

1.16 Container

"Container" means any and all types of Solid Waste receptacles, including Carts, Bins and Roll-off Boxes.

1.17 CPI

"CPI" means the Consumer Price Index for All Urban Consumers (CPI-U), all items index – U.S. city average.

1.18 Customer

"Customer" means a Person receiving Solid Waste Handling Services from Company pursuant to the terms of this Agreement.

1.19 Disposal

"Disposal" means the ultimate disposition of Solid Waste Collected by Company at a landfill or otherwise in full regulatory compliance.

1.20 Disposal Site(s)

"Disposal Site(s)" means the Solid Waste handling Facility or Facilities utilized for the ultimate Disposal of Solid Waste Collected by Company (Disposal Site does not include intermediate facilities such as transfer stations or rail stations that may be utilized prior to landfilling). The Orange County Landfill System and the Puente Hills Landfill shall be the designated Disposal Site(s) as of the effective date of this Agreement, subject to change in accordance with Section 4.8.

1.21 Environmental Laws

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

1.22 Facility

"Facility" means any plant or site, owned or leased and maintained, operated or used by Company for purposes of performing under this Agreement.

1.23 Franchise Fee

"Franchise Fee" means the fee more particularly defined in Section 3.2.1 hereof to be paid by Company to City as part of its consideration for the right granted to provide exclusive Solid Waste Handling Services as set forth in this Agreement.

1.24 Green Waste

"Green Waste" means tree trimmings, wood stumps, grass cuttings, dead plants, leaves, branches, flowers, plant stocks, and dead trees (not more than six (6) inches in diameter or forty-eight (48) inches in length) and similar materials. Green Waste excludes palm fronds.

1.25 Green Waste Processing Facility

"Green Waste Processing Facility" means a permitted Facility where Green Waste is sorted, mulched or separated for the purposes of Recycling, reuse or composting.

1.26 Gross Receipts

"Gross Receipts" means any and all revenue receipts, or compensation in any form of Company or subsidiaries, parent companies or other *Affiliates of Company*, for the Collection and transportation of Solid Waste pursuant to this Agreement, in accordance with Generally Accepted Accounting Principles, including, but not limited to, Customer fees for Collection of Solid Waste, without subtracting Franchise Fees, other fees or any other cost of doing business. Sales revenue from the sale of Recyclable Materials is excluded from Gross Receipts for purposes of calculating Franchise Fees.

1.27 Hazardous Substance

"Hazardous Substance" shall mean any of the following: (a) any substances defined, regulated or listed (directly or by reference) as "hazardous substances," "hazardous materials," "hazardous waste," "toxic waste," "pollutants" or "toxic substances" or similarly identified as hazardous to human health or the environment, in or pursuant to (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC §§9601 *et seq.* (CERCLA); (ii) the Hazardous Materials Transportation Act, 49 USC §§1802, *et seq.*, (iii) the Resource Conservation and Recovery Act, 42 USC §§6901 *et seq.*, (iv) the Clean Water Act, 33 USC §§1251 *et seq.*, (v) California Health and Safety Code §§25115-25117, 25249.8, 25281, 25316, 25501 and 25501 1, (vi) the Clean Air Act, 42 USC §§7901 *et seq.*, and (vii) California Water Code §13050; (b) any amendments, rules or regulations promulgated thereunder to such enumerated statutes or acts currently existing or hereafter enacted, and (c) any other hazardous or toxic substance, material, chemical, waste or pollutant identified as hazardous or toxic or regulated under any other applicable federal, state or local Environmental Laws

currently existing or hereinafter enacted, including, without limitation, friable asbestos, polychlorinated biphenyl's ("PCBs"), petroleum, natural gas and synthetic fuel products, and by-products.

1.28 Hazardous Waste

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

1.29 Household Hazardous Waste ("HHW")

"Household Hazardous Waste" means Hazardous Waste generated at Residential Premises.

1.30 Materials Recovery Facility ("MRF")

"Materials Recovery Facility" means a permitted Solid Waste Facility where Solid Wastes or Recyclable Materials are sorted or separated for the purposes of Recycling, processing or composting.

1.31 Multi-Family Dwelling

"Multi-Family Dwelling" means any building or lot containing five (5) or more dwelling units. Multi-Family Dwelling units generally receive Solid Waste Handling Services through the use of shared Bins.

1.31A MS4

"MS4" means the Municipal Separate Storm Sewer System.

1.32 Owner

"Owner" means the Person holding the legal title to the real property constituting the Premises to which Solid Waste Collection service is to be provided under this Agreement or the Person holding legal title to the Disposal Site.

1.33 Person

"Person" means any individual, firm, association, organization, partnership, corporation, business trust, joint venture, the United States, the State of California, the County of Los Angeles, cities, and special purpose districts.

1.34 Premises

"Premises" means any land, or building in City where Solid Waste is normally generated or accumulated.

1.35 Rate Year

"Rate Year" means the period September 1 to August 31, for each year during the Term of this Agreement.

1.36 Recycling /Recycle

"Recycling" means the processing of Recyclable Materials for the purpose of returning them to the economy in the form of raw materials for new, reused, or reconstituted products. The Collection, transportation or Disposal of Solid Waste not intended for, or capable of, reuse is not Recycling. Recycling does not include use of Solid Waste for conversion to energy

1.37 Recyclable Materials

"Recyclable Materials" means Solid Waste that is Source Separated, has some potential economic value, and is set aside, handled, packaged, or offered for Collection in a manner different from Refuse in order to allow it to be processed for Recycling.

1.38 Refuse

"Refuse" means putrescible and non-putrescible Solid Waste.

1.39 Residential

"Residential" refers to services performed at and for Residential Premises.

1.40 Residential Premises

“Residential Premises” means Premises upon which dwelling units exist, including, without limitation, Single-Family and Multi-Family Dwellings, apartments, boarding or rooming houses, condominiums, mobile homes, efficiency apartments, and second units. Notwithstanding any provision to the contrary herein, in the Bellflower Municipal Code, or otherwise, for purposes of this Agreement, Premises upon which the following uses are occurring shall not be deemed to be Residential Premises, and rather shall be deemed to be Commercial Premises: Adult Residential Facilities, Assisted Living Facilities, Convalescent Homes, Dormitories, Extended Stay Motels, Group Residential Facilities, Group Care Facilities, Hotels, Motels, and any other businesses not specifically listed at which residency is transient in nature and hence should be classified as Commercial Premises as determined by City on a case by case bases.

1.41 Roll-off Box

“Roll-off Box” means Solid Waste Collection Containers of 10-yards or larger

1.42 Single-Family Dwelling

"Single-Family Dwelling" means a building or lot containing four (4) or fewer Residential dwelling units. Single-Family Dwelling units generally receive individual Refuse Collection service.

1.43 Solid Waste

"Solid Waste" means all discarded putrescible and non-putrescible solid, semisolid, and liquid wastes, including Refuse, Construction and Demolition Debris, Bulky Items, Recyclable Materials, and Green Waste, or any combination thereof which are permitted to be disposed of in a Class III landfill, and which are included in the definition of “Non-hazardous Solid Waste” set forth in the California Code of Regulations.

1.44 Solid Waste Handling Services

“Solid Waste Handling Services” means the Collection, transfer, transport, Recycling, processing, and Disposal of Solid Waste.

1.45 Source Separated

"Source Separated" means the segregation by the Waste Generator of individual components of Solid Waste, which otherwise would become Refuse or garbage (such as glass bottles, metal cans, newspapers, plastic containers, etc.) into separate Container(s) for the purpose of allowing the Recycling of such materials.

1.46 State

"State" means the State of California.

1.47 Transformation

"Transformation" means incineration, pyrolysis, distillation, gasification, or biological conversion other than composting.

1.48 Waste Generator

"Waste Generator" means any Person as defined by the Public Resources Code, whose act or process produced Solid Waste as defined in the Public Resources Code, or whose act first causes Solid Waste to become subject to regulation.

ARTICLE 2

GRANT AND ACCEPTANCE OF FRANCHISE

2.1 Grant and Acceptance of Franchise

Subject to the terms and conditions of this Agreement (including but not limited to the exclusions set forth in Section 2.9 hereof) and applicable State laws, and to the rights of State, county and school district facilities to use a Solid Waste enterprise other than Company, City hereby grants to Company and Company hereby accepts from City, for the Term hereof, the exclusive franchise, right and privilege to provide Solid Waste Handling Services at all Residential and Commercial Premises within City (the "Franchise").

2.2 Enforcement of Exclusivity

Company shall be responsible for enforcing the exclusivity of this Agreement. City shall have the right to enforce the exclusivity provisions hereof if, in its absolute and sole discretion, it chooses to do so, but shall have no obligation to do so for the benefit of Company or otherwise. City additionally shall have the right, but not the obligation, to request Company enforce the exclusivity provisions hereof. Company shall have an affirmative obligation to enforce such exclusivity provisions when requested to do so by City. If City takes administrative, law enforcement, or other legal action to protect Company's exclusive rights, or otherwise enforce the exclusivity of this Agreement (including the adoption of any resolution or ordinance intended to facilitate the enforcement of the exclusive rights granted herein), then Company shall reimburse City for all its administrative, law enforcement, or other legal costs and fees related to any such action.

2.3 Effective Date

The "Effective Date" of this Agreement shall be the date on which this Agreement is signed on behalf of City, as long as it has also been signed on behalf of Company.

2.4 Term of Agreement

The term of this Agreement (the "Term") shall commence on July 1, 2011, and expire August 31, 2021, subject to extension as provided herein, with this Agreement.

superseding any and all previous agreements. Notwithstanding the foregoing, the unexcused failure or refusal of Company to perform any material term, covenant, obligation or condition contained in this Agreement shall give rise to the right, in favor of City, for earlier termination of this Agreement for cause in accordance with the procedures elsewhere contained herein.

2.5 Option to Extend Term

City shall have the sole option to extend the Term of this Agreement for up to twenty-four (24) consecutive months, provided that City provides written notice to Company not later than June 2, 2021 ("Notice"). If City provides Notice, then the Agreement will automatically renew on a monthly basis and only for up to a maximum of twenty-four (24) months (August 31, 2023). Such automatic renewals shall cease, and this Agreement shall terminate, upon the earlier of (i) the expiration of the aforementioned twenty-four (24) months, or (ii) thirty (30) days following the date upon which City gives Company written notice of termination.

2.6 Representations and Warranties of Company

Company hereby covenants, represents, and warrants the following to City for the purpose of inducing City to enter into this Agreement and to consummate the transaction contemplated hereby, all of which shall be true as of the date of this Agreement and as of the Effective Date:

- (a) Company is duly organized and validly existing as a corporation under the laws of the State of California.
- (b) Neither the execution of this Agreement nor the delivery by Company of services nor the performance by Company of its obligations hereunder (1) conflicts with, violates or results in a breach of any applicable law; (2) conflicts with, violates or results in a breach of any term or condition of any judgment, decree, agreement (including, without limitation, the certificate of incorporation of Company) or instrument to which Company is a party or by which Company or any of its properties or assets are bound, or constitutes a default under any such judgment, decree, agreement or instrument; or (3) will result in the creation or imposition of any encumbrance of any nature whatsoever upon any of the properties or assets of Company

- (c) There is no action, suit or other proceeding as of the date of this Agreement, at law or in equity, or to the best of Company's knowledge, any investigation, before or by any court or governmental authority, pending or threatened against Company which is likely to result in an unfavorable decision, ruling or finding which would materially and adversely affect the validity or enforceability of this Agreement or any such agreement or instrument entered into by Company in connection with the transactions contemplated hereby, or which could materially and adversely affect the ability of Company to perform its obligations hereunder or which would have a material adverse effect on the financial condition of Company
- (d) Company has no knowledge of any applicable law in effect as of the date of this Agreement that would prohibit the performance by Company of this Agreement and the transactions contemplated hereby.
- (e) Company has made an independent investigation, satisfactory to it, of the conditions and circumstances surrounding this Agreement and the work to be performed by it, and is satisfied that those conditions and circumstances will not impair its ability to perform the work and provide the Collection services required by this Agreement.
- (f) The information supplied by Company in all submittals made in connection with negotiation and execution of this Agreement, including all materials in Exhibits of this Agreement, and all representations and warranties made by Company throughout this Agreement are true, accurate, correct and complete in all material respects on and as of the Effective Date of this Agreement.
- (g) Company's representative, designated in Section 5.2.6, shall have authority in all daily operational matters related to this Agreement. City may rely upon action taken by such designated representative as action of Company unless the actions taken are not within the scope of this Agreement.
- (h) The Disposal Site is properly permitted by the Regional Water Quality Control Board and the CalRecycle/Local Enforcement Agency, is classified as a Class III landfill (permitted to receive municipal Solid Waste), complies with all applicable laws, and is not on or being considered for inclusion on a state or

federal Superfund list, or CalRecycle list of Solid Waste facilities failing to meet State minimum standards.

2.7 Conditions to Effectiveness of Agreement

The satisfaction of each and all of the conditions set out below, each of which may be waived in whole or in part by City in writing, is a condition precedent to the effectiveness of this Agreement, and a condition of Company's continued right to the benefits conveyed herein.

- a) Accuracy of Representations. All representations and warranties made by Company and set forth in this Agreement shall be accurate, true and correct on and as of the Effective Date, and shall remain so during the Term hereof
- b) Absence of Litigation. There shall be no litigation pending in any court challenging the award of this Franchise to Company or the execution of this Agreement or seeking to restrain or enjoin its performance.
- c) Furnishing of Insurance and Bond or Letter of Credit. Company shall have furnished evidence of the insurance and bonds or letter of credit required by Article 9, and shall comply with all ongoing requirements relating thereto
- d) Effectiveness of City Council Action. City's Resolution approving this Agreement shall have become effective pursuant to California law prior to the Effective Date.
- e) Company shall deliver to City evidence satisfactory to the City Manager that Company has the authority to provide, or has arranged for, the Disposal and processing rights at the designated Disposal Facility, Recycling Facility, and Green Waste Processing Facility.
- d) Company shall have paid the Administrative Fee to City, as provided in Section 3.1

2.8 Delegation of Authority

The administration of this Agreement by City shall be under the supervision and direction of City Manager's office and the actions specified in this Agreement, unless otherwise stated, shall be taken by the City Manager, or his or her designee.

2.9 Limitations to Scope

Notwithstanding any provision to the contrary contained herein, the exclusive franchise, right and privilege to provide Solid Waste Handling Services at Premises within City granted to Company by this Agreement specifically excludes the following services, which services may be provided by Persons other than Company and which may be the subject of other permits, licenses, franchises or agreements issued or entered by City:

- a) The sale or donation pursuant to a written contract of source-separated Recyclable Material by the Waste Generator to any Person or entity issued a permit by City other than Company; provided, however, that to the extent permitted by law, if the Waste Generator is required to pay monetary or non-monetary consideration for the Collection, transportation, transfer, or processing of Recyclable Material, the fact the Waste Generator receives a reduction or discount in price (or in other terms of the consideration the Waste Generator is required to pay) shall not be considered a sale or donation,
- b) Solid Waste, including Recyclable Materials and Green Waste, which is removed from any Premises by the Waste Generator, and which is transported personally by such Waste Generator (or by his or her full-time employees) to a processing or Disposal Facility in a manner consistent with all applicable laws and regulations,
- c) Green Waste removed from a Premises by a gardening, landscaping, or tree trimming company, utilizing its own equipment, as an incidental part of a total service offered by that company rather than as a hauling service;
- d) The Collection, transfer, transport, Recycling, processing, and disposal of animal waste and remains from slaughterhouse or butcher shops for use as tallow;
- e) The Collection, transfer, transport, Recycling, processing, and disposal of by-products of sewage treatment, including sludge, sludge ash, grit and screenings;
- f) The Collection, transfer, transport, Recycling, processing, and disposal of Hazardous Substances, Hazardous Waste, and radioactive waste regardless of its source;

- g) The Collection, transfer, transport, Recycling, processing, and Disposal of Solid Waste by City through City officers or employees in the normal course of their employment; and,
- h) Solid Waste Handling Services for governmental agencies other than City, which may have facilities in City, but over which City has no jurisdiction in connection with the regulation of Solid Waste.

While the grant contained herein shall not be exclusive with respect to the above noted matters, Company shall still be obligated to provide those services which may be included in the above (*i.e.*, Collection of Bulky Items) pursuant to the rates, and other terms, as set forth in this Agreement.

The exclusive franchise, right and privilege to provide Solid Waste Handling Services within City granted to Company by this Agreement shall be interpreted to be consistent with all applicable State and Federal laws, now in effect and adopted during the term of this Agreement, and the scope of this Agreement shall be limited by all applicable current and developing laws and regulations. In the event that future interpretations of current law, future enactments or developing legal trends limit the ability of City to lawfully grant Company the scope of services as specifically set forth herein, Company agrees that the scope of this Agreement will be limited to those services and materials which may be lawfully provided, and City shall not be responsible for any lost profits claimed by Company as a result thereof.

2.10 City's Right to Direct Changes

2.10.1 General

To meet necessary waste management requirements, City may direct Company to perform additional services (including, but not limited to new diversion programs) or modify the manner in which it performs existing services or Bills for services. Pilot programs and innovative services which may entail new Collection methods, and different kinds of services or new requirements for Waste Generators are included among the kinds of changes which City may direct. Company shall be entitled to an adjustment in its Company Compensation for providing such additional or modified services, including a profit factor equal to ten percent (10%) of the incremental cost of such additional or modified services, as reasonably determined by the City Manager in consultation with Company. If Company does not agree on the amount of a rate

adjustment determined by the City Manager at a public meeting, the City Council shall make the final determination and its decision shall be final and binding.

2.10.2 New Diversion Programs

Company shall present, within thirty (30) days after a written request to do so by City, a proposal to provide additional or expanded diversion services. The proposal shall contain a complete description of the following:

- Collection methodology to be employed (equipment, manpower, etc.).
- Equipment to be utilized (vehicle number, types, capacity, age, etc.)
- Labor requirements (number of employees by classification).
- Type(s) of Containers to be utilized.
- Type(s) of material to be Collected.
- Provision for program publicity/education/marketing.
- Three-year projection of the financial results of the program's operations in a balance sheet and operating statement format including documentation of the key assumptions underlying the projections and the support for those assumptions.

2.11 Ownership of Solid Waste

City and Company understand and agree it is Company, and not City, who will arrange to Collect Solid Waste, City has not, and, by this Agreement does not, instruct Company on its Collection methods, nor supervise the Collection process, nor do the Parties intend to place title to Solid Waste Collected by Company in City. Rather, the Parties intend any title in and to the Solid Waste that is Collected by Company which otherwise might exist in or with City in the absence of this Agreement is hereby transferred to Company, and further that if Company gains title to such Solid Waste it is by operation of law and agreement with its Customers and is not the result of this Agreement. Subject to the provisions of this Agreement, and unless City exercises its rights to direct the location for Disposal and processing of Solid Waste, Company shall have the right to retain, Recycle, process, dispose of, and otherwise use Solid Waste Collected pursuant to the terms hereof in any lawful fashion or for any lawful purpose;

and, further, shall have the right to retain any benefit resulting from its right to retain, Recycle, process, dispose of, or reuse the Solid Waste which it Collects.

2.12 Company Status

Company represents and warrants that it is duly organized, validly existing and in good standing under applicable laws. It is qualified to transact business in the State of California and has the power to own its properties and to carry on its business as now owned and operated and as required by this Agreement.

2.13 Company Authorization

Company represents and warrants it has the authority to enter into and perform its obligations under this Agreement. The Board of Directors or partners of Company (or the shareholders, if necessary) have taken all actions required by law, its articles of incorporation, its bylaws or otherwise to authorize the execution of this Agreement. The Persons signing this Agreement on behalf of Company have authority to do so. Company shall authorize one (1) employee for City as a single point of contact for issues arising under this Agreement, and Company acknowledges and agrees that City may expect and assume that this employee's actions are taken on behalf of and with the full approval of Company.

2.14 Permits, Fees, Assessments, and Licenses

Company shall acquire and maintain at its sole cost and expense all necessary approvals, permits and licenses for the sweeping of streets, Collecting, transporting, processing, and storing of Solid Waste and Recyclables, disposing of Solid Waste, and the Recycling of Recyclables. Company shall have the sole obligation to pay for any fees, assessments, and taxes, plus applicable penalties and interest levied, assessed, or imposed against City hereunder as a result of Company's services; Company may request to have unanticipated, uncontrollable costs arising under this section addressed under Section 6.5, subject to City discretion. Failure to maintain all required permits shall be deemed a material breach of contract for which City may terminate this Agreement as provided in Section 11.1

2.15 Company Name

Company name may not include "Bellflower" or any other language indicating Company is a division of, or otherwise connected to, City.

ARTICLE 3

ADMINISTRATIVE, FRANCHISE & AB 939 FEES

In addition to any other consideration set forth herein, as part of its consideration for entering into this Agreement, and for the exclusive franchise, right and privilege to provide Solid Waste Handling Services as specified herein, Company shall provide the following:

3.1 Administrative Fee

Company shall pay to City an Administrative Fee in a one-time lump sum payment of Ninety Thousand Dollars (\$90,000) within seven (7) days after the Effective Date of this Agreement to reimburse City for costs it incurred in connection with entering this Agreement.

3.2 Franchise Fee

3.2.1 Franchise Fee Amount

Throughout the Term of this Agreement, including any extension to the Term, Company shall pay to City a Franchise Fee in an amount equal to five percent (5%) of the Gross Receipts collected by Company from all services provided in City pursuant to the terms of this Agreement (excluding late charges), as more fully described in Section 3.2.2.

3.2.2 Time and Method of Franchise Fee Payment

On or before the thirtieth (30th) day following the end of each calendar quarter during the Term of this Agreement (and at the end of each month after any extension of the Term), Company shall remit the Franchise Fee due to City in accordance with Section 3.2.1 for that calendar quarter. If the Franchise Fee is not paid on or before the thirtieth (30th) day following the end of the calendar quarter (or applicable month), then Company shall pay to City a penalty in an amount equal to ten percent (10%) of the amount owing for that quarter (month if applicable due to an extension of the Term), plus interest at a rate of two percent (2%) over the Eleventh Federal District Cost of Funds per annum prorated to each day of delinquency.

Each quarterly (monthly, if applicable due to an extension of the Term) Franchise Fee remittance to City shall be accompanied by a statement detailing Gross Receipts for the period covered from all operations conducted or permitted, pursuant to this Agreement. In addition, Company shall maintain copies of all Billing and Collection records for five (5) years, following the date of Billing, for inspection and verification by City at any reasonable time upon request.

3.3 Other Fees

3.3.1 AB 939 Fee

In order to support City's outreach and administration of AB 939 programs, and to offset the costs City will incur in the production of promotional materials and annual newsletters, and in other activities connected therewith as a result of entering this Agreement, Company shall pay an AB 939 Fee to City in the amount of One Hundred Ten Thousand Dollars (\$110,000.00) per year, with the first payment being due July 1, 2011, and each subsequent AB 939 Fee payment being due on July 1 of each subsequent year this Agreement remains in effect, as adjusted annually as set forth in Section 3.3.4. for each subsequent payment.

3.3.2 Street Litter Container Collection Fee

Company will provide Street Litter Container Collection services per Section 4.4.3. If and only if City elects to resume the responsibility for providing this service, then Company shall pay City a fee each year to offset the cost of providing this service (the "Street Litter Container Collection Fee"). The Street Litter Container Collection Fee, if applied, shall be Thirty-five Thousand Four Hundred Dollars (\$35,400.00) per year, adjusted annually as set forth in Section 3.3.4 as of each July 1. If service is implemented other than on July 1, fee will be pro-rated.

3.3.3 Abandoned Item Collection

Company will provide Collection services for any items abandoned on public rights-of-way per Section 4.1.12. If and only if City elects to resume the responsibility for providing this service, Company shall pay City a fee each year to offset the cost of providing this service (the "Abandoned Item Collection Fee"). The Abandoned Item Collection Fee shall be Six Thousand Dollars (\$6,000.00) per month, adjusted annually

as set forth in Section 3.3.4. as of each July 1 for that year's twelve (12) monthly payments.

3.3.4 Timing and Adjustment of Other Fees

The AB 939 Fee or, if applicable, Litter Container Collection Fee as described above in Sections 3.3.1 and 3.3.2 shall be deemed late if received after July 31 of year in which it is due.

If applicable, the Abandoned Item Collection Fee as described above in Section 3.3.3 will be paid as of the first of each month, with the first payment due July 1, 2011, and shall be deemed late if received after the 15th of each month.

Those fees shall be adjusted annually, as of July 1, by the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U), all items index – U.S. city average for the twelve (12) month period ended three (3) months prior to the fees' payable date (March to March)

3.3.5 Late Payment of Other Fees

If the fees, as provided in Sections 3.3.1, 3.3.2 and 3.3.3 above, are not paid by July 31 of each Rate Year, then Company shall pay to City a penalty in an amount equal to ten percent (10%) of the amount owing for that year, plus interest at a rate of two percent (2%) over the Eleventh Federal District Cost of Funds per annum prorated to each day of delinquency City may charge the same late payment penalties for other payments due to City pursuant to the terms hereof.

3.4 Future Fees

In the event City implements a new fee, for example a vehicle impact fee, City may elect to have Company pay quarterly in accordance with the requirements of Section 3.2.2, annually in accordance with the requirements of Sections 3.3.4 and 3.3.5, or on another schedule as City identifies. City may set deadlines and late fees, and additional fees would be subject to audit, as are the current fees under Section 8.2.7 A rate adjustment would be permitted for the amount of the fee.

ARTICLE 4

DIRECT SERVICES

4.1 Refuse

4.1.1 General

The work to be done by Company pursuant to this Agreement shall include, but not be limited to, the furnishing of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform the services required. The enumeration of, and specification of requirements for, particular items of labor or equipment shall not relieve Company of the duty to furnish all others, as may be required, whether enumerated elsewhere in the Agreement or not.

The work to be done by Company pursuant to this Agreement shall be accomplished in a thorough and professional manner so that all Customers are provided reliable, courteous and high-quality Solid Waste Handling Services at all times. The enumeration of, and specification of requirements for, particular aspects of service quality shall not relieve Company of the duty of accomplishing all other aspects in the manner provided in this section, whether such other aspects are enumerated elsewhere in the Agreement or not.

4.1.2 Single-Family Refuse Collection

Company shall provide all Customers at Single-Family Dwellings and Multi-Family Dwellings without Bin Service, with one (1) 90-gallon Cart, or 60-gallon Cart for space constrained Customers and 35-gallon Cart for seniors, for Collection of Refuse ("Refuse Cart(s)"), and shall Collect all Refuse placed therein for Collection not less than once per week. Customers shall be instructed to place the Carts in the street gutter for Collection. However, Company shall relocate Carts for Collection, when necessary, and return them to their original position.

Customers that regularly require more than one (1) Refuse Cart may request a second Cart for an additional charge per Cart per month in accordance with the approved rate schedule. There will be no charge for Cart size exchanges.

4.1.3 Refuse Cart Overage

Customers may periodically generate more Refuse than will fit in the Refuse Cart(s). Customers are therefore entitled to two (2) annual pickups of material that does not fit in the Refuse Cart(s) at no additional cost. One (1) pickup shall consist of up to the equivalent of three (3) large bags, boxes or barrels of Refuse. Company shall Collect all Refuse put out for Collection in addition to the foregoing two (2) pickups to be provided at no charge. Customers may be charged in accordance with the approved rate schedule for overage pickups above two (2) per year. In addition to the two (2) free pickups, Company shall Collect all additional Refuse placed out for Collection in the Customer's own Containers (bags, barrels, etc.) at no additional charge during the period beginning December 26 through the end of the holiday tree Collection period (see Section 4.3.2). Company shall track a Customer's number of overage pickups, outside of the holiday tree collection period, by leaving a container tag when excess refuse is collected. Tag shall note that the refuse overage was Collected and shall include an explanation of the overage Collection program. Each tagging shall be entered into Company's computer, with billings to Customers being generated beginning with the third overage pickup each year. The tagging count will reset each January. This service is limited to Refuse that could otherwise be placed in the Refuse Cart, and not Bulky Items, which are Collected in accordance with Section 4.1.11.

4.1.4 Walk-Out Service

Company shall provide disabled Customers with walk-out service. Company will remove Refuse, Recyclable and Green Waste Containers and Green Waste bundles from Customer's storage area, place them out for Collection, and return Containers to Customer's storage area after Collection, ensuring that all doors or gates are closed securely. In order to qualify as disabled under this section, Customers must have their doctor complete a Company-provided card, verifying the need for walk-out service. Additionally, walk-out service need not be provided if an able-bodied person resides with the disabled Customer.

4.1.5 Multi-Family and Commercial Refuse Collection

Bin Service - Company shall provide Bin Service to Multi-Family and Commercial Customers. Company shall Collect and remove all Refuse that is placed in Bins from the property of Customers receiving Bin Service, at least as frequently as required per

the Bellflower Municipal Code and more frequently if required to handle the waste generated at the Premises where the Bins are located. City shall make final determination as to the number and size of Containers, and frequency of Collection to be provided to Customers. Special consideration shall be given when determining the pickup areas to ensure that the flow of traffic is not impeded.

Cart Service - Space constrained or low waste generating Commercial Customers may alternatively receive Commercial Cart service, which includes one (1) Refuse Cart and one (1) Recycling Cart, each serviced once per week.

In order to ensure that Customers are receiving at least the minimum service level required to adequately handle the waste stream generated, Company shall photograph regularly over-filled Containers. Photographs will be sent to Customers along with letters notifying Customers of their need to increase service levels.

4.1.6 Roll-off Box Service

Company shall provide exclusive permanent and temporary Roll-off Box Collection service upon request. Company may charge a fee per pull plus processing cost per ton, based on the approved pull rates and per ton processing fees by material type in Exhibit 2. Pull fee includes rental for seven days; Company may charge a daily rental fee in accordance with the approved rate schedule for each day beyond seven (7) Customer chooses to retain the Roll-Off Box with a pull. If Company makes a trip, scheduled with the Customer, to remove a Roll-off Box and is unable to do so, due to the Container being blocked or filled beyond weight and safety limits, or if Customer cancels the pull after Company's Collection vehicle has arrived, Company may charge a trip cancellation charge in accordance with the approved rate schedule. Roll-off Box loads shall not be sent to Disposal facilities prior to processing materials to recover recyclables without prior approval of City (see Section 4.2.8 below). If Company cannot or does not deliver a temporary Roll-off Box to a Customer within forty-eight (48) hours, then Customer may request service from another waste hauler

4.1.7 Temporary Bin Service

Company shall provide temporary Bin Service to Customers upon request. If Company cannot or does not deliver a temporary Bin to a Customer within forty-eight (48) hours, Customer may request service from another waste hauler. Rates for temporary Bin Service are listed separately in the approved rate schedule

4.1.8 Manure Collection

Company shall provide manure Collection service using Carts and Bins at a frequency of a minimum of once per week. Company must offer this service up to three (3) times per week, and may offer it more frequently. Company may request that Customers fill manure Containers no more than three-quarters' full due to weight restrictions and to minimize spills. Manure shall be Collected on a separate route and shall be diverted from landfilling. Rates for manure Collection are listed separately in the approved rate schedule.

4.1.9 Scout Vehicles

If use of a scout vehicle is required to service Refuse Bins, Company may charge Customers a monthly fee in accordance with the approved rate schedule. Scout vehicle usage must be approved by City in advance. Additional fees for long roll-outs, without the use of a scout vehicle, are not permitted.

4.1.10 Neighborhood Cleanups

As part of the consideration for City granting it the exclusive rights for Solid Waste Handling Services set forth herein, Company shall conduct ten (10) neighborhood cleanups per year, as scheduled by City. Company will provide six (6) Roll-off Boxes at each event. Events shall be held on weekends, Saturday through Sunday. Customers may drop-off Bulky Items at City-designated locations in Company-provided Containers. Company shall process or dispose of all Collected Solid Waste, and replace Containers if necessary at no charge to City or Customers. The following provisions shall apply to this program:

- No single item that cannot be handled by two (2) workers will be accepted.
- The following items will not be picked up: Hazardous Substances, Hazardous Waste, including waste oil or anti-freeze; concrete and dirt. (For the purposes of this section, televisions, monitors and other items referred to as "e-waste" are not considered hazardous and will be Collected by and disposed of in accordance with this section as well as Sections 4.1 11, 4.1 13 and 4.1 14 by Company)
- Company shall record by class and weight (in tons) the Solid Waste Collected during the cleanup events. Company shall record the kinds and weights (in tons) of

Solid Waste diverted, if any, during these cleanups from the landfill through Recycling, reuse, Transformation or other means of diversion.

4.1.11 On-Call Bulky Item Pickup

Company shall provide Bulky Item pickup service to all Single-Family and Multi-Family Customers, which shall be entitled to unlimited Bulky Item pickups at no additional charge. Company may request Customers to provide Company with twenty-four (24) hours notice for the items which shall be Collected on the Customer's regular Collection day, but shall Collect Bulky Items placed for Collection whether or not request was made. Company shall also Collect any items placed or abandoned across the street from Collection locations on Collection days even if there are no Collection sites across the street. If items are placed for Collection other than on Collection day, then Company will Collect the items within twenty-four (24) hours of notification from Customer or City (if the 24-hour period ends on a non-business day, Collection shall be on the next business day). Company shall Collect all Bulky Items as defined in Section 1.6 including items referred to as electronic waste or "e-waste."

If Company has reason to believe that items left for Collection from Residents under this section were not generated at the Residential premises (such as industrial appliances from a business, or Green Waste from a professional landscaper's operations) and Company does not desire to Collect the item(s), Company will immediately contact City. City will investigate and make a final determination as to whether Company shall Collect the item(s) in accordance with this section.

Company shall perform outreach and public education efforts targeting potential users of this service, particularly Multi-Family property owners, managers and tenants.

Commercial Customers may receive Bulky Item Collection under the same terms for a fee per item Collected (see approved rate schedule in Exhibit 1).

4.1.12 Abandoned Item Collection

Company will provide and service a Roll-off Box at City's yard at no additional charge for City to process or dispose of abandoned items and other Solid Waste. Company will Collect and properly process and recycle items left alongside the Roll-off Box, should City choose to separate out items such as electronic waste or reusable items from items deposited in the Roll-off Box.

Company will provide Collection services for any items abandoned on public rights-of-way, including parkways fronting CalTrans rights-of-way, by the Company's next business day after City notification at no additional charge. Company will properly divert from landfilling or Dispose of such items in accordance with Section 4.1 13.

In addition to acting upon City notification, Company will perform at least once per week drive-through "sweeps" of problem areas. Problem areas include, but are not limited to:

- All alleyways in City; and,
- All City Rights-of-Way fronting Caltrans/Freeway Rights-of-Way

City may elect to assume responsibility for Collecting abandoned items, and to receive the Abandoned Item Collection Fee from Company per Section 3.3.3.

4.1.13 Bulky Item Diversion

Bulky Items Collected by Company in accordance with Sections 4.1 10, 4.1 11 or 4.1 12, or otherwise Collected under this Agreement, may not be landfilled or disposed of until the following hierarchy of diversion efforts has been followed by Company:

- 1) Reuse as is (if energy efficient)
- 2) Disassemble for reuse or Recycling
- 3) Recycle
- 4) Disposal

This hierarchy is intended to preclude the use of front or rear loading packer vehicles for Bulky Items unless the compaction mechanism is not used to compact the Bulky Items, unless they have been designated for Disposal. Company may encourage Customers to first call charities and thrift stores for diversion of suitable items and may provide phone numbers. However, Company may not require Customers to first call a charity or thrift store.

4.1.14 Disposal of Electronic Waste

Company shall divert electronic waste, or "e-waste," Collected in accordance with Sections 4.1.10, 4.1 11, 4.1 12 or 4.1 13, or by other means under this Agreement, by taking these goods to a properly permitted Facility, and not by landfilling.

4.1.15 Encroachment Permits

Company shall not deliver Roll-off Boxes or temporary Bins to locations in the public right-of-way without verifying that the Customer ordering the service has obtained an encroachment permit for placement of the container. Customer must call or fax into Company the encroachment permit number prior to receiving service. Company will confirm permit numbers with City in order to verify authenticity of Customer-provided encroachment permit numbers.

4.2 Recycling

4.2.1 Single-Family Recycling Collection

Company shall provide all Customers receiving Cart Refuse Collection with a Cart for Collection of Recyclable Materials ("Recycling Cart(s)"), and shall Collect all Recyclable Materials placed therein for Collection not less than once per week. Customers shall be instructed to place the Carts in the street gutter for Collection. However, Company shall relocate Carts for Collection, when necessary, and return them to their original position. Recycling Carts shall have a capacity of 90-gallons, with 60-gallon Carts made available to space constrained Customers. Customers that regularly fill their Recycling Cart may receive one (1) Cart at no additional charge. Additional Recycling Carts beyond two (2) may be provided for an additional charge per Cart per month, in accordance with the approved rate schedule. Company shall provide Customers with clear plastic bags for Collection of additional Recyclable Materials that do not fit into Customers' Carts(s) at no additional charge. Bags shall be placed alongside Recycling Cart(s). Company shall Collect Recyclable Material placed in Recycling Carts or in additional clear plastic bags for Collection from each Customer on the same day as Customers' Refuse Cart is Collected. Company shall have a Recycling program whereby it, at a minimum, Collects the following Recyclable Materials in Recycling Carts from Customers: aluminum, tin, steel and bi-metal cans, glass and metal containers, PET (plastic #1), HDPE (plastic #2), plastics #3 through #7, all film plastics, plastic grocery bags, newspaper, mixed paper (including, but not limited to, colored

paper, paper board, craft paper, office paper, computer paper, telephone books, catalogues, cardboard, cereal boxes, dry food boxes, tab cards, junk mail, and magazines); milk cartons, and drink boxes.

4.2.2 Multi-Family and Commercial Recyclables Collection

Company agrees to provide, at no additional charge, unlimited Recycling Collection service to Multi-Family and Commercial Customers requesting it from Company. Company may purchase Recyclable Materials from its Customers as well. Company agrees to provide Recycling Bins, Cans or Carts to such Customers in sufficient quantities to meet the Recycling needs of each Customer. Recycling Collection programs shall be made available at a minimum for the same materials as included above in Section 4.2.1 for the Single-Family Recycling program.

Company also agrees to make programs available for all other Recyclable Materials for which it has established markets. Company shall notify all Customers via a mailed flyer each year of the availability of Recycling Collection programs.

Company will provide in-unit Recycling Containers to Commercial and Multi-Family customers that request them, at Company's actual purchase cost, to assist in Collection of Recyclables within buildings prior to Customer moving all recyclables into Carts or Bins at point of Collection.

Company will purchase Recyclables Collected and separated by material by Customers.

To enhance the Commercial Recycling, Company will.

- Prepare and mail, upon City approval, a postcard advertisement informing the Customers of program availability within 30 days after start of service under this Agreement
- Follow up mailings with telephone calls to Customers
- Prepare for Customers a service proposal after each site visit

4.2.3 Multi-Family and Commercial Site Visits

At the end of the first six (6) months of service, Company will provide City with two (2) lists, one (1) of all Multi-Family and Commercial Recycling program participants and one (1) of Multi-Family and Commercial Customer non-participants. Each list shall

include Customer names and addresses, contact names and phone numbers, Refuse service levels including number and size of Containers and number of weekly pickups, and Recycling service levels (if applicable), including number and size of Containers and number of weekly pickups. The lists shall be sorted so that Customers with and without Recycling Containers are grouped separately

For the purpose of establishing a Recycling program, Company will visit all new Customers within two (2) weeks of the start of new service. Company will continue to conduct on-site visits to Multi-Family and Commercial Customers throughout the term of the Agreement to implement and optimize Recycling programs for each Customer. A list of existing recycling accounts, new recycling accounts and ongoing account visits, including all the information required above, shall be provided to City each six (6) months for the Term of the agreement.

4.2.4 Warning Notice

Company shall place a red tag or other warning notice approved by City on all Residential and Commercial Recyclable Material or Green Waste loads that are contaminated, indicating to the Customer why the load was not Collected and diverted. For Bin Customers, Company shall also mail a copy of the warning to the Customer's Billing address. Company shall notify City on a monthly basis of any warning notices issued pursuant to this section, and shall provide copies of such warnings to City upon request. With prior written City authorization, Company may remove Recycling or Green Waste Containers from habitual contaminators that have received four (4) warnings in any three-month period. Containers shall be returned upon change of occupancy or if directed to return the container by City

4.2.5 Marketing and Sale of Recyclable Materials

Company shall be responsible for marketing and sale of all Recyclable Materials Collected pursuant to this Agreement. Company may retain revenue from the sale of Recyclable Materials.

4.2.6 Minimum Recycling Requirements

Company shall recycle or divert from landfill disposal fifty percent (50%) of all Solid Waste Collected pursuant to this Agreement for each calendar year beginning with calendar year 2011. Solid Waste Collected shall only be considered to have been

recycled or diverted as required under this Agreement if it is deemed to be diversion by the CalRecycle in connection with efforts to meet City's AB 939 diversion goals. Company shall provide documentation to City within thirty (30) days of the end of each calendar year stating and supporting that calendar year's diversion rate. Diversion from sources other than Company's Collection and diversion efforts (such as source reduction, reuse, or recyclables diverted by solid waste enterprises, Collection of materials that are not the subject of this Agreement, or the efforts of self-haulers) shall not be counted as diversion achieved by Company

Company shall pay a penalty to City of Twenty Thousand Dollars (\$20,000) for each year, beginning with calendar year 2011, in which Company cannot provide documentation verifying this fifty percent (50%) diversion was achieved. Payment of this penalty is due within thirty (30) days of the end of each calendar year, along with the documentation stating and supporting that year's diversion rate, and is subject to the late payment provisions as applied of Section 3.3.5

In the event that City's diversion rate is determined by the CalRecycle to meet or exceed fifty percent (50%), then the amount of any fines previously collected for the corresponding time period would be returned in the form of a credit against future Franchise Fees. Company shall be instructed by City as to the timing and amount of such credits prior to taking such credits.

4.2.7 Transformation Facility Option

Company will direct nine thousand, eight hundred (9,800) tons of City's refuse annually to a waste-to-energy Facility for diversion purposes. The refuse delivered will already have had recyclables removed. City retains the right to change the amount of tonnage delivered to transformation Facilities. If City requests that additional tons be sent to a transformation facility, then Company may request a rate adjustment in accordance with Section 6.5 for the additional tons only. If City requests that fewer tons be sent to a transformation Facility, then Company's resulting cost savings shall be realized by City through a rate adjustment.

4.2.8 Processing of Roll-off Loads

All Roll-off Box Refuse loads shall be diverted to Recycling Facilities, or processed at a Materials Recovery Facility for mixed waste processing to recover Recyclables, or diverted to qualified inert facilities for Construction and Demolition Debris where

quantities would not be counted as disposal for AB 939 compliance purposes. Construction and Demolition Debris ("C&D") loads shall be delivered to C&D Recycling Facilities. No such loads are permitted to be delivered to a landfill, either directly or by transfer, unless Company obtains written approval from City permitting Disposal of specific loads. Customer's participation in a separate Recycling program does not excuse Company from processing the Customer's Roll-off Box Refuse.

4.2.9 Processing Facilities

Company shall inform City if it changes processing facilities used. All loads of Recyclable Materials shall be taken to a processing Facility for material recovery. Under no circumstances shall such loads be delivered for landfilling, even temporarily. Recyclable Materials properly set out for Collection (excluding contaminated loads that have been red-tagged and recorded) shall only be Collected in vehicles on dedicated Recycling routes bound for processing facilities. Emptying Containers of Recyclable Materials that have been properly set out into a Refuse Collection vehicle load is prohibited. Company is not excused from this requirement by labor unrest (see Section 11.4).

4.2.10 City Option to Require Mixed Waste Processing of Bin Loads

City may instruct Company to direct all Bin Refuse to a Materials Recovery Facility for processing in order to increase City's diversion rate. Company would be entitled to a rate adjustment equal to any increases or decreases in transportation costs and tipping fees. Company shall prepare a schedule documenting any such cost increases or decreases. Such request shall be prepared in a form acceptable to City with support for assumptions made by Company in preparing the estimate. City, or its designated representative, shall review Company's request. City Council shall consider Company's request, and approval of reasonable additional costs shall not be unreasonably withheld.

4.2.11 Non-Profit Recycling Assistance

Company will provide non-profit organizations with Roll-off Boxes or steel storage vans to Collect Recyclables at no additional cost. Company will deliver Recyclables for processing and will pay the organizations for the value of the Recyclable Materials net of transportation charges.

4.2.12 Mixed Waste Processing of Multi-Family Refuse

Company shall deliver all Refuse Collected from Multi-Family Refuse Bins to a Material Recovery Facility to recover Recyclables. Company shall recover and divert from landfilling a minimum of 40% to 50% of Multi-Family Bin Refuse Collected.

4.3 Green Waste Program

4.3.1 Single-Family Green Waste Collection

Company shall provide all Customers receiving Cart Refuse Collection with a 90-gallon Cart for Collection of Green Waste ("Green Waste Cart(s)"). 60-gallon Green Waste Carts shall also be made available to Customers upon request. Customers shall be instructed to place the Carts in the street gutter for Collection. However, Company shall relocate Carts for Collection, when necessary, and return them to their original position. Company shall Collect all Green Waste placed in Green Waste Carts, as well as all Green Waste bundled as set forth below, and put out for Collection by Customers not less than once per week on the same day as Refuse Collection. Customers that regularly fill their Green Waste Carts may receive a second Cart at no additional charge. Carts beyond two (2) will be provided for an additional cost per Cart per month, in accordance with the approved rate schedule. Company shall have a Green Waste Recycling program whereby it, at a minimum, Collects the types of Green Waste defined in Section 1.24.

Company shall only be obligated to Collect Green Waste set out for Collection in bundles if it is a maximum of forty-eight (48) inches long and twenty-four (24) inches in diameter, with a bundled weight limit of forty-five (45) lbs.

4.3.2 Holiday Tree Collection Program

Company shall operate an annual holiday tree Collection program, beginning December 26 and continuing through the second Saturday in January. During this period all holiday trees placed out for Collection by Single-Family and Multi-Family Customers shall be Collected by Company. Trees up to ten (10) feet in length will be Collected and diverted without Customers needing to cut them. Company may request that Customers with larger trees cut the trees to pieces no longer than ten (10) feet.

4.3.3 End Uses for Green Waste

Company shall divert Green Waste materials Collected through weekly Cart and bundle Collection, holiday tree Collection, Roll-off Box Collection and mixed waste processing (if applicable) from Disposal. Company must provide end uses for Green Waste that maximize diversion credits for City according to regulations established by the CalRecycle. Company shall divert through uses other than as alternative minimum daily cover whenever feasible.

4.3.4 Compost/Mulch Give-A-Way

Company will conduct two (2) compost/mulch give-a-way events per year in City. Each Residential Customer will be entitled to two (2) bags of compost/mulch per event. Certificates to claim the free compost/mulch will be included in the quarterly billings. Company will staff each compost/mulch give-a-way event for the entire duration of the advertised time of the event.

4.4 City Services

4.4.1 City Facilities Collection

Company shall Collect and Recycle/Dispose of all Refuse, Recyclable Material, and Green Waste put in Containers for Collection at Premises owned and/or operated by City now and in the future at no charge. Such Premises include, but are not limited to, City Hall, City offices, parks, City yard and street maintenance operations. Collections shall be scheduled at a time mutually agreed upon by Company and City. Company will provide Containers.

Company shall provide new in-office Carts for staging Recyclable Materials at no additional charge.

Company will provide locks for Bins located at parks.

4.4.2 City Sponsored Events

Company shall provide Solid Waste and Recycling Collection and Disposal/processing service for up to twenty-four (24) City-sponsored events each calendar year. This shall include providing Containers (Bins, Roll-off Boxes, Recycling Containers and cardboard waste boxes with liners) to Collect and dispose of or process all Solid Waste and

Recyclable Materials. Company shall provide these services at all City-sponsored events, at no cost to City, the ratepayers, or the event sponsors. Events include, but are not limited to, the following:

- Bellflower Streetfest (typically eight dates, each date constitutes one event)
- Car Show
- Chili Cook-off
- Cinco De Mayo
- Fourth of July
- Holiday Tree-lighting Ceremony
- Liberty Event
- Other events as identified by the City up to the twenty-four event limit.

4.4.3 Street Litter Container Collection

Company shall Collect, Recycle and Dispose of material deposited in street litter Containers, including bus stop Containers located within twenty (20) feet of the curbside, at no additional cost. The street litter Containers shall be serviced at least once a week, or more frequently as necessary to prevent refuse overflow Exhibit 4 includes an initial list of street litter Containers to be serviced. This Container count may vary during the Agreement Term, there shall be no rate adjustment for increases in frequency of Collection or number of street litter Containers.

Company shall report to City any graffiti and other damage to street litter Containers or bus stops by the end of the day on which the damage is identified. Correcting such damage shall remain the responsibility of City

During the term of this Agreement, the City, at its discretion, may assume street litter container collection responsibilities and re-instate a Street Litter Container Collection Fee as described in Section 3.3.2.

4.4.4 Emergency Collection and Disposal Service

Company will assist City at City's request with emergency Collection and Disposal service (in the event of major disaster, such as an earthquake, storm, riot or civil disturbance), or as otherwise determined necessary by City, by providing Collection

and/or street sweeping vehicles and drivers normally assigned to City, at the rates not exceeding those set forth on Exhibit 1

4.4.5 Household Hazardous Waste Annual Drop-off Events

City reserves the right to instruct Company to promote and conduct an annual Household Hazardous Waste drop-off event for the Collection of Household Hazardous Wastes, from the residents of City, which complies with all applicable requirements, on dates mutually acceptable to Company and City. Company shall be entitled to charge Residential Customers the additional rate indicated in Exhibit 1 for a twelve (12) month period for each event conducted. Date shall be approved by City and shall be scheduled in consideration of, and in order to supplement, the County of Los Angeles' Household Hazardous Waste round-up events. Events shall last at least eight (8) hours and be held on Saturday or Sunday. The drop-off site shall be provided by City. Company will be responsible for all aspects of the program, including, but not limited to, securing all applicable permits, traffic control, on-site security and public information as well as Collection, packing, transportation and safe Disposal of all Household Hazardous Waste Collected in accordance with the DTSC and the US EPA regulations governing Hazardous Waste. Neither City nor City residents shall be designated as the Waste Generator. The scope of Company's required promotion of the event includes advertising the following information regarding the event in the quarterly notice or annual brochure preceding the event, in an advertisement in a local newspaper, and in a separate announcement mailed to all residents. The following information is to be included.

- Event time and location
- Materials to be accepted
- Qualifying participants and accepted forms of identification (including utility bills and drivers' licenses)
- Maximum legal loads of hazardous waste that may be transported

Materials to be collected will include, at a minimum, the following items, plus any additional materials that are Collected at the County of Los Angeles/Sanitary Districts' Household Hazardous Waste Round-Ups:

- Motor oil
- Oil filters
- Mercury thermometers or thermostats

- Brake fluid ▪ Tires ▪ Liquid cell batteries
- Paint ▪ Paint thinner ▪ Cleaners with acid or lye
- Used antifreeze ▪ Turpentine ▪ Pesticides or herbicides
- Pool chemicals ▪ Pharmaceuticals ▪ Medical waste including Sharps
- “E-waste” including CRTs, computers and monitors, televisions, and other electronic goods

4.4.6 Street Sweeping Services

Company shall provide street sweeping services at no additional cost. Street sweepings will be processed for diversion from landfilling. Company shall make reasonable efforts to coordinate Solid Waste Collection route schedules with the street sweeping schedule to maximize the effectiveness of street sweeping operations. Company shall provide all routes and route schedules to City and work with City to resolve conflicts between Refuse and street sweeping schedules.

4.4.6.1 Street Sweeping Services Required

- A. Routine Sweeping Services: Company shall provide street sweeping services as follows: On designated arterial (major), collector, commercial, residential, and industrial streets as indicated under this Section 4.4.6, in accordance with the schedule in Section 4.5 1.2. Alleys, cul-de-sacs, street center lines, raised median curbs, 100% of all painted median surfaces, traffic signal island curbs, street cross and slotted gutters, and City owned parking lots, including cleaning behind parking bumpers, are also included.
- B. Sweeping hours for streets shall be as designated by City, Monday through Friday Section 4.5 1.2 illustrates the day and time of scheduled sweeping for all City streets. All streets, with the exception of a portion of Bellflower Boulevard, located in the Town Center Zone, are scheduled for sweeping every week (fifty-two (52) sweeps per year). (The Town Center area of Bellflower Boulevard, located from Alondra Boulevard to Rose Street, is scheduled for sweeping twice per week (one hundred four (104) sweeps per year) and includes side streets as described in Town Center. Additional Services: Additional services in excess of fifty (50) hours per calendar year including emergency call-outs, or non-emergency assignments requested by City, including special event sweeping,

shall be performed by Company in accordance with Section 4.4.4 and the approved rate schedule.

- C. Changes in Services: During the term of this Agreement or any extension thereof, City may increase or decrease the frequency or number of miles of street sweeping services. Parties agree to negotiate in good faith any increase or decrease in requested services above or below service levels required under this Agreement. The said adjustment shall be provided in written correspondence to Company (Re-sweeps to correct or improve required sweepings are expected and not considered extra services.)

4.4.6.2 Areas to be Cleaned

- A. Arterial, industrial, residential, and commercial streets, including: cul-de-sacs shall be swept on the days and within the hours indicated in Section 4.5 1.2.
- B. The following City parking facilities shall be swept at the frequency level indicated.

City Hall	Once a Week
Parks	Once a Week
City Parking Lots	Once a Week
City Yard	Once a Week

City may edit from time to time, the list of public facilities to be swept by adding to or deleting from the above list.

- C. All curbs (including median curbs and curb returns), cross gutters, uncurbed pavement edges, painted (2-way) left turn lanes and flush concrete or paved medians shall be swept each time the associated street is swept. Sweeping shall consist of a minimum eight (8) foot wide span from each edge of the street. In no case shall there be any debris remaining on this area after sweeping is completed.

Special care should be taken to sweep curbs at intersection corners, which can be missed if street sweepers sweep across the intersection and do not round the corners. Failure to sweep intersection corners will subject Company to liquidated damages per Section 11.3.B and Section 5.2.5

- D All alleys shall be swept once per month, on the same day each month, as mutually agreed upon by City and Company. In no case shall there be any debris remaining on the paved surfaces of alleys after sweeping is completed.
- E Drivers shall exit the cab of the street sweeper to manually sweep areas that cannot adequately be swept with the street sweeper vehicle, such as dead-end streets without a sufficient curve to the curb to permit the sweeper to reach all the way to the curb in all spots. Failure to manually sweep such areas may subject Company to liquidated damages per Sections 5.2.5 and 11.3.B

4.4.6.3 Street Sweeping Practices

Company shall at all times use good sweeping practices as listed below and will be responsible to make adjustments to the equipment, as directed by City representative, or as enables the equipment to best sweep the street.

Company must exercise due care so as to prevent spilling, scattering, or dropping of refuse throughout sweeping activity and shall immediately clean up such spillage, dropping, or scattering. Sweeping practices include, but are not limited to.

- A. Position gutter brooms at the proper angle to the gutter incline, touching the curb
- B. Set main broom in level position to assure debris pick up. Apply appropriate broom pressure for sweeping conditions to obtain a minimum strike pattern of five (5) inches.
- C. Adjust spray nozzles to keep dust caused by sweeping to a minimum.
- D. Center dirt reflector and main drag shoes shall be properly maintained and adjusted, or any other device designed to direct debris or dirt into the path of the rear broom.
- E. Sweeping speed shall be adjusted to street conditions with a maximum speed of six (6) miles per hour or as advised by manufacturer for optimum pick up

Patterned concrete medians and crosswalks shall be swept at a maximum speed of three (3) miles per hour

- F Operate sweepers as close to parked cars or other obstacles as safety allows.
- G. Operate sweepers with hoses up, or without hoses, and otherwise sealed to prevent drainage of water onto streets during operation.
- H. Use common sense and good judgment at all times.

4.4.6.4 Construction Related Street Sweeping Problems and Storm Debris

The sweeping of dirt and debris carried onto streets from identifiable construction sites is not considered the responsibility of Company if located within five hundred (500) feet of the construction site. However, Company is required to report construction areas by using contact person's inspection report to record the construction site's location and by telephone or e-mail notification to City's Environmental Services Manager or his/her designated Public Works representative. If not reported as such to City, Company is then responsible for the location's condition. Company will be required to clean all debris carried by traffic to areas beyond five hundred (500) feet from the site. Storm clean up and sweeping must be completed as soon as possible.

4.4.6.5 Street Sweeping Standard of Performance; Cleanliness

Company shall remove all trash, debris and sediment from all streets every sweeping cycle. Company shall make as many passes as necessary to accomplish this task. Company is responsible for removal of spills of concrete, rock, gravel, accident debris, etc. Large items, such as cardboard, palm fronds, large rocks, etc., shall when possible, be physically picked up and placed in the sweeper by the operator or other personnel. Company shall move excessively large items from the area to be swept into the parkway area and immediately dispatch a Collection vehicle to Collect the item as an abandoned item per Section 4.1 12, if City exercises its option to assume abandoned item Collection service, Company shall then notify City's Environmental Services Manager or his designated Public Works representative via phone to Collect such items. Sediment accumulation in slotted cross gutters shall be kept to a minimum and is solely defined by City. If after sweeping is completed sediment deposits over ¼ inch deep (thick) still remain in cross gutters, each deposit will constitute a performance

deficiency by Company, and be subject to the provisions cited in Sections 5.2.5 and 11.3.B

4.4.6.6 Water

City is served by four (4) different water purveyors. If water is necessary, Company is solely responsible for making all provisions to supply water to their equipment machinery

4.4.7 Company-Provided City Storage

Company will provide City with up to six 22- or 26-foot steel storage vans for storage needs of City

4.5 Operations

4.5.1 Schedules

4.5.1.1 Solid Waste Collection Schedule

To preserve peace and quiet, Solid Waste shall only be Collected from Residential Premises, and from Customers within three hundred (300) feet of Residential Premises, between 7:00 a.m. and 5:00 p.m. Monday through Friday and from 8:00 a.m. to 12:00 p.m. on Saturday Solid Waste shall be Collected from Commercial Premises at least three hundred (300) feet away from Residential Premises between 6:00 a.m. and 5:00 p.m. Monday through Friday and from 8:00 a.m. to 12:00 p.m. on Saturday Company may, with prior written approval of City, Collect in certain Commercial areas prior to 6:00 a.m. City may instruct Company to delay Collection from certain Commercial areas until after 7:00 a.m. if earlier Collection may disturb Residential Customers. Bins at Commercial Premises may be Collected on Sunday with prior approval from the City Manager If the regularly scheduled Collection day falls on New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, or Christmas Day, then Collection days for the remainder of that week shall all be postponed one (1) Collection day If one of these holidays falls on a Saturday, then Company shall perform Collection on the following Monday.

Company shall review its operations plan outlining the Collection routes, intervals of Collection and Collection times for all materials Collected under this Agreement with

City at least once annually, and upon thirty (30) day written notice requesting said review. Company shall submit a copy of its Commercial and Residential schedule and route map annually in July of each year, and a list of Sunday service addresses. If the plan is determined to be inadequate by City, Company shall revise it incorporating any changes necessary to make it satisfactory to City within thirty (30) days. No change in schedules and routing shall be implemented for fifteen (15) days after Company receives approval from City and notifies Customers.

When notified of a missed pickup, Company shall Collect the Refuse, Recyclable Materials, and/or Green Waste that was not Collected within one (1) business day.

4.5.1.2 Routine Sweeping Schedule

Standard operating hours for sweeping under this Agreement shall be as posted and established by City Council Resolution and Company or until all sweeping is completed if earlier than posted times.

Company shall follow the street sweeping schedule below, subject to holiday schedules per Section 4.5 1.2, unless Company receives written approval for a temporary or permanent schedule change from City. Distances below are estimates for existing services at these locations, no compensation adjustments shall be made for inaccurate sweeping service estimates included in this Agreement.

For each street sweeping area, Company shall provide City with detailed current turn-by-turn route maps in a format substantially similar to that in Exhibit 7. If Company proposes changes to street sweeping routes within street sweeping areas, Company shall first provide City with 15 days notice, the opportunity to comment, and updated route map(s). Any route changes are subject to City approval.

Monday

- A. Sweep Area #1 residential tract during posted hours:
6:00 a.m. to 11:00 a.m. and 8:00 a.m. to 1:00 p.m. 28 Lineal Curb Miles
- B. Sweep Major Arterials during posted hours:
2:00 a.m. to 8:00 a.m. and 5:00 a.m. to 11:00 a.m. 43 Lineal Curb Miles
- C. Sweep parking lots at Thompson Park and Simms Park
Simms Park to be swept prior to arrival of Farmer's Market vendors

Tuesday

- A. Sweep Area #2, Part 1 residential tract during posted hours:
6:00 a.m. to 11:00 a.m. and 8:00 a.m. to 1:00 p.m. 30 Lineal Curb Miles
- B. Sweep Area #2, Part 2 residential tract during posted hours:
6:00 a.m. to 11:00 a.m. and 8:00 a.m. to 1:00 p.m. 23 Lineal Curb Miles
- C. Farmer's Market Area of Simms Park parking lots

Wednesday

- A. Sweep Area #3 residential tract during posted hours:
6:00 a.m. to 11:00 a.m. and 8:00 a.m. to 1:00 p.m. 25 Lineal Curb Miles
- B. Sweep City parking lots – Sweeping scheduled to start at 4:00 a.m.
Location of parking lots:
 - 1 West of Bellflower – Flower to Mayne
 - 2. East of Bellflower – Flower to Railroad Crossing
 - 3. East of Bellflower – Ramona to Artesia
 - 4. Caruthers Park parking lot
 - 5 Simms Park – lot accessed from Ardmore
 - 6. City Hall parking lots
 - 7 City Maintenance Yard, 9944 Flora Vista

Thursday

- A. Sweep Area #4 residential tract during posted hours:
6:00 a.m. to 11:00 a.m. and 8:00 a.m. to 1:00 p.m. 25 Lineal Curb Miles
- B Sweep Bellflower Boulevard – Town Center section 3 Lineal x 2 Curb Miles
Alondra to Rose
All side streets in the Town Center section:
 - 1 Sweep side streets west of Bellflower — 300 L.F
Alondra to Flower (Mayne, Oak, Laurel)
 - 2. Sweep side streets east of Bellflower – 425 L.F
Alondra to Flower (Oak, Belmont)
 - 3. Sweep all other side streets in the Town Center section - 125 L.FSweeping schedule begins at 5:30 a.m.
- C. First Thursday of each month, sweep City alleys 9 Lineal Curb Miles
Sweeping schedule begins at 4:00 a.m.

Friday

A. Sweep Area #5 residential tract during posted hours:

6:00 a.m. to 11:00 a.m. and 8:00 a.m. to 1:00 p.m.

29 Lineal Curb Miles

Activity Breakdown/Sweeping Cycle

Arterial, collector and residential streets – Lineal Curb Miles swept per week 218 Miles

City alley ways – Lineal Curb Miles swept per month 9 Miles

City parking lots – Lineal Miles swept per week 21 Miles

Slotted Cross Gutters – 234 locations per week 11,700 Lineal Feet (2.5 Miles)

Streets 218 x 52 = 11,336

Alleys 9 x 12 = 108

Parking lots 21 x 52 = 1,092

Slotted cross gutters 2.5 x 52 = 130

4.5.1.3 Street /Sweeping Holiday Schedule

The following is a list of holidays on which street sweeping service will not be performed, except upon prior written approval by City.

New Year's Eve Day

New Year's Day

President's Day

Memorial Day

Independence Day – July 4th

Labor Day (First Monday in September)

Veteran's Day

Thanksgiving Holiday (Fourth Thursday and Friday in November)

Christmas Holiday (December 24 and 25)

Street sweeping for all holidays will be made up according to the following schedule:

President's Day Use Monday Holiday Schedule (1)

Memorial Day Use Monday Holiday Schedule (1)

Independence Day Before or after depending on day observed, subject to prior approval by City

Labor Day	Use Monday Holiday Schedule (1)
Veteran's Day	Before or after depending on day observed, subject to prior approval by City
Thanksgiving Holiday Observance	On Tuesday prior to holiday, (Thursday and Friday) sweep Areas #2 and #3 as usual, and Thursday's Area #4. On Wednesday prior to holiday, sweep Area #3 as usual, and Friday's Area #5
Christmas Holiday Observance	Before or after depending on day observed, subject to prior approval by City
New Year Holiday Observance	Before or after depending on day observed, subject to prior approval by City

⁽¹⁾ Monday Holiday Schedule:

- On Tuesday following the holiday, sweep Area #2, Parts 1 and 2 as usual and the boulevards which normally would be swept on Monday
- On Wednesday following the holiday, sweep Areas #3 as usual and Monday's Area #1

4.5.1.4 Street Sweeping Schedule Adjustments for Weather Conditions

City's City Manager or his designee reserves the right to be the sole judge if the weather is too inclement to sweep the streets. When adverse weather interrupts sweeping, Company shall adjust the work schedule so as to return to the normal weekly schedule the following week. City reserves the right to direct schedule changes made necessary due to inclement weather. In the event of a rainy day, Company shall obtain approval from City's Environmental Services Manager or his designated Public Works representative for the day's sweeping.

4.5.2 Vehicles

A. General. Company shall provide vehicles for the Collection of Solid Waste ("Collection Vehicles") that are sufficient in number and capacity to efficiently perform the work required by this Agreement in strict accordance with its terms. Company is

expressly obligated to provide such Collection Vehicles and street sweeping vehicles and routes as are required to meet the service standards set forth herein. Company shall have available on Collection days sufficient back-up vehicles for each type of Collection Vehicle and street sweeping vehicle used to respond to complaints and emergencies.

B. Solid Waste Vehicle Specifications.

All Collection Vehicles Company operates in the City shall use natural gas ("NG") fuel by no later than August 31, 2015. Company may either purchase new NG Collection vehicles or repower the Collection Vehicles already operating in the City with NG engines. Company shall operate no Collection Vehicles within City more than ten years past the date of repowering with NG engines, or ten years past the model year if not repowered. If repowered, then Collection Vehicles shall be no more than 20 years, consisting of up to a maximum of ten years post-repowering and up to a maximum of ten years pre-repowering. Such vehicles must be registered with the California Department of Motor Vehicles and shall have water-tight bodies designed to prevent leakage, spillage or overflow. At all times during the term of this Agreement, Company's Collection vehicles shall comply with South Coast Air Quality Management District Requirements and the California Air Resource Board's emission standards as they may be approved for Refuse removal vehicles, as well as other Federal, State and local laws and regulations that may be enacted during the term of this Agreement. Company will provide Collection Vehicles that can provide Collection service to buildings with covered parking areas having a minimum height of seven feet, six inches (7'6").

C. Solid Waste Vehicle Identification and Labeling. Each Collection vehicle shall be marked with Company's name, toll free phone number, and a vehicle identification number designed by Company for each Collection Vehicle which shall be prominently displayed on all such Vehicles. City must approve truck labeling, and may place billboards with public notices on vehicles at no additional charge. All equipment of Company used to provide the services set forth in this Agreement shall be subject to inspection by City on a semi-annual basis.

D. Sweeping Equipment – Type, Quantity, and Condition - Franchise shall provide and maintain during the entire period of the Agreement a fleet of sweepers fueled by natural gas in a sufficient quantity, including backup vehicles, to service City. The

primary street sweeping vehicle utilized full-time in performance of Street Sweeping Services shall be model year 2010 or newer. The street sweeping vehicle utilized part-time shall be model year 2004 or newer. Equipment shall be no older than ten (10) years at any time during the Agreement; however, if a sweeping vehicle over the age of five (5) years experiences more than three mechanical failures in any three-month rolling period, and these breakdowns result in Company performing street sweeping services beyond posted sweeping hours in order to fully complete sweeping requirements, then the street sweeper shall be replaced with a sweeper less than five years old. All vehicles must comply with California Air Resources Board (CARB) and/or Southern California Air Quality Management District (AQMD) standards, as well as other Federal, State and local laws and regulations that may be enacted during the term of this Agreement. City reserves the right to determine the locations to be swept by each of the types of sweepers mentioned above.

Company shall furnish City with a list identifying all equipment to be used in fulfilling this Agreement, as required annually under Section 8.3.4.a and upon request of City, and notify City of any additions or deletions prior to addition or deletion of vehicle. When new vehicles are added to the fleet, they shall be models of the latest design and construction and shall not be prototype models. Any changes in Company's sweeping equipment from the initial equipment must have prior approval of City.

All vehicles must be maintained in good repair, appearance, and sanitary condition at all times as determined solely by City. City reserves the right to inspect Company's vehicles at any time to ascertain said condition. City's Environmental Services Manager or his designated Public Works representative shall have the right to "shut down" immediately upon inspection, any vehicles/sweeper deemed unsafe or unsatisfactory during performance of this Agreement.

E. Street Sweeping Equipment Identification. All street sweeping vehicles and equipment used by Company must be clearly identified with the name of the Company, address of local office and telephone number on each side of the equipment. Also, the words, "Providing services to the City of Bellflower" must be on all street sweeping equipment. The letters shall be at least three (3) inches high and of proportionate width.

F. Equipment Safety Requirements: All equipment must be equipped in accordance with State laws including hazard lights visible from the rear that operate independently of the brake lights. To better enable Company to address safety and customer service issues, all field vehicles shall be equipped with two (2) way radios in contact with Company's area office.

G. Minimum Sweeping Width Required. Street sweeping equipment must be capable of sweeping a minimum eight (8) foot width as measured with all brooms in the sweeping position. Equipment unable to do this is unacceptable.

H. Cleaning and Maintenance

- 1) Company 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) Collection Vehicles shall be painted, thoroughly washed, and thoroughly steam cleaned on a regular basis so as to present a clean appearance. City may inspect vehicles at any time to determine compliance with this Agreement. Company shall also make all Collection Vehicles available to the Los Angeles County Health Department for inspection, at any frequency it requests. Company agrees to replace or repair to City's satisfaction, any Collection Vehicle which City determines to be of unsightly appearance, leaking, or in unsatisfactory operating condition.
- 3) Company shall repaint all Collection Vehicles at least every two (2) years, and within thirty (30) days' notice from City, if City determines that their appearance warrants painting.
- 4) Company shall inspect each Collection Vehicle daily to ensure that all equipment is operating properly. Collection Vehicles which are not operating properly shall be removed from service until repaired and operating properly. Company shall perform all scheduled maintenance functions upon Collection Vehicles in accordance with the manufacturer's specifications and schedule. Company shall keep accurate records of all Collection Vehicle maintenance, recorded according to date and mileage and shall make such records available to City upon request.

- 5) Company shall repair, or arrange for the repair of, all of its vehicles and equipment for which repairs are needed because of accident, breakdown or any other cause so as to maintain all equipment in a safe and operable condition. Company 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) Company shall clean up any leaks or spills from its vehicles per any National Pollutant Discharge Elimination System (NPDES) permit in effect at the time. No fluids shall be washed into storm drains at any time. All NPDES dry-cleaning measures shall be complied with. All Collection Vehicles must be equipped with absorbent for such cleanup efforts. Company shall immediately notify City of any leaks or spills that enter the MS4.
- 7) Upon request, Company shall furnish City a written inventory of all equipment, including Collection Vehicles, used in providing service pursuant to this Agreement. This inventory shall list all equipment by manufacturer, year of production, ID number, date of acquisition, type, fuel, capacity, and whether the vehicle is a spare.

I. Operation. Vehicles shall be operated in compliance with the California Vehicle Code, and all applicable safety and local ordinances. Company shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by state or local weight restrictions on vehicles.

Company's equipment shall comply with US EPA noise emission regulations, currently codified at 40 CFR Part 205 and other applicable noise control regulations, and such noise control features shall be incorporated throughout the entirety of all Collection Vehicles. Noise levels of equipment used for Collection shall comply with City ordinance and in no event shall the noise level exceed seventy-five (75) dba when measured at a distance of twenty-five (25) feet from the vehicle, five (5) feet from the ground. City may require Company, at its sole expense, to test noise levels of equipment used for Collection. Company shall store all equipment in safe and secure locations in accordance with City's applicable zoning regulations.

Company shall be responsible for any damage resulting from or directly attributable to any of its operations, and which it causes to: City's driving surfaces, whether or not

paved, associated curbs, gutters and traffic control devices, and all other public and private improvements.

J. City Inspection Per Code. City may cause any vehicle used in performance of this Agreement to be inspected and tested at any commercially reasonable time and in such manner as may be appropriate to determine that the vehicle is being maintained in compliance with the provisions of the State Vehicle Code, including, but not limited to, California Vehicle Code Sections 27000(b), 23114, 23115, 42030, 42032, and all Vehicle Code Sections regarding smog equipment requirements. City may direct the removal of any vehicle from service if that vehicle is found to be in nonconformance with applicable codes. No vehicle directed to be removed from service shall be returned to service until it conforms with applicable codes, and its return to service has been approved by City

K. Vehicle Inspections. Company shall submit to City the Safety Compliance Report/Terminal Record Update from its Biennial Inspection of Terminal, or BIT. If Company receives a terminal rating below satisfactory, Company is in violation of the Agreement. Company has the time allowed by the Department of California Highway Patrol ("CHP") to cure violations and bring the terminal rating up to satisfactory. If the CHP does not adjust the rating to satisfactory or better within six (6) months, then Company shall be considered in default of the contract and City may terminate the Agreement.

L. Correction of Defects. Following any inspection, City Manager shall have the right to cause Company, at its sole cost and expense, to recondition or replace any vehicle or equipment found to be unsafe, unsanitary or unsightly, or leaking fluid. The City Manager's determination may be appealed to the City Council, whose decision shall be final.

4.5.3 Containers

Company shall include the phone number which Customers may call for pickup of Bulky Items on a label on all Containers.

4.5.3.1 Carts

A. Cart Design Requirements

All Carts utilized in the performance of this Agreement shall be manufactured by injection or rotational molding and meet the Cart design and performance requirements as specified below. All Carts selected shall be subject to City's approval.

B. Capacity

The references in Sections 4.1, 4.2 and 4.3 to Cart sizes of 35, 60 and 90-gallons are approximate. Company shall provide Refuse Carts of approximately 35, 60 and 90-gallons, Recycling Carts of approximately 60 and 90-gallons, and Green Waste Carts of approximately 90-gallons in size. Acknowledging the different sizes provided by the various Cart manufacturers, the Carts shall be uniform in appearance and must conform to the following ranges in size:

- 30 to 40-gallons;
- 60 to 70-gallons,
- 90 to 101-gallons.

C. Cart Handles

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

D. Cart Lid

Each Container shall be provided with a lid that continuously overlaps and comes in contact with the Container body or otherwise causes an interface with the Container body that simultaneously:

- Prevents the intrusion of rainwater, rodents, birds, and flies;
- Prevents the emission of odors,

- Enables the free and complete flow of material from the Container during the dump cycle without interference with the material already deposited in the truck body or the truck body itself and its lifting mechanism,
- Permits users of the Container to conveniently and easily open and shut the lid throughout the serviceable life of the Container;
- The lid handle shall be an integrally molded part of the lid,
- The lid (and body) must be of such design and weight that would prevent an empty Container from tilting backward when flipping the lid open, and,
- The lid shall be hinged to the Cart body in such a manner so as to enable the lid to be fully opened, free of tension, to a position whereby it may rest against the backside of the Container body

E. Cart Colors

The Refuse, Recycling and Green Waste Carts will be differentiated by color. The colors shall be colorfast and resistant to fading as a result of weathering or ultraviolet degradation. Color must be uniform within each Container. Refuse Carts will be black, brown or gray. Recycling Carts will be blue. Green Waste Carts will be green. Cart colors shall be consistent throughout City.

F. Identification Markings

All markings on the Containers shall match Containers currently in distribution, or shall be approved by City in advance of ordering Carts. The words **REFUSE**, **RECYCLING** or **GREEN WASTE** must be hot stamped or labeled, on the Refuse, Recycling and Green Waste Carts respectively, in characters no less than one (1) inch in English and Spanish.

Labels/stencils will also include Company's Customer Service number and a list of allowable contents in English and Spanish, and icons, and be updated as necessary at Company's cost. An anti-scavenging warning will be included on Recycling Containers in both languages.

G. Cart Performance Requirements

All Carts shall be designed and manufactured to meet the minimum performance requirements described below

H. Cart Load Capacity

Depending on the capacity, the Carts shall have a minimum load capacity as noted below without Container distortion, damage, or reduction in maneuverability or any other functions as required herein.

Cart Size (Gallons)	Minimum Load Capacity (LBS)
90-101	200
60-70	130
30-40	70

I. Cart Durability

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

- Maintain the original shape and appearance;
- Be resistant to kicks and blows;
- Require no routine maintenance and essentially be maintenance free;
- Not warp, crack, rust, discolor, or otherwise deteriorate over time in a manner that will interfere with the intended use;
- Resist degradation from ultraviolet radiation,
- Be incapable of penetration by biting or clawing of household pets (i.e., dogs and cats);

- The bottoms of Cart bodies must remain water-tight and impervious to any damage that would interfere with the Cart's intended use after repeated contact with gravel, concrete, asphalt or any other rough and abrasive surface;
- All wheel and axle assemblies are to provide continuous maneuverability and mobility as originally designed and intended, and,
- Resist degradation by airborne gases or particulate matter currently present in the ambient air of City

J. Chemical Resistant

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

K. Stability and Maneuverability

The Carts shall be stable and self-balancing in the upright position, when either empty or loaded to the maximum design capacity with an evenly distributed load, and with the lid in either a closed or open position.

The Carts shall be capable of maintaining the upright position in sustained or gusting winds of up to forty-five (45) miles per hour as applied from any direction.

The Carts shall be capable of being easily moved and maneuvered, with an evenly distributed load equal in weight to the maximum design capacity on a level, sloped or stepped surface

L. Lid Performance

Cart lid assemblies shall meet the following minimum requirements:

- Prevent damage to the Cart body, the lid itself or any component parts through repeated opening and closing of the lid by residents or in the dumping process as intended,
- Remain closed in winds up to forty-five (45) miles per hour from any direction. All lid hinges must remain fully functional and continually hold the lid in the original designed and intended positions when either opened or closed or any position between the two extremes; and,

- Lid shall be designed and constructed such that it prevents physical injury to the user while opening and closing the Container

4.5.3.2 Cart Maintenance and Replacement Responsibilities

Company shall be responsible for Cart repair and maintenance, graffiti removal, and replacing lost, stolen or damaged Carts within one (1) business day at no additional charge to the Customer or to City

Minor cracks, holes, and other damages to hinges, wheels, axle, hardware, and other component parts shall be readily repairable by Company personnel. All repairs must restore the Cart to its full functionality to meet the design and performance requirements as set for herein. Unsightly/worn-out Carts shall be replaced upon Customer request.

4.5.3.3 Cart Ownership

All Carts provided under this Agreement shall become the property of City at the end of this Agreement, although City retains the right to direct Company to remove and dispose of the Carts at the end of the Agreement term at no additional charge.

4.5.3.4 Bins

A. Cleaning. Company shall provide Customers with Bins, including compactors upon request, for Collection of Solid Waste. The size of Company-provided Bins shall be determined by mutual agreement of Owner and Company, and shall be subject to City approval. Company shall maintain its Bins in a clean, sound condition free from putrescible residue. Bins shall be constructed of heavy metal, or other suitable, durable material, and shall be watertight and well painted. Wheels, forklift slots, and other apparatuses, which were designed for movement, loading, or unloading of the Bin shall be maintained in good repair

Company shall inspect all Bins used by Multi-Family, Restaurant and other putrescible solid waste generating Customers once each year between June 15 and September 15. Company shall clean or replace all such Bins by no later than September 30 unless inspection determines that cleaning is not needed. All Bin Customers are entitled to have their Bins cleaned each calendar year upon request at no additional charge. In addition to these cleanings, Company shall perform cleaning or replacement of Bins more frequently if necessary, or if requested by Customer or City, for an additional fee,

to prevent a nuisance caused by odors or vector harborage. When a Bin is removed for cleaning, Company shall replace the Bin, either temporarily or as a change-out, with another Container. Company shall remove graffiti from any Container within twenty-four (24) hours of request by City or Customer. Company is required to proactively look for graffiti when Collecting Bins, with all graffiti removed from Containers in no more than seven (7) days without notification.

B. Bin Identification and Color. Each Bin placed in City by Company shall have the name and phone number of Company in letters not less than three (3) inches high on the exterior of the Bin so as to be visible when the Bin is placed for use. Company shall identify the Bins that are assigned to each Multi-Family and Commercial Customer using a method that is acceptable to City. Company shall repaint Bins upon City's request. All Refuse Bins shall be painted the same color. All commingled Recycling Bins shall be painted the same color.

4.5.3.5 Roll-off Boxes

Company shall provide clean Roll-off Boxes, free from graffiti, equipped with reflectors, and shall have the name and phone number of Company in letters not less than three (3) inches high on the exterior of the Roll-off Box so as to be visible when the Roll-off Box is placed for use. Company shall properly cover all open Roll-off Boxes during transport as required by the State Vehicle Code.

4.5.3.6 Scavenging Resistant Containers

Company shall procure or retrofit Containers to limit scavenging or unauthorized removal of Recyclables from Containers located in non-security buildings or other buildings where scavenging is a problem.

4.5.4 Litter Abatement

A. Minimization of Spills. Company shall use due care to prevent Solid Waste or fluids from leaking, being spilled and/or scattered during the Collection or transportation process. If any Solid Waste or fluids leak or spill during Collection, Company shall promptly clean up all such materials in accordance with any NPDES permits in effect at the time. Company shall notify City immediately of any leaks or spills that enter the MS4. Each Collection Vehicle shall carry a broom, shovel, absorbent, and containment materials at all times for this purpose.

Company shall not transfer loads from one vehicle to another on any public street, unless it is necessary to do so because of mechanical failure, accidental damage to a vehicle, or a pre-approved method of Solid Waste transfer between vehicles, without prior written approval by City

B. Clean Up During the Collection or transportation process, Company shall clean up all litter spilled during Collection or otherwise caused by Company. Company shall leave a "red tag" notice for Customer if litter not caused by Company is found in Container enclosure or around Containers. Company shall directly contact Customer regarding instances of repeated spillage not caused by Company and will report such instances to City. City will attempt to rectify such situations with the Waste Generator if Company has already attempted to do so without success.

In the event of a spill of materials (vehicle fluids, Green Waste leachate, etc.), Company shall provide a cleanup of the spill to the satisfaction of City and other governing agencies. City may require testing of materials at Company's sole expense. Cleanup methods may include pressure washing (Company must capture and reclaim water) or other similar clean-up methods. If material spilled is a Hazardous Substance or Material, then cleanup by a DTSC or US EPA permitted environmental cleanup contractor may be required.

C. Covering of Loads. Company shall properly cover all open debris boxes during transport to the Disposal Site.

4.5.5 Personnel

A. Qualified Drivers. Company shall furnish such qualified drivers, mechanical, supervisory, clerical, management and other personnel as may be necessary to provide the services required by this Agreement in a satisfactory, safe, economical and efficient manner. All drivers shall be trained and qualified in the operation of vehicles they operate and must possess a valid license, of the appropriate class, issued by the California Department of Motor Vehicles.

B. Hazardous Waste Employee Training. Company shall establish and vigorously enforce an educational program which will train Company's employees in the identification of Hazardous Waste. Company's employees shall not knowingly place such Hazardous Waste in the Collection Vehicles, nor knowingly dispose of such Hazardous Wastes at the processing Facility or Disposal Site.

C. Customer Courtesy. Company shall train its employees in Customer courtesy, shall prohibit the use of loud or profane language, and shall instruct Collection crews to perform the work quietly. Company shall use its best efforts to assure that all employees present a neat appearance and conduct themselves in a courteous manner. If any employee is found to be discourteous or not to be performing services in the manner required by this Agreement, Company shall take all necessary corrective measures including, but not limited to, transfer, discipline or termination. If City has notified Company of a complaint related to discourteous or improper behavior, Company will consider reassigning the employee to duties not entailing contact with the public while Company is pursuing its investigation and corrective action process.

D. Unauthorized Material Removal. Company shall dismiss or discipline employees who remove documents or any other material from Containers, other than specifically for the purposes of Disposal and diversion as described in this Agreement.

E. Training. Company shall provide suitable operations, health and safety training for all of its employees who use or operate equipment or who are otherwise directly involved in Collection or other related operations. Training shall include NDPES, including spill prevention and cleanup methods.

F. Conduct. Customer care is a priority of City. Company's employees shall conduct themselves in a highly professional manner and as to avoid embarrassment to City. Company's employees, officers, and subcontractors shall not identify themselves as being employees of City. If required, then City retains the right to require a particular employee be removed from working on this Agreement.

4.5.6 Identification Required

Company shall provide its employees, companies and subcontractors with identification for all individuals who may make personal contact with residents or businesses in City. City may require Company to notify Customers yearly of the form of said identification. Company shall provide a list of current employees, companies, and subcontractors to City upon request.

City reserves the right to perform a security and identification check through the Los Angeles County Sheriff's Department upon Company and all its present and future

employees employed by Company to work in City, in accordance with accepted procedures established by City, or for probable cause.

4.5.7 Fees and Gratuities

Company shall not, nor shall it permit any agent, employee, or subcontractors employed by it to request, solicit, demand, or accept, either directly or indirectly, any compensation or gratuity for the sweeping of streets, temporary Bin/Roll-off services or the Collection, transportation, Recycling, processing, and Disposal of Solid Waste otherwise required under this Agreement.

4.5.8 Non-Discrimination

Company shall not discriminate in the provision of service or the employment of Persons engaged in performance of this Agreement on account of race, color, religion, sex, age, physical handicap or medical condition in violation of any applicable federal or state law

4.5.9 Report of Accumulation of Solid Waste; Unauthorized Dumping

Company shall direct its drivers to note (1) the addresses of any Premises at which they observe that Solid Waste is accumulating and is not being delivered for Collection, and (2) the address, or other location description, at which Solid Waste has been dumped in an apparently unauthorized manner. Company shall deliver the address or description to City within one (1) working day of such observation.

4.6 Contingency Plan

Company shall submit to City on or before the start of service, a written contingency plan demonstrating Company's arrangements to provide vehicles and personnel and to maintain uninterrupted service during breakdowns, and in case of natural disaster or other emergency (not including a labor dispute), including the events described in Section 11.4.

4.7 Transportation of Solid Waste and Street Sweepings; Facilities

4.7.1 Solid Waste Transportation; Facilities

Company shall transport all Refuse Collected to the transfer station, MRF, Transformation Facility or Disposal Site. Company agrees to make all reasonable efforts to separate Recyclable Materials from Refuse for diversion from landfill Disposal.

Company shall maintain accurate records of the quantities of Solid Waste transported to the transfer station, MRF, Transformation Facility or Disposal Site and will cooperate with City in any audits or investigations of such quantities.

Company shall cooperate with the operator of any transfer station, MRF, Transformation Facility or Disposal Site with regard to operations therein, including, for example, complying with directions from the operator to unload Collection vehicles in designated areas, accommodating to maintenance operations and construction of new facilities, cooperating with its Hazardous Waste exclusion program, and so forth.

4.7.2 Street Sweeping Transportation; Facilities

Company shall transport and dispose of all sweepings in accordance with all county, state, and federal requirements. Sweepings are NOT to be unloaded at permanent or temporary storage sites on City, state or federal property within City boundaries. Company shall deliver collected street sweeping waste to the Stanton Recycling and Transfer Facility, 11232 Knott Avenue, Stanton, California, 90680 (Company's facility). During periods in which a higher than normal volume of street sweepings are collected, requiring street sweeping vehicles to make multiple trips to unload, Company may use the Downey Area Recycling and Transfer Facility (DART), 9770 Washburn Road, Downey, California, 90241. Company shall be solely responsible for all labor, materials, equipment, fees, and expenses to haul debris away.

4.8 Disposal of Refuse

Company shall dispose of Refuse Collected that is not required to be processed at the Disposal Sites. In event that either or both of the Disposal Sites become unavailable, or if Company desires to utilize other disposal sites, Company shall request City approval prior to using any alternative to the Disposal Sites, provided, that City's review shall

only be to determine whether the community's public interest would be properly served by the alternative.

4.9 Status of Disposal Site

Company hereby warrants the Disposal Sites are designed and constructed in accordance with 23 California Code of Regulations Section 2510 *et seq* ("Subchapter 15") and possess all required permits from federal, state, regional, county and City agencies necessary for it to operate as a Class III Sanitary Landfill and is in full regulatory compliance with all such permits. The Disposal Sites are currently authorized to accept municipal solid waste under their existing permits. In addition, any other disposal site used by Company shall likewise be designed and constructed in accordance with 23 California Code of Regulations Section 2510 *et seq* ("Subchapter 15") and possess all required permits from federal, state, regional, county and City agencies necessary for it to operate as a Class III Sanitary Landfill and is in full regulatory compliance with all such permits.

4.10 Route Audit

Once at the end of the first year and every other year thereafter, unless requested annually by City, Company shall conduct an audit of its Collection routes in City. City may use information from the audit to develop a request for proposals ("RFPs") for a new service provider. City may instruct Company when to conduct the audit in order for the results to be available for use in preparation of the RFP. City may also instruct Company to conduct an audit at a time that would produce the most accurate Customer service information for a new service provider to use in establishing service with Customers. In setting these audit dates, City will establish due dates for Company providing routing and account information, and later, the report, to City.

The route audit, at minimum, shall consist of an independent physical observation by Person(s) other than the route driver of each Customer in City. This Person(s) is to be approved in advance by City. The route audit information shall include, as a minimum, the following information for each account:

- Route Number;
- Truck Number;
- Account Name,
- Account Number;

- Account Service Address,
- Service Level per Billing System (Quantity, Size, Frequency);
- Service Level per Routing System,
- Observed Containers (Quantity and Size).
- Container condition,
- Proper signage; and,
- Graffiti.

Within thirty (30) days after the completion of the route audit, Company shall submit to City a report summarizing the results of the audit. This summary shall include:

- Identification of the routes,
- Route map,
- Truck numbers;
- Number of accounts, by route and in total,
- Confirmation that all routes are dedicated exclusively to City Customers,
- Types of exceptions observed,
- Number of exceptions by type;
- Total monthly Billing, pre-audit,
- Total monthly Billing, post-audit (subsequent to corrections of identified exceptions), and,
- Percentage of exceptions:
 - Percentage of the number of accounts with errors to the total number of accounts served,
 - Percentage of the “net” change in monthly Billing as a result of the audit to the total “pre-audit” monthly Billing; and,
 - Percentage of the “absolute” change in net monthly Billing as a result of the audit to the total “pre-audit” monthly Billing.

The report shall include a description of the procedures followed to complete the route audit. This description shall include the names and titles of those supervising the route audits and the name and titles of those performing the observations. Additionally, the report shall include a description of the pre-audit training of the route auditors, particularly if temporary personnel are used

The report shall also include a description of the changes and Company's plans to resolve the exceptions. The results of the audit, and supporting back-up data, shall be available for review by City or its representative. If review indicates that two percent (2%) or more of the samples tested are inaccurate, Company shall pay City for the cost of conducting a second route audit by City or a third party selected by City

4.11 Commingling of Collection Routes

Company shall not commingle City Refuse Collection routes with other city or county routes. Each route shall be dedicated exclusively to City-generated waste Collected within City boundaries under this Agreement.

4.12 Disposal Capacity Guarantee

Company warrants and guarantees City Company's Stanton Material Recovery Facility (CRT), or another transfer station or landfill as may be approved in advance by City, will have capacity for all Solid Waste Collected by Company pursuant to this Agreement throughout the Term hereof. Company will either retain or obtain ownership of the transfer station or landfill, or obtain and/or retain contracts with the transfer station or landfill guaranteeing such capacity for the term of this Agreement.

4.13 Service Exceptions; Hazardous Waste Notifications

A. Failure to Collect. When Solid Waste is not Collected from any Solid Waste service recipient, Company shall notify its service recipient in writing, at the time Collection is not made, through the use of a "tag" or otherwise, of the reasons why the Collection was not made.

B. Hazardous Waste Inspection and Reporting. Company reserves the right and has the duty under law to inspect Solid Waste put out for Collection and to reject Solid Waste observed to be contaminated with Hazardous Waste and the right not to Collect Hazardous Waste put out with Solid Waste. Company shall notify all agencies with jurisdiction, if appropriate, including the California Department of Toxic Substances Control and Local Emergency Response Providers and the National Response Center of reportable quantities of Hazardous Waste, found or observed in Solid Waste anywhere within City. In addition to other required notifications, if Company observes any substances which it or its employees reasonably believe or suspect to contain Hazardous Wastes unlawfully disposed of or released on any City property, including

storm drains, streets or other public rights of way, Company will immediately notify City Manager or City Manager's designee. Company shall implement and maintain a training program that will assist its employees in identifying and properly disposing of any Hazardous Waste that may come into their possession.

C. Hazardous Waste Diversion Records. Company shall maintain records showing the types and quantities, if any, of Hazardous Waste found in Solid Waste and which was inadvertently Collected from service recipients within City, but diverted from landfilling.

ARTICLE 5

OTHER SERVICES

5.1 Services and Customer Billing

5.1.1 Service Description

Company shall periodically, at least thirty (30) days prior to the effective date of a rate change, and at a minimum of once per year, prepare and distribute subject to the direction of City, a notice to each Customer billed by Company containing the following: a listing of Company's Collection rates, the annual holiday schedule and a general summary of services required to be provided hereunder including optional service which may be furnished by Company. Such notice shall be in a form subject to City's approval prior to its distribution and may be in one of Company's quarterly notices or annual brochure, as required per Section 5.3.2 or otherwise included with Billings made by Company. Company shall include in each Billing the phone number for Customers to call for Bulky Item pickups.

5.1.2 Billing

Company shall provide services pursuant to this Agreement at rates it sets, charges to, and collects from Customers, provided, however, Company's rates shall not exceed those set forth in the attached Exhibit 1, which sets out the maximum rates that may be charged by Company to the Customer for the various different service options that may occur hereunder, as such maximum rates may be adjusted from time to time pursuant to the terms hereof.

Company will Bill all Customers directly for all services performed. Company shall provide Customers with itemized Bills, detailing charges for all services, including charges for late payments, as well as the period of service to which the Bill applies. Company acknowledges that it, and not Customers, is to pay a Franchise Fee and the other fees noted herein to City as consideration for this Agreement. Accordingly, Company's Bills shall not include separate itemization of a "Franchise Fee" or other similar designation relating to fees that Company is required to pay to City.

Customers ordering service after the first of any Billing period shall be charged on a prorated daily basis, and Company shall reimburse Customers that pay in advance for

service not used, on a prorated daily basis, within thirty (30) days of Customer terminating service. Company shall handle issues relating to Customer non-payment in accordance with Section 5 1.5

Single-Family Customers

Single-Family Customers shall be Billed bi-monthly (every other month) in advance, no sooner than the first day of the period being billed for Invoices shall carry due dates, not “due upon receipt.” Customers shall be provided thirty (30) days to pay, with a ten (10) day grace period. If payment is not made by the end of the grace period, Company may assess a late payment fee equal to ten percent (10%) of the outstanding balance, and charge interest on the outstanding balance not to exceed an annual rate of eighteen percent (18%) starting thirty (30) days after the billing date.

City will place a delinquent Bill on the county property tax rolls. City shall retain ten percent (10%) of revenue recovered through tax roll billing.

Commercial and Multi-Family Customers

Commercial and Multi-Family Customers shall be billed monthly in arrears. Invoices shall carry due dates, not “due upon receipt.” Regarding Customers with outstanding balances, Company may print the following messages on bills and take the following actions only after the requisite number of days listed. All steps must be taken before service can be terminated or bins removed.

Balance	
<u>Outstanding</u>	<u>Action Required Prior to Service Termination and Container Removal</u>
35 days	Send reminder notice.
45 days	Send separate letter to Customer warning service may be terminated due to outstanding balance.
60 days	Company will tag Bin and may cease providing service after required notices are given.
90 to 120	Company may remove container(s) after all required notices are given.

Customers may be assessed a late payment fee equal to ten percent (10%) of the outstanding balance, plus interest on the outstanding balance not to exceed an annual rate of eighteen percent (18%), starting thirty (30) days after billing date.

City shall approve all forms of notices to be sent to Customers. Upon payment of delinquent fees, Company shall resume Collection on the next regularly scheduled Collection day

City will place a delinquent Residential (Multi-Family) Bill on the county property tax rolls. City shall retain ten percent (10%) of revenue recovered through tax roll billing to cover administrative costs for processing delinquent Bills.

Roll-off Box Customers

For Single-Family Dwelling Unit Customers who request Roll-off Box or temporary Bin service, Company shall accept major credit cards for payment. Single-Family Dwelling Unit Customers that do not use credit cards may be required by Company to post a security deposit or pay on a "Cash on Delivery" (C. O. D.) basis. Any unused portion of a security deposit shall be refunded to the Customer within five (5) business days of the termination of service.

For all other Roll-off Box and temporary Bin Customers, Company shall invoice monthly or semi-monthly in arrears with payment due within fifteen (15) or thirty (30) days from the invoice date (i.e., the beginning of the month or the inception of service). Delinquent accounts shall be handled in the same manner as Bin Customers, see above. Company may require a security deposit for temporary Roll-off Boxes and Bins, with the unused portion refunded to the Customer within five (5) business days of the termination of service.

Late fees may be charged, and outstanding balances may be Collected, in accordance with Section 5.1.5

5.1.3 Discounts

5.1.3.1 Low-Income Discount

Company shall provide a low-income discount of twenty-five percent (25%) to Single-Family Customers that qualify for a low-income exemption from any of City's utility user taxes. Company shall notify Customers in writing of the availability of the discount at least once per year. This discount applies to the entire rate for all services provided by Company to the Customer

5.1.3.2 Seniors With Small Cart Discount

Due to the reduction in costs for processing their Solid Waste, Seniors (65 years of age or older) that use only one (1) 35-gallon Refuse Cart shall receive a 10% discount. Company shall notify Customers in writing of the availability of the discount at least once per year. This discount applies to the entire rate for all services provided by Company to the Customer

5.1.4 Review of Billings

Company shall review each Customer's account annually, and submit to City a written report of its annual review of all Customer accounts annually on the anniversary of the Effective Date of this Agreement. The purpose of the annual Customer account review is to confirm that the amount which Company is Billing each Customer is correct. Results of this Billing review should be submitted as part of the annual route audit summary described in Section 4.10

Company shall maintain copies of all Billings as well as records of receipts from said Billings, each in chronological order, as required by Section 8.2.1 for inspection by City upon request. Company may, at its option, maintain those records in computer form, on microfiche, or in any other manner, provided that the records can be preserved and retrieved for inspection and verification in a timely manner, and are sufficient to verify the accuracy of Franchise Fees and other fees owed to City

5.1.5 Continuation of Service to Residential Customers

In the event of a Billing dispute or to avoid a negative impact on public health or safety, Company shall continue to provide service to all Residential Customers, and to any Commercial Customer if directed to do so by City, without regard to the status of said Customer account.

5.1.6 Credit for Missed Pickups

Company shall credit Bin Customers for missed pickups, provided that the pickup was not made up within twenty-four (24) hours. A Customer with daily service is not required to accept two (2) pickups on the same day in order for Company to make up a pickup. The credit shall represent that portion of the monthly charge represented by

one (1) pickup. In addition to crediting these Customers for service not received, Company shall still pay City liquidated damages as indicated in Section 11.3.B 1(b).

5.1.7 Exemption from Billing for Self-Haul

City may instruct Company to cease Billing and providing service to Customers that have been granted service waivers by City, due to proven self-hauling of waste by Customer.

5.1.8 Exemption from Billing for Vacancy

Residential property owners may request an exemption from mandatory service from Company, if such property is:

- (a) Vacant and unimproved, or
- (b) Improved but temporarily unoccupied, and will remain unoccupied for a period of not less than thirty (30) consecutive calendar days.

If reasonably approved by Company, then Company will not bill for services during exemption period and may, at Company's option, remove Collection Containers. Upon resumption of service, if Company has removed Carts and must redeliver them, then Company may charge a Cart Redelivery Fee in accordance with the approved rate schedule. This fee is charged per delivery for all carts provided to the Customer, not per cart.

In the event of a dispute between Company and property owner regarding approval of the exemption, Company shall refer the occupancy discrepancy to City for resolution and City's decision, as provided by the City Manager or designee, shall be final.

5.1.9 Postage-Paid Return Envelopes

Company will include a postage-paid return envelope with each Billing.

5.1.10 On-Line Bill Payment

Company will provide for on-line bill payment through Company's web-site.

5.1.11 Notification of Property Owners Regarding Delinquent Accounts

If Customer is other than owner of a property (rentals/leases), then Company shall notify property owner, in addition to the Customer, if payment is not made within forty-five (45) days after the invoice date.

5.2 Customer Service

5.2.1 Local Office

5.2.1.1 Solid Waste Collection Office

Company shall maintain a local office. Said office shall be open ("Office Hours"), at a minimum, from 8:00 A.M. to 5:00 P.M., Monday through Friday, and from 8:00 A.M. to 12:00 P.M. on Saturdays, exclusive of holidays. A responsible and qualified bilingual (English and Spanish speaking) representative of Company shall be available during Office Hours for personal communication with the public at the local office.

5.2.1.2 Street Sweeping Office

Throughout the period of this Agreement, Company shall establish and maintain an office within close proximity of City. This office may, but is not required to, be the same office as identified in Section 5.2.1.

5.2.2 Telephone Customer Service Requirements

Company shall maintain a local or toll free telephone number that rings at its local office between 7:00 A.M. and 5:00 P.M. on Monday through Friday, and between 7:00 A.M. and 12:00 P.M. on Saturday ("Telephone Service Hours"). Bi-lingual (English and Spanish speaking) personnel will be available during Telephone Service Hours to assist Customers. Company's telephone system shall be adequate to handle the volume of calls typically experienced on the busiest days. Company shall also maintain a toll free telephone number for use at times other than Telephone Service Hours, which number shall be published in the Bellflower telephone directory at Company's expense.

Company shall have either a representative, a message machine, or an answering service available outside of Telephone Service Hours. Calls received outside of Telephone Service Hours shall be responded to on the next business day. Company shall provide City with a twenty-four (24) hour emergency number to a live person, not voice-mail, and a responsible person in charge Monday through Sunday, to receive all complaints/requests for service forwarded by the employees of City.

Company shall record Customer complaints regarding Customer service personnel in accordance with Section 5.2.3. Customer service representatives receiving multiple complaints are to be transferred from Customer service duties or disciplined and appropriately trained.

5.2.3 Complaint Documentation

All service complaints, including Solid Waste and street sweeping related issues, shall be directed to Company. Daily logs of complaints shall be retained for a minimum of twenty-four (24) months.

Company shall log all complaints received by telephone and said log shall include the date and time the complaint was received, the name, address and telephone number of the caller, a description of the complaint, the name of the employee recording the complaint and the action taken by Company to respond to and remedy the complaint. Log shall also include each instance that Solid Waste and/or Recyclables are not Collected and the form of notification used to inform the participants of the reasons of non-Collection and the end result or means of resolution of the incident.

All written Customer complaints and inquiries shall be date-stamped when received and all written and verbal complaints shall be initially responded to within one (1) business day of receipt. Company shall log action taken by Company to respond to and remedy the complaint.

All Customer service records and logs kept by Company shall be available to City upon verbal or written request. City shall, at any time during regular Office Hours, have access to Company's Customer service department for purposes that may include monitoring the quality of Customer service or researching Customer complaints.

Street Sweeping Complaints Received by City: City will notify Company by telephone and/or in writing of each Agreement complaint reported to City. Deficiencies must be corrected within same working day of receipt of a verbal or written notice. If deficiencies are not resolved, Company will generate inspection reports of unsatisfactory performance which shall include description of the deficiency, location, the curb line miles (or fractions thereof) that were deficient, and whether the deficiency occurred while sweeping streets, street medians, cul-de-sacs, street center lines, municipal and public facilities, alleys, parking lots or cross gutters, or slotted cross cutters.

5.2.4 Resolution of Customer Complaints

Should Company and Customers not be able to resolve a complaint, not be able to establish a mutually acceptable fee to be charged for services not included on the approved rate schedule, or otherwise disagree, the matter shall be determined by City, and City's decision shall be final.

Intervention by City is not a condition precedent to any rights or remedies third parties might otherwise have in any dispute with Company. Nothing in this section is intended to affect the remedies of third parties against Company.

5.2.5 Street Sweeping Deficiencies and Failure to Perform

Street sweeping deficiencies must be corrected within the same working day of receipt of a verbal or written deficiency notice from City to Company. Cross gutters and slotted gutters shall be evaluated separately from other curb in that each intersection crossing shall be considered a separate deficiency.

Deficiencies - Deficiencies include leakage of fluid during vehicle operation, failure to clean corner curbs at intersections, failure to manually sweep areas that the sweeper does not reach and failure to meet any other requirement of Section 4.4.6.

Failure to Perform - Failure to correct any deficiency within the same working day of the notice shall be considered a "failure to perform." Except as noted for cross gutters, each area unsatisfactorily cleaned, will be considered a separate "deficiency" unless located within the same continuous quarter-mile section on the same street. See Section 11.3.B.2.g & h for Liquidated Damages for deficiencies and failures to perform.

5.2.6 Company Contract Liaison – Solid Waste Collection

Company shall designate in writing a "Contract Liaison" who shall be responsible for working with City and/or City's designated representative(s) to resolve Agreement-related issues. City shall have the right to approve Company's choice for a liaison.

5.2.7 Company Service Liaison – Solid Waste Collection

Company shall designate in writing a field supervisor as "Service Liaison" who shall be responsible for working with City and/or City's designated representative(s) to resolve

Customer service related complaints. City shall have the right to approve Company's choice for a liaison.

5.2.8 Company Liaison – Street Sweeping

A contact person in that office shall be designated for communications with City regarding street sweeping services. The contact person will be responsible for inspection of streets being swept and to identify special requirements and deficiencies. At the end of each week, this designated contact person shall make contact with City's Environmental Services Manager or his/her designated Public Works representative for the purpose of exchanging information about the week's sweeping, including production and deficiency reports.

If services are delayed, or cannot be provided, the contact person shall notify City at the beginning of the day's operations, of the starting time and location for each sweeper, and at the end of the shift at what time the sweeper completed the route and the sweeper's location when the route was completed. The contact person shall be immediately available during each sweeper shift and have radio communications with all Company field personnel. City phone calls to Company shall be returned within fifteen (15) minutes as mandatory requirement during the performance of this Agreement.

5.2.9 City Liaison – Street Sweeping

The Agreement administrator for City is City's Public Works Director. For daily operations, the point of contact will be City's Environmental Services Manager or his/her designated Public Works representative.

5.3 Education and Public Awareness

5.3.1 General

Company acknowledges and agrees that education and public awareness are critical, key and essential elements of any efforts to achieve the requirements of AB 939. Accordingly, Company agrees to take direction from City to exploit opportunities to expand public and Customer knowledge concerning needs and methods to reduce, reuse and Recycle Solid Waste and to cooperate fully with City in this regard.

Company shall maintain its own program of providing information relevant to needs and methods to reduce, reuse and recycle Solid Waste with its Bills. All public education materials shall be approved in advance by City and, unless otherwise noted, shall be printed in English and Spanish.

Company shall reproduce and include in any Billing, at no additional cost, one (1) eight and a half inch by eleven inch (8.5" x 11") sheet, provided by City. City may request Company to perform mailing services and if so able, provide not less than thirty (30) days notice to Company prior to the mailing date of any proposed mailing to permit Company to make appropriate arrangements for inclusion of City's materials in its Billings. City will provide Company the mailers at least fifteen (15) days prior to the mailing date. City shall only bear the expense of distribution of such mailers to the extent it is clearly in excess of Company's normal mailing costs for its Billings.

5.3.2 On-going Education Requirements

In order to promote public education, in addition to any other materials it develops, Company shall create the following public education materials and programs at its expense, which will be distributed as indicated below. The following requirements are in addition to education funded by the AB 939 fee. All of these materials and programs shall be produced and/or available in English and Spanish languages, including pictures wherever applicable. All brochures, mailings, and other educational materials are to be approved by City in advance of distribution. A Public Education Plan shall be submitted to City for review annually each July 1

- **Instructional Packet Accompanying Company-Provided Containers** – An information packet shall be attached to each set of Carts or Bins distributed to a Customer. This packet shall describe available services, including available Recycling and diversion programs; provide instructions for proper use of the Carts and Bins provided (such as how to place Carts or other permitted items for Collection, the types of materials to be placed in each Cart); detail holiday Collection schedules; and provide Company's Customer service phone number.
- **Container Labels** – Recyclables and Green Waste Containers shall carry stickers/labels or other identifying markings in English and Spanish, and include icons indicating the materials that should and should not be placed in each

Container Labels on all Containers shall include the telephone number to call for Bulky Item pickups.

- **How-To Brochure** – Company will prepare and distribute a brochure packet to all new Customers when they start service. This packet will contain updated information on how to use Company-provided Containers, when, where and how to place Solid Waste for Collection, and who to contact with service or Billing questions, and for Bulky Item pickups.

In addition to demonstrating what materials should be placed in each Company-provided Container, the brochure should also clearly indicate what materials, such as syringes and other Household Hazardous Wastes (HHW), should not be disposed of in these Containers. This brochure shall include instructions on how Customers should dispose of HHW, such as information on the HHW roundups and other available programs.

- **Annual Four-Page, Color Newsletter** – Not less than once per year during each Rate Year, Company shall prepare and distribute to each Customer a brochure providing relevant information about Company's services, including, at a minimum, information regarding access to and use of available services, holiday Collection schedules, and Company's Customer service numbers. This brochure shall be at least four (4) pages, and printed in full color
- **Quarterly Newsletters** – Three (3) times per Rate Year, each quarter except for the quarter in which the four-page, color annual newsletter is distributed, Company shall prepare and mail newsletters to each Customer promoting and explaining: programs (such as Recycling, Green Waste, Holiday Tree and Bulky Item Collections); how to properly dispose of Household Hazardous Waste such as syringes, paint, etc. through the County's program or other means; Collection schedules, including holiday schedules, and the procedures to begin and terminate services. These materials may be included with Billings.
- **Corrective Action Notice** – Company shall develop a corrective action notification form for use in instances where a Customer sets out inappropriate materials for Collection, that explains the appropriate manner for disposal of such items.
- **Educational Video** – Company is responsible for the cost and production of one, eight-to-ten minute educational video on the new programs. Content of the video

shall be approved in advance by City. City will arrange to air it on City's cable channel.

- **News Releases** – Company will write and disseminate news releases outlining the scope, benefits and schedule of the Recycling program, and develop an at-a-glance fact sheet describing details of the program.
- **Public Service Announcements** – Company will distribute a series of public service announcements to radio and television stations, targeting both major and local, independent television and radio stations.
- **Feature Articles and Editorial Support** – Company will contact appropriate editors at target media outlets requesting that the publications and broadcast stations write and produce feature stories on the Recycling program.
- **Advertising** – Company will secure advertisements in the local newspapers announcing the availability of Recycling and other Solid Waste programs to area residents.

5.3.3 Company Representative

Company shall retain on its staff an individual who shall, as part of his or her job function, routinely visit civic groups, school assemblies, homeowners' associations, Multi-Family complexes and businesses, to promote and explain the Recycling programs Company offers, and participate in demonstrations, and civic events.

5.3.4 Community Events

At the direction of City, Company shall participate in and promote Recycling and other diversion techniques at community events and local activities. Such participation would normally include providing, without cost, Collection and educational and publicity information promoting the goals of City's Solid Waste program.

5.3.5 School Curriculum

Company shall develop and provide classroom education curriculum (K-12) for the Bellflower School District. Company shall provide City's preschools and elementary schools (through sixth grade) with children's Recycling activity books for each student each year.

5.4 Waste Generation/Characterization Studies

Company acknowledges that City must perform Solid Waste generation and Disposal characterization studies periodically to comply with the requirements of AB 939

Company agrees to participate and cooperate with City and its agents and to accomplish studies and data collection and prepare reports, as needed and directed by City, to determine weights and volumes of Solid Waste Collected and characterize Solid Waste generated, disposed, transformed, diverted or otherwise handled/processed, by Customer type (Single-Family, Multi-Family, Commercial), to satisfy the requirements of AB 939 Company will at its sole expense conduct such a waste generation and characterization study upon request of City, but not more than once per year

ARTICLE 6

COMPANY COMPENSATION AND RATES

6.1 General

The maximum rates set forth in Exhibit 1, and as more fully defined as Company Compensation in this Article, shall be the maximum amount Company may charge Customers as full, entire and complete compensation due pursuant to this Agreement for all labor, equipment, materials and supplies, taxes, insurance, bonds, letters of credit, overhead, Disposal, transfer, profit and all other things necessary to perform all the services required by this Agreement in the manner and at the times prescribed. Company shall impose no other charges for services provided to Customers unless approved by the City Manager

6.2 Initial Rates

The maximum rates that Company may charge Customers through the Rate Year ending August 31, 2011, shall not exceed the maximum rates set forth in Exhibit 1

6.3 Schedule of Future Adjustments

Beginning with the Rate Year September 1, 2011 through August 31, 2012 and for all subsequent Rate Years, Company may request an annual adjustment to the maximum rates shown in Exhibit 1. Company shall submit its request in writing, to be received by City in person or via certified mail, by the preceding May 15, and shall be based on the method of adjustment described in Section 6.4. If the request is submitted late, then Company shall be granted a grace period to May 29th. Failure to submit a written request by June 1 shall result in Company waiving the right to request such an adjustment for the subsequent Rate Year

City may implement an adjustment calculated per Section 6.4 without need for a request from, or approval of adjustment by Company whether rates increase or decrease based on that calculation.

Adjustment to the maximum rates is subject to the approval of the City Council at a publicly noticed City Council meeting, although the Council's discretion shall be

limited to determining, based on substantial evidence, whether the requested maximum rate adjustment meets the requirements as set forth herein.

6.4 Method of Adjustments

6.4.1 General

Pursuant to Section 6.3, Company may request an adjustment to the maximum rates according to the method described below and the formulas shown in Exhibits 2A, 2B, and 2C, subject to review and approval of City. All future adjustments are to be effective September 1. The rate adjustment calculations shall be separately performed for Single-Family rates (Exhibit 2A), Bin rates (Exhibit 2B), and Roll-off Box rates (Exhibit 2C).

6.4.2 Cost Components and Rate Adjustment Indices

The approved rates consist of the following cost component categories. Each cost component may be adjusted by the change in the corresponding index below. See Sections 6.4.3 and 6.4.4 for detailed rate adjustment procedures.

<u>Cost Category</u>	<u>Initial Weightings</u>			<u>Rate Adjustment Index</u>
	<u>Cart</u>	<u>Bin</u>	<u>Roll-off</u>	
Labor	22.5%	15.9%	32.7%	Producer Price Index PCU562111.562111, Waste Collection
Fuel	6.1%	4.3%	8.5%	Producer Price Index, WPU057303 not seasonally adjusted, Fuels and related products and power #2 diesel fuel (Beginning with the adjustment effective 9/1/15, natural gas vehicles will be used and the index will be the Producer Price Index, WPU0531, Fuels and related products and power, Natural gas)
Equipment	15.3%	10.8%	21.8%	Producer Price Index, PCU336120336120, Heavy duty truck manufacturing

<u>Cost Category</u>	<u>Initial Weightings</u>			<u>Rate Adjustment Index</u>
	<u>Cart</u>	<u>Bin</u>	<u>Roll-off</u>	
Disposal	12.8%	29.2%	N/A	Actual change in gate fee per ton at Disposal Site, capped at no more than the percentage change in Consumer Price Index for All Urban Consumers, all items index (CPI-U) – U.S. city average
Pass-through Disposal Surcharge (1)	5.1%	11.9%	N/A	Dollar amount of rail-haul surcharge in Puente Hills Landfill posted gate rate multiplied by the percentage of tons disposed under this Agreement direct to the Puente Hills Landfill
Transformation	12.8%	9.8%	N/A	Actual change in per ton tipping fee at Transformation facility used
All Other	25.4%	18.1%	37.0%	Consumer Price Index for All Urban Consumers (CPI-U), all items index – U.S. city average

(1) Pass-through disposal surcharge is an extraordinary rate adjustment approved at the sole discretion of City upon request per Section 6.5. City has previously approved extraordinary rate adjustments for this cost component, resulting in the weightings displayed in this table.

6.4.3 Single-Family and Bin Rate Adjustment

Single-Family and Bin rates will be adjusted using the same method, but will be calculated separately due to the differences in cost components for each Customer type. See Exhibits 1A and 2B. All Single-Family rates, as listed in Exhibit 1, shall be adjusted based upon Single-Family service cost components. Both the Bin rates and the special services rates shall be adjusted based upon Bin service cost components.

Step One – Calculate the percentage increase or decrease in each index listed in Section 6.4.2. The increase or decrease in the indices will be for the twelve (12) month period ending March 31 (the first calendar quarter) prior to the Rate Year anniversary date.

Step Two – For the first rate adjustment effective September 1, 2012: Cost component weightings are listed in Section 6.4.2. For rate adjustments in subsequent years: Cost components as a percentage of total costs are calculated in Step Four of the rate adjustment. For Step Two of each subsequent rate adjustment, use the cost components recalculated in Step Four during the previous rate adjustment.

Multiply the percentage changes for each rate adjustment component, as determined in Step One, by that component's weighting as a percentage of total cost

Step Three – Multiply the weighted percent change from Step Two by the existing maximum Cart and Bin Collection rates to determine the increase or decrease in maximum rates. Then add (subtract) the change in rates to (from) the existing maximum rates to determine the new maximum rates.

Step Four – Adjust the cost components, as a percentage of total costs, by the change in indices as the percentage changes were applied in Step Two. Recalculate the weighting of these percentages to equal one hundred percent (100%) for use in the next rate adjustment calculation.

6.4.4 Roll-off Box Rate Adjustment Method

The approved Roll-off Box rates consist of two components, a) the pull rate, or service component, and b) the processing component, which shall be adjusted by no more than the change in the CPI. The processing component includes residual disposal costs. See Exhibit 2C for example rate adjustment.

Step One – Calculate the percentage increase or decrease in each index listed in Section 6.4.2, excluding the Disposal index. The increase or decrease in the indices will be for the twelve (12) month period ending March 31 (the first calendar quarter) prior to the Rate Year anniversary date.

Step Two – For the first rate adjustment effective September 1, 2012: Cost component weightings are listed in Section 6.4.2. For rate adjustments in subsequent years: Cost components as a percentage of the service component are calculated in Step Four of the rate adjustment. For Step Two of each subsequent rate adjustment, use the cost components recalculated in Step Four during the previous rate adjustment.

Multiply the percentage changes for each rate adjustment component, as determined in Step One, by that component's weighting as a percentage of the pull rate component.

It is not necessary to determine the actual total cost for processing, as this component is adjusted by a single index and need not be weighted.

Step Three – Multiply the weighted percent change for these service components from Step Two by the existing maximum pull rates to determine the increase or decrease in maximum pull rates. Then add the change in rates to the existing maximum pull rates to determine the new maximum pull rates. Multiply the percentage change in the CPI from Step Two by the existing maximum processing costs for each material category. Then add either the resulting amount or the actual change in processing rates, whichever is lower, to the existing maximum processing rates to determine the new maximum processing rates.

Step Four – Adjust the cost components as a percentage of the service component by the change in indices as the percentage changes were applied in Step Two. Recalculate the weighting of these percentages to equal one hundred percent (100%) for use in the next rate adjustment calculation.

6.5 Extraordinary Adjustments

6.5.1 Extraordinary Rate Adjustment Request

Company may request an adjustment to maximum rates at reasonable times other than that allowed under Section 6.3, and calculated under Section 6.4, in the event of extraordinary changes in the cost of providing Solid Waste and/or Street Sweeping service under this Agreement. Such changes shall not include changes in tipping fees for Refuse Disposal (beyond the change in CPI, as permitted in Section 6.4, or loss of approved Disposal Site options), or Recyclable Material or Green Waste processing costs, changes in the market value of Recyclables from the values assumed by Company, inaccurate estimates by Company of its cost of operations, unionization of Company's work force, change in wage rates or employee benefits, implementation or discontinuance of mandatory Recycling requirements per the Mandatory Commercial Recycling Measure of the AB 32 "California Global Warming Solutions Act" Scoping Plan, or the inability of Company to dispose of any or all Solid Waste at a selected landfill, including due to closure of the Disposal Site. No adjustment will be permitted for closure of a Disposal Site or for Company's inability to dispose of Refuse at the

Disposal Site. The only exception that would permit an extraordinary pass-through adjustment based upon changes to the Refuse Disposal gate rate would be an increase in a direct per ton surcharge assessed at the Disposal Site by Federal, State or local regulatory agencies on or after January 1, 2009, to the extent the percentage change in any such surcharges exceed the cumulative percentage change in the Disposal component adjustments granted under Section 6.3. Company is expected to comply with SCAQMD Rule 1193, and the Air Resource Board's emission standards as they may be approved for Refuse removal vehicles, as well as other Federal, State and local laws and regulations that may be enacted during the term of this Agreement, with no additional compensation.

For each request for an adjustment to the maximum rates that Company may charge Customers brought pursuant to this section Company shall prepare a schedule documenting the extraordinary costs. Such request shall be prepared in a form acceptable to City with support for assumptions made by Company in preparing the estimate. City shall review Company's request and, in City's sole judgment and absolute, unfettered discretion, make the final determination as to whether an adjustment to the maximum rates will be made, and, if an adjustment is permitted, the appropriate amount of the adjustment. City may consider increases or decreases in Company's total revenues and total cost of services when reviewing an extraordinary rate adjustment request, and may request this cost and revenue information from Company during its review of any adjustment request submitted by Company under this section.

6.5.2 Unavailability of All Currently Approved Disposal Sites

Notwithstanding the provisions of 6.5.1, City and Company acknowledge unavailability of all currently approved Disposal Sites is reasonably foreseen to occur during the course of this Agreement with unpredictable cost impacts. City and Company agree to negotiate, in good faith, an equitable approach to such cost impacts beginning 180 days prior to such occurrence or, if such notice is less than 180 days, then as soon as the date of unavailability becomes known to either party. City and Company further acknowledge that California law may require specific procedures be followed before agreed upon rate increase may be implemented.

6.6 Supporting Information

Any request for an adjustment to the maximum rates made pursuant to Section 6.5 shall be accompanied by a copy of Company's certified annual financial statements prepared by a Certified Public Accountant, which shall have been prepared in compliance with Rule 58 of the "Rules and Regulations of the State Board of Accountancy," as established by the California Code of Regulations, Title 16, Chapter I. Such Certified Public Accountant shall be entirely independent of Company and shall have no financial interest whatsoever in the business of Company. City may specify the form and detail of the financial statements.

6.7 Grants

From time to time, Federal, State or local agencies including City may provide to Company grants to assist in financing qualified programs provided by Company (including, without limitation, grants for diversion programs and related equipment, alternative fuel vehicles and equipment, and Household Hazardous Waste Collection and Disposal.) Company shall notify City upon receipt of any such grant funds that may be used to fund services provided pursuant to the terms of this Agreement. Company agrees that the total amount of Company Compensation shall be reduced by an amount equal to fifty percent (50%) of the amount of any such grant received from Federal, State or local agencies other than City, and by an amount equal to one hundred percent (100%) of the amount of any such grant received from City. The City Council shall determine whether the reduction in Company Compensation shall be: (1) passed through to certain Waste Generators designated by City as a reduction to maximum rates; (2) as an offset to the next increase to maximum rates requested by Company as calculated in accordance with Sections 6.3 through 6.5; (3) paid to City for use as City directs, or, (4) applied in any combination of (1) through (3).

ARTICLE 7

REVIEW OF SERVICES AND PERFORMANCE

7.1 Performance Review Hearing

In or about July of each year during the term of this Agreement, City may hold a public hearing to review Company's Solid Waste Collection efforts, source reduction, processing and other diversion services and overall performance under this Agreement (the "Solid Waste Services and Performance Review Hearing"). The purpose of the Solid Waste Services and Performance Review Hearing is to provide for a discussion and review of technological, economic, and regulatory changes in Collection, source reduction, Recycling, processing and Disposal to achieve a continuing, advanced Solid Waste Collection, source reduction and Recycling and Disposal system, and to ensure services are being provided by Company with adequate quality, effectiveness and economy, and in full compliance with the terms of this Agreement. Topics for discussion and review at the Solid Waste Services and Performance Review Hearing shall include, but shall not be limited to, services provided, feasibility of providing new services, application of new technologies, Customer complaints, amendments to this Agreement, developments in the law, new initiatives for meeting or exceeding AB 939 goals, regulatory constraints, results of route audit described in Section 4.10, and Company performance. City and Company may each select additional topics for discussion at any Solid Waste Services and Performance Review Hearing.

City shall notify Company of its intent to hold a Solid Waste Services and Performance Review Hearing at least sixty (60) days in advance thereof. Thirty (30) days after receiving notice from City of a Solid Waste Services and Performance Review Hearing, Company shall submit a report to City which may contain such information as it wished to have considered, and shall contain the following:

- a) Current diversion rates and a report on Company's outreach activities for the past year
- b) Recommended changes and/or new services to improve City's ability to meet the goals of AB 939 and to contain costs and minimize impacts on rates. A specific plan for AB 939 compliance shall be included.
- c) Any specific plans for provision for new or changed services by Company

The reports required by this Agreement regarding Customer complaints shall be used as one basis for review of Company's performance, and Company may submit other relevant performance information and reports for consideration at the Solid Waste Services and Performance Review Hearing. In addition to the above, City may request Company to submit any other specific information relating to its performance for consideration at the Solid Waste Services and Performance Review Hearing, and any Customer may submit comments or complaints during or before the Hearing, either orally or in writing. Company shall be present at and participate in the Solid Waste Services and Performance Review Hearing.

As a result of its findings following any Solid Waste Services and Performance Review Hearing, City may require Company to provide expanded or new services within a reasonable time and City may direct or take corrective actions for any performance inadequacies (although nothing contained in this provision should be construed as requiring City to hold a Solid Waste Services and Performance Review Hearing in order to enforce any rights or remedies it has pursuant to the terms hereof) Should City require expanded or new services as a remedy for Company's failure to perform its obligations hereunder, no additional compensation shall be due for such services. Otherwise, any new or expanded services required of Company shall be subject to the provisions of Section 2.10 1

7.2 Performance Satisfaction Survey

If requested by City, then Company will create and conduct a survey at Company's expense in preparation for any Solid Waste Services and Performance Review Hearing held pursuant to Section 7 1 City shall notify Company of its desire for such a survey at least ninety (90) days in advance of the Solid Waste Services and Performance Review Hearing. The purpose of the survey is to determine Customer satisfaction with current Collection services and Customer service provided by Company The Survey will be distributed to a minimum of ten percent (10%) of the Customers, selected at random. City may instruct Company to send out separate Single-Family and Multi-Family/Commercial surveys. Company shall obtain City's approval of each survey's content, format, and mailing list prior to its distribution. City may require that Company have Customer responses to the survey returned directly to City The survey results shall be made available to City thirty (30) days prior to the Solid Waste Services and Performance Review Hearing.

ARTICLE 8

RECORDS, REPORTS AND INFORMATION REQUIREMENTS

8.1 General

Company shall maintain such accounting, statistical and other records related to its performance under this Agreement as shall be necessary to develop the financial statements and other reports required by this Agreement. Also, Company agrees to conduct data collection, information and record keeping, and reporting activities needed to comply with applicable laws and regulations and to meet the reporting and Solid Waste program management needs of City. To this extent, such requirements set out in this and other Articles of this Agreement shall not be considered limiting or necessarily complete. In particular, this Article is intended to only highlight the general nature of records and reports and is not meant to define exactly what the records and reports are to be and their content. Further, with the written direction or approval of City, the records and reports to be maintained and provided by Company in accordance with this and other Articles of the Agreement shall be adjusted in number, format, or frequency

8.2 Records

8.2.1 General

Company shall maintain records required to conduct its operations, to support requests it may make to City, and to respond to requests from City in the conduct of City business. Adequate record security shall be maintained to preserve records from events that can be reasonably anticipated such as a fire, theft and earthquake. Electronically maintained data/records shall be protected and backed up. All records shall be maintained for five (5) years after the expiration of this Agreement.

Company agrees that the records of any and all companies conducting operations addressed in the Agreement shall be provided or made available to City and its official representatives during normal business hours. City may review or utilize any of the records described in this section for any purpose whatsoever. Such records include, but are not limited to, financial, Solid Waste, CERCLA and Disposal records.

8.2.2 Financial Records

Company shall maintain financial records relating to its operations pursuant to this Agreement separate and segregated from such records relating to its other operations.

Company shall maintain at least the following records:

- Audited financial statements for Company or, if a guarantee was provided, for the parent company guarantor as a whole;
- Financial statements (compiled, reviewed or audited) of revenue and expense for this Agreement segregated from the other operations of Company (including without limitation those operations of Company in City and surrounding jurisdictions which are not covered by this Agreement), including a description of segregation methodology; and,
- Complete descriptions of related party transactions (corporate and/or regional management fees, inter-company profits from transfer, processing or Disposal operations).

8.2.3 Solid Waste Records

Company shall maintain the following records relating to its operations pursuant to this Agreement:

- a) Customer services and Billing records,
- b) Records of tons Collected, processed, diverted and disposed by waste stream (Refuse, Recycling, Green Waste), and the Facilities (transfer station, MRF, Transformation Facility or landfill) where such material was taken,
- c) Quantity of Recyclable Materials recovered by material type, as well as quantity of material diverted from landfills in compliance with AB 939;
- d) Special annual cleanup event results, including tons disposed and diverted,
- e) Routes;
- f) Facilities, equipment and personnel used,

- g) Facilities and equipment operations, maintenance and repair;
- h) Number of Refuse, Recycling and Green Waste Company-owned Containers in service;
- i) Complaints, and,
- j) Missed pickups.

8.2.4 CERCLA Defense Records

City views the ability to defend against the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and related litigation as a matter of great importance. For this reason, City regards the ability to prove where Solid Waste Collected in City was taken for Disposal, as well as where it was not taken, to be matters of concern. Company shall maintain data retention and preservation systems which can establish where Solid Waste Collected in City was landfilled (and therefore establish where it was not landfilled) for not less than five (5) years following the termination of this Agreement, and agrees to notify City's Risk Administrator and City Attorney before destroying such records thereafter. At any time, including after the expiration of the Term hereof, Company shall provide copies of such records to City. The requirements of this section shall survive the expiration of the Term of this Agreement.

8.2.5 Disposal Records

Company shall maintain records of Disposal of all Solid Waste Collected in City for the period of this Agreement and all extensions to this Agreement or successor Agreements. In the event Company discontinues providing Solid Waste Handling Services to City, Company shall provide all records of Disposal or processing of all Solid Waste Collected in City within thirty (30) days of discontinuing service. Records shall be in chronological and organized form and readily and easily interpreted.

8.2.6 Other Programs' Records

Records for other programs shall be tailored to specific needs. In general, they shall include:

- a) Plans, tasks, and milestones; and,

- b) Accomplishments in terms such as dates, activities conducted, quantities of products used, produced or distributed, and numbers of participants and responses.

8.2.7 Biennial Audit and Costs

City may conduct an audit of Company once every other year, with the next audit in 2012, reviewing 2011 results. The scope of the audit may include, but is not limited to, Customer Billing, Franchise Fee payment and payment of all other fees, Gross Receipts, tonnage and verification of fifty percent (50%) diversion rate. Company shall be responsible for the cost of the audit, up to fifty seven thousand, five hundred dollars (\$57,500), adjusted annually by the change in the CPI. Costs incurred by Company for conducting its own route audits and Billing reviews, as required under Sections 4.10 and 5 1 4, are not included under this allowance of Fifty-seven Thousand, Five Hundred Dollar (\$57,500).

Should an audit conducted or authorized by City disclose that Franchise or other fees payable by Company were underpaid by two percent (2%) or more, or that more than two percent (2%) of the Customers were inaccurately billed based on the auditor's sampling, for the period under review, City may expand the scope of the audit and also recover costs beyond Fifty-seven Thousand, Five Hundred Dollars (\$57,500).

8.2.8 Payments and Refunds

Should an audit disclose that the Franchise Fees payable by Company were underpaid or that Customers were overcharged for the period under review, Company shall pay to City any underpayment of Franchise Fees and/or refund to Company's Customers any overcharges within thirty (30) days following the date of the audit. Undercharges shall not be billed in arrears for more than ninety (90) days of service, with any remaining undercharges absorbed by Company. Should an audit disclose that Franchise Fees were overpaid, City shall credit such amounts against future Franchise Fees payable by Company.

8.3 Reports

8.3.1 Report Formats and Schedule

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

- a) Determine and set rates and evaluate the financial efficacy of operations,
- b) Evaluate past and expected progress towards achieving AB 939 goals and objectives;
- c) Determine needs for adjustment to programs, and,
- d) Evaluate Customer service and complaints.

Company may propose report formats that are responsive to the objectives and audiences for each report. The format of each report shall be approved by City. In addition to submitting all reports on paper, Company agrees to submit all reports in an electronic format approved by City, compatible with City's software/computers at no additional charge.

Monthly reports shall be submitted within thirty (30) calendar days after the end of the report month. Quarterly reports shall be submitted within thirty (30) calendar days after the end of the calendar quarter. Annual reports for which a date is not otherwise specified in this Agreement shall be submitted before January 31 following the reporting year. If requested, Company's complaint summary, described in Section 8.3.3 (a) below, shall be sent to the City Manager within five (5) days of request.

All reports shall be submitted to:

City Manager (or designated representative)
City of Bellflower
16600 Civic Center Drive
Bellflower, CA 90706

8.3.2 Monthly Reports

The information listed below shall be the minimum reported.

- a) Solid Waste Collected by Company for each month, sorted by type of Solid Waste (Refuse, Recycling, Green Waste) in tons, and the Facilities where the tons were processed or disposed.
- b) Warning notices issued for contaminated Recyclable Materials and Green Waste Containers.
- c) Narrative summary of problems encountered (including scavenging) and actions taken with recommendations for City, as appropriate.
- d) Materials Sales. Sales statement showing: kinds of material, quantity sold (in tons), and materials rejected for sale.

8.3.3 Quarterly Reports

Report should contain at a minimum the information required in the monthly report and the following:

- a) Complaint summary for the quarter summarized by nature of complaints on a compatible computer disc.
- b) Description of Company outreach activities and copies of promotional and public education materials sent during the quarter
- c) Other information or reports that City may reasonably request or require.

8.3.4 Annual Report

The Annual Report is to be essentially in the form and content of the monthly and quarterly reports, but shall also include:

- a) A complete inventory of equipment used to provide all services (such as vehicle make, year, type, fuel, use, California license number and whether or not it is used as a spare, and Containers by size and waste stream type Container is used for).
- b) A summary of the number of Containers by size (number of gallons, number of yards) and type of service (Refuse, Recycling, Green Waste).
- c) General information about Company, including a list of officers and members of its board of directors, and its most recent annual report.

- d) Copy of Hazardous Waste diversion records showing types and quantities, if any, of Hazardous Waste that was inadvertently Collected, but diverted from landfilling.
- e) Number of routes and route hours per day by type of service.

8.3.5 Financial Report

City may, at City's option, request and be provided with Company's financial reports/statements for the most recently completed fiscal year in connection with any Billing audit, Franchise Fee audit, or verification of other information required under this Agreement.

Financial statements shall include a supplemental combining schedule showing Company's results of operations, including the specific revenues and expenses in connection with the operations provided for in this Agreement, separated from others included in such financial statements. The financial statements and footnotes shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and audited, in accordance with Generally Accepted Auditing Standards (GAAS) by a certified public accountant (CPA) licensed (in good standing) to practice public accounting in the State of California as determined by the State of California Department of Consumer Affairs Board of Accountancy. The cost for preparation of the financial statements and audit shall be borne by Company as a direct cost of service. In addition, Company shall provide to City the supplemental schedule on a compiled basis.

8.3.6 SCAQMD Reporting

Company must complete Rule 1186.1 Street Sweeping Vehicle Surveys on behalf of City, if required.

8.4 Reporting Adverse Information

Company shall provide City two (2) copies (one (1) to the City Manager, one (1) to the City Attorney) of all reports, pleadings, applications, notifications, Notices of Violation, communications or other material relating in any way to Company's performance of services pursuant to this Agreement, submitted by Company to, or received by Company from, the United States or California Environmental Protection Agency, the

CalRecycle, the Securities and Exchange Commission or any other federal, state or local agency, including any federal or state court. Copies shall be submitted to City within thirty (30) days of receipt by Company, or sooner if reasonably apparent that to do so is materially relevant, and any responses by Company shall be submitted to City simultaneously with Company's filing or submission of such matters with said agencies. Company's routine correspondence to said agencies need not be routinely submitted to City, but shall be made available to City promptly upon City's written request.

8.5 Right to Inspect Records

City shall have the right to inspect or review the specific documents or records required expressly or by inference pursuant to this Agreement, or any other similar records or reports of Company or its Affiliates that City shall deem, in its sole discretion, necessary to evaluate annual reports, compensation applications provided for in this Agreement and Company's performance provided for in this Agreement. Company shall make all records and documents to be reviewed and inspected by City as a part of any audit or other record review conducted by City, available for City's review, inspection and copying within twenty-four (24) hours of receiving written notice from City requesting the same.

8.6 Failure to Report

The refusal or failure of Company to file any required reports, or to provide required information to City, or the inclusion of any materially false or misleading statement or representation by Company in such report shall be deemed a material breach of the Agreement as described in Section 11.1 and shall subject Company to all remedies which are available to City under Agreement or otherwise.

ARTICLE 9

INDEMNIFICATION, INSURANCE, BOND AND LETTER OF CREDIT

9.1 Indemnification

Company hereby agrees to and shall indemnify and hold harmless City, its elected and appointed boards, commissions, officers, employees, consultants and agents (collectively, "Indemnitees") from and against any and all loss, liability, penalty, forfeiture, claim, demand, action, proceeding or suit in law or equity of any and every kind and description (including, but not limited to, injury to and death of any Person and damage to property, or for contribution or indemnity claimed by third parties) arising or resulting from and in any way connected with (1) the negligence or willful misconduct of Company, its officers, employees, agents, contractors or subcontractors in performing services under this Agreement; (2) the failure of Company, its officers, employees, agents, contractors or subcontractors to comply in all respects with the provisions of this Agreement, applicable laws (including, without limitation, the Environmental Laws), ordinances and regulations, and/or applicable permits and licenses, (3) the acts of Company, its officers, employees, agents, contractors or subcontractors in performing services under this Agreement for which strict liability is imposed by law (including, without limitation, the Environmental Laws). The foregoing indemnity shall apply regardless of whether such loss, liability, penalty, forfeiture, claim, demand, action, proceeding, suit, injury, death or damage is also caused in part by any of the Indemnitees' negligence, but shall not extend to matters resulting from the Indemnitees' sole negligence, or willful misconduct. Company further agrees to and shall, upon demand of City, at Company's sole cost and expense, defend (with attorneys acceptable to City) the Indemnitees against any claims, actions, suits in law or equity or other proceedings, whether judicial, quasi-judicial or administrative in nature, arising or resulting from any of the aforementioned events, and to reimburse City for any and all costs and expenses City incurs in providing any such defense, either before, during or after the time Company elects to provide such defense, including any and all costs incurred in overseeing any defense to be provided herein by Company

Company, upon demand of City, made by and through the City Attorney, shall protect City and appear in and defend the Indemnitees in any claims or actions by third parties,

whether judicial, administrative or otherwise, including, but not limited to disputes and litigation over the definitions of "Solid Waste" or "Recyclable Material," the scope of the rights granted herein, conflicts between the rights granted herein and rights asserted by other Persons, or the limits of City's authority with respect to the grant of licenses, or agreements, exclusive or otherwise, or asserting rights under the United States or California Constitutions or any federal or state law to provide Solid Waste Handling Services in City

THE PROVISIONS OF THIS SECTION SHALL NOT TERMINATE OR EXPIRE, SHALL BE GIVEN THE BROADEST POSSIBLE INTERPRETATION AND SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT.

9.2 Hazardous Substances Indemnification

A. Without regard to any insurance coverage or requirements, and without limiting the above general indemnification obligation in any way, Company specifically agrees to and shall, to the maximum extent permitted by law, defend (with counsel acceptable to City), reimburse, indemnify, and hold harmless Indemnitees harmless from and against any and all claims, actions, liabilities, damages, demands, judgments, losses, costs, liens, expenses, suits, actions, attorneys' fees, consultant fees, penalties and any and all other losses, damages, fees and expenses of whatever kind or nature ("Claims") (including but not limited to response costs, investigative costs, assessment costs, monitoring costs, treatment costs, cleanup costs, removal costs, remediation costs, and similar costs, damages and expenses) that arise out of or are alleged to arise out of or in any way relate to any action, inaction or omission of Company that:

- 1 results in any demand, claim, notice, order, or lawsuit, asserting that any Indemnitee is liable, responsible or in any way obligated to investigate, assess, monitor, study, test, treat, remove, remediate, or otherwise cleanup, any Hazardous Contaminant (as defined herein); or
2. relates to material Collected, transported, recycled, processed, treated or disposed of by Company

B. Company's obligations pursuant to this section shall apply, without limitation, to.

1. any Claims brought pursuant to or based on the provisions of any Environmental Law;
2. any Claims based on or arising out of or alleged to be arising out of the ownership, use, lease, sale, design, construction, maintenance or operation of Company of any Facility,
3. any Claims based on or arising out of or alleged to be arising out of the marketing, sale, distribution, storage, transportation, Disposal, processing or use of any materials recovered by Company,
4. any Claims based on or arising out of or alleged to be arising out of any breach of any express or implied warranty, representation or covenant arising out of or in connection with this Agreement.

C. The foregoing indemnity and defense obligations shall apply irrespective of the negligence or willful misconduct of Company or any Affiliate of Company

D. For purposes of this section, the term "Hazardous Contaminant" shall mean any Hazardous Substance, any Hazardous Waste, any crude oil or refined or unrefined petroleum product or any fraction or derivative thereof; and any asbestos or asbestos-containing material. The term "Hazardous Contaminant" shall also include any and all amendments to any referenced statutory or regulatory provisions made before or after the date of execution of this Agreement.

E. THE PROVISIONS OF THIS SECTION SHALL NOT TERMINATE OR EXPIRE, SHALL BE GIVEN THE BROADEST POSSIBLE INTERPRETATION AND SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT.

9.3 AB 939 Indemnification and Guarantee

A. To the extent authorized by law, Company agrees to indemnify and hold harmless City from and against all fines and penalties imposed by the CalRecycle in the event the source reduction and Recycling goals or any other requirement of AB 939 are not met by City with respect to the waste stream Collected under this Agreement.

B. Company warrants and represents that it is familiar with City's waste characterization study as set forth in City's Source Recovery and Recycling Element (SRRE), and that it has the ability to and will provide sufficient programs and services to ensure City will meet or exceed the diversion requirements (including, without limitation, amounts of Solid Waste to be diverted, time frames for diversion, and any other requirements) set forth in AB 939, with respect to that portion of the Solid Waste generated in City that is the subject of this Agreement.

9.4 Insurance

Company shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit 3, attached hereto and incorporated herein as though set forth in full.

9.5 Faithful Performance Bond

Concurrently with execution of this Agreement, Company shall deliver to City a performance bond in the sum of the amount of Seven Hundred Fifty Thousand Dollars (\$750,000), similar to the form provided in Exhibit 6, which secures the faithful performance of this Agreement, including, without limitation, payment of any penalty and the funding of any work to cure a breach of this Agreement, unless such requirement is waived by the City Manager. The bond shall contain the original notarized signature of an authorized officer of the surety and affixed thereto shall be a certified and current copy of his power of attorney. The bond shall be unconditional. Company shall keep in effect the required performance bond during the entire term of the Agreement, and as provided in Section 9.9, but Company may fulfill this obligation by providing a bond with an initial term of one (1) year or more years and thereafter extending the bond by Continuation Certificate or replacing the bond with one which meets all requirements of this Agreement. Documentation of such extension or replacement must be received by City not less than thirty (30) days prior to the end of any bond term. If Company determines to fulfill this bond obligation by a bond with a term of less than ten (10) years and thereafter extend or replace said bond, then the liability of the surety under such bond or any continuation certificate issued in connection therewith shall not be cumulative, and shall not exceed the penal sum set forth in such bond.

9.6 Faithful Performance Letter of Credit

In addition to a performance bond as noted in Section 9.5 above, Company shall furnish an irrevocable letter of credit drawn upon a financial institution with an office within one hundred (100) miles of City in the amount of Two Hundred Fifty Thousand Dollars (\$250,000), in a form acceptable to the City Attorney as security for the performance of this Agreement (the "LOC"). The LOC shall be the sole responsibility of Company. The LOC shall remain in force during the entire Term, and during the continuation period after the Term as provided in Section 9.9. The LOC shall be released within thirty (30) days after both (i) the expiration of the continuation period provided in Section 9.9; and (ii) Company's satisfactory performance of all obligations hereunder.

9.7 Forfeiture of Performance Bond

In the event Company shall for any reason become unable to, or fail in any way to, perform as required by this Agreement, City may declare a portion or all of the performance bond which is necessary to recompense and make whole City forfeited to City. Upon partial or full forfeiture of the performance bond, Company shall restore the performance bond to its face amount within thirty (30) days of City's declaration. Failure to restore the performance bond to its full amount within thirty (30) days shall be a material breach of the Agreement.

9.8 Forfeiture of Letter Of Credit

Thirty (30) days following City providing Company with written notice of its failure to pay City any amount owing under this Agreement, the LOC may be drawn upon by City for purposes including, but not limited to:

- a. Payment of sums due under the terms of this Agreement which Company has failed to timely pay to City,
- b. Reimbursement of costs borne by City to correct violations of this Agreement not corrected by Company.

City may draw upon the entire LOC and convert it to a cash deposit if Company fails to cause the LOC to be extended or replaced with another satisfactory letter of credit no later than sixty (60) days prior to its expiration during the term hereof.

9.9 Performance Security Beyond Service Term

Some Agreement requirements extend beyond the Term and other requirements, such as minimum diversion rates per Section 4.2.6, will not be substantiated until after the final service date. Therefore, Company shall not terminate the performance bond or letter of credit, and will renew them to ensure continuous availability to City, until receiving a written release from City

Company may release the performance bond at the end of the Term, including any and all extensions of the Term, and the letter of credit nine (9) months after the end of the Term, including any and all extensions of the Term, without the need for a written release from City, unless City provides Company with written instructions to retain any or all of either or both securities. Those written instructions must include a specific reason for which the security must remain in force and a relationship between this reason and the amount of the performance security to remain in force. Such reasons may include but are not limited to, an expectation of audit findings resulting in payment owed to City or a lower than required diversion rate. Permission from City to discontinue holding these performance securities does not relieve Company of payments to City that may be due, or may become due.

ARTICLE 10

CITY'S RIGHT TO PERFORM SERVICE

10.1 General

In the event that Company, for any reason whatsoever, fails, refuses or is unable to Collect, Recycle, process, transport or dispose of any or all Solid Waste as required by this Agreement, at the time and in the manner provided in this Agreement, for a period of more than forty-eight (48) hours, and if, as a result thereof, Solid Waste should accumulate in City to such an extent, in such a manner, or for such a time that such accumulation endangers or menaces the public health, safety or welfare, then City shall have the right, but not the obligation, (1) to perform, or cause to be performed, such services itself with its own or other personnel without liability to Company; and/or (2) to take possession of any or all of Company's land, equipment and other property used or useful in the Collection and transportation of Solid Waste, and to use such property to Collect and transport any Solid Waste generated within City which Company would otherwise be obligated to Collect, transport and properly dispose of or process pursuant to this Agreement.

Notice of City's determination to effect its rights under this Section may be given orally by telephone to Company at its principal office and shall be effective immediately. Written confirmation of such oral notification shall be sent to Company within twenty-four (24) hours after the oral notification.

Company further agrees that in such event:

- A. It will take direction from City to effect the transfer of possession of equipment and property to City for City's use, or for use by any Person or entity designated by City
- B. It will, if City so requests, keep in good repair and condition all of such equipment and property, provide all motor vehicles with fuel, oil and other service, and provide such other service as may be necessary to maintain said property in operational condition.
- C. City may immediately engage all or any personnel necessary or useful for the Collection and transportation of Solid Waste, including, if City so desires, employees

previously or then employed by Company. Company further agrees, if City so requests, to furnish City the services of any or all management or office Personnel employed by Company whose services are necessary or useful for Solid Waste Collection, transportation, processing and Disposal operations and for the Billing and Collection of fees for these services.

City agrees that it assumes complete responsibility for the proper and normal use of such equipment and facilities while in its possession.

If the interruption or discontinuance in service is caused by any of the reasons listed in Section 11.4, City shall pay to Company the reasonable rental value of the equipment and facilities, possession of which is taken by City, for the period of City's possession, if any, which extends beyond the period of time for which Company has rendered Bills in advance of service, for the class of service involved.

10.2 Billing and Compensation to City During City's Possession

During such time that City is providing Solid Waste Handling Services, as above provided, Company shall Bill and Collect payment from all users of the above-mentioned services as described in Section 5.1. Company further agrees that, in such event, it shall reimburse City for any and all costs and expenses incurred by City beyond those billed and received by City in taking over possession of the above-mentioned equipment and property for Solid Waste service in such manner and to an extent as would otherwise be required of Company under the terms of this Agreement. Such reimbursement shall be made from time to time after submission by City to Company of each statement listing such costs and expenses, but in no event later than five (5) working days from and after each such submission.

10.3 City's Right to Relinquish Possession

It is further mutually agreed City may at any time at its discretion relinquish possession of any or all of the above-mentioned property to Company and thereupon demand that Company resume the Solid Waste Handling Services as provided in this Agreement, whereupon Company shall be bound to resume the same.

10.4 City's Possession Not A Taking

It is expressly agreed between the Parties City's exercise of its rights under this Article (1) does not constitute a taking of private property for which compensation must be paid, (2) shall not create any liability on the part of City to Company, and (3) does not exempt Company from any of the indemnity and insurance provisions of this Agreement, which are meant to extend to circumstances arising under this section provided that Company is not required to indemnify City against claims and damages arising from the sole negligence of City, its elective and appointive boards, commissions, officers, employees and agents in the operation of Collection Vehicles during the time City has taken possession of such vehicles.

10.5 Duration of City's Possession

City's right pursuant to this Article to retain temporary possession of Company's facilities and equipment, and to render Collection services, shall terminate when City determines that such services can be resumed by Company, or when City no longer reasonably requires such property or equipment. In any case, City has no obligation to maintain possession of Company's property or equipment and/or continue its use for any period of time and may at any time, in its sole discretion, relinquish possession to Company

ARTICLE 11

DEFAULT, REMEDIES AND LIQUIDATED DAMAGES

11.1 Events of Default

All provisions of the Franchise and this Agreement to be performed by Company are considered material. Each of the following shall constitute an event of default.

A. Fraud or Deceit or Misrepresentation. If Company engages in, or attempts to practice, any fraud or deceit upon City or makes a misrepresentation regarding material information to City

B. Insolvency or Bankruptcy If Company becomes insolvent, unable, or unwilling to pay its debts, files a bankruptcy petition or takes steps to liquidate its assets.

C. Failure to Maintain Coverage. If Company fails to provide or maintain in full force and effect the Workers' Compensation, liability, or indemnification coverage as required by this Agreement.

D. Violations of Regulation. If Company violates any orders or filings of any regulatory body having jurisdiction over Company relative to this Agreement, provided that Company may contest any such orders or filings by appropriate proceedings conducted in good faith, in which case no breach of the Franchise and this Agreement shall be deemed to have occurred until a final decision adverse to Company is entered.

E. Failure to Perform. If Company ceases to provide all or a portion of the Collection, processing or Recycling services, or any other Solid Waste Handling Services as required under this Agreement for a period of two (2) consecutive days or more, for any reason within the control of Company, including labor disputes.

F. Failure to Pay If Company fails to make any payments required under this Agreement and/or refuses to provide City, within ten (10) days of the demand, with required information, reports, and/or records in a timely manner as provided for in the Agreement.

G. Failure to Cooperate with Audits. Failure to complete, perform or cooperate with any audit as described by this Agreement.

H. Failure to Submit Reports or Documentation. Failure to complete or to provide required reports or documents to City as required by this Agreement.

I. Acts or Omissions. Any other act or omission by Company which violates the terms, conditions, or requirements of this Agreement, AB 939, or any law, statute, ordinance, order, directive, rule, or regulation issued thereunder, or the failure to correct or remedy any such violation within the time set in the written notice of the violation or, if Company cannot reasonably correct or remedy the breach within the time set forth in such notice, if Company should fail to commence to correct or remedy such violation within the time set forth in such notice and diligently effect such correction or remedy thereafter. This section is intended to apply to any situation in which Company or any of its officers, directors or employees are found guilty of any crime related to the performance of this Agreement, or of any crime related to anti-trust activities, illegal transport or Disposal of hazardous or toxic materials, or bribery of public officials. The term "found guilty" shall be deemed to include any judicial determination that Company or any of Company's officers, directors or employees is guilty as well as any admission of guilt by Company or any of Company's officers, directors or employees including, but not limited to, the plea of "guilty," "nolo contendere," "no contest," and "guilty to a lesser charge."

J. False or Misleading Statements. Any representation or disclosure made to City by Company in connection with or as an inducement to entering into this Agreement, or any future amendment to this Agreement, which proves to be false or misleading in any material respect as of the time such representation or disclosure is made, whether or not any such representation or disclosure appears as part of this Agreement.

K. Attachment. The seizure of, attachment of, or levy on, the operating equipment of Company, including, without limits, its equipment, maintenance or office facilities, or any part thereof.

L. Suspension or Termination of Service. Any termination or suspension of the transaction of business by Company, including, without limitation, due to labor unrest including strike, work stoppage or slowdown, sick-out, picketing, or other concerted job action lasting more than two (2) consecutive days.

M. Failure to Provide Assurance of Performance. If Company fails to provide reasonable assurances of performance as required under Section 11.6.

N. Commingling of Recyclables With Refuse/Landfilling of Recyclables. If Company empties a Container of properly set out Recyclable Materials into a Refuse load, or transports Recyclable Materials to a landfill or other location at which the material will not be diverted from landfilling, in accordance with Section 4.2.9

Company shall have forty-eight (48) hours after the time it is given notification by City to cure any default arising under subsections E, F, G, H, K, L and M provided, however, that City shall not be obligated to provide Company with a notice and cure opportunity if Company has committed the same or similar breach within a twenty-four (24) month period. It is expressly understood that Company is not entitled to receive notice of default, or to cure such default, with respect to those matters listed in subsections A, B, C, D, I, J and N above.

11.2 Right to Terminate Upon Default and Right to Specific Performance

If Company commits a material breach, including specifically any of the matters listed in subsections A through N of Section 11.1 above (and, if permitted to cure, does not cure it within the forty-eight (48) hours), then City shall be entitled to unilaterally terminate this Agreement or impose other such sanctions (which may include financial sanctions, temporary suspensions or any other conditions it deems appropriate short of termination) as it shall deem proper. Should City decide to terminate this Agreement upon a default by Company, City shall have the right to do so upon giving ten (10) days notice to Company, and shall not be required to take any further action (such as holding any hearing, bringing any suit or taking any other action.)

City's rights to terminate this Agreement and to take possession of Company's Facility are not exclusive, and City's termination of this Agreement shall not constitute an election of remedies. Instead, such remedies shall be in addition to any and all other legal and equitable rights and remedies which City may have.

By virtue of the nature of this Agreement, the urgency of timely continuous and high-quality service, the time required to effect alternative service, and the rights granted by City to Company, the remedy of damages for a breach hereof by Company is inadequate and City shall be entitled to seek injunctive relief and/or specific performance of any breach of this Agreement.

11.3 Liquidated Damages

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

B. Service Performance Standards; Liquidated Damages for Failure to Meet Standards. The Parties further acknowledge that consistent, reliable Solid Waste Handling Service is of utmost importance to City and that City has considered and relied on Company's representations as to its quality of service commitment in entering this Agreement with it. The Parties further recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The Parties further recognize that if Company fails to achieve the performance standards, or fails to submit required documents in a timely manner, City and its residents will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages which City will suffer. Therefore, without prejudice to City's right to treat such breaches as an event of default under this Article 11, the Parties agree that the following liquidated damage amounts represent a reasonable estimate of the amount of such damages for such specific breaches, considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to City that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical. In placing their initials at the places provided, each party specifically

confirms the accuracy of the statements made above and the fact that each party has had ample opportunity to consult with legal counsel and obtain an explanation of the liquidated damage provisions at the time that the Agreement was made.

Company DR City MSE
Initial Here DR Initial Here MSE

Company agrees to pay (as liquidated damages and not as a penalty) the amounts set forth below:

1 Collection Reliability

- a) For each failure to commence service to a new Customer account within seven (7) days after order, which exceeds five (5) such failures annually.
\$150.00
- b) For each failure, which exceeds ten (10) such failures annually, to Collect Solid Waste from any established Customer account on the scheduled Collection day and not Collected within the period described in this Agreement:
\$150.00
- c) For each failure to Collect Solid Waste, which has been properly set out for Collection, from the same Customer on two (2) consecutive scheduled pickup days:
\$150.00

2. Collection Quality

- a) For each occurrence of failure to properly return empty Containers to avoid pedestrian or vehicular traffic impediments or to place Containers upright which exceeds ten (10) such occurrences annually.
\$150.00
- b) For each occurrence of excessive noise or discourteous behavior.
\$250.00
- c) For each occurrence of Collecting Solid Waste during unauthorized hours which exceeds five (5) such occurrences annually.
\$250.00
- d) For each occurrence of damage to private property which exceeds five (5) such occurrences annually.
\$250.00

- e) For each failure to clean up Solid Waste spilled from Solid Waste Containers within ninety (90) minutes that exceeds ten (10) such failures annually.
\$150.00
- f) For each delivery of a Roll-off Box or temporary Bin to a location in the public right-of-way without confirming that the Customer has obtained an encroachment permit per Section 4.1.15.
\$100.00
- g) For each deficiency in street sweeping service per Section 5.2.5 that exceeds three per year at the same location.
\$50.00
- h) For each failure to perform street sweeping service per Section 5.2.5
\$100.00
- i) For each failure to process Refuse Collected from Multi-Family Bin Customers in accordance with Section 4.2.10.
\$15 per ton not processed
If all required Refuse processed, \$15 per ton below 40% recovery rate

3. Customer Responsiveness

- a) For each failure to initially respond to a Customer complaint within one (1) business day, and for each additional day in which the complaint is not addressed.
\$250.00
- b) For each failure to process Customer complaints to City as required by Sections 5.2.3 and 5.2.4.
\$250.00
- c) For each failure to carry out responsibilities for establishing service to an individual resident:
\$250.00
- d) For each failure to remove graffiti from Containers, or to replace with Containers bearing no graffiti, within two (2) business days of request from City or Customer:
\$150.00 per day
- e) For each failure to process a claim for damages within thirty (30) days from the date submitted to Company.
\$100.00

- f) For each additional thirty (30) day increment of time in which Company has failed to resolve a claim for damages within thirty (30) days from the claim date: \$100.00
- g) For each Commercial or Multi-Family Customer not visited, or whose visit is not documented, in accordance with Section 4.2.3 requirements and deadlines: \$ 50.00

4. Timeliness of Submissions to City

Any report shall be considered late until such time as a correct and complete report is received by City For each calendar day a report is late, the daily liquidated damage amount shall be:

- a) Monthly Reports: \$100 per day
- b) Quarterly Reports: \$250 per day
- c) Annual Reports: \$350 per day

5. Cooperation with Service Provider Transition

- a) For each day routing information requested by City in accordance with Section 12.8 is received after City-established due dates, both for preparation of a request for proposals and for new service provider's implementation of service \$1,000/day
- b) For each day delivery of keys, access codes, remote controls, or other means of access to Solid Waste Containers is delayed beyond one (1) day prior to new service provider servicing Customers with access issues, as described in Section 12.8. \$1,000/day
- c) For delay in not meeting the requirements from Sections 4.10 and 12.8 in a timely manner, in addition to the daily liquidated damages for breach under 5(a) and 5(b) above, liquidated damages of \$35,000

City may determine the occurrence of events giving rise to liquidated damages through the observation of its own employees or representative or investigation of Customer complaints.

Prior to assessing liquidated damages, City shall give Company notice of its intention to do so. The notice will include a brief description of the incident(s)/non-performance. Company may review (and make copies at its own expense) all information in the possession of City relating to incident(s)/non-performance. Company may, within ten (10) days after receiving the notice, request a meeting with City. Company may present evidence in writing and through testimony of its employees and others relevant to the incident(s)/non-performance. City will provide Company with a written explanation of its determination on each incident(s)/non-performance prior to authorizing the assessment of liquidated damages. The decision of City shall be final.

C. Amount. City may assess liquidated damages for each calendar day or event, as appropriate, Company is determined to be liable in accordance with this Agreement.

D. Timing of Payment. Company shall pay any liquidated damages assessed by City within ten (10) days after they are assessed. If they are not paid within the ten (10) day period, then City may proceed against the performance bond required by the Agreement or find Company in default and terminate this Agreement pursuant to Section 11.2, or both.

11.4 Excuse from Performance

The Parties shall be excused from performing their respective obligations hereunder in the event they are prevented from so performing by reason of floods, earthquakes, other natural disasters, war, civil insurrection, riots, acts of any government (including judicial action), and other similar catastrophic events which are beyond the control of and not the fault of the party claiming excuse from performance hereunder. Labor unrest, including, but not limited to, strike, work stoppage or slowdown, sick-out, picketing, or other concerted job action conducted by Company's employees or directed at Company is not an excuse from performance and Company shall be obligated to continue to provide service notwithstanding the occurrence of any or all of such events.

The party claiming excuse from performance shall, within two (2) days after such party has notice of such cause, give the other party notice of the facts constituting such cause and asserting its claim to excuse under this section.

The interruption or discontinuance of Company's services caused by one (1) or more of the events excused shall not constitute a default by Company under this Agreement. Notwithstanding the foregoing, however, if Company is excused from performing its

obligations hereunder for any of the causes listed in this section for a period of seven (7) days or more, City shall nevertheless have the right, in its sole discretion, to terminate this Agreement by giving ten (10) days' notice, in which case the provisions relative to taking possession of Company's land, equipment and other property and engaging Company's Personnel in Article 10 and this Article 11 will apply

11.5 Notice, Hearing and Appeal of City Breach

A. Administrative Hearing. If Company contends City is in breach of any aspect of this Agreement, then it shall give notice to the City Manager requesting an administrative hearing on the allegation. A hearing officer shall be appointed by the City Manager, and the hearing shall occur as soon as reasonably possible, or on such date as mutually agreed by the City Manager. The hearing officer shall make an advisory ruling on Company's allegations, and suggest a remedy if a breach by City is determined to exist. The hearing officer's ruling and recommendations shall become final and binding if the Parties so agree in writing within thirty (30) days of the date notice of the decision is given to both Parties. Otherwise, the hearing officer's ruling shall have no further force or effect.

B. Other Remedies; Claims. Company shall be entitled to all available remedies in law or equity for City's breach of this Agreement; provided, however, Company shall not file or otherwise commence any action against City, in law or equity, in any court, until after an administrative hearing as set forth above has been completed, and the above noted thirty (30) day period to accept the hearing officer's decision has passed, or either City or Company has given timely written notice to the other that it will not accept the hearing officer's decision.

C. Actions for Damages. As a prerequisite to the filing and maintenance of any action for damages by Company against City arising out of this Agreement, Company shall present a claim to City, as required by Government Code section 910 et seq, within thirty (30) days of the date of the occurrence giving rise to the claim for damages.

11.6 Assurance of Performance

City may, at its option and in addition to all other remedies it may have, demand from Company reasonable assurances of timely and proper performance of this Agreement, in such form and substance as City may require. If Company fails or refuses to provide

satisfactory assurances of timely and proper performance in the form and by the date required by City, such failure or refusal shall be an event of default.

ARTICLE 12

OTHER AGREEMENTS OF THE PARTIES

12.1 Relationship of Parties

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

12.2 Compliance with Law

In providing the services required under this Agreement, Company shall at all times, at its sole cost, comply with all applicable laws and regulations of the United States, the State of California, and any federal, state, regional or local administrative and regulatory agencies, now in force and as they may be enacted, issued or amended, including but not limited to the payment of prevailing wage, if applicable.

12.3 Governing Law

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

12.4 Jurisdiction

Except for those matters where Federal Courts have exclusive jurisdiction, any lawsuits between the Parties arising out of this Agreement shall be brought and concluded in the courts of the State of California, which shall have exclusive jurisdiction over such lawsuits.

With respect to venue, the Parties agree this Agreement is made in and will be performed in Los Angeles County, Central Judicial District.

12.5 Assignment

Except as may be provided for in Article 10 (City's Right to Perform Service), Company shall not assign its rights, nor delegate, subcontract or otherwise transfer its obligations under this Agreement (collectively referred to as an "assignment") to any other Person without the prior written consent of City. Any such assignment made without the consent of City shall be void and the attempted assignment shall constitute a material breach of this Agreement.

For purposes of this section the term "assignment" shall be given the broadest possible interpretation, and shall include, but not be limited to (i) a sale, exchange or other transfer of substantially all of Company's assets dedicated to service under this Agreement to a third party, (ii) a sale, exchange or other transfer of outstanding common stock of Company to a third party provided said sale, exchange or transfer may result in a change of control of Company, (iii) any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction which results in a change of ownership or control of Company; (iv) any assignment by operation of law, including those resulting from mergers or acquisitions by or of Company of any of its Affiliates, insolvency or bankruptcy, making assignment for the benefit of creditors, writ of attachment for an execution being levied against this Agreement, appointment of a receiver taking possession of Company's property, or transfer occurring in the event of a probate proceeding; and (v) any combination of the foregoing (whether or not in related or contemporaneous transactions) which has the effect of any such transfer or change of ownership, or change of control of Company.

Company acknowledges this Agreement involves rendering a vital service to City's residents and businesses, and that City has selected Company to perform the services specified herein based on (1) Company's experience, skill and reputation for conducting its Solid Waste Handling Services in a safe, effective and responsible fashion, at all times in keeping with applicable Environmental Laws, regulations and best Solid Waste management practices, and (2) Company's financial resources to maintain the required equipment and to support its indemnity obligations to City under this Agreement. City

has relied on each of these factors, among others, in choosing Company to perform the services to be rendered by Company under this Agreement.

If Company requests City's consideration of and consent to an assignment, then City may deny or approve such request in its sole and absolute discretion. Any request for an assignment shall be made in a manner to be prescribed by the City Manager, and no request by Company for consent to an assignment need be considered by City unless and until Company has met (or with respect to matters that would only occur upon completion of the assignment if approved, made reasonable assurances that it will meet) the following requirements:

- a) Company shall undertake to pay City its reasonable expenses for attorney's fees and investigation costs necessary to investigate the suitability of any proposed assignee, and to review and finalize any documentation required as a condition for approving any such assignment. An advance payment of fifty thousand dollars (\$50,000) towards expenses shall be paid to City prior to City consideration of any assignment request and Company shall be responsible to pay all costs incurred by City in considering a request for assignment, including those in excess of the aforesaid deposit amount, regardless of whether City consents to the assignment.
- b) Company shall pay City a transfer fee equal to one percent (1%) of the Gross Receipts it will receive during the remaining term of the Agreement, as estimated by City
- c) Company shall furnish City with audited financial statements of the proposed assignee's operations for the immediately preceding three (3) operating years.
- d) Company shall furnish City with satisfactory proof (i) that the proposed assignee has at least ten (10) years of Solid Waste management experience on a scale equal to or exceeding the scale of operations conducted by Company under this Agreement; (ii) that in the last five (5) years, the proposed assignee has not suffered any significant citations or other censure from any federal, state or local agency having jurisdiction over its Solid Waste management operations due to any significant failure to comply with state, federal or local Environmental Laws and that the assignee has provided City with a complete list of any such citations and censures, (iii) that the proposed assignee has at all times conducted its

operations in an environmentally safe and conscientious fashion, (iv) that the proposed assignee conducts its Solid Waste management practices in accordance with sound Solid Waste management practices in full compliance with all federal, state and local laws regulating the Collection and Disposal of Solid Waste including Hazardous Substances, and, (v) of any other information required by City to ensure the proposed assignee can fulfill the terms of this Agreement in a timely, safe and effective manner

Under no circumstances shall City be obliged to consider any proposed assignment by City if Company is in default at any time during the period of consideration. Should City consent to any assignment request, such assignment shall not take effect until all conditions relating to City's approval have been met.

12.6 Contracting or Subcontracting

Company shall not engage any contractors or subcontractors for Collection, transfer, processing, Recycling or Disposal of Solid Waste.

12.7 Binding on Assigns

The provisions of this Agreement shall inure to the benefit to and be binding on the permitted assigns (if any) of the Parties.

12.8 Cooperation in Preparation for Termination or Expiration of Contract

Prior to, and at, the end of the Term or in the event this Agreement is terminated for cause prior to the end of the Term, Company shall cooperate fully with City and any subsequent Solid Waste enterprise it designates to assure a smooth transition of Solid Waste Handling Services. Company's cooperation shall include, but not be limited to, providing route lists, Billing information and other operating records needed to service all Premises covered by this Agreement. The failure to cooperate with City following termination shall be conclusively presumed to be grounds for specific performance of this covenant and/or other equitable relief necessary to enforce this covenant.

Company shall provide a new service provider with all keys, security codes and remote controls used to access garages and Bin enclosures. Company shall be responsible for coordinating transfer immediately after Company's final pickups, so as not to disrupt service. Company shall provide City with an updated route audit, complete with

service names and addresses, Billing addresses, and service levels (Container sizes and days per week), in accordance with Section 4.10. Company shall provide means of access to the new service provider at least one (1) full business day prior to the first day of Collection by another party, and always within sufficient time so as not to impede in any way the new service provider from easily servicing all Containers.

12.9 Parties in Interest

Nothing in this Agreement, whether express or implied, is intended to confer any rights on any Persons other than the Parties to it and their representatives, successors and permitted assigns.

12.10 Waiver

The waiver by either party of any breach or violation of any provisions of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach or violation of the same or any other provision. The subsequent acceptance by either Party of any moneys which become due hereunder shall not be deemed to be a waiver of any pre-existing or concurrent breach or violation by the other Party of any provision of this Agreement.

12.11 Company's Investigation

Company has made an independent investigation (satisfactory to Company) of the conditions and circumstances surrounding the Agreement and the work to be performed by it.

12.12 Condemnation

City fully reserves the rights to acquire Company's property utilized in the performance of this Agreement, by purchase or through the exercise of the right of eminent domain. This provision is additive, and not intended to alter the rights of the Parties set forth in Article 10.

12.13 Notice

All notices, demands, requests, proposals, approvals, consents and other communications which this Agreement requires, authorizes or contemplates shall be in writing and shall either be personally delivered to a representative of the Parties at the

address below or be deposited in the United States mail, first class postage prepaid, addressed as follows:

If to City:

City Manager
City of Bellflower
16600 Civic Center Drive
Bellflower, CA 90706

If to Company:

CR&R Incorporated
President of Solid Waste
P O Box 125
11292 Western Ave.
Stanton, CA 90680

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

Notice shall be deemed given on the day it is personally delivered or, if mailed, three (3) days from the date it is deposited in the mail.

12.14 Representatives of the Parties

References in this Agreement to the "City" shall mean the City Council and all actions to be taken by City shall be taken by the City Council except as expressly provided herein. The City Council may delegate, in writing, authority to the City Manager, and/or to other City employees and may permit such employees, in turn, to delegate in writing some or all of such authority to subordinate employees. Company may rely upon actions taken by such delegates if they are within the scope of the authority so delegated to them.

Company shall, by the Effective Date, designate in writing a responsible officer who shall serve as the representative of Company in all matters related to the Agreement and shall inform City in writing of such designation and of any limitations upon his or her authority to bind Company. City may rely upon action taken by such designated representative as actions of Company unless they are outside the scope of the authority expressly delegated to him/her by Company as communicated to City.

12.15 City Free to Negotiate with Third Parties

City may investigate all options for the Collection, transporting, Recycling, processing and Disposal of Solid Waste and for the provision of street sweeping services for periods during which this Agreement has expired or been terminated. Without limiting the generality of the foregoing, City may solicit proposals from Company and from third parties for the provision of Solid Waste Handling Services which are the subject of this Agreement, including without limitation Collection services, Disposal services, Recycling services, Green Waste services and processing, and any combination thereof, and may negotiate and execute agreements for such services which will take effect upon the expiration or earlier termination of this Agreement pursuant to Section 11.1 or otherwise.

12.16 Compliance with Municipal Code

Company shall comply with those provisions of the municipal code of City which are applicable, and with any and all amendments to such applicable provisions during the term of this Agreement.

12.17 Privacy

Company shall strictly observe and protect the rights of privacy of Customers. Information identifying individual Customers or the composition or contents of a Customer's waste stream shall not be revealed to any Person, governmental unit, private agency, or company, unless upon the authority of a court of law, by statute, or upon valid authorization of the Customer. This provision shall not be construed to preclude Company from preparing, participating in, or assisting in the preparation of waste characterization studies or waste stream analyses which may be required by AB 939. This provision shall not apply to reports or records provided to City pursuant to this Agreement.

12.18 Proprietary Information, Public Records

City acknowledges a number of the records and reports of Company are proprietary and confidential. Company is obligated to permit City inspection of its records on demand and to provide copies to City where requested. City will endeavor to maintain the confidentiality of all proprietary information provided by Company.

Notwithstanding the foregoing, any documents provided by Company to City that are public records may be disclosed pursuant to a proper public records request.

ARTICLE 13

MISCELLANEOUS PROVISIONS

13.1 Entire Agreement

This Agreement contains the entire integrated agreement and understanding concerning the subject matter herein and supersedes and replaces any prior negotiations, promises, proposals, and agreements between the Parties, whether written or oral. The Parties acknowledges this document has been executed with the consent and upon the advice of counsel. Each of the Parties acknowledges that no Party or agent or attorney of any other party has made any promise, representation, or warranty, express or implied, not contained in this Agreement, to induce the other Party to execute this instrument.

13.2 Section Headings

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

13.3 References to Laws and Other Agreements

All references in this Agreement to laws shall be understood to include such laws as they may be subsequently amended or re-codified, unless otherwise specifically provided.

13.4 Interpretation

This Agreement, including the Recitals and the Exhibits attached hereto, shall be interpreted and construed reasonably and neither for nor against either Party, regardless of the degree to which either Party participated in its drafting.

13.5 Agreement

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

13.6 Severability

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

13.7 Exhibits

The Recitals set forth at the beginning of this Agreement are incorporated into the text of this Agreement by this reference. The Exhibits identified as Exhibit "1" through "7" are attached hereto and incorporated herein and made a part hereof by this reference.

13.8 Attorneys' Fees

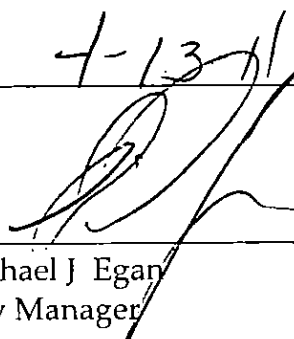
If either Party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, then the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to recover its reasonable attorney's fees and costs. Attorneys' fees shall include attorney's fees on any appeal, and in addition a Party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

IN WITNESS WHEREOF, City and Company have executed this Agreement as of the day and year written below

CITY OF BELLFLOWER, a municipal corporation

("City")

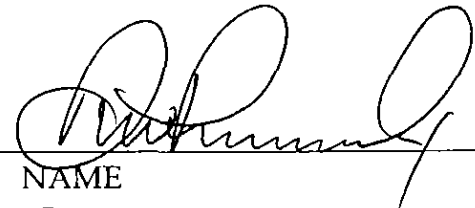
DATED: 4-13-11


By: 
Michael J. Egan
City Manager

CR&R INCORPORATED, a California corporation

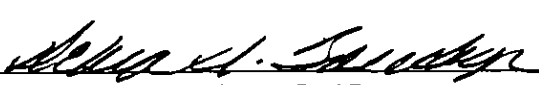
("Company")

DATED: 4.18.2011

By: 
NAME
PRESIDENT
TITLE


NAME
Senior Vice President
TITLE

ATTEST


Debra D. Bauchop, CMC
City Clerk

11292 Western Ave., Stanton Ca
ADDRESS 90680

714.826.9049
TELEPHONE

EXHIBIT 1
INITIAL MAXIMUM RATES
(including 5% franchise fee)

Following are the rates through August 31, 2011

Residential Service	Rate
Cart Service - refuse and recycling, and green waste	\$ 17.25 per month
Low-Income Reduced Rate (25% discount)	\$ 13.33 per month
Senior With Small Cart Reduced Rate – (10% discount for 65 years or older with 35-gallon refuse cart)	\$ 15.92 per month
Extra Refuse Cart	\$ 7.26 per month
Additional Recycling Cart (above two per dwelling unit)	\$ 3.03 per month
Additional Green Waste Cart (above two per dwelling unit)	\$ 3.03 per month
Additional Special Pickup for Automated Cart Customers (Refuse Cart Overages in excess of two pickups per year) – each	\$ 6.05 per pickup
Cart Redelivery Fee	\$15.00 per account

Monthly Bin and Commercial Cart Rates								Extra Pickups
Container Size	Pickups per week							
	1	2	3	4	5	6	7*	
64-gallon cart	\$36.51	n/a	n/a	n/a	n/a	n/a	n/a	
96-gallon cart	\$36.51	n/a	n/a	n/a	n/a	n/a	n/a	
1 cubic yard	\$59.88	\$92.38	\$122.12	\$157.34	\$189.83	\$222.32	\$254.08	\$37.67
2 cubic yard	\$62.81	\$98.23	\$133.65	\$169.06	\$204.47	\$239.82	\$274.08	\$37.67
3 cubic yard	\$108.15	\$146.48	\$184.81	\$223.79	\$254.64	\$292.94	\$324.87	\$37.67
4 cubic yard	\$123.40	\$178.34	\$233.28	\$288.20	\$343.14	\$398.08	\$450.00	\$37.67
1 cu. yd. manure	\$52.03	\$79.42	\$106.79	\$134.18	\$161.56	\$188.94	\$216.32	\$37.67
2 cu. yd. manure	\$52.03	\$79.42	\$106.79	\$134.18	\$161.56	\$188.94	\$216.32	\$37.67
3 cu. yd. manure	\$82.14	\$109.53	\$136.91	\$164.30	\$191.68	\$219.05	\$273.81	\$37.67
Scout Vehicle Service	\$10.43	\$20.87	\$31.30	\$46.36	\$61.42	\$61.42	\$71.66	n/a
Locking Container Surcharge	\$13.04	\$26.08	\$39.12	\$52.16	\$65.20	\$76.76	\$89.55	n/a

*City must approve Sunday collection in advance.

EXHIBIT 1
INITIAL MAXIMUM RATES (continued)
(including 5% franchise fee)

Following are the rates through August 31, 2011

Roll-off Box Pull Charges	Rate
Standard Roll-off Pull Rate (includes 7 day rental)	\$111.86
Compactor Roll-off Pull Rate (excluding compactor rental)	\$139.83
Mixed Waste Processing Charge Per Ton Processed (including residue disposal)	\$ 44.04
Inert Loads of C&D Debris Charge Per Ton Processed	\$ 11.60
Recyclables Processing	\$ 0
Charge Per Ton of Green Waste Processed	\$ 28.97
Rental Charge – per day beyond seven	\$10.00/day
Trip Cancellation Charge	\$75.00/trip

Other Services	Rate
Temporary Bin Service – per collection, delivery included	\$ 83.49
Bin Cleaning (in excess of one free per year) – each	\$ 45.64
Commercial Bulky Item Pickup – per item	\$26.07
Emergency Solid Waste Services	
Solid Waste Service – one crew member, one vehicle, per hour	\$ 97.79
Solid Waste Service – two crew members, one vehicle, per hour	\$ 117.35
Emergency Street Sweeping and Special Event Street Sweeping Services (in excess of 50 hours per calendar year)	\$45.00 per hour
Optional Household Hazardous Waste Round-Up Event	
▪ Standard rate customers	\$ 0.93 per month
▪ Low-income customers	\$ 0.70 per month
▪ Seniors with 35-gallon cart	\$ 0.83 per month
Returned Check Fee	\$15.00 per check

EXHIBIT 2

EXAMPLE RATE ADJUSTMENT FORMULA

This Exhibit 2 represents an example only for the convenience of persons preparing or reviewing any rate adjustment. In case of any discrepancy between these examples and Section 6.4 of this Agreement, the language in Section 6.4 shall take precedence.

Exhibit 2A

Example Rate Adjustment – Single-Family Rates

Step One: Calculate percentage change in indices

Row	Adjustment Factor	Index	A Old Index Value	B New Index Value	C Percent Change In Index ((Column B/Column A) -1)	D Maximum Allowed Percentage Change
1	Labor	(1)	117.3	122.0	4.0%	4.0%
2	Fuel	(2)	225.2	320.0	42.1%	42.1%
3	Equipment	(3)	126.2	130.0	3.0%	3.0%
4	Disposal	(4)	\$26.03	\$26.03	0.0%	0.0% (8)
5	Disp. Surcharge	(5)	\$9.78	\$9.78	0.0%	0.0%
6	Transformation	(6)	\$45.00	\$45.00	0.0%	0.0%
7	All Other	(7)	217.631	221.000	1.5%	1.5%

Step Two: Determine components

Row	Adjustment Factor	Index	E N/A	F Cost Factor Category Weighted as a % of Component Total (9)	G Percent Change In Index (from Column D)	H Total Weighted Change
8	Labor	(1)		22.5%	4.0%	0.9%
9	Fuel	(2)		6.1%	42.1%	2.6%
10	Equipment	(3)		15.3%	3.0%	0.5%
11	Disposal	(4)		12.8%	0.0%	0.0%
12	Disp. Surcharge	(5)		5.1%	0.0%	0.0%
13	Transformation	(6)		12.8%	0.0%	0.0%
14	All Other	(7)		25.4%	1.5%	0.4%
15	Total			100.0%		4.4%

Step Three: Apply percentage change to rates

Row	Rate Category	I Current Customer Rate	J Total Weighted Percentage Change (from Column H)	K Rate Increase or Decrease (Column I + Column J)	L Adjusted Rate (Column I + Column K)
16	Standard Service	\$ 17.25	4.4%	\$ 0.76	\$ 18.01
17	Extra Refuse Cart	\$ 7.26	4.4%	\$ 0.32	\$ 7.58
18	Extra Recycling Cart	\$ 3.03	4.4%	\$ 0.13	\$ 3.16
19	Extra Green Waste Cart	\$ 3.03	4.4%	\$ 0.13	\$ 3.16
20	Special Pickup	\$ 6.05	4.4%	\$ 0.27	\$ 6.32

Step Four: Re-weight cost components

Row	Adjustment Factor	Index	M Cost Component (Column F)	N Percent Change as Applied to Rate Adjustment (Column G)	O Increase in Cost Components (Column M x Column N)	P Cost Component Increased (Column M + Column O)	Q Cost Components Reweighted to Equal 100%
21	Labor	(1)	22.5%	4.0%	0.9%	23.4%	22.4%
22	Fuel	(2)	6.1%	42.1%	2.6%	8.7%	8.3%
23	Equipment	(3)	15.3%	3.0%	0.5%	15.8%	15.1%
24	Disposal	(4)	12.8%	0.0%	0.0%	12.8%	12.3%
25	Disp. Surcharge	(5)	5.1%	0.0%	0.0%	5.1%	4.9%
26	Transformation	(6)	12.8%	0.0%	0.0%	12.8%	12.3%
27	All Other	(7)	25.4%	1.5%	0.4%	25.8%	24.7%
28	Total		100.0%			104.4%	100.0%

(1) Employment Cost Index, ECU125421 not seasonally adjusted, Total compensation, Private industry, Index number, Electric, gas, and sanitary services.

(2) Producer Price Index, WPU057303 not seasonally adjusted, Fuels and related products and power, #2 diesel fuel. If natural gas vehicles used, Producer Price Index, WPU9531, Fuels and related products and power, Natural Gas

(3) Producer Price Index, PCU3361203361201, Heavy duty truck mfg, Trucks, tractors, and bus chassis, 14,001 to 33,000 lbs.

(4) Gate rate at Disposal Site.

(5) Dollar amount of rail-haul surcharge in Puente Hills Landfill posted gate rate multiplied by the percentage of tons disposed under this Agreement direct to the Puente Hills Landfill. Pass-through disposal surcharge is an extraordinary adjustment approved at the sole discretion of the City upon request per Section 6.5. City and Company have agreed to calculate that expense, if and when approved, based on this index.

(6) Gate rate at transformation facility

(7) Consumer Price Index for All Urban Consumers (CPI-U), all items index – U.S. city average.

(8) Change in disposal is capped at the change in Consumer Price Index for All Urban Consumers, all items index (CPI-U) – U.S. city average for that year. This percentage is calculated on Row 4, Column C.

(9) After the first rate adjustment, this column comes from Column Q of the previous year's rate adjustment worksheet.

Exhibit 2B

Example Rate Adjustment – Bin Rates

Step One: Calculate percentage change in indices

Row	Adjustment Factor	Index	A Old Index Value	B New Index Value	C Percent Change In Index ((Column B/Column A) -1)	D Maximum Allowed Percentage Change
1	Labor	(1)	117.3	122.0	4.0%	4.0%
2	Fuel	(2)	225.2	320.0	42.1%	42.1%
3	Equipment	(3)	126.2	130.0	3.0%	3.0%
4	Disposal	(4)	\$26.03	\$26.03	0.0%	0.0% (8)
5	Disp. Surcharge	(5)	\$9.78	\$9.78	0.0%	0.0%
6	Transformation	(6)	\$45.00	\$45.00	0.0%	0.0%
7	All Other	(7)	217.631	221.000	1.5%	1.5%

Step Two: Determine components

Row	Adjustment Factor	Index	E N/A	F Cost Factor Category Weighted as a % of Component Total (9)	G Percent Change In Index (from Column D)	H Total Weighted Change
8	Labor	(1)		15.9%	4.0%	0.6%
9	Fuel	(2)		4.3%	42.1%	1.8%
10	Equipment	(3)		10.8%	3.0%	0.3%
11	Disposal	(4)		29.2%	0.0%	0.0%
12	Disp. Surcharge	(5)		11.9%	0.0%	0.0%
13	Transformation	(6)		9.8%	0.0%	0.0%
14	All Other	(7)		18.1%	1.5%	0.3%
15	Total			100.0%		3.0%

Step Three: Apply percentage change to rates

Row	Rate Category	I Current Customer Rate	J Total Weighted Percentage Change (from Column H)	K Rate Increase or Decrease (Column I x Column J)	L Adjusted Rate (Column I + Column K)
16	3 yard bin, 1 pickup/week	\$ 108.15	3.0%	\$ 3.24	\$ 111.39
17	3 yard bin, 2 pickups/week	\$ 146.48	3.0%	\$ 4.39	\$ 150.87
18	3 yard bin, 3 pickups/week	\$ 184.61	3.0%	\$ 5.54	\$ 190.35
19	3 yard bin, 4 pickups/week	\$ 223.79	3.0%	\$ 6.71	\$ 230.50
20	3 yard bin, 5 pickups/week	\$ 254.64	3.0%	\$ 7.64	\$ 262.28
21	3 yard bin, 6 pickups/week	\$ 292.91	3.0%	\$ 8.79	\$ 301.73
22	Bulky Item Pickup	\$ 26.07	3.0%	\$ 0.78	\$ 26.85
23	Emergency Vehicle, 1 man	\$ 97.79	3.0%	\$ 2.93	\$ 100.72

Step Four: Re-weight cost components

Row	Adjustment Factor	Index	M Cost Component (Column F)	N Percent Change as Applied to Rate Adjustment (Column G)	O Increase in Cost Components (Column M x Column N)	P Cost Component Increased (Column M + Column O)	Q Cost Components Reweighted to Equal 100%
24	Labor	(1)	15.9%	4.0%	0.6%	16.5%	16.0%
25	Fuel	(2)	4.3%	42.1%	1.8%	6.1%	5.9%
26	Equipment	(3)	10.8%	3.0%	0.3%	11.1%	10.8%
27	Disposal	(4)	29.2%	0.0%	0.0%	29.2%	28.3%
28	Disp. Surcharge	(5)	11.9%	0.0%	0.0%	11.9%	11.6%
29	Transformation	(6)	9.8%	0.0%	0.0%	9.8%	9.5%
30	All Other	(7)	18.1%	1.5%	0.3%	18.4%	17.9%
31	Total		100.0%			103.0%	100.0%

- (1) Employment Cost Index, ECU125421 not seasonally adjusted, Total compensation, Private industry, Index number, Electric, gas, and sanitary services
- (2) Producer Price Index, WPU057303 not seasonally adjusted, Fuels and related products and power #2 diesel fuel. If natural gas vehicles used, Producer Price Index, WPU9531, Fuels and related products and power, Natural Gas
- (3) Producer Price Index, PCU3361203361201, Heavy duty truck mfg. Trucks, tractors, and bus chassis, 14,001 to 33,000 lbs.
- (4) Gate rate at Disposal Site.
- (5) Dollar amount of rail-haul surcharge in Puente Hills Landfill posted gate rate multiplied by the percentage of tons disposed under this Agreement direct to the Puente Hills Landfill. Pass-through disposal surcharge is an extraordinary adjustment approved at the sole discretion of the City upon request per Section 6.5 City and Company have agreed to calculate that expense, if and when approved, based on this index.
- (6) Gate rate at Transformation facility.
- (7) Consumer Price Index for All Urban Consumers (CPI-U), all items index – U.S. city average.
- (8) Change in disposal is capped at the change in Consumer Price Index for All Urban Consumers, all items index (CPI-U) – U.S. city average for that year. This percentage is calculated on Row 4, Column C
- (9) After the first rate adjustment, this column comes from Column Q of the previous year's rate adjustment worksheet

Exhibit 2C

Example Rate Adjustment – Roll-off Rates

Step One: Calculate percentage change in indices

Row	Adjustment Factor	Index	A Old Index Value	B New Index Value	C Percent Change In Index ((Column B/ Column A) -1)
1	Service Component (Pull Rate)				
2	Labor	(1)	117.3	122.0	4.0%
3	Fuel	(2)	225.2	320.0	42.1%
4	Equipment	(3)	126.2	130.0	3.0%
5	All Other	(4)	217.631	221.000	1.5%
6	Processing Cost Component	(4)	217.631	221.000	1.5%

Step Two: Determine components

Row	Adjustment Factor	Index	D N/A	E Cost Factor Category Weighted as a % of Component Total (5)	F Percent Change In Index (from Step One, Column C)	G Total Weighted Change
7	Service Component (Pull Rate)					
8	Labor	(1)		32.7%	4.0%	1.3%
9	Fuel	(2)		8.5%	42.1%	3.6%
10	Equipment	(3)		21.8%	3.0%	0.7%
11	All Other	(4)		37.0%	1.5%	0.6%
12	Service Component Total			100.0%		6.2%
13	Processing Cost Component	(4)		100.0%	1.5%	1.5%

Step Three: Apply percentage change to rates

Row	Rate Category	H Current Customer Rate	I Total Weighted Percentage Change (from Column G)	J Rate Increase or Decrease (Column H x Column I)	K Adjusted Rate (Column H + Column J)
14	Standard Roll-off Box Pull Rate	\$ 111.86	6.2%	\$ 6.94	\$ 118.80
15	Compactor Roll-off Box Pull Rate	\$ 139.83	6.2%	\$ 8.67	\$ 148.50
16	Mixed Waste Processing/Ton	\$ 44.04	1.5%	\$ 0.66	\$ 44.70
17	Inert C&D Processing/Ton	\$ 11.60	1.5%	\$ 0.17	\$ 11.77
18	Recyclables Processing/Ton	\$ -	1.5%	\$ -	\$ -
19	Green Waste Processing/Ton	\$ 28.97	1.5%	\$ 0.43	\$ 29.40

Step Four: Re-weight service component cost components

Row	Adjustment Factor	Index	L Cost Component (Column E)	M Percent Change as Applied to Rate Adjustment (Column F)	N Increase in Cost Components (Column L x Column M)	O Cost Component Increased (Column L + Column N)	P Cost Components Reweighted to Equal 100%
20	Labor	(1)	32.7%	4.0%	1.3%	34.0%	32.0%
21	Fuel	(2)	8.5%	42.1%	3.6%	12.1%	11.4%
22	Equipment	(3)	21.8%	3.0%	0.7%	22.5%	21.2%
23	All Other	(4)	37.0%	1.5%	0.6%	37.6%	35.4%
24	Total		100.0%			106.2%	100.0%

- (1) Employment Cost Index, ECU125421 not seasonally adjusted, Total compensation, Private industry, Index number, Electric, gas, and sanitary services
 (2) Producer Price Index, WPU057303 not seasonally adjusted, Fuels and related products and power, #2 diesel fuel. If natural gas vehicles used, Producer Price Index, WPU9531, Fuels and related products and power, Natural Gas
 (3) Producer Price Index, PCU3361203361201, Heavy duty truck mfg, Trucks, tractors, and bus chassis, 14,001 to 33,000 lbs.
 (4) Consumer Price Index for All Urban Consumers (CPI-U), all items index - U.S. city average.
 (5) After the first rate adjustment, this column comes from Column P of the previous year's rate adjustment worksheet.

EXHIBIT 3

INSURANCE REQUIREMENTS

Prior to the beginning of and throughout the duration of the work, Company shall maintain insurance in conformation with the requirements set forth below. Company may use existing coverage to comply with these requirements, provided that if existing coverage does not meet the requirements set forth herein, Company agrees to amend, supplement or endorse the existing coverage to do so. Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to City in excess of the limits and coverage required in this Agreement and which is applicable to a given loss, will be available to City.

Company shall provide the following types and amounts of insurance:

Commercial General Liability Insurance using Insurance Services Office "Commercial General Liability" policy form CG 00 01 or the exact equivalent. Defense costs must be paid in addition to limits. There shall be no cross-liability for claims or suits by one insured against another. Limits are subject to review but in no event less than \$5,000,000 (Five Million Dollars) per occurrence.

Business Auto Coverage on ISO Business Auto Coverage form CA 00 01 including symbol 1 (Any Auto) or the exact equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 (One Million) per accident. If Company owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Company and Company's employees will use personal autos in any way on this project, Company shall provide evidence of personal auto liability coverage for each such person.

Worker's Compensation on a state-approved form providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000 (One Million) per accident or disease.

All insurance required by this Agreement shall be written by insurers that are preferred to be admitted carriers in the State of California and must have an A.M. Best's rating of A- or better and a minimum financial size VII.

General conditions pertaining to provisions of insurance coverage by Company Company and City agree to the following with respect to insurance provided by Company:

1. Company agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insured City, its officials, employees and agents, using standard ISO endorsement No CG 2010 with an edition prior to 1992. Company also agrees to require all contractors and subcontractors to do likewise.
2. No liability insurance coverage provided to comply with this Agreement shall prohibit Company, or Company's employees, or agents, from waiving the right of subrogation prior to a loss. Company agrees to waive subrogation rights against City regardless of the applicability of any insurance proceeds, and to require all contractors and subcontractors to do likewise.
3. All insurance coverage and limits provided by Company and available or applicable to this Agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to City or its operations limits the application of such insurance coverage.
4. None of the coverage required herein will be in compliance with these requirements if it includes any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.
5. No liability policy shall contain any provision or definition that would service to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any contractor or subcontractor.
6. All coverage types and limits required are subject to approval, modification and additional requirements by City, as the need arises. Company shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect City's protection without City's prior written consent.
7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverage required and an additional insured endorsement to Company's general liability policy, shall be delivered to the City Clerk at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, City has the right, but not the duty, to obtain any

insurance it deems necessary to protect its interests under this or any other agreement and to pay the premium. Any premium so paid by City shall be charged to and promptly paid by Company or deducted from sums due Company, at City's option.

8. Certificate(s) are to reflect that the insurer will provide 30 days' notice to City of any cancellation of coverage. Company agrees to require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, or that any party will "endeavor" (as opposed to being required) to comply with the requirements of the certificate.
- 9 It is acknowledged by the parties of this Agreement that all insurance coverage required to be provided by Company or any subcontractor, is intended to apply first and on a primary, non-contributing basis in relation to any other insurance or self-insurance available to City
- 10 Company agrees to ensure that subcontractors, and any other party involved with the project who is brought onto or involved in the project by Company, shall provide the same minimum insurance coverage required of Company. Company agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Company agrees that upon request, all agreements with subcontractors and others engaged in the project will be submitted to City for review
- 11 Company agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any contractor, subcontractor, architect, engineer or other entity or person in anyway involved in the performance of work on the project contemplated by this agreement to self-insure its obligations to City. If Company's existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to City. At that time City shall review options with Company, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.
12. City reserves the right at any time during the term of the Agreement to change the amounts and types of insurance required by giving Company ninety (90) days' advance notice of such change. If such change results in substantial additional cost to Company,

City will negotiate additional compensation proportional to the increased benefit to City

13. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking steps that can be deemed to be in furtherance of or towards performance of this Agreement.
14. Company acknowledges and agrees that any actual or alleged failure on the part of City to inform Company of non-compliance with any insurance requirement in no way imposes any additional obligations on City nor does it waive any rights hereunder in this or any other regard.
15. Company will renew the required coverage annually as long as City, or its employees or agents face an exposure from operations of any type pursuant to this Agreement. This obligation applies whether or not the Agreement is canceled or terminated for any reason. Termination of this obligation is not effective until City executes a written statement to that effect.
16. Company shall provide proof that policies of insurance herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted to the City Clerk prior to expiration. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to City within five (5) days of the expiration of the coverage.
17. The provisions of any Workers' Compensation or similar act will not limit the obligations of Company under this Agreement. Company expressly agrees not to use any statutory immunity defenses under such laws with respect to City, or its employees, officials and agents.
18. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.
19. These insurance requirements are intended to be separate and distinct from any other provision in this Agreement and are intended by parties here to be interpreted as such.

20. The requirements in this Section supersede all sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.
21. Company agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves that right to charge City or Company for the cost of additional insurance coverage required by this Agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.
22. Company agrees to provide immediate notice to City of any loss against Company arising out of the work performed under this Agreement. City assumes no obligation or liability by such notice, but has the right, but not the duty, to monitor the handling of any such claim or claims if they are likely to involve City.
23. If a specific form of insurance document required by this Exhibit becomes commercially unavailable during the term of this Agreement, then City's Risk Manager may, in writing, approve an alternative form.

EXHIBIT 4

BUS STOP, TRASH CANS AND BENCH INVENTORY LIST

#	LOCATION	Bus Stop? Yes or No	Concrete Trash Cans	Small Metal Trash Cans Hanging on Pole	Large Metal Trash Cans	Round Plastic Trash Can	Notes
1	10355 ALONDRA	Yes	1				
2	10211 ALONDRA	Yes	1				
3	9887 ALONDRA	Yes	1				
4	9739 ALONDRA	Yes	1				
5	W/O 9611 ALONDRA	Yes	1				
6	A/F 9457 FLORA VISTA	No			1		Bike Trail
7	9409 ALONDRA	Yes	1				
8	9339 ALONDRA	Yes	1				
9	9205 ALONDRA	Yes	1				
10	9015 ALONDRA	Yes	1				
11	9020 ALONDRA	Yes	1				
12	9206 ALONDRA	Yes	1				
13	9414 ALONDRA	Yes	1				
14	A/F 9448 PACIFIC	No			1		Bike Trail
15	A/F 9535 ALONDRA	Yes	1				
16	9738 ALONDRA	Yes	1				
17	10014 ALONDRA	Yes	1				
18	W/O 10212 ALONDRA	Yes	1				Service at least twice per week
19	10212 ALONDRA	Yes	1				Service at least twice per week
20	10410 ALONDRA	Yes	1				
21	A/F 9760 SOMERSET	Yes	1				
22	9647 SOMERSET	Yes		1			
23	E/O 9351 SOMERSET	Yes	1				
24	9209 SOMERSET	Yes	1				
25	9200 SOMERSET	Yes	1				
26	E/O 10339 ROSECRANS	Yes	1				
27	10153 ROSECRANS	Yes	1				
28	N/E ROSECRANS & BELLFLOWER	Yes	1				
29	9575 ROSECRANS	Yes	1				
30	9409 ROSECRANS	Yes	1				
31	9151 ROSECRANS	Yes		1			
32	N/E ROSECRANS & LAKEWOOD	Yes	1				Service at least twice per week
33	S/E ROSECRANS & LAKEWOOD	Yes	1				
34	9130 ROSECRANS	Yes	1				
35	S/W ROSECRANS & CLARK	Yes	1				
36	9602 ROSECRANS	Yes		1			
37	S/E ROSECRANS & BELLFLOWER	Yes	1				
38	9906 ROSECRANS	Yes	1				
39	10108 ROSECRANS	Yes	1				

EXHIBIT 4

BUS STOP, TRASH CANS AND BENCH INVENTORY LIST (continued)

#	LOCATION	Bus Stop? Yes or No	Concrete Trash Cans	Small Metal Trash Cans Hanging on Pole	Large Metal Trash Cans	Round Plastic Trash Can	Notes
40	A/F 10205 ROSECRANS	Yes	1				
41	10340 ROSECRANS	Yes				1	
42	A/F 13411 WOODRUFF	Yes	1				
43	13411 WOODRUFF	Yes	1				
44	13809 WOODRUFF	Yes		1			
45	14329 WOODRUFF	Yes	1				
46	14749 WOODRUFF	Yes	1				
47	15351 WOODRUFF	Yes	1				
48	15921 WOODRUFF	Yes	1				
49	S/O 16623 WOODRUFF	Yes	1				
50	A/F 17006 WOODRUFF	Yes	1				
51	17137 WOODRUFF	Yes	1				
52	S/W WOODRUFF & ARTESIA	Yes	1				
53	A/F 17836 WOODRUFF	Yes				1	
54	17836 WOODRUFF	Yes	1				
55	N/E WOODRUFF & ARTESIA	Yes	1				
56	S/O 17120 WOODRUFF	Yes		1			
57	16910 WOODRUFF	Yes	1				
58	WOODRUFF AT BIKE TRAIL	No			1		Bike Trail
59	16600 WOODRUFF	Yes		1			
60	16200 WOODRUFF	Yes		1			
61	14074 WOODRUFF	Yes	1				
62	S/W BELLFLOWER & FOSTER	Yes	1				
63	BELLFLOWER & ARTHURDALE	Yes	1				
64	14317 BELLFLOWER	Yes	1				
65	A/F 14760 BELLFLOWER	Yes	1				
66	15357 BELLFLOWER	Yes		1			
67	16123 BELLFLOWER	Yes	1				
68	S/O 16307 BELLFLOWER	Yes	1				
69	BELLFLOWER AT BIKE TRAIL	No			1		Bike Trail
70	16507 BELLFLOWER	Yes	1				
71	16516 BELLFLOWER	No	1				
72	16527 BELLFLOWER	No	1				
73	16605 BELLFLOWER	No	1				
74	16633 BELLFLOWER	No	1				
75	16739 BELLFLOWER	No	1				
76	16803 BELLFLOWER	Yes	1				
77	16827 BELLFLOWER	No	1				
78	17001 BELLFLOWER	Yes	1				

EXHIBIT 4

BUS STOP, TRASH CANS AND BENCH INVENTORY LIST (continued)

#	LOCATION	Bus Stop? Yes or No	Concrete Trash Cans	Small Metal Trash Cans Hanging on Pole	Large Metal Trash Cans	Round Plastic Trash Can	Notes
79	17101 BELLFLOWER	Yes	1				
80	17401 BELLFLOWER	Yes	1				
81	17449 BELLFLOWER	Yes	1				
82	17654 BELLFLOWER	Yes	1				
83	17600 BELLFLOWER	Yes	1				
84	17404 BELLFLOWER	Yes	1				
85	17046 BELLFLOWER	Yes	1				
86	A/F 17001 BELLFLOWER	Yes	1				
87	16922 BELLFLOWER	No	1				
88	16900 BELLFLOWER	No	1				
89	16804 BELLFLOWER	No	1				
90	16730 BELLFLOWER	Yes	1				
91	16702 BELLFLOWER	No	1				
92	16700 BELLFLOWER	No	1				
93	16540 BELLFLOWER	No	1				
94	16434 BELLFLOWER	No	1				
95	16530 BELLFLOWER	No	1				
96	16322 BELLFLOWER	Yes	1				
97	N/O 15924 BELLFLOWER	Yes	1				
98	15700 BELLFLOWER	Yes	1				
99	15502 BELLFLOWER	Yes		1			
100	14760 BELLFLOWER	Yes	1				
101	S/O 14312 BELLFLOWER	Yes	1				
102	E/S BELLFLOWER @ ARTHURDALE	Yes	1				
103	15111 CLARK	Yes	1				
104	N/O 15403 CLARK	Yes	1				
105	15629 CLARK	Yes	1				
106	CLARK AT BIKE TRAIL	No			1		Bike Trail
107	N/O 15929 CLARK	Yes	1				
108	S/W CLARK & FLOWER	Yes	1				
109	16925 CLARK	Yes	1				
110	17057 CLARK	Yes	1				
111	17403 CLARK	Yes	1				
112	17457 CLARK	Yes	1				
113	17655 CLARK	Yes	1				
114	N/W CLARK & ROSE 17845 CLARK	Yes	1				
115	17902 CLARK	Yes	1				
116	17650 CLARK	Yes	1				
117	17602 CLARK	Yes				1	

EXHIBIT 4

BUS STOP, TRASH CANS AND BENCH INVENTORY LIST (continued)

#	LOCATION	Bus Stop? Yes or No	Concrete Trash Cans	Small Metal Trash Cans Hanging on Pole	Large Metal Trash Cans	Round Plastic Trash Can	Notes
118	A/F 17403 CLARK	Yes	1				
119	17102 CLARK	Yes	1				
120	17000 CLARK	Yes	1				
121	16610 CLARK	Yes	1				
122	9414 OAK	Yes	1				
123	9560 OAK	Yes	1				
124	S/E CLARK & ALONDRA	Yes	1				
125	A/F 15629 CLARK	Yes	1				
126	S/O 15316 CLARK	Yes	1				
127	S/O 14932 CLARK	Yes	1				
128	S/E CLARK & ROSECRANS	Yes	1				
129	S/W FLORA VISTA & CALIFORNIA	No	1				
130	10500 FLORA VISTA	No	1				
131	A/F 10072 FLOWER	No			1		Bike Trail
132	A/F 9928 FLOWER	Yes	1				
133	9835 FLOWER	No	1				Service at least twice per week
134	9741 FLOWER	Yes	1				
135	W/O 9607 FLOWER	Yes	1				
136	9406 FLOWER	Yes	1				
137	A/F 9607 FLOWER	Yes	1				
138	S/E FLOWER & BIXBY	Yes	1				
139	S/E ARTESIA & WOODRUFF	Yes	1				
140	10450 ARTESIA	Yes	1				
141	10453 ARTESIA	Yes	1				
142	10427 ARTESIA	No	1				
143	10153 ARTESIA	Yes	1				
144	10001 ARTESIA	Yes	1				
145	9747 ARTESIA	Yes	1				
146	9605 ARTESIA	Yes	1				
147	9403 ARTESIA	Yes	1				
148	9103 ARTESIA	Yes	1				
149	N/W ARTESIA & LAKEWOOD	Yes		1			Service at least twice per week
150	8635 ARTESIA	Yes	1				
151	N/E ARTESIA & DOWNEY	Yes	1				
152	S/E ARTESIA & DOWNEY	Yes	1				
153	S/W ARTESIA & COKE	Yes	1				
154	S/W ARTESIA & LAKEWOOD	Yes	1				
155	9080 ARTESIA	Yes	1				
156	S/E ARTESIA & CLARK	Yes	1				

EXHIBIT 4

BUS STOP, TRASH CANS AND BENCH INVENTORY LIST (continued)

#	LOCATION	Bus Stop? Yes or No	Concrete Trash Cans	Small Metal Trash Cans Hanging on Pole	Large Metal Trash Cans	Round Plastic Trash Can	Notes
157	9542 ARTESIA	Yes	1				
158	S/E ARTESIA & BELLFLOWER	Yes	1				
159	9948 ARTESIA	Yes	1				
160	A/F 17801 LAKEWOOD	Yes					
161	17444 LAKEWOOD	Yes					
162	N/E LAKEWOOD & ARTESIA	Yes	1				Service at least twice per week
163	17050 LAKEWOOD	Yes		1			
164	16800 LAKEWOOD	Yes	1				
165	16400 LAKEWOOD	Yes		1			
166	16208 LAKEWOOD	Yes	1				
167	N/E LAKEWOOD & ALONDRA	Yes	1				
168	15602 LAKEWOOD	Yes					
169	15300 LAKEWOOD	Yes					
170	15024 LAKEWOOD	Yes	1				
171	14900 LAKEWOOD	Yes	1				
172	14530 LAKEWOOD	Yes		1			
173	N/E LAKEWOOD & ROSECRANS	Yes	2				
174	13240 LAKEWOOD	Yes		1			
175	13110 LAKEWOOD	Yes	1				
176	15919 LAKEWOOD	Yes					
177	14530 LAKEWOOD	Yes					
178	16245 LAKEWOOD	Yes					
179	N/O 16811 LAKEWOOD	Yes					
180	17055 LAKEWOOD	Yes	1				
181	S/W LAKEWOOD & ARTESIA	Yes					
182	N/W LAKEWOOD & CEDAR	Yes					
183	PALO VERDE S/O ARTESIA	Yes	1				
184	S/W PALO VERDE & FELSON	Yes	1				
185	ALLINGTON E/O CANEHILL	Yes	1				
186	16600 CIVIC CENTER	No	1				
187	W/S MCNAB S/O ROSECRANS	Yes	1				
188	W/S MCNAB N/O SOMERSET	Yes		1			
189	9919 RAMONA	Yes		1			
190	9843 RAMONA	Yes		1			
191	14201 BELLFLOWER ON VAN RUITEN	Yes	1				
192	9720 FOSTER	Yes	1				
193	9800 FOSTER	Yes				1	
	Totals		157	17	6	4	

EXHIBIT 5

Company's Faithful Performance Bond

___ KNOW ALL MEN BY THESE PRESENTS.

That _____, a California _____, as PRINCIPAL, and _____, a Corporation organized and doing business by virtue of the laws of the State of California, and duly licensed for the purpose of making, guaranteeing, or becoming sole surety upon bonds or undertakings required or authorized by the laws of the State of California, as SURETY, are held and firmly bound to City, hereinafter called OBLIGEE, in the penal sum of seven hundred fifty thousand dollars (\$750,000) lawful money of the United States, for the payment of which, well and truly to be made, we and each of us hereby bind ourselves, and our and each of our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH THAT

WHEREAS, the above bounden PRINCIPAL has entered into a contract, entitled "RESIDENTIAL SOLID WASTE MANAGEMENT SERVICES" with City, to do and perform the following work, to wit: Collect, Process and dispose of Solid Waste generated within City, in accordance with the contract.

NOW, THEREFORE, if the above bounden PRINCIPAL shall well and truly perform, or cause to be performed each and all of the requirements and obligations of said contract to be performed by said PRINCIPAL, as in said contract set forth, then this BOND shall be null and void, otherwise it will remain in full force and effect.

And the said Surety, for value received hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to the work to be performed thereunder or the specifications accompanying the same shall in any wise affect its obligations on this BOND, and it does hereby waive 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.

In the event suit is brought by OBLIGEE to enforce the provisions of this bond, said Surety will pay to OBLIGEE a reasonable attorney's fee, plus costs of suit, in an amount to be fixed by the court.

IN WITNESS WHEREOF, said PRINCIPAL and said SURETY have caused these presents to be duly signed and sealed this _____ DAY OF _____, 200__

a California Corporation

SURETY

By: _____

(PRINCIPAL)

(SEAL)

By: _____

(ATTORNEY IN FACT)

(SEAL)

EXHIBIT 6
STREET SWEEPING MAPS

[TO BE INSERTED]

State of California)
County of Orange)

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

On 04/18/2011 before me, Kim U. Nguyen, Notary Public
(here insert name and title of the officer)


personally appeared David M. Ronnenberg and Dean Rulfridge

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

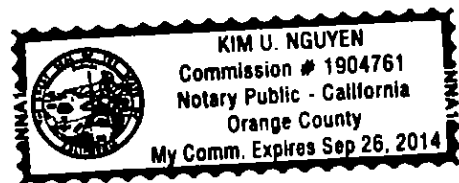
I certify under PENALTY OF PERJURY under the laws of the
State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)



OPTIONAL INFORMATION

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document

titled/for the purpose of Franchise Agreement

CP & R & City of Bellflower

containing _____ pages, and dated 04/18/11

The signer(s) capacity or authority is/are as.

- ☐ Individual(s)
☐ Attorney-in-Fact
☒ Corporate Officer(s)

Title(s)

- ☐ Guardian/Conservator
☐ Partner - Limited/General
☐ Trustee(s)
☐ Other: _____

representing: _____

Name(s) of Person(s) or Entity(ies) Signer is Representing

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:
☐ form(s) of identification ☐ credible witness(es)

Notarial event is detailed in notary journal on.
Page # _____ Entry # _____

Notary contact: _____

Other

☐ Additional Signer(s) ☐ Signer(s) Thumbprint(s)

☐ _____

**AMENDMENT NO. 1 TO
AGREEMENT FILE NO. 399.2 BETWEEN
THE CITY OF BELLFLOWER AND
CR&R INCORPORATED
FOR INTEGRATED SOLID WASTE MANGEMENT SERVICES**

THIS AMENDMENT No. 1 ("Amendment") is made and entered into this 11th day of June 2018, by and between the CITY OF BELLFLOWER, a general law city and municipal corporation ("CITY"), and CR&R Incorporated, a California corporation ("COMPANY").

SECTION 1. Pursuant to Section 2.10 of Agreement File No. 399.2 ("Agreement"), Section 4.2.2 (Multi-Family and Commercial Recyclables Collection) amended to read as follows:

"4.2.2 Multi-Family and Commercial Recyclables Collection

Company agrees to provide unlimited Recycling Collection service to Multi-Family and Commercial Customers requesting it from Company, at rates not to exceed the maximum rates approved by the City. Company may purchase Recyclable Materials from its Customers as well. Company agrees to provide Recycling Bins, Cans or Carts to such Customers in sufficient quantities to meet the Recycling needs of each Customer. Recycling Collection programs shall be made available at a minimum for the same materials as included above in Section 4.2.1 for the Single-Family Recycling program. Company also agrees to make programs available for all other Recyclable Materials for which it has established markets. Company shall notify all Customers via a mailed flyer each year of the availability of Recycling Collection programs. Company will provide in-unit Recycling Containers to Commercial and Multi-Family customers that request them, at Company's actual purchase cost, to assist in Collection of Recyclables within buildings prior to Customer moving all recyclables into Carts or Bins at point of Collection. Company will purchase Recyclables Collected and separated by material by Customers.

To enhance the Commercial Recycling, Company will:

- Prepare and mail, upon City approval, a postcard advertisement informing the Customers of program availability within 30 days after start of service under this Agreement
- Follow up mailings with telephone calls to Customers
- Prepare for Customers a service proposal after each site visit"

SECTION 2. Pursuant to Section 2.10 of the Agreement, Section 4.2.7 (Transformation Facility Option) is amended to read as follows:

"4.2.7 Transformation Facility Option

Company will direct 4,000 tons of City's refuse annually to a waste-to-energy Facility for diversion purposes, with 1,500 tons being from the multi-family residential waste stream and 2,500 tons from the single-family residential waste stream. The refuse

delivered will already have had recyclables removed. City retains the right to change the amount of tonnage delivered to transformation Facilities. If City requests that additional tons be sent to a transformation facility, then Company may request a rate adjustment in accordance with Section 6.5 for the additional tons only. If City requests that fewer tons be sent to a transformation Facility, then Company's resulting cost savings shall be realized by City through a rate adjustment."

SECTION 3. Pursuant to Section 2.10 of the Agreement, Section 4.2.10 (City Options to Require Mixed Waste Processing of Bin Loads) is amended to read as follows:

"4.2.10 City Option to Require Mixed Waste Processing of Bin Loads

Company will direct all Bin Refuse to a Materials Recovery Facility for processing in order to increase City's diversion rate. Company shall recover and divert from landfilling a minimum of 40% to 50% of all Bin Refuse Collected."

SECTION 4. Pursuant to Section 2.10 of the Agreement, Section 6.3 (Scheduled of Future Adjustments) is amended to read as follows:

"6.3 Schedule of Future Adjustments

Beginning with the Rate Year September 1, 2011, through August 31, 2012, and for all subsequent Rate Years, Company may request an adjustment to the maximum rates shown in Exhibit 1. Company will submit its request in writing, to be received by City in person or via certified mail, by the preceding May 15, and shall be based on the method of adjustment described in Section 6.4. If the request is submitted late, then Company will be granted a grace period to June 1. Failure to submit a written request by June 1 will result in Company waiving the right to request such an adjustment for the subsequent Rate Year.

Adjustment to the maximum rates is subject to the approval of the City Council at a publicly noticed City Council meeting, although the Council's discretion will be limited to determining, based on substantial evidence, whether the requested maximum rate adjustment meets the requirements as set forth herein.

If the method of adjustment described in Section 6.4 would result in a decrease to the maximum rates for the subsequent Rate Year, then Company will provide City with a report consisting of the calculations for the decreased amounts, based on the method of adjustment described in Section 6.4, by the preceding June 1 and City will implement a decrease to the maximum rates for the subsequent Rate Year. Failure of Company to submit a report of a decrease, if warranted, by June 1 will result in Company being in default in accordance with Section 11.1H."

SECTION 5. Pursuant to Section 2.10 of the Agreement, Section 6.4.2 (Cost Components and Rate Adjustment Indices – Fuel Index) is amended to read as follows:

“6.4.2 Cost Components and Rate Adjustment Indices – Fuel Index

The Fuel index will be the Producer Price Index, WPU0531, Fuels and related products and power, Natural Gas, capped at no more than the increase or decrease to the percentage change in the Consumer Price Index for All Urban Consumers, all items index (CPI-U) – U.S. city average.”

SECTION 6. Pursuant to Section 2.10 of the Agreement, Section 1.22A (Food Waste) is added to read as follows:

“1.22A Food Waste

“Food Waste” means compostable organic materials, excluding Green Waste, including but not limited to: (1) all food (including fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese and eggshells); (2) food-soiled paper (including napkins, paper towels, paper plates); and (3) tea bags, coffee grounds and filters.”

SECTION 7. Pursuant to Section 2.10 of the Agreement, Section 1.32A (Organic Waste) is added to read as follows:

“1.32A Organic Waste

“Organic Waste” means Food Waste, FOG (Fats, Oils and Grease), Green Waste, nonhazardous wood waste, and food-soiled paper waste that is mixed in with food waste.”

SECTION 8. Pursuant to Section 2.10 of the Agreement, Section 4.3.5 (Multi-Family and Commercial Green Waste Collection) is added to read as follows:

“4.3.5 Multi-Family and Commercial Green Waste Collection

Company agrees to provide unlimited Green Waste Collection service to Multi-Family and Commercial Customers requesting such service from Company, at rates not to exceed the maximum rates approved by City.”

SECTION 9. Pursuant to Section 2.10 of the Agreement, Section 4.3A (Organic Waste Program) is added to read as follows:

"4.3A Organic Waste Program

4.3A.1 Organic Waste Collection

City and Company acknowledge Assembly Bill 1826, which added Chapter 12.9 to Part 3 of Division 30 of the Public Resources Code ("AB 1826"). AB 1826 requires that each jurisdiction implement an Organic Waste recycling program that is designed specifically to divert Organic Waste generated by commercial generators of Organic Waste, which include businesses and Multi-family residential dwellings of five (5) or more units. When requested by City, Company will provide a report containing all of the information required by AB 1826.

Company will offer to provide Organic Waste Collection service to Customers subject to the requirements of AB 1826 on the following timetable:

- On and after June 11, 2018, for businesses that generate 4 cubic yards or more of Organic Waste per week;
- On and after January 1, 2019, for businesses that generate 4 cubic yards or more of Solid Waste per week;
- On and after January 1, 2020, for businesses that generate 2 cubic yards or more of Solid Waste per week if CalRecycle determines that statewide disposal of organic waste has not been reduced to 50 percent of the level of disposal during 2014, unless CalRecycle determines that this requirement will not result in significant additional reductions of organics disposal.

The operational elements of the Organic Waste Collection service will consist, at a minimum, of the following:

- (A) Company will provide the collection of Food Waste from restaurants and other businesses (as that term is defined in Public Resources Code Section 42649.8) as well as other Organic Waste from Commercial Premises. Company will provide participating Customers with Carts and/or Bins as necessary for the segregation and storage of Organic Waste to be recycled.
- (B) The collected Organic Waste will be delivered to a City approved Processing facility for recycling in accordance with AB 1826.
- (C) If a Customer refuses Organic Waste Collection service, Company will send a brief questionnaire to the business owner and the onsite business manager or supervisor. The questionnaire will include, at a minimum: property name; property address; contact name; contact phone number; current levels of Solid Waste Collection service; brief description of City recycling goals and

compliance with AB 1826, including the Organic Waste recycling requirement; cost comparison for Organic Waste Collection versus Solid Waste Collection services; and, request the reason for not electing to participate in Organic Waste Collection service. Company will not distribute the questionnaire until it has been approved by the City. Company's Recycling Coordinator will contact the business owner and/or the onsite business manager or supervisor who refused Organic Waste Collection service to determine how the objections of the owner, manager, or supervisor can be resolved.

- (D) Company will notify the City of the results of the contact and will work with City staff to attempt to remedy the objections, including space constraints and other concerns, to facilitate businesses to participate in Organic Waste Collection service.
- (E) Company will maintain a list of all Organic Waste generator accounts receiving Organic Waste Collection service, including Customer name, address, number, and type of Containers provided and frequency of service. Company will submit the list to City at least annually at the end of each calendar year and at City's request at any time.

For Customers who elect to receive Organic Waste Collection service, Company will conduct a site visit to ensure there is adequate space for a Cart or Bin for Organic Waste. Company will also conduct an education and outreach program that, at a minimum, includes: (1) handout materials (including brochures) with details on Organic Waste Collection service and Company contact information; (2) educational training for owners, managers, or supervisors of Commercial Premises; (3) site visits, including follow-up visits to ensure source separated program is being implemented successfully; and (4) placement of brochures in areas designated by the Bellflower Chamber of Commerce and within Bellflower City Hall.

Customers electing to receive Organic Waste Collection service will receive Containers designed for Organic Waste Collection. If Carts and/or Bins are used, Company may charge rates not to exceed the maximum rates approved by City. Company will place Containers for Organic Waste Collection service in a location selected by the Customer and subject to approval by City.

Company warrants that the Organic Waste Collection service to be implemented pursuant to this Section 4.3A.1 will comply in all aspects with AB 1826."

SECTION 10. This Amendment may be executed in any number or counterparts, each of which will be an original, but all of which together constitutes one instrument executed on the same date.

SECTION 11. Except as modified by this Amendment, all other terms and conditions of Agreement File No. 399.2 remain the same.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment the day and year first hereinabove written.

CITY OF BELLFLOWER



Jeffrey L. Stewart, City Manager

CR&R, INCORPORATED



David Ronnenberg, President



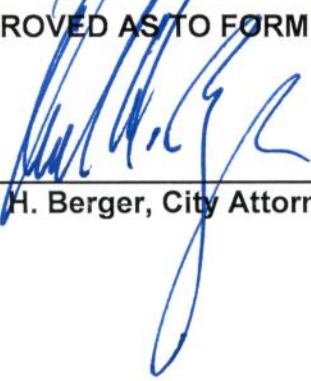
Dean Ruffridge, Senior Vice President

ATTEST:



Mayra Ochiqui, City Clerk

APPROVED AS TO FORM:



Karl H. Berger, City Attorney

Taxpayer ID No. 95 2316878

**AMENDMENT NO. 2 TO
AGREEMENT FILE NO. 399.2 BETWEEN
THE CITY OF BELLFLOWER AND
CR&R INCORPORATED
FOR INTEGRATED SOLID WASTE MANGEMENT SERVICES**

THIS SECOND AMENDMENT ("Amendment") is made to Agreement File No. 399.2 (the "Agreement") and entered into this 22nd day of March 2021, by and between the CITY OF BELLFLOWER, a general law city and municipal corporation ("City"), and CR&R Incorporated, a California corporation ("Company"). The Parties agree as follows:

SECTION 1. Pursuant to Section 13.5 of the Agreement, the following new definitions are added to Article 1 of the Agreement and numbered in sequential order beginning with Section 1.49:

"AB 341

"AB 341" means Assembly Bill 341 (Chesbro, 2011) regulating diversion requirements for solid waste within the state of California."

"AB 1826

"AB 1826" means Assembly Bill 1826 (Chesbro, 2014) regulating the recycling of organic waste within the state of California."

"SB 1383

"SB 1383" means Senate Bill 1383 (Lara, 2016) regulating methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants as amended, supplemented, superseded, and replaced from time to time."

SECTION 2. Pursuant to Section 13.15 of Agreement File No. 399.2 ("Agreement"), Section 2.4 (Term of Agreement) is amended to read as follows:

"2.4 Term of Agreement

The term of this Agreement (the "Term") commenced on July 1, 2011 and, unless otherwise terminated or extended, expires on August 31, 2024. The unexcused failure or refusal of Company to perform any material term, covenant, obligation or condition contained in this Agreement allows City to terminate the Agreement for cause in accordance with the procedures elsewhere in this Agreement."

SECTION 3. Pursuant to Section 13.15 of the Agreement, Section 2.5 (Option to Extend Term) is amended to read as follows:

"2.5 Option to Extend Term

City of Bellflower
Agreement File No. 399.2 - Amendment No. 2
CR&R, Incorporated
Page 2 of 19

City has the sole option to extend the Term of this Agreement for up to two consecutive one-year terms, provided that City provides written notice to Company not later than June 2, 2024 ("Notice"). If City provides Notice, then the Agreement will automatically renew on an annual basis upon its anniversary date and only for up to a maximum of two, one-year, terms expiring on August 31, 2026."

SECTION 4. Pursuant to Section 13.15 of the Agreement, Section 3.1.1 (Renewal Fee) is added to read as follows:

"3.1.1 Renewal Fee

Company will pay City a renewal fee of \$20,000 on April 1, 2021 to reimburse City for costs it incurred in connection with the renewal of this Agreement."

SECTION 5. Pursuant to Section 13.15 of the Agreement, Section 3.2.1 (Franchise Fee Amount) is amended to read as follows:

"3.2.1 Franchise Fee Amount

Until March 31, 2021, Company will pay City a Franchise Fee in an amount equal to five percent (5%) of the Gross Receipts collected by Company from all services provided in City pursuant to the terms of the Agreement.

Beginning April 1, 2021, Company will pay to City a Franchise Fee in the annual amount not to exceed \$1,153,000 and paid on a quarterly basis¹. The Franchise Fee is applied to each service account category as a component of the rate and illustrated in Exhibit 1B. Rates are adjusted to account for the change in Franchise Fee retroactively effective April 1, 2021.

Beginning April 1, 2022, and annually thereafter during the term of the Agreement, the Franchise Fee will be adjusted by the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U), all items index - U.S. City Average, for the twelve (12) month period ending December 31st. Company will pay the Franchise Fee to City quarterly (1/4th of the annual Franchise Fee amount) as specified in Section 3.2.2. Exhibit 1B will be updated annually with the CPI adjustment April 1st.

¹ City recognizes that the number of total accounts increase/decrease on a monthly basis and, accordingly, the Franchise Fee will never exactly match the required amount for City's cost recovery. Company will simply apply the Franchise Fee component established in Exhibit 1B to each service account category. And the total Franchise Fee will not exceed \$1,153,000 in Year 1; \$1,178,400 in Year 2; and \$1,204,300 in Year 3.

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Notwithstanding, to the extent that the City withholds consent to the Company's annual CPI increase, the subsequent April 1 Franchise Fee CPI increase will be withheld."

SECTION 6. Pursuant to Section 13.15 of the Agreement, Section 3.2.2 (Time and Method of Franchise Fee Payment) is amended to read as follows:

"3.2.2 Time and Method of Franchise Fee Payment

On or before the thirtieth (30th) day following the end of each calendar quarter during the Term of this Agreement, Company must remit the Franchise Fee due to City in accordance with Section 3.2.1 for that calendar quarter. If the Franchise Fee is not paid on or before the thirtieth (30th) day following the end of the calendar quarter, then Company will pay to City liquidated damages in an amount equal to ten percent (10%) of the amount owing for that quarter, plus interest at a rate of two percent (2%) over the Eleventh Federal District Cost of Funds per annum prorated to each day of delinquency."

SECTION 7. Pursuant to Section 13.15 of the Agreement, Section 4.2.4 (Warning Notice) is replaced by Section 4.2.4 (Contamination Monitoring Procedures) to read as follows:

"4.2.4 Contamination Monitoring Procedures

A. Container Inspection Methods. Company will monitor for contamination through a method that meets the requirements of SB 1383. Company can perform either of the following methods:

1. Company's personnel will lift the Container lid and observe the contents as part of the route survey process required by Section 5.5. Route personnel during normal collection activity will monitor solid waste for noticeable contamination. Upon visually finding prohibited Container contaminants in a Container, Company will follow the contamination noticing procedures and contaminated Container handling protocols set forth in Subsection 4.2.4B.
2. For Collection vehicles with automated Collection service, the Collection vehicle hopper will be equipped with a video camera and monitoring system. Company's route personnel will observe, via the hopper video camera and monitoring system, the contents of the Containers as the materials are emptied into the Collection vehicle. Upon finding prohibited Container contaminants in a Container, Company will follow the contamination noticing procedures and contaminated Container handling protocols set forth in Subsection 4.2.4B.

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For either method 1 or 2, including for Collection vehicles with automated Collection service, the next day on which a Customer with prohibited Container contaminants is to receive service, the Company's personnel will perform a lid lift of the Container and visually inspect the contents of the Container. If the Company's route personnel determine that the Container again contains prohibited Container contaminants, Company will follow the contamination noticing procedures and contaminated Container handling protocols set forth in Subsection 4.2.4B.

B. Red Tag and Recordkeeping. Company will place a red tag or other warning notice approved by City on all Refuse, Recyclable Material, Green Waste, or Organic Waste containers that are contaminated, indicating to the Customer (1) the requirement to properly source separate materials; (2) why the load was not Collected; and (3) any photographic evidence (if available) providing Company's telephone number. For Customers with off-site management such as small apartment buildings, Company will also mail or email a copy of the warning to the Customer's address or email address on file. Company will notify City on a monthly basis of any warning notices issued pursuant to this section, including providing (1) the address of the Customer; (2) the date contamination was observed; (3) any photographs; and (4) what action was taken, and will provide copies of such warnings to City upon request.

C. Courtesy Pick-up. Company may, but is not required to, Collect the contaminated source separated Recyclable Materials or Organic Waste, including Green Waste and Food Waste; and transport the material to the appropriate facility for processing; or, Company may Collect the contaminated materials with the Refuse Container and transport the contaminated materials to the appropriate Facility for Disposal. Company may charge an additional amount determined by company for this services. Company also may request enforcement by City.

D. Removal of Containers from Habitual Contaminators. With prior written City authorization, Company may remove Recycling, Green Waste, or Organic Waste Containers from habitual contaminators that have received four (4) warnings in any three-month period. Containers will be returned upon change of occupancy or if directed to return the container by City."

SECTION 8. Pursuant to Section 13.15 of the Agreement, Section 4.2.7 (Transformation Facility Option) is amended to read as follows:

"4.2.7 Transformation Facility Option

Company will direct 4,000 tons of City's solid waste annually to a waste-to-energy Facility for diversion purposes, with 1,500 tons being from the multi-family

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residential waste stream and 2,500 tons from the single-family residential waste stream.

The refuse delivered will already have had recyclables removed. City retains the right to change the amount of tonnage delivered to transformation Facilities. If City requests that additional tons be sent to a transformation facility, then Company may request a rate adjustment in accordance with Section 6.5 for the additional tons only. If City requests that fewer tons be sent to a transformation Facility, then Company's resulting cost savings shall be realized by City through a rate adjustment.

The transformation Facility option requirement will be eliminated effective March 31, 2021."

SECTION 9. Pursuant to Section 13.15 of the Agreement, Section 4.2.6 (Minimum Recycling Requirements) is amended to read as follows:

"4.2.6 Minimum Recycling Requirements

Company agrees to implement measures to meet the requirements of AB 939 with respect to the waste stream covered by this Agreement. Company will recycle or divert from landfill sufficient waste to ensure that City meets current requirements under AB 939. Currently, all jurisdiction in California are required to divert sufficient waste from landfills such that they do not exceed their targeted per capita disposal as measured in pounds per person per day. Company will be considered to have met this requirement if City's actual per capita disposal is less than its targeted per capita disposal as shown in its Electronic Annual Report to the California Department of Resources Recycling and Recovery (CalRecycle).

In the event that the State increases Diversion requirements for local jurisdictions, City and Company will discuss applicable solutions and programs to meet the new Diversion requirements. City and Company agree to negotiate with respect to any additional services related to AB 939, which Company and City agree to implement. Further indemnification and guarantee with respect to AB 939 is described in Section 9.3."

SECTION 10. Pursuant to Section 13.15 of the Agreement, Section 4.2.8 (Processing of Roll-off Loads) is amended to read as follows:

"4.2.8 Processing of Roll-off Loads

Construction and Demolition Debris ("C&D") loads will be delivered to C&D Recycling Facilities. No such loads are permitted to be delivered to a landfill, either

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directly or by transfer, unless Company obtains written approval from City permitting Disposal of specific loads.

Roll-off Box Refuse loads with high recyclable content or source separated loads will be delivered to a Materials Recovery Facility or other recycling facility for processing to recover recyclable material.

SECTION 11. Pursuant to Section 13.15 of the Agreement, Section 4.2.10 (City Option to Require Mixed Waste Processing of Bin Loads) is revised to read as follows:

"4.2.10 City Option to Require Mixed Waste Processing of Bin Loads

Company will direct all Bin Refuse to a Materials Recovery Facility for processing in order to support City's continued diversion efforts and continued expansion of participation in source separated recycling programs required under AB 341, AB 1826 and SB 1383. Company will recover and divert from landfilling a minimum of 20% of all bin refuse collected."

SECTION 12. Pursuant to Section 13.15 of the Agreement, Section 4.3 (Green Waste Program) is renamed to read as follows:

"Section 4.3 Organic Waste Program"

SECTION 13. Pursuant to Section 13.15 of the Agreement, Section 4.3.1 (Single-Family Green Waste Collection) is replaced by Section 4.3.1 (Organic Waste Collection Service for Single-Family Dwellings) to read as follows:

"4.3.1. Organic Waste Collection Service for Single-Family Dwellings

A. Organic Waste Collection through December 31, 2021. Company will provide all Customers receiving Cart Refuse Collection with a 90-gallon Cart for Collection of Green Waste ("Green Waste Cart(s)"). 60-gallon Green Waste Carts will also be made available to Customers upon request. Customers will be instructed to place the Carts in the street gutter for Collection. However, when feasible Company will relocate Carts for Collection, when necessary, and return them to their original position. Company will Collect all Green Waste placed in Green Waste Carts, as well as all Green Waste bundled as set forth below, and put out for Collection by Customers not less than once per week on the same day as Refuse Collection. Customers that regularly fill their Green Waste Carts may receive a second Cart at no additional charge. Carts beyond two will be provided for an additional cost per Cart per month, in accordance with the approved rate schedule.

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Company will have a Green Waste Recycling program whereby it, at a minimum, Collects the types of Green Waste defined in Section 1.24. Company will only be obligated to Collect Green Waste set out for Collection in bundles if it is a maximum of 48 inches long and 24 inches in diameter, with a bundled weight limit of 45 lbs. Company will not collect Bulky Items or other solid waste contaminated with Green Waste for Collection.

B. Organic Waste Collection Effective January 1, 2022. Effective January 1, 2022, Company will provide all Customers receiving Cart Refuse Collection with a 90 gallon Cart for Collection of Organic Waste including Green Waste and Food Waste. Company may continue to utilize the Green Waste Cart(s) for collecting mixed Organic Waste. 60-gallon Green Waste Carts will also be made available to Customers upon request. Customers will be instructed to place the Carts in the street gutter for Collection. However, when feasible Company will relocate Carts for Collection, when necessary, and return them to their original position. Company will Collect all Green Waste and Food Waste placed in Green Waste Carts, as well as all Green Waste bundled as set forth below, and put out for Collection by Customers not less than once per week on the same day as Refuse Collection. Customers that regularly fill their Green Waste Carts may request additional Carts. Company may charge Customers for additional Carts in accordance with the approved rate schedule.

Company will have an Organic Waste Collection program whereby it, at a minimum, Collects the types of Green Waste and Food Waste defined in Sections 1.24 and 1.22A. Company will only be obligated to Collect Green Waste set out for Collection in bundles if it is a maximum of 48 inches long and 24 inches in diameter, with a bundled weight limit of 45 lbs."

SECTION 14. Pursuant to Section 13.15 of the Agreement, Section 4.3A.1 (Organic Waste Collection) is replaced by Section 4.3.A.1 (Organic Waste Collection Service for Commercial Premises and Multi-Family Dwellings) to read as follows:

"4.3A.1 Organic Waste Collection Service for Commercial Premises and Multi-Family Dwellings

AB 1826 requires that each jurisdiction implement an Organic Waste recycling program that is designed specifically to divert Organic Waste generated by commercial generators of Organic Waste, which include Commercial Premises and Multi-Family Dwellings of five or more units. For Multi-Family Dwellings, AB 1826 only requires the diversion of Green Waste. When requested by City, Company will provide a report containing all of the information required by AB 1826.

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Company will offer to provide Organic Waste Collection service to Customers of Commercial Premises or Multi-Family Dwellings who are subject to the requirements of AB 1826 and generate 2 cubic yards or more of Solid Waste per week.

A. Organic Waste Collection through December 31, 2021. The operational elements of the Organic Waste Collection service will consist, at a minimum, of the following:

1. Company will offer to provide the collection of Food Waste from restaurants and other businesses (as that term is defined in Public Resources Code § 42649.8) as well as other Organic Waste from Commercial Premises. Company will continue mixed waste processing of Bin Refuse at a Materials Recovery Facility, including Bin Refuse from Multi-Family Dwellings to divert Green Waste. Company will also offer Green Waste Collection service to Customers of Multi-Family Dwellings.
2. Company will provide participating Customers with Carts and/or Bins as necessary for the segregation and storage of Organic Waste to be recycled.
3. The collected Organic Waste will be delivered to a City approved facility that processes Organic Waste for recycling in accordance with AB 1826.
4. If a Customer refuses Organic Waste Collection service, Company will send a brief questionnaire to the business owner and the onsite business manager or supervisor. The questionnaire will include, at a minimum: property name; property address; contact name; contact phone number; current levels of Solid Waste Collection service; brief description of City recycling goals and compliance with AB 1826, including the Organic Waste recycling requirement; cost comparison for Organic Waste Collection versus Solid Waste Collection services; and, request the reason for not electing to participate in Organic Waste Collection service. Company will not distribute the questionnaire until it has been approved by the City. Company's Recycling/Sustainability Coordinator will contact the business owner and/or the onsite business manager or supervisor who refused Organic Waste Collection service to determine how the objections of the owner, manager, or supervisor can be resolved.
5. Company will notify the City of the results of the contact and will work with City to attempt to remedy the objections, including space constraints and other concerns, to facilitate businesses to participate in Organic Waste Collection service.
6. Company will maintain a list of all Organic Waste generator accounts receiving Organic Waste Collection service, including Customer name,

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address, number, and type of Containers provided and frequency of service. Company will submit the list to City at least annually at the end of each calendar year and at City's request at any time, with the list being provided by the next business day.

7. For Customers who elect to receive Organic Waste Collection service, Company will conduct a site visit to ensure there is adequate space for a Cart or Bin for Organic Waste. Company will also conduct an education and outreach program that, at a minimum, includes: (1) handout materials (including brochures) with details on Organic Waste Collection service and Company contact information; (2) educational training for owners, managers, or supervisors of Commercial Premises; (3) site visits, including follow-up visits to ensure source separated program is being implemented successfully; and (4) placement of brochures in areas designated by the Bellflower Chamber of Commerce and within Bellflower City Hall.
8. Customers electing to receive Organic Waste Collection service will receive Containers designed for Organic Waste Collection. If Carts and/or Bins are used, Company may charge rates not to exceed the maximum rates approved by City. Company will place Containers for Organic Waste Collection service in a location selected by the Customer and subject to approval by City.

B. Organic Waste Collection Effective January 1, 2022. Effective January 1, 2022, Company will provide mandatory Organic Waste Collection services to all Customers of Commercial Premises or Multi-Family Dwellings who are subject to the requirements of AB 1826 and SB 1383. For Multi-Family Dwellings, SB 1383 will require diversion of both Green Waste and Food Waste. The operational elements of the Organic Waste Collection service will consist, at a minimum, of the following:

1. Company will provide the collection of Food Waste from restaurants and other businesses (as that term is defined in Public Resources Code § 42649.8) as well as other Organic Waste from Commercial Premises. Company will continue mixed waste processing of Bin Refuse at a Materials Recovery Facility, including Bin Refuse from Multi-Family Dwellings to divert Green Waste. Company will also provide Organic Waste Collection service to Customers of Multi-Family Dwellings which will include processing of Green Waste and Food Waste.
2. Company will provide participating Customers with Carts and/or Bins as necessary for the segregation and storage of Organic Waste to be recycled.

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3. The collected Organic Waste will be delivered to a City approved facility that processes Organic Waste for recycling in accordance with AB 1826.
4. Company will maintain a list of all Organic Waste generator accounts receiving Organic Waste Collection service, including Customer name, address, number, and type of Containers provided and frequency of service. Company will submit the list to City at least annually at the end of each calendar year and at City's request at any time, with the list being provided by the next business day.
5. For Customers receiving Organic Waste Collection service, Company will conduct a site visit to ensure there is adequate space for a Cart or Bin for Organic Waste. Company will also conduct an education and outreach program that, at a minimum, includes: (1) handout materials (including brochures) with details on Organic Waste Collection service and Company contact information; (2) educational training for owners, managers, or supervisors of Commercial Premises; (3) site visits, including follow-up visits to ensure source separated program is being implemented successfully; and (4) placement of brochures in areas designated by the Bellflower Chamber of Commerce and within Bellflower City Hall.
6. Customers provided with Organic Waste Collection service will receive Containers designed for Organic Waste Collection. If Carts and/or Bins are used, Company may charge rates not to exceed the maximum rates approved by City. Company will place Containers for Organic Waste Collection service in a location selected by the Customer and subject to approval by City.

Company warrants that the Organic Waste Collection service to be implemented pursuant to this Section 4.3A.1.1 will comply in all aspects with AB 1826 and SB 1383."

SECTION 15. Pursuant to Section 13.15 of the Agreement, Section 4.3.3 (End Uses for Green Waste) is replaced by Section 4.3.3 (End Uses for Green Waste and Food Waste) to read as follows:

"4.3.3 End Uses for Green Waste and Food Waste

Company will divert Green Waste and Food Waste materials Collected through weekly Cart and bundle Collection, holiday tree Collection, Roll-off Box Collection and mixed waste processing (if applicable) from Disposal. Company must provide end uses for Green Waste and Food Waste that maximize diversion credits for City according to regulations established by CalRecycle. Company will divert through uses other than as alternative minimum daily cover. Company is responsible for

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monitoring how the Green Waste and Food Waste will be diverted at selected facilities and for selecting alternative facilities if necessary, to ensure full diversion credit is achieved."

SECTION 16. Pursuant to Section 13.15 of the Agreement, Subsections B. (Capacity), E. (Cart Colors), and F. (Identification Markings) of Section 4.5.3.1 (Carts) are amended to read as follows:

"B. Capacity

The references in Sections 4.1, 4.2 and 4.3 to Cart sizes of 35, 60 and 90-gallons are approximate. Company will provide Refuse Carts of approximately 35, 60 and 90-gallons, Recycling Carts of approximately 60 and 90-gallons, Green Waste Carts of approximately 60 and 90-gallons, and Organic Waste Carts of approximately 65-gallons in size."

"E. Cart Colors

The Refuse, Recycling, Green Waste, and Organic Waste Carts will be differentiated by color according to the implementing regulations for SB 1383. The colors will be colorfast and resistant to fading as a result of weathering or ultraviolet degradation. Color must be uniform within each Container, including replacement Carts distributed throughout the Term of the Agreement. Refuse Carts will be black or gray, Recycling Carts will be blue, Green Waste Carts will be green, and Organic Waste Carts will be green or a color that meets the requirements of SB 1383. Cart colors will be consistent throughout City."

"F. Identification Markings

All markings on the Containers will match Containers currently in distribution, or will be approved by City in advance of ordering Carts. The words REFUSE, RECYCLING, GREEN WASTE or ORGANIC WASTE must be hot stamped or labeled on the Refuse, Recycling, Green Waste, and Organic Waste Carts respectively, in characters not less than one inch in English and Spanish.

1. **Labels/Stencils for Existing Carts.** Labels/stencils will include Company's Customer Service telephone number and a list of allowable contents in English and Spanish, and icons, and be updated as necessary at Company's cost. An anti-scavenging warning will be included on Recycling Containers in both languages.
2. **Labels/Imprints for New Carts.** On or before January 1, 2022, Company will place a label or imprint on the body or lid of each new Container that will be provided to a Customer that includes language, in both English and Spanish,

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or graphic images, or both, that indicate the primary materials accepted and the primary materials prohibited in that Container. Labels or imprints will clearly indicate items that are prohibited Container contaminants for each Container. Company's Customer Service telephone number will be included on all labels and an anti-scavenging warning will also be included on Recycling Containers in both languages. Prior to ordering labels for Containers, Company will submit a copy of its proposed label, proposed location(s) for placement of labels on each type of Container, and its labeling or imprinting plan to City for approval. Labels or imprints will be updated as necessary at Company's cost."

SECTION 17. Pursuant to Section 13.15 of the Agreement, Subsections B. (Bin Identification and Color) of Section 4.5.3.4 (Bins) is amended to read as follows:

"B. Identification and Color

Each Bin placed in City by Company will have the name and phone number of Company in letters not less than three inches high on the exterior of the Bin so as to be visible when the Bin is placed for use. Company will identify the Bins that are assigned to each Customer of Multi-Family Dwellings and Commercial Premises using a method that is acceptable to City. Company will repaint Bins upon City's request. All Refuse Bins will be painted the same color. All commingled Recycling Bins will be painted the same color.

On or before January 1, 2022, Company will place a label or imprint on the body or lid of each new Container that will be provided to a Customer that includes language, in both English and Spanish, or graphic images, or both, that indicate the primary materials accepted and the primary materials prohibited in that Container. Labels or imprints will clearly indicate items that are prohibited Container contaminants for each Container. An anti-scavenging warning will also be included on Recycling Containers in both languages. Before ordering labels for Containers, Company will submit a copy of its proposed label, proposed location(s) for placement of labels on each type of Container, and its labeling or imprinting plan to City for approval. Labels or imprints will be updated as necessary at Company's cost. Once Bins reach the end of their useful life, or January 1, 2036, whichever comes sooner, they will be replaced with Bins according to the container color requirements in the implementing regulations of SB 1383."

SECTION 18. Pursuant to Section 13.15 of the Agreement, Section 5.3.3 (Company Representative) is replaced by Section 5.3.3 (Company Recycling/Sustainability Coordinator) to read as follows:

"5.3.3 Company Recycling/Sustainability Coordinator

Company will employ or retain an individual who will routinely visit civic groups, school assemblies, homeowners' associations, Multi-Family Dwellings, and

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businesses; to promote and explain the Recycling programs Company offers, and participate in demonstrations and civic events. Effective July 1, 2021, Company will designate this individual to be a full-time "Recycling/Sustainability Coordinator" working solely with City on the implementation of the aforementioned tasks, as well as working with City's Public Works staff to implement all State-mandated programs required by AB 341, AB 1826, SB 1383, and any other solid waste-related legislation that may be adopted during the term of this Agreement, including conducting any necessary site visits with Customers."

SECTION 19. Pursuant to Section 13.15 of the Agreement, Section 5.5 (Company Route Review Contamination Monitoring) is added to read as follows:

"5.5 Company Route Review Contamination Monitoring

On or before January 1, 2022, Company will, at its sole expense, conduct route reviews for container contaminants in Collection Containers in a manner that is deemed safe by the Company; is approved by City; and, is conducted in a manner that results in all Company routes being reviewed annually or more frequently. Company will conduct route reviews that include inspection of the contents of Customers' Collection Containers for container contaminants in a manner such that a minimum of two percent, or an amount that meets the requirements of SB 1383, of Containers on each route are inspected annually. The Containers will be randomly selected.

Company will develop a route review methodology to accomplish the above Container inspection requirements and such methodology will comply with the requirements of 14 Cal. Code of Regs. § 18984.5(b). Company will submit its proposed route review methodology for the coming year to City not later than January 15 of each year, describing its proposed methodology for the calendar year and schedule for performance of each route's annual review. Company's proposed route review methodology will include not only its plan for Container inspections, but may or will also include its plan for prioritizing the inspection of Customers that are more likely to be out of compliance.

City will review and approve the proposed methodology. Company may commence with the proposed methodology upon approval. If City notifies Company that the methodology is inadequate to meet the requirements of 14 Cal. Code of Regs. § 18984.5(b), Company may, at its sole expense, revise the methodology and, after obtaining City approval, conduct additional route reviews, increased Container inspections, or implement other changes using the revised procedure.

If Company's proposed methodology meets the requirements of 14 Cal. Code of Regs. § 18984.5(b), but has been deemed inadequate by City, Company will, at

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the expense of City, revise the methodology and implement the necessary changes using the revised procedure.

City may request, and Company will accept, modifications to the schedule to permit observation of the route reviews by City. In addition, Company will provide an electronic mail notice to City not less than 10 business days before each scheduled route review that includes the specific time(s), which will be within City's normal business hours, and location(s).

Upon finding prohibited Container contaminants in a Container, Company will follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 4.2.4."

SECTION 20. Pursuant to Section 13.15 of the Agreement, Section 5.6 (Assistance with AB 341, AB 1826, and SB 1383) is added to read as follows:

"5.6 Assistance with AB 341, AB 1826, and SB 1383

5.6.1 General

Company will provide compliance services as outlined below. City understands that while it designated Company to fulfill some of its responsibilities for compliance with AB 341, AB 1826, and SB 1383, City will remain ultimately responsible for compliance with specific CalRecycle requirements. Company will work with City to conduct site assessments of all City facilities. Based on the site assessments, Company and City will develop recommended compliance plans for each facility, including recommended services to comply with AB 341, AB 1826, and SB 1383. Upon approval from City, Company will coordinate new services, deliver equipment, and assist with on-site employee training if requested by City.

5.6.3 Food Recovery Assistance

Company will cooperate with and will not impede, interfere, or attempt to impede or interfere with the implementation, expansion, or operation of Food Recovery efforts in the City. At least annually, Company will provide Commercial Edible Food Generators with the following information:

- A.** Information about Company's Edible Food Recovery program;
- B.** Information about the Commercial Edible Food Generator requirements under 14 Cal. Code of Regs. § 1899.1, *et seq.*;

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- C.** Information about Food Recovery Organizations and Food Recovery Services operating within City, and where a list of those Food Recovery Organizations and Food Recovery Services can be found; and
- D.** Information about actions that Commercial Edible Food Generators can take to prevent the creation of Food Waste.

Company may provide the education information required by this Section by including it with regularly scheduled notices, education materials, billing inserts, or other information disseminated to Commercial Businesses.

Upon request, Company will work with the City's Public Works staff to host an annual food donation workshop for Commercial Edible Food Generators and Food Recovery Organizations. Company will provide education to Commercial Edible Food Generators about Food Recovery Organizations and services and educate Commercial Edible Food Generators about how to source-reduce their Edible Food.

5.6.4 Commercial Business Workshops

Company will perform annual Commercial Business workshops in conjunction with the local Chamber of Commerce and other local business organizations that focus on waste reduction, Food Recovery, and recycling strategies.

5.6.5 Commercial Business Assessments

Company will conduct annual compliance reviews of Commercial Businesses subject to the requirements of AB 341, AB 1826, and SB 1383. Company will provide documentation of annual assessments including documentation required to complete the CalRecycle Annual Review. As part of the review process, Company will work with City to develop a *de minimis* waiver eligibility process and track Customers that meet thresholds for exemption. This information will be provided to City to make final determination of eligibility and issue waivers.

Company will perform site assessments and provide technical assistance for Commercial Businesses implementing Recycling, Green Waste and/or Food Waste programs. Company will complete annual compliance review of all Refuse accounts to determine compliance with Organic Waste generator and/or self-haul requirements. Company will report Commercial Businesses not in compliance to City for enforcement action. Company will also ensure containers are correctly labeled, in accordance with SB 1383, and provide training aids with pictures or words showing what is and is not accepted in the container(s).

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5.6.6 Annual Compliance Reviews for Customers of Commercial Premises and Multi-Family Dwellings; and Commercial Edible Food Generators

Company will conduct annual compliance reviews of all Customers of Commercial Premises or Multi-Family Dwellings that are subject to the requirements of AB 1826 and SB 1383 to confirm that the proper Organic Waste Collection services are being provided to such Customers of Commercial Premises or Multi-Family Dwellings; and for Commercial Edible Food Generators to confirm that they are in compliance with the requirements of SB 1383. The compliance reviews will be "desk" reviews of records to determine Customers' compliance with the above requirements and does not necessarily require on-site observation of service; however, City may request that Company perform an on-site observation of service in addition to or in lieu of the desk review if needed to obtain the required information. Company will complete the initial compliance review on or before January 1, 2022, and at least annually thereafter, unless otherwise requested sooner by City.

5.6.7 De Minimis, Physical Space Constraint, and Collection Frequency Waiver Inspections

On or after January 1, 2022, if City allows Customers to submit *de minimis*, physical space constraint, or Collection frequency waiver requests for the collection of Organic Waste, then Company will assist City in verifying *de minimis* and physical space constraint waiver requests from Customers, at least once every five years from the date of issuance of the waiver, and verify Collection frequency waivers at least once every year from the date of issuance of the waiver.

5.6.8 AB 341, AB 1826, and SB 1383 Compliance Review

Company will conduct a sufficient number of compliance reviews, route reviews, and inspections of Commercial Premises, Multi-Family Dwellings, and Commercial Edible Food Generators to adequately determine overall compliance with the requirements of AB 341, AB 1826, and SB 1383. City may require Company to prioritize inspections of entities that City determines are more likely to be out of compliance. From January 1, 2022 through December 31, 2023, when compliance reviews are performed by Company, Company will provide educational materials in response to violations. Company will provide these educational materials to the non-compliant Customers or Commercial Edible Food Generators within seven days of determination of non-compliance or immediately upon determination of non-compliance if such non-compliance is determined during an inspection or route review.

Company will document the non-compliant Customers or Commercial Edible Food Generators and the date and type of education materials provided, and will report

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such information to City. Beginning January 1, 2024, Company will, in addition to providing the education materials described in this subsection, document non-compliant Customers or Edible Food Generators and will report all Customers or Commercial Edible Food Generators with violations of SB 1383 regulations to City. City will be responsible for subsequent enforcement action against the non-compliant Customers or Commercial Edible Food Generators.

5.6.9 Tracking of Data and Information; Reporting to CalRecycle

Company will provide necessary data and information needed to compile AB 341, AB 1826, and SB 1383 data required for reporting to CalRecycle. Company will also assist City with preparation of the CalRecycle Electronic Annual Report, including annual Source Reduction and Recycling Element (SRRE), Household Hazardous Waste Element (HHWE), AB 341, AB 1826, and SB 1383 reporting."

SECTION 21. Pursuant to Section 13.15 of the Agreement, Section 6.2.1 (Maximum Rates Effective April 1, 2021) is added to read as follows:

"6.2.1 Maximum Rates Effective April 1, 2021

The maximum rates that Company may charge Customers from April 1, 2021, through August 31, 2021, may not exceed the maximum rates set forth in Exhibit 1A, which is approved by Resolution No. 21-20 (adopted March 22, 2021) and incorporated by reference."

SECTION 22. Pursuant to Section 13.15 of the Agreement, Section 8.2.7 (Biennial Audit Costs) is amended to read as follows:

City may conduct an audit of Company once every other year, with the next audit in 2012, reviewing 2011 results. The scope of the audit may include, but is not limited to, Customer Billing, Franchise Fee payment and payment of all other fees, Gross Receipts, and tonnage. Company is responsible for the cost of the audit, up to \$57,500, adjusted annually by the change in the CPI. Costs incurred by Company for conducting its own route audits and Billing reviews, as required under Sections 4.10 and 5.1.4, are not included under this allowance of \$57,500.

Should an audit conducted or authorized by City disclose that fees payable by Company to City were underpaid by 2% or more, or that more than 2% of the Customers were inaccurately billed based on the auditor's sampling, for the period under review, City may expand the scope of the audit and also recover costs beyond \$57,500."

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SECTION 23. Pursuant to Section 13.15 of the Agreement, Section 11.3 (Liquidated Damages), Subsection B.2(i) is amended to read as follows:

"i) For each failure to process Refuse Collected from all Bin Customers in accordance with Section 4.2.10:

\$15 per ton not processed

If all required Refuse processed, \$15 per ton below 20% recovery rate"

SECTION 24. Pursuant to Section 13.15 of the Agreement, Section 11.3 (Liquidated Damages), Subsection B.5(c) is amended to read as follows:

"c) For delay in not meeting the requirements from Section 12.8 in a timely manner, in addition to the daily liquidated damages under 5(a) and 5(b) above, liquidated damages of: \$10,000"

SECTION 25. Pursuant to Section 13.15 of the Agreement, Section 11.4 (Excuse from Performance) is amended to read as follows:

"The Parties are excused from performing their respective obligations in the event they are prevented from so performing by reason of floods, earthquakes, other natural disasters, pandemic, epidemic, quarantine, war, civil insurrection, riots, acts of any government (including judicial action), and other similar catastrophic events which are beyond the control of and not the fault of the party claiming excuse from performance hereunder. Labor unrest including, without limitation, strike, work stoppage or slowdown, sick-out, picketing, or other concerted job action conducted by Company's employees or directed at Company is not an excuse from performance and Company is obligated to continue to provide service notwithstanding the occurrence of any or all of such events.

The party claiming excuse from performance must, within two days after such party has notice of such cause, give the other party notice of the facts constituting such cause and asserting its claim to excuse under this section.

The interruption or discontinuance of Company's services caused by one or more of the events excused does not constitute a default by Company under this Agreement. Notwithstanding the foregoing, however, if Company is excused from performing its obligations for any of the causes listed in this Section for a period of seven days or more, City has the right, in its sole discretion, to terminate this Agreement by giving 10 days' notice, in which case the provisions relative to taking possession of Company's land, equipment and other property and engaging Company's Personnel in Article 10 and this Article 11 apply."

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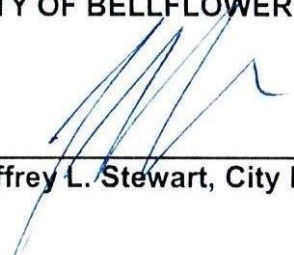
SECTION 26. This Amendment may be executed in any number or counterparts, each of which will be an original, but all of which together constitutes one instrument executed on the same date.

SECTION 27. This Amendment may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 28. Except as modified by this Amendment, all other terms and conditions of Agreement File No. 399.2 remain the same.


IN WITNESS WHEREOF, the parties hereto have executed this Amendment the day and year first hereinabove written.

CITY OF BELLFLOWER

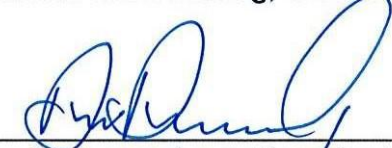


Jeffrey L. Stewart, City Manager

CR&R, INCORPORATED




Clifford Ronnenberg, CEO



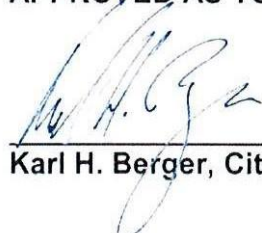
David Ronnenberg, President

ATTEST:



Mayra Ochiqui, City Clerk

APPROVED AS TO FORM:



Karl H. Berger, City Attorney

Taxpayer ID No. 952316878

Attachments:

Exhibit 1A - Maximum Rates Effective April 1, 2021
Exhibit 1B - Franchise Fee Rate Schedule

EXHIBIT 1A
MAXIMUM RATES EFFECTIVE APRIL 1, 2021

Residential Service	Monthly Rate
Standard	\$22.77
Low Income	\$17.07
Senior (35 Gallon Cart)	\$20.49
Extra Refuse Cart	\$10.29
Extra Recycle Cart	\$4.29
Extra Green Cart	\$4.29
Additional Pickup - Cart	\$20.70
Additional Pickup - Bags	\$8.58
Cart Redelivery Fee	\$20.70
Organics Food Scrap Collection*	\$3.35

**To be implemented on January 1, 2022*

Commercial Service	Monthly Rate
64- or 96- Gallon Cart	\$62.68
Recycle Cart with Bin Service	
1 day per week	\$39.33
2 days per week	\$63.39
3 days per week	\$87.46
4 days per week	\$111.50
5 days per week	\$135.53
6 days per week	\$159.55
1 Cubic Yard Mixed Waste Bin	
1 day per week	\$109.42
2 days per week	\$171.81
3 days per week	\$229.47
4 days per week	\$296.57
5 days per week	\$358.91
6 days per week	\$421.29
2 Cubic Yard Mixed Waste Bin	
1 day per week	\$121.02
2 days per week	\$195.05
3 days per week	\$269.09
4 days per week	\$343.06
5 days per week	\$417.02
6 days per week	\$490.91
3 Cubic Yard Mixed Waste Bin	
1 day per week	\$205.51
2 days per week	\$291.09
3 days per week	\$376.70
4 days per week	\$463.41
5 days per week	\$536.15
6 days per week	\$621.72

MAXIMUM RATES EFFECTIVE APRIL 1, 2021

4 Cubic Yard Mixed Waste Bin	
1 day per week	\$238.25
2 days per week	\$358.97
3 days per week	\$479.68
4 days per week	\$600.38
5 days per week	\$721.08
6 days per week	\$841.80
2 Cubic Yard Recycling Bin	
1 day per week	\$78.66
2 days per week	\$126.78
3 days per week	\$174.91
4 days per week	\$222.99
5 days per week	\$271.06
6 days per week	\$319.09
3 Cubic Yard Recycling Bin	
1 day per week	\$133.58
2 days per week	\$189.21
3 days per week	\$244.86
4 days per week	\$301.22
5 days per week	\$348.50
6 days per week	\$404.12
Organic Waste Service	
Monthly Rate	
65 Gallon Organics Cart	
1 day per week	\$48.41
2 days per week	\$78.02
3 days per week	\$107.64
4 days per week	\$137.23
5 days per week	\$166.81
6 days per week	\$196.37
2 Cubic Yard Organics Bin	
1 day per week	\$96.82
2 days per week	\$156.04
3 days per week	\$215.27
4 days per week	\$274.45
5 days per week	\$333.61
6 days per week	\$392.73
90 Gallon Multi-Family Green Waste Cart	
1 day per week	\$48.41
2 days per week	\$78.02
3 days per week	\$107.64
4 days per week	\$137.23
5 days per week	\$166.81
6 days per week	\$196.37

MAXIMUM RATES EFFECTIVE APRIL 1, 2021

3 Cubic Yard Multi-Family Green Waste Bin	
1 day per week	\$164.41
2 days per week	\$232.87
3 days per week	\$301.36
4 days per week	\$370.73
5 days per week	\$428.92
6 days per week	\$497.38

4 Cubic Yard Multi-Family Green Waste Bin	
1 day per week	\$190.60
2 days per week	\$287.17
3 days per week	\$383.75
4 days per week	\$480.31
5 days per week	\$576.87
6 days per week	\$673.44

Other Commercial Service	Monthly Rate
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Scout Vehicle Service	
1 day per week	\$13.67
2 days per week	\$27.33
3 days per week	\$41.01
4 days per week	\$60.74
5 days per week	\$80.50
6 days per week	\$100.25

Locked Container Surcharge	
1 day per week	\$17.10
2 days per week	\$34.18
3 days per week	\$51.29
4 days per week	\$68.34
5 days per week	\$85.44
6 days per week	\$100.60

1 Cubic Yard Manure Bin	
1 day per week	\$98.84
2 days per week	\$154.11
3 days per week	\$209.30
4 days per week	\$264.56
5 days per week	\$319.81
6 days per week	\$375.00

2 Cubic Yard Manure Bin	
1 day per week	\$105.63
2 days per week	\$167.69
3 days per week	\$229.69
4 days per week	\$291.73
5 days per week	\$353.79
6 days per week	\$415.77

MAXIMUM RATES EFFECTIVE APRIL 1, 2021

Other Commercial Service - continued	Monthly Rate
3 Cubic Yard Manure Bin	
1 day per week	\$165.71
2 days per week	\$234.53
3 days per week	\$303.35
4 days per week	\$372.18
5 days per week	\$441.03
6 days per week	\$509.83
	Rate
Commercial Bulky per item	\$34.17
Bin Cleaning	\$59.78
Replacement Key	\$11.93
Temporary Bin	\$109.41
Additional Day	\$13.67
Trip Charge/False Run	\$47.61
Roll-off Box Service	Rate
Standard Roll-off Pull Rate	\$186.65
Compactor Roll-off Pull Rate	\$233.40
Processing per ton:	
C&D Inerts	\$18.93
Mixed Waste	\$71.92
Green Waste	\$47.29
Organics Processing	\$110.79
Additional Day	\$12.60
Relocation	\$94.45
Trip Fee	\$94.35

EXHIBIT 1B

FRANCHISE FEE RATE SCHEDULE

TYPE OF SERVICE	TRIP FREQUENCY	YEAR 1	YEAR 2	YEAR 3
<u>RESIDENTIAL - CART SERVICE</u>				
STANDARD	1 X WEEK	\$2.50	\$2.56	\$2.61
LOW INCOME	1 X WEEK	\$1.88	\$1.92	\$1.96
SENIOR (LOW GENERATOR)	1 X WEEK	\$2.25	\$2.30	\$2.35
EXTRA REFUSE CART	1 X WEEK	\$1.13	\$1.15	\$1.18
EXTRA RECYCLE CART	1 X WEEK	\$0.47	\$0.48	\$0.49
EXTRA GREEN CART	1 X WEEK	\$0.47	\$0.48	\$0.49
ORGANICS FOOD SCRAP COLLECTION	1 X WEEK	\$0.37	\$0.38	\$0.39
<u>COMMERCIAL - CART SERVICE</u>				
64 OR 96 GALLON		\$6.89	\$7.04	\$7.20
64 OR 96 GALLON RECYCLING	1 X WEEK	\$4.33	\$4.43	\$4.52
	2 X WEEK	\$6.97	\$7.12	\$7.28
	3 X WEEK	\$9.62	\$9.83	\$10.05
	4 X WEEK	\$12.27	\$12.54	\$12.82
	5 X WEEK	\$14.91	\$15.24	\$15.57
	6 X WEEK	\$17.55	\$17.94	\$18.33
<u>COMMERCIAL - BIN SERVICE</u>				
1 CUBIC YARD BIN	1 X WEEK	\$12.04	\$12.30	\$12.58
	2 X WEEK	\$18.90	\$19.32	\$19.74
	3 X WEEK	\$25.24	\$25.80	\$26.36
	4 X WEEK	\$32.62	\$33.34	\$34.07
	5 X WEEK	\$39.48	\$40.35	\$41.24
	6 X WEEK	\$46.34	\$47.36	\$48.40
2 CUBIC YARD BIN	1 X WEEK	\$13.31	\$13.60	\$13.90
	2 X WEEK	\$21.46	\$21.93	\$22.41
	3 X WEEK	\$29.60	\$30.25	\$30.92
	4 X WEEK	\$37.74	\$38.57	\$39.42
	5 X WEEK	\$45.87	\$46.88	\$47.91
	6 X WEEK	\$54.00	\$55.19	\$56.40
2 CUBIC YARD (RECYCLE)	1 X WEEK	\$8.65	\$8.84	\$9.03
	2 X WEEK	\$13.95	\$14.26	\$14.57
	3 X WEEK	\$19.24	\$19.66	\$20.10
	4 X WEEK	\$24.53	\$25.07	\$25.62
	5 X WEEK	\$29.82	\$30.48	\$31.15
	6 X WEEK	\$35.10	\$35.87	\$36.66
3 CUBIC YARD BIN	1 X WEEK	\$22.61	\$23.11	\$23.62
	2 X WEEK	\$32.02	\$32.72	\$33.44
	3 X WEEK	\$41.44	\$42.35	\$43.28
	4 X WEEK	\$50.98	\$52.10	\$53.25
	5 X WEEK	\$58.98	\$60.28	\$61.60
	6 X WEEK	\$68.39	\$69.89	\$71.43

TYPE OF SERVICE	TRIP FREQUENCY	FRANCHISE FEE		
		YEAR 1	YEAR 2	YEAR 3
3 CUBIC YARD (RECYCLE)	1 X WEEK	\$14.69	\$15.01	\$15.34
	2 X WEEK	\$20.81	\$21.27	\$21.74
	3 X WEEK	\$26.93	\$27.52	\$28.13
	4 X WEEK	\$33.13	\$33.86	\$34.60
	5 X WEEK	\$38.34	\$39.18	\$40.05
	6 X WEEK	\$44.45	\$45.43	\$46.43
4 CUBIC YARD BIN	1 X WEEK	\$26.21	\$26.79	\$27.38
	2 X WEEK	\$39.49	\$40.36	\$41.25
	3 X WEEK	\$52.76	\$53.92	\$55.11
	4 X WEEK	\$66.04	\$67.49	\$68.98
	5 X WEEK	\$79.32	\$81.07	\$82.85
	6 X WEEK	\$92.60	\$94.64	\$96.72
4 CUBIC YARD (RECYCLE)	1 X WEEK	\$17.03	\$17.40	\$17.79
	2 X WEEK	\$25.67	\$26.23	\$26.81
	3 X WEEK	\$34.30	\$35.05	\$35.83
	4 X WEEK	\$42.93	\$43.87	\$44.84
	5 X WEEK	\$51.56	\$52.69	\$53.85
	6 X WEEK	\$60.19	\$61.51	\$62.87
<u>FOOD SCRAP COLLECTION</u>				
65 GALLON ORGANICS	1 X WEEK	\$5.33	\$5.45	\$5.57
	2 X WEEK	\$8.58	\$8.77	\$8.96
	3 X WEEK	\$11.84	\$12.10	\$12.37
	4 X WEEK	\$15.10	\$15.43	\$15.77
	5 X WEEK	\$18.35	\$18.75	\$19.17
	6 X WEEK	\$21.60	\$22.08	\$22.56
2 CUBIC YARD ORGANICS	1 X WEEK	\$10.65	\$10.88	\$11.12
	2 X WEEK	\$17.16	\$17.54	\$17.92
	3 X WEEK	\$23.68	\$24.20	\$24.73
	4 X WEEK	\$30.19	\$30.85	\$31.53
	5 X WEEK	\$36.70	\$37.51	\$38.33
	6 X WEEK	\$43.20	\$44.15	\$45.12
<u>MULTI-FAMILY GREEN WASTE</u>				
90 GALLON GREEN WASTE	1 X WEEK	\$5.33	\$5.45	\$5.57
	2 X WEEK	\$8.58	\$8.77	\$8.96
	3 X WEEK	\$11.84	\$12.10	\$12.37
	4 X WEEK	\$15.10	\$15.43	\$15.77
	5 X WEEK	\$18.35	\$18.75	\$19.17
	6 X WEEK	\$21.60	\$22.08	\$22.56
3 CUBIC YARD GREEN WASTE	1 X WEEK	\$18.09	\$18.49	\$18.89
	2 X WEEK	\$25.62	\$26.18	\$26.76
	3 X WEEK	\$33.15	\$33.88	\$34.62
	4 X WEEK	\$40.78	\$41.68	\$42.59
	5 X WEEK	\$47.18	\$48.22	\$49.28
	6 X WEEK	\$54.71	\$55.91	\$57.14
4 CUBIC YARD GREEN WASTE	1 X WEEK	\$20.97	\$21.43	\$21.90
	2 X WEEK	\$31.59	\$32.28	\$33.00
	3 X WEEK	\$42.21	\$43.14	\$44.09
	4 X WEEK	\$52.83	\$53.99	\$55.18
	5 X WEEK	\$63.46	\$64.86	\$66.28
	6 X WEEK	\$74.08	\$75.71	\$77.38

TYPE OF SERVICE	TRIP FREQUENCY	FRANCHISE FEE		
		YEAR 1	YEAR 2	YEAR 3
<u>MANURE SERVICE</u>				
1 YARD BIN	1 X WEEK	\$10.87	\$11.11	\$11.35
	2 X WEEK	\$16.95	\$17.32	\$17.70
	3 X WEEK	\$23.02	\$23.53	\$24.04
	4 X WEEK	\$29.10	\$29.74	\$30.39
	5 X WEEK	\$35.18	\$35.95	\$36.74
	6 X WEEK	\$41.25	\$42.16	\$43.08
2 YARD BIN	1 X WEEK	\$11.62	\$11.88	\$12.14
	2 X WEEK	\$18.45	\$18.86	\$19.27
	3 X WEEK	\$25.27	\$25.83	\$26.39
	4 X WEEK	\$32.09	\$32.80	\$33.52
	5 X WEEK	\$38.92	\$39.78	\$40.65
	6 X WEEK	\$45.73	\$46.74	\$47.76
3 YARD BIN	1 X WEEK	\$18.23	\$18.63	\$19.04
	2 X WEEK	\$25.80	\$26.37	\$26.95
	3 X WEEK	\$33.37	\$34.10	\$34.85
	4 X WEEK	\$40.94	\$41.84	\$42.76
	5 X WEEK	\$48.51	\$49.58	\$50.67
	6 X WEEK	\$56.08	\$57.31	\$58.57
<u>ROLLOFF SERVICES</u>				
STANDARD (10', 20' OR 40')	PER HAUL	\$20.53	\$20.98	\$21.44
COMPACTOR	PER HAUL	\$25.67	\$26.23	\$26.81
C&D INERT	PER TON	\$2.08	\$2.13	\$2.17
MIXED WASTE	PER TON	\$7.91	\$8.08	\$8.26
GREEN WASTE	PER TON	\$5.20	\$5.31	\$5.43
ORGANICS PROCESSING	PER TON	\$12.19	\$12.46	\$12.73