

FRANCHISE AGREEMENT
BETWEEN
HOLLISTER, SAN JUAN BAUTISTA AND THE COUNTY OF SAN BENITO,
RESPECTIVELY
AND
RECOLOGY SOUTH VALLEY DBA RECOLOGY SAN BENITO COUNTY
FOR
RECYCLABLES, ORGANICS, AND SOLID WASTE COLLECTION
SERVICES

NOVEMBER 1, 2018

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FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT is made and entered into as of November 1, 2018, between the City of Hollister, the City of San Juan Bautista and the County of San Benito, (hereinafter referred to collectively as the "RA Members" or individually as "RA Member"), and (Recology South Valley dba Recology San Benito County), (hereinafter referred to as the "Contractor").

The text of this AGREEMENT constitutes three separate Agreements entered into between (1) the Contractor named on the signature page of this Agreement and (2) each of the following public entities, which are the members of the San Benito County Integrated Waste Management Regional Agency: City of Hollister, California, City of San Juan Bautista, California, and County of San Benito, California.

RECITALS

This Agreement is entered into with reference to the following facts and circumstances (Unless otherwise defined, capitalized terms shall have the meanings set forth in Attachment A):

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

WHEREAS; the State of California has found and declared that the amount of refuse generated in California, coupled with diminishing Disposal capacity and potential adverse environmental impacts from landfilling and the need to conserve natural resources, have created an urgent need for State and local agencies to enact and implement an aggressive integrated waste management program. The State has, through enactment of the Act and subsequent related legislation including, but not limited to AB 341, the AB 1826, (AB 2176, and SB 1016 (Chapter 343, Statutes of 2008 [Wiggins, SB 1016])), directed the responsible State agency, and all local agencies, to promote Diversion and to maximize the use of feasible waste reduction, reuse, Recycling, and Composting options in order to reduce the amount of refuse that must be Disposed;

WHEREAS; the State of California has also authorized cities and counties to become regional agencies for purposes of complying with AB 939. The RA Members united as a single San Benito County Integrated Waste Management Agency (the "Regional Agency") and entered into a Joint Powers Integrated Waste Management Agreement (the "JP IWM Agreement") that provides, among other matters, for the Regional Agency to:

- Reduce the amount of solid waste disposed of in permitted disposal facilities
- Compile information from each RA Member for required AB 939 reports
- Manage landfill operations which recover materials from the waste stream for diversion into the recycling market
- Determine diversion as though the RA Members were one entity.

36 **WHEREAS;** as of the date each RA Member signs this Agreement, it intends that San Benito County,
37 which administers the JP IWM Agreement, will administer this Agreement, although each RA Member
38 has a right to subsequently designate an alternative person to administer this Agreement for its agency.

39 **WHEREAS;** pursuant to California Public Resources Code Section 40059(a)(2), the RA Members have
40 determined that the public health, safety, and well-being require that an exclusive right be awarded to a
41 qualified Contractor to provide for the Collection of Solid Waste, Recyclable Materials, and Organic
42 Materials, and other services related to meeting the RA Members and Regional Agency's integrated
43 waste management goals;

44 **WHEREAS;** the RA Members further declare their intent to approve and maintain reasonable rates for
45 the Collection, Recycling, Processing, Composting, and/or Disposal of Solid Waste, Recyclable Materials,
46 and Organic Materials; and,

47 **WHEREAS;** the RA Members desire, having determined that Contractor, by demonstrated experience,
48 reputation and capacity is qualified to provide for both the Collection of Solid Waste, Recyclables
49 Materials, and Organic Materials within the service area of the Regional Agency and the Transportation
50 of such material to appropriate places of Processing, Recycling, Composting, and/or Disposal, that
51 Contractor be engaged to perform such services on the basis set forth in this Agreement.

52 **WHEREAS;** the RA Members and Contractor have attempted to address conditions affecting their
53 performance of services under this Agreement but recognize that reasonably unanticipated conditions
54 may occur during the term of this Agreement that will require the parties to meet and confer to
55 reasonably respond to such changed conditions;

56 **NOW, THEREFORE,** in consideration of the mutual promises, covenants, and conditions contained in this
57 Agreement and for other good and valuable consideration, the Parties agree as follows:

58 **ARTICLE 1: DEFINITIONS**

59 **1.1 DEFINITIONS**

60 Unless defined elsewhere in this Agreement, capitalized terms used in this Agreement shall have the
61 meanings set forth in the definitions contained in Attachment A. The definitions set forth in Attachment
62 A shall govern the interpretation of this Agreement.

ARTICLE 2: REPRESENTATIONS AND WARRANTIES

The Parties, by acceptance of this Agreement, represent and warrant the conditions presented in this Article.

2.1 CONTRACTOR'S CORPORATE STATUS

Contractor is a corporation duly organized, validly existing and in good standing under the laws of the State of California. It is qualified to transact business in 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.

2.2 CONTRACTOR'S CORPORATE AUTHORIZATION

Contractor has the authority to enter this Agreement and perform its obligations under this Agreement. The Board of Directors of Contractor (or the shareholders, if necessary) has taken all actions required by law, its articles of incorporation, its bylaws, or otherwise, to authorize the execution of this Agreement. The Person signing this Agreement on behalf of Contractor represents and warrants that they have authority to do so, as confirmed by the Corporate Secretary's Certificate in Attachment M. This Agreement constitutes the legal, valid, and binding obligation of the Contractor.

2.3 AGREEMENT WILL NOT CAUSE BREACH

To the best of Contractor's and RA Members' knowledge after reasonable investigation, the execution or delivery of this Agreement or the performance by either Party of their obligations hereunder does not conflict with, violate, or result in a breach: (i) of any Applicable Law; or, (ii) any term or condition of any judgment, order, or decree of any court, administrative agency or other governmental authority, or any agreement or instrument to which Contractor or any RA Member is a party or by which Contractor or any of its properties or assets are bound, or constitutes a default hereunder.

2.4 NO LITIGATION

To the best of Contractor's and RA Members' knowledge after reasonable investigation, there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental authority, commission, board, agency or instrumentality decided, pending or threatened against any Party wherein an unfavorable decision, ruling or finding, in any single case or in the aggregate, would:

- Materially adversely affect the performance by Party of its obligations hereunder;
- Adversely affect the validity or enforceability of this Agreement; or,
- Have a material adverse effect on the financial condition of Contractor, or any surety or entity guaranteeing Contractor's performance under this Agreement.

2.5 NO ADVERSE JUDICIAL DECISIONS

To the best of Contractor's and RA Member's knowledge after reasonable investigation, there is no judicial decision that would prohibit this Agreement or subject this Agreement to legal challenge.

2.6 NO LEGAL PROHIBITION

To the best of each Party's knowledge, after reasonable investigation, there is no Applicable Law in effect on the date that Party signed this Agreement that would prohibit the performance of either their obligations under this Agreement and the transactions contemplated hereby.

2.7 CONTRACTOR'S ABILITY TO PERFORM

Contractor possesses the business, professional, and technical expertise to perform all services, obligations, and duties as described in and required by this Agreement including all attachments thereto. Contractor possesses the ability to secure equipment, facility, and employee resources required to perform its obligations under this Agreement.

2.8 CONTRACTOR'S INVESTIGATION

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

2.9 STATEMENTS AND INFORMATION IN PROPOSAL

The Contractor's Proposal and supplementary information submitted by Contractor to the RA Members for the work to be performed by Contractor under the Agreement do not contain any untrue statement of a material fact nor omit any material facts relevant to the ability of Contractor to perform the work under the Agreement.

ARTICLE 3: GRANT AND ACCEPTANCE OF FRANCHISE

3.1 GRANT AND ACCEPTANCE OF FRANCHISE

By the signing of this Agreement, RA Members grant to Contractor and Contractor accepts an exclusive franchise within the Regional Agency Service Area. The franchise granted to Contractor shall be for the scope of services described in Article 5 and Attachment B of this Agreement, subject to the limitations described in Section 3.2 and except where otherwise precluded by Federal, State, and local laws and regulations.

3.2 LIMITATIONS TO THE FRANCHISE

The award of this Agreement shall not preclude the categories of Solid Waste, Recyclable Materials, Construction and Demolition Debris (C&D) and Organic Materials listed below from being delivered to and Collected and transported by others provided that nothing in this Agreement is intended to or shall be construed to excuse any Person from obtaining any authorization from RA Members which is otherwise required by law:

- A. Recyclable and Organic Materials.** Other Persons shall maintain the right to accept Source Separated Recyclable Materials and Source Separated Organic Materials provided that such Person paid the service recipient for materials, so long as there is no net payment of any type made by the service recipient to such other Person including, without limitation, for rental of collection or storage containers, loading or transporting of materials, and/or Disposal;
- B. Self-Hauled Materials.** A Commercial business Owner or resident of a Residential Property may Dispose of Solid Waste, Recyclable Materials, and Compostable Materials generated in or on their own Premises with their own vehicle;
- C. Donated Materials.** Any items which Source Separated at any Premises by the Generator are and donated to youth, civic, or charitable organizations;
- D. Beverage Containers.** Containers delivered for Recycling under the California Beverage Container Recycling and Litter Reduction Act, Section 14500, et seq. California Public Resources Code;
- E. Materials Removed by Customer's Contractor as Incidental Part of Services.** Solid Waste, Recyclable Materials, Compostable Materials, and/or C&D removed from a Premise by a contractor (e.g., gardener, landscaper, tree-trimming service, construction contractor, Residential clean-out service) using contractor's own vehicle, equipment, and employee(s)

148 as an incidental part of the total service offered by that contractor, rather than as a
149 hauling service;

150 **F. Source Separated E-Waste and Source Separated Universal Waste.** Discarded electronic
151 equipment and Universal Waste including, but not limited to, televisions, computer
152 monitors, central processing units (CPUs), laptop computers, computer peripherals
153 (including external hard drives, keyboards, scanners, and mice), printers, copiers, facsimile
154 machines, radios, stereos, stereo speakers, VCRs, DVDs, camcorders, microwaves,
155 telephones, cellular telephones, and other electronic devices.

156 "Universal Waste" means all wastes defined by Title 22, Subsections 66273.1 through
157 66273.9 of the California Code of Regulations or successor regulations. These include, but
158 are not limited to, Household Batteries, fluorescent light bulbs, mercury switches, and E-
159 Waste;

160 **G. Animal, Grease Waste, and Used Cooking Oil.** Animal waste and remains from
161 slaughterhouse or butcher shops, grease, or used cooking oil;

162 **H. Sewage Treatment By-Product.** By-products of sewage treatment, including sludge,
163 sludge ash, grit, and screenings;

164 **I. Excluded Waste.** Excluded Waste regardless of its source and as defined in Attachment A;

165 **J. Materials Generated by State, County, and Federal Facilities.** Materials generated by
166 State, and Federal facilities located in the Service Area provided that the Generator has
167 arranged services with other Persons or has arranged services with the Contractor
168 through a separate agreement;

169 **K. Other Recyclables.** Collection and processing of any recyclable materials not specifically
170 included in the definition of Recyclables;

171 **L. C&D.** C&D loads hauled by any Person or company licensed, permitted, franchised or
172 otherwise authorized by the RA Member to perform such activity. Such C&D loads shall
173 also be source separated and not include more than ten (10) percent by weight or volume
174 of solid waste; and

175 **M. Drop Box Service for Disposal.** A Commercial business Owner or resident of a Residential
176 Property may utilize the services of any non-franchise hauler for Drop Box service for the
177 Disposal of Solid Waste.

178 Contractor acknowledges and agrees that RA Members may permit other Persons besides the
179 Contractor to Collect any and all types of materials excluded from the scope of this Franchise, as set
180 forth above, without seeking or obtaining approval of Contractor. If Contractor can produce evidence
181 that other Persons are servicing Containers or are Collecting and Transporting Solid Waste, Recyclable

Materials, and Organic Materials (collectively "Franchised Materials") in a manner that is not consistent with this Agreement or the RA Member's Municipal Code, it shall report the location, the name and phone number of the Person or company to the Regional Agency Contract Manager along with Contractor's evidence. In such case, the Regional Agency Contract Manager may notify the Generator and Person providing service of Contractor's rights under this Agreement.

This Agreement and scope of this franchise shall be interpreted to be consistent with Applicable Law, now and during the Term of the Agreement. If future judicial interpretations of current law or new laws, regulations, or judicial interpretations limit the ability of the RA Member to lawfully contract for the scope of services in the manner and consistent with all provisions as specifically set forth herein, Contractor agrees that the scope of the Agreement will be limited to those services and materials which may be lawfully included herein and that the RA Member shall not be responsible for any lost profits or losses claimed by Contractor to arise out of limitations to the scope or provisions of the Agreement set forth herein. In such an event, it shall be the responsibility of Contractor to minimize the financial impact of such future judicial interpretations or new laws and the Contractor may meet and confer with RA Members and may petition for a Rate adjustment pursuant to Section 9.3.

3.3 OBLIGATIONS OF PARTIES

In addition to the specific performance required under the Agreement, RA Members and Contractor shall:

1. Use their reasonable commercial efforts to enforce the exclusiveness of the franchise by the Contractor's identification and documentation of violations of the Agreement and the RA Member's notification of Generators and collection companies reasonably believed to be collecting allowing others to collect Franchised Materials in a manner that is inconsistent with the terms of this Agreement.
2. Provide timely notice to one another of a perceived failure to perform any obligations under this Agreement and access to information demonstrating the Party's failure to perform.
3. Provide timely access to the Regional Agency Contract Manager and the Contractor's designated representative and complete and timely responses to requests of the other Party.
4. Provide timely notice of matters which may affect either Party's ability to perform under the Agreement.

3.4 REIMBURSEMENT OF EXECUTION OF AGREEMENT

Contractor shall pay to the County up to eighty-five thousand dollars (\$85,000) to offset County's costs, on behalf of the RA Members, in evaluating solid waste collection service currently being provided to Service Area, to develop this Agreement, and to negotiate the Agreement. County shall notify contractor of the amount requested on the commencement date which shall be paid to County within thirty (30) days.

216

ARTICLE 4: TERM OF AGREEMENT

4.1 TERM

218 The Term of this Agreement shall be from November 1, 2018, to October 31, 2028, subject to approval
219 of RA Members, unless the Agreement is extended in accordance with Section 4.2 or terminated early
220 pursuant to Section 11.2 of this Agreement.

4.2 EXTENSION OF TERM

222 The Term of this Agreement may be extended by written mutual agreement of the RA Members and
223 Contractor twice for succeeding terms of two (2) years each, provided that Contractor is in compliance
224 with all terms and conditions of this Agreement, including the Diversion requirements set forth in Article
225 5. If the RA Members wish to extend the Term, they will provide notice to Contractor at least one year
226 before expiration of the then-current Term, and Contractor will provide its response within 30 days after
227 receipt of such notice. Nothing in this Agreement shall be interpreted as requiring RA Members to
228 renew or extend this Agreement.

229

ARTICLE 5: SCOPE OF COLLECTION SERVICES

5.1 SUMMARY SCOPE OF SERVICES

231 The Contractor or its Subcontractor(s) shall be responsible for the following:

232 **A.** Collecting Solid Waste, Recyclable Materials, and Organic Materials generated by and
233 placed for Collection by Customers of Contractor's services pursuant to requirements
234 of Article 5 and Attachment B and collection areas defined below.

235 **1. Mandatory and Voluntary Collection Area.** The Cities of Hollister and San Juan Bautista
236 are Mandatory Collection Areas. The County of San Benito has mandatory, voluntary and
237 discretionary collection area more clearly defined Attachment L, County Code Title 15,
238 Chapter 15.01, Article 3, and Section 15.01.040 Solid Waste Collection and Ordinance 749
239 adopted 12/27/01.

240 **i. Mandatory Service notice.** Within 7 days after receiving notice (based on
241 Contractor's drivers' observations, information and belief or otherwise) that a
242 formerly unoccupied Premise located in a Mandatory Collection Area becomes
243 occupied or Customers residing there have changed, Contractor will give written
244 notice to the owner or occupant of that Premise that Collection is required unless
245 Contractor has already received a request for Collection Services at that Premise.

246 ii. **Mandatory Collection and exemptions.** Contractor will provide Collection at each
247 Premise located in each Mandatory Collection Area unless that Premise is
248 exempted from Collection in accordance with RA Member's respective Codes.

249 2. **Voluntary Collection Area.** Contractor will provide Collection service at each Premise
250 located in each Voluntary Collection Area to every Person that subscribes to service.

251 i. **Collection commencement.** Contractor will commence Collecting all Solid Waste
252 placed at the set-out site of a Premise located in a Voluntary Collection Area
253 within one week of the request of the Customer subscribing to Collection at the
254 Premise.

255 ii. **Collection termination.** Upon oral or written direction of a Customer, Contractor
256 will cease providing Collection immediately or at any other time specified by that
257 Customer, without penalty, and refund any pre-paid Rates in accordance with
258 Section 9.2. A Customer may terminate without cause providing they meet the
259 requirements for self-haul as previously defined in Section 3.2.

260 B. Transporting Collected materials to the appropriate Approved Facilities pursuant
261 to requirements of Article 5 and Attachment B;

262 C. Performing all other services required by this Agreement including, but not limited to,
263 Customer billing, public education, Customer service, record keeping, and reporting
264 pursuant to Articles 5 and 7 and Attachment B8 (Public Education & Outreach) and D
265 (Reporting);

266 D. Furnishing all labor, supervision, vehicles, Containers, other equipment, materials,
267 supplies, and all other items and services necessary to perform its obligations under this
268 Agreement;

269 E. Paying all expenses related to provision of services required by this Agreement
270 including, but not limited to, taxes, regulatory fees (including Regional Agency and RA
271 Member fees as applicable), and utilities;

272 F. Performing or providing all services necessary to fulfill its obligations in full accordance
273 with this Agreement always using best industry practice for comparable operations; and,

274 G. Complying with all Applicable Laws.

275 Contractor shall perform the work and provide the services pursuant to this Agreement in
276 a thorough and professional manner so that the residents and businesses within the
277 Regional Agency Service Area are provided reliable, courteous, and high-quality service at
278 all times. The enumeration and specification of aspects of service, labor, or equipment
279 requirements shall not relieve Contractor of the duty to perform all other tasks and

280 activities necessary to fulfill its obligations under this Agreement, regardless of whether
281 such requirements are enumerated elsewhere in the Agreement, unless excused in
282 accordance with Section 11.7.

283 Contractor shall not knowingly deliver materials collected under this Agreement to
284 facilities that do not comply in all material aspects with applicable law, including
285 CalRecycle regulations under Title 14, Chapter 3, minimum standards for solid waste
286 handling and disposal (Article 5.9 – Sections 17380-17386). Contractor, and not the RA
287 Members, must use reasonable efforts to assure that all Disposal, transfer, and Processing
288 facilities to which contractor delivers material under this Agreement are properly
289 permitted to receive material collected under this Agreement, except for any other facility
290 that the RA Members direct contractor to use. Failure to comply with this provision may
291 result in Contractor being in default under this Agreement.

292 **5.2 USE OF APPROVED FACILITIES**

293 The Contractor, without constraint and as a free-market business decision in accepting this Agreement,
294 agrees to use the Approved Facilities for the purposes of Processing and/or Disposing of all Solid Waste,
295 Recyclable Materials, Organic Materials, and other materials Collected in the Regional Agency Service
296 Area. Such decision by Contractor in no way constitutes a restraint of trade notwithstanding any
297 Change in Law regarding flow control limitations or any definition thereof.

298 **5.3 SUBCONTRACTING**

299 Contractor shall not engage any Subcontractors for Collection, Transportation, or Processing of Solid
300 Waste, Recyclable Materials, Organic Materials, or C&D services without the prior written consent of
301 Regional Agency Contract Manager. As of the Effective Date of this Agreement, the RA Members have
302 approved Contractor's use of those Subcontractors identified in Contractor's proposal, included
303 herein as Attachment F5. If the Contractor plans to engage other affiliated or related party entities in
304 the provision of services, Contractor shall provide Regional Agency Contract Manager with thirty (30)
305 days written notification of its plans and provide an explanation of any potential impacts related to the
306 quality, timeliness, or cost of providing services under this Agreement.

307 **5.4 RESPONSIBILITY FOR MATERIALS**

308 Once Solid Waste, Recyclable Materials, and Organic Materials are placed in the Contractor's Containers
309 and at the Collection location, the responsibility for their proper handling shall transfer directly
310 from the Generator to Contractor, except for Excluded Waste if the Contractor can identify the
311 Generator pursuant to Section 6.7.B. Once Solid Waste, Recyclable Materials, and Organic Materials are
312 deposited by Contractor at the appropriate Approved Facility, such materials shall become the
313 responsibility of the Owner or operator of the Approved Facility with the exception of Excluded
314 Waste pursuant to Section 6.7.C. Responsibility for Excluded Waste that has been inadvertently
315 Collected by the Contractor shall remain with the Contractor if it cannot identify the Generator, and
316 Contractor shall assume all responsibility for its proper Disposal.

317 **5.5 AGENCY-DIRECTED CHANGES TO SCOPE**

318 Any or all RA Members may meet and confer with Contractor to establish the scope of any additional
319 services or modification to existing services (which may include use of Approved Facilities) to be
320 provided under this Agreement. In such case, Contractor shall present, within thirty (30) calendar days
321 of the RA Member's request, a written proposal to provide such modified or additional services. The RA
322 Member(s) shall review the Contractor's proposal for the change in scope of services. The RA Member
323 and Contractor may meet and confer to negotiate Contractor's proposed revisions and costs and shall
324 amend this Agreement, as appropriate, to reflect the mutually agreed-upon changes in scope.

325 **5.6 SOLID WASTE**

326 Contractor shall offer and provide Solid Waste Collection services as described in Attachments B1, B2,
327 and B3.

328 Contractor acknowledges that the RA Members and Regional Agency are committed to Diverting
329 materials from Disposal through the implementation of source reduction, reuse, Recycling, Composting,
330 and other programs, and that the RA Members may implement new programs in accordance with
331 Section 5.5 that may impact the overall quantity or composition of Solid Waste to be Collected by
332 Contractor, subject to Contractor's right to petition for a Rate change pursuant to Section 9.3.

333 Contractor shall transport all Solid Waste Collected in the Regional Agency Service Area to the Approved
334 Disposal Facility. Contractor shall pay all costs associated with transporting and Disposal of Solid Waste
335 including payment of any gate fees charged at the Approved Disposal Facility. Contractor shall observe
336 and comply with all regulations and posted rules in effect at the Approved Disposal Facility and
337 cooperate with and take direction from the operator thereof with respect to delivery of Solid Waste.

338 **5.7 RECYCLABLE MATERIALS**

339 **A. Collection and Delivery.** Contractor shall provide Recyclable Materials Collection services
340 as described in Attachments B1, B2, and B3. Contractor agrees to transport and deliver all
341 Source-Separated Recyclable Materials placed by Customers in Recyclable Material
342 Containers to the Approved Recyclable Materials Processing Facility. All tipping fees
343 and other costs associated with transporting to and Processing such Recyclable Materials
344 at the Approved Recyclable Materials Processing Facility and Disposing of the residue
345 as required in Section 5.7.D below shall be paid by Contractor.

346 Contractor shall observe and comply with all regulations in effect at the Approved
347 Recyclable Materials Processing Facility and cooperate with and take direction from the
348 operator thereof with respect to delivery of Recyclable Materials. Contractor shall actively
349 work with the Approved Recyclable Materials Processing Facility operator throughout the
350 Term of this Agreement to minimize Contamination of the Recyclable Materials Collected
351 under this Agreement and delivered to the Processing facility. The contractor shall report

on a quarterly basis the average residue % of all tons shipped to and processed at the Approved Recyclable Materials Processing Facility.

B. Processing. Contractor has guaranteed sufficient capacity at its Approved Recyclable Materials Processing Facility to Process all Source Separated Recyclable Materials Collected by Contractor under this Agreement throughout the Term of the Agreement. Contractor shall have no obligation to maintain a guarantee of capacity following an RA Member-directed change in the Approved Recyclable Materials Processing facility, pursuant to Section 5.7.E.

Contractor shall keep all existing permits and approvals necessary for use of the Approved Recyclable Materials Processing Facility in full regulatory compliance. Upon request, Contractor shall provide copies of facility permits and/or notices of violations (obtained from its Processing facility Subcontractor if necessary) to Regional Agency Contract Manager.

If Contractor is unable to use the Approved Recyclable Materials Processing Facility due to an emergency or sudden unforeseen closure of the Processing Facility, Contractor may use an alternative Processing facility provided that the Contractor provides written notice to Regional Agency Contract Manager. Within forty-eight (48) hours of emergency or sudden and unforeseen closure, the Contractor shall provide a written description of the reasons the use of the Approved Recyclable Materials Processing facility is not feasible, and the period of time Contractor proposes to use the alternative Processing facility.

If the need to use the alternative Processing facility is discretionary or for reasons within Contractor's, or its Approved Recyclable Processing Facility Subcontractor's, reasonable control, Contractor's Compensation shall not be adjusted for any change in Transportation and Processing costs associated with use of the alternative Processing facility. If the need to use the alternative Processing facility results from reasons beyond Contractor's, or its Subcontractor's, reasonable control, Agency shall adjust, either up or down, Contractor's Compensation for changes in Transportation and Processing costs associated with use of the alternative Processing facility. If a change in the Processing facility results in increased costs, RA Members may identify and direct Contractor to an alternative Processing facility that results in lower costs than the Contractor-identified alternative.

Contractor may permanently change its selection of the Approved Recyclable Material Processing Facility following RA Members' written approval. If Contractor elects to use a Recyclable Materials Processing facility that is different than the Approved Recyclable Materials Processing Facility, it shall request written approval from the Agency Contract Manager sixty (60) calendar days prior to use of the site and obtain RA Members' written approval no later than ten (10) calendar days prior to use of the site.

390 **C. Marketing.** The Contractor shall be responsible for marketing Source Separated
391 Recyclable Materials Collected in Service Area that is delivered for Processing at
392 Contractor's Approved Recyclable Materials Processing facility. Contractor's marketing
393 strategy shall promote the highest and best use of materials presented in the waste
394 management hierarchy established by the Act. The Contractor shall use its best efforts in
395 marketing and promoting the sale of all Source-Separated Recyclable Materials to obtain
396 the highest prices available under prevailing conditions in the relevant market, whether
397 foreign or domestic. Where practical, the marketing strategy should include use of local,
398 regional, and domestic markets for Recyclable Materials. Contractor shall have no
399 obligation to market Recyclable Materials that have been redirected pursuant to Article
400 5.7.E.

401 **D. Residue Disposal.** Residue from the Processing of Source Separated Recyclable Materials
402 Collected under this Agreement at Contractor's Approved Recyclable Materials Processing
403 facility, which cannot be marketed, shall be Disposed of by Contractor, or the Processing
404 Facility Subcontractor at a mutually agreed upon disposal facility. Residue delivered to
405 the disposal facility shall not include any Excluded Waste.

406 **E. Agency Right to Redirect Recyclable Materials.** The RA Members may, at any time during
407 the term of this Agreement, require Contractor to deliver Recyclable Materials Collected
408 under this Agreement to an alternative Processing facility. If RA Members require such
409 change, Sections 5.7.B through 5.7.D of this Agreement shall be suspended and the
410 tipping fee used to calculate the Processing Component of the Rate (as described in Step
411 4, Attachment E1) shall be adjusted to the amount charged or paid by the RA Member
412 to Contractor for the delivery of Recyclable Materials. Contractor shall comply with such
413 direction within ten (10) Business Days of the RA Member's notice or the date specified
414 in such notice, if more than ten (10) Business Days from the date of notice.

415 **5.8 ORGANIC MATERIALS**

416 Contractor shall provide Organic Materials Collections services as described in Attachments B1, B2, and
417 B3.

418 Contractor shall Transport all Organic Materials Collected under this Agreement to the Approved
419 Organic Materials Processing facility. Contractor shall pay all tipping fees and other costs associated
420 with Transporting and Processing Organic Materials.

421 Contractor shall observe and comply with all regulations in effect at the Approved Organic Materials
422 Processing facility and cooperate with and take direction from the operator thereof with respect to
423 delivery of Organic Materials. Contractor shall actively work with the Approved Organic Materials
424 Processing facility operator throughout the Term of this Agreement to minimize Contamination of the
425 Organic Materials Collected under this Agreement and delivered to the Processing facility. The contractor

shall report on a quarterly basis the average residue % of all tons shipped to and processed at the Approved Organic Materials Processing Facility.

In no case shall Organic Materials be utilized as Alternative Daily Cover, even if allowed by Applicable Law.

5.9 BULKY ITEMS AND REUSABLE MATERIALS

Contractor shall offer Bulky Item and Reusable Materials Collection services as described in Attachments B1 and B2.

Bulky Item and Reusable Materials Collection services shall be offered to Single-Family and Multi-Family Customers pursuant to Attachment B either free of charge or for an additional charge. Contractor shall make reasonable efforts to schedule on-call Bulky Item and Reusable Materials Collections on a day that is convenient to the Customer.

Contractor may, at its sole discretion and expense, identify those Bulky Items and Reusable Materials that can be Collected by local youth, community, or other charitable organizations and arrange with such organizations to provide the Collection. Regardless of Contractor's use of such an organization, Contractor shall be responsible for ensuring that service is provided to the Customer in a professional and timely manner.

Contractor shall transport all Bulky Items or Reusable Materials Collected under this Agreement to the Approved Reusable Materials Processing facility, Pat's Place, where volunteers can sort items for resale. Any items that cannot be utilized or sold will be placed in a container provided by Recology for either recycling or disposal, as appropriate. All proceeds from the sale of the salvaged items will be given to the Community Food Bank of San Benito. Furthermore, Recology will provide a quarterly donation to Pat's Place and/or the Food Bank to help cover the cost of staff time utilized for the sorting and handling of the materials dropped off by Recology.

Contractor shall pay all costs associated with transporting and Processing Bulky Items and Reusable Materials. Contractor shall be relieved of this obligation for any items collected by a local youth, community, or other charitable organization.

Contractor shall observe and comply with all regulations in effect at the Approved Reusable Materials Processing Facility and cooperate with and take direction from the operator thereof with respect to delivery of Bulky Items and/or Reusable Materials.

5.10 RA MEMBER SERVICES

Contractor shall provide RA Members, without charge, the services set forth in this section.

A. Containers at RA Member Facilities

Contractor shall Collect, not less than weekly and more frequently as the RA Member shall determine, Solid Waste, Recyclable Materials and Organic Materials from Containers located at RA Member-owned facilities including, but not necessarily limited to, parks, municipal offices, corporation yards, parking lots, fire stations, and such other RA Member-owned properties as RA Members shall specify. Please see Attachment B5 for a listing of existing RA Member facilities. Contractor shall provide a sufficient number of suitably-sized Containers at or in the vicinity of such properties for the deposit of Discarded Materials in said Containers for Collection by Contractor. Notwithstanding the foregoing, the RA Member may, at RA Member's sole discretion, Collect and transport Solid Waste and other Discarded Materials which may accumulate on RA Member's properties, or by reason of any of RA Member's operations, to the Approved Facilities, at no direct cost to the RA Member.

B. Containers at Public Locations

Contractor shall Collect Discarded materials deposited in Public Containers for Solid Waste, Recyclable Materials and Organic Materials that are located in the RA Member service area and are listed in Attachment B6. Collection shall be performed on a schedule provided by the RA Member. Collection shall include clean-up of the area within a radius of fifteen (15) feet of each Public Container. The RA Member shall provide Contractor a service schedule and a map showing the locations of the Public Containers to be serviced by Contractor. The RA Member reserves the right to change the service schedule at any time during the term of this Agreement upon not less than thirty (30) calendar days written notice to Contractor and may add Public Containers as it deems necessary.

C. RA Member Community Events

Contractor shall Collect Solid Waste, Recyclable Materials and Organic Materials at RA Member community events listed on Attachment B7. The RA Member shall notify Contractor of the dates and locations for the event at least thirty (30) days prior to each event. Community event services include:

- 1. Event Collection Stations.** At each event collection station, Contractor shall provide a separate receptacle for each of Solid Waste, Recyclable Materials, and Organic Materials, as appropriate. Contractor shall provide a sufficient number of event collection stations of sufficient capacity to meet the needs of the event as determined by Contractor in cooperation with the event organizer.
- 2. Collection Station Monitors.** Contractor shall ensure that collection station monitors service event collection stations and educate event attendees about what materials are acceptable in each event collection station receptacle. Contractor shall staff the event with a sufficient number of employees or volunteers to ensure that event collection stations are serviced frequently enough to prevent overflow and litter.

495 **3. Containers.** Contractor shall provide Containers for the aggregation of material removed
496 from event collection stations during the event. Contractor shall provide Containers in
497 sufficient number of appropriate type(s) for the needs of the event as determined by
498 Contractor in cooperation with the event organizer. Contractor shall service Containers, as
499 agreed-upon with the event organizer, and deliver Collected materials to the appropriate
500 Approved Facility for Processing and/or Disposal.

501 **4. Public Education Booth.** Upon request of either the RA Member or the event organizer,
502 Contractor shall staff a booth or exhibit at the event for educating the public about the
503 services and programs provided by Contractor under this Agreement and the benefits of
504 source reduction, reuse, Recycling, and Composting.

505 **5. Reporting.** Within fourteen (14) calendar days of the end of the event, Contractor shall
506 submit a report to the Regional Agency Contract Manager and event organizer. The report
507 should include, at a minimum: the number of event collection stations deployed at the
508 event, the number of collection station monitors, the tonnage of each material type (i.e.,
509 solid waste, recyclable materials, and organic materials) collected, and a description of the
510 public education provided at the event.

511 Contractor may, at its sole discretion and expense, coordinate with local youth,
512 community, or charitable organizations to provide some or all the required services.
513 Regardless of Contractor's use of such an organization, Contractor shall be responsible for
514 ensuring that service is provided to the Customer in a professional and timely manner
515 consistent with the terms of this Agreement.

516 For community events which are not hosted or primarily funded by the RA Member,
517 Contractor shall provide the above-described community event services at the request of
518 the event organizer and may negotiate the charges for such services with the event
519 organizer based on the specific needs of the event.

520 **D. Free Compost**

521 Upon RA Member request and up to three (3) times each year for each RA Member,
522 Contractor shall provide at least twenty (20) cubic yards of free Compost for use by the RA
523 Member or its residents in a Drop Box or similar Container. The RA Member shall identify
524 the time and location of each Compost drop-off. RA Members may also decide to conduct
525 joint events.

526 **E. E-Waste and Shred Event**

527 Three times each year on days selected by the RA Member and Contractor, Contractor
528 shall conduct an E-Waste and shred event where Residential Customers and the RA
529 Member may Dispose of E-Waste at no charge. Contractor shall also provide free

530 shredding and other agreed upon services at that event. The location of the event is to be
531 determined.

532 **F. Quarterly Recycle Days at John Smith Road Landfill**

533 The Regional Agency holds quarterly "Recycle Days"/Bulky Item collection events at the
534 John Smith Road Landfill. Contractor shall, upon request, reimburse the County of San
535 Benito as owner of John Smith Road Landfill a fee of \$25,000 annually beginning in year
536 one as a contribution to this event. Each year thereafter the \$25,000 shall be subject to
537 the annual consumer price adjustment described in Attachment E1.

538 **G. Public Drop Box Service**

539 **1. Special Events and Neighborhood Cleanups.** Each calendar year (prorated for partial
540 years) at the direction of each RA Member at least 2 weeks in advance, Contractor will
541 deliver to the sites designated by each RA Member:

542 (i) Up to ten (10) Drop Boxes clearly labeled "Solid Waste" for the County and City of
543 Hollister and up to five (5) Drop Boxes clearly labeled "Solid Waste" for San Juan
544 Bautista.

545 (ii) Up to ten (10) Drop Boxes clearly labeled "Recyclables" for the County and City of
546 Hollister and up to five (5) Drop Boxes clearly labeled "Recyclables" for San Juan
547 Bautista.

548 Each Drop Box must have a capacity of 40 cubic yards or other volume listed on
549 the Rate Schedule, as directed by an RA Member. Contractor will (1) Collect each
550 Solid Waste and Recyclables Drop Box Container as directed by the RA Member,
551 and (2) Divert the Solid Waste to meet the Diversion Goal specified in Section
552 5.12.C.

553 San Benito County will not charge Contractor for Disposal of Solid Waste
554 discarded in these Drop Box Containers at the John Smith Road Landfill.
555 Contractor will not charge for this service.

556 **H. Abandoned Solid Waste**

557 **1. On-call.** At oral, electronic or written direction of the Regional Agency Contract Manager,
558 each month Contractor will Collect up to five (5) Tons of Abandoned Solid Waste
559 discarded at the locations identified by an RA Member in that RA Member' s Service Area
560 without charge to the RA Members. If the Regional Agency Contract Manager contacts the
561 Contractor by noon on a weekday, Contractor will collect Abandoned Solid Waste on that
562 same day. If the Regional Agency Contract Manager calls after noon on a weekday,
563 Contractor will collect Abandoned Solid Waste by the end of the following weekday.

564 Abandoned Solid Waste tons collected above the five (5) tons per month will be paid for
565 by the RA Members.

566 **2. Contact with drivers on route.** Contractor will inform the Regional Agency Contract
567 Manager by telephone or email at the phone number or email address directed by the RA
568 Representative, of Abandoned Solid Waste observed during route collection.

569 **3. Documenting trouble spots.** Contractor will take digital photographs of Abandoned Solid
570 Waste its drivers repeatedly observe on public or private land within the Regional Agency
571 Service Area not placed in Containers. Contractor will label those photographs to indicate
572 the place, date and time they were taken.

573 **4. Litter clean-up.** Contractor will clean up litter within a 10-foot radius of each Abandoned
574 Solid Waste Collection site.

575 **5. Diversion.** Contractor will use reasonable business efforts to Divert the Abandoned Solid
576 Waste that it collects in accordance with the Bulky Items Diversion Program.

577 **5.11 PUBLIC EDUCATION AND OUTREACH**

578 The public education and outreach activities included in the scope of services provided by Contractor
579 under this Agreement are described in Attachment B8.

580 **A. Program Objectives**

581 Contractor's public education and outreach strategy shall focus on improving Customer
582 understanding of the benefits of and opportunities for source reduction, reuse, Recycling,
583 and Composting. In general, Contractor-provided public education and outreach should:
584 (i) inform Customers about the services that are provided under this Agreement with
585 specific focus on describing the methods and benefits of source reduction, reuse,
586 Recycling, and Composting; (ii) instruct Customers on the proper method for placing
587 materials in Containers for Collection and setting Containers out for Collection with
588 specific focus on minimizing contamination of Recyclable and Organic Materials; and, (iii)
589 clearly define the Excluded Waste and educate Customers about the hazards of such
590 materials and their opportunities for proper handling.

591 **B. Coordination with Regional Agency and RA Members' Educational Efforts**

592 Contractor acknowledges that they are part of a multi-party effort to operate and educate
593 the public about the regional integrated waste management system. Contractor shall
594 cooperate and coordinate with the Regional Agency Contract Manager, and RA Members
595 as applicable, to minimize duplicative, inconsistent, or inappropriately timed education
596 campaigns. Contractor is aware that the Regional Agency is responsible for regional public
597 education and outreach for schools, self-hauled waste, and home Composting. Contractor

shall not engage in public education and outreach around these subjects without coordination with and approval of the Regional Agency Contract Manager or RA Member as applicable.

Contractor shall allow the Regional Agency Contract Manager a reasonable opportunity to review, request modifications to, and approve all public education materials including, but not limited to: print, radio, television, or internet media before publication, distribution, and/or release. Regional Agency shall have the right to request that Contractor include Regional Agency and/or RA Member identification and contact information on public education materials and approval of such requests shall not be unreasonably withheld.

5.12 DIVERSION REQUIREMENTS

A. Contractor Obligation

In awarding this Agreement, the RA Members relied on Contractor representation that Contractor will provide a level of Diversion that ensures the RA Members will be in full compliance with its State Diversion obligations, as defined as of the Effective Date by AB 939, AB 341, AB 1826 and related state laws and regulations. The RA Members' grant of exclusive services as defined in Section 3.1 is based in part on providing Contractor the means necessary to ensure the Regional Agency meets its Diversion obligations. The following Diversion requirements are intended to ensure the RA Members and Regional Agency will be in full compliance with their Diversion obligations under Applicable Law.

B. Diversion Rate

Contractor's compliance with its Diversion requirements will be measured for a given time period in terms of the tons of materials Collected by Contractor in the Regional Agency Service Area that are sold or delivered to a recycler, Composting facility or re-use facility, net of all Residue, divided by the total tons of materials Collected in the Regional Agency Service Area by Contractor in each calendar year.

C. Diversion Requirements

The Contractor's overall measured Diversion performance shall be considered acceptable if the percentage resulting from dividing: the sum of tons of Recyclable Materials, Organic Materials, and Reusable Materials which are Collected under this Agreement and delivered for Processing; by the total tons Collected by Contractor is 45% or greater in a calendar year. If the calculated percentage is more or less, Performance Incentives/Disincentives will apply as more fully described in Attachment H.

D. Compliance with Diversion Requirements

1. Regional Agency Determination of Compliance. Contractor shall provide the Diversion-related data and information defined in Section 7.3 and Attachment D as part of its scheduled reporting. The RA Members may in and at any time determine compliance with each of the above Diversion requirements, as well as ascertaining Contractor progress towards achieving the next scheduled Diversion requirement. Contractor acknowledges that RA Members may request, and Contractor shall provide in a timely manner such additional information as may reasonably be needed to ascertain Contractor's compliance with its Diversion requirements as defined in Section 5.12.C.

2. CalRecycle Notice. If at any point during the Term, CalRecycle notifies the RA Members or Regional Agency that they are not in compliance with their Diversion obligations under Applicable Law, the Parties will meet within fourteen (14) days of RA Members' request regarding Contractor's compliance with Contractor's Diversion requirements. Should Contractor be found to be in compliance with the above Diversion requirements, but there is the need to modify Contractor obligations to meet the RA Members' or Regional Agency's Diversion obligations, such modification will be considered a change in Contractor's obligations as provided in Section 5.5. The Contractor is also eligible for Performance Incentive payments per Attachment H if it exceeds the Diversion requirements.

3. Implementation of Additional Diversion Services. If the RA Members determine that Contractor has not fulfilled its good faith efforts requirements set forth in the preceding paragraph, the RA Members may direct Contractor to perform additional services (including the implementation of new diversion programs) or modify the manner in which it performs existing services, and Contractor agrees to do so at no additional charge. Pilot programs and innovative services which may entail new Collection methods and use of new or alternative Solid Waste processing and disposal technologies are included among the types of changes which the RA Members may direct.

E. Cooperation

Contractor acknowledges the RA Members' and Regional Agency's needs with respect to Diversion and will assist the RA Members and Regional Agency to identify all diversion activities in the Service Area, including diversion activities from Commercial accounts that self-haul Recyclables or utilize third-party recyclers as permitted by Section 3.2. Contractor will use good faith efforts to identify all Commercial accounts using self-haul or third-party recycling services and provide the contact information for these accounts to Regional Agency Contract Manager so that Regional Agency staff can contact these accounts to require compliance with the reporting requirements imposed by Applicable Law.

5.13 ENVIRONMENTAL ENHANCEMENTS

Contractor included in its technical proposal several programs that are included in its scope of work under this Agreement as follows:

A. Edible Garden at the Community Food Bank

Recology will work with the Food Bank's staff to plant fruit trees, vegetables, and flowers. Recology employees will help staff tend to the crops and harvest produce, which can be distributed to Food Bank customers.

The garden will be planted on a designated area of the 2,250 square feet patch of land located on the north side of the building. Recology will pay for the materials to build the garden, including the fruit trees, irrigation, vegetables, flowers and herbs, compost and soil amendments, ground cover, and stakes for trees and shrubs.

B. San Benito County Recycles! Poster Contest

The San Benito County Recycles! Poster Contest is an opportunity for students to express their creativity while reinforcing the importance of recycling. The contest will be open to all local students in public or private schools K-12 grade. Posters will contain the student's original artwork and highlight recycling, waste reduction efforts, or other environmental issues such as water or air pollution. The winning poster will be depicted on the side of the Contractor's Collection Vehicles.

C. School Assemblies and Outreach

Recology's Waste Zero Specialist will work closely with public and private schools to educate students on source reduction, reuse of materials, and participation in recycling programs. Specific programs will include:

- **School assemblies:** Recology will continue to offer environmentally-focused assemblies to local schools, with performances by the Banana Slug String Band (pictured).
- **Classroom projects:** Also tailored to grade level, these hands-on projects teach students about renewable versus non-renewable resources and encourage creative uses of everyday items to increase sustainability.
- **Educator resources:** Recology's Waste Zero Specialist will connect educators with curriculum and other resources to help continue sustainability and diversion lessons throughout the school year.

D. Emissions Reporting

After Rate Period One, upon request of RA Member or Regional Agency (but no more than once annually for all RA Members and Regional Agency combined), Contractor shall provide emissions data, a description of Contractor's carbon footprint, and a description of Contractor's activities both planned and implemented to reduce its carbon footprint for the previous Rate Period.

ARTICLE 6: REQUIREMENTS FOR OPERATIONS, EQUIPMENT AND PERSONNEL

6.1 GENERAL

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

6.2 OPERATING HOURS AND SCHEDULES

A. Hours of Collection.

Unless otherwise authorized by the Regional Agency Contract Manager, Contractor's days and hours for Collection operations shall be as follows:

1. Residential Premises. Collection from Residential Premises shall only occur between the hours of 6:00 a.m. and 6:00 p.m., Monday through Friday, except that during weeks in which a Holiday occurs, the Contractor may provide Collection scheduled for a Friday on Saturday.

2. Commercial Premises. Collection from Commercial Premises that are two hundred (200) feet or less from Residential Premises shall only occur between the hours of 6:00 a.m. and 6:00 p.m., Monday through Friday. Collection from Commercial Premises more than two hundred (200) feet from Residential Premises shall only occur between the hours of 3:00 a.m. and 6:00 p.m., Monday through Saturday.

B. Holiday Collection Schedule.

Contractor, at its sole discretion, may choose not to provide Collection services on a Holiday. In such event, Contractor shall provide Collection services on the day following the Holiday thereby adjusting subsequent work that week; however, Customer service days shall be returned to the normal schedule within one (1) week of the Holiday. The

732 Contractor shall provide Customers notice of Holiday-related changes in Collection
733 schedules at least two weeks prior to the change.

734 **6.3 COLLECTION STANDARDS**

735 **A. Servicing Containers.**

736 Contractor shall pick up and return each Container to the location where the Container
737 was placed property for Collection. Contractor shall place the Containers upright with lids
738 properly secured.

739 Contractor, at the request of Customers, may provide special services including: (i)
740 unlocking Containers; (ii) accessing Container enclosures with a key; or, (iii) pulling or
741 pushing Containers to the Collection vehicle. Contractor may charge Customers for extra
742 services at the Rates approved by the RA Members for such services or other special
743 services as mutually agreed upon.

744 **B. Litter Abatement and Spill Prevention.**

745 Contractor shall use due care to prevent spills or leaks of material placed for Collection,
746 Used Motor Oil, fuel, and fluids while providing services under this Agreement. If any
747 materials are spilled or leaked during Collection and Transportation, the Contractor shall
748 clean up all spills or leaks before leaving the site of the spill and properly dispose of the
749 materials.

750 Contractor shall not transfer loads from one vehicle to another on any public street,
751 unless it is necessary to do so because of mechanical failure, hot load (combustion of
752 material in the truck), or accidental damage to a vehicle.

753 Contractor shall cover all open Drop Boxes at the pickup location before transporting
754 materials to the Approved Facility.

755 Contractor shall conduct public outreach and staff training to Customers on best
756 management practices for litter abatement at no extra charge to the RA Members when
757 no additional direct expenses are incurred by Contractor that are outside the scope of
758 the Public Education and Outreach Program as described in Attachment B8. If requested
759 outreach and staff training would result in additional direct expenses to Contractor, the
760 Regional Agency Contract Manager shall be notified. If the RA Members decide to pay
761 direct expenses, Contractor shall conduct activities for no additional charge. If the
762 Regional Agency does not agree to pay direct expenses, Contractor shall be under no
763 obligation to provide the requested services. Such best management practices include,
764 without limitation:

- 765 • Closing Container lids and right sizing service: Contractor staff will tag overfull
766 containers with “reminder stickers,” which will serve as outreach and education to the
767 Customer. Photos of the container will be taken by drivers, attached to the Customer’s
768 account, and will be available to outreach and Customer service staff to demonstrate to
769 the Customer where a problem exists.
- 770 • Outreach to Customer on importance of bagging lightweight materials such as plastic
771 bags, film plastics, foam peanuts, and other materials that can easily become litter due
772 to their lightweight nature.
- 773 • Driver training on litter reduction techniques and litter removal best management
774 practices.
- 775 • Affixing signage to the back of Contractor trucks which reads “Help us keep our
776 roadways and waterways clean. If you see litter falling out of this truck, please
777 contact 800-XXX-XXXX”.
- 778 • Collaboration with the RA Members street sweeping operators, as appropriate, to align
779 schedules with Collection schedules to have sweeping following the standard Collection
780 day.
- 781 **C. Development and Review of Collection Specifications.** Contractor shall work with each
782 RA Member to develop standard specifications for Collection Container enclosures at
783 Commercial and Multi-Family Premises. These specifications shall be developed to ensure
784 that the Collection Container enclosures are built to provide adequate space for and
785 suitable configuration to allow the Contractor to safely and efficiently service Solid Waste,
786 Recyclable Materials, and Organic Materials Containers. Contractor’s Operations
787 Manager or other appropriately qualified staff shall, upon request by the Regional
788 Agency Contract Manager or RA Members, provide a review of plans for new
789 Multi-family and Commercial development or project design drawings. Contractor shall
790 provide comments and recommendations resulting from the review in writing within ten
791 (10) days of receipt of the documents for review. In each review report, Contractor
792 shall comment on the acceptability of the proposed enclosure arrangements in terms of:
793 i) the adequacy of space for Solid Waste, Recyclable Materials, and Organic Materials
794 Containers; ii) the accessibility of the Containers for Collection including whether
795 additional charges (e.g., push/pull, etc.) would apply; and iii) ease of use by tenants.

796 **6.4 VEHICLE REQUIREMENTS**

- 797 **A. Vehicles.** Contractor shall provide a fleet of new Collection vehicles sufficient in
798 number and capacity to efficiently perform the work required by the Agreement in
799 strict accordance with its terms. Contractor shall have available sufficient back-up
800 vehicles for each type of Collection vehicle used to respond to scheduled and

801 unscheduled maintenance, service requests, complaints, and emergencies. Such
802 back-up vehicles may be used vehicles. All such vehicles shall have watertight
803 bodies designed to prevent leakage, spillage, or overflow. Hoppers shall be enclosed on
804 top and on all sides to prevent material from leaking, blowing or falling from the vehicles.
805 Each Collection vehicle shall be equipped with a shovel and broom for clean-up of spillage.
806 Collection vehicles shall never be loaded to exceed the manufacturer's recommended
807 weight limit or otherwise operated unsafely or in violation of any Applicable Law.
808 Collection vehicles shall be GPS-enabled to allow for the real-time tracking of their
809 geographical location.

810 To the extent required now or in the future by Applicable Law, Contractor shall provide its
811 Collection vehicles to be in full compliance with local, state and federal clean air
812 requirements, including, but not limited to, the California Air Resources Control Board
813 regulations, such as those regulations requiring the implementation of "Diesel Particulate
814 Matter Control Measure for On-Road Heavy-Duty Residential and Commercial Solid
815 Waste Collection Vehicle Diesel Engines" as currently codified in CCR Title 13, Section 2020
816 et seq; the Federal EPA's Highway Diesel Fuel Sulfur regulations and any other applicable
817 air pollution control laws. Contractor has inspected all applicable streets within the
818 Regional Agency Service Area and acknowledges and certifies that all vehicles can safely
819 and effectively operate within the Service Area.

820 All Collection vehicles shall operate on renewable diesel fuel and shall be fueled at a
821 facility designated by the Contractor. Specifications for such fuel are included in
822 Attachment F1.

823 **B. Vehicle Signage.** Collection vehicles shall present a clean appearance while providing
824 service under this Agreement. Contractor's name and local telephone number shall be
825 displayed on all vehicles in at least four (4) inch characters. Vehicles shall be equipped
826 with sign board holders or other hardware to allow public education signage of no less
827 than thirty-six (36) by forty-eight (48) inches to be displayed on both sides of the vehicle.

828 **C. Vehicle Maintenance.** Contractor shall inspect each vehicle daily to ensure that all
829 equipment is operating properly. Vehicles that are not operating properly shall be taken
830 out of service until they are repaired and operate properly. Contractor shall repair, or
831 arrange for the repair of, all its vehicles and equipment for which repairs are needed
832 because of accident, breakdown or any other cause to maintain all equipment in a safe
833 and operable condition. The Regional Agency Contract Manager may inspect vehicles at
834 any reasonable time, and within three (3) calendar days of such a request, to determine
835 compliance with this Agreement and sanitation requirements.

836 **D. Collection Vehicle Noise Level.** The noise level generated by Collection vehicles using
837 compaction mechanisms during the stationary compaction process shall not exceed
838 seventy-five (75) decibels at twenty-five (25) feet from the Collection vehicle measured at

an elevation of five (5) feet above ground level using the "A" scale of a standard sound level meter at slow response, or Applicable Law, whichever is more stringent.

E. Equipment Inventory. On or before the Commencement Date of this Agreement, Contractor shall provide to the Regional Agency an inventory of Collection vehicles and major equipment used by Contractor for Collection or Transportation in performance of services under this Agreement. The inventory shall indicate each Collection vehicle by identification number, DMV license number, the age of the chassis and body, type of fuel used, the type and capacity of each vehicle, the number of vehicles, the date of acquisition, the decibel rating, and the maintenance and rebuilt status. Contractor shall submit to the Regional Agency Contract Manager an updated inventory annually, or more often at the request of the RA Members. Each vehicle inventory shall be accompanied by a certification signed by Contractor that all Collection vehicles meet the requirements of this Article.

6.5 CONTAINER REQUIREMENTS

Contractor shall provide all new Carts, Bins, and Drop Boxes to all Customers as part of its services. Contractor-provided Containers shall be designed and constructed to be watertight and prevent the leakage of liquids. All Containers shall display the Contractor's name, local telephone number, and some identifying inventory or serial number. However, if a new contractor other than the current service provider is selected for the new Franchise Agreement such Contractor is encouraged to negotiate the purchase of the existing commercial Bins and Drop Boxes from the current service provider. The cost savings associated with such purchase shall be reflected in the final approved contractor rates.

In the interest of creating effective and consistent public education and outreach, Contractor shall utilize its Containers to reinforce public education messages. All Solid Waste Containers shall be black or grey in color. All Recyclable Materials Containers shall be blue in color. All Organic Materials Containers shall be green in color. Contractor's Containers shall also be labeled with a list of acceptable materials and a list of prohibited materials and such labels shall be in both English and Spanish. Specific color selection and labels shall be approved by the Regional Agency Contract Manager prior to placing the order for any new Containers.

All Containers shall be maintained in a safe, serviceable, and functional condition and present a clean appearance. Customers using Carts shall be responsible for cleaning such Carts. Contractor shall steam clean and repaint all Containers, except Carts, as requested by Customer or as deemed necessary by Contractor to present a clean appearance. If Customer requests steam cleaning more frequently than one (1) time per year, Contractor may charge the Customer at approved Rates for such service. If any Container is impacted by graffiti, Contractor shall remedy the situation within fourteen (14) calendar days of notification at no additional charge.

6.6 PERSONNEL

A. General. Contractor shall furnish such qualified drivers, mechanical, supervisory, customer service, clerical, and other personnel as may be necessary to provide the services required by this Agreement in a safe and efficient manner. Contractor shall designate at least one (1) qualified employee as the RA Members' primary point of contact with Contractor who is principally responsible for Collection operations and resolution of service requests and complaints.

Contractor shall use its best efforts to assure that all employees who interact with Customers present a neat appearance and conduct themselves in a courteous manner. Contractor shall not permit its employees to accept, demand, or solicit, directly or indirectly, any additional compensation, or gratuity from members of the public.

B. Competitive Wages and Benefits. Contractor shall provide employees with wages and benefits equaling no less than the wages and benefits included in the collective bargaining agreements in place in 2018 or at roll-out of the new collection services program.

C. Driver Qualifications. All drivers must have in effect a valid license, of the appropriate class, issued by the California Department of Motor Vehicles. Contractor shall use the Class II California Department of Motor Vehicles employer "Pull Notice Program" to monitor its drivers for safety.

D. Safety Training. Contractor shall provide suitable operational and safety training for all of its employees who operate Collection vehicles or equipment. Contractor shall train its employees involved in Collection to identify, and not to collect, Excluded Waste. Upon the Regional Agency Contract Manager's request, Contractor shall provide a copy of its safety policy and safety training program, the name of its safety officer, and the frequency of its trainings.

6.7 HAZARDOUS WASTE INSPECTION AND HANDLING

A. Inspection Program and Training. Contractor shall develop a load inspection program that includes the following components: (i) personnel and training; (ii) load checking activities; (iii) management of wastes; and, (iv) record keeping and emergency procedures.

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

B. Response to Excluded Waste Identified During Collection. If Contractor determines that material placed in any Container for Collection is Excluded Waste or presents a hazard to

Contractor's employees, the Contractor shall have the right to refuse to accept such material. The Generator shall be contacted by the Contractor and requested to arrange proper Disposal. If the Generator cannot be reached immediately, the Contractor shall, before leaving the Premises, leave a tag at least two (2) inches by six (6) inches in size, which indicates the reason for refusing to Collect the material and lists the phone number of a facility that accepts the Excluded Waste or a phone number of an entity that can provide information on proper Disposal of the Excluded Waste. Under no circumstances shall Contractor's employees knowingly Collect Excluded Waste or remove unsafe or poorly containerized Excluded Waste from a Collection Container. Prior to the Commencement Date of this Agreement, the tag that will be used to notice Customers of reason for non-Collection shall be reviewed and approved by the Regional Agency Contract Manager. If Excluded Waste is found in a Collection Container or Collection area that could possibly result in imminent danger to people or property, the Contractor shall immediately notify the Fire Department.

- C. Response to Excluded Waste Identified at Disposal or Processing Facility.** Materials Collected by Contractor will be delivered to the Approved Facilities for purposes of Processing or Disposal. In the event that load checkers and/or equipment operators at such facility identify Excluded Waste in the loads delivered by Contractor, such personnel shall remove these materials for storage in approved, on-site, Excluded Waste storage Container(s). Contractor shall arrange for removal of the Excluded Wastes at its cost by permitted haulers in accordance with Applicable Laws and regulatory requirements. The Contractor may at its sole expense attempt to identify and recover the cost of Disposal from the Generator. If the Generator can be successfully identified, the cost of this effort, as well as the cost of Disposal shall be chargeable to the Generator.

6.8 REGIONAL AGENCY CONTRACT MANAGER

RA Members have designated staff, the Regional Agency Contract Manager, to be the RA Representative for each RA Member and to be responsible for the monitoring and administration of this Agreement, except as otherwise provided in Section 12.10. Contractor shall meet and confer with the Regional Agency Contract Manager to resolve differences of interpretation and implement and execute the requirements of this Agreement in an efficient, effective, manner that is consistent with the stated objectives of this Agreement.

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

In the event of dispute between the Regional Agency Contract Manager and the Contractor regarding the interpretation of or the performance of services under this Agreement, the Regional Agency Contract Manager's determination shall be conclusive except where such determination results in a material impact to the Contractor's revenue and/or cost of operations. In the event of a dispute between the Regional Agency Contract Manager and the Contractor results in such material impact to the Contractor, Contractor may appeal the determination of the Regional Agency Contract Manager to the appropriate RA Member governing body, whose determination shall be conclusive. For the purposes of this section, "material impact" is an amount equal to or greater than one-quarter (1/4) of one (1) percent of Contractor's annual Gross Receipts under this Agreement.

Regional Agency Contract Manager or their designate shall have the right to observe and review Contractor operations and Processing facilities and enter Premises for the purposes of such observation and review, including review of Contractor's records, during reasonable hours with reasonable notice. In no event shall Contractor prevent access to such Premises for a period of more than one (1) calendar day after receiving such a request. Regional Agency Contract Manager shall have access to sections of Contractor's Customer service database which facilitates Regional Agency retrieval and reporting of Customer service data.

6.9 ENVIRONMENTALLY-PREFERRABLE PURCHASING

Contractor shall abide by their Environmentally Preferable Purchasing Policy adopted in 2018 and included as Attachment K. Contractor shall include a summary of their environmentally-preferable purchasing activities in their Annual Report to the Regional Agency and RA Members (e.g., volume of recycled content paper purchased, source reduction strategies implemented during the year and the quantified results of that strategy, etc.).

6.10 LOCAL PURCHASING PREFERENCE

Contractor shall, throughout the Term of this Agreement, give preference to purchasing materials and supplies used in connection with Agreement from local vendors within the County or State; and in that order of preference. At a minimum, Contractor shall purchase the following items from vendors within the County: vehicle supplies (e.g., fuel, fluids, tires, parts, etc.) only if the Contractor's operation and maintenance yard is located in the County; printing and publishing services for any and all public education and outreach materials; uniforms, safety clothing/equipment, and work boots; and office supplies.

ARTICLE 7: BILLING, CUSTOMER SERVICE, RECORD KEEPING, AND REPORTING

7.1 BILLING SERVICES

Contractor shall provide billing services for all Customers in the Service Area, including all Residential Properties, Multi-Family Properties and Commercial Properties. Contractor shall: (i) bill all Customers in the Service Area, including all SFDs, MFDs, and Commercial Properties at the rates permitted in this Agreement; (ii) maintain accurate billing and payment records; and (iii) bill Customers on the following schedule or as otherwise approved by the RA Members:

- Each Residential Customer shall be billed bi-monthly in arrears
- Each Multi-Family and Commercial Customer shall be billed monthly in advance

Service Recipients' bills shall be itemized showing the charges for each classification of services. The Contractor and the Regional Agency Contract Manager shall agree on the format of the invoice prior to the Contractor initiating billing services.

Customer billing shall reflect the rate arrangements described below inclusive of the fees described in Article 8. The rate schedules establish the maximum rates that may be charged.

• SFD Rate Arrangements

Member Agencies will maintain an SFD rate structure that includes an integrated fee for collection that covers solid waste, recycling, and organics. The current volume-based rate structure will be continued. Therefore, the contractor will be required to provide the residents with the container sizes they subscribe to; to service such containers; and to properly bill for the level of service requested.

• MFD and Commercial Rate Arrangements

Member Agencies will maintain a rate structure that includes an integrated fee for collection that covers solid waste and recycling. A volume-based rate structure will be used. MFD and Commercial customers will be provided the opportunity to subscribe to unlimited levels of recyclable materials collection service at no additional charge. As a result, the contractor will provide the number and sizes of recycling containers requested by the customer and service the containers as frequently as requested. In addition, Member Agencies will continue to allow open market competition for recyclable materials excluded from the Contractor's exclusive franchise pursuant to Section 3.2.

Member Agencies will establish separate, volume-based rates for organics collection services. Customers will be encouraged to voluntarily participate in organics collection, unless required to do so by state law, and will be required to pay a fee for organics collection services based on subscription levels.

1010 • **RA Members Facilities**

1011 RA Members facilities shall be provided all collection services at “no cost.” The cost of collection

1012 services provided to Member Agencies will be included in the contractor’s annual compensation

1013 and shall be paid for through the rates charged to SFD, MFD and commercial customers, at RA

1014 Members discretion.

1015 • **Special Services Charges**

1016 Contractor’s customer proposed rate schedule shall include all charges for special services,

1017 including: (1) unlocking Containers; (2) accessing Container enclosures with a key; (3) pulling or

1018 pushing Containers to a Collection Vehicle; (4) steam cleaning, except carts, Containers more

1019 frequently than one time per year as requested by the Customer; (5) additional residential solid

1020 waste cart monthly service rate; (6) additional Recyclable Materials Cart monthly rental; (7)

1021 additional Organic Materials Cart charge equivalent to 50% of the Solid Waste monthly service

1022 rate gallon equivalent; (8) additional Bulky Item Collection Event beyond two times per year; (9)

1023 assessment of “contamination fee” as more fully described in the Franchise Agreement

1024 Attachments B1 subsections 2 and 3, B2 subsections 2 and 3, and B3 subsections 2 and 3; and

1025 (10) Sunday collection surcharge for MFD and Commercial accounts.

1026 Please see Sections 6.3.A, and 6.5 and Attachments B1, B2, and B3 for more details on situations in

1027 which special service charges apply.

1028 Contractor’s website shall provide Customers with the ability to pay their bills through an electronic

1029 check or credit card and include the ability for Customer billings to be automatically charged on a

1030 recurring basis. Contractor shall promote the website- based billing and payment system on all paper bill

1031 sent to Customers. Contractor shall prepare, mail, and collect bills from Customers who decline to use

1032 such internet-based billing system. Contractor shall make arrangements to allow Customers to pay bills

1033 by cash, check, electronic check, money order, and credit card.

1034 **A. RA Member Inserts.** Each RA Member may direct Contractor to produce and insert

1035 mailers with billings relating to RA Member community events, public education and

1036 outreach activities, other environmental programs, and authorized rate increases. Each RA

1037 Member may request such mailers as frequently as the lesser of: 1) six (6) times per year

1038 or 2) the number of billing cycles for that Customer Type.

1039 **B. Delinquent Accounts.** Contractor shall be responsible for collecting delinquent charges for

1040 services it renders to customers. Contractor shall employ measures, consistent with

1041 Applicable Law regulating the collection of debts, to obtain payment of charges including

1042 use of its own employees to obtain judgments in Small Claims Court and to enforce such

1043 judgments.

1044 In the event that any account becomes more than forty-five (45) calendar days past

1045 due, Contractor shall notify such Customer of the delinquency via written correspondence

1046 and telephone contact. Should any account become more than ninety (90) calendar
1047 days past due, Contractor shall provide notice to the Customer via written
1048 correspondence, with a copy to the Regional Agency Contract Manager, that service
1049 may be discontinued if the account becomes more than one hundred twenty (120)
1050 calendar days past due. Should any account become more than one hundred twenty
1051 (120) calendar days past due, Contractor may discontinue providing service to the
1052 Customer. No less than seven (7) calendar days prior to discontinuing service to a
1053 Customer, Contractor shall notify the Regional Agency Contract Manager of the address,
1054 Service Level, service frequency, and delinquent billing amount. Contractor may withhold
1055 service from a delinquent account until past delinquencies are paid in full. Upon
1056 restoring service to a previously delinquent account, Contractor may require a deposit
1057 from the Customer not to exceed one (1) month's billings at the Customer's Service Level.

1058 **C. Billing Records.** Contractor shall keep records of all billing documents and customer
1059 account records including, but not limited to, invoices, customer payment coupons mailed
1060 with the invoice and collection notices, for a period of three (3) years after the date of
1061 receipt or issuance. Contractor may, at its option, maintain those records in electronic
1062 form, hard copy, or in any other manner, provided that the records can be preserved and
1063 retrieved for inspection and verification in a timely manner.

1064 **D. Customer Privacy.**

1065 **1. Non-Disclosure.** Contractor will not disclose to any Person other than the Regional Agency
1066 or any RA Member any information identifying an individual Customer, the composition or
1067 contents of a Customer's Solid Waste, or a Customer's trade secrets unless upon the
1068 authority of a law, or pursuant to written authorization of the Customer.

1069 **2. No marketing.** Contractor will not market or distribute mailing lists with the name or
1070 address of Customers. Contractor's obligations under this subsection are in addition to any
1071 other privacy rights accorded Customers under Applicable Law.

1072 **E. Regional Agency and RA Member Access to Billing Information.** Contractor shall provide
1073 the Regional Agency and RA Members with prompt access to all current and up-to-date
1074 billing information necessary to allow the RA Members and Regional Agency to respond to
1075 customer inquiries or complaints or as otherwise required by the Regional Agency or RA
1076 Members. At the request of the Regional Agency or RA Members, Contractor shall provide
1077 "read only" electronic access to Contractor's Customer billing and Customer service records
1078 such that the Regional Agency and RA Members employees can research billing inquiries
1079 and Customer account history or review the status of missed pick-ups, service complaints
1080 or matters subject to customer service. Contractor shall cooperate with the Regional
1081 Agency and RA Members to establish this "read only" function and shall ensure that each
1082 has access to Customer information in "real time."

7.2 CUSTOMER SERVICE

- A. Customer Service.** Contractor shall at all times be in compliance with this Section 7.2 and with the provisions of the Customer Service Plan included in Contractor's Proposal. Contractor shall revise, modify and otherwise update such Plan throughout the Term as it deems necessary, or as or as reasonably requested by the RA Members.
- B. Office Location and Hours.** Contractor will have an operation and maintenance yard located at 1351 Pacheco Pass Highway, Gilroy, CA. Contractor will provide at least one location in each RA Member's jurisdiction acceptable to the RA Representative where Customers can pay their bills in person. Contractor intends to use the following locations initially: Ace Cash Express located in Safeway in Hollister at 591 Tres Pinos Road; Windmill Market in San Juan Bautista at 301 The Alameda; and Paicines General Store located at 12261 Airline Highway in Paicines. The Contractor office shall be open from 8 am to 5 pm Monday through Friday for the public to pay their bills or get customer service assistance.
- C. Local Telephone Number and Equipment.** Contractor's principal office shall be accessible by a local (toll-free to Customers) telephone number at least during the office hours specified in Section 7.2.B and from 8:00 a.m. to noon on Saturdays. The telephone number shall be listed under Contractor's name in the local telephone directory and as appropriate on Collection vehicles and Containers. The Contractor shall have sufficient equipment in place and staff to handle the volume of calls experienced on the busiest days and such telephone equipment shall be capable of recording the responsiveness (e.g., call hold-time, abandoned calls, etc.) to calls. Recording of Contractor's responsiveness to calls shall include, at a minimum, all items included in the "Service Quality and Reliability" and "Customer Service" performance standards listed in Attachment G. An answering machine or voicemail service shall record Customer calls and voice messages between during hours the office is closed, or outside times calls are not being answered.
- D. Emergency Telephone Number.** Contractor shall maintain an emergency telephone number for use outside Contractor's office hours. The emergency telephone number shall be listed as an emergency number under Contractor's name and under the Regional Agency and RA Members in the local telephone directory. Contractor shall have a representative, or an answering service to contact such representative, available at Contractor's emergency telephone number during all hours other than Contractor's office hours.
- E. Multilingual/TDD Service.** Contractor shall at all times maintain the capability of responding to telephone calls in English, Spanish, and such other languages as the RA Members may direct, employing a service such as ATT Language Line. Contractor shall at all times maintain the capability of responding to telephone calls through

1120 Telecommunications Device for the Deaf (TDD) Services. These capabilities shall be
1121 maintained for both the local telephone number and the emergency telephone number.

1122 **F. Website.** Contractor shall develop a comprehensive website specific to the Regional
1123 Agency Service Area which fully explains and effectively promotes the Collection service
1124 options offered to its Customers. The website shall contain the full approved rate
1125 schedules as well as any other information that may be helpful to the RA Members and
1126 Customers in meeting the RA Member's and Regional Agency's Diversion goals. The
1127 website shall also allow Customers to submit inquiries, complaints and queries which shall
1128 be answered as provided for in the following paragraph.

1129 **G. Service Requests, Compliments, Complaints.** Contractor shall be responsible for the
1130 prompt and courteous attention to, and prompt and reasonable resolution of, all
1131 Customer service requests and complaints. Contractor shall record in a separate
1132 computerized log, approved as to form by Regional Agency Contract Manager, all
1133 complaints, noting the name and address of complainant, date and time of complaint,
1134 nature of complaint, and nature and date of resolution. The Contractor shall retain this
1135 complaint log for the Term plus three (3) years after its expiration or earlier termination.
1136 Upon request by the Regional Agency Contract Manager, Contractor shall compile and
1137 submit a summary statistical table of the complaint log.

1138 Contractor shall respond to all complaints received within twenty-four (24) hours,
1139 weekends and Holidays excluded. If a complaint involves a failure to Collect Solid Waste,
1140 Recyclable Materials or Organic Materials from a Premises in the Regional Agency Service
1141 Area, Contractor shall Collect the material in question within twenty-four (24) hours of
1142 receipt of the Complaint, provided that Generator has properly placed materials for
1143 Collection.

1144 The Contractor shall also maintain, at least for the first year of the Agreement, an office
1145 within San Benito County for its commercial outreach staff.

1146 **7.3 RECORD KEEPING AND REPORTING**

1147 **A. Record Keeping.**

1148 As set forth in this Article, Contractor shall submit reports to the Regional Agency and RA
1149 Members on Solid Waste Collection and Disposal, Recyclable Materials Collection,
1150 Processing and marketing, and Organic Materials Collection, Processing and marketing to
1151 assist the Regional Agency in meeting the reporting requirements of AB 939, AB 341, AB
1152 1826 and other Applicable Law.

1153 Contractor shall maintain accounting, statistical, operational, and other records related to
1154 its performance as shall be necessary to provide reporting under the Act and demonstrate
1155 compliance with this Agreement. Unless otherwise required in this Article, Contractor

1156 shall retain all records and data required to be maintained by this Agreement for the Term
1157 of this Agreement plus three (3) years after its expiration or earlier termination. Records
1158 and data shall be in chronological and organized form and readily and easily interpreted.
1159 Upon request, any such records shall be retrieved in a timely manner by Contractor and
1160 made available to the Regional Agency Contract Manager. Contractor shall maintain
1161 adequate record security to preserve records from events that can be reasonably
1162 anticipated such as a fire, theft, and an earthquake. Electronically-maintained data and
1163 records shall be protected and backed-up.

1164 **B. Report Submittal Requirements**

1165 Contractor shall submit quarterly reports within thirty (30) calendar days after the end of
1166 the calendar quarter. Contractor shall submit annual reports no later than forty-five (45)
1167 calendar days after the end of each calendar year. Quarterly and annual reports shall, at a
1168 minimum, include all data and information as described in Attachment D.

1169 Contractor may propose report formats that are responsive to the objectives and
1170 audiences for each report. The format of each report shall be approved by the Agency
1171 Contract Manager and such approval shall not be unreasonably withheld. Regional Agency
1172 Contract Manager may, from time to time during the Term, review and request changes to
1173 Contractor's report formats and content and Contractor shall not unreasonably deny such
1174 requests.

1175 Contractor shall submit (via mail and e-mail) all reports to the Regional Agency Contract
1176 Manager with a copy to the RA Members.

1177 The Regional Agency reserves the right to require Contractor to provide additional reports
1178 or documents as Agency Contract Manager reasonably determines to be required for the
1179 administration of this Agreement or compliance with Applicable Law.

1180 **7.4 INSPECTION BY REGIONAL AGENCY; PERFORMANCE REVIEWS**

1181 **A. General.** The RA Members reserve the right to inspect any and all of Contractor's facilities
1182 at any time during normal business hours, without notice, and at any other time with
1183 reasonable notice.

1184 **B. Performance Review.** The Regional Agency may conduct two performance reviews during
1185 the Term of this Agreement within 90 days of the third and sixth anniversary of the
1186 Commencement Date. The review shall examine all aspects of Contractor's performance
1187 of this Agreement and may include a performance audit pursuant to Section 7.4.C. The
1188 Contractor shall reimburse the RA Members for the reasonable costs of such performance
1189 reviews within 30 days after the RA Members' delivery of an invoice for the charges, up to
1190 a maximum for each performance review of Twenty-Five Thousand Dollars (\$25,000) in
1191 the aggregate for all RA Members and Regional Agency combined.

C. Performance Audits. Performance and service quality audits and evaluations may be conducted or caused to be conducted by the RA Members at their discretion and cost throughout the term of this Agreement. The reports required by this Agreement and the Contractor's ability or inability to achieve Diversion goals may be utilized as a basis of review. Such audits may include, but shall not be limited to analyses of both financial and qualitative performance of Contractor and Contractor's operations and compliance with the performance standards in Attachment G. If any noncompliance with the Agreement is found, the RA Members may direct the Contractor to correct the inadequacies in accordance with the terms of this Agreement. If the Contractor fails to correct the noncompliance items, said failure will be considered a default under this Agreement. Contractor shall cooperate fully with the RA Members in conducting such evaluations and audits. The Contractor's cost of cooperating with such audits and correcting any noncompliance with this Agreement shall be borne by Contractor.

ARTICLE 8: FRANCHISE FEES AND OTHER FEES

8.1 FRANCHISE FEE

In consideration of the rights provided Contractor herein, including the right to use RA Member' streets and property, Contractor shall pay franchise fees to each RA Member each quarter equal to the following percent of Gross Receipts for all services performed under this Agreement: 5% for City of Hollister, 10% for residential in San Juan Bautista and 15% for commercial, and 5% for County of San Benito.

This fee will include an amount to cover an in-lieu property tax payment of at least \$10,154 if the Contractor's operation and maintenance yard is located outside the County. This fee may be adjusted by governing body resolution.

8.2 AB 939 FEE AND OTHER STATUTORY FEES

The Contractor shall pay an AB 939/Statutory fee to each RA Member each quarter. The amount of the AB 939/Statutory fee shall be a percent of Gross Receipts as follows for all services performed under this Agreement and shall be paid in equal quarterly installments: 5% for City of Hollister, 2.5% for San Juan Bautista, and 4.5% for County of San Benito.

The amount of the AB 939/Statutory fee will be equal to or less than the costs of Regional Agency and RA Members' programs, pilot studies, education and outreach campaigns, reporting, compliance, and other activities involved in complying with AB 939 or other existing or future statutory requirements related to solid waste and recycling, such as AB 341 and AB 1826. Each RA Member will use the AB 939/Statutory fee to offset such costs.

1225 **8.3 HHW FEE**

1226 The Contractor shall pay an HHW fee to the Regional Agency each quarter. The amount of the HHW fee
1227 shall be 2.5% percent of Gross Receipts for all residential services for all RA Members performed under
1228 this Agreement. The amount of the HHW fee will be equal to or less than the costs of Household
1229 Hazardous Waste programs and facilities that benefit all Single-Family and Multi-Family Residential
1230 Customers. The Regional Agency will use the HHW fee to offset such costs. If all or a portion of this fee
1231 is incorporated into the charges imposed by Contractor on Customers, it shall only affect the charges
1232 paid by Single-Family and Multi-Family Residential Customers.

1233 **8.4 LITTER ABATEMENT FEE**

1234 As an amenity provided to RA Members as part of the good will Contractor seeks to establish with the
1235 RA Members, Contractor voluntarily agrees to pay a Litter abatement fee to each RA Member each
1236 quarter. The amount of the Litter abatement fee shall be the following percent of Gross Receipts for all
1237 services performed under this Agreement and shall be paid in equal quarterly installments: 1.5% for City
1238 of Hollister, 1% for San Juan Bautista, and 1% for County of San Benito.

1239 This fee will help reimburse the RA Member for the cost of street sweeping, and other activities related
1240 to minimizing or abating litter within the RA Member and/or complying with RA Member's National
1241 Pollutant Discharge Elimination System permit requirements regarding eliminating Solid Waste from
1242 storm water run-off.

1243 **8.5 ADJUSTMENT TO FEES**

1244 The Regional Agency and individual RA Members may set other fees or adjust the fees established in this
1245 Article from time-to-time during the Term of this Agreement and such adjustments shall be included in
1246 the adjustment of Rates as described in Attachment E.

1247 The amounts of the Franchise Fee, AB 939/Statutory Fee, HHW Fee, and Litter Abatement Fee in
1248 subsequent Rate Periods shall be adjusted annually in accordance with the adjustment method
1249 described in Attachment E or shall be the amount specified by the RA Members.

1250 **8.6 PAYMENT SCHEDULE AND LATE FEES**

1251 Within thirty (30) calendar days of the end of each calendar quarter, during the Term of this Agreement,
1252 Contractor shall remit to the Regional Agency and individual RA Members as applicable all fees as
1253 described in this Article. If such remittance is not paid to the Regional Agency and RA Members on or
1254 before the thirtieth (30th) calendar day following the end of a calendar quarter, all fees due shall be
1255 subject to a delinquency penalty of one and one-half percent (1.5%), which attaches on the first day of
1256 delinquency. The delinquency penalty shall be increased an additional one and one-half percent (1.5%)
1257 for each additional month the payment remains delinquent.

1258 Each quarterly remittance to the Regional Agency and individual RA Members shall be accompanied by a
1259 statement listing the amount of each fee paid; calculation of each fee; and, statement of Gross Receipts,

by Customer Type for the period collected from all operations conducted or permitted by this Agreement. The Regional Agency Contract Manager may, at any time during the Term, request a detailed calculation of Gross Receipts which may include, but is not necessarily limited to, the number of Customers charged at each Service Level and Rate charged for each billing period.

The Regional Agency Contract Manager may, at any time during the Term, perform an audit of Contractor's billings and payment of fees. Contractor shall cooperate with the Regional Agency Contract Manager in any such audit. Should the Regional Agency or its agent perform this review and identify billing errors or other errors in payment of fees valued at one (1) percent or more of Gross Receipts, Contractor shall, in addition to compensating the Regional Agency and individual RA Members as applicable for lost fees, reimburse the Regional Agency's cost of the review.

ARTICLE 9: CONTRACTOR'S COMPENSATION AND RATE SETTING

9.1 GENERAL

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

If Contractor's actual costs, including fees due to Agency, are more than Gross Receipts, Contractor shall not be compensated for the difference in actual costs and actual Gross Receipts. If Contractor's actual costs are less than the actual Gross Receipts, Contractor shall retain the difference provided that Contractor has paid Regional Agency and RA Member fees pursuant to Article 8.

Under this Agreement, Contractor shall have the right and obligation to charge and collect from Customers, Rates in Attachment F3 that are approved by the RA Members for provision of services to Customers. The Rates for Rate Period One are based on the Contractor's Proposal. Contractor's proposed costs and operating assumptions for Rate Period One are presented in Attachment F2.

9.2 RATES AND ANNUAL ADJUSTMENTS

A. General. The RA Members shall be responsible for approving Rates as described in this Article. If at any time during the Term of the Agreement, the Contractor determines the need for a Rate that does not appear on the RA Member-approved Rate schedule in Attachment F3, Contractor shall immediately notify the Regional Agency and RA Members

1293 and request establishment of such Rate. For example, if a Customer requires Collection of
1294 Organic Materials in a fifteen (15) cubic yard Compactor five (5) times per week and the
1295 RA Member-approved Rate schedule does not include this level of service, the
1296 Contractor must request that the RA Member approve a Rate for this level of service.

1297 **B. Rates for Rate Period One.** Rates for Rate Period One, which are presented in Attachment
1298 F3, were determined by Contractor and RA Members and were approved by RA Members
1299 resolution on or before the execution of the Agreement. The Rates for Rate Period
1300 One shall be effective from the Commencement Date of this Agreement through June
1301 30, 2019.

1302 **C. Rates for Subsequent Rate Periods.** Rates for subsequent Rate Periods shall be adjusted
1303 annually in accordance with this Section 9.2 and Attachment E.

1304 The index-based adjustment, which is described in Attachment E1, involves use of various
1305 cost adjustment factors (such as the percentage change in the consumer price index and
1306 percentage change in the Approved Facility tipping fees) to calculate adjusted Rates. Such
1307 Rate adjustment calculations shall be performed in strict conformance to the procedures
1308 described in Attachment E1.

1309 **D. Rate Structure.** The Regional Agency and RA Members and Contractor shall meet and
1310 confer to change the relationship of individual Rates in comparison with other Rates. Any
1311 such changes would occur in conjunction with the annual Rate adjustment process
1312 described in Section 9.2.C or in conjunction with a Rate adjustment resulting from an
1313 extraordinary Rate adjustment in accordance with Section 9.3. Changes to the Rates
1314 charged under the new structure shall be calculated in such a way that the revised Rate
1315 structure generates at least the same amount of total revenue when the number of
1316 accounts at each Service Level are multiplied by the Rates charged for each Service
1317 Level and the totals for all Service Levels are summed.

1318 **E. Low Income Rates.** Contractor shall offer discounted Rates to low income Customers
1319 subscribing to 20 or 32-gallon service with the Contractor. The low-income Rate shall
1320 only apply to Single-Family Customers who demonstrate participation in the PG&E
1321 "Lifeline" program or other comparable utility program offering discounts based on a low-
1322 income qualification.

1323 **9.3 EXTRAORDINARY RATE ADJUSTMENTS**

1324 It is understood that the Contractor accepts the risk for changes in cost of providing services and the
1325 Service Levels requested by Customers and therefore the extraordinary adjustments to Rates shall be
1326 limited to a Change in Law or an RA Member-directed change in scope. If a Change in Law or RA
1327 Member- directed change in scope (pursuant to Section 5.5) occurs, the Contractor may petition the RA
1328 Members for an adjustment to the Rates in excess of the annual adjustment described in Section 9.2.

Contractor shall prepare an application for the extraordinary Rate increase. Such submittal shall be prepared in compliance with the procedures described in Attachment E1 and shall provide all information requested by the Regional Agency Contract Manager specific to the nature of the request being made. Contractor shall pay all reasonable costs incurred by the RA Members, including the costs of outside accountants, attorneys, and/or consultants, in order to make a determination of the reasonableness of the requested Rate adjustment, up to a maximum for each extraordinary Rate increase request of Ten Thousand Dollars (\$10,000) in the aggregate for all RA Members and Regional Agency combined. The application shall clearly document the reason for the proposed adjustment, include calculation of the proposed Rate adjustments, and provide supporting documentation.

If Contractor provides reasonable evidence that a Change in Law or RA Member-directed change has occurred or will occur, that such change will result in an increase in Contractor's costs of performing this Agreement, and that such increased costs are reasonable, then Contractor shall be entitled to an adjustment in rates sufficient to cover such increased costs.

The Regional Agency Contract Manager shall have the right to request any other information that they, in their sole judgment, determine is necessary to establish the reasonableness or accuracy of Contractor's request for an extraordinary Rate increase. Contractor's failure to fully cooperate in a timely manner with any reasonable request for information by the Regional Agency Contract Manager may result in either the denial of or a delay in the approval of the request for an extraordinary Rate increase.

9.4 PERFORMANCE INCENTIVES AND DISINCENTIVES

Contractor shall submit an annual report on the Performance Incentives and Disincentives detailed in Attachment H with submittal of its annual reports to the Regional Agency Contract Manager and RA Members pursuant to Section 7.3B. Contractor shall pay the RA Member, or the RA Member shall pay Contractor the net amount, if any, due for Performance Incentives and Disincentives calculated pursuant to Section 11.6, and Attachment H.

ARTICLE 10: INDEMNIFICATION, INSURANCE AND PERFORMANCE BOND

10.1 INDEMNIFICATION

A. General. Contractor shall indemnify, defend with counsel acceptable to the RA Members, and hold harmless (to the full extent permitted by law) each RA Member and the Regional Agency and its officers, officials, employees, volunteers, and agents from and against any and all claims, liability, loss, injuries, damage, expense, and costs (including without limitation costs and fees of litigation, including attorneys' and expert witness fees) (collectively, "Damages") of every nature arising out of or in connection with Contractor's performance under this Agreement, or its failure to comply with any of its obligations

1363 contained in the Agreement, except to the extent such loss or damage was caused by the
1364 sole negligence or willful misconduct of an RA Member or the Regional Agency.

1365 Contractor's duty to defend and indemnify herein shall include for Damages arising from
1366 or attributable to any operations, repairs, clean-up or detoxification, or other plan
1367 (regardless of whether undertaken due to governmental action) concerning any Excluded
1368 Waste collected in the Service Area. The foregoing is intended to operate to defend and
1369 indemnify and hold harmless indemnitees to the full extent permitted for liability
1370 pursuant to 107(e) of CERCLA, 42 U.S.C. 9607(e) and California Health and Safety Code
1371 25364. In addition, Contractor's duty to defend and indemnify herein includes all fines
1372 and/or penalties imposed by the California Department of Resources Recycling and
1373 Recovery, subject to the restrictions set forth in Public Resources Code section 40059.1, if
1374 the requirements of AB 939 or AB 341 are not met by the Contractor with respect to the
1375 waste stream collected under this Agreement, and such failure is (i) due to the failure of
1376 Contractor to meet its obligations under this Agreement, or (ii) due to Contractor delays in
1377 providing information that prevents Contractor or RA Members or the Regional Agency
1378 from submitting reports required by AB 939 or AB 341 in a timely manner. The provisions
1379 of this Section shall survive the termination or expiration of this Agreement.

1380 **B. AB 939, AB 341, AB 1846 and Local Ordinance Compliance**

1381 Contractor shall perform all education, outreach, monitoring, and reporting for all
1382 Commercial and Residential, including Multi-Family, properties as required by AB 939,
1383 AB 1826, AB 341, and any RA Member or Regional Agency ordinance, solely as set out in
1384 Section 5.1, and in Attachment B. Contractor has developed, and shall implement and
1385 update as necessary a Diversion Plan as provided that, among other things supports and
1386 educates Multi-Family and Commercial Customers on both State and local requirements.
1387 Contractor shall provide all necessary reporting relating to the Regional Agency's
1388 compliance requirements pertaining to AB 939, AB 1826 and AB 341, and as it affects the
1389 County's Integrated Waste Management Plan, solely as required by Section 7.3 and
1390 Attachment D.

1391 **C. Excluded Waste.** Contractor acknowledges that it is responsible for compliance during the
1392 entire Term of this Agreement with all Applicable Laws. Contractor shall not store,
1393 transport, use, or Dispose of any Excluded Waste except in strict compliance with all
1394 Applicable Laws.

1395 In the event that Contractor negligently or willfully mishandles Excluded Waste in the
1396 course of carrying out its activities under this Agreement, Contractor shall at its sole
1397 expense promptly take all investigatory and/or remedial action reasonably required for
1398 the remediation of such environmental contamination. Prior to undertaking any
1399 investigatory or remedial action, however, Contractor shall first obtain the Regional
1400 Agency Contract Manager's approval of any proposed investigatory or remedial action.

1401 Should Contractor fail at any time to promptly take such action, the RA Members may
1402 undertake such action at Contractor's sole cost and expense, and Contractor shall
1403 reimburse the RA Members for all such expenses within thirty (30) calendar days of being
1404 billed for those expenses, and any amount not paid within that thirty (30) calendar day
1405 period shall thereafter be deemed delinquent and subject to the delinquent fee payment
1406 provision of Section 7.1. These obligations are in addition to any defense and indemnity
1407 obligations that Contractor may have under this Agreement. The provisions of this Section
1408 shall survive the termination or expiration of this Agreement.

1409 Notwithstanding the foregoing, Contractor's duties under this subsection shall not extend
1410 to any claims arising from the Disposal of Solid Waste at the Approved Disposal Facility,
1411 including, but not limited to, claims arising under Comprehensive Environmental
1412 Response, Compensation and Liability Act (CERCLA) unless such claim is a direct result of
1413 Contractor's negligence or willful misconduct or Contractor owns or operates the
1414 Approved Disposal Facility.

1415 **D. Environmental Indemnity.** Contractor shall defend, indemnify, and hold each RA Member
1416 and the Regional Agency harmless against and from any and all claims, suits, losses,
1417 penalties, damages, and liability for damages of every name, kind and description,
1418 including attorneys' fees and costs incurred, attributable to the negligence or willful
1419 misconduct of Contractor in handling Excluded Waste.

1420 **E. Related to Propositions 218 and 26.** Should there be a Change in Law or a new judicial
1421 interpretation of Applicable Law, including, but not limited to, Article XIII C and D of the
1422 California Constitution (Commonly Proposition 218 and Proposition 26), which impacts
1423 the RA Members' ability to set or change Rates for the Collection services established in
1424 accordance with this Agreement, Contractor agrees to meet and confer with the RA
1425 Members to discuss the impact of such Change in Law on either Party's ability to perform
1426 under this Agreement.

1427 The RA Members shall not be in default of this Agreement, if it is determined by a court of
1428 competent jurisdiction, that RA Members lack the authority to set Rates or increase Rates
1429 for charges related to providing Collection services under this Agreement. Should a court
1430 of competent jurisdiction determine that the Contractor cannot charge and/or increase its
1431 Rates for any charges incorporated into the Rates under this Agreement, Contractor shall
1432 reduce the Rates it charges Customers a corresponding amount, providing said fees, Rates
1433 and/or charges disallowed by the court are not related to the cost of providing service
1434 hereunder and had been incorporated in the Rates charged by Contractor to its
1435 Customers.

1436 Nothing herein is intended to imply that California Constitution, Articles XIII C or XIII D,
1437 apply to the Rates established for services provided under this Agreement; rather this

1438 Section is provided merely to allocate risk of an adverse judicial interpretation between
1439 the Parties.

1440 This provision (i.e., Section 10.1) will survive the expiration or earlier termination of this
1441 Agreement and shall not be construed as a waiver of rights by each RA Member and the
1442 Regional Agency to contribution or Indemnity from third parties.

1443 10.2 INSURANCE

1444 **A. General Requirements.** Contractor shall, at its sole cost and expense, maintain in effect
1445 always during the Term of this Agreement not less than the following coverage and limits
1446 of insurance:

1447 **B. Coverages and Requirements.** During the Term of this Agreement, Contractor shall at all
1448 times maintain, at its expense, the following coverages and requirements. The
1449 comprehensive general liability insurance shall include broad form property damage
1450 insurance.

1451 1. Minimum Coverages. Insurance coverage shall be with limits not less than the following:

1452 **Comprehensive General Liability** – \$5,000,000 combined single limit per occurrence for
1453 bodily injury, personal injury, and property damage. The general liability policy must
1454 provide contractual liability coverage for Contractor's indemnities.

1455 **Comprehensive Automobile Liability** – \$5,000,000 combined single limit per accident for
1456 bodily injury and property damage (include coverage for Hired and Non-owned vehicles).

1457 **Environmental liability/Pollution** - \$5,000,000 per occurrence covering loss (including
1458 cleanup costs) that Contractor becomes legally obligated to pay as a result of claims for
1459 bodily injury, property damage, and cleanup costs (including expenses required by
1460 environmental laws or incurred by federal, state, or local governments or third parties)
1461 resulting from pollution conditions caused by transported cargo (including waste). For the
1462 purposes of this subsection, "pollution conditions" includes the dispersal, discharge,
1463 release, or escape of any solid, liquid, gaseous, or thermal irritant or contaminant (such as
1464 smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, medical waste, and waste
1465 materials) into or upon land, any structure on land, the atmosphere, or any watercourse
1466 or body of water (including groundwater), provided the conditions are not naturally
1467 present in the environment in the amounts or concentrations discovered.

1468 The liability coverage for pollution must provide contractual liability coverage, by
1469 endorsement or schedule, if necessary, for Contractor Indemnities.

1470 **Workers' Compensation** – Statutory Limits/Employers' Liability - \$1,000,000/accident for
1471 bodily injury or disease.

1472 **Crime/Employee Dishonesty Insurance** (covering theft of money or other property of any
1473 RA Member for which Contractor is legally liable, by any employee of Contractor or any
1474 third party) - \$5,000,000 per occurrence.

1475 If Contractor fails to secure and maintain any insurance required by this Agreement, at its
1476 sole option each RA Member or the Regional Agency may secure and maintain that
1477 insurance at their expense and Contractor will pay them their RA Member's
1478 reimbursement costs therefore. This remedy is in addition to each RA Member's right to
1479 declare a Default under Section 11.1 and terminate this agreement under Section 11.2.

1480 2. Additional Insured. Each RA Member and the Regional Agency, its officers, agents,
1481 employees, and volunteers shall be named as additional insured on all but the workers'
1482 compensation and professional liability coverages.

1483 3. Said policies shall remain in force through the life of this Agreement and, with the
1484 exception of professional liability coverage, shall be payable on a "per occurrence" basis
1485 unless the Regional Agency's Risk Manager specifically consents in writing to a "claims
1486 made" basis. For all "claims made" coverage, in the event that the Contractor changes
1487 insurance carriers Contractor shall purchase "tail" coverage or otherwise provide for
1488 continuous coverage covering the Term of this Agreement and not less than three (3)
1489 years thereafter. Proof of such "tail" or other continuous coverage shall be required at
1490 any time that the Contractor changes to a new carrier prior to receipt of any payments
1491 due.

1492 4. The Contractor shall declare all aggregate limits on the coverage before commencing
1493 performance of this Agreement, and the Regional Agency's Risk Manager reserves the
1494 right to require higher aggregate limits to ensure that the coverage limits required for
1495 this Agreement as set forth above are available throughout the performance of this
1496 Agreement

1497 5. The deductibles or self-insured retentions are for the account of Contractor and shall be
1498 the sole responsibility of the Contractor.

1499 6. Each insurance policy shall provide or be endorsed to state that coverage shall not be
1500 suspended, voided, canceled by either Party, reduced in coverage or in limits except
1501 after thirty (30) calendar days prior written notice by certified mail, return receipt
1502 requested, has been given to the Regional Agency Contract Manager ten (10) Business
1503 Days for delinquent insurance premium payments).

1504 7. Insurance is to be placed with insurers with a current A.M. Best Company, Inc. rating of no
1505 less than A-VII, unless otherwise approved by the Regional Agency Risk Manager.

- 1506 8. The policies shall cover all activities of Contractor, its officers, employees, agents and
1507 volunteers arising out of or in connection with this Agreement.
- 1508 9. For any claims relating to this Agreement, the Contractor's insurance coverage shall be
1509 primary, including as respects each RA Member and the Regional Agency, its officers,
1510 agents, employees, and volunteers. Any insurance maintained by each RA Member
1511 and the Regional Agency shall apply in excess of, and not contribute with, insurance
1512 provided by Contractor's liability insurance policy.
- 1513 10. The Contractor shall waive all rights of subrogation against each RA Member and the
1514 Regional Agency, its officers, employees, agents, and volunteers.
- 1515 11. Insurance Coverage Requirements for Subcontractors. Contractor will ensure all
1516 Subcontractors performing Collection by providing evidence that either:
- 1517 (1) Contractor is maintaining insurance required by this Section covering the activities of
1518 Subcontractors, or
- 1519 (2) those Subcontractors are maintaining that insurance.
- 1520 At the RA Representative's request, Contractor will promptly provide the RA
1521 Representative with copies of evidence of Subcontractor insurance coverage within 10
1522 days of being insured and/or within 10 days of the RA Representative's request.
- 1523 **C. Evidence of Coverage.** Contractor will deliver certificates of insurance, original
1524 endorsements, schedules and other evidence of coverage as required by this agreement
1525 and/or requested by and acceptable to at the RA Representative, at the following times:
- 1526 (1) on or before the Agreement Execution Date,
- 1527 (2) promptly upon renewal of policies, and
- 1528 (3) within 10 days of the RA Representative's request.
- 1529 The certificates or endorsements are to be signed by a Person authorized by that insurer
1530 to bind coverage on its behalf. All certificates or endorsements are to be received by, and
1531 are subject to the approval of, the Regional Agency Risk Manager before work
1532 commences.
- 1533 **1. Certificates of Insurance.** Contractor will provide Certificates (or other evidence of
1534 coverage) containing at a minimum, the following information:
- 1535 (1) **Agreement name:** specifically identify this Agreement (for example, UNDER
1536 DESCRIPTION OF OPERATIONS), and if necessary to secure contractual liability coverage as

1537 an "insured contract" or otherwise, include a schedule or endorsement that specifically
1538 identifies this Agreement;

1539 (2) **Types, policy numbers, policy effective / expiration dates and limits:** clearly evidence
1540 all types and limits of coverage required under this Agreement, together with the
1541 following:

1542 - policy numbers,

1543 - effective / expiration dates, and

1544 - certificate of insurance that clearly evidences the required type of coverage (such as
1545 "pollution liability" under TYPE OF INSURANCE - OTHER) together with a summary
1546 description of its coverage (such as "pollution conditions caused by transported cargo"
1547 under SPECIAL PROVISIONS);

1548 (3) **30 days' cancellation notice:** contain the express condition that each RA Member and
1549 the Regional Agency must be given written notice by mail at least 30 days in advance of
1550 cancellation for all policies evidenced on the certificate of insurance. Endorsements
1551 cannot contain mere "best effort" modifiers or relieve the insurer from its responsibility to
1552 give that notice and the cancellation information on the certificate of insurance must
1553 delete language such as "failure to do so shall impose no obligation or liability of any kind
1554 upon the insurer, its agents or representatives".

1555 (4) **Deductibles and self-insured retentions:** identify any deductibles and self-insured
1556 retention. Upon request of the RA Representative, Contractor will reduce any self-insured
1557 retention as it applies to any RA Member or provide a letter of credit, certificate of
1558 deposit or other financial assurance acceptable to the RA Representative guaranteeing
1559 payment of all retained losses and related costs and expenses related to investigations,
1560 claims administrations, and legal defense. The letter of credit or certificate of deposit
1561 must be provided by a bank satisfactory to the RA Representative; and

1562 (5) **Claims made:** if any insurance coverage is written on a claims-made form (such as
1563 pollution liability), evidence that the "retro date" is before the Agreement Execution Date.
1564 Contractor must maintain that coverage for at least 5 years after the Termination Date
1565 and provide each RA Member promptly with evidence of that coverage at each RA
1566 Member direction. THIS PROVISION SURVIVES THE TERMINATION OF THIS AGREEMENT;
1567 and

1568 2. **Endorsements:** Contractor must provide copies of the following endorsements or other
1569 documentation satisfactory to the RA Representative:

1570 (1) additional insured endorsement to each liability policy, explicitly adding each RA
1571 Member, the Regional Agency and their respective "officers and employees" as insured;

1572 (2) waiver of subrogation; and

1573 (3) insurance is primary and not contributing with any other insurance or self32 insurance
1574 programs maintained by an RA Member, the Regional Agency, and their respective
1575 officers and employees.

1576 **3. Schedules:** Contractor must provide schedules or other evidence that liability policies
1577 provide contractual liability coverage for Indemnities, such as listing this Agreement as an
1578 "insured contract".

1579 **4. Sitnature Verification.** At the RA Representative's request, Contractor must provide
1580 documentation verifying that the individual signing or countersigning the certificates,
1581 policies, endorsements, or other evidence of coverage is authorized to do so and identifies
1582 his or her company affiliation and title. The RA Representative may require complete,
1583 certified copies of Contractor's insurance policies at any time.

1584 **D. Renewals.** During the Term of this Agreement, Contractor shall furnish the Regional
1585 Agency Contract Manager with certificates or original endorsements reflecting renewals,
1586 changes in insurance companies, and any other documents reflecting the maintenance of
1587 the required coverage throughout the entire Term of this Agreement. The certificates or
1588 endorsements are to be signed by a Person authorized by that insurer to bind coverage on
1589 its behalf.

1590 **E. Workers' Compensation.** Contractor shall provide workers' compensation coverage as
1591 required by State law, and prior to the Effective Date pursuant to this Agreement,
1592 Contractor shall file the following statement with each RA Member and the Regional Agency.

1593 "I am aware of the provisions of Paragraph 3700 of the Labor Code that require every
1594 employer to be insured against liability for workers' compensation or to undertake
1595 self-insurance in accordance with the provisions of that code, and I will comply with such
1596 provisions before commencing any services required by this Agreement.

1597 The Person executing this Certificate on behalf of Contractor affirmatively represents that
1598 she/he has the requisite legal authority to do so on behalf of Contractor, and both the
1599 Person executing this Agreement on behalf of Contractor and Contractor understand that
1600 each RA Member and the Regional Agency is relying on this representation in entering
1601 into this Agreement."

1602 **F. Notice of Claims.** If any Person makes a claim against Contractor or any Subcontractor
1603 exceeding the amount of any deductibles or self-insured retentions, Contractor will
1604 promptly notify the RA Representative thereof.

1605 **G. Contractor Accounting.** Contractor will institute a comprehensive accounting system
1606 satisfactory to the RA Representative to monitor all insurance requirements under this
1607 Agreement, including those of its Subcontractors.

1608 **H. Contractor Compliance.** Contractor will comply with all requirements of its insurance
1609 policies and insurers.

1610 **10.3 PERFORMANCE BOND**

1611 Within seven (7) calendar days of receiving notice that all the RA Members have executed this
1612 Agreement, Contractor shall file with the Regional Agency a bond, payable to each RA Member, securing
1613 the Contractor's performance of its obligations under this Agreement, and such bond shall be renewed
1614 annually if necessary so that the performance bond is maintained always during the Term. The principal
1615 sum of the bond shall be \$625,000 for the County of San Benito, \$1,270,000 for the City of Hollister and
1616 \$45,000 for the City of San Juan Bautista and shall be adjusted every three (3) years, commencing with
1617 Rate Period Three, so that the bond amount equals three (3) months of the prior Rate Period's annual
1618 Gross Receipts. The bond shall be executed as surety by a corporation authorized to issue surety bonds
1619 in the State of California that has a rating of A or better in the most recent edition of Best's Key Rating
1620 Guide, and that has a record of service and financial condition satisfactory to the Agency. The bond shall
1621 be in the form attached as Attachment I.

1622 **ARTICLE 11: DEFAULT AND REMEDIES**

1623 **11.1 EVENTS OF DEFAULT**

1624 All provisions of the Agreement are considered material. Each of the following shall constitute an event
1625 of default.

1626 **A. Fraud or Deceit.** Contractor practices, or attempts to practice, any fraud or deceit upon
1627 the Regional Agency or RA Members.

1628 **B. Insolvency or Bankruptcy.** Contractor becomes insolvent, unable, or unwilling to pay its
1629 debts, or upon listing of an order for relief in favor of Contractor in a bankruptcy
1630 proceeding.

1631 **C. Failure to Maintain Coverage.** Contractor fails to provide or maintain in full force and
1632 affect the Workers' Compensation, liability, or indemnification coverage as required by
1633 this Agreement.

1634 **D. Violations of Regulation.** Contractor violates any orders or filings of any regulatory body
1635 having authority over Contractor relative to this Agreement, provided that Contractor may
1636 contest any such orders or filings by appropriate proceedings conducted in good faith, in
1637 which case no breach or default of this Agreement shall be deemed to have occurred

- 1638 unless and until the regulatory body or court determines Contractor violated such order or
1639 filing.
- 1640 **E. Violations of Applicable Law.** Contractor violates Applicable Law relative to this
1641 Agreement.
- 1642 **F. Failure to Perform Direct Services.** Contractor ceases to provide Collection,
1643 Transportation, or Processing services as required under this Agreement for a period of
1644 two (2) consecutive calendar days or more, for any reason within the control of
1645 Contractor.
- 1646 **G. Failure to Pay or Report.** Contractor fails to make any payments to the Regional Agency or
1647 RA Members required under this Agreement including payment of Regional Agency or RA
1648 Member fees or Liquidated Damages or refuses to provide the Regional Agency or RA
1649 Members with required information, reports, and/or records in a timely manner as
1650 provided for in the Agreement.
- 1651 **H. Acts or Omissions.** Any other act or omission by Contractor which violates the terms,
1652 conditions, or requirements of this Agreement, the Act, as it may be amended from time
1653 to time, or any law, statute, ordinance, order, directive, rule, or regulation issued there
1654 under and which is not corrected or remedied within the time set in the written notice of
1655 the violation or, if Contractor cannot reasonably correct or remedy the breach within the
1656 time set forth in such notice, if Contractor should fail to commence to correct or remedy
1657 such violation within the time set forth in such notice and diligently effect such correction
1658 or remedy thereafter.
- 1659 **I. False, Misleading, or Inaccurate Statements.** Any representation or disclosure made to
1660 the Regional Agency or RA Members by Contractor in connection with or as an
1661 inducement to entering into this Agreement, or any future amendment to this Agreement,
1662 which proves to be false or misleading in any material respect as of the time such
1663 representation or disclosure is made, whether or not any such representation or
1664 disclosure appears as part of this Agreement; and, any Contractor- provided report
1665 containing a misstatement, misrepresentation, data manipulation, or an omission of fact
1666 or content explicitly defined by the Agreement, excepting non-numerical typographical
1667 and grammatical errors.
- 1668 **J. Seizure or Attachment.** There is a seizure of, attachment of, or levy on, some or all of
1669 Contractor's operating equipment, including without limits its equipment, maintenance or
1670 office facilities, Approved Facility (ies), or any part thereof.
- 1671 **K. Suspension or Termination of Service.** There is any termination or suspension of the
1672 transaction of business by Contractor related to this Agreement, including without limit,

1673 due to labor unrest including strike, work stoppage or slowdown, sick-out, picketing, or
1674 other concerted job action lasting more than two (2) calendar days.

1675 **L. Criminal Activity.** Contractor, its officers, managers, or employees are found guilty of
1676 criminal activity related directly or indirectly to performance of this Agreement or any
1677 other agreement held with the Regional Agency or RA Members.

1678 **M. Assignment without Approval.** Contractor transfers or assigns this Agreement without the
1679 expressed written approval of the RA Members unless the assignment is permitted
1680 without approval of each RA Member pursuant to Section 12.6.

1681 **N. Failure to Provide Proposal or Implement Change in Service.** Contractor fails to provide a
1682 proposal for new services or changes to services or fails to implement a change in service
1683 as requested by the RA Member as specified in Section 5.5.

1684 **O. Failure to Perform Any Obligation.** Contractor fails to perform any obligation established
1685 under this Agreement.

1686 **11.2 RIGHT TO TERMINATE UPON EVENT OF DEFAULT**

1687 Contractor shall be given ten (10) Business Days from written notification by the RA Member to cure any
1688 default which, in the RA Member's sole opinion, creates a potential public health and safety threat.

1689 Contractor shall be given ten (10) Business Days from written notification by the RA Member to cure any
1690 default arising under subsections C, E, F, I, J, and K in Section 11.1 provided, however, that the RA
1691 Member shall not be obligated to provide Contractor with a notice and cure opportunity if the
1692 Contractor has committed the same or similar breach/default within a twenty-four (24) month period.

1693 Contractor shall be given thirty (30) calendar days from written notification by the RA Member to cure
1694 any other default (which is not required to be cured within ten (10) Business Days); however, the RA
1695 Member shall not be obligated to provide Contractor with a notice and cure opportunity if the
1696 Contractor has committed the same or similar breach/default within a twenty-four (24) month period.

1697 **11.3 RA MEMBER'S REMEDIES IN THE EVENT OF DEFAULT**

1698 Upon Contractor's default, the RA Members have the following remedies in the event of Contractor
1699 default:

1700 **A. Waiver of Default.** The RA Members may waive any event of default or may waive
1701 Contractor's requirement to cure a default event if the RA Members determine that such
1702 waiver would be in the best interest of the RA Members. RA Members' waiver of an event
1703 of default is not a waiver of future events of default that may have the same or similar
1704 conditions.

1705 **B. Suspension of Contractor's Obligation.** The RA Members may suspend Contractor's
1706 performance of its obligations if Contractor fails to cure default in the time frame
1707 specified in Section 11.2 until such time the Contractor can provide assurance of
1708 performance in accordance with Section 11.8.

1709 **C. Liquidated Damages.** The RA Members may assess Liquidated Damages for Contractor's
1710 failure to meet specific performance standards pursuant to Section 11.6 and Attachment
1711 G.

1712 **D. Termination.** In the event that Contractor should default and subject to the right of the
1713 Contractor to cure, in the performance of any provisions of this Agreement, and the
1714 default is not cured for any default within ten (10) calendar days if the default creates a
1715 potential public health and safety threat or arises under Section 11.1.C., E, F, I, J, or K, or
1716 otherwise thirty (30) calendar days after receipt of written notice of default from the RA
1717 Members, then the RA Members may, at their option, terminate this Agreement and/or
1718 hold a hearing at its governing body meeting to determine whether this Agreement
1719 should be terminated. In the event RA Members decides to terminate this Agreement, the
1720 RA Members shall serve twenty (20) calendar days written notice of its intention to
1721 terminate upon Contractor. In the event RA Member exercises its right to terminate this
1722 Agreement, the RA Members may, at their option, upon such termination, either directly
1723 undertake performance of the services or arrange with other Persons to perform the
1724 services with or without a written agreement. This right of termination is in addition to
1725 any other rights of the RA Members upon a failure of Contractor to perform its obligations
1726 under this Agreement.

1727 Contractor shall not be entitled to any further revenues from Collection operations
1728 authorized hereunder from and after the date of termination.

1729 **E. Other Available Remedies.** The RA Members' election of one (1) or more of the remedies
1730 described herein shall not limit the RA Members from all other remedies at law and in
1731 equity including injunctive relief, etc.

1732 **11.4 POSSESSION OF RECORDS UPON TERMINATION**

1733 In the event of termination for an event of default, the Contractor shall furnish the Regional Agency
1734 Contract Manager with immediate access to all its business records, including without limitation,
1735 proprietary Contractor computer systems, related to its Customers, Collection routes, and billing of
1736 accounts for Collection services.

1737 **11.5 RA MEMBER'S REMEDIES CUMULATIVE; SPECIFIC PERFORMANCE**

1738 The RA Member's rights to terminate the Agreement under Section 11.2, and to take possession of the
1739 Contractor's records under Section 11.4 are not exclusive, and the RA Member's termination of the
1740 Agreement and/or the imposition of Liquidated Damages shall not constitute an election of remedies.

1741 Instead, these rights shall be in addition to all other legal and equitable rights and remedies which the
1742 RA Members may have.

1743 By the nature of this Agreement, the urgency of timely, continuous, and high-quality service; the lead
1744 time required to effect alternative service; and, the rights granted by the RA Members to the
1745 Contractor, the remedy of damages for a breach hereof by Contractor is inadequate and the RA
1746 Members shall be entitled to injunctive relief (including but not limited to specific performance).

1747 **11.6 PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES**

1748 **A. General.** The Parties find that as of the time of the execution of this Agreement, it is
1749 impractical, if not impossible, to reasonably ascertain the extent of damages which shall
1750 be incurred by the RA Members because of a breach by Contractor of its obligations under
1751 this Agreement. The factors relating to the impracticability of ascertaining damages
1752 include, but are not limited to, the fact that: (i) substantial damage results to members of
1753 the public who are denied services or denied quality or reliable service; (ii) such breaches
1754 cause inconvenience, anxiety, frustration, and deprivation of the benefits of the
1755 Agreement to individual members of the general public for whose benefit this Agreement
1756 exists, in subjective ways and in varying degrees of intensity which are incapable of
1757 measurement in precise monetary terms; (iii) that exclusive services might be available at
1758 substantially lower costs than alternative services and the monetary loss resulting from
1759 denial of services or denial of quality or reliable services is impossible to calculate in
1760 precise monetary terms; and, (iv) the termination of this Agreement for such breaches,
1761 and other remedies are, at best, a means of future correction and not remedies which
1762 make the public whole for past breaches.

1763 **B. Service Performance Standards; Liquidated Damages for Failure to Meet Standards.** The
1764 Parties further acknowledge that consistent, reliable Collection services are of utmost
1765 importance to the RA Members and that the RA Members have considered and relied on
1766 Contractor's representations as to its quality of service commitment in awarding the
1767 Agreement to it. The Parties recognize that some quantified standards of performance are
1768 necessary and appropriate to ensure consistent and reliable service and performance. The
1769 Parties further recognize that if Contractor fails to achieve the performance standards or
1770 fails to submit required documents in a timely manner, RA Members and its residents and
1771 businesses will suffer damages, and that it is, and will be, impractical and extremely
1772 difficult to ascertain and determine the exact amount of damages which the RA Members
1773 will suffer. Therefore, without prejudice to RA Members' right to treat such
1774 non-performance as an event of default under this Section, the Parties agree that the
1775 Liquidated Damages amounts established in Attachment G of this Agreement represent a
1776 reasonable estimate of the amount of such damages considering all of the circumstances
1777 existing on the Effective Date of this Agreement, including the relationship of the sums to
1778 the range of harm to the RA Members that reasonably could be anticipated and the
1779 anticipation that proof of actual damages would be costly or impractical.

1780 Contractor agrees to pay (as Liquidated Damages and not as a penalty) the amounts set
1781 forth in the Performance Standards and Liquidated Damages, Attachment G.

1782 In addition to considering the reports submitted by Contractor pursuant to Section 7.3,
1783 the RA Members may determine the occurrence of events giving rise to liquidated
1784 damages through the observation of its own employees or agents, through discussions
1785 with Customers, and through investigation of Customer complaints made directly to the
1786 Regional Agency or RA Members. Prior to assessing Liquidated Damages based on such
1787 observations or investigations, the Regional Agency shall give Contractor notice of its
1788 intention to do so. The notice will also include a brief description of the incident(s)/non-
1789 performance. Contractor may review (and make copies at its own expense) all non-
1790 confidential information in the possession of the Member Agencies or Regional Agency
1791 relating to incident(s)/non-performance. Contractor may, within ten (10) Days after
1792 receiving the notice, request a meeting with Regional Agency Contract Manager or his or
1793 her designee. Contractor may present evidence in writing and through testimony of its
1794 employees and others relevant to the incident(s)/non-performance. The Regional Agency
1795 Contract Manager or his or her designee will provide Contractor with a written
1796 explanation of her or her determination on each incident(s)/non-performance prior to
1797 authorizing the assessment of Liquidated Damages. The decision of the Regional Agency
1798 Contract Manager or his or her designee shall be final.

1799 **C. Two-Phase Performance Management.** The Parties desire to minimize the time and cost
1800 involved in monitoring Contractor's performance under this Agreement, particularly about
1801 the assessment of Liquidated Damages. Attachment G to this Agreement identifies each
1802 "Performance Area" for which the RA Members desire to establish performance standards
1803 for this Agreement. Contractor's performance within each "Performance Area" shall be
1804 primarily monitored using the "Performance Indicator" described for each. The RA
1805 Members shall not assess Liquidated Damages for the "Specific Performance Measures"
1806 identified in Attachment G unless Contractor fails to meet the minimum standard for the
1807 "Performance Indicator" within the same "Performance Area".

1808 **D. Amount.** The RA Members may assess Liquidated Damages for each calendar day or
1809 event, as appropriate, that Contractor is determined to be liable in accordance with this
1810 Agreement in the amounts specified in Attachment G subject to annual adjustment
1811 described below.

1812 **E. Timing of Payment.** Contractor shall pay any Liquidated Damages assessed by the RA
1813 Members within ten (10) Business Days of the date the Liquidated Damages are assessed.
1814 If they are not paid within the ten (10) Business Day period, RA Members may proceed
1815 against the performance bond required by the Agreement, order the termination of the
1816 rights or "franchise" granted by this Agreement, or all the above.

11.7 EXCUSE FROM PERFORMANCE

The Parties shall be excused from performing their respective obligations hereunder and from any obligation to pay Liquidated Damages to the extent and for the period of time they are prevented from so performing by reason of floods, earthquakes, other acts of nature, 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. In the case of labor unrest or job action directed at a third party over whom Contractor has no control, the inability of Contractor to provide services in accordance with this Agreement due to the unwillingness or failure of the third party to: (i) provide reasonable assurance of the safety of Contractor's employees while providing such services; or, (ii) make reasonable accommodations with respect to Container placement and point of Delivery, time of Collection, or other operating circumstances to minimize any confrontation with pickets or the number of Persons necessary to make Collections shall, to that limited extent, excuse performance. The foregoing excuse shall be conditioned on Contractor's cooperation in performing Collection services at different times and in different locations. Further, in the event of labor unrest, including but not limited to strike, work stoppage or slowdown, sickout, picketing, or other concerted job action conducted by the Contractor's employees or directed at the Contractor, or a subsidiary, the Contractor shall not be excused from performance. In such case, Contractor shall continue to provide a reasonably satisfactory level of performance during the pendency thereof, but the Contractor shall not be required to adhere strictly to the specific requirements of this Agreement regarding routes, Collection times or similar matters; provided, however, that in no event shall more than seven (7) calendar days elapse between pickups for Residential and Commercial Customers.

The Party claiming excuse from performance shall, within two (2) calendar 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.

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

The partial or complete interruption or discontinuance of Contractor's services caused by one (1) or more of the events described in this Section shall not constitute a default by Contractor under this Agreement. Notwithstanding the foregoing, however, if Contractor is excused from performing its obligations hereunder for any of the causes listed in this Section for a period of thirty (30) calendar days or more, each RA Member shall nevertheless have the right, in its sole discretion, to terminate this Agreement by giving ten (10) Business Days' notice to Contractor, in which case the provisions of Section 11.2 shall apply.

11.8 RIGHT TO DEMAND ASSURANCES OF PERFORMANCE

The Parties acknowledge that it is of the utmost importance to the RA Members and the health and safety of all those members of the public residing or doing business within the Regional Agency Service Area who will be adversely affected by interrupted waste management service, that there is no material interruption in services provided under this Agreement.

If Contractor: (i) is the subject of any labor unrest including work stoppage or slowdown, sick-out, picketing or other concerted job action; (ii) appears in the reasonable judgment of RA Members to be unable to regularly pay its bills as they become due; or, (iii) is the subject of a civil or criminal judgment or order entered by a Federal, State, regional or local agency for violation of an Applicable Law, and the RA Members believe in good faith that Contractor's ability to perform under the Agreement has thereby been placed in substantial jeopardy, the RA Members may, at their sole option and in addition to all other remedies it may have, demand from Contractor reasonable assurances of timely and proper performance of this Agreement, in such form and substance as the RA Members believe in good faith is reasonably necessary in the circumstances to evidence continued ability to perform under the Agreement. If Contractor fails or refuses to provide satisfactory assurances of timely and proper performance in the form and by the date required by the RA Members, such failure or refusal shall be an event of default for purposes of Section 11.1.

ARTICLE 12: OTHER AGREEMENTS OF THE PARTIES

12.1 RELATIONSHIP OF PARTIES

The Parties intend that Contractor shall perform the services required by this Agreement as an independent Contractor engaged by the RA Members and neither as an officer nor employee of the RA Members, nor as a partner or agent of, or joint venturer with, the RA Members. No employee or agent of Contractor shall be, or shall be deemed to be, an employee or agent of the RA Members. Contractor shall have the exclusive control over the manner and means of performing services under this Agreement, except as expressly provided herein. Contractor shall be solely responsible for the acts and omissions of its officers, employees, Subcontractors and agents. Neither Contractor nor its officers, employees, Subcontractors, and agents shall obtain any rights to retirement benefits, workers' compensation benefits, or any other benefits which accrue to RA Members' employees by their employment with RA Members.

12.2 COMPLIANCE WITH LAW

Contractor shall always, at its sole cost, comply with all Applicable Laws, permits and licenses of the United States, the State, County of San Benito, and the RA Members and with all applicable regulations promulgated by Federal, State, regional or local administrative and regulatory agencies, now in force and as they may be enacted, issued or amended during the Term.

12.3 GOVERNING LAW

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

12.4 JURISDICTION

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

12.5 BINDING ON SUCCESSORS

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

12.6 ASSIGNMENT

Neither Party shall assign its rights nor delegate or otherwise transfer its obligations under this Agreement to any other Person without the prior written consent of the other Party. Any such assignment made without the consent of the other Party shall be void and the attempted assignment shall constitute a material breach of this Agreement.

For purposes of this Section, "assignment" shall include, but not be limited to: (i) a sale, exchange or other transfer of substantially all of Contractor's local, regional, and/or corporate assets dedicated to service under this Agreement to a third party; (ii) a sale, exchange or other transfer of ten (10) percent or more of the local, regional, and/or corporate assets, stock, or ownership of Contractor to a Person (other than a transfer of shares in Contractor by the owner of such shares to a revocable trust for the benefit of his family or to another owner of shares in Contractor) except that no cumulative sale, exchange, or transfer of shares may exceed twenty (20) percent during the Term of the Agreement (other than a transfer of shares in Contractor by the owner of such shares to a revocable trust for the benefit of his family or to another owner of shares in Contractor); (iii) any reorganization, consolidation, merger, recapitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction to which Contractor or any of its shareholders is a party which results in a change of ownership or control of ten (10) percent or more of the value or voting rights in the local, regional, and/or corporate stock of Contractor; (iv) divestiture of an Affiliate (e.g., trucking company, materials recovery facility, transfer station, etc.) used by Contractor to fulfill its obligations under this Agreement; 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 local, regional, and/or corporate ownership and/or control of Contractor. For purposes of this Section, the term "proposed assignee" shall refer to the proposed transferee(s) or other successor(s) in interest pursuant to the assignment.

Contractor acknowledges that this Agreement involves rendering a vital service to RA Members' residents and businesses, and that each RA Member has selected Contractor to perform the services specified herein based on: (i) Contractor's experience, skill, and reputation for conducting its Solid Waste, Recyclables, and Organics management operations in a safe, effective, and responsible fashion, at all times in keeping with applicable waste management laws, regulations, and good waste

1924 management practices; and, (ii) Contractor's financial resources on a local, regional, and/or corporate
1925 level to maintain the required equipment and to support its indemnity obligations to each RA Member
1926 under this Agreement. Each RA Member has relied on each of these factors, among others, in choosing
1927 Contractor to perform the services to be rendered by Contractor under this Agreement.

1928 If Contractor requests RA Members' consideration of and consent to an assignment, the RA Members
1929 may deny or approve such request in their complete discretion. No request by Contractor for consent to
1930 an assignment need be considered by each RA Member unless and until Contractor has met the
1931 following requirements. The RA Member may, in its sole discretion, waive one (1) or more of these
1932 requirements.

1933 **A.** On the date, the Contractor submits a written request for each RA Member written
1934 consent of an assignment, Contractor shall pay each RA Member a transfer fee in the
1935 amount of one (1) percent of the Gross Receipts for the most-recently completed Rate
1936 Period.

1937 **B.** Contractor shall undertake to pay each RA Member its reasonable expenses for attorneys',
1938 consultants', accountants' fees, staff time, and investigation costs necessary to investigate
1939 the suitability of any proposed assignee, and to review and finalize any documentation
1940 required as a condition for approving any such assignment.

1941 **C.** Contractor shall furnish each RA Member with audited financial statements of the
1942 proposed assignee's operations for the immediately preceding three (3) operating years.

1943 **D.** Contractor shall furnish each RA Member with satisfactory proof: (i) that the proposed
1944 assignee has at least ten (10) years of Solid Waste, Recyclable Materials, and Organic
1945 Materials management experience on a scale equal to or exceeding the scale of
1946 operations conducted by Contractor under this Agreement; (ii) that in the last five (5)
1947 years, the proposed assignee has not suffered any citations or other censure from any
1948 Federal, State or local contractor having jurisdiction over its waste management
1949 operations due to any significant failure to comply with State, Federal or local waste
1950 management laws and that the assignee has provided the RA Member with a complete list
1951 of such citations and censures; (iii) that the proposed assignee has at all times conducted
1952 its operations in an environmentally safe and conscientious fashion; (iv) that the proposed
1953 assignee conducts its operations and management practices in accordance with sound
1954 waste management practices in full compliance with all Federal, State, and local laws
1955 regulating the Collection, Transportation, Processing and Disposal of Solid Waste,
1956 Recyclable Materials, and Organic Materials, including Hazardous Waste; and, (v) that any
1957 other information required by the RA Member demonstrates that the proposed assignee
1958 can fulfill the terms of this Agreement in a timely, safe and effective manner.

1959 E. Contractor shall provide each RA Member with any and all additional records or
1960 documentation which, in the RA Member's sole determination, would facilitate the review
1961 of the proposed assignment.

1962 Under no circumstances shall any proposed assignment be considered by the RA Member
1963 if Contractor is in default at any time during the period of consideration. If, in the RA
1964 Member's sole determination, there is any doubt regarding the compliance of the
1965 Contractor with the Agreement, the RA Member may require an audit of the Contractor's
1966 compliance and the costs of such audit shall be paid by Contractor in advance of the
1967 performance of said audit.

1968 **12.7 NO THIRD PARTY BENEFICIARIES**

1969 This Agreement is not intended to, and will not be construed to, create any right on the part of any third
1970 party to bring an action to enforce any of its terms.

1971 **12.8 WAIVER**

1972 The waiver by either Party of any breach or violation of any provisions of this Agreement shall not be
1973 deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach
1974 of or violation of the same or any other provision. The subsequent acceptance by either Party of any
1975 monies which become due hereunder shall not be deemed to be a waiver of any pre-existing or
1976 concurrent breach or violation by the other Party of any provision of this Agreement.

1977 **12.9 NOTICE PROCEDURES**

1978 All notices, demands, requests, proposals, approvals, consents, and other communications, which this
1979 Agreement requires, authorizes or contemplates, shall be in writing and shall either be personally
1980 delivered to a representative of the Parties at the address below or deposited in the United States mail,
1981 first class postage prepaid, addressed as follows:

1982 If to Regional Agency Contract Manager: Kathleen Gallagher
1983 County of San Benito
1984 Resource Management Agency – IWM Department
1985 2301 Technology Parkway, Hollister, CA 95023
1986 kathleeng@csgengr.com
1987 Phone: 831-637-5313 Ext.303

1988 If to Hollister: Bill Avera, City Manager
1989 City of Hollister
1990 375 Fifth Street, Hollister, CA 95023
1991 bill.avera@hollister.ca.gov
1992 Phone: (831) 636-4300 x15

1993 If to San Juan Bautista: Michaele LaForge, City Manager
1994 City of San Juan Bautista

1995 311 Second Street, P.O. Box 1420
 1996 San Juan Bautista, CA 95045
 1997 citymanager@san-juan-bautista.ca.us
 1998 Phone: (831) 623-4661, Fax: (831) 623-4093
 1999 If to San Benito County: Ray Espinosa, County Administrative Officer
 2000 County of San Benito
 2001 481 4th St., 1st Floor, Hollister, CA 95023-3840
 2002 respinosa@cosb.us
 2003 Phone: (831) 636-4000, Fax: 831.636.4010
 2004 If to Contractor: Phil Couchee, General Manager
 2005 Recology San Benito County
 2006 1351 Pacheco Pass Hwy, Gilroy, CA 95020
 2007 pcouchee@recology.com
 2008 Phone: (408)846-1395, Fax: 408-461-0530
 2009 with a copy to:
 2010
 2011 Recology Inc.
 2012 Attn: Legal Department
 2013 50 California Street, 24th Floor
 2014 San Francisco, CA 94111
 2015
 2016 The address to which communications may be delivered may be changed from time to time by a notice
 2017 given in accordance with this Section. Notice shall be deemed given on the day it is personally delivered
 2018 or, if mailed, three (3) calendar days from the date it is deposited in the mail.

2019 **12.10 REPRESENTATIVES OF THE PARTIES**

2020 **A. RA Members.** References in this Agreement to the “RA Members” shall mean RA
 2021 Members’ elected bodies and shall refer to each RA Member separately or all RA
 2022 Members depending on the context and whether all RA Members have the same RA
 2023 Representative, as provided herein. Each RA Member has delegated authority to exercise
 2024 its rights, remedies and options under this Agreement, and to administer this Agreement
 2025 to an RA Representative. At the time of the Effective Date, each RA Member has identified
 2026 the same individual as its RA Representative; such individual will be the Regional Agency
 2027 Contract Manager, as described in Section 6.8 and identified in Section 12.9. At each RA
 2028 Member's sole discretion, upon notice to Contractor and all other RA Members, an RA
 2029 Member may change its designation for its RA Representative, in which case, that RA
 2030 Representative will exercise the RA Member’s right, remedies, and options under this
 2031 Agreement, and shall administer this Agreement with respect to that RA Member’s
 2032 jurisdiction separately than the other RA Representatives do with respect to their
 2033 respective jurisdictions.

2034 The RA Representative has the authority to exercise each RA Member's rights, remedies
2035 and options under this Agreement and to administer this Agreement, except with respect
2036 to:

2037 (1) extending the Term for an additional year or more,

2038 (2) suspending or terminating the Agreement,

2039 (3) approving or disapproving Transfer of this Agreement,

2040 (4) amending this Agreement, and

2041 (5) exercising any delegation of authority contrary to Applicable Law.

2042 All the above actions require approval by each RA Member's elected body.

2043 **B. Contractor.** The Contractor shall, by the Effective Date, designate in writing a responsible
2044 officer who shall serve as the representative of the Contractor in all matters related to the
2045 Agreement and shall inform the RA Members in writing of such designation and of any
2046 limitations upon his or her authority to bind the Contractor.

2047 The RA Members may rely upon action taken by such designated representative as actions
2048 of the Contractor unless they are outside the scope of the authority delegated to him/her
2049 by the Contractor as communicated to the RA Members.

2050 **ARTICLE 13: MISCELLANEOUS AGREEMENTS**

2051 **13.1 ENTIRE AGREEMENT**

2052 This Agreement is the entire agreement between the Parties with respect to the subject matter hereof
2053 and supersedes all prior and contemporaneous oral and written agreements and discussions. Each Party
2054 has cooperated in the drafting and preparation of this Agreement and this Agreement shall not be
2055 construed against any Party based on drafting. This Agreement may be amended only by an agreement
2056 in writing, signed by each of the Parties hereto.

2057 **13.2 SECTION HEADINGS**

2058 The article headings and section headings in this Agreement are for convenience of reference only and
2059 are not intended to be used in the construction of this Agreement nor to alter or affect any of its
2060 provisions.

2061 **13.3 REFERENCES TO LAWS**

2062 All references in this Agreement to laws and regulations shall be understood to include such laws as
2063 they may be subsequently amended or recodified, unless otherwise specifically provided herein.

2064 **13.4 AMENDMENTS**

2065 This Agreement may not be modified or amended in any respect except in writing signed by the Parties.

2066 **13.5 SEVERABILITY**

2067 If any non-material provision of this Agreement is for any reason deemed to be invalid and
2068 unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining
2069 provisions of this Agreement, which shall be enforced as if such invalid or unenforceable provision had
2070 not been contained herein.

2071 **13.6 COUNTERPARTS**

2072 This Agreement may be executed in counterparts, each of which shall be considered an original.

2073 **13.7 ATTACHMENTS**

2074 Each of the Exhibits identified as Attachment “A” through “M” is attached hereto and incorporated
2075 herein and made a part hereof by this reference. In the event of a conflict between the terms of this
2076 Agreement and the terms of an Attachment, the terms of this Agreement shall control. In the event of a
2077 conflict between Attachment F1 and any other Attachment(s), such other Attachment(s) shall control.

2078

2079

2080

2081 IN WITNESS WHEREOF, this Agreement is entered by the parties hereto in Hollister, California on the
2082 Day and year first above written.

HOLLISTER, CALIFORNIA,
a municipal corporation

By: Ignacio Velazquez
Title: MAYOR
Dated: _____

ATTEST:

Christine Black, MMC, CITY CLERK
Dated: _____

APPROVED AS TO FORM:

JRG, Attorneys at Law, CITY ATTORNEY
Dated: _____

SAN JUAN BAUTISTA, CALIFORNIA,
a municipal corporation

By: Jim West
Title: MAYOR
Dated: _____

ATTEST:

CITY CLERK
Dated: _____

APPROVED AS TO FORM:

_____, CITY ATTORNEY
Dated: _____

CONTRACTOR

Name: Recology South Valley dba Recology San Benito County, a California corporation

By: 
Michael J. Sangiacomo

Title: President & CEO

Dated: June 6, 2018

ATTEST: 
Cary Chen, Corporate Secretary

Dated: June 6, 2018



SAN BENITO COUNTY, CALIFORNIA,
a political subdivision

By: Anthony Bothelo
Title: CHAIR
Dated: _____

ATTEST:

Janet Slibsager, COUNTY CLERK
Dated: _____

APPROVED AS TO FORM:

Barbara Thompson, COUNTY COUNSEL
Dated: _____

2083
2084
2085

ATTACHMENT A
DEFINITIONS

2086 The definitions set forth in this Attachment A shall govern the interpretation of this Agreement.

2087 **Abandoned Solid Waste**

2088 "Abandoned Solid Waste" means Solid Waste, Recyclable Materials, Organic Materials, Excluded Waste,
2089 Bulky Items, or other materials that have been abandoned, littered, or illegally dumped in the public
2090 right of way or on public property.

2091 **AB 341**

2092 "AB 341" means the California Jobs and Recycling Act of 2011 (Chapter 476, Statutes of 2011 [Chesbro,
2093 AB 341]), also commonly referred to as "AB 341", as amended, supplemented, superseded, and replaced
2094 from time to time.

2095 **AB 876**

2096 "AB 876" means Chapter 593, Statutes of 2015 [McCarty, AB 876] relating to compostable organics,
2097 commonly referred to as "AB 876", as amended, supplemented, superseded, and replaced from time to
2098 time.

2099 **AB 939**

2100 "AB 939" means the California Integrated Waste Management Act of 1989 (Division 30 of the California
2101 Public Resources Code), also commonly referred to as "AB 939," as amended, supplemented,
2102 superseded, and replaced from time to time.

2103 **AB 1826**

2104 "AB 1826" means Chapter 727, Statutes of 2014 [Chesbro, AB 1826] relating to recycling of organic
2105 waste, commonly referred to as "AB 1826", as amended, supplemented, superseded, and replaced from
2106 time to time.

2107 **AB 2176**

2108 "AB 2176" means Chapter 879, Statutes of 2004 [Montanez, AB 2176] relating to large venue and large
2109 event recycling programs, commonly referred to as "AB 2176, as amended, supplemented, superseded,
2110 and replaced from time to time.

2111 **Affiliate**

2112 "Affiliate" means all businesses (including corporations, limited and general partnerships and sole
2113 proprietorships) that are directly or indirectly related to Contractor by virtue of direct or indirect
2114 ownership interest or common management. They shall be deemed to be "Affiliated with" Contractor
2115 and included within the term "Affiliates" as used herein. An Affiliate shall include: (i) a business in which
2116 Contractor has a direct or indirect ownership interest, (ii) a business that has a direct or indirect

2117 ownership interest in Contractor and/or (iii) a business that is also Owned, controlled or managed by
2118 any business or individual which has a direct or indirect ownership interest in Contractor. For the
2119 purposes of this definition, “ownership” means ownership as defined in the constructive ownership
2120 provisions of Section 318(a) of the Internal Revenue Code of 1986, as in effect on the date here,
2121 provided that ten percent (10%) shall be substituted for fifty percent (50%) in Section 318(a)(2)(C) and in
2122 Section 318(a)(3)(C) thereof; and Section 318(a)(5)(C) shall be disregarded. For purposes of determining
2123 ownership under this paragraph and constructive or indirect ownership under Section 318(a), ownership
2124 interest of less than ten percent (10%) shall be disregarded and percentage interests shall be
2125 determined on the basis of the percentage of voting interest of value that the ownership interest
2126 represents.

2127 **Agreement**

2128 “Agreement” means this Agreement between each RA Member and Contractor, including all
2129 attachments, and any future amendments hereto.

2130 **Alternative Daily Cover (ADC)**

2131 “Alternative Daily Cover” means CalRecycle-approved materials other than soil used as a temporary
2132 overlay on an exposed landfill face. Generally, these materials must be processed so that they do not
2133 allow gaps in the face surface, which would provide breeding grounds for insects and vermin.

2134 **Applicable Law**

2135 “Applicable Law” means all Federal, State, County, and local laws, regulations, rules, orders, judgments,
2136 degrees, permits, approvals, or other requirement of any governmental agency having jurisdiction over
2137 the Collection, Transportation, Processing or Disposal of Discarded Materials that are in force on the
2138 Effective Date and as may be enacted, issued or amended during the term of this Agreement. Without
2139 limiting the foregoing, Applicable Law includes Environmental Laws.

2140 **Approved Disposal Facility**

2141 “Approved Disposal Facility” means the John Smith Road Landfill, which is owned by the County of San
2142 Benito and operated by Waste Connections.

2143 **Approved Facility(ies)**

2144 “Approved Facility(ies)” means any one of or any combination of the: Approved Disposal Facility;
2145 Approved Organic Materials Processing Facility; Approved Recyclable Materials Processing Facility;
2146 and/or, Approved Reusable Materials Processing Facility.

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2149 **Approved Organic Materials Processing Facility**

2150 “Approved Organics Processing Facility” means the South Valley Organics facility owned and operated
2151 by Recology and located at 3675 Pacheco Pass Highway, Gilroy, CA 95020.

2152 **Approved Recyclable Materials Processing Facility**

2153 “Approved Recyclables Processing Facility” means the Monterey Regional Waste Management District
2154 material recovery facility located at 14201 Del Monte Blvd., Marina, CA. 93333

2155 **Approved Reusable Materials Processing Facility**

2156 “Approved Reusable Materials Processing” Facility means Pat’s Place located at 101 5th Street,
2157 Hollister, California 95023.

2158 **Bin**

2159 “Bin” means a Container with capacity of approximately one (1) to eight (8) cubic yards, with a hinged
2160 lid, and with wheels (where appropriate), that is serviced by a front end-loading Collection vehicle.
2161 Contractor shall not be required to provide five (5) or seven (7) cubic yard Bins. Contractor may require
2162 a customer to use a smaller Bin than the one requested by the customer, if Contractor has reason to
2163 believe the customer would fill the larger Bin with heavy material such that the Bin would become
2164 overweight. In the event of a dispute between Contractor and customer regarding the previous
2165 sentence, the applicable Regional Agency shall have the right to decide the matter.

2166 **Biomedical Waste**

2167 "Biomedical Waste" means Discarded Materials which are likely to be infectious, pathological or
2168 biohazardous, originating from residences, hospitals, public or private medical clinics, departments of
2169 research laboratories, pharmaceutical industries, blood banks, forensic medical departments,
2170 mortuaries, veterinary facilities and other similar facilities and includes (without limitations) equipment,
2171 instruments, utensils, fomites, laboratory wastes (including pathological specimens and fomites
2172 attendant thereto), surgical facilities, equipment, bedding and utensils (including pathological specimens
2173 and disposal fomites attendant thereto), sharps (hypodermic needles, syringes, etc.), dialysis unit waste,
2174 chemotherapeutic waste, animal carcasses, offal and body parts, biological materials (vaccines,
2175 medicines, etc.), and other similar materials, but excluding any such Discarded Materials which are
2176 reasonably determined by Contractor to be noninfectious, non-pathological and non-biohazardous.

2177 **Biosolids**

2178 “Biosolids” means solid, semisolid, or liquid residues generated during primary, secondary, or advanced
2179 treatment of domestic sanitary sewage.

2180

2181 **Bulky Item**

2182 "Bulky Item" means discarded appliances, furniture, tires, carpets, mattresses, and similar large items
2183 that require special Collection due to their size or nature but can be Collected without the assistance of
2184 special loading equipment (such as forklifts or cranes) and without violating vehicle load limits. It does
2185 not include abandoned automobiles, large auto parts, or trees.

2186 **Business Days**

2187 "Business Days" mean days during which the RA Member(s) offices are open to do business with the
2188 public.

2189 **CalRecycle**

2190 "CalRecycle" means the California Department of Resources Recycling and Recovery or its successor.

2191 **Cart**

2192 "Cart" means a plastic Container with a hinged lid and wheels that is serviced by an automated or semi-
2193 automated Collection vehicle. A Cart has capacity of 20-, 32-, 64- or 96-gallons (or similar volumes).

2194 **Change in Law**

2195 "Change in Law" means any of the following events or conditions that increases the cost of the
2196 performance by the Contractor of its respective obligations under this Agreement (except for payment
2197 obligations):

2198 (i) The enactment, adoption, promulgation, issuance, modification, or written change in
2199 administrative or judicial interpretation of any Applicable Law on or after the Effective Date; or,

2200 (ii) The order or judgment of any governmental body, on or after the Effective Date, to the
2201 extent such order or judgment is not the result of willful or negligent action, error or omission or lack of
2202 reasonable diligence of the RA Members or of the Contractor, whichever is asserting the occurrence of a
2203 Change in Law; provided, however, that the contesting in good faith or the failure in good faith to
2204 contest any such order or judgment shall not constitute or be construed as such a willful or negligent
2205 action, error or omission or lack of reasonable diligence.

2206 **Collect, Collected, Collection**

2207 "Collect," "Collected" or "Collection" means the Contractor taking physical possession of, and removing
2208 Discarded Materials, whether by manual, semi-automated or automated means, and transporting such
2209 materials, pursuant to this Agreement.

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2212 **Commencement Date**

2213 “Commencement Date” means the date specified in Section 4.1 when the Contractor is to begin
2214 providing Collection and related services required by this Agreement.

2215 **Commercial, Commercial Property**

2216 “Commercial” or “Commercial Property” means property used for conducting business thereon,
2217 including, but not limited to, retail sales, services, wholesale operations, manufacturing and industrial
2218 operations, school facilities (both public and private), other institutions, and governmental agencies, but
2219 excluding businesses conducted upon Single-Family Property (as defined herein).

2220 **Compactor, Compaction**

2221 “Compactor”, “Compaction” means a mechanical apparatus that compresses materials, the Container
2222 that holds the compressed materials, and/or the process. Compactors include Bin Compactors of any
2223 size serviced by front-loading Collection vehicles and Drops Box Compactors of any size serviced by Drop
2224 Box or roll-off Collection vehicles.

2225 **Compost**

2226 “Compost” means the resulting material from Composting.

2227 **Composting**

2228 “Composting” means the controlled or uncontrolled biological decomposition of organic constituents
2229 such that the resulting material meets the maximum acceptable metal concentration limits specified in
2230 Section 17868.2 and pathogen reduction requirements specified in Section 17868.3 of Title 14, California
2231 Code of Regulations Chapter 3.1.

2232 **Construction and Demolition Debris (C&D)**

2233 “Construction and Demolition Debris” and “C&D” means materials resulting from construction,
2234 renovation, remodeling, repair, or demolition operations relating to or resulting from a building,
2235 structure, pavement or other improvement, including concrete, brick, bituminous concrete, rubble,
2236 wood and masonry, composition roofing and roofing paper, steel, and other metals such as copper, but
2237 excluding liquid wastes and Hazardous Wastes.

2238 **Containers**

2239 “Containers” mean Bins, Carts, Compactors, and Drop Boxes.

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2242 **Contamination**

2243 “Contamination” means there is no more than ten (10) percent by volume of the “wrong” materials
2244 placed in a Container. Thus, for instance a Solid Waste Container is Contaminated if it contains a total by
2245 volume of more than 10 percent Recyclables and Organic Waste, and a Recyclables Container is
2246 Contaminated if it contains a total by volume of more than 10 percent Solid Waste and Organic Waste.

2247 **Contractor**

2248 "Contractor" means Recology South Valley dba Recology San Benito County.

2249 **Contractor’s Compensation**

2250 “Contractor Compensation” means the monetary compensation received by Contractor in return for
2251 providing services in accordance with this Agreement as described in Article 8.

2252 **Contractor’s Proposal**

2253 “Contractor’s Proposal” means the proposal submitted to the Regional Agency by Contractor on
2254 November 14, 2017 for provision of Solid Waste, Recyclables, and Organic Materials services and certain
2255 written materials, which are included as Attachment F to this Agreement and are incorporated by
2256 reference.

2257 **County**

2258 “County” means San Benito County, California.

2259 **Customer**

2260 “Customer” means the Person whom Contractor submits its billing invoice to and collects payment from
2261 for Collection services provided to a Premises. The Customer is not necessarily the owner of the
2262 Premises and may be either the Person who occupies the Premises or the Owner of the Premises.

2263 **Customer Type**

2264 “Customer Type” means the Customer’s sector category including, but not limited to, Single-Family,
2265 Multi-Family, Commercial, C&D, Drop Box, and Agency.

2266 **Day**

2267 “Day” means calendar day unless otherwise specified in this Agreement.

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2270 **Drop Box**

2271 “Drop Box” mean open-top Containers with a typical capacity of eight (8) to forty (40) cubic yards that
2272 are serviced by a roll-off Collection vehicle. Drop Boxes that contain putrescible materials require a lid.

2273 **Discarded Materials**

2274 “Discarded Materials” means Solid Waste, Recyclable Materials, Organic Materials, and C&D placed by a
2275 Generator in a receptacle and/or at a location for the purposes of Collection by Contractor, excluding
2276 Excluded Waste.

2277 **Disposal**

2278 “Disposal” or “Disposed” mean the ultimate disposition of unprocessed Solid Waste intended for
2279 Disposal, and Residue.

2280 **Divert, Diversion**

2281 “Divert” or “Diversion (or any variation thereof)” means to prevent Recyclables and Organic Waste from
2282 Disposal at landfill or transformation facilities, (including facilities using incineration, pyrolysis,
2283 distillation, gasification, or biological conversion methods) through Source Reduction, reuse, Recycling,
2284 and Composting, as provided in Section 41780-41786 of AB 939, as AB 939 may be hereafter amended
2285 or superseded.

2286 Diversion is a broad concept that is to be inclusive of material handling and Processing changes that may
2287 occur over the Term including, but not limited to, changes in standard industry practice or
2288 implementation of innovative (but not necessarily fully proven) techniques or technology that reduce
2289 Disposal risk, decrease costs and/or are for other reasons deemed desirable by the RA Members.

2290 **Effective Date**

2291 “Effective Date” means the date on which the last of the Parties signs this Agreement.

2292 **Electronic Waste**

2293 “Electronic waste” or “E-Waste” means discarded electronic equipment including, but not limited to,
2294 televisions, computer monitors, central processing units (CPUs), laptop computers, computer
2295 peripherals (including external hard drives, keyboards, scanners, and mice), printers, copiers, facsimile
2296 machines, radios, stereos, stereo speakers, VCRs, DVDs, camcorders, microwaves, telephones, cellular
2297 telephones, and other electronic devices. Some E-Waste or components thereof may be Hazardous
2298 Waste or include Hazardous Substances and thus require special handling, Processing, or Disposal.

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2301 **Emergency Condition**

2302 "Emergency Condition" means the existence of a condition or conditions which threaten or threatens
2303 the public health, safety and welfare resulting from Contractor's failure or inability to perform its duties
2304 and obligations hereunder due to the effect upon Contractor of fire, flood, storm, earthquake, or other
2305 natural calamity, riot, insurrection, public disobedience, labor controversy, labor strike, insolvency of
2306 Contractor or similar condition. "Emergency Condition" does not include the results of failure of
2307 Contractor to comply with basic standards and procedures of Collection or other substandard
2308 performance by Contractor.

2309 **Environmental Laws**

2310 "Environmental Laws" means all federal and State statutes, and county and Regional Agency ordinances
2311 concerning public health, safety and the environment including, by way of example and not limitation,
2312 AB 341, AB 939, AB 1826, the Comprehensive Environmental Response, Compensation and Liability Act
2313 of 1980, 42 U.S.C. § 9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6902 et seq.;
2314 the Federal Clean Water Act, 33 U.S.C. § 1251 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601
2315 et seq.; the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the California Hazardous Waste
2316 Control Act, California Health and Safety Code § 25100 et seq.; the Carpenter-Presley-Tanner Hazardous
2317 Substance Account Act, California Health and Safety Code § 25300 et seq.; the Porter-Cologne Water
2318 Quality Control Act, California Water Code § 13000 et seq.; the Safe Drinking Water and Toxic
2319 Enforcement Act, California Health and Safety Code § 25249.5 et seq.; as currently in force or as
2320 hereafter amended, and all rules and regulations promulgated thereunder.

2321 **Excluded Waste**

2322 "Excluded Waste" means Hazardous Substances, Hazardous Waste, Biomedical Waste, volatile,
2323 corrosive, biomedical, infectious, biohazardous, and toxic substances or material, waste that Contractor
2324 reasonably believes would, as a result of or upon Disposal, be a violation of local, State or Federal law,
2325 regulation or ordinance, including land use restrictions or conditions, waste that cannot be Disposed of
2326 in Class III landfills, waste that in Contractor's reasonable opinion would present a significant risk to
2327 human health or the environment, cause a nuisance or otherwise create or expose Contractor or
2328 Regional Agency to potential liability; but not including de minimis volumes or concentrations of waste
2329 of a type and amount normally found in Residential Solid Waste after implementation of programs for
2330 the safe Collection, Recycling, treatment, and Disposal of batteries and paint in compliance with
2331 Sections 41500 and 41802 of the California Public Resources Code.

2332 **Food Waste**

2333 "Food Waste" means a subset of Organic Waste including: (i) all kitchen and table food waste scraps,
2334 and animal, or vegetable, fruit, grain, dairy or fish waste that attends or results from the storage,
2335 preparation, cooking or handling of foodstuffs, with the exception of animal excrement, (ii) paper waste

2336 contaminated with putrescible material, and (iii) biodegradable food service ware designed to
2337 disintegrate and biodegrade quickly.

2338 **Generator**

2339 “Generator” means any Person whose act or process produces Discarded Materials as defined in the
2340 Public Resources Code, or whose act first causes any of these items to become subject to regulation.

2341 **Gross Receipts**

2342 “Gross Receipts” means total cash receipts collected from Customers by the Contractor for the provision
2343 of services pursuant to this Agreement, without any deductions. Gross Receipts do not include revenues
2344 from the sale of Recyclable Materials.

2345 **Hazardous Substance**

2346 “Hazardous Substance” means any of the following: (a) any substances defined, regulated or listed
2347 (directly or by reference) as "Hazardous Substances", "hazardous materials", "Hazardous Wastes", "toxic
2348 waste", "pollutant" or "toxic substances" or similarly identified as hazardous to human health or the
2349 environment, in or pursuant to: (i) the Comprehensive Environmental Response, Compensation and
2350 Liability Act (CERCLA) of 1980, 42 USC §9601 et seq. (CERCLA); (ii) the Hazardous Materials
2351 Transportation Law, 49 USC §5101, et seq.; (iii) the Resource Conservation and Recovery Act, 42 USC
2352 §6901 et seq.; (iv) the Clean Water Act, 33 USC §1251 et seq.; (v) California Health and Safety Code
2353 §§25115-25117, 25249.8, 25281, and 25316; (vi) the Clean Air Act, 42 USC §7901 et seq.; and, (vii)
2354 California Water Code §13050; (b) any amendments, rules or regulations promulgated there under to
2355 such enumerated statutes or acts currently existing or hereafter enacted; and, (c) any other hazardous
2356 or toxic substance, material, chemical, waste or pollutant identified as hazardous or toxic or regulated
2357 under any other Applicable Law currently existing or hereinafter enacted, including, without limitation,
2358 friable asbestos, polychlorinated biphenyl's (PCBs), petroleum, natural gas, and synthetic fuel products,
2359 and by-products.

2360 **Hazardous Waste**

2361 “Hazardous Waste” means all substances defined as Hazardous Waste, acutely Hazardous Waste, or
2362 extremely Hazardous Waste by the State in Health and Safety Code §25110.02, §25115, and §25117 or
2363 in the future amendments to or recodifications of such statutes or identified and listed as Hazardous
2364 Waste by the U.S. Environmental Protection Agency (EPA), pursuant to the Federal Resource
2365 Conservation and Recovery Act (42 USC §6901 et seq.), all future amendments thereto, and all rules and
2366 regulations promulgated thereunder.

2367 **Holidays**

2368 “Holidays” shall mean the observed holiday for Independence Day, Thanksgiving Day, Christmas Day and
2369 New Year's Day.

2370 **Household Batteries**

2371 “Household Batteries” means disposable or rechargeable dry cells such as those referred to as A, AA,
2372 AAA, B, C, D, 9-volt, button type or those from laptop computers or cell phones, and commonly used as
2373 power sources for consumer electronics devices, including but not limited to zinc oxide, nickel metal
2374 hydride, alkaline, mercury, silver oxide, lithium, lithium ion and carbon zinc, but excluding automotive
2375 lead acid batteries.

2376 **Household Hazardous Waste (HHW)**

2377 “Household Hazardous Waste” or “HHW” means Hazardous Waste generated at Single-Family
2378 Properties within the Regional Agency. HHW includes, but is not limited to: paint, stain, varnish, thinner,
2379 adhesives, auto products such as old fuel, batteries, household batteries, fluorescent bulbs, tubes,
2380 cleaners and sprays, pesticides, fertilizers and other garden products, needles, syringes, and lancets.

2381 **Liquidated Damages**

2382 “Liquidated Damages” means the amounts due by Contractor for failure to meet specific quantifiable
2383 standards of performance as described in Section 11.6 and Attachment G.

2384 **Mandatory Collection Area**

2385 “Mandatory Collection Area” means the areas, individually or collectively, of that name described in
2386 County Code Title 15, Chapter 15.01, Article 3, Section 15.01.040 Solid Waste Collection which is
2387 included as Attachment L to the Franchise Agreement.

2388 **Mixed C&D**

2389 “Mixed C&D” means C&D materials which have not been Source Separated into homogeneous material
2390 streams of like materials and which require sorting and Processing prior to Recycling.

2391 **Multi-Family, Multi-Family Property, MFD**

2392 “Multi-Family” means any Residential Premises, other than a Single-Family Premises, with five (5) or
2393 more dwelling units used for Residential purposes (regardless of whether residence therein is temporary
2394 or permanent) that receive centralized Collection service for all units on the Premises which are billed to
2395 one (1) Customer at one (1) address.

2396 **Non-Collection Notice**

2397 “Non-Collection Notice” means a form, as approved in advance by RA Members, used to notify Service
2398 Recipient(s) of the reason for the non-collection of materials set out by the Service Recipient(s) for
2399 Collection by Contractor pursuant to this Agreement.

2400

2401 **Organic Materials**

2402 “Organic Materials” means those Yard Trimmings and Food Waste which are specifically accepted at the
2403 Approved Organic Materials Processing Facility. No Discarded Material shall be considered to be Organic
2404 Materials, however, unless it is separated from Solid Waste and Recyclable Material.

2405 **Owner**

2406 “Owner” means the Person(s) holding legal title to real property and/or any improvements thereon and
2407 shall include the Person(s) listed on the latest equalized assessment roll of the County Assessor.

2408 **Party, Parties**

2409 “Party”, “Parties” refers to the RA Members and Contractor, individually or together.

2410 **Person(s)**

2411 “Person(s)” means any individual, firm, association, organization, partnership, corporation, trust, joint
2412 venture, or public entity.

2413 **Premises**

2414 “Premises” means any land or building in the Service Area where Solid Waste, Recyclable Materials,
2415 Organic Materials, or C&D are generated or accumulated.

2416 **Processing**

2417 “Processing” means to sort, separate, prepare, treat, bale or otherwise package, compost, cure, or to
2418 take other steps necessary to re-use materials at the Approved Facilities, or to remanufacture,
2419 reconstitute, and or create new products from Discarded Materials. Processing includes reuse,
2420 Recycling and Composting, and excludes energy conversion processes except by prior approval of RA
2421 Members.

2422 **Public Containers**

2423 "Public Containers" means RA Member-owned Containers maintained by the RA Member for use by the
2424 public located on or near streets and public rights-of-way and other public places in the Service Area as
2425 specified by the RA Member for placement of Discarded Materials generated by the public.

2426 **Rate**

2427 “Rate” means the maximum amount, expressed as a dollar unit, approved by the RA Members that the
2428 Contractor may bill a Customer for providing services under this Agreement. A Rate has been
2429 established for each individual RA Member’s jurisdiction, and the initial Rates for Rate Period One are
2430 presented in Attachment F3. The Rates approved by each RA Member governing body are the maximum

2431 Rates that Contractor may charge a Customer, and Contractor may, in its sole discretion, charge any
2432 amount up to and including the maximum Rate approved by each RA Member.

2433 **Rate Period or Rate Year**

2434 "Rate Period" or "Rate Year" means a 12-month period, beginning with July 1 and concluding twelve (12)
2435 months later, for which Contractor's Compensation is calculated, except that Rate Period One shall
2436 commence on November 1, 2018 and end on June 30, 2019.

2437 **Recyclable Materials**

2438 "Recyclable Materials" means those Discarded Materials that: Generators set out in Recyclables
2439 Containers for Collection for the purpose of Recycling by the Contractor that are at least ninety percent
2440 (90%) Recyclable and that exclude Excluded Waste. No Discarded Materials shall be considered
2441 Recyclable Materials unless such material is separated from Solid Waste, and Organic Materials.
2442 Recyclable Materials shall include, but not be limited to: newspaper (including inserts, coupons, and
2443 store advertisements); mixed paper (including office paper, computer paper, magazines, junk mail,
2444 catalogs, brown paper bags, brown paper, paperboard, paper egg cartons, telephone books, grocery
2445 bags, colored paper, construction paper, envelopes, legal pad backings, shoe boxes, cereal and other
2446 similar food boxes); chipboard; corrugated cardboard; glass containers, all colors; aluminum (including
2447 beverage containers, foil, food containers, small pieces of scrap metal); scrap metal weighing less than
2448 10 pounds (without cords or chains and fitting into the container); steel, tin or bi-metal cans; plastic
2449 containers, Numbers 1 to 7; plastic bags and plastic film (no. 4); textiles; household batteries (AAA-D,
2450 9V, alkaline, rechargeable and button cell); and aseptic beverage boxes.

2451 **Recycle, Recycling**

2452 "Recycle" or "Recycling" means the process of collecting, sorting, cleansing, treating and reconstituting
2453 materials that would otherwise be disposed of in a landfill, and returning them to the economic
2454 mainstream in the form of raw material for new, reused, or reconstituted products which meet the
2455 quality standards necessary to be used in the marketplace. Recycling does not include Transformation.

2456 **Regional Agency**

2457 "Regional Agency" means San Benito County Integrated Waste Management Regional Agency.

2458 **Regional Agency Contract Manager**

2459 "Regional Agency Contract Manager" means the Person designated by the RA Members to administer
2460 the provisions of the Agreement as referenced in Section 6.8.

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2463 **RA Member**

2464 “RA Member” means one of the public agencies that are a member of the Regional Agency, which may
2465 include the County of San Benito, City of Hollister, and City of San Juan Bautista.

2466 **RA Representative**

2467 “RA Representative” means the Person named by each RA Member in accordance with Section 12.10.

2468 **Residential, Residential Property**

2469 “Residential”, “Residential Property” means on, of or pertaining to property used for residential
2470 purposes, irrespective of whether such dwelling units are rental units or owner-occupied, or whether
2471 commercial activities are conducted thereon or therefrom, provided that such commercial activities are
2472 permitted under applicable zoning regulations and do not consist of the primary use of the property.

2473 **Residue**

2474 “Residue” means unrecoverable materials remaining after Processing Discarded Materials for which
2475 there are no other options for viable use and which therefore must be disposed of in a landfill.

2476 **Reusable Materials**

2477 “Reusable Materials” means items that are capable of being used again after minimal Processing.
2478 Reusable Materials may be Collected Source Separated or recovered through a Processing Facility.

2479 **SB 1383**

2480 “SB 1383” means Chapter 395, Statutes of 2016 [Lara, SB 1383] relating to short lived climate pollutants,
2481 commonly referred to as “SB 1383, as amended, supplemented, superseded, and replaced from time to
2482 time.

2483 **Service Area**

2484 “Service Area” means the geographical boundaries of San Benito County.

2485 **Service Level**

2486 “Service Level” refers to the size of a Customer’s Container and the frequency of Collection service.

2487 **Single-Family, Single-Family Property, SFD**

2488 “Single-Family” means, notwithstanding any contrary definition in a RA Member Code, any detached or
2489 attached house or residence designed or used for occupancy by one (1) family, provided that Collection
2490 service feasibly can be provided to such Premises as an independent unit, and the Owner or occupant of

2491 such independent unit is billed directly for the Collection service. Single-Family includes Residential units
2492 of a duplex, tri-plex, or four-plex Residential structure provided that the owner or Occupant of each unit
2493 is separately billed for its specific service level.

2494 **Solid Waste**

2495 “Solid Waste” means solid waste as defined in California Public Resources Code, Division 30, Part 1,
2496 Chapter 2, §40191 and regulations promulgated hereunder. Excluded from the definition of Solid Waste
2497 are Excluded Waste, Source Separated C&D, Source Separated Recyclable Materials, Source Separated
2498 Organic Materials, and radioactive waste. Notwithstanding any provision to the contrary, Solid Waste
2499 may include de minimis volumes or concentrations of waste of a type and amount normally found in
2500 Residential Solid Waste after implementation of programs for the safe Collection, Recycling, treatment,
2501 and Disposal of Household Hazardous Waste in compliance with Section 41500 and 41802 of the
2502 California Public Resources Code as may be amended from time to time. Solid Waste includes
2503 salvageable materials only when such materials are included for Collection in a Solid Waste Container.

2504 **Source Reduction**

2505 “Source Reduction” means any action which causes a net reduction in the generation of Solid Waste. It
2506 includes, but is not limited to, reducing the use of non-recyclable materials, replacing Disposal materials
2507 and products with Reusable materials and products, reducing packaging, reducing the amount of Yard
2508 Trimmings generated, and increasing the efficiency of the use of paper, cardboard, glass, metal, plastic,
2509 and other materials. Source Reduction does not include steps taken after the material becomes Solid
2510 Waste or actions which would impact air or water resources in lieu of land, including, but not limited to,
2511 Transformation.

2512 **Source-Separated**

2513 “Source Separated” means the segregation from solid waste, by the Generator, of materials designated
2514 for separate Collection for some form of Recycling, Composting, recovery, or reuse. A load of source
2515 separated materials that contains more than ten (10) percent solid waste shall not be considered source
2516 separated.

2517 **State**

2518 “State” means the State of California.

2519 **Subcontractor**

2520 “Subcontractor” means a Party who has entered into a contract, express or implied, with the Contractor
2521 for the performance of an act that is necessary for the Contractor’s fulfillment of its obligations for
2522 providing service under this Agreement. Vendors providing materials and supplies to Contractor shall
2523 not be considered Subcontractors.

2524 **Term**

2525 “Term” means the Term of this Agreement, including extension periods if granted, as provided for in
2526 Section 4.1.

2527 **Transformation**

2528 “Transformation” means incineration, pyrolysis, distillation, gasification, or biological conversion other
2529 than Composting.

2530 **Transportation**

2531 “Transportation” means the act of transporting or state of being transported.

2532 **Universal Waste**

2533 “Universal Waste” or “U-waste” means all wastes defined by Title 22, Subsections 66273.1 through
2534 66273.9 of the California Code of Regulations or successor regulations. These include, but are not
2535 limited to, Household Batteries, fluorescent light bulbs, mercury switches, and E-Waste.

2536 **Used Motor Oil**

2537 “Used Motor Oil” means used motor oil from automobiles and other light duty vehicles intended for
2538 personal use which is removed from vehicles at Single-Family Premises and not as a part of a for-profit
2539 or other business activity. Used Motor Oil does not include transmission fluid.

2540 **Used Oil Filter**

2541 “Used Oil Filter” means a used motor oil filter from automobiles and other light duty vehicles intended
2542 for personal use which is removed from vehicles at Single-Family Premises and not as a part of a for-
2543 profit or their business activity.

2544 **Used Oil Recovery Kit**

2545 “Used Oil Recovery Kit” means a kit containing: one (1) reusable plastic jug of at least one (1) gallon
2546 capacity with a watertight screw-on top to contain Used Motor Oil; one (1) plastic disposable resealable
2547 bag of sufficient capacity to accommodate one (1) Used Motor Oil Filter; and, a flyer, brochure, or other
2548 informational media approved by the Regional Agency Contract Manager intended to educate
2549 Customers about the Used Motor Oil and Filter Collection program and the benefits resulting from the
2550 proper handling of Used Motor Oil and Filters. The Used Oil Recovery Kit is to be provided to Customers
2551 by Contractor to recover Used Motor Oil and Filters from Single-Family residents.

2552

2553

2554 **Voluntary Collection Area**

2555 “Voluntary Collection Area” means the areas, individually or collectively, of that name described in
2556 County Code Title 15, Chapter 15.01, Article 3, Section 15.01.040 Solid Waste Collection which is
2557 included as Attachment L to the Franchise Agreement.

2558 **Yard Trimmings**

2559 “Yard Trimmings” means those Discarded Materials that will decompose and/or putrefy, including, but
2560 not limited to, green trimmings, grass, weeds, leaves, prunings, branches, dead plants, brush, tree
2561 trimmings, dead trees, small pieces of unpainted and untreated wood, and other types of organic waste.
2562 Yard Trimmings is a subset of Organic Waste. Yard Trimmings placed for Collection may not exceed six
2563 (6) inches in diameter and three (3) feet in length and must fit within the Contractor-provided
2564 Container.

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ATTACHMENT B
SCOPE OF SERVICES – DETAILS

2571 The following Attachments (B1 through B8) describe the programs which, in aggregate, represent the
2572 direct services to be performed under this Agreement by the Contractor.

2573 Each of the following Attachments (B1 through B8) present the programs to be provided to each
2574 Customer Type by Contractor. Within each program description are specific requirements for the:

- 2575 • Type and size of Containers or Service Level to be offered by Contractor under each program;
- 2576 • Frequency of service to be offered by Contractor to Customers;
- 2577 • Location of service, including an indication of whether additional charges may apply if a
2578 Customer selects a location that is costlier to serve (e.g. back-yard service);
- 2579 • Materials that are acceptable or prohibited within the program;
- 2580 • Provision of additional services to the Customer if the standard Service Levels are inadequate,
2581 either on a regular or periodic basis, and an indication of whether additional charges may apply;
2582 and/or,
- 2583 • Other requirements and considerations of the program.

2584 Contractor shall provide the services for each program described in accordance with the specific
2585 program requirements detailed in Attachments B1 through B8 and Contractor shall promote such
2586 programs using the public education and outreach methods described in Attachment B8.

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**ATTACHMENT B1:
SINGLE-FAMILY RESIDENTIAL SERVICE**

1. Solid Waste Collection

Contractor shall Collect Solid Waste in Contractor-provided Carts one (1) time per week from Single-Family Customers and Transport all Solid Waste to the Approved Disposal Facility for Disposal.

Containers: Carts

Container Sizes: 20-, 32-, 64-, and 96-gallons or comparable sizes (as requested by Customer)

Service Frequency: One (1) time per week

Service Location: One (1) direction or two (2) direction side- or back-yard Solid Waste Collection Service for Single-Family Customers may be available for an additional monthly per-container fee.

Acceptable Materials: Solid Waste

Prohibited Materials: Recyclable Materials, Organic Materials, Excluded Waste

Additional Service: Contractor shall provide additional Solid Waste Carts to Single-Family Customers upon request and may charge the "Additional Solid Waste Cart" Monthly Service Rate approved by the RA Member.

Other Requirements: None

2. Recyclable Materials Collection

Contractor shall Collect Recyclable Materials in Contractor-provided Containers one (1) time per week from Single-Family Customers and Transport all Recyclable Materials to the Approved Recyclable Materials Processing Facility for Processing.

Containers: Carts

Container Sizes: 64- and 96-gallons or comparable sizes. Standard container size is 64-gallon Carts. 96-gallon carts will be made available, upon request by Customer.

Service Frequency: One (1) time per week on the same day Solid Waste is collected.

Service Location: One (1) direction or two (2) direction side- or back-yard Solid Waste Collection Service for Single-Family Customers may be available for an additional monthly per-container fee.

Acceptable Materials: Recyclable Materials

Prohibited Materials: Solid Waste, Organic Materials, Excluded Waste

Additional Service: Single-Family Customers shall receive one (1) Recyclable Materials Cart as standard. Contractor shall provide additional Recyclable Materials Carts to Single-Family Customers upon request and may charge the "Additional Recycling Cart" Monthly Rental Rate approved by the RA Member.

Contractor shall establish an "overages" program that allows Single-Family Customers to place additional Recyclable Materials Curbside (in Customer-provided clear plastic bags) or cardboard (tied and bundled no larger

2629 than 3' x 3') adjacent to the Recyclable Materials Cart on their regularly-
2630 scheduled Collection day at no additional charge to the Customer.

2631 **Other Requirements:** Contractor shall accept household batteries in the Recyclable Materials
2632 program, provided that those batteries have been separately packaged in a
2633 sealed, clear plastic bag.

2634 Contractor shall also accept textiles (cotton and denim clothing, towels and
2635 blankets) in the Recyclable Materials program provided that those textiles are
2636 clean and dry and placed in a clear, tied plastic bag.

2637 Contractor may assess a "contamination fee" per event for Customers who have
2638 repeatedly (no less than three times in a calendar year) placed more than ten
2639 percent (10%) by volume of prohibited materials in their Recyclable Materials
2640 Container. Prior to assessing such contamination fee, Contractor must provide
2641 targeted education (e.g., through the use of a tag on the Container) no less than
2642 three times to that specific Customer. Such education shall, at a minimum,
2643 notify the Customer of the specific materials that have been incorrectly placed
2644 and inform the Customer as to which Container the materials should be placed.
2645 Upon assessment of the contamination fee, Contractor shall document the
2646 presence of prohibited items through photographic record and make such
2647 documentation available to the Customer and/or Agency Contract Manager,
2648 upon request.

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2651 **3. Organic Materials Collection**

2652 Contractor shall Collect Organic Materials in Contractor-provided Carts one (1) time per week from
2653 Single-Family Customers and Transport all Organic Materials to the Approved Organic Materials
2654 Processing Facility for Processing.

2655 **Containers:** Carts

2656 **Container Sizes:** 64-, and 96-gallons or comparable sizes. Standard container size is 96-gallon
2657 Carts. 64-gallon carts will be made available, upon request by Customer.

2658 **Service Frequency:** One (1) time per week on the same day Solid Waste is collected.

2659 **Service Location:** One (1) direction or two (2) direction Side- or Back-yard Solid Waste Collection
2660 Service for Single-Family Customers may be available for an additional monthly
2661 per-container fee.

2662 **Acceptable Materials:** Food Waste and Yard Trimmings.

2663 **Prohibited Materials:** Solid Waste, Recyclable Materials, Excluded Waste

2664 **Additional Service:** Single-Family Customers shall receive one (1) Organic Materials Cart standard.
2665 Contractor shall provide additional Organic Materials Carts to Single-Family
2666 Customers upon request and may charge the "Additional Organic Materials
2667 Cart" Monthly Service Rate equivalent to fifty (50%) of the Solid Waste monthly
2668 Service Rate gallon equivalent.

2669 **Other Requirements:** Contractor may assess a "contamination fee" per event for Customers who have
2670 repeatedly (no less than three times in a calendar year) placed more than ten
2671 percent (10%) by volume of prohibited materials in their Yard Trimmings
2672 Container. Prior to assessing such contamination fee, Contractor must provide
2673 targeted education (e.g. through the use of a tag on the Container) no less than
2674 three times to that specific Customer. Such education shall, at a minimum,
2675 notify the Customer of the specific materials that have been incorrectly placed
2676 and inform the Customer as to which Container the materials should be placed.
2677 Upon assessment of the contamination fee, Contractor shall document the
2678 presence of prohibited items through photographic record and make such
2679 documentation available to the Customer and/or Agency Contract Manager,
2680 upon request.

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2682 **4. Used Motor Oil and Filter Collection**

2683 Contractor shall Collect Used Motor Oil and Filters in a Contractor-provided Used Oil Recovery Kit from
2684 Single-Family Customers and properly Dispose of the Used Motor Oil and Filter.

2685 **Containers:** Used Oil Recovery Kit

2686 **Container Sizes:** One 1-gallon Filter Bag; and, up to two 1-gallon used oil jugs or one 2.5-gallon
2687 used oil jug

2688 **Service Frequency:** Up to one (1) time per week on the same day as Solid Waste Collection Service

2689 **Service Location:** Curbside (adjacent to Recyclable Materials Cart)
 2690 **Acceptable Materials:** Used Motor Oil and Filter
 2691 **Prohibited Materials:** Solid Waste, Recyclable Materials, Organic Materials, Excluded Waste
 2692 **Additional Service:** Not applicable
 2693 **Other Requirements:** Contractor shall provide a Used Oil Recovery Kit to a Customer on the next
 2694 scheduled service day after such request is made by Customer at no additional
 2695 cost to Customer. Upon Collection of Used Motor Oil and Filter from a
 2696 Customer, Contractor shall leave a Used Oil Recovery Kit adjacent to the
 2697 Recyclables Cart. Contractor shall not be required to Collect more than one (1)
 2698 Used Oil Recovery Kit per individual dwelling unit per week from Single-Family
 2699 Customers who request it.

2700 **5. Curbside Bulky Item/Reusable Materials Collection**

2701 Contractor shall Collect Bulky Items and Reusable Materials from Single-Family Customers and transport
 2702 the Bulky Items to the Approved Reusable Materials Processing Facility for Processing.

2703 **Containers:** Not applicable
 2704 **Service Level:** Up to two (2) cubic yard of Reusable Materials, up to five (5) E-Waste items, and
 2705 up to two (2) Appliances or Bulky Items. Appliances with Freon count as two (2)
 2706 Bulky Items.
 2707 **Service Frequency:** Up to two (2) times per year (as requested by Customer)
 2708 **Service Location:** Curbside
 2709 **Acceptable Materials:** Reusable Materials, Appliances, Bulky Items, E-Waste, and U-Waste
 2710 **Prohibited Materials:** Solid Waste, Organic Materials, Hazardous Materials, Recyclable Materials,
 2711 abandoned automobiles, trees, Excluded Waste or any single item (e.g. large
 2712 auto parts, etc.) that exceeds two hundred (200) lbs. in weight.
 2713 **Additional Service:** Contractor shall Collect additional eligible items that exceed the required
 2714 Service Level and may charge the "Additional Bulky Item" Rate approved by the
 2715 Agency (as requested by Customer) for each item Collected.
 2716 Contractor shall provide additional Bulky Item/Reusable Materials Collection
 2717 Events to Single-Family Customers, beyond two (2) per year, and may charge
 2718 the "Additional Bulky Item Collection Event" Rate approved by the RA Member.
 2719 Each Bulky Item/Reusable Materials Collection Event shall be subject to the
 2720 same Service Level as identified above.
 2721 **Other Requirements:** Contractor shall provide the service to the Customer within five (5) Business
 2722 Days of the Customer's requested service date, as mutually agreed upon by the
 2723 Customer and Contractor.
 2724

2725 **6. Seasonal Programs**

2726 Contractor shall develop and educate Single-Family Customers about the availability of and participation
 2727 requirements for programs dealing with seasonal or periodic waste management demands that exceed
 2728 regularly scheduled Collection via outreach through the Customer newsletter and the Contractor

2729 website. Contractor shall provide the following seasonal program services to Single-Family Customers at
2730 no additional charge:

2731 Holiday Tree Collection. Contractor shall Collect from Single-Family Customers whole, un- flocked, and
2732 undecorated holiday trees that are placed curbside during the first three (3) weeks of each year. Holiday
2733 trees must be cut into sections no greater than 6'.
2734

2735 **7. Alternative Service Location for Disabled Single-Family Customers**

2736 Contractor shall allow for Persons that have a disability as defined by the Americans with Disabilities Act
2737 (which means Public Law 101-336, 104 Stat. 327, 42 U.S.C. 12101-12213 and 27 U.S.C. 225 and 611, and
2738 all Federal rules and regulations relating thereto) that are Occupants of Single-Family Premises to
2739 receive Collection services at a location other than Curbside at no extra charge to the Customer.
2740 Contractor shall review all applications (which shall include statements from physicians) made by
2741 Customers to determine conformance with this exemption provision and shall grant exemptions, if
2742 applicable. Contractor shall make reasonable accommodations with regard to provision of and servicing
2743 of Containers (e.g., Container size and type, placement of Containers for Collection, etc.) at no additional
2744 cost to the Customer.

**ATTACHMENT B2:
MULTI-FAMILY RESIDENTIAL SERVICES**

1. Solid Waste Collection

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

Containers: Carts, Bins, Compactors

Container Sizes: 64-, and 96-gallon or comparable size Carts:1-, 2-, 3-, 4-, 6-, and 8- cubic yard Bins; and, Compactors (as requested by Customer)

Service Frequency: Up to six (6) times per week but not less than one (1) time per week, as requested by Customer

Service Location: Curbside or other Customer-selected service location at the Multi-Family Premises (difficult to service charges may apply if service location is not immediately accessible by the Collection vehicle)

Acceptable Materials: Solid Waste

Prohibited Materials: Recyclable Materials, Organic Materials, Excluded Waste

Additional Service: Special pickups requested by a Customer, on days other than their regularly scheduled Collection day, will be available at an approved additional charge. Extra picks ups can be scheduled equating to up to six days per week total service.

Other Requirements: Contractor shall contact Multi-Family Customers in advance of the start of service to determine appropriate Container sizes and service frequency. Contractor shall open and close gates, push and/or pull Containers, lock and unlock Containers, or perform other services as reasonably necessary to access and empty Containers (additional charge may apply).

2. Recyclable Materials Collection

Contractor shall Collect Recyclable Materials in Contractor-provided Containers not less than one (1) time per week from Multi-Family Customers and Transport all Recyclable Materials to the Approved Recyclable Materials Processing Facility for Processing.

Containers: Carts, Bins, Compactors

Container Sizes: 64-, and 96-gallon or comparable size Carts: 1-, 2-, 3-, 4-, 6-, and 8- cubic yard Bins; and, Compactors (as requested by Customer)

Service Frequency: Up to six (6) times per week but not less than one (1) time per week (as requested by Customer)

Service Location: Curbside or other Customer-selected service location at the Multi-Family Premises (difficult to service charges may apply if service location is not immediately accessible by the Collection vehicle)

Acceptable Materials: Recyclable Materials

Prohibited Materials: Solid Waste, Organic Materials, Excluded Waste

2785 **Additional Service:** Special pickups requested by a Customer, on days other than their regularly
2786 scheduled Collection day, will be available at an approved additional charge.
2787 Extra picks ups can be scheduled equating to up to six days per week total
2788 service.

2789 **Other Requirements:** Contractor shall contact Multi-Family Customers in advance of the start of
2790 service to determine appropriate Container sizes and service frequency.
2791 Contractor shall open and close gates, push and/or pull Containers, lock and
2792 unlock Containers, or perform other services as reasonably necessary to access
2793 and empty Containers (additional charge may apply).

2794 Multi-Family Customers with no greater than once per week individual cart
2795 service will receive one (1) Recyclable Materials cart free of additional charge.

2796 Contractor may assess a “contamination fee” per event for Customers who have
2797 repeatedly (no less than three times in a calendar year) placed more than ten
2798 percent (10%) by volume of prohibited materials in their Recyclable Materials
2799 Container. Prior to assessing such contamination fee, Contractor must provide
2800 targeted education (e.g. through the use of a tag on the Container) no less than
2801 three times to that specific Customer. Such education shall, at a minimum,
2802 notify the Customer of the specific materials that have been incorrectly placed
2803 and inform the Customer as to which Container the materials should be placed.
2804 Upon assessment of the contamination fee, Contractor shall document the
2805 presence of prohibited items through photographic record and make such
2806 documentation available to the Customer and/or Agency Contract Manager,
2807 upon request.

2808 **3. Organic Materials Collection**
2809 Contractor shall Collect Organic Materials in Contractor-provided Carts no less than one (1) time per
2810 week (i) from all Multi-Family Customers who are subject to the requirements of AB 1826 and do not
2811 refuse the service, and (ii) from all other Multi-Family Customers who subscribe for the service. Under
2812 both (i) and (ii), Contractor shall be entitled to charge for Organic Materials Collection service at the
2813 then-applicable Rates for the service. Contractor shall transport all Organic Materials to the Approved
2814 Organic Materials Processing Facility for Processing. If a Multi-Family Customer subject to the
2815 requirements of AB 1826 refuses Organics Materials Collection Service, Contractor shall not be required
2816 to provide service to that Customer and shall notify the applicable RA Member of the Customer’s refusal
2817 within 30 days and in Contractor’s quarterly report. “Subject to the requirements of AB 1826” means
2818 that the Multi-Family Customer is subscribed for a volume of weekly Solid Waste service equal to or
2819 greater than the applicable volume threshold set forth in California Public Resources Code
2820 §42649.81(a)(2), (3) or (4).

2821 **Container:** Carts
2822 **Container Sizes:** 64-, and 96-gallon or comparable size Carts (as requested by Customer).

2823 **Service Frequency:** Up to three (3) times per week but not less than one (1) time per week, as
 2824 requested by the Multi-Family Customer.

2825 **Service Location:** Curbside or other Customer-selected service location at the Multi-Family
 2826 Premises. (difficult to service charges may apply if service location is not
 2827 immediately accessible by the Collection vehicle)

2828 **Acceptable Materials:** Organic Materials

2829 **Prohibited Materials:** Solid Waste, Recyclable Materials, Excluded Waste

2830 **Additional Service:** Special pickups requested by a Customer, on days other than their regularly
 2831 scheduled Collection day, will be available at an approved additional charge.
 2832 Extra picks ups can be scheduled equating to up to six days per week total
 2833 service.

2834 **Other Requirements:** Contractor shall contact Multi-Family Customers in advance of the start of
 2835 service to determine appropriate Container sizes and service frequency.
 2836 If a Customer places Organic Materials Container(s) for Collection and the
 2837 materials placed in such Container(s) include a sufficient volume or particular
 2838 type of Prohibited Materials that could reasonably result in the Approved
 2839 Organic Materials Processing Facility either rejecting the material from
 2840 Processing or charging Contractor a greater amount for Processing, Contractor
 2841 may classify that set-out as "Contaminated". Contractor shall document any set-
 2842 outs classified as Contaminated with photographic evidence of the presence of
 2843 the Prohibited Material(s) and shall provide such evidence to the Regional
 2844 Agency Contract Manager or Customer upon request. In the event of a
 2845 Contaminated set-out, Contractor shall provide Customer with a written
 2846 warning of the Contamination and instruct the Customer about how to properly
 2847 separate and place Organic Materials for Collection and Contractor may, at their
 2848 sole discretion, refuse to Collect the Container until it is no longer
 2849 Contaminated. In the event that Contractor classifies more than two (2) set-outs
 2850 in a consecutive three (3) month period as Contaminated, whether Collected or
 2851 not, Contractor may assess the "Organics Contamination" Rate approved by the
 2852 RA Member under this Agreement if Collected. In the event that Contractor has
 2853 assessed the Organics Contamination Rate more than two (2) times in a
 2854 consecutive six (6) month period, Contractor may cancel the Customer's
 2855 subscription to the Organic Materials program and may prohibit such Customer
 2856 from subscribing to the program until they demonstrate to the satisfaction of
 2857 the Contractor or Regional Agency Contract Manager that adequate measures
 2858 have been implemented to prevent future contamination.

2859 **4. Bulky Item/Reusable Materials Collection**

2860 Contractor shall Collect Bulky Items and Reusable Materials from Multi-Family Customers and transport
 2861 the Collected materials to the Approved Reusable Materials Processing Facility for Processing.

2862

2863	Containers:	Not applicable
2864	Service Level:	Up to two (2) cubic yards of Reusable Materials, up to five (5) E-Waste items,
2865		AND up to two (2) Appliance or Bulky Item. Appliances with Freon count as two
2866		(2) Bulky Items.
2867	Service Frequency:	Up to two (2) times per year (as requested by Multi-Family Customer)
2868	Service Location:	Curbside or other location approved by Contractor
2869	Acceptable Materials:	Reusable Materials, Appliances, Bulky Items, E-Waste, and U-Waste
2870	Prohibited Materials:	Solid Waste, Organic Materials, Recyclable Materials, Excluded Waste or any
2871		single item that exceeds two hundred (200) lbs. in weight
2872	Additional Service:	Upon Multi-Family Customer request, Contractor shall Collect additional items
2873		which exceed the required Service Level and may charge the "Additional Bulky
2874		Item" Rate approved by the RA Member.
2875		Contractor shall provide additional Collection events for a Customer beyond two
2876		(2) per year and may charge the "Additional Bulky Item Collection" Rate
2877		approved by the RA Member.
2878	Other Requirements:	The Contractor shall provide the service to the Customer within five (5) Business
2879		Days of the Customer's requested service date, as mutually agreed upon by the
2880		Customer and Contractor.

**ATTACHMENT B3:
COMMERCIAL SERVICES**

1. Solid Waste Collection

Contractor shall Collect Solid Waste in Contractor-provided Containers not less than one (1) time per week from Commercial Customers and transport all Solid Waste to the Approved Disposal Facility for Disposal.

Containers: Carts, Bins, Compactors.

Container Sizes: 64-, and 96-gallon or comparable size Carts: 1-, 2-, 3-, 4-, 6-, and 8- cubic yard Bins; and, Compactors (as requested by Customer).

Service Frequency: Up to six (6) times per week but not less than one (1) time per week, as requested by Customer.

Service Location: Curbside; or other Customer-selected service location at the Commercial Premises (difficult to service charges may apply if service location is not immediately accessible by the Collection vehicle)

Acceptable Materials: Solid Waste

Prohibited Materials: Excluded Waste

Additional Service: Special pickups requested by a Customer, on days other than their regularly scheduled Collection day, will be available at an approved additional charge. Extra picks ups can be scheduled equating to up to six days per week total service

Other Requirements: Contractor shall contact Commercial Customers in advance of the start of service to determine appropriate Container sizes and service frequency. Contractor shall open and close gates, push and/or pull Containers, lock and unlock Containers, or perform other services as reasonably necessary to access and empty Containers (additional charge may apply).

2. Recyclable Materials Collection

Contractor shall Collect Recyclable Materials and/or Source Separated Recyclable Materials in Contractor-provided Containers not less than one (1) time per week from Commercial Customers and Transport all Recyclable Materials to the Approved Recyclable Materials Processing Facility for Processing or, at Contractor's discretion, to any Person who will make a net payment to Contractor for the delivery of the Source-Separated Recyclable Materials.

Containers: Carts, Bins, Drop Boxes, Compactors

Container Sizes: 64-, and 96-gallon or comparable size Carts: 1-, 2-, 3-, 4-, 6-, and 8- cubic yard Bins; and, Compactors (as requested by Customer)

Service Frequency: Up to six (6) times per week but not less than one (1) time per week, as requested by Customer

Service Location: Curbside or other Customer-selected service location at the Commercial Premises (difficult to service charges may apply if service location is not immediately accessible by the Collection vehicle)

Acceptable Materials: Recyclable Materials

2922 **Prohibited Materials:** Solid Waste, Organic Materials, Excluded Waste

2923 **Additional Service:** Special pickups requested by a Customer, on days other than their regularly

2924 scheduled Collection day, will be available at an approved additional charge.

2925 Extra picks ups can be scheduled equating to up to six days per week total

2926 service.

2927 **Other Requirements:** Contractor shall contact Commercial Customers in advance of the start of

2928 service to determine appropriate Container sizes and service frequency.

2929 Contractor shall open and close gates, push and/or pull Containers, lock and

2930 unlock Containers, or perform other services as reasonably necessary to access

2931 and empty Containers (additional charge may apply).

2932 Contractor may assess a “contamination fee” per event for Customers who have

2933 repeatedly (no less than three times in a calendar year) placed more than ten

2934 percent (10%) by volume of prohibited materials in their Recyclable Materials

2935 Container. Prior to assessing such contamination fee, Contractor must provide

2936 targeted education (e.g. through the use of a tag on the Container) no less than

2937 three times to that specific Customer. Such education shall, at a minimum,

2938 notify the Customer of the specific materials that have been incorrectly placed

2939 and inform the Customer as to which Container the materials should be placed.

2940 Upon assessment of the contamination fee, Contractor shall document the

2941 presence of prohibited items through photographic record and make such

2942 documentation available to the Customer and/or Agency Contract Manager,

2943 upon request.

2944 Contractor shall document and report to the Regional Agency Contract Manager

2945 each instance where Contractor delivers Source Separated Recyclable Materials

2946 to a Person other than the Approved Recyclable Materials Processing Facility.

2947 Such report shall include the Person to whom the materials were delivered, the

2948 specific type of materials delivered (e.g., cardboard, metal etc.), the number of

2949 Tons, and the amount received in payment for the delivery.

2950 **3. Organic Materials Collection**

2951 Contractor shall Collect Organic Materials in Contractor-provided Containers no less than one (1) time

2952 per week from (i) all Commercial Customers who are subject to the requirements of AB 1826 and do not

2953 refuse the service, and (ii) from all other Commercial Customers who subscribe for the service. Under

2954 both (i) and (ii), Contractor shall be entitled to charge for Organic Materials Collection service at the

2955 then-applicable Rates for the service. Contractor shall Transport all Organic Materials to the Approved

2956 Organic Materials Processing Facility for Processing. If a Commercial Customer subject to the

2957 requirements of AB 1826 refuses Organics Materials Collection Service, Contractor shall not be required

2958 to provide service to that Customer and shall notify the applicable RA Member within 30 days of the

2959 Customer’s refusal and in Contractor’s quarterly report. “Subject to the requirements of AB 1826”

2960 means that the Commercial Customer is subscribed for a volume of weekly Solid Waste service equal to

2961 or greater than the applicable volume threshold set forth in California Public Resources Code

2962 §42649.81(a)(2), (3) or (4).

2963 **Containers:** Carts, Bins, Compactors

2964 **Container Sizes:** 64-, and 96-gallon or comparable size Carts:1- and 2- cubic yard Bins; and,

2965 Compactors (as requested by Customer)

2966 **Service Frequency:** Up to six (6) times per week but not less than one (1) time per week, as

2967 requested by Customer

2968 **Service Location:** Curbside or other Customer-selected service location at the

2969 Commercial Premises (difficult to Service charges may apply if service

2970 location is not immediately accessible by the Collection vehicle)

2971 **Acceptable Materials:** Organic Materials

2972 **Prohibited Materials:** Solid Waste, Recyclable Materials, Excluded Waste

2973 **Additional Service:** Special pickups requested by a Customer, on days other than their regularly

2974 scheduled Collection day, will be available at an approved additional charge.

2975 Extra picks ups can be scheduled equating to up to six days per week total

2976 service.

2977 **Other Requirements:** Contractor shall contact Commercial Customers in advance of the start of

2978 service to determine appropriate Container sizes and service frequency.

2979 Contractor shall open and close gates, push and/or pull Containers, lock and

2980 unlock Containers, or perform other services as reasonably necessary to access

2981 and empty Containers (additional charge may apply).

2982 If a Customer places Organic Materials Container(s) for Collection and the

2983 materials placed in such Container(s) include a sufficient volume or particular

2984 type of Prohibited Materials that could reasonably result in the Approved

2985 Organic Materials Processing Facility either rejecting the material from

2986 Processing or charging Contractor a greater amount for Processing, Contractor

2987 may classify that set-out as "Contaminated". Contractor shall document any set-

2988 outs classified as Contaminated with photographic evidence of the presence of

2989 the Prohibited Material(s) and shall provide such evidence to the Regional

2990 Agency Contract Manager or Customer upon request. In the event of a

2991 Contaminated set-out, Contractor shall provide Customer with a written

2992 warning of the Contamination and instruct the Customer about how to properly

2993 separate and place Organic Materials for Collection and Contractor may, at their

2994 sole discretion, refuse to Collect the Container until it is no longer

2995 Contaminated. In the event that Contractor classifies more than two (2) set-outs

2996 in a consecutive three (3) month period as Contaminated, whether Collected or

2997 not Contractor may assess the "Organics Contamination" Rate approved by the

2998 RA Member under this Agreement if Collected. In the event that Contractor has

2999 assessed the Organics Contamination Rate more than two (2) times in a

3000 consecutive six (6) month period, Contractor may cancel the Customer's

3001 subscription to the Organic Materials program and may prohibit such Customer

3002 from subscribing to the program until they demonstrate to the satisfaction of

3003 the Contractor or Regional Agency Contract Manager that adequate measures
3004 have been implemented to prevent future contamination.
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ATTACHMENT B4: RA MEMBER SERVICES

1. Commercial Customer Services to RA Member Facilities

Contractor shall Collect Solid Waste, Recyclable Materials, Source Separated Recyclable Materials, Organic Materials, and Bulky Items and Reusable Materials from RA Member facilities in the same manner as those services are provided to Commercial Customers. Contractor shall provide service to all existing RA Member facilities identified in Attachment B5 as well as any future RA Member facilities established after the commencement of services. Contractor shall provide these services at no additional cost to the RA Member.

ATTACHMENT B5:**RA MEMBER FACILITY SERVICE LEVELS AND LOCATIONS****RA Member Facilities**

Contractor will collect Solid Waste, Recyclable Materials, Organic Materials, and Bulky Items and Reusable Materials from RA Member facilities in the same manner as those services are provided to Commercial Customers. Contractor will provide service to all RA Member facilities (both existing facilities and RA Member facilities established after the Commencement Date), at no additional cost to the RA Member. Listed below are current RA Member facilities receiving Collection services and other facilities such as parks that may or may not currently be serviced but are included in the Franchise Agreement as a RA Member Facility.

RA MEMBER FACILITIES	
CITY OF HOLLISTER	
<u>Service Address</u>	<u>Facility Name</u>
395 Apollo Ct.	City of Hollister Police
2690 San Juan Hollister Rd	City of Hollister Water Treatment Plant
2000 Aero Star Way	City of Hollister- Airport
60 Airport Drive	City of Hollister- Airport
90 Skylane Drive	City of Hollister Airport
1331 South Street	City of Hollister-Animal Shelter
365 Fourth St	City of Hollister-Briggs Building
375 Fifth St.	City of Hollister-City Hall
1321 South St.	City of Hollister-City Yard
300 West St	City of Hollister-Community Center
1000 Union Rd	City of Hollister-Fire
110 Fifth St	City of Hollister-Fire Dept
649 San Benito St	City of Hollister-Veteran's Memorial Building
CITY OF SAN JUAN BAUTISTA	
<u>Service Address</u>	<u>Facility Name</u>
311 Second St., A	San Juan Bautista City Hall
311 Second St.	San Juan Bautista Fire Station
701 Second St.	San Juan Bautista Corp Yard
801 Second St.	San Juan Bautista Library
SAN BENITO COUNTY	
<u>Service Address</u>	<u>Facility Name</u>
710 Flynn Rd.	County Jail
708 Flynn Rd	SBC Juvenile Hall
3220 Southside Rd.	SBC Agriculture Department
3220 Southside Rd.	SBC Corporation Yard
3240 Southside Road	County Transit Agency
481 4th Street	SBC Administration Department
2301 Technology Drive	SBC Sheriff

2301 Technology Drive	SBC Resource Management Agency
Hwy 25	SBC Training Facility (range)
1221 Memorial Drive	Bertha Briggs Building
2650 John Smith Road	Household Hazardous Waste Events

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PARKS	
CITY OF HOLLISTER	
<u>Service Address</u>	<u>Park Name</u>
2045 San Juan Road	Brigantino Park
1151 Buena Vista Road	Calaveras School Park
2151 Cerra Vista Drive	Cerra Vista School Park
600 West Street	Dunne Park
Beverly Drive/Spruce Drive	Frank Klauer Memorial Park
Central Avenue	John Z. Hernandez Memorial Park
Las Brisas between Hillcrest & Sunnyslope	Las Brisas Park
Marguerite Maze School/Meridian Road	Marguerite Maze Sports Complex
Prospect/Park Street	Rancho San Justo Sports Complex
San Andreas School/Alvarado Drive	McCarthy Park
San Felipe/Fallon next to CDF	Jerry Gabe Memorial Park
Bridge Road/Bridgeville Subdivision	Tony Aguirre Memorial Park
2381 Driftwood Court	Valley View park
498 Hill Court	Vista Park Hill
CITY OF SAN JUAN BAUTISTA	
<u>Service Address</u>	<u>Park Name</u>
409 Fifth Street	Abbe Park
Third Street & San Jose Street	Verutti Park
COUNTY OF SAN BENITO	
<u>Service Address</u>	<u>Park Name</u>
1023 Memorial Drive	Veterans Memorial Park/ Softball Fields/Skate Park
8300 Airline Highway	San Benito County Historical Park
1221 Memorial Drive	Bertha Briggs Memorial Youth Center

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ATTACHMENT B6:

RA MEMBER PUBLIC LOCATION SERVICE LEVELS

Contractor will collect materials deposited in Public Solid Waste, Recyclable Materials and Organic Materials Containers which are located in the Regional Agency Service Area and are listed below and shown on the attached map. The RA Member reserves the right to change the service schedule at any time during the term of this Agreement upon not less than thirty (30) calendar days written notice to Contractor and may add Public Containers as it deems necessary. Contractor shall provide these services at no additional cost to the RA Member.

<u>PUBLIC RECEPTACLES*</u>	
CITY OF HOLLISTER	
<u>Service Address</u>	<u># of trash/recycle receptacles</u>
Third-Fourth Street	5
Fourth-Fifth Street	6
Fifth-Sixth Street	9
Sixth-Seventh Street	8
Seventh-South Street	9
South-Hawkins Street	3
CITY OF SAN JUAN BAUTISTA	
<u>Service Address</u>	<u># of trash/recycle receptacles</u>
Second/Polk Street	2
Franklin-Washington Street	2
Washington-Polk Street	2
Polk-Muckelemei Street	2
COUNTY OF SAN BENITO	
<u>Service Address</u>	<u># of trash/recycle receptacles</u>

*Map of locations available upon request from Recology.

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**ATTACHMENT B7:
RA MEMBER COMMUNITY EVENTS SCHEDULE**

<u>Event or Venue</u>	<u>Location</u>	<u>Estimated Date</u>
CITY OF HOLLISTER		
Downtown Spring Cleanup	Monterey Street	May
Wine & Beer Stroll	Downtown Hollister	May
Hollister Air Show	Hollister Airport, 90 Skylane Dr.	May /June
Hollister Motorcycle Rally (AKA Hollister Independence Rally)	455 San Benito Street	June /July
Street Festival and Car Show	San Benito Street	July
Hollister Concerts/Tributes	500 John Smith Road	Summer
Relay for Life	TBD	July
Farmers Market	San Benito Street	Summer
Beer & Bacon Crawl	Downtown Hollister	Sept. (Cancelled 2017)
Holiday of Lights Celebration	455 San Benito Street	Early December
Hollister Firefighters/Breakfast w/ Santa	670 College Street	Early December
CITY OF SAN JUAN BAUTISTA		
San Juan Bautista Arts and Crafts Show	311 Second Street	March
The Great San Juan Bautista Rib Cook-Off	Second Street	May
California Indian Market/Peace Dance	SLB School	May
Show and Shine Car Show	Downtown	May
Early Days at SJB Park	SJB State Park	June
Old Mission Fiesta	Mission San Juan	June
Los Padrinos Car Show	Downtown	June
Living History Days	SJB State Park	Each month
Antique & Collectibles Fair	Historic City of San Juan Bautista	August
National Make a Difference Day	Library & Luck Park Washington St. Bridge Community Center Downtown City Hall & Fire Station Abbe Baseball Park	October
Ghost Walk	Downtown	October
Kids Halloween Party	Downtown	October
Dia Day Los Muertos	Theatro and Downtown	November
Holiday Bonfire	Mission Parking Lot	December
Holiday Parade	3rd Street (San Juan School)	Early December
COUNTY OF SAN BENITO		
San Benito Saddle Horse Show	9000 Airline Parkway/Tres Pinos	June
Indian Canyon Storytelling	Indian Canyon	July
Bluegrass Festival	San Benito Park/Tres Pinos	August
Aromas Day	Downtown Aromas	August
San Benito County Fair	9000 Airline Parkway/Tres Pinos	Sept./October
San Benito Olive Festival	Brigantino Park, 2037 San Juan Road, Hollister	October

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3052 **ATTACHMENT B8:**

3053 **PUBLIC EDUCATION AND OUTREACH REQUIREMENTS**
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3055 **1. General Administration**

3056 The RA Members place high importance on effective public outreach and education to help residents
3057 and businesses understand options and benefits of source reduction, reuse, Recycling, and Composting.
3058 General provisions are as follows:

- 3059 1. Prior to the Commencement Date and by April 1 of each following year during the Term of this
3060 Agreement, Contractor shall develop and submit an annual public education plan (PEP) to promote
3061 the programs performed by Contractor under this Agreement. The PEP will specify the target
3062 audience for services provided, community events, identify program objectives, tasks, public
3063 education materials to be developed or updated, opportunities to expand partnerships in the
3064 community, and timeline for implementation. Input shall be solicited from the Regional Agency
3065 Contract Manager (RACM) who will review deadlines, tasks and objectives and products
3066 developed. Contractor shall meet with the RACM to present and discuss the PEP, review the prior
3067 year's activities (including direct and in-kind donations made, sponsorships and services provided
3068 to RA Member community events) and determine whether community activities and the provision
3069 of services to the RA Members reflect the needs of RA Members. The RACM shall be allowed up to
3070 thirty (30) calendar days after receipt to review, request modifications, and approve the PEP.
- 3071 2. The RACM and Contractor shall meet a minimum of one (1) time per calendar quarter to discuss
3072 progress in commercial/multi-family technical assistance and increased recycling services,
3073 outreach, and educational campaigns and request changes or adaptations to the PEP.
- 3074 3. Contractor shall distribute instructional information, public education, and promotion materials in
3075 advance of, and following, commencement of services. This shall entail, at a minimum, distributing
3076 program literature with delivery of Containers. Contractor shall use multiple media sources
3077 including print, radio television, electronic / social media, and events to notify Customers of the
3078 change in their services and to highlight new program offerings. Transition and ongoing
3079 sector-specific collateral materials shall be developed and distributed and produced in English and
3080 Spanish.
- 3081 4. When developing outreach, educational and promotional materials, Contractor shall work with the
3082 RACM to understand goals and objectives and ensure all public education efforts are delivered in a
3083 coordinated manner. All outreach and educational materials shall be thematically branded with
3084 consistent color and font, produced in English and Spanish; and photo-oriented to appeal to varied
3085 language and literacy levels. Materials shall also be made available in digital form and shall be
3086 printed double-sided by a San Benito County business on 100% recycled and recyclable paper.
3087 Prior to finalizing any collateral materials, and no fewer than four (4) weeks prior to the deadline
3088 for distribution, the draft shall be provided to the RACM for a final review before print.
- 3089 5. All RA Member facilities shall receive all public education and outreach materials and services
3090 provided to the Commercial sector. Contractor shall provide all printed public education materials
3091 to RA Member offices and facilities to have available for the public that visits those facilities and
3092 shall replenish the materials as requested by the RACM.
- 3093 6. Contractor shall develop and utilize corrective action notices that will also function as

non-Collection and courtesy notices in clear instances of Customer non-compliance. Contractor shall develop and maintain a system of keeping records of and following up with Customers who receive non-Collection notices during Collection of materials.

7. Contractor shall develop a website specific to its operations in San Benito County, with a section specific to Regional Agency and RA Members programs and services, that will be used to post educational materials for download, highlight program successes and provide Diversion statistics. Contractor shall prepare multi-lingual public education materials in English and Spanish and post the multi-lingual outreach materials on its website.

2. Public Education and Outreach Team

To achieve a high level of recycling public education and awareness, Contractor shall employ a minimum of one full-time Waste Zero Manager (WZM) and one (1) full-time Waste Zero Specialist (WZS) to develop and implement all public education and outreach activities required by this Agreement for all RA Members and shall serve the Regional Agency Service Area exclusively. Also, during year 1 only of this Agreement, Recology shall have two additional WZS's. The public education and outreach staff shall work with the RA Members and the Regional Agency to conduct outreach, promote waste reduction, recycling, diversion programs, and provide technical assistance to Multi-family and Commercial Customers.

The WZM shall have the following duties and responsibilities:

1. Serve as liaison with the Regional Agency and RA Members. In this capacity, WZM shall participate in PEP and other strategy development meetings to increase recycling, organics collection, source reduction, reuse, and composting;
2. Initiate and participate in community activities and offer support to local service organizations;
3. Work with the WZS to ensure recycling for all sectors of residential, commercial, multi-family (MFD) is increasing, ensure recycling participation is high and ongoing efforts are provided to increase general knowledge of waste reduction alternatives.
4. Meet with the RACM quarterly to discuss methods to increase recycling particularly for the Commercial and MFD and discuss methods to increase recycling and decrease solid waste.
5. Develop and maintain relationships with the media and draft press releases to increase recycling participation and waste reduction alternatives, increase recycling event and workshop participation and promote other methods to increase diversion.
6. Develop and participate in events and meetings in the community to promote recycling and diversion programs
7. Ensure compliance with the Agreement, AB 341, AB 1826, AB 939 and other solid waste related mandates and requirements(s).

The WZS shall have the following duties and responsibilities:

8. The WZS's primary function is to increase recycling by providing onsite technical assistance to MFD and Commercial Service Recipients and meet with the Commercial primary decision maker (i.e., the person with authority to make service changes), janitorial staff, and employees using the services to increase recycling and decrease garbage and ensure employees (and residents of MFDs) fully participate in recycling and other diversion programs.
9. Provide training to staff at Commercial and MFD accounts to ensure full knowledge and

participation by the Commercial and MFD accounts, and periodically follow up with Commercial and MFD accounts to maximize recycling and reduce contamination.

10. Initiate outreach and education opportunities in the community and have a clear understanding of San Benito County's unique challenges and provide solutions to increase diversion. Provide educational/outreach materials to assist Commercial and MFD accounts staff and their janitorial staff to know about and fully utilize the recycling program. Be proactive in reducing recurring contamination issues and implement solutions;

11. Initiate and participate in recycling training workshops, Regional Agency and RA Members-sponsored activities, civic and business group meetings, and other community events to actively increase recycling;

Contractor's WZM and WZS shall, at a minimum, perform the following additional tasks:

12. Actively develop partnerships with the Regional Agency and RA Members' staff provides workshops and educational activities;

13. Initiate recycling and other diversion activities at community events and activities;

14. Ensure compliance and high level of quality Customer service of program services, as described in Attachment B to the Agreement;

15. Ensure compliance with the Agreement and regulatory agencies having jurisdiction over Contractor's activities;

16. Develop and implement the annual PEP;

17. Initiate and provide onsite technical assistance meetings with Commercial and MFD accounts and meet with all Commercial and MFD accounts a minimum of one (1) time every year. For each technical assistance meeting, the WZS will complete each action as detailed in Attachment B8-A and report progress. Provide training staff at the Commercial and MFD accounts and provide ongoing follow-up to ensure full participation in the programs.

18. Provide the Quarterly Recycling Technical Assistance Report that provides the individual CTAP reports and summarizes noteworthy successes or challenges of the commercial technical assistance program CTAP site visits provided in the prior quarter. Attachment B8-A. The reports shall be filed with the Contractor's quarterly reports required under Section 7.3.B and Attachment D.

19. Actively encourage all Customers to use the educational information (posters, etc.) to fully participate in recycling and diversion programs.

20. Plan recycling and organics program collection services for community events and large venues and coordinate with the event organizer to discuss location/placement of recycling /organics bins, recycling posters and other education to maximize diversion at each events or venue, provide diversion reporting. Provide recycling program planning materials to event/venue coordinator/facility staff to maximize recycling and reduce disposed waste;

21. Develop and provide reports as required under this Agreement and/or requested by the RACM.

3. Sector-Specific Activities

The following tables present the public education and outreach activities to be performed by Contractor as minimum requirements under this Agreement. Each type of Customer faces unique waste management opportunities and challenges; therefore, Contractor shall develop targeted, sector-specific educational materials and perform outreach activities as described for each Customer Type.

3179 **Public Education and Outreach**

3180 All printed materials also to be posted on the Contractor's website.

3181 The following public education and outreach materials shall each be produced for the benefit of all Customer Types that receive Collection
 3182 service from the Contractor. The listing is broken out between those materials and activities required during the initial start-up and rollout of
 3183 Collection service and those required on an ongoing basis.

3184 **Initial Start-Up Public Education and Outreach Materials and Activities**

Task	Description	Distribution/Frequency
ALL SECTORS		
Print and Electronic Advertising	Prepare/distribute a newspaper advertisement and electronic advertising (e.g., on a website) information that explains all programs that will be offered under the new Agreement.	One (1) time at beginning of the Agreement (20-30 days prior to contract start date).
Public Service Announcement (PSA)	Prepare and distribute a PSA for local radio and cable television broadcast describing the new programs under the Agreement.	One (1) time at beginning of the Agreement (20-30 days prior to contract start date).
Press Release	Contractor shall produce a press release to advertise and promote all programs, with focus on any new programs that will be offered to each sector (Single-Family, Multi-Family, Commercial, schools, RA Members' facilities).	One (1) time at beginning of the Agreement (20-30 days prior to contract start date).
Social Media	Contractor shall produce content tailored for distribution via social media including Facebook, Twitter, and any others forms of social media mutually agreed upon. Contractor to develop a specific plan for the content to be distributed.	Ongoing at least 45 days prior to contract start date.
SINGLE-FAMILY		
New Programs Mailing	Prepare and distribute an initial mailing to Single-Family Customers explaining the program changes in the new Agreement; changes from the existing Collection programs to new programs; and, the effective date of the change.	One (1) time at beginning of the Agreement (45-60 days prior to Commencement Date) via direct mail.
Recycling Guide	Contractor to develop a "Recycling Guide" specific to Single-Family Customers and update the guide as needed. This guide to include information on the specific recyclables materials and organic materials (yard waste and food waste) accepted and what is not accepted, proper set out instructions, contact information, and provide program details described in Attachment B1. A section of the guide will specifically address proper methods of handling and Disposal of Hazardous and Electronic Wastes.	One (1) time at beginning of the Agreement (20-30 days prior to Commencement Date).

Website	Contractor to develop a “Single-Family Customer” section on its website to inform Customers with “how-to” information for recycling, organics collection proper Container set-outs instructions, special collection information, and provide Single-Family Customers with links for additional resources. Provide Single-Family educational materials in this section of Contractor’s website in PDF and/or video format. Include the current Rates charged to Single-Family Customers within the Agency Service Area.	At least thirty (30) days prior to Commencement Date.
MULTI-FAMILY		
New Programs Mailing	Prepare and distribute an initial mailing to all Multi-Family households as applicable within Service Area explaining the program changes in the new Agreement; changes from the existing Collection programs to new programs; and, the effective date of the change. Highlight that free recycling assessments are available to help them with their recycling program. The Contractor shall document the method used to satisfy this requirement, which may include Contractor providing the property manager/owner with sufficient copies of mailed materials to distribute to their tenants.	One (1) time at beginning of the Agreement (45-60 days prior to Commencement Date) via direct mail to each Multi-Family household (or property manager/owner) in the Service Area.
Recycling Guide	Contractor shall produce a “Recycling Guide” specific to Multi-Family Customers and update the guide as needed. This guide to include information on the specific recyclables materials and organic materials (yard waste and food waste) accepted and what is not accepted, proper set out instructions, contact information, and provide program details described in Attachment B2. Specifically address proper methods of Disposal of Hazardous and Electronic Wastes.	One (1) time at beginning of the Agreement (20-30 days prior to Commencement Date).
Website	Contractor to prepare a “Commercial and Multi-Family Customer” section of its website where it will present “how-to” information for participating in Contractor-provided programs including proper Container set-outs and provide Multi- Family Customers with links to click on for additional resources. All other Multi- Family educational materials shall be posted on this section of Contractor’s website in PDF and/or video format. The website shall also publish the current Rates charged to Multi-Family Customers within the Service Area. The website shall also provide Multi-Family property managers with an opportunity to request “Recycling assessments” or additional “move-inkits”.	At least thirty (30) days prior to Commencement Date.

COMMERCIAL		
New Programs Mailing	Prepare and distribute an initial mailing to all Commercial Customers within the Regional Agency Service Area explaining the program changes in the new Agreement; changes from the existing Collection programs to new programs; and, the effective date of the change. Highlight the availability of free recycling assessments.	One (1) time at beginning of the Agreement (45-60 days prior to Commencement Date) via direct mail.
Recycling Guide	Contractor to produce a "Recycling Guide" specific to Commercial Customers and update the guide as needed. This guide to include information on specific recyclables materials and organic materials (yard waste and food waste) accepted and what is not accepted, proper set out instructions, contact information, and provide program details described in for all Commercial programs described in Attachment B3. Highlight free recycling assessments. Include proper Disposal of Hazardous Wastes.	One (1) time at beginning of the Agreement (20-30 days prior to Commencement Date) and as needed via direct mail. Distributed during Recycling assessments.
"How-to" Flyer: Recyclable Materials	Prepare and distribute a "how-to" brochure explaining the Recycling Materials Collection programs for businesses.	One (1) time at beginning of the Agreement (20-30 days prior to contract start date) via direct mail. Distributed during Recycling assessments.
"How-to" Flyer: Organic Materials	Prepare and distribute a flyer describing the Organic Materials Collection services available and how to prepare Organic Materials for Collection for businesses.	Distributed during Recycling assessments.
Website	Contractor to prepare a "Commercial and Multi-Family Customer" section of its website where it will present "how-to" information for participating in Contractor-provided programs including proper Container set-outs and provide Commercial Customers with links to click on for additional resources. All other Commercial educational materials shall be posted on this section of Contractor's website in PDF and/or video format. The website shall also publish the current Rates charged to Commercial Customers. The website shall also provide Commercial businesses with an opportunity to request recycling assessments.	At least thirty (30) days prior to Commencement Date.

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3191 **Ongoing Public Education and Outreach Materials and Activities**

3192 **Public Education and Outreach | Single-Family Education and Outreach Activities**

3193 All printed materials also to be posted to the Company's website.

Task	Description	Distribution/Frequency
Bill insert	Each RA Member may direct Contractor to produce and insert mailers with billings relating to RA community events, newsletter, other public education and outreach activities, other environmental programs, and authorized rate increases up to six (6) times per year.	Bi-monthly in each Customer bill.
Recycling Guide	Contractor shall produce a "Recycling Guide" specific to Single-Family Customers and update the guide as needed. Guide to include information on specific recyclables materials and organic materials (yard waste and food waste) accepted and what is not accepted, proper set out instructions, contact information, and provide program details described in for all Single-Family programs described in Attachment B1. A section of the guide will specifically address proper methods of handling and Disposal of Hazardous Wastes.	To each new Single-Family Customer throughout Term of Agreement.
Neighborhood Group & HOA Visits	Provide onsite technical assistance or training to homeowner associations and other neighborhood groups and associations to promote and explain the Recycling programs included in this Agreement.	At Regional Agency Contract Manager or Customer request.
Biennial Newsletter	Prepare and distribute biennial (Spring and Fall) newsletters that creatively inform Residential Customers about Bulky Item pick-ups, home Composting, proper handling of Household Hazardous Waste, E-Waste, and U-Waste, other environmental conservation topics statistics, trends, and facts about programs performed under this Agreement (i.e. material Collected, Tonnage, year over year increase/decrease, markets for material Collected, what each material is Recycled into, and the importance of buying Recycled). Contractor shall include an educational section in each newsletter geared towards children.	Spring and Fall each year included in each mailed Customer bill and downloadable from electronic Customer bills.
Corrective Action Notices	Produce a Single-Family Customer oriented corrective action notice for use in instances where the Customer includes prohibited materials in a Container or fails to properly prepare or set-out Containers.	As needed.

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<u>Task</u>	<u>Description</u>	<u>Distribution/Frequency</u>
Website	Contractor shall prepare a “Single-Family Customer” section of its website where it will present Customers with “how-to” information for participating in Contractor-provided programs including proper Container set-outs and provide Single-Family Customers with links to click on for additional resources. All other Single-Family educational materials shall be posted on this section of Contractor’s website in PDF and/or video format. The website shall also publish the current Rates charged to Single-Family Customers within the Regional Agency Service Area.	Updated no less than quarterly.
Social Media	Contractor shall produce content tailored for distribution via social media including Facebook, Twitter, and any others forms of social media mutually agreed upon. Contractor to develop a specific plan for the content to be distributed, included a calendar delineating the frequency of posts and tweets.	Ongoing

3197 **Public Education and Outreach | Commercial and Multi-Family Education and Outreach Activities**

3198 All printed materials also to be posted to the Company's website.

Task	Description	Distribution/Frequency
Bill insert	Each RA Member may direct Contractor to produce and insert mailers with billings relating to RA community events, newsletter, other public education and outreach activities, other environmental programs, and authorized rate increases up to four (4) times per year.	Bi-monthly in each Customer bill as applicable.
Recycling Guide	Contractor to produce a "Recycling Guide" specific to Commercial and Multi-Family Customers and update the guide as needed. This guide to include information on all acceptable materials for recycling and organics collection and what is considered contaminants and contact information. All Commercial and Multi-Family programs described in Exhibit B2. A section of the guide will specifically address proper methods of handling and Disposal of Hazardous Wastes, Electronic waste.	Via direct mail to each Commercial and Multi-Family household in Regional Agency Service Area as applicable.
Biennial Newsletter	Prepare and distribute biennial (Spring and Fall) newsletters that creatively inform Commercial and Multi-Family Customers about topics as availability of Bulky Item pick-ups, Composting, proper handling of Household Hazardous Waste, E-Waste, and U- Waste, environmental conservation statistics, trends, and facts about programs performed under this Agreement (i.e., material Collected, Tonnage, year over year increase/decrease, importance of buying recycled content products, non-toxic materials, etc.).	Biennial (Spring and Fall) via direct mail to each Commercial and Multi- Family household in Regional Agency Service Area as applicable.

Task	Description	Distribution/Frequency
Technical Assistance: Recycling Assessments	Provide onsite technical assistance at least one (1) time annually for all Commercial and MFD customers and other facilities with a special focus on AB341 and AB 1826 accounts to ensure compliance. Technical Assistance is to meet requirements of this Attachment B8 and include on site walk through of facility, training of staff, provide posters/outreach materials, provide cost savings resulting from increasing recycling and organics (and reducing garbage services), and include recommendations to increase recycling and reduce contamination. Contractor to work with customer service and operations to implement service level changes, as needed. Prepare Recycling Assessment reports for each technical assistance site visit. Submit reports, see Attachment B8-A, to RACM to document Customers that received technical assistance in the prior quarter.	Provide onsite technical assistance to all Commercial and MFD accounts at least one (1) time per year, plus follow-up meetings with individual Customers, as needed. Ensure attention and compliance is provided for Commercial and MFD accounts that meet AB 341 and AB 1826 requirements.
"How-to" Brochure: Recyclable Materials	Prepare and distribute a "how-to" brochure explaining the Recycling Materials Collection programs, contaminants, staff training tips and other information.	Distributed during Recycling assessments.
"How-to" Brochure: Organic Materials	Prepare and distribute a brochure describing the Organic Materials Collection services acceptable material, contaminants, staff training tips and other information.	Distributed during Recycling assessments.
Recycling and Organics Posters	Produce and distribute Recycling assessments laminated Recycling and Organics posters that provide graphic illustrations of acceptable and prohibited materials within each program.	Distributed during Recycling assessments.
Move-In Kits	Prepare and distribute "move-in kits" for property managers and owners of MFD accounts to provide new tenants. Move-in kits shall include, at a minimum, a Multi-Family/Commercial Recycling guide and promote the availability of a Recycling Tote for residents.	Distributed during onsite Recycling assessments.

Task	Description	Distribution/Frequency
Training and Workshops	Offer and provide training and workshops for staff of Commercial and tenants for MFD accounts. Training should focus on how to use the Recycling and Organics program and provide a focus to janitorial staff to ensure they have knowledge of and participate in the recycling program.	At Commercial and MFD or RA Member or Regional Agency request.
Website	Contractor to prepare a Commercial and "Multi-Family Customer" section of its website where it will present "how-to" information for participating in Contractor- provided programs including Acceptable materials, HHW, Universal Waste, Electronics Waste, Source Reduction, Buy Recycled and other waste prevention resources. Post Commercial and Multi- Family educational materials shall be posted on this section of Contractor's website in PDF and/or video format. The website shall also publish the current Rates charged to Multi-Family Customers within the Service Area. The website to provide Multi-Family property managers with an opportunity to request "Recycling assessments" or additional "move-in kits".	Updated quarterly.
Social Media	Contractor to produce content tailored for distribution via social media including Facebook, Twitter, and any others forms of social media mutually agreed upon. Contractor to develop a specific plan for the content to be distributed, included a calendar delineating the frequency of posts and tweets.	Ongoing
AB341 and AB 1826 Outreach Activities	Contractor to develop and distribute AB341 and AB 1826 information and requirements.	One (1) time annually
Program Announcements	On each bill, Contractor to include a brief statement to Commercial Customers providing service-related announcements such as messages about new services, the on-call clean-up and Bulky Item pick-up services, proper handling of Household Hazardous Waste, etc.	Included in Customer bill.
Corrective Action Notices	Produce a Commercial and Multi-Family Customer oriented corrective action notice for use when Customer has prohibited materials/contamination in a Container or fails to properly prepare or set-out Containers.	As needed.

- 3201 **Public Education and Outreach | Schools**
- 3202 All printed materials also to be posted to the Company’s website as well as links to teacher resources.
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- 3204 The Regional Agency, RA Members and the Contractor shall collaborate on providing outreach to schools.

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Task	Description	Distribution/Frequency
Educational Materials	Develop and distribute educational materials geared towards younger /school audiences including an educational video, an activity book, and recycling posters. The video shall be made accessible through RA Members and Regional Agency portions of the Contractor website.	Upon request
Technical Assistance: Recycling Assessment	Provide recycling and organics collection technical assistance to ensure compliance with AB341 and AB 1826 and provide annual recycling assessments, calculate Diversion rates, communicate results, provide recommendations to improve diversion.	Provide at least 1 onsite technical assistance meeting annually. Agency or RA Members’ Request.
Presentations	Develop and implement a curriculum to teach children how to Recycle and Compost at school, source reduction, reuse at school and at home.	At School or Regional Agency or RA Members’ Request.

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Date of on-site technical assistance:

Business/MFD/School/Facility Name:

Owner/Decision-maker (DM) name, title and contact info:

<u>Item</u>	<u>Action</u>	✓ <u>Completed</u>
1.	Meet on site with business owner, facility manager or other decision maker (DM) who has authority to change recycling/organics/solid waste service levels. Discuss current services/costs. Walk thru facility with DM to determine ways to increase recycling, improve convenience for staff to recycle, and decrease solid waste service.	
2.	Provide outreach materials, posters, and other tools to help increase recycling/ organics collection and discuss location to place recycling posters and recycling bins in facility with DM.	
3.	Train janitorial or staff to properly collect/place recyclables in correct containers. Ensure to train janitorial on how to properly use both the inside and outside recycling containers.	
4.	Demonstrate cost savings to DM through analyzing the before and after service levels implementing recycling and/or organics collection services.	
5.	Document results of on-site technical assistance. <i>For example:</i> <ul style="list-style-type: none"> ➤ Increased recycling 2-yard bin to 3-yard bin 2x/week and decreased garbage service from 3x/week to 2x/week ➤ Trained janitorial on 3/15/17 DOCUMENT RESULTS HERE:	

Waste Zero Specialist Name/Signature _____ Date:

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ATTACHMENT C

**JOINT POWERS INTEGRATED WASTE MANAGEMENT AGREEMENT (1995) AND SAN BENITO COUNTY
INTEGRATED WASTE MANAGEMENT REGIONAL AGENCY COST SHARING AGREEMENT (2006)**

(SEE SEPARATELY ATTACHED FILE)

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ATTACHMENT D
REPORTING REQUIREMENTS

3222 As set forth in this Attachment, Contractor shall submit reports to the Regional Agency and RA Members
3223 in an agreed upon format that provides information that can be used to, among other things:

- 3224 1. Provide concise and comprehensive program information and metrics for use in fulfilling
3225 reporting requirements under AB 939, AB 341, AB 1826 and other Applicable Law.
- 3226 2. Evaluate past and expected progress towards achieving the Contractor's Diversion goals and
3227 objectives.
- 3228 3. Determine needs for adjustment to programs.
- 3229 4. Evaluate Customer service and complaints as applicable.

3230 **Quarterly Report Content**

3231 Quarterly reports shall be presented by Contractor to show the following information for each month in
3232 the reported quarter and include a quarterly average. In addition, each quarterly report shall show the
3233 past four (4) quarters average for data comparison (the first three (3) quarters of the Agreement shall
3234 only include the available quarterly information).

3235 **1. Tonnage Report**

- 3236 • Tonnage delivered to each Approved Facility by Customer Type, subtotaling and clearly
3237 identifying those Tons that are Disposed and those that are Diverted, inclusive of any
3238 Abandoned Waste.
- 3239 • Quarterly measured contamination levels for Single-Family Recyclable Materials, Commercial
3240 (inclusive of Multi-Family) Recyclable Materials, Single-Family Organic Materials, and
3241 Commercial Organic Materials (inclusive of Multi-Family) as reported by the Approved Facilities.
- 3242 • Units of Used Oil, E-Waste, U-Waste, and Bulky Items Collected by Customer Type.
- 3243 • Recyclable Materials Tonnage Marketed (by commodity and including average commodity value
3244 for each) and Processing Residue Tonnage Disposed.
- 3245 • Organic Materials Tonnage Marketed and Processing Residue Tonnage Disposed.

3246 **2. Customer Report**

- 3247 • Number of Customers by Customer Type.
- 3248 • Number of Containers at each Service Level by Customer Type and program. Summarizing the
3249 total gallons of Cart service, cubic yards of Bin service, and pulls and cubic yards or Tons of
3250 Compactor service by Customer Type. Report should calculate the average volume of service
3251 received per: Single-Family Customer; Multi-Family dwelling unit; Commercial Customer; and,
3252 C&D Customer as applicable.
- 3253 • Number of Bulky Item/Reusable Materials Collection events by Customer Type. Participation
3254 percentage by program and Customer Type where the participation percentage is calculated as
3255 the number of Customers who have subscribed to or requested service under the program
3256 relative to the number of Customers of that Customer Type subscribing to Solid Waste service.
3257 Contractor shall not be required to submit participant Customer names and addresses as part of
3258 the regular reporting; however, such information shall be provided to the Regional Agency
3259 Contract Manager upon request.

3260 **3. RA Member Report**

- 3261 • RA Member facility Diversion rate report (i.e. volume of service by Service Type received by each
3262 RA Member Facility and the percentage of the total Service Levels that are for Diversion services
3263 relative to the total).
- 3264 • Summary report on the programs offered to RA Members as described in Attachments B5-B7
3265 focused on when each service was provided, and any issues/concerns identified.
- 3266 • Summary report on free compost donated, and results of e-waste and shred events.
- 3267 • Summary report on any community clean-up events.

- Summary report on Abandoned Waste trouble spots where the Contractor repeatedly observes litter.
- Summary report on Public Container trouble spots where the Contractor repeatedly observes litter.

4. Customer Service Report

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

5. Education and Outreach Report

- Provide a status report of Contractor's actual activities completed compared to the annual public education plan. For each completed item, document the results including what date the activity was performed, how many Customers were targeted or participated, and what methods were used to accomplish the task, if different from the plan. The status report shall detail all public education and outreach activities associated with compliance with AB 341, AB 1826 and other related laws and regulations.
- Summarize the Recycling assessments provided to Customers (reporting Multi-Family separate from Commercial) by identifying the number of Recycling assessments conducted each month in the most-recently completed quarter, and contact information including address, contact names, telephone number of Persons contacted, number of units (for Multi-Family), and the Solid Waste and Recyclable Materials Service Level for each complex. Include any Service Level changes resulting from such visits. Include copies of the completed Commercial Recycling Assessment Program reports.
- Dates, times, and group names of meetings and events attended.

6. Pilot and New Programs Report

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

7. Revenue Report

Provide a statement detailing Gross Receipts from all operations conducted or permitted pursuant to this Agreement as required by Section 8.8.

Annual Report Content

The annual report shall be the fourth quarterly report plus the following additional information.

1. Summary Assessment

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

3315 **2. Operational Information**

3316 **a) Vehicle Inventory.** Provide a listing of all vehicles used in performing services under this
3317 Agreement including the license plate number, VIN, make, model, model year, purchase date, engine
3318 overhaul/rebuild date (if applicable), and mileage at December 31.

3319 **b) Cart Inventory.** Provide a listing of all Containers (carts and bins) in service including year placed
3320 into service.

3321 **c) Collection Route Maps.** Updated Collection Route maps as original included in Attachment F7. The
3322 Regional Agency or RA Member may also request, but is not requiring annual submittal of, other
3323 operational information such as routes by customer type, personnel details and productivity statistics.

3324 **3. Recyclables Markets**

3325 Contractor shall include a listing of markets for Recyclable Materials and the end use of these
3326 materials. This type of information is intended to help the Agency gauge the sustainability of Recycling
3327 markets and the ultimate Disposal of all types of materials Collected.

3328 **4. Performance Incentives/Disincentives**

3329 Determination and Payment of Performance Incentives and Disincentives. In accordance with the
3330 requirements of Section 11.6, Contractor shall provide with its Annual Report, a report that identifies
3331 any non-compliance with the performance standards listed in Attachment H and includes calculation
3332 of the Performance Incentive payments and Disincentive assessments due. Performance Incentives (in
3333 the form of increased compensation to Contractor) will be awarded by the RA Member for excellent
3334 performance on aspects of Solid Waste diversion, as specified in Attachment H. Performance
3335 disincentives will be assessed by the RA Member for substandard performance on aspects of Solid
3336 Waste diversion specified in Attachment H.

3337 **5. Financial Information**

3338 **a) Affiliates.** As part of the annual reporting requirement, Contractor shall provide the Regional
3339 Agency and RA Members with a copy of each Affiliate whose cost of services are not
3340 pre-determined in this Agreement on a unit price basis or by a governmental contractor) audited
3341 annual financial statements and management letter for that fiscal year, or within ninety (90)
3342 calendar days of each related party entity's fiscal year-end, if timing does not coincide with the
3343 annual report date. Financial statements shall be prepared in accordance with generally accepted
3344 accounting principles (GAAP) and audited, in accordance with GAAS, by a CPA licensed in the State,
3345 and that the CPA's opinion on each related party entity's annual financial statements shall be
3346 unqualified, and that the CPA make available to the Agency (or the Agency's designated
3347 representative) such CPA's working papers related to the audit.

3348 Contractor agrees that all financial transactions with all related party entities shall be approved in
3349 advance in writing and disclosed in a separate disclosure letter to the RA Member, upon request. This
3350 letter shall include, but not be limited to, the following information:

- 3351 • A general description of the nature of each related party entity transaction, or type of
3352 transaction (if many similar transactions exist) shall be provided, as applicable. Such description
3353 shall include for each (or similar) transaction, amounts, specific related party entity, basis of
3354 amount (how amount was determined), description of the allocation methodology used to
3355 allocate any common costs, and profit amount. Amounts shall be reconciled to the related party
3356 entity disclosures made in Contractor's annual audited financial statements referred to in this
3357 Exhibit.
- 3358 • At the RA Member's request, Contractor shall provide the RA Member with copies of working
3359 papers or other documentation deemed relevant by the Contractor relating to information
3360 shown in the annual disclosure letter.

3361 It is agreed that the costs of the organics processing services provided by South Valley Organics are
3362 pre-determined in this Agreement on a unit price basis, and therefore audited financial statements of
3363 South Valley Organics need not be provided.
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ATTACHMENT E
CONTRACTOR'S COMPENSATION AND RATE SETTING

Overview

Subject to the terms herein (with capitalized terms having the meaning set forth below or in Attachment A), the Contractor shall be entitled to an annual adjustment of all Rates. Each Rate, excluding special charges, includes an "Operating Component", "Disposal Component", "Processing Component", and "Fee Component", which are annually adjusted.

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

The RA Members governing bodies shall make a good faith effort to approve Rates by June 1 of each year, and such Rates shall be effective on each subsequent July 1. If Rates are not effective by July 1 due to a delay caused solely by an RA Member, the RA Member shall allow Contractor to retroactively bill Customers for the amount of the Rate increase for any period of said delay that is solely caused by the RA Member. If Rates are not effective by July 1 as a result of Contractor's delay in submitting the Rate application in a complete and accurate form, then prior Rates remain in effect until such adjustment is made. In the case of a delayed Rate adjustment, the Contractor may bill the Customer during the next billing cycle to recoup the deferred Rate increase.

Notwithstanding any provision herein to the contrary, in no case shall the change in the Operating Component of the Rate (whether an increase or decrease) exceed 5% per year. In the event that any such increase or decrease would exceed 5% in any one year, the excess change above 5% shall be applied to the following year's adjustment pursuant to this paragraph, provided that the increase or decrease in that following year shall not exceed 5%. In such event, all or a portion of the excess increase or decrease shall be applied to the adjustment each of the following years until fully satisfied. Percent adjustments carried over to a succeeding year shall be simply added to or subtracted from the current year's adjustment in the Rates. It is understood that the 5% carryover mechanism does not apply to any other component of the Rates (i.e., Disposal, Processing, and Fee) or to any other type of adjustment (i.e., Change in Law, and RA Member-directed change in scope).

Applicable Law

Contractor understands that RA Members may choose to undertake the proceedings provided under Article XIIID, Section 6, of the California Constitution for the initial Rates and increases in the Rates. Nothing herein is intended to imply that California Constitution, Articles XIIC or XIIID, apply to the Rates established for services provided under this Agreement. If an RA Member is prevented from approving an adjustment in the Rates under the provisions of Article 13D, Section 6, of the California Constitution or other Applicable Law, then such adjustment in the Rates charged to Customers by Contractor shall not be allowed.

Definitions

Certain terms which are specific to this Attachment (including Attachments E1, and E2) are defined below:

1. **Regional Agency or RA Member Fees** shall mean those fees described in Article 8 of this Agreement.
2. **Annual Percentage Change** means the average value of an index for the 12-month period ending December of the then-current Rate Period minus the average index value for the 12-month period ending December of the most-recently completed Rate Period, divided by the average index value for the 12-month period ending December of the most-recently completed Rate Period. The Annual Percentage Change shall be rounded to the nearest thousandth (1,000th).
For example, if the Contractor is preparing its Rate application for Rates to be effective for Rate Period 2, the Annual Percentage Change in CPI shall be calculated as follows: $[(\text{Average CPI for January 2018 through December 2018}) - (\text{Average CPI for January 2017 through December 2017})] / (\text{Average CPI for January 2017 through December 2017})$.
3. **Bureau of Labor Statistics (BLS)** shall mean the U.S. Department of Labor, Bureau of Labor Statistics or its successor agency.
4. **Consumer Price Index (CPI)** shall mean the All Urban Consumers Index (CPI-U) compiled and published by the BLS, using the following parameters:
 - Area – San Francisco-Oakland-Hayward, CA
 - Item – All Items
 - Base Period – Current 1982-84=100
 - Not seasonally adjusted
 - Periodicity – Bi-Monthly
 - Series Identification Number – CUUSS49BSA0
5. **Fuel Index** shall mean the Producer Price Index-Commodities for #2 Diesel Fuel compiled and published by the BLS, using the following parameters:
 - Not Seasonally Adjusted
 - Group – Fuels and Related Products and Power
 - Item – #2 Diesel Fuel
 - Base Date – 198200
 - Series Identification Number – WPU057303
6. **Governmental Fee** shall mean any fee or surcharge imposed by a governmental entity, including without limitation, the Regional Agency or RA Member or the State, County, or Local Enforcement Agency. Governmental Fees may be a component of the Tipping Fee.
7. **Tipping Fee** shall mean the Rate or tipping fee charged or paid for each ton or unit of material delivered to an Approved Facility. The Parties acknowledge that the timing of changes to the Tipping Fees at Approved Facilities that are not owned or operated by Contractor or their Subcontractor may not align with the review and adjustment of Rates under this Agreement. If the Contractor begins to pay a new Tipping Fee at an Approved Facility or is directed to an alternative Approved Facility, other than one owned and operated by Contractor or their Subcontractor, prior to the adjustment of Rates under this Agreement, the adjustment to the Rates shall consider that period. Alternatively, the Regional Agency reserves the right to adjust Rates at any time during the year to address changes in Tipping Fees alone without adjusting any other component of Rates. The “Current Approved” Tipping Fee for the Approved Disposal Facility shall be the In-County disposal rate approved by San Benito County at the John Smith Road Landfill.

ATTACHMENT E1:
RATE ADJUSTMENT METHODOLOGY
MULTI-INDEX RATE ADJUSTMENT METHODOLOGY

Overview

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

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

Calculation

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

Step 1: Calculate the annual index adjustment to the Operating Component of rates, which is comprised of the proposed operating costs by the Contractor in their final approved proposal.

The annual index rate adjustment on the Operating Component portion of the rate shall be made with reference to the following terms:

94.7% of the Operating Component will be adjusted by the Consumer Price Index for All Urban Consumers (CPI-U) for San Francisco-Oakland-Hayward series CUUSS49BSA0. This percentage represents the portion of proposed total operational costs that are labor and all other non-fuel related cost.

5.3% of the Operating Component will be adjusted by the Consumer Price Index for Producer Price Index-Commodities for #2 Diesel Fuel series WPU057303. This percentage represents the portion of proposed total operational costs that are fuel related cost.

If for example the year over year changes in the CPI indices for non-fuel operating costs was 2.5% and the fuel index was 5% then the Operating Component rate adjustment would be as follows:

$$\text{Operating Component adjustment} = (0.947 \times 0.025) + (0.053 \times 0.05) = 0.0237 + .00265 = 0.0264 = 2.64\%$$

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

Adjusted Operating Component = Then-current Operating Component x (1 + rate adjustment %). For example, assuming:

$$\text{Then-current Operating Component} = \$25.00$$

3489 Rate adjustment % = 2.64%

3490 Adjusted Operating Component = \$25.00 x (1 + 0.064) = **\$25.66**

3491 **Step 3:** Calculate the adjusted Disposal Component, rounded to the nearest cent, for each Rate to
3492 reflect any percentage change in the total cost of Disposal at the John Smith Road Landfill. This “step 3”
3493 shall only be applied to Solid Waste Rates. The adjustment shall be calculated as follows:

3494 Beginning on April 1 in the second full calendar year of the Term and thereafter on each April 1, the
3495 Disposal Component will be adjusted for any change in Disposal tipping fees charged at the John Smith
3496 Road Landfill and any changes in forecasted disposed tons vs. actual disposed tons. Sample calculation
3497 for changes in the Disposal Component:

Adjusted Disposal Component = Then-current Disposal Component x [(Current Approved Disposal Facility Tipping Fee X Most Recent 12-month Actual Tonnage) / (Prior Approved Disposal Facility Tipping Fee X Prior 12-month Forecasted Tonnage)]

3501	Disposal tipping fee charges on Agreement	\$44.75
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3502 Execution Date or last prior adjustment date

3503	Disposal tipping fee charges on adjustment date	\$46.00
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3504	Forecasted solid waste tons over prior 12 months	25,000
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3505	Actual solid waste tons over most recent 12 months	22,000
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Adjusted Disposal Component = Then-current Disposal Component of \$4.00 x [(\$46 x 22,000)/(\$44.75 x 25,000)]. = \$4.00 x 0.9046 = **\$3.62**

3508 **Step 4:** Calculate the adjusted Processing Component, rounded to the nearest cent, for each Rate to
3509 reflect any percentage change in the total cost of Processing, net of any rebates, at an Approved
3510 Processing Facility. This “step 4” shall not be applied to Solid Waste Rates unless the Solid Waste Rates
3511 includes the cost and/or revenue associated with processing Recyclable Materials. The Processing
3512 Component Rate Adjustment shall not exceed the Annual Percentage Change in CPI for any facility
3513 owned and operated by Contractor or their Subcontractor plus pass-through of any change in
3514 governmental or regulatory fees, if consistent with Applicable Law, payable by such facility. The
3515 adjustment shall be calculated as follows:

3516 Beginning on April 1 in the second full calendar year of the Term and thereafter on each April 1, the
3517 Processing Component will be adjusted for any change in Processing fees charged at the Approved
3518 Recyclable Materials Processing Facility and any changes in forecasted recyclable materials tons vs.
3519 actual recyclable materials tons. Sample calculation for changes in the Processing Component for
3520 Recyclable Materials:

3521 Adjusted Processing Component for Recyclable Materials = Then-current Processing Component x
3522 [(Current Approved Processing Facility Tipping Fee X Most Recent 12-month Actual Tonnage) / (Prior
3523 Approved Processing Facility Tipping Fee X Prior 12-month Forecasted Tonnage)]

3524	Processing tipping fee charges on Agreement	\$15.00
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3525 Execution Date or last prior adjustment date

3526	Processing tipping fee charges on adjustment date	\$15.25
3527	Forecasted recyclables tons over prior 12 months	10,000
3528	Actual recyclables tons over most recent 12 months	10,250
3529	Adjusted Processing Component = Then-current Processing Component of \$2.00 x [(\$15.25 x	
3530	10,250)/ (\$15.00 x 10,000)]. = \$2.00 x1.04 = \$2.08	

3531 **Step 5:** Calculate the adjusted Processing Component, rounded to the nearest cent, for each Rate to
 3532 reflect any percentage change in the total cost of Processing at an Approved Organic Materials
 3533 Processing Facility. This “step 5” shall not be applied to Solid Waste Rates unless the Solid Waste Rates
 3534 includes the cost and/or revenue associated with processing Organic Materials. The Processing
 3535 Component Rate Adjustment shall not exceed the Annual Percentage Change in CPI for any facility
 3536 owned and operated by Contractor or their Subcontractor plus pass-through of any change in
 3537 governmental or regulatory fees, if consistent with Applicable Law, payable by such facility. The
 3538 adjustment shall be calculated as follows:

3539 Beginning on April 1 in the second full calendar year of the Term and thereafter on each April 1, the
 3540 Processing Component will be adjusted for any change in Processing fees charged at the Approved
 3541 Organic Materials Processing Facility and any changes in forecasted organic materials tons vs. actual
 3542 organic materials tons. Sample calculation for changes in the Processing Component for Organic
 3543 Materials:

3544 Adjusted Processing Component for Organic Materials = Then-current Processing Component x [(Current
 3545 Approved Processing Facility Tipping Fee X Most Recent 12-month Actual Tonnage) / (Prior Approved
 3546 Processing Facility Tipping Fee X Prior 12-month Forecasted Tonnage)]

3547	Processing tipping fee charges on Agreement	\$32.00
3548	Execution Date or last prior adjustment date	
3549	Processing tipping fee charges on adjustment date	\$32.75
3550	Forecasted organics tons over prior 12 months	10,000
3551	Actual organics tons over most recent 12 months	10,250
3552	Adjusted Processing Component = Then-current Processing Component of \$2.75 x [(\$32.75 x	
3553	10,250)/ (\$32.00 x 10,000)]. = \$3.00 x1.05 = \$3.15	

3554 **Step 6:** Calculate the adjusted Fee Component, rounded to the nearest cent, for each Rate. The Fee
 3555 Component shall also be adjusted to pass through any change in governmental or regulatory fees
 3556 payable by the Contractor (unless covered in Step 4 or 5). The adjusted Fee Component of each Rate
 3557 shall be calculated as follows:

3558 Adjusted Fee Component = Then-current Fee Component x (1+rate adjustment %). For example,
 3559 assuming:

3560	Then-current Fee Component = \$0.50	
3561	Rate adjustment % =	2.5%
3562	Adjusted Fee Component = \$0.50 x (1 + 0.025) = \$0.51	

3563 **Step 7:** Calculate the adjusted value for each Rate charged under this Agreement. Adjusted Rates shall
3564 be calculated as follows:

3565 Adjusted Rate = Adjusted Operating Component + Adjusted Disposal Component + Adjusted Processing
3566 Component (for recyclables) + Adjusted Processing Component (for organics) + Adjusted Fee Component
3567 (will likely be multiple fee calculations)

3568 For example, assuming:

- 3569 1. The Rate being adjusted is a Solid Waste Collection Rate
3570 2. Adjusted Operating Component = \$25.66 (as calculated in Step 2)
3571 3. Adjusted Disposal Component = \$3.62 (as calculated in Step 3)
3572 4. Adjusted Processing Component = \$2.08 (as calculated in Step 4)
3573 5. Adjusted Processing Component = \$3.15 (as calculated in Step 5)
3574 6. Adjusted Fee Component = \$0.51 (as calculated in Step 6)

3575
3576 Adjusted Rate = \$25.66 + \$3.62 + \$2.08 + \$3.15 + \$0.51 = \$35.02
3577

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ATTACHMENT F
CONTRACTOR'S OPERATIONAL DETAILS

- F1. Technical Proposal (Revised Sections 1-2 from Proposal Dated November 14, 2017)**
- F2. Cost Basis for Proposal (Final Cost Forms 1.0 to 1.9)**
- F3. Maximum Allowable Rates for Collection Services for Rate Year 1 (Modified Final Cost Forms 2.1, 2.2, 2.3, 2.4.A, 2.5.A, 2.6.A, 2.7, 2.8, and 2.9)**
- F4. Implementation Plan and Schedule**
- F5. Approved Subcontractors**
- F6. Commercial Recycling and Organics Outreach Plan**

3591

F1. TECHNICAL PROPOSAL

F1. A. Single-Family Services

3593

Single-Family Base Services

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3596 All single-family customers will receive weekly solid waste, recycling, and organics collection, as well as
3597 two bulky item collections per year.

3598

3599 The following services are also available to single-family residential customers, as described below.

3600

Bulky Item Collection

3602

3603 To schedule a bulky item collection, customers must contact Recology's Customer Service Specialists
3604 (CSSs), who will schedule the pickup for their next collection day. If the customer has exceeded their
3605 two bulky item collections per year, the CSS will inform them of any service charges. The CSS will ask
3606 the customer to describe the items to be collected and ask them to place their bulky items next to their
3607 containers on collection day.

3608

3609 Recology will work with Pat's Place to facilitate reuse of the bulky items collected. For more
3610 information, please see Section F1. I: Other Environmental Enhancements.

3611

Additional Recycling Carts

3613

3614 SFD customers may request additional recycling carts for a monthly rental fee agreed upon with the RA
3615 Members. To request the cart, customers would simply contact Recology's Customer Service.

3616

Overage Service

3618

3619 SFD customers may place additional recyclables that do not fit in their cart in customer-provided clear
3620 plastic bags next to their collection cart. Cardboard may also be placed adjacent to the cart, bundled no
3621 larger than 3' by 3'. Recology will collect the material on customers' regular collection days at no
3622 additional charge.

3623

Household Battery Collection

3625

3626 Recology will collect household batteries from SFD customers during their regularly scheduled collection
3627 day. Single-family customers would place household batteries in a clear, sealed plastic bag on top of the
3628 weekly-serviced single-stream recycling cart. Drivers collect the bags, store them in a dedicated
3629 container that is secured to the recycling collection vehicle, and transport them for processing.

3630

3631

3632

3633

Textile Collection

Recology will collect textiles (such as clothing, towels, and blankets), that are placed next to their recycling container, sealed in a clear plastic bag. Textiles must be clean and dry.

Recology drivers will then collect the textiles and place them in a separate compartment inside the collection vehicle. The textiles will be provided to Pat's Place for sorting and reuse.

Used Motor Oil and Filter Collection

Recology will collect used motor oil and oil filters from SFD customers at the curbside. Customers can contact Customer Service to request 1-gallon sealable plastic jugs and sealable plastic bags to collect used oil filters.

The jugs and bags will be delivered on the next regular collection day, following the customer's request. The collection kit will be accompanied by a "how to" brochure with instructions on preparing the motor oil and oil filters for collection.

Customers would place the used motor oil in a sealed container and the oil filters in sealed plastic bags, setting them on top of their cart during their usual collection day. All collection trucks will contain spill kits, and drivers will be trained on containment procedures in case of an accidental spill.

The collection vehicles will be equipped with storage racks designed to hold 1-gallon used oil jugs and filter bags. These storage racks have a secondary containment feature that will help mitigate any potential spillage. When the oil and filters are collected, a new collection kit will be provided by the driver, if requested.

Holiday Tree Collection

Recology will collect trees will be collected at curbside from single-family customers for a three-week period following January 1 for no additional fee. Customers must:

- Remove all decorations, including tinsel, lights, ornaments, or hooks.
- Set out unflocked trees only.
- Place the trees next to their organics collection cart.
- Ensure the tree is cut into lengths six feet or less, if applicable.

Trees will be processed at Recology's South Valley Organics composting facility.

Contamination Fees

Recology will issue Courtesy Non-Collection Notices to any single-family customer with a contaminated garbage, recycling, or organics container. "Contamination" is defined as greater than 10% by volume of prohibited material in the container.

After three Courtesy Non-Collection Notices, any customer that continues to have contamination levels greater than 10% by volume in their container will be issued a contamination fee per incident.

RouteSmart Routing Software

All routes – whether single-family, multi-family, or commercial – will be designed using RouteSmart software or software with similar functionality. RouteSmart is fully-integrated with Recology’s Customer Relationship Management System (RCRM), and therefore uses the most up-to-date data to design routes.

Using RouteSmart software, Recology operating companies experience a measurable reduction in vehicle miles traveled, fuel use, tire wear, greenhouse gas emissions, and street wear-and-tear.

RouteSmart integrates seamlessly with ESRI’s ArcGis family of mapping products and provides the ability to balance routes based on time, number of lifts, or potential volumes and densities to be collected. The system considers vehicle type, address restrictions, and service time-of-day constraints, among other parameters.

For regularly scheduled collection, customer information is downloaded from the RCRM database into RouteSmart for routing. The routed data is interfaced back to the RCRM database, providing accurate customer information to anyone with access to either online inquiry or reports from the RCRM system.

After initial routing in RouteSmart, Recology supervisors drive each route prior to the commencement of services to verify efficiency and safety issues. Ultimately, the final routing adjustments will be made by the driver.

As new customers start and stop service, change service levels, and route conditions change, routes will be adjusted as necessary.

Single-Family Route Productivity

The following table provides Recology’s productivity assumptions for single-family customers, based on average number of accounts per route per day. These are assumptions based on Recology’s current services in San Benito County, Hollister, San Juan Bautista, Gilroy, and Morgan Hill.

Single-Family Productivity Assumptions By Average Number of Accounts Per Route Per Day	
Monday	700
Tuesday	500
Wednesday	600
Thursday	650
Friday	575
Saturday	None
Sunday	None

Single-Family Collection Methodology

Recology proposes to use fully-automated side-loading vehicles to service single-family customers. More information on the specifications of these vehicles is available in Section F1. G: Requirements for Operations, Equipment and Personnel of this Section.

Each vehicle will have a one-person crew and will be capable of collecting approximately 75 accounts per hour.

Single-family collection routes assume a nine-hour total workday, with approximately six to seven hours of active on-route time per driver per day. In addition, drivers are well-trained on the obstacles they encounter in alleys, such as low-hanging wires, sharp corners, and narrow spaces.

Recology vehicles will all have GPS tracking capabilities, enabling Recology to monitor progress on each collection route.

In addition, each collection vehicles will be equipped with an on-board video safety system, such as DriveCam or similar functionality. The on-board video safety system is an event recorder that is activated by hard stops, collisions, and similar unexpected driving events. A forward-facing camera records video ahead of the vehicle and an interior camera records the view of the driver. Images of recordable events are reviewed, stored, incorporated into incident reports, and used to help coach drivers. This state-of-the-art feature helps improve driver behavior.

Additional Single-Family Collection Assumptions

Recology used the following assumptions when designing its single-family collection routes for this Proposal. Recology based these assumptions on the current service level subscriptions among single-family customers in the area.

Single-Family Collection Assumptions			
RA Member	% SFD with curbside material	% SFD eligible for Special Handling	% SFD with backyard service
County of San Benito	95%	<3%	<2%
City of Hollister	95%	<3%	<2%
City of San Juan Bautista	95%	<3%	<2%

F1. B. Multi-Family Services

Multi-Family Base Services

Multi-family customers will receive weekly solid waste and recycling collection from one to six times per week, depending on the level of service necessary.

Multi-family customers will also be able to subscribe to optional organics collection service, which would include food scraps comingled with yard trimmings.

Customers will also receive two bulky items collections per complex each year. To schedule a bulky item collection, the customer would contact Recology's Customer Service. Multi-family customers will be asked to place their items next to the complex collection container, or at another mutually agreed upon spot at the complex, such as the resident's parking spot, to ensure street corners or sidewalks are not obstructed.

Recology will work with Pat's Place to facilitate reuse of the bulky items collected. For more information, please see Section F1. I: Other Environmental Enhancements of this Section.

RouteSmart Routing Software

All multi-family customers will be routed using RouteSmart software, as described in Section F1. A: Single-Family Services.

Multi-Family Route Productivity

Multi-family customers will be routed with commercial customers to maximize efficiency and minimize the number of collection vehicles on the street. For productivity assumptions (in terms of lifts per route per day) for both multi-family and commercial, please see Section F1.C: Commercial Services.

Multi-Family Collection Methodology

For details on collection methodology for both multi-family and commercial accounts, please see Section F1.C: Commercial Services.

Contamination Fees

Recology will issue Courtesy Non-Collection Notices to any single-family customer with a contaminated garbage, recycling, or organics container. "Contamination" is defined as greater than 10% by volume of prohibited material in the container.

After three Courtesy Non-Collection Notices, any customer that continues to have contamination levels greater than 10% by volume in their container will be issued a contamination fee per incident.

F1. C. Commercial Services

Commercial Base Services

Commercial customers will receive weekly solid waste and recycling collection from one to six times per week, depending on the level of service necessary. Commercial customers will also be able to subscribe to optional organics collection service, which would include food scraps comingled with yard trimmings.

Recology is also offering universal organics collection to help customers maintain compliance with Assembly Bill (AB) 1846. Recology will implement the program at the start of the new Agreement term (November 1, 2018) to help ensure the Regional Agencies' compliance with AB 1826.

Recology’s universal organics collection program for commercial customers would collect both pre-consumer (back of house/kitchen) and post-consumer (front of house) material. Signage, such as posters and placards, would illustrate acceptable materials for staff and customer, helping to minimize contamination.

The following materials would be accepted under Recology’s universal commercial food scrap collection program.

Food Scraps

- Bread, grains and pasta
- Coffee grounds
- Dairy
- Eggshells
- Fish and shellfish
- Fruit, including pits
- Meat, including bones
- Vegetables

Soiled Paper Products

- Coffee filters
- Greasy pizza boxes
- Paper cups and plates
- Paper bags, napkins, towels
- Paper take-out boxes and containers
- Paper tea bags

Yard Trimmings

- Branches and brush
- Flowers and floral trimmings
- Grasses and weeds
- Leaves
- Tree trimmings

RouteSmart Routing Software

All commercial customers will be routed using RouteSmart software, as described in Section F1. A: Single-Family Services.

Commercial Route Productivity

The following table provides Recology’s multi-family and commercial productivity assumptions, based on the average number of lifts per route per day. These are assumptions based on Recology’s current services in San Benito County, Hollister, San Juan Bautista, Gilroy, and Morgan Hill.

The average number of lifts per day is lower than in a more urban area, due to the rural nature of the County. Many of the commercial accounts in the service area are on ranches and farmland, resulting in a longer drive time and reduced number of lifts per hour.

Multi-Family and Commercial Productivity Assumptions By Average Number of Lifts Per Route Per Day	
Monday	54
Tuesday	80
Wednesday	65
Thursday	80
Friday	55
Saturday	50
Sunday	None

Commercial Collection Methodology

Recology proposes to use front end loading vehicles to service multi-family and commercial customers. More information on the specifications of these vehicles is available in Section F1. G: Requirements for Operations, Equipment and Personnel. Each vehicle will have a one-person crew. The routes assume a nine-hour total workday, with approximately six to seven hours of active on-route time per driver per day.

Recology vehicles will all have GPS tracking capabilities, enabling Recology to monitor progress on each collection route

Front end loading routes will be capable of collecting about 10 accounts per hour if collecting commercial metal containers. Due to the rural nature of the service area, the average number of lifts per hour for commercial customers is lower than what might be possible in a more densely-populated area.

For commercial customers utilizing carts (as opposed to metal containers), Recology will incorporate the carts into the single-family collection routes, utilizing fully-automated side-loading vehicles.

Contamination Fees

Recology will issue Courtesy Non-Collection Notices to any single-family customer with a contaminated garbage, recycling, or organics container. "Contamination" is defined as greater than 10% by volume of prohibited material in the container.

After three Courtesy Non-Collection Notices, any customer that continues to have contamination levels greater than 10% by volume in their container will be issued a contamination fee per incident.

F1. D. RA Member Services

RA Member Services

Recology will provide a minimum of weekly solid waste, recycling, and organics collection at RA Member facilities, including municipal offices, parks, parking lots, fire stations, and other locations, at no direct cost to the RA Member. RA Member facilities can request more frequent service as needed.

To schedule a bulky item collection, RA Members would contact Recology's Customer Service Department. Similar to multi-family customers, Recology will work with the RA Member to identify a location to set out the item for collection to ensure sidewalks and public walkways are not obstructed.

RA Member locations will receive appropriate container sizes in all three material streams as part of their service. Recology's Waste Zero Specialists (described in Section F1. E: Public Outreach and Education) will be available to provide site assessments for RA Member locations to help determine adequate service needs, if necessary.

Containers at Public Locations

Recology will collect solid waste, recycling, and organic materials from public containers within the RA Member service areas, as scheduled by the RA Member. This includes cleaning scattered litter within 15 feet of the public container.

Community Event Services

Recology will provide solid waste, recycling, and organic material collection services at Regional Agency community events, as listed in Attachment B7 of the Franchise Agreement.

Recology's community event services will include:

- Event collection stations, featuring color-coded receptacles for each material stream (pictured).
- Collection station monitors, to help educate event participants on proper material sorting.
- Containers for each material stream (solid waste, recycling, and organics) that are clearly marked.
- Public education booths, featuring educational material (such as brochures and flyers), as well as giveaways and games (pictured) designed to educate customers on source separation.
- Reports on the outcome of the event services, including the number of collection stations at the event, the number of collection monitors, the tonnage of the material collected (by stream), and a description of the educational material distributed.

For events that are not hosted or primarily funded by an RA member, Recology will offer these services to the event organizer for a negotiated rate.

Compost Giveaway

Recology will host compost giveaways in the RA service area, offering nutrient-rich compost. Each RA may request up to 20 cubic yards of compost up to three times per year. Recology will provide the compost for RA Members or residents in a drop box or similar container.

The Giveaway provides residents free compost to enrich their gardens and demonstrate the end result of their efforts to recycling yard waste and food scraps. At these events, Recology also provides education on the benefits of home composting.

E-Waste and Shred Event

Recology will host a total of three E-Waste and Shredding Events each year. During the events, residents can drop off e-waste, u-waste, batteries, cell phones, compact fluorescent lamps (CFL), and fluorescent tubes. In addition, Recology will offer paper shredding services, helping residents properly destroy documents and recycle the paper.

The dates for these events would be mutually agreed upon by Recology and the RA Member. Based on past experience, Recology recommends conducting the events in the following months:

- January, to capture holiday e-waste and u-waste material.

- 3926 ○ April, to coincide with “Earth Day,” spring cleaning efforts, and document destruction after tax
3927 season.
3928 ○ September, after school is back in session.
3929

3930 Material collected at these events will be properly diverted as applicable.
3931

3932 Quarterly Recycle Days at John Smith Road Landfill 3933

3934 Recology will support the RA’s quarterly Recycle Days at John Smith Road Landfill through an annual
3935 \$25,000 contribution to the event.
3936

3937 Public Drop Box Service 3938

3939 Recology will support the RA’s annual neighborhood cleanup events through a special drop box service,
3940 available for no additional charge.
3941

3942 Recology has previous experience conducting successful public drop box services for the City of Gilroy
3943 and looks forward to offering this feature to the RA Members.
3944

3945 Recology will deliver 40 cubic yard drop boxes (or other available size requested) to sites designated by
3946 the RA Members. Recology will work with the RA Members to strategize the specific geographical
3947 placement of the drop boxes, identifying safe and convenient areas for customers.
3948

3949 RA Members must give two weeks of advanced notice for the service, which will entail:

- 3950 ○ Up to 10 solid waste drop boxes for the County and City of Hollister
3951 ○ Up to five solid waste drop boxes for San Juan Bautista
3952 ○ Up to 10 recycling drop boxes for the County and City of Hollister
3953 ○ Up to five recycling drop boxes for San Juan Bautista
3954

3955 Material will be disposed or diverted as appropriate.
3956

3957 Abandoned Waste Service 3958

3959 Recology will offer abandoned waste collection services to RA Members to help each community remain
3960 a clean and vibrant place.
3961

3962 Recology will collect up to five tons of abandoned material identified by an RA Member and
3963 communicated to Recology through verbal, electronic (such as e-mail), or written direction at no
3964 additional cost.
3965

3966 Recology is able to collect abandoned waste the same weekday if notified before noon; if notified after
3967 noon, Recology will collect the waste the next business day. This includes litter clean up within a 10-foot
3968 radius of the abandoned waste site.
3969

3970 Recology’s drivers are the eyes and ears of the community and are specifically trained to identify
3971 abandoned waste while on route. In the event that abandoned waste is spotted, Recology will contact
3972 the RA Contract Manager.
3973

3974 In addition, Recology drivers and supervisors will work collaboratively to document trouble spots of
3975 abandoned material. If a driver notices an area with frequent abandoned material, he or she will notify
3976 Recology supervisors, who will take photographic documentation of the site to share with the RA
3977 Members.

3978
3979 Recology will work to divert collected abandoned waste whenever possible.
3980

3981 **F1. E. Public Education and Outreach**

3982
3983 A well-defined public outreach and education program – with consistent messaging and easy-to-
3984 understand tools – is one of the best management practices to help increase participation in diversion
3985 programs while reducing contamination.

3986
3987 Recology currently employs one full-time Public Education and Outreach Specialist (known as a Waste
3988 Zero Specialist) and will hire one full-time Recycling Outreach Manager (known as a Waste Zero
3989 Manager) prior to the start of the new Agreement.

3990
3991 In addition, Recology will maintain two additional FTE Waste Zero Specialists during the first year of the
3992 Agreement, to assist with outreach, education, waste assessments, and the transition into the new
3993 services. These positions will be temporary and will terminate after the first year of the Agreement.

3994
3995 The Waste Zero Manager (Manager) and Waste Zero Specialist (Specialist) serve as Recology's public
3996 education and diversion liaisons in the community, promoting recycling, composting, and reduced
3997 disposal in the RA service area.

3998
3999 The Manager and Specialist will help champion the new services outlined in the Agreement Attachment
4000 B8, helping customer utilize these new programs to achieve the diversion goals set by the RA members.

4001
4002 The Manager and Specialist will be responsible for such tasks as:

- 4003 ○ Offering comprehensive, multi-faceted outreach to all customers, tailored to resident and
4004 business type
- 4005 ○ Coordinating and producing education events, including educational efforts in local schools
- 4006 ○ Supporting local community service organizations
- 4007 ○ Offering technical assistance to help all customers implement services and optimize diversion,
4008 including on-site training for employees
- 4009 ○ Presenting to homeowners' associations, business groups, multi-family residents, and
4010 environmental organizations
- 4011 ○ Conducting site visits to educate customers on diversion goals, contamination concerns, and
4012 new programs
- 4013 ○ Conducting on-site waste assessments to help customers divert more material from the MSW
4014 stream and minimize contamination in the recycling and organics stream

4015
4016
4017

Public Education Plan

Recology's Recycling Outreach Manager (known as a Waste Zero Manager) would be responsible for creating and submitting the annual Public Education Plan to the RA Members per Attachment B8 of the Franchise Agreement.

The Plan would serve as a roadmap for the upcoming year's educational efforts for each customer segment. It will include services provided, community events, specific educational campaigns, public education material to be developed and revised, community partnership opportunities, and an implementation schedule.

The Waste Zero Manager will work closely with the Regional Agency Contract Manager to develop the Plan. This will include reviewing annual progress since the last Plan submission.

Public Education Material

Below is an overview of the types of materials Recology will offer. Exact content will be mutually agreed upon between Recology and the RA members, but at a minimum will include all items specified in Attachment B8 to the Franchise Agreement and included in the annual Public Education Plan. All printed materials will also be accessible on Recology's website.

New Programs Mailing and Recycling Guide

Prior to the start of service, each customer will receive a New Programs Mailing and Recycling Guide describing and illustrating methods to prepare recyclable, organic, and solid waste materials for collection. The brochure will illustrate the acceptable materials for each container and will also detail the proper set out procedures for the collection containers.

Recology recommends combining the New Program Mailing and Recycling Guide into one mailing that serves as a comprehensive guide for customers.

Recology will prepare tailored content for single-family, multi-family, and commercial subscribers. For multi-family and commercial subscribers, the mailing will emphasize compliance with State-mandated recycling and composting requirements.

Content of the Mailing and Recycling Guide can include:

- A complete list of programs and services provided to customers, including effective dates
- A list of recyclable materials that are accepted in the single-stream recycling program
- A list of organic materials that are accepted in the organics program
- A list of items that need to be landfilled at this time
- Graphics and an explanation of proper set-out procedures
- Recycling and/or disposal options for Household Hazardous Waste (HHW)
- Used motor oil and oil filter collection program (single-family customers only)
- Telephone numbers and website information for Recology
- Other relevant resources

4062
4063 Advertisements, Press Releases, and Public Service Announcements
4064 Recology will prepare and distribute the following announcements approximately one month prior to
4065 the start of the new Agreement:

- 4066 ○ A public service announcement (PSA) for local radio and cable television broadcasts
- 4067 ○ Newspaper and online advertisements highlighting upcoming programs and services
- 4068 ○ A press release describing the programs offered by customer sector (single-family, multi-family,
4069 and commercial)

4070
4071 **Bill Inserts**
4072 Throughout the Agreement term, Recology can provide various bill inserts tailored to each customer
4073 sector on an array of topics, such as rate changes; tips on how to Reduce, Reuse, Recycle, Rot, and
4074 Recover; and how to properly dispose of Hazardous Waste.

4075
4076 Each Regional Agency may request Recology to distribute the inserts bi-monthly in each customer bill.
4077

4078 **Biennial Newsletter**
4079 Recology will create, design, and distribute bi-annual newsletters to educate customers on vital
4080 information in the waste and recycling industry. The newsletters will be mailed with customer bills or
4081 downloaded electronically.

4082
4083 Newsletters serve as an important tool to remind residents about the available services and programs;
4084 in addition, newsletters are an opportunity to promote recycling events and educate customers on
4085 additional resources for recycling and waste reduction.

4086
4087 **Multi-Family and Commercial Sorting Posters**
4088 Throughout the Agreement term, Recology will design and distribute posters to multi-family and
4089 commercial property managers for on-site use, illustrating the recyclable materials collection program
4090 and the commercial food scrap collection program. These posters are designed to educate program
4091 participants on proper sorting. The commercial posters will offer information in English and Spanish.

4092
4093 **Commercial “How To” Flyers for Recycling and Composting**
4094 Recology will prepare and distribute “How To” Guides on recycling and composting for commercial
4095 customers.
4096
4097 The Recycling “How To” Guide will be mailed directly to commercial customers prior to the start of
4098 services; both the Recycling and Composting “How To” Guides will be posted on the website and will be
4099 provided during Recycling Assessments.

4100
4101 The flyers will be graphics-based and will focus on compliance with the diversion requirements of AB
4102 341 and AB 1826. Content will include:

- 4103 ○ List of recyclables or organics (as applicable) accepted in the collection programs
- 4104 ○ List of materials that are not accepted in the collection programs
- 4105 ○ Illustrations and an explanation of proper set-out procedures
- 4106 ○ Tips on how to mitigate odors and vectors (composting guide only)

Commercial and Multi-Family Mandatory Recycling and Composting Notices

Recology can prepare and distribute notices to multi-family complexes and commercial businesses that are not compliant with mandatory diversion requirements of AB 341 and AB 1826. Using service subscription level information, driver compliance notes, and waste audit information, Recology can identify non-compliant customers and provide outreach.

The notices explain why the customer is not compliant, outline the potential consequences for non-compliance, and outline the steps customers can take to become compliant. Recology can track customers that have received these notices in the RCRM system, and Specialists can follow-up with customers to help them take proper action.

Multi-Family Move-in Kits

Recology can work with the property manager to provide the guides to inform new residents of services, program options, and acceptable and unacceptable materials in each stream. The guide can also be available for download on Recology's website, and includes:

- List of acceptable and unacceptable materials in the recycling and organics programs
- Options for hard-to-recycle items
- Household Hazardous Waste recycling and/or disposal options
- Contact Information

Social Media

In conjunction with the website (described in further detail on Page 32), Recology will use social media outlets such as Facebook and Twitter to help educate customers on diversion, new programs, and service announcements. In addition, Recology will use its social media presence to connect directly with customers and community organizations.

Commercial and Multi-Family Recycling Assessments & Technical Assistance

The Recology Waste Zero Specialist conducts in-field assessments of all three material streams to help identify and maximize diversion opportunities. Once on site, the Specialist analyzes each of the customer's material streams, with a focus on the diversion options available to customers by business type. The Assessments will be documented using Attachment B8-A and the overall approach to commercial technical assistance detailed in the approved Commercial Recycling and Organics Outreach Plan.

The Specialist may then suggest methods to help capture more divertible material and reduce contamination. This could include right-sizing service levels to capture more recycling or organics, evaluating equipment needs, suggesting alternative container placements, or helping with employee engagement and trainings.

Educational material such as posters, "How To" guides on recycling and composting, and internal containers will also be provided as needed.

For more detail on this aspect of Recology's public education program, please see Section F6: Commercial Recycling and Organics Outreach Plan.

Reducing Contamination

Contamination control is an essential component of Recology's diversion program. If the driver sees contamination, the driver will record the observation on the route sheet and will leave a Courtesy Non-Collection Notice with the cart or container. The notice features the time, date, and reason for issue (i.e., contamination), and can be provided in English and Spanish.

The driver will then coordinate with dispatch to ensure the contaminated container is collected as municipal solid waste. "Contamination" is defined as greater than 10% by volume of prohibited material in the container.

Recology will monitor locations with excessive contamination to determine if a higher level of service, container size, or outreach is warranted.

After three Courtesy Non-Collection Notices, any customer that continues to have contamination levels greater than 10% by volume in their container, Recology will issue a contamination fee, as described in Sections F1. A. Single-Family Services, F1. B. Multi-Family Services, and F1. C. Commercial Services.

Engaging Residents and Businesses

Recology partners closely with business groups in the communities it serves to help further the Waste Zero message. This will include the San Benito County Chamber of Commerce, property managers, Hollister Rotary Club, San Juan Bautista Strategic Planning Committee, CHISPA Housing Management, local homeowner's associations, and environmental groups.

Recology will provide outreach and educational information, participate in networking events, and host meetings to inform local businesses and property managers on the diversion tools available.

F1. F. Diversion Requirements

Recology is committed to assisting RA Members reach their diversion goals and will work with the Regional Agencies and community members to achieve an overall measured diversion rate of 45% in a calendar year.

Organic material will be processed into nutrient-rich compost at the Recology South Valley Organics composting facility in Gilroy, CA.

Recology San Benito County Total Forecasted Diversion Years 1 through 4 of Agreement				
	Year 1	Year 2	Year 3	Year 4
MSW	18,782	18,252	17,722	17,190
Recycle	6,683	6,683	6,683	6,683
Organics	9,659	10,189	10,719	11,250
Total Collection	35,123	35,123	35,123	35,123
Diversion %	46.5%	48.0%	49.5%	51.1%

For recyclables, Recology has established relationships with two Material Recovery Facilities (MRFs) with capacity to process RA Member recyclables, Recology has designated Monterey Regional Waste Management District as its selected processor with Green Waste Recovery as the back-up or alternate processor.

- Monterey Regional Waste Management District (MRWMD), located in Marina, CA
- Green Waste Recovery, located in San Jose, CA

The MRWMD MRF, scheduled to be operational by January 2018, is a new, state-of-the-art facility. Recology has acquired a letter of interest from the MRWMD to receive RA Member material collected by Recology.

In addition, Recology currently has a contract with Green Waste Recovery to process RA Member material that is effective until September 2018.

Recology designates Monterey Regional Waste Management District as its processing facility, however Recology may use both or one of these facilities to process recyclables during the new Agreement; processing costs for single-stream recyclables quoted in this Proposal will remain as quoted regardless of the facility used.

Green Waste Recovery MRF

The Green Waste Recovery MRF accepts residential and commercial mixed recyclables and separates them into individual commodities, including cardboard, glass, aluminum and different plastics. These materials are baled and sent to processors.

Located at 625 Charles Street in San Jose, CA, it is approximately 47.6 road miles from the San Benito County administration building at 481 4th Street in Hollister, CA.

Recyclables will be transferred from Recology South Valley's San Martin Transfer Station, located at 14070 Llagas Ave. in San Martin, CA.

Green Waste MRF Capacity

With a permitted capacity of 3,500 tons per day, Green Waste is capable of accepting the San Benito County IWM recyclable material.

The facility can process over 45 tons per hour, recovering over 95% of the material it processes.

Green Waste MRF Permits and Approvals

The Green Waste Recovery MRF is fully-permitted by the California Department of Resources Recycling and Recovery (CalRecycle) as a large volume transfer and processing facility. Its Solid Waste Information System (SWIS) number is [43-AN-0019](#).

Monterey Regional Waste Management District (MRWMD) MRF

The MRWMD is a new, state-of-the-art facility capable of processing several streams of recyclable material, including single-stream recyclables, commercial MSW, and construction & demolition debris. It is scheduled to be operational by January 2018.

Recology has secured a letter of interest from the MRWMD to accept approximately 17,000 tons per year of single-stream recyclables collected by Recology in the RA Member service areas.

Located at 14201 Del Monte Blvd. in Marina, CA, it is approximately 29.4 road miles from the San Benito County administration building at 481 4th Street in Hollister, CA. Recyclables collected by Recology in the RA service areas would be direct hauled to the facility.

The MRF features two separate processing lines: one for construction and demolition (C&D) debris, and one for single-stream recyclables and MSW.

C&D Processing Line

The C&D processing line is designed to process and separate mixed recyclables (which will be recirculated back to the single-stream/MSW line for recovery, as well as the recovery of aggregate materials, wood/lumber, metals, old corrugated cardboard, rigid plastics, carpeting, and mattresses.

The line is designed to operate at 40 tons/hour, with a recovery rate of 74%. Using sizing screens (debris roll screens), the line directs material that is larger than eight inches to a staffed sort line. Material between 2.5 inches and 8 inches in size is run through a series of magnets to capture metals, and then directed to the single-stream/MSW line to capture mixed containers and fiber.

Single-Stream/MSW Processing Line

The MRF's single-stream/MSW line will process either single-stream materials or MSW materials separately in dedicated material runs. This line can also direct C&D materials (such as wood wastes and large rigid plastics) to the C&D system for recovery.

The single-stream/MSW system has both mechanical and human sorting systems for the state-of-the-art processing, recovery, and quality control activities occurring through the system.

- The MSW stream will be processed at approximately a 40 tons/hour rated capacity with an anticipated diversion rate of 65%
- The single-stream materials will be running at a 35 tons/hour rated capacity with an estimated diversion rate of over 90%.

The line includes eight sizing screens (debris roll screens) varying from one inch to 12 inches, which separate the various streams. Material then proceeds through a variety of density drum separations equipment (Nyhot), magnets for ferrous materials (steel cans and scrap metals), eddy current separation for Aluminum, and four NRT Optical Sorters for the separation of plastics by resin types, as well as to remove film plastics from fibers.

MRWMD MRF Capacity

Once operational, the MRF will have the capacity to process 140,000 tons per year of single-stream recycling and MSW over an 80 hour per week operations schedule. In addition, the facility will be capable of processing 100,000 to 120,000 tons per year of C&D.

MRWMD MRF Permits and Approvals

The facility is currently operating under SWIS number 27-AA-0010 for the MRF and landfill.

Marketing Recyclables

Green Waste Recovery has an established network of domestic and foreign customers for the materials recovered at its MRF. The MRWMD is currently preparing a Request for Qualifications (RFQ) for a recyclables marketing subcontractor.

Furthermore, the Recology Products sales team is experienced in marketing recyclable commodities for the company's network of MRFs. The team has longstanding relationships with end users, which minimizes the reliance on brokers and ensures materials are sold for the best value possible. Each year, Recology markets approximately 450,000 tons of recyclables.

Recology has a great reputation industrywide for the quality of materials it markets. Great measures are taken to ensure that only the highest quality materials are sold. By focusing on quality, Recology not only sells its products for the highest values possible, but also rarely has a product rejected due to quality issues.

Several years ago, Recology developed a Standard Operating Procedure (SOP) to help ensure commodities are sold for their highest and best value. The SOP requires Recology obtain multiple quotes for each commodity on a monthly basis; only the highest offers for materials are accepted.

The SOP is overseen by Recology's Commodity Sales Manager and the Director of Sales & Marketing, who also monitor performance against key market indicators. When benchmarked against other companies in our industry, Recology consistently sells its materials for higher values.

Recology South Valley Organics

Recology proposes to process organics at its Recology South Valley Organics (SVO) composting site in nearby Gilroy, CA.

Recology South Valley Organics (SVO) is a large-scale composting facility located at 3675 Pacheco Pass Highway in Gilroy, CA. It is approximately 13.6 road miles from the San Benito County administration building at 481 4th Street in Hollister, CA.

Organics will be direct-hauled to the composting facility.

SVO Capacity

With a permitted capacity of 117,000 tons per year, SVO is capable of accepting the San Benito County IWM organic material.

SVO Processing Methods

SVO uses both windrow and in-vessel processing systems to compost residential organics and food scraps. The site is permitted to receive material from 6:00 am to 9:00 PM, excluding Christmas Day and New Year's Day. The facility is permitted to occasionally receive material 24 hours per day between April and November, by prior arrangement.

Loads are inspected for contamination, and RSVO reserves the right to reject loads that contain more than 1% - 3% contamination by volume (depending on the material type). Any loads containing hazardous material are automatically rejected. The average monthly residue level of SVO is less than 1%.

The following is an overview of SVO's composting process:

- When materials arrive at the site, a load checker screens for large contaminants.
- Feedstock is then processed through a slow speed shredder,
- After shredding and or grinding, the material is placed in active windrows and/or in-vessel processing systems, where it is turned into fully-cured compost over a period of approximately 120 days.

SVO Permits and Approvals

SVO is a fully-permitted composting site. The following table details the permits, permit numbers, and issuing entities.

Recology South Valley Organics (SVO) Permits		
Permit	Number/Unit	Issuing Entity
Use Permit and Architectural and Site Approval (ASA)	2102-55-68-03GA-03EA-03PAM	Santa Clara County
Solid Waste Facility Permit - Composting	Facility No. 43-AA-0017	California Department of Resource Recycling & Recovery (CalRecycle)
Registration Permit – Wood Processing	Facility No. 43-AA-0035	California Department of Resource Recycling & Recovery (CalRecycle)
Waste Discharge Requirements Order No. R3-2011-0019	Waste Discharger ID No. 3 430307001	Central Coast Regional Water Quality Control Board
Environmental Health Permit	PT0466209 – Composting (Wood Processing)	Santa Clara County Department of Environmental Health
Environmental Health Permit	PT0475248 – Aboveground Storage Tank PT0430145 – Haz Waste Generator PT0478639 – Haz Mat Storage PT0478957 – Storm Water	Santa Clara County Department of Environmental Health
Permit to Operate	Plant No. 13566	Bay Area Air Quality Management District
Permit to Operate Air Pressure Tank – Compressor Trailer	Serial No. A026406-11	California Department of Industrial Relations
Permit to Operate Air Pressure Tank – Compressor	Serial No. A026144-15	California Department of Industrial Relations
Permit to Operate Air Pressure Tank – Portable Compressor	Serial No. A028538-04	California Department of Industrial Relations
Permit to Operate Air Pressure Tank – Compressor Trailer	Serial No. A026198-06	California Department of Industrial Relations
Environmental Protection Agency ID	ID No. CAL000153023	California Department of Toxic Substances Control
Fertilizing Materials License	Firm No. 109289 License No. 109290	California Department of Food and Agriculture

Marketing Organics

The source-separated organic materials received at SVO are converted into nutrient-rich compost. The compost is an OMRI-listed product, sold for agricultural or horticultural use.

The primary markets for compost consist of Central and Northern California organic farmers that use Recology products to produce organically-grown fruits and vegetables. In addition, Recology sells wholesale compost to retail outlets, which supply local vineyards.

Recology's quality assurance program includes thorough nutrient, metal, and pathogen analysis, which meets the U.S. Composting Council Seal of Testing Assurance program. In addition to the materials analysis, Recology personnel carefully inspect finished compost to ensure the product is visually appealing and free of any foreign objects.

The sales and marketing of Recology's organics products are handled by Recology Organics, a sub-brand of Recology Inc. complete with its own sales force and branding designed to nurture demand for Recology products.

F1. G. Requirements for Operations, Equipment and Personnel

Operations: Residential Premises

Recology honors the noise ordinances of the communities it serves and will ensure that collection from residential premises will occur between the hours of 6 AM and 6 PM, Monday through Friday. Recology's RouteSmart software (described in further detail in Section F1. A: Single-Family Services) considers time of day constraints when creating routes. This ensures any noise ordinances are not violated.

Operations: Commercial Premises

Recology will likewise honor noise ordinances when serving commercial premises. Commercial customers that are 200 feet or less from residential areas will be served between 6 AM and 6 PM, Monday through Friday. Commercial customers more than 200 feet from residential properties will be served between the hours of 3 AM and 6 PM, Monday through Saturday.

Equipment

Collection Vehicles

Recology will utilize new collection vehicles for the new Agreement term, powered by renewable diesel. The following chart provides an overview of vehicle specifications. All vehicles will be 2018 model year, with an anticipated 10-year useful life.

Each vehicle will either collect garbage, single-stream recyclables, or organic material (food waste co-mingled with yard trimmings), depending on the routing needs.

Single-Family Customers	
Vehicle Type	Fully-automated side loader
Quantity	12
Cost per vehicle	\$364,000
Manufacturers	Autocar/Heil
Gross weight	54,000 lbs.
Capacity	28 cu yds
Number of axles	3
# of compartments	1

Multi-Family and Commercial Customers	
Vehicle Type	Front end loader
Quantity	4
Cost per vehicle	\$395,000
Manufacturers	Autocar/Heil
Gross weight	57,000 lbs.
Capacity	40 cu yds
Number of axles	4
# of compartments	1

Renewable Diesel Fuel

The renewable-diesel fleet would be powered by NEXBTL renewable diesel, manufactured by Neste Oil, or a similar renewable diesel fuel, or a similar renewable diesel fuel produced by an alternative manufacturer. Recology is currently using NEXBTL renewable diesel to power 381 collection vehicles serving the City of San Francisco.

Neste Oil uses a variety of vegetable oils and waste animal fats (including high free fatty acids) as feedstock for NEXBTL renewable diesel. Hydrotreated Vegetable Oil (HVO) like NEXBTL renewable diesel is produced by hydrotreating various vegetable oils, animal-based waste fats, and by-products of vegetable oil refining. HVO is an advanced biofuel compared to traditional biofuel FAME (Fatty Acid Methyl Ester) produced through the conversion of vegetable oils.

The benefits of this fuel type include:

- **Increased energy security**, since the fuel can be produced using a variety of widely-available feedstocks such as soybean oil, palm oil, canola oil, animal tallow, or vegetable oil waste.
- **Lower emissions** described in further detail in the table and charts below.
- **Improved utilization of existing assets** since the fuel can be used in existing diesel infrastructure.
- **Better performance** due to its higher combustion quality compared to conventional diesel.
- **Overall more cost effective compared to CNG**. CNG engines are each over \$30,000 more than diesel engines and have a shorter life expectancy. Renewable diesel allows Recology to offer a more cost-effective fleet while further reducing emissions.
- **Greater security during a natural disaster**, since Recology's fleet will not be dependent on natural gas infrastructure.

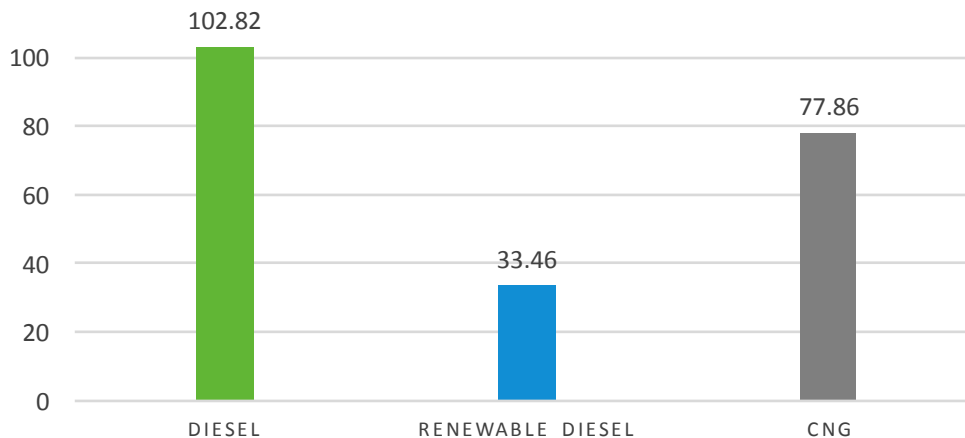
In 2016, Recology commissioned a study by Ramboll/Environ to analyze fuel types. Of the three fuel types analyzed – renewable diesel, diesel, and CNG – renewable diesel had the lowest life-cycle emissions rates and the lowest emission rate for three air pollutants. In addition, renewable diesel outperforms CNG in three out of five emissions standards.

Below is an overview of the findings.

Emission Rates, by Fuel Type						
Fuel Type	NMHC	NOx	CO	PM	DPM	Life-Cycle Emissions*
Diesel	.010	0.190	0.050	0.001	0.001	102.82
Renewable Diesel	.0095	0.171	0.045	0.0007	0.0007	33.46
CNG	.050	0.130	7.5	0.002	0	77.86

*According to the Environmental Protection Agency (EPA), Life-cycle emissions “is used to assess the overall greenhouse gas (GHG) impacts of a fuel, including each stage of its production and use.” For more information, please go to: <https://www.epa.gov/renewable-fuel-standard-program/lifecycle-analysis-greenhouse-gas-emissions-under-renewable-fuel>

Life-Cycle Emissions, by Fuel Type



The renewable diesel that will power Recology’s fleet will not be produced from palm oil. Please see Attachment F1-1: Golden Gate Petroleum Sourcing for a letter clarifying the source of the fuel.

Neste Oil adopted “No-Deforestation and Responsible Sourcing Guidelines” in April 2013. The general purpose of the guidelines is to ensure that Neste’s raw materials will not lead, either directly or indirectly, to loss of valuable forests. Specifically, the guidelines provide the following environmental benefits or requirements:

- All Neste feedstock sourcing will follow the requirements of the European Union Renewable Energy Directive (established in 2009) which precludes the use of raw material used to produce biofuels being obtained from land with high biodiversity after January 2008, including primary forests, nature preserves, threatened or endangered ecosystems, grasslands, wetlands, or peatlands as defined in the Directive.
- Neste will only purchase biofuel feedstock that, among other things, are:
 - Fully traceable back to the point of origin
 - Are produced in compliance with all applicable laws and regulations

- 4483 ▪ Protect high carbon stock forest areas
- 4484 ▪ Protect and properly manage peatlands
- 4485 ○ Neste will provide preference to suppliers who actively implement similar no-deforestation
- 4486 ○ principles in their operations, will support their suppliers in meeting their guidelines, and, will
- 4487 ○ reconsider use of suppliers unwilling to comply with the guidelines.
- 4488 ○ Neste’s guidelines established legally binding requirements for renewable raw material supply
- 4489 ○ that prohibit the use of raw material obtained from land that was either a primary forest or
- 4490 ○ wooded land, a protected area, a wetland, or a peatland in or after January 2008.

4491

4492 For more information, please visit the following links:

4493

4494 [https://www.neste.com/en/corporate-info/sustainability/sustainable-supply-chain/sustainably-](https://www.neste.com/en/corporate-info/sustainability/sustainable-supply-chain/sustainably-produced-palm-oil)

4495 [produced-palm-oil](https://www.neste.com/en/corporate-info/sustainability/sustainable-supply-chain/sustainably-produced-palm-oil)

4496

4497 [https://www.chelanpud.org/docs/default-source/default-document-library/biodiesel-fact-sheet_10](https://www.chelanpud.org/docs/default-source/default-document-library/biodiesel-fact-sheet_1024.pdf)

4498 [24.pdf](https://www.chelanpud.org/docs/default-source/default-document-library/biodiesel-fact-sheet_1024.pdf)

4499

4500 **Cart and Container Specifications**

4501 Single-family, multi-family, and commercial carts will be manufactured by Toter. Toter carts meet all the

4502 specifications of the American National Standards Institute (“ANSI”) standards Z245.30-1999 and

4503 Z45.60-1999. These carts are watertight and have the highest level of craftsmanship in the industry.

4504

4505 Toter carts are manufactured by rotational molding technology, with high-density polyethylene (HDPE)

4506 material, and include at least 30% post-consumer recycled content material. They include hot stamping,

4507 tamper-proof polymeric or rubber wheels with the proper load rating, attached lids, and a ten-year

4508 manufacturer’s warranty.

4509

4510 Front load containers will be manufactured by Wastequip and Consolidated Fabricators. Metal

4511 containers will also be color-coded and will feature labels with contact information, as well as

4512 instructions for reporting leaky or damaged containers. The containers are designed to mitigate

4513 potential leakage.

4514

4515 Recology recommends color-coding only the top band of each metal container (pictured), while leaving

4516 the remainder of the container gray. This lowers the amount of time required to exchange containers

4517 and uses less paint and resources while still conveying the color-coded message to support source-

4518 separation.

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4530 The following tables provide an overview of the collection cart and container specifications for all
 4531 material types and customer segments.
 4532

Solid Waste Carts and Containers – All Customers					
Customer Segment	Available Sizes	Color	Collection Frequency	Cart Construction	Signage
Single-family	20-, 32-, 64- or 96-gallon Toter carts	Gray	1 / week	Advanced Rotation Molded™	Hot stamp (carts) Stickers (metal containers/debris boxes)
Multi-family	64- or 96-gallon Toter carts 1-8 c.y. containers	Gray	1-6 / week	Advanced Rotation Molded™	Hot stamp (carts) Stickers (metal containers/debris boxes)
Commercial	64- or 96-gallon Toter carts 1-8 c.y. containers 20-, 30- and 40-c.y. drop boxes/compactors	Gray	1-6 / week	Advanced Rotation Molded™	Hot stamp (carts) Stickers (metal containers/debris boxes)
RA Members	64- or 96-gallon Toter carts 1-8 c.y. containers 20-, 30- and 40-c.y. drop boxes/compactors	Gray	1-6 / week	Advanced Rotation Molded™	Hot stamp (carts) Stickers (metal containers/debris boxes)

4533

Recycling Carts and Containers – All Customers					
Customer Segment	Available Sizes	Color	Collection Frequency	Cart Construction	Signage
Single-family	64- or 96-gallon Toter carts	Blue	1 / week	Advanced Rotation Molded™	Hot stamp (carts) Stickers (metal containers/debris boxes)
Multi-family	64- or 96-gallon Toter carts 1-8 c.y. containers	Blue	1-6 / week	Advanced Rotation Molded™	Hot stamp (carts) Stickers (metal containers/debris boxes)
Commercial	64- or 96-gallon Toter carts 1-8 c.y. containers	Blue	1-6 / week	Advanced Rotation Molded™	Hot stamp (carts) Stickers (metal containers/debris boxes)
RA Members	64- or 96-gallon Toter carts 1-8 c.y. containers	Blue	1-6 / week	Advanced Rotation Molded™	Hot stamp (carts) Stickers (metal containers/debris boxes)

4534

4535

4536

Organics Carts and Containers – All Customers					
Customer Segment	Available Sizes	Color	Collection Frequency	Cart Construction	Signage
Single-family	64- or 96-gallon Toter carts	Green	1 / week	Advanced Rotation Molded™	Hot stamp (carts) Stickers (metal containers/debris boxes)
Multi-family	64- or 96-gallon Toter carts	Green	1-6 / week	Advanced Rotation Molded™	Hot stamp (carts) Stickers (metal containers/debris boxes)
Commercial	64- or 96-gallon* Toter carts 1-2 c.y. containers	Green	1-6 / week	Advanced Rotation Molded™	Hot stamp (carts) Stickers (metal containers/debris boxes)
RA Members	64- or 96-gallon* Toter carts 1-2 c.y. containers	Green	1-6 / week	Advanced Rotation Molded™	Hot stamp (carts) Stickers (metal containers/debris boxes)

* For cart-based organics collection, Recology recommends that customers do not exceed a 64-gallon food scrap cart size for safety reasons. Because organics are wet and therefore have a heavier weight than MSW or recyclables, 96-gallon organics carts are often too heavy to move when full. Recology can work with customers requiring a 96-gallon organics cart to implement two smaller carts, or conduct more frequent collection service, to ensure safety.

Cart and Container Experience

Recology uses carts manufactured by Toter and containers manufactured by Wastequip and Consolidated Fabricators in the majority of its service areas, including San Francisco, San Mateo County, Vacaville, Dixon, American Canyon, and other areas.

Recology's longstanding relationship with these vendors extends more than thirty years. Recology presently has several million carts by Toter deployed throughout its service areas and several hundred thousand containers and debris boxes by Wastequip and Consolidated Fabricators.

Personnel

Recology has an established training program for its collection service employees, Customer Service staff, and Waste Zero staff.

Below is an overview of these training programs:

New Driver Training

All new Recology drivers receive training in the operation of Recology equipment and the unique aspects of the collection program. Training is provided in the classroom and in the vehicle. Topics include:

- 4564 ○ Recology CORE On-boarding, to welcome and integrate new employees into Recology’s culture.
4565 During this segment, drivers are taught about their job roles and expectations, as well as
4566 Recology’s culture and values.
- 4567 ○ Customer Service training: This training explores the differences between basic customer
4568 service versus excellent customer service, and how every interaction with a customer is an
4569 opportunity for a positive and memorable experience, for the customer as well as themselves.
4570 Drivers will learn methods to maintain professionalism when faced with difficult customers, and
4571 tips on how to resolve issues on their routes.
- 4572 ○ Franchise training: During this session, drivers are taught general collection protocols to meet
4573 the requirements of the Franchise Agreement.
- 4574 ○ Contamination training: This training, delivered by a Recology Waste Zero Team member,
4575 teaches drivers how to identify and document contaminated containers. Drivers will be trained
4576 on the procedures for tagging contaminated containers.
- 4577 ○ Maintenance training: This training teaches drivers their responsibilities for daily vehicle
4578 maintenance inspections.
- 4579 ○ Dispatch Operations training: This training guides drivers through their Route Manual, which
4580 answers questions that a driver may have regarding their position and route responsibilities.
4581 Drivers can use the Route Manual as a frame of reference for specific job responsibilities, route
4582 practices and route expectations.
- 4583 ○ Safety and Equipment Overview: This program guides drivers through the requirements of
4584 Recology’s safety training program, to ensure compliance with regulations and industry best
4585 practices.
- 4586 ○ Truck Training: The majority of Recology’s driver on-boarding program is spent in the trucks,
4587 actively educating drivers on their use of the vehicles to ensure that safety, efficiency, and
4588 customer service are always at the forefront.
- 4589 ○ Q&A Refresher: On this final day of the three-week training program, drivers will meet with the
4590 Managers and Supervisors to review important information from the previous weeks.

4592 **Customer Service Specialist Training**

4593 Recology invests in the development of Customer Service Specialists (CSSs) through a comprehensive
4594 training program, covering:

- 4595 ○ Recology CORE On-boarding, to welcome and integrate new employees into Recology’s culture.
4596 During this segment, CSSs are taught about their job roles and expectations, as well as
4597 Recology’s culture and values.
- 4598 ○ Creating Memorable Customer Service: The goal of this training is to educate the CSS on
4599 Recology’s customer base, the services Recology provides, and the CSS’s role in delivering
4600 excellent service.
- 4601 ○ Franchise Training: Franchise Training teaches the CSSs general protocols related to the
4602 Agreement
- 4603 ○ Technical Training Elements: The Technical Training portion covers the majority of the CSS
4604 training program. During these weeks, the CSSs learn the practical, technical skills they need to
4605 work with the Recology Customer Relationship Management System (RCRM) database.

- 4606 ○ Contamination Training: Delivered by an experienced Recology Waste Zero Specialist, the
4607 Contamination Training will teach CSSs on the proper procedures for identifying and
4608 documenting accounts with contamination and how to delicately relay information and options
4609 to customers with contaminated containers.
- 4610 ○ In-Field Ride-Along with a Driver: Communication between customer service, operations, and
4611 the route driver is vital to ensure customer needs are met. Therefore, Recology CSSs will go on
4612 a ride-along with a driver to observe field conditions and better understand how their role
4613 relates to customers and collection operations.

4614 **Waste Zero Specialist Training**

4615 Recology invests in the development of the Waste Zero Specialist (WZS) through a comprehensive
4616 training program, covering:
4617

- 4618 ○ Recology CORE On-boarding, to welcome and integrate the new employee into Recology's
4619 culture. During this segment, the WZS will be taught about his or her role and expectations, as
4620 well as Recology's culture and values.
- 4621 ○ Customer Service Training: The WZS will then complete a training titled "Creating Memorable
4622 Customer Service," delivered by the Customer Service Manager. The goal of this training is to
4623 educate the WZS on Recology's customer base, the services Recology provides, and his or her
4624 role in delivering excellent service.
- 4625 ○ Outreach and Education Material Overview: The WZS will receive focused training on the types
4626 of outreach materials available to teach customers about his or her programs and services.
- 4627 ○ Franchise Training: During this session, the WZS will be taught the protocols related to the
4628 Agreement.
- 4629 ○ Contamination Training: Delivered by an experienced Recology WZS, the Contamination
4630 Training teaches the new employee how to identify and document contaminated containers and
4631 how to assist customers in addressing contamination.
- 4632 ○ Facilities Tours: The WZS will receive tours of various processing facilities, to better understand
4633 this fundamental aspect of the diversion process.
- 4634 ○ Developing Presentation Skills: This training will provide the WZS the tools he or she needs to
4635 deliver hands-on presentations to an array of business types, including non-profit organizations,
4636 homeowners' associations, business groups, environmental organizations, and schools.
- 4637 ○ Conducting Waste Audits: During this training, the WZS will be taught how to analyze a
4638 particular customer's material stream, with a focus on the diversion opportunities available to
4639 customers by business type.
- 4640 ○ Providing On-Site Technical Assistance: This training will teach the WZS the various types of
4641 Technical Assistance and training he or she will provide customers related to Recology's
4642 programs and the Regional Agencies' diversion goals.
- 4643 ○ Reporting and Technical Requirements: This segment of the On-Boarding Program will teach the
4644 WZS about the reporting requirements and his or her role in meeting those reporting needs.
- 4645 ○ Recology in the Community: During this on-boarding component, the WZS will meet with a
4646 Recology Ownership Communication Committee (ROCC) Representative and a Recology
4647 Volunteer Liaison to learn more about Recology's dedication to the community.

- Supervisor and Driver Ride-Alongs: During this component of training, the WZS will ride with a Supervisor and/or Driver, to get an overview of the service area, routes, and his or her responsibilities to support operations in providing quality collection services and meeting the Regional Agencies' diversion goals.

Vehicle Maintenance Program

Recology's Vehicle Maintenance Program features three main elements:

- Preventive Maintenance
- Vehicle Condition Reports (VCRs)
- 63-Point Inspections (scheduled safety inspections)

Recology is proud of the fact that its companywide fleet has consistently passed California Highway Patrol Basic Inspection of Terminals (BIT) inspections.

Preventive Maintenance

This program is computer-generated and based on the number of hours a vehicle has been in service, as well as the time since the last scheduled service. The services are completed at several vehicle operating intervals: 150, 250, 500, 1000, and 2000 hours. The services include but are not limited to:

- Inspection of hydraulic and air hoses and lines for wear or leaks
- Check and adjust all fluid levels
- Changing of filters (oil / fuel / air / hydraulic / etc.)
- Lubricate truck chassis and body per specifications.

Vehicle Condition Reports (VCRs)

All drivers are required to complete a VCR at the beginning and end of each shift in order to identify any equipment defects, leaks, or necessary repairs and/or adjustments. The VCRs are signed off by mechanics and reviewed by the Maintenance Manager.

Safety Inspection

Safety inspections are performed at least every 90 days and are subject to Compliance Audits by the California Highway Patrol to ensure Recology complies with all DOT standards and regulations.

Recology's 63-point inspection is a detailed process that includes:

- | | | |
|-----------------------|-------------------------|----------------------|
| ○ Interior / Exterior | ○ Hoses / lines / tubes | ○ Emergency brake |
| ○ Safety devices | ○ Fuel pump / throttle | ○ Chassis |
| ○ Wiring | ○ Brakes | ○ Springs / shackles |
| ○ Horn / lighting | ○ Drums / lining | ○ Driveshaft |
| ○ Engine | ○ Governor / air brake | ○ Frame |
| ○ Radiator | application tests | |

Recology Safety

Recology cares about its employees, its customers and the communities it serves. As employee owners, staff have high expectations to keep everyone safe at work and at home.

4687 Recology observes high safety standards for its collection drivers, sorters, and other employees. All new
4688 collection drivers must:

- 4689 ○ Possess a valid commercial driver license
- 4690 ○ Pass a physical examination to obtain a medical receipt
- 4691 ○ Pass background checks, including motor vehicle driving history and drug and alcohol testing
4692 history

4693
4694 New drivers receive safety orientation training, which is comprised of both classroom and hands-on field
4695 exercises. New drivers are then trained in the operation of collection trucks and equipment, followed by
4696 on-route training with safety trainers. The training process typically takes three to four weeks. Once
4697 completed, the driver is given a road test to assess proficiency before being assigned a route as a
4698 probationary driver.

4699
4700 Going forward, drivers and equipment operators participate in monthly training events that address
4701 major operational topics. In addition, weekly and ad hoc trainings will be conducted to address topics of
4702 current interest or concern. A record is maintained of the dates, topics, locations, and participants of all
4703 Recology training events.

4704
4705 Driver and equipment operator safety performance is monitored through direct observation by (a)
4706 Operations Supervisors and other management personnel using mobile recording technology, and (b) an
4707 on-board video safety system technology, mounted in the collection vehicles. Electronic records of all
4708 events of concern are maintained by Recology.

4709
4710 Recology maintains records of all driver and equipment operator qualifications data, including current
4711 licenses and certifications, and the results of pre-employment, random, and post-accident drug and
4712 alcohol tests. An outside contractor monitors DMV records to alert Recology of upcoming driver license
4713 renewal requirements and driver citation experience, for which electronic records are maintained by
4714 Recology.

4715 4716 **Environmentally Preferable Purchasing Policy**

4717
4718 Consistent with the company's corporate sustainability platform, Recology Inc. has adopted
4719 environmentally preferable purchasing behaviors, including the implementation of a corporate-wide
4720 green procurement policy for office, breakroom and promotional products.

4721
4722 The program is managed interdepartmentally to ensure procurement activities consider both
4723 environmental and fiscal impacts. Recology's selected vendor provides a "Greener Office" brochure and
4724 committed customer support green team to provide guidance and reporting services related to green
4725 product procurement and utilization.

4726
4727 Quantifiable results of Recology's Environmentally Preferable Purchasing Policy will be reported in
4728 Recology's annual report to the RA Members and in external sustainability reporting contexts. Examples
4729 of product criteria are provided below:

- 4730 ○ Copy Paper: 100% post-consumer content (PCC) recycled content products, including letter,
4731 ledger and legal-sized varieties.

- Misc. Paper: Minimum 50% post-consumer (PCC) recycled content products, with goal to achieve 100% recycled content within one (1) year of implementation (filing folders, mailing envelopes, paper tablets, notebooks, etc.).
 - Paper Towels and Bath Tissue: Minimum 50% recycled content products, with goal to achieve 100% recycled content within one (1) year of implementation.
 - Janitorial: Purchase green-certified, natural cleaners and detergents whenever applicable.
 - Toner and Electronic Recycling: Company-wide participation in vendor recycling programs for printer and toner cartridges, household batteries, and electronics.
- Program Development: Continue to pursue procurement of additional environmentally preferable, alternative products as fiscal and sustainability program contexts allow.

Local Purchasing Preference

Recology prides itself on working with local businesses and suppliers to help the communities it serves economically thrive. Below is a list of some of the local vendors that Recology utilizes in the San Benito County area:

- Napa Auto Parts - Hollister Auto Parts, located at 140 4th Street, Hollister
- Wright Brothers Industrial Supply, located at 1745 San Felipe Road, Hollister
- Dassel's Petroleum, located at 31 Wright Road, Hollister

F1. H. Billing, Customer Service, Record Keeping and Reporting

Billing Services

Recology will bill each single-family customer bi-monthly in arrears. Each multi-family and commercial customer shall be billed monthly in advance.

Recology accepts bill payments online, over the telephone, in-person, or as recurring monthly charges. All customer account information, service levels, and billing is recorded in the Recology Customer Relationship Management (RCRM) system. More information on this system and the various payment methods accepted by Recology is provided below.

Recology Customer Relationship Management System

Recology records customer service data in its Recology Customer Relationship Management (RCRM) system. The system allows Recology to record the history of all customer-related information, billing, services, and interactions.

The RCRM system is an IBM iSeries-based system that was developed over the past 28 years to provide functionality specific to the collection and recycling business. This software is updated to accommodate changes in the industry and new government regulations.

The system records such information as:

- Customer and service level information
- Billing and payment history
- Customer service issues and inquiries
- Routing

- 4778 ○ Ticketing
- 4779 ○ Dispatching
- 4780 ○ Contact information
- 4781 ○ Service level including size and number of containers
- 4782 ○ Collection day(s)
- 4783 ○ Current routes
- 4784 ○ Special servicing requirements
- 4785 ○ Entry key electronic opening device or entry code requirements
- 4786 ○ Account history

4787
4788 The RCRM system is fully integrated with Recology's RouteSmart routing software, ensuring that the
4789 most up-to-date customer information is used to create routes.

4790
4791 Billing is a module within the RCRM software, and customer service information and billing information
4792 are therefore fully integrated. Customers with billing concerns can contact the call center, where all
4793 CSSs are trained to address billing concerns and adjust as necessary in the RCRM system.

4794
4795 All charges and credits appear on the bill that is provided to the customer, and a history of those bills is
4796 available to the CSSs for review. This data aids the CSSs with answering customer billing questions.

4797
4798 **Web-Based Electronic Billing and Bill Payment**

4799 Customers have the option to view and pay their bills through Recology's online Account Management
4800 capabilities, accessible at www.Recology.com.

4801
4802 Customers can also access the website 24 hours a day, seven days a week to view and pay their bill or
4803 submit billing inquiries. For more information on the website, please see Attachment F1.

4804
4805 Recology promotes online bill payment on its websites, in newsletters, through messages on bills, and
4806 on the back of paper billing envelopes. E-BillPay allows customers to make a one-time electronic
4807 payment from a conventional paper bill, or to enroll for online billing services to receive and pay their
4808 bill electronically.

4809
4810 All data, including bills and the transactions that appear on those bills, are maintained in the RCRM
4811 system. A prior bill can be viewed, or a copy can be printed at any time. This information is not purged
4812 for active accounts; data can be purged for stopped accounts.

4813
4814 **ACH Debit Payment**

4815 Recology offers customers the option of paying their service bills via recurring Automated Clearing
4816 House (ACH) direct debits from a customer-authorized bank account. To pay by ACH debit, customers
4817 must provide Recology the applicable bank account information and authorize the deduction from their
4818 bank account.

4819
4820 **Billing and Payment by Mail**

4821 The majority of Recology's customer bills are produced on paper and mailed to customers. However, a
4822 growing number of Recology's customers prefer to pay their bills electronically.

4823
4824
4825

Payment at the Call Center

Recology accepts in-person bill payment at its call center located at 1351 Pacheco Pass Hwy in Gilroy, CA. Recology's Customer Service Specialists (CSSs) can also process payments made over the phone using a checking or savings accounts, or by credit or debit card.

Local Payment Centers

Recology currently accepts customer payments at the Ace Cash Express located inside the Safeway Supermarket at 591 Tres Pinos Road in Hollister, CA. During the new Agreement term, customers will be able to continue using this location to pay their bills.

In addition, Recology will begin accepting payments at two additional locations – one in San Juan Bautista and one in the unincorporated County area – to provide convenient alternative payment options for customers.

In San Juan Bautista, Recology will accept payments at the Windmill Market located at 301 The Alameda. In the unincorporated County area, Recology will accept payments at the Paicines General Store located at 12261 Airline Highway in Paicines, CA.

Customer Service

Office Location and Hours

Recology's call center is centralized at its administrative offices at 1351 Pacheco Pass Hwy in Gilroy, CA. The call center serves all customers of Recology San Benito County, as well as Recology's customers in the cities of Gilroy and Morgan Hill.

The Contractor shall also maintain, at least for the first year of the Agreement, an office within San Benito County for its commercial outreach staff. The capital purchases will be invoiced through this office.

The call center is staffed with local Customer Service Specialists (CSSs) who are trained in the specific requirements of the Franchise Agreement.

Customers can contact the Call Center from 8 AM to 5 PM Monday through Friday, as well as 8 AM to noon on Saturday. The office is also open from 8 AM to 5 PM Monday through Friday for customers who wish to pay their bill in person. Recology also maintains an automated bill pay number that customers can call 24 hours a day to pay over the phone.

Local Telephone Number and Equipment

Customers can reach Customer Service by calling 831-636-7500.

Recology's call center is equipped with a ShoreTel Voice Over IP (VOIP) phone system with unified communications and contact center capabilities. A single PRI (Primary Rate Interface) is capable of handling 23 calls at one time; depending on the magnitude of the contract, Recology can implement multiple PRIs.

ShoreTel's solutions are built to scale, grow, and evolve as needed. The ShoreTel system is centrally managed through an intuitive server interface that makes complex tasks easier to accomplish. Recology

4873 IT staff can manage the system from anywhere on the network or from anywhere there is internet
4874 connectivity.

4875
4876 With a small energy footprint, a single ShoreTel module supports 90 phones and voicemail boxes with
4877 56 hours of voicemail storage. Adding more phones and voicemail boxes is as simple as adding another
4878 ShoreTel module, making expandability almost unlimited.

4879
4880 **Emergency Telephone Number**

4881 Recology will provide an emergency telephone number to the Regional Agency and RA Members in the
4882 event of an after-hours emergency. The number will connect the Regional Agency and RA Members to
4883 the Recology supervisor on call.

4884
4885 **Multilingual/TDD Service**

4886 The Recology Call Center has immediate access to interpreters in over 175 languages through AT&T's
4887 Language Line. A TDD relay service will be used to provide customer service to hearing impaired
4888 customers.

4889
4890 **Website**

4891 Recology's online Account Management capabilities allow customers to manage their account at their
4892 own pace. After a simple enrollment process, (which requires the customer's account number and
4893 service address for validation), customers can view their current service levels and scheduled service
4894 days.

4895
4896 Online Account Management enables customers to:

- 4897
- 4898 ○ Request service changes
 - 4899 ○ Request a change to contact and billing information
 - 4900 ○ Submit inquiries
 - 4901 ○ View and pay their bill
 - 4902 ○ Request special services
 - 4903 ○ View current service rates
 - 4904 ○ Learn about services and programs
- 4905

4906 Beyond Account Management, Recology offers a variety of other information on its websites designed
4907 to educate customers on Recology's services and programs. Content can include:

- 4908
- 4909 ○ Links to outreach and education material
 - 4910 ○ Announcements on new programs and services
 - 4911 ○ Standard service descriptions
 - 4912 ○ A "Contact Us" function, allowing customers to contact Recology
 - 4913 ○ Links to upcoming events
- 4914

4915 **Service Requests, Compliments, Complaints**

4916 Recology's method to resolve customer complaints begins with a work order, or "ticket," that is created
4917 in the RCRM system. Each ticket is time-stamped and remains open until completed. Upon completion,
4918 the ticket is closed, and the date, time, and nature of the resolution are recorded.

4919

A variety of summary reports can be prepared, based on particular metrics regarding the customer service process. The tickets all feature a caller name, creation date, type and reason code, scheduled date, resolution date, and resolution code. The Recology employee creating the ticket and the source – be it a manually-entered ticket or an interaction from the website – are also recorded.

Recology can tailor the “reason codes” to match the specific reporting requirements of the Franchise Agreement, such as missed pickups, to ensure the IWMRA receives reports that are meaningful and specific. The data is never purged, allowing for historical analysis. Recology also tracks ticket reports internally to identify customer service improvement opportunities.

If a dispute arises that is not resolved to the customer’s satisfaction, the General Manager will communicate the nature of the complaint and review Recology’s compliance with the Franchise Agreement with the IWMRA. As outlined in the Franchise Agreement, Recology will respond to all customer complains within 24 hours of receipt, excluding holidays and weekends.

Record Keeping and Reporting

Recology uses the PC Scale software package to monitor and report collected materials. PC Scale is a leader in point-of-sale systems for all types of disposal, recycling, and material sales involving truck, floor, attended and unattended scales.

The PC Scale software captures activity at the scale sites. Every load into or out of a Recology-controlled location is weighed and details such as route, truck, commodity, gross weight, tare weight, and net weight are recorded and uploaded every hour to the RCRM system.

At a facility that is not a Recology-controlled location, drivers receive their weight tag at the facility, and those numbers are entered into the RCRM system.

For loads that are taken to facilities outside of Recology, the weight tags can either be electronically uploaded from the facility, or they can be manually keyed into Recology’s Weight Tag module within the RCRM software.

The weight tags are reviewed, and reports are generated in the RCRM software. These reports are reconciled with the day’s final reports for PC Scales or information provided by the outside facility. Once reconciled, the tags are posted to the RCRM system. This data is never purged and, therefore, is available for historical analysis. By capturing the details on every load, Recology can accurately report the weight and type of material collected as well as the weight and type of the material leaving the facility.

The PC Scale software allows Recology to track all inbound collection vehicle tonnage by route and day, and by load for roll off and transfer vehicles. The truck ID is captured and sent the PC Scales system where the truck tare weight is stored, thereby eliminating the need to weigh the truck twice.

As outlined in the Franchise Agreement, Recology shall submit quarterly reports within 30 days after the end of the calendar quarter. In addition, Recology shall submit annual reports within 45 days after the end of the calendar year.

F1. I. Other Environmental Enhancements

Providing community-centered, environmentally-friendly collection services are core to Recology's business practices. Recology has a long commitment to sustainable practices, beginning with the recovery and reuse methods employed by predecessor companies in the 1920s.

Although many business conditions have changed in the past one hundred years, Recology remains focused on minimizing waste and engaging with climate change initiatives, both internally and on behalf of customers.

"WASTE ZERO" is more than just a company tag line – it is Recology's commitment to future generations and a core component of the company's strategies.

To support the IWMRA's environmental goals, Recology is offering the following enhancements as part of its base proposal:

Edible Garden at the Community Food Bank

As part of Recology's mission to support sustainable communities, Recology will work with the Food Bank's staff to plant fruit trees, vegetables, and flowers. Recology employees will help staff tend to the crops and harvest produce, which can be distributed to Food Bank customers.

The garden would be planted on a designated area of the 2,250 square feet patch of land located on the north side of the building. Recology will pay for the materials to build the garden, including the fruit trees, irrigation, vegetables, flowers and herbs, compost and soil amendments, ground cover, and stakes for trees and shrubs.

Partnership with Pat's Place to Divert Reusable Goods

Recology will work with Pat's Place, a reuse store in Hollister, to give a second life to reusable goods collected under the Bulky Item Collection Program.

After collection, a Recology employee will bring reusable items to Pat's Place, where volunteers can sort items for resale. Any items that cannot be utilized or sold will be placed in a container provided by Recology for either recycling or disposal, as appropriate.

All proceeds from the sale of the salvaged items will be given to the Community Food Bank of San Benito. Furthermore, Recology will provide a quarterly donation to Pat's Place and/or the Food Bank to help cover the cost of staff time utilized for the sorting and handling of the materials dropped off by Recology.

San Benito County Recycles! Poster Contest

The San Benito County Recycles! Poster Contest is an opportunity for students to express their creativity while reinforcing the importance of recycling.

The contest would be open to all local students in public or private schools, from Kindergarten through 12th grade.

5015 Posters would contain the student’s original artwork and highlight recycling, waste reduction efforts, or
5016 other environmental issues such as water or air pollution. The winning poster would be depicted on the
5017 side of Recology’s collection vehicles.
5018

5019 **School Assemblies and Outreach**

5020

5021 Recology sees the future generation as a fundamental partner in maximizing diversion efforts.
5022 Therefore, Recology’s public education and outreach strategy includes a robust program in schools
5023 within the IWMRA area.
5024

5025 Recology’s Waste Zero Specialist will work closely with public and private schools to educate students on
5026 source reduction, reuse of materials, and participation in recycling programs. Specific programs can
5027 include:

- 5028 ○ School assemblies: Recology will continue to offer environmentally-focused assemblies to local
5029 schools, with performances by the Banana Slug String Band (pictured).
- 5030 ○ Classroom projects: Also tailored to grade level, these hands-on projects teach students about
5031 renewable versus non-renewable resources and encourage creative uses of everyday items to
5032 increase sustainability.
- 5033 ○ Educator resources: Recology’s Waste Zero Specialist will connect educators with curriculum
5034 and other resources to help continue sustainability and diversion lessons throughout the school
5035 year.
5036

5037
5038
5039
5040

F2. COST BASIS FOR PROPOSAL (FINAL COST FORMS 1.0 TO 1.9)
(SEE SEPARATELY ATTACHED FILE)

5041
5042
5043
5044
5045

**F3. MAXIMUM ALLOWABLE RATES FOR COLLECTION SERVICES FOR RATE YEAR 1
(MODIFIED FINAL COST FORMS 2.1, 2.2, 2.3, 2.4.A, 2.5.A, 2.6.A, 2.7, 2.8, AND 2.9)
(SEE SEPARATELY ATTACHED FILE)**

ATTACHMENT F4. CONTRACTOR IMPLEMENTATION PLAN AND SCHEDULE

Transition into the New Agreement Term

As the incumbent service provider for the IWMRA, Recology can ensure a smooth transition into the new Agreement term. Since Recology maintains an accurate customer database for residents and businesses, routes and collection days would not need to be adjusted, unless the IWMRA elects programmatic changes.

Furthermore, customers will continue to be served by the same team of drivers and customer service specialists, providing the consistent, high-quality service.

In addition, because Recology is the incumbent contractor, **no blackout period for service level modifications would be necessary during the new Agreement implementation.** During transitions to a new service provider, it is common to require a two-week blackout period, to help minimize customer data inaccuracies during the transition.

Participation from the Regional Agency Members

Recology appreciates its relationship with IWMRA staff and looks forward to continuing this open communication into the new Agreement term.

Recology proposes to hold regular meetings with IWMRA staff and any other relevant stakeholders following execution of the Agreement.

Assuming the Agreement is signed in June 2018, for a service start date of November 1, 2018, Recology recommends meeting every other week for the month of August. Meeting frequency would increase to weekly for the final three months prior to the start of the Agreement. Depending on the nature of the final Agreement, this meeting schedule could be adjusted at the discretion of IWMRA staff.

In advance of each meeting, Recology would provide an agenda. Within 24 hours following the meeting, Recology would provide a summary and action items. Meetings could be held in-person or via conference call as appropriate.

Vehicle Procurement

Recology understands that timely procurement of equipment is essential to the start of the new Agreement. Recology's experience and relationships with equipment vendors provides an accurate estimate on the time needed to produce and secure equipment.



Typically, 9 months lead time is required to procure, build, and test new vehicles. Due to the required manufacturing time, Recology will use existing equipment to service customers until the new vehicles

arrive. As new vehicles are delivered and tested, Recology will begin utilizing the new vehicles to service customers. Existing collection vehicles will be fueled using renewable diesel.

New Programs Mailing and Recycling Guide

Prior to the start of service, each customer will receive a New Programs Mailing and Recycling Guide describing and illustrating methods to prepare recyclable, organic, and solid waste materials for collection. The brochure will illustrate the acceptable materials for each container and will also detail the proper set out procedures for the collection containers.

Recology will prepare tailored content for single-family, multi-family, and commercial subscribers. Further details on the New Programs Mailing and Recycling Guide are provided in Section F1. E. Public Education and Outreach.

Cart and Container Selection

Container selection is an important component of Recology's transition plan. By helping customers identify the proper container sizes for all three material streams, Recology can maximize diversion potential.

Recology will distribute a Container/Cart Selection Card as a component of the New Programs Mailing. The Card will offer multiple media formats to help customers select their proper container sizes, including:

- **Container/Cart Selection postcard:** These postcards, which would be sent to every customer, graphically depict the container and cart sizes available to customers in all three waste streams. Customers check a box for their desired size and mail the postcard back to Recology.
- **Website:** As a supplement to the Container/Cart Selection postcard, Recology will launch a webpage (pictured) where customers can select their preferred cart or container sizes. After selection, customers receive an acknowledgement email and the information is updated in Recology's system to facilitate cart distribution.

Advertisements, Press Releases, and Public Service Announcements

Recology will prepare and distribute the following announcements approximately one month prior to the start of the new Agreement:

- A public service announcement (PSA) for local radio and cable television broadcasts
- Newspaper and online advertisements highlighting upcoming programs and services
- A press release describing the programs offered by customer sector (single-family, multi-family, and commercial)

Customer Database and Routing

As the incumbent service provider, Recology already maintains an accurate customer database, and can continue to provide consistent service to customers during the transitional period.

In fact, the creation of an accurate customer database is one of the most vital components of any start-up, impacting routing, outreach and education activities, equipment procurement, and other factors.

5139 Recology's customer database already includes all pertinent information for routing, billing, and service
5140 levels, such as:

- 5141 ○ Customer name
- 5142 ○ Billing address
- 5143 ○ Service address
- 5144 ○ Contact information
- 5145 ○ Service level, including size and number of containers
- 5146 ○ Collection day(s)
- 5147 ○ Current routes
- 5148 ○ Special servicing requirements
- 5149 ○ Entry key electronic opening device or entry code requirements
- 5150 ○ Account history

5151

5152 **Cart and Container Distribution**

5153

5154 Recology will have a dedicated manager overseeing the distribution teams for plastic carts and metal
5155 containers. In addition, each distribution team will have a field supervisor overseeing delivery, assuring
5156 all homes and businesses receive the correct size cart(s) and container(s). Field supervisors will also be
5157 Recology's spokespeople for residents and businesses that may have questions as carts and bins are
5158 delivered.

5159

5160 The following is an overview of Recology's operational steps to distribute new plastic carts and metal
5161 containers.

5162 **Single-Family Cart Distribution Process**

5163

5164

5165 Recology will work with Toter, its vendor for carts, to conduct the cart distribution process in a timely
5166 manner.

5167

5168 Using the updated customer database and RouteSmart, Recology will produce a cart assembly and
5169 delivery report. This report will provide a summary of the number and size of each type of cart for each
5170 route. This report will allow the assembly crew the ability to pre-load a delivery truck with the exact
5171 number and size of cart by route, providing for efficient and accurate delivery.

5172

5173 Single-family distribution teams will deliver recycling carts. Teams will utilize route sheets created by
5174 RouteSmart. The delivery trucks will mirror the collection route in RouteSmart, assuring all homes are
5175 receiving their requested cart size.

5176

5177 Recology would use a similar method to collect the existing carts. Existing cart collection teams would
5178 utilize route sheets created by RouteSmart to systematically collect the existing carts after the new carts
5179 have been delivered.

5180

5181 Recology field supervisors will also have the same route sheets, allowing them to record by address any
5182 issue that may occur on the route that may affect future collection efficiency. In addition, the use of
5183 route books will allow Recology to accurately generate reports that follow distribution progress.

5184
5185

The recycling cart will include outreach material detailing the following information:

- Proper placement of cart
- Collection start date
- Materials accepted in the recycling cart
- Frequently asked questions (FAQ)
- Contact information for the resident should they have any questions

Commercial and Multi-Family Container Exchange

Commercial and multi-family container delivery teams will utilize distribution route sheets similar to those of single-family residents.

Due to space constraints in many commercial areas, Recology will exchange multi-family and commercial containers rather than simply distribute new containers.

Distribution of new commercial and multi-family containers will be done in zones. Dividing the service area into container exchange zones will minimize traffic delays, facilitate supervision, and provide for more efficient use of equipment. Recology will complete the exchange of containers zone by zone, until the entire service area has been completed.

The commercial container exchange team's delivery fleet equipment will consist of two stinger trucks (trucks with bin lifting and transferring capabilities), flat-bed trucks, and a front-end-loading (FEL) truck.

The stinger truck is a specially designed truck that can pick up and transport FEL bins. As the commercial container exchange team moves from business to business within a zone, one stinger truck will remove the existing bin to a location where the FEL truck is able to empty it. Once empty, the container will be loaded on a flat-bed truck to be delivered to Recology's corporate yard, where they will be refurbished. Once the bin has been removed, the second stinger truck will place a new container from another flat-bed truck at the service location.

Implementation Schedule

The following Transition Schedule overviews the major tasks and time periods required to complete those tasks, assuming a June 2018 Agreement execution date. Please note that exact dates are subject to adjustment in the final implementation plan.

Final Implementation Schedule – June to November 2018	
Implementation Task	Timeline
Agreement Executed (estimated)	June 2018
Equipment & Procurement	
Trucks	
Place order for new collection vehicles	June 2018
Serve customers with existing collection fleet as new vehicles are manufactured and tested	November 1, 2018
Receive new collection vehicles	March 1, 2019
Truck testing	March 1 – March 31, 2019
Begin serving customers with new collection vehicles	April 1, 2019
Truck electronics	
Order truck equipment (GPS-enabled on-board video safety system, such as DriveCam or similar technology)	June 2018
Carts	
Place cart inventory order	June 2018
Cart manufacturing	July 1, 2018 – Sept. 1, 2018
Receive carts (rolling deliveries)	Sept. 21, 2018 – Oct. 8, 2018
Cart delivery/removal	Oct. 1, 2018 – Oct. 29, 2018
Containers	
Place container inventory order	June 2018
Container manufacturing	July 1, 2018 – Sept. 1, 2018
Receive inventory containers	Sept. 24, 2018 – Oct. 8, 2018
Container exchange	Oct. 1, 2018 – Oct. 29, 2018
Route Development	
Refine and develop routes	July 5, 2018 – Oct. 1, 2018
Refine and develop Commercial / MFD Route	July 5, 2018 – Oct. 1, 2018
Create final route maps	Oct. 4, 2018 – Oct. 29, 2018
Employee Onboarding and Training	
Conduct Driver refresher training to ensure compliance with Agreement	Oct. 15, 2018 – Oct. 29, 2018
Conduct Customer Service Specialist (CSS) refresher training to ensure compliance with Agreement	Oct. 15, 2018 – Oct. 26, 2018
Recruit and hire Waste Zero Manager	June 2018
Recruit and hire Waste Zero Specialists	Aug. 6, 2018 – Oct. 5, 2018
Conduct Waste Zero Specialist training to ensure compliance with Agreement	Oct. 1, 2018 – Oct. 31, 2018
Customer Notification & Public Education	
Design Residential, Commercial, and Multi-Family Program Brochures and other educational material, in collaboration with Regional Agency	July 1, 2018 – July 31, 2018
Distribute Cart Selection postcards/website URL and conduct cart selection period	Aug. 1, 2018 – Sept. 28, 2018

5242

F5. APPROVED SUBCONTRACTORS

5243 1. Monterey Regional Waste Management District

5244 14201 Del Monte Blvd.

5245 Marina, CA. 93333

5246

5247 The MRWMD will process single-stream recyclables and construction and demolition
5248 collected by Recology in the RA Member service areas. The facility will also process
5249 commercial municipal solid waste to capture divertible materials, should the RA members
5250 elect to implement this program.

5251

5252

F6. COMMERCIAL RECYCLING AND ORGANICS OUTREACH PLAN

F6.A. San Benito County Regional Agency Members

5254 *Recology is submitting this plan in response to the Regional Agency's Conditions of Approval that*
5255 *required Recology to develop a detailed commercial recycling plan to thoroughly outline how to increase*
5256 *commercial diversion from the current commercial diversion rate of 6% and include two additional*
5257 *Recycling Outreach Coordinators in year 1 of the contract at no cost to the ratepayers.*

5258

5259 Recology will provide the recycling and organics outreach programs described in this Plan to all
5260 Commercial and Multi-Family (MFD) customers in the service areas. This includes schools located within
5261 the service area. **A comprehensive and well-coordinated commercial recycling and organics outreach**
5262 **plan is essential to increasing the current 6% diversion rate and meet the overall 45% diversion**
5263 **requirement in the Franchise Agreement.**

5264

Recology San Benito County Total Forecasted Diversion Years 1 through 4 of Agreement				
	Year 1	Year 2	Year 3	Year 4
MSW	18,782	18,252	17,722	17,190
Recycle	6,683	6,683	6,683	6,683
Organics	9,659	10,189	10,719	11,250
Total Collection	35,123	35,123	35,123	35,123
Diversion %	46.5%	48.0%	49.5%	51.1%

5265

5266 Prior to the commencement date and throughout the term of the Agreement, Recology, via the Public
5267 Education and Outreach Plan (PEOP), will meet with the Regional Agency Manager and/or their designee
5268 to discuss Recology's performance and identify new methods and best practices to meet the 45%
5269 diversion rate in the Franchise Agreement.

5270

F6.B. Staffing and Training to Maximize Diversion

5271

5272
5273 Recology will maintain one full-time equivalent (FTE) Waste Zero Manager and one FTE Waste Zero
5274 Specialist throughout the Agreement term. These positions will be 100% dedicated (40 hours week) to
5275 the RA Member service areas. The key role of these staff is to increase diversion, with a special focus on
5276 commercial diversion through effective technical assistance and outreach programs. The goal of the
5277 commercial outreach program is to achieve 50% diversion at these accounts. Per the Franchise
5278 Agreement, the technical outreach staff are to use Attachment B8-A from the Franchise Agreement and
5279 submit these completed forms to the Regional Agency on a quarterly basis.

5280

5281 In addition, Recology will maintain two additional FTE Waste Zero Specialists during the first year of the
5282 Agreement, to assist with outreach, education, waste assessments, and the transition into the new
5283 services. These positions will be temporary and will terminate after the first year of the Agreement.
5284 The key role of these staff is to increase commercial diversion through effective technical assistance. For

each account, per the Franchise Agreement, staff will use Attachment B8-A and submit these completed forms to the Regional Agency.

SBC Regional Agency IWM staff and/or their consultant retains the right to participate in the selection/hiring of the Recycling staff, including Waste Zero Manager and the 3 Outreach Coordinator staff.

Waste Zero staff will be thoroughly trained by experienced Recology personnel to effectively conduct waste assessments & trainings, manage necessary databases, understand the requirements of AB 341 & AB 1826, provide educational outreach, document activities, and respond to possible barriers to recycling and organics participation. Prior to the start of the agreement, Waste Zero staff will receive training in best practices from Recology personnel in San Francisco, San Mateo and other Recology operating companies to employ best practices in San Benito County. Recology will discuss the best practices to be used with Regional Manager and/or their designee. In addition, Recology will use the public education material produced in San Francisco, San Mateo, and other Recology operating companies as examples to help develop outreach and education material specific to San Benito County.

Staff will use Attachment B8-A and submit these completed forms to the Regional Agency quarterly. Regional Agency staff has the option to attend customer trainings and the on-site technical assistance meetings, with permission from the customer receiving the training or assistance. Staff will be trained to understand that the franchise goal is to achieve 50% diversion at commercial accounts. Staff will be trained to record outreach activities in Recology's customer database and to follow up with accounts after new services have been initiated. Staff to be thoroughly trained in methods to identify and meet with the decision maker at the business or MFD (the person authorized to make service/cost changes).

Outreach staff will be thoroughly trained to have the ability to convince or 'sell' recycling and organics programs. This will include tools to respond to MFDs or businesses who initially refuse starting or expanding recycling or organics service. Outreach staff will be trained to identify and respond to barriers to participation in diversion programs for MFD & Commercial customers, helping customer identify possible solutions. Outreach staff will develop "road maps" toward solutions, so staff is prepared to deal with common challenges and accounts that are resistant to starting or increasing recycling or organics collection services.

For job descriptions for the Waste Zero Manager and Waste Zero Specialist, please see Attachment F6-1.

F6.C. Office Location

Recology will maintain a temporary Waste Zero office in the City of Hollister for the first year of the Agreement. This office will serve as the workspace for the Waste Zero staff during the first year of the Agreement.

F6.C. Initial Waste Assessment and Recycling Toolkit to Increase Recycling

Prior to start of the new Agreement term, Recology will develop a database to evaluate its current MFD and Commercial customer data to identify the accounts with the greatest opportunity to increase recycling and organics service, based on current subscription levels. Using this data, Recology will develop a technical assistance plan to help customers gain compliance with Assembly Bill (AB) 341 and AB 1826. Over the course of the first year of the Agreement, the team will conduct an on-site initial

5333 waste assessment for all MFD and Commercial accounts. Staff will use Recyclist or other device/tablet
5334 to maximize efficiency in the field and use Attachment B8-A Recycling Assessment Report.
5335 Outreach staff to route their daily outreach plan to businesses in advance and aspire to work in a grid
5336 geographic area to save drive time. At each audit, outreach staff will:

- 5337 • Provide information on new/expanded recycling and organics service options for the
5338 decision maker at the business or MFD to review
- 5339 • Take photos of recyclables in garbage bins
- 5340 • Provide information on the requirements of AB 341 & AB 1826 for the decision maker at the
5341 business or MFD to review
- 5342 • Complete a walkthrough of the facility with the decision maker to identify areas for
5343 internal/external recycling or organics bin placement, and areas to display posters/stickers
- 5344 • Identify best practices for staff to streamline participation in recycling program, and how to
5345 reduce contamination
- 5346 • Offer decision maker a complementary staff and janitorial diversion training
- 5347 • Discuss current service levels with the decision maker and recommend new recycling and
5348 organics service levels to help reduce garbage subscription
- 5349 • Provide a follow-up report/email summarizing the audit and action items to the decision maker
- 5350 • Coordinate with Recology Customer Service & Operations Dept. to implement changes,
5351 working to ensure new recycling and organics containers are delivered in timely manner and
5352 garbage bins area are right sized.
- 5353 • Ensure there is a system to promptly coordinate service adjustments with operations, such
5354 as delivering new recycling and organics containers in a timely manner, and right sizing
5355 garbage bins. Staff will ensure the changes/recommendations are implemented and a
5356 system in place to follow up with the customer.

5357 Recology will strategically prioritize the high-volume generators first, in order to capture the largest
5358 volume of divertible material. Using this data from the customer database, the Waste Zero team will:

- 5359 • First reach out to accounts that generate eight yards of MSW or more per week to maximize
5360 their recycling levels. Accounts producing large amounts of MSW typically have greater
5361 recycling opportunities that have not yet been realized and will be encouraged to adjust their
5362 service levels to capture more recycling. Staff will right size the containers and strive to achieve
5363 50% diversion goal. Staff will follow up with the accounts after the services have been delivered.
- 5364 • Next focus on customers who produce four to seven yards of MSW per week will receive
5365 outreach from the Waste Zero Team to encourage greater recycling adoption.
- 5366 • Subsequently address customers with a 50% diversion level or less (based on all material
5367 streams, including organics).
- 5368 • Finally ensure that all multi-family and commercial customers have received their annual waste
5369 assessment and technical assistance meeting for the year.

5371 During these initial waste assessments, Recology staff will help customers with the following common
5372 barriers, as applicable to each customer:

- 5373 • **Addressing space constraints:** Recology's Waste Zero Specialist can assist customers facing
5374 space constraints, helping to fit three containers in a limited area. An example would be
5375 suggesting smaller containers and increasing service frequency or placing containers in a parking
5376 space. Furthermore, Recology can make recommendations for additional equipment, if
5377 necessary, such as compactors.

- **Addressing tenant turnover:** The best method to address high tenant turnover in a multi-family property is to offer frequent, consistent messaging. Since each multi-family property will have a visit from a Waste Zero Specialist annually, Recology can ensure adequate sorting posters are displayed and provide more posters or container labels as necessary.

- **Connecting with janitorial staff:** Recology's Waste Zero Specialist will work to establish a relationship with business owners and staff. Every commercial customer will receive an on-site visit annually, and Recology's Waste Zero Specialist will encourage and provide complementary staff and janitorial training to each business and MFD. By working to build a rapport with staff and convey the importance of diversion, Recology will aim to close any disconnect.

In addition, Recology uses illustrative sorting posters and education materials that use pictures and images to convey the material suitable for each container. Using images and Spanish translation, this will help reduce any possible language barriers among staff.

For the initial waste assessments, as well as the ongoing annual waste assessments described below, Recology staff will also use Attachment B8-A: Commercial Recycling and MFD Technical Assistance /Recycling Assessment Report. Staff will submit these completed forms to the Regional Agency on a quarterly basis.

F6.D. Ongoing Annual Waste Assessments

Each year throughout the Agreement term, the Waste Zero team will work to meet a 50% diversion at commercial accounts and conduct a minimum of one on-site waste assessment per MFD and commercial account using the Attachment B8-A and submit these completed forms to the Regional Agency quarterly. This will help Recology better understand the changing needs of each customer, while monitoring progress over the course of the Agreement.

Using Recyclist or other tablet/device on site, waste assessments will include a visual evaluation and written report (the report format/template to be approved by Regional Agency Manager and or their designee) with recommendations for increasing diversion. The process analyzes a customer's material stream, with a focus on the diversion options available to customers by business type.

The annual assessments per the Attachment B8-A include identifying the decision maker and making an appointment to:

- Find methods to increase recycling and organics at each site visit to meet the 50% diversion goal.
- Assess current Services: Container commodity & size, quantity, and location are documented.
- Documentation: Photos of contamination, overflowing containers, and the presence of divertible material in the solid waste stream to help educate customers
- Complete a walkthrough with the decision maker and provide recommendations that may include:
 - INCREASE RECYCLING AND ORGANICS COLLECTION AND Right sizing services levels
 - Equipment recommendations (this could include compactors for buildings with space constraints, or assistance fitting bins in tight spaces)
 - Providing posters, stickers flyers, brochures, and internal containers at each site
 - Providing further on-site training for employees and janitorial staff

For the documentation component, Recology will use its mobile app-building software platform to facilitate quality control (auditing) and waste stream analysis (characterization) activities at the customer site and at transfer stations and processing facilities.

The platform allows Recology to create customized mobile forms to gather data on customer program participation and overall load quality and use the tool to set minimum diversion targets. This includes capturing photos and data related to presence of contamination and load characterization. These forms are currently in use at the customer site (curbside bin assessments) and at Recology facilities and are developed by Recology's Business Systems Services team. This team also conducts thorough trainings with mobile tool users to ensure consistent methodology and quality standards.

Results are then incorporated into a PDF report that can be shared with both Recology and Regional Agency members. Additionally, these reports are designed to be shared with customers and used as educational tools to help communicate and improve program participation, thereby helping reduce recycling and organics contamination and improve landfill diversion. Recology is also developing an integrated metrics dashboard where historic data can be accessed to view trending patterns of customer behavior and load data.

For a sample of the reports, please see Attachment F6-2: Sample Contamination Assessment and Diversion Audit Form (this form's name should be changed to "Increasing Recycling/Organics Recommendations" or some other name that encourages recycling/organics/diversion).

Outreach staff to have tablet/device that provides services levels and costs that can be readily shared with the MFD /Business when out in the field. Staff to complete digital audit reports, have ability to bring up customer service levels and download in advance of going out into field. Provide and access information about cost savings and recycling benefits during the audit.

Daily, outreach staff to ensure they have all outreach materials, posters, memos to train staff, internal containers in their car to be handed out at MFD/businesses. Staff to bring to each audit:

- Internal recycling bins
- Recycling flyers
- Recycling stickers
- External recycling signage

F6. E. Commercial and MFD Education Material

Below is an overview of the types of materials Recology will offer to Commercial and MFD customers over the Agreement term. Exact content will be mutually agreed upon between Recology and the RA members. All printed materials will also be accessible on Recology's website.

Recology will use the public education material produced in San Francisco, San Mateo, and other Recology operating companies as examples to help develop outreach and education material specific to San Benito County.

New Programs Mailing and Recycling Guide

Prior to the start of service, each customer will receive a New Programs Mailing and Recycling Guide describing and illustrating methods to prepare recyclable, organic, and solid waste materials for

collection. The brochure will illustrate the acceptable materials for each container and will also detail the proper set out procedures for the collection containers.

Recology recommends combining the New Program Mailing and Recycling Guide into one mailing that serves as a comprehensive guide for customers.

Recology will prepare tailored content for single-family, multi-family, and commercial subscribers. For multi-family and commercial subscribers, the mailing will emphasize compliance with State-mandated recycling and composting requirements.

Content of the Mailing and Recycling Guide can include:

- A complete list of programs and services provided to customers, including effective dates
- A list of recyclable materials that are accepted in the single-stream recycling program
- A list of organic materials that are accepted in the organics program
- A list of items that need to be landfilled at this time
- Graphics and an explanation of proper set-out procedures
- Recycling and/or disposal options for Household Hazardous Waste (HHW)
- Used motor oil and oil filter collection program (single-family customers only)
- Telephone numbers and website information for Recology
- Other relevant resources

Advertisements, Press Releases, and Public Service Announcements

Recology will prepare and distribute the following announcements approximately one month prior to the start of the new Agreement:

- A public service announcement (PSA) for local radio and cable television broadcasts
- Newspaper and online advertisements highlighting upcoming programs and services
- A press release describing the programs offered by customer sector (single-family, multi-family, and commercial)
- Social media as described below describing new programs

Bill Inserts

Throughout the Agreement term, Recology can provide various bill inserts tailored to each customer sector on an array of topics, such as rate changes; tips on how to Reduce, Reuse, Recycle, Rot, and Recover; and how to properly dispose of Hazardous Waste.

Each Regional Agency may request Recology to distribute the inserts bi-monthly in each customer bill.

Biennial Newsletter

Recology will create, design, and distribute bi-annual newsletters to educate customers on vital information in the waste and recycling industry. The newsletters will be mailed with customer bills or downloaded electronically.

Newsletters serve as an important tool to remind residents about the available services and programs; in addition, newsletters are an opportunity to promote recycling events and educate customers on additional resources for recycling and waste reduction.

5519 **Multi-Family and Commercial Sorting Posters**

5520 Throughout the Agreement term, Recology will design and distribute posters to multi-family and
5521 commercial property managers for on-site use, illustrating the recyclable materials collection program
5522 and the commercial food scrap collection program. These posters are designed to educate program
5523 participants on proper sorting. The commercial posters will offer information in English and Spanish.

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5525 **Commercial “How To” Flyers for Recycling and Composting**

5526 Recology will prepare and distribute “How To” Guides on recycling and composting for commercial
5527 customers.

5528

5529 The Recycling “How To” Guide will be mailed directly to commercial customers prior to the start of
5530 services; both the Recycling and Composting “How To” Guides will be posted on the website and will be
5531 provided during Recycling Assessments.

5532

5533 The flyers will be graphics-based and will focus on compliance with the diversion requirements of AB
5534 341 and AB 1826. Content will include:

- 5535 ○ List of recyclables or organics (as applicable) accepted in the collection programs
5536 ○ List of materials that are not accepted in the collection programs
5537 ○ Illustrations and an explanation of proper set-out procedures
5538 ○ Tips on how to mitigate odors and vectors (composting guide only)

5539

5540 **Commercial and Multi-Family Mandatory Recycling and Composting Notices**

5541 Recology can prepare and distribute notices to multi-family complexes and commercial businesses that
5542 are not compliant with mandatory diversion requirements of AB 341 and AB 1826. Using service
5543 subscription level information, driver compliance notes, and waste audit information, Recology can
5544 identify non-compliant customers and provide outreach.

5545

5546 The notices explain why the customer is not compliant, outline the potential consequences for
5547 non-compliance, and outline the steps customers can take to become compliant. Recology can track
5548 customers that have received these notices in the RCRM system, and Specialists can follow-up with
5549 customers to help them take proper action.

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5551 **Multi-Family Move-in Kits**

5552 Recology can work with the property manager to provide the guides to inform new residents of services,
5553 program options, and acceptable and unacceptable materials in each stream. The guide can also be
5554 available for download on Recology’s website, and includes:

- 5555 ○ List of acceptable and unacceptable materials in the recycling and organics programs
5556 ○ Options for hard-to-recycle items
5557 ○ Household Hazardous Waste recycling and/or disposal options
5558 ○ Contact Information

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Outreach in the Schools

Recology will conduct student-focused outreach activities at schools located within the service area. Recology's Waste Zero Specialist will work closely with public and private schools to educate students on source reduction, reuse of materials, and participation in recycling programs. Specific programs can include:

- School assemblies: Recology will continue to offer environmentally-focused assemblies to local schools, with performances by the Banana Slug String Band (pictured).
- Classroom projects: Also tailored to grade level, these hands-on projects teach students about renewable versus non-renewable resources and encourage creative uses of everyday items to increase sustainability.
- Educator resources: Recology's Waste Zero Specialist will connect educators with curriculum and other resources to help continue sustainability and diversion lessons throughout the school year.

Social Media

Recology will use social media outlets such as Facebook to help educate customers on diversion, new and existing programs, and service announcements. In addition, Recology will use its social media presence to connect directly with customers and community organizations.

Recology's Waste Zero team will meet bi-weekly to create a social media calendar for the upcoming two weeks. The posts will cover a variety of events and topics, such as:

- What goes where & sorting education
- Service offerings & special item collection programs
- Service updates and holiday hours
- Community events
- General resource conservation, recycling, diversion ideas and industry facts

The Waste Zero team will create San Benito-specific social media profiles on both Twitter and Facebook for the new Agreement term. Recology is also happy to create an Instagram account should the RA Members be interested.

Recology can ensure that similar content is shared across the chosen platforms (i.e. Facebook, Twitter, Instagram), within the parameters of those platforms (i.e. Twitter's 140-character limit).

Periodically, Recology utilizes social media advertising to boost account/content visibility, targeted to social accounts within ~25 miles of the service area. When the new San Benito County-specific social media accounts are created, Recology will deploy a social advertising campaign to build initial followers. Combined with a robust content calendar, Recology will continue to grow followers organically by posting interesting and relevant content.

F6. F. Tracking and Reporting

The Waste Zero staff will meet quarterly with the Recycling Manager to discuss the results of the prior quarter and detail:

- Per the Franchise Agreement use Attachment B8-A and submit these completed forms to the Regional Agency quarterly.
- Quantify of commercial recycling started /increased/decreased
- Quantity of commercial organics started/increased/decreased

- Average # of on -site technical assistance calls/visits made daily
- Outreach and education challenges

Staff will document their activities in the Recology Customer Relationship Management (RCRM) System, helping to keep an accounting of outreach and diversion activities in the RA Member service areas. Staff will implement a follow-up plan with customers, which will entail contacting customers after their service level adjustment(s) to help ensure the customer is utilizing their diversion services effectively and address any subsequent questions/concerns regarding diversion programs.

Recology can track commercial and multi-family outreach activities through the Recology Customer Relationship Management (RCRM) system. The Waste Zero team will assign “reason codes” to specific outreach activities/tasks.

Anytime the Waste Zero Specialist conducts outreach at a specific multi-family or commercial customer, the Specialist will record the event using the appropriate reason code in the RCRM system. Reason codes can be designed for such events as a waste assessment, staff training, educational material distribution, or presentation.

F6. G. Commercial Recycling and Organics Diversion Goals

Recology’s Waste Zero team will work towards achieving 50% diversion at each MFD and businesses, as defined by subscription level, by Year 4 of the Agreement.

A successful commercial technical assistance visit will vary depending on the needs of the customer. Some customers may be eager participants in their diversion programs and may only need new signage or outreach material in order to aid in their progress.

Other customers may be resistant to their programs, or simply not understand why sorting their material is so important. For these customers, a successful commercial technical assistance visit would consist of:

- The Waste Zero Specialist (Specialist) scheduling/conducting a waste assessment with the decision maker in order to evaluate the diversion opportunities and identify contamination issues at the site.
- The Specialist would then have face-to-face contact with the decision maker, for example the business owner, manager, or head of the janitorial staff, so could the Specialist can communicate the benefits of a diversion program directly with the decision-maker for the business.
- Using information gained from the waste assessment, the Specialist would make recommendations for service level changes to help maximize diversion and minimize contamination, which may even help save the customer money, thus providing an additional incentive to participate in the diversion programs.
- The Specialist would also make recommendations on container placement, to help facilitate proper sorting. The Specialist would provide signage and if necessary, internal recycling containers. The Specialist would also offer to strategically hang posters above carts or containers to ensure they are visible to those utilizing the containers.
- The Specialist would also offer on-site presentations and/or trainings for staff/janitorial, and schedule those trainings with the decision maker, gaining an immediate commitment to future engagement with the business.

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ATTACHMENT G
PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

RA Members wish to establish standards of performance under the Agreement in each of the four (4) "Performance Areas" listed below. The Regional Agency Contract Manager may monitor Contractor's performance in each of those areas based on the "Performance Indicator" listed below for each area. In the event that Contractor fails to meet the performance standard established for any "Performance Indicator", Regional Agency Contract Manager may review Contractor's performance relative to the "Specific Performance Measures" within that performance area. In the event that the Regional Agency Contract Manager determines that Contractor has failed to meet the performance standard established for any "Specific Performance Measure", the RA Members may assess Liquidated Damages pursuant to Section 11.5 of the Agreement. Liquidated Damages, if assessed, shall only be assessed for the number of events, days, or other measure in excess of the acceptable performance level.

Defined Terms

Certain terms that are specific to this Exhibit are defined below:

"Complaint" shall mean each written or orally communicated statement made by any Person, whether to RA Member or Contractor, alleging: (1) non-performance, or deficiencies in Contractor's performance, of its duties under this Agreement; or, (2) a violation by Contractor of this Agreement.

"Event" shall mean each occurrence of the required Specific Performance Measure that exceeds the Acceptable Performance Standard, as provided in the chart below.

"Service Opportunity" shall mean each individual scheduled opportunity the Contractor has to Collect from a Container at a Customer's location. For example, a Multi-Family or Commercial Customer receiving Solid Waste Collection service three (3) times per week from two (2) Containers and Recyclable Materials Collection service two (2) times per week from two (2) Containers would have a total of ten

(10) Service Opportunities each week. Service Opportunities shall be calculated based on the subscription levels presented in Contractor's most recent Quarterly Report to the Regional Agency and RA Member.

"Total Service Opportunities" shall mean the sum of all Service Opportunities in each time.

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Performance Area: Service Quality and Reliability

Specific Performance Measure	Definition	Acceptable Performance Level	Tracking Method	Liquidated Damage Amount
Missed Collections	Each Service Opportunity where Contractor fails to Collect a Container from a Customer who properly placed said Container for Collection.	Less than ten (10) per one thousand (1,000) Service Opportunities	Contractor shall document from its customer service system listing the total complaints coded as missed pick-up for each RA Member. Submit electronic report annually.	\$50/Event
Failure to Correct Missed Collections	Each "Missed Collection" as defined above which is not Collected by the end of the Business Day following the receipt of the Customer complaint about the Missed Collection.	Less than one (1) per one hundred (100) Missed Collections	Contractor shall document missed pick-up complaint reports listing for each RA Member each complaint, the date of the complaint, the resolution date; and any other information requested by the RA Members. Submit electronic report annually.	\$50/Event
Failure to Clean-Up Spillage	Each failure by Contractor to clean up: (1) any items or materials spilled during the Collection of a Container; or, (2) any fluids spilled or leaked from a Container or Collection vehicle prior to leaving the Collection location.	Less than five (5) per one thousand (1,000) Service Opportunities	See above	\$100/Event
Damage to Property	Each event of damage to either public or private property because of Collection activity, including without limitation curbs, sidewalks, landscapes, Container enclosures and gates, signs, light fixtures, and overhead wires and cables.	Less than two (2) per one thousand (1,000) Service Opportunities	See above	\$250/Event
Excessive Noise or Discourteous Behavior	Each Complaint received that is related to either noise during Collection activity or the behavior of Contractor's employees.	Less than five (5) per one thousand (1,000) Service Opportunities	See above	\$250/Event

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Performance Area: Customer Service and Public Education and Outreach

Specific Performance Measure	Definition	Acceptable Performance Level	Tracking Method	Liquidated Damage Amount
Failure to Commence Service	Any failure by Contractor to deliver a Container and begin providing Collection to a Customer, at the level of service requested by said Customer, within seven (7) calendar days of receiving such request. This may include a new Customer receiving new service or an existing Customer requesting a change in or addition to existing service levels. This may also include delivering Used Oil Recovery Kits to Customers upon request.	Less than one (1) per 100 Service Requests	Contractor shall document on a quarterly basis from its customer service system listing the total number of complaints coded for each category. Submit electronic report annually.	\$50/Event
Failure to Replace Container	Any failure by Contractor to replace a damaged or defaced Container within seven (7) calendar days of receiving such a request from a Customer.	No acceptable failure level	See above	\$50/Event
Failure to Resolve Complaint	Any failure by Contractor to resolve or remedy a Complaint within seven (7) calendar days of receiving such Complaint.	Less than one (1) per 100 Complaints	See above	\$100/Event
Failure to Answer Phones	Any failure by Contractor to answer a telephone call from a Customer during normal business hours. A call is not considered to be answered if the Customer does not speak with a live operator. A call is considered to be answered if the Customer hangs-up or abandons the call following a hold time of less than three (3) minutes.	Less than five (5) per 1,000 Calls Received Under this Agreement	See above	\$50/Event
Excessive Call Center Hold Time	Each occurrence of a call being placed "on hold" for more than two (2) minutes.	Less than two (2) per 1,000 Calls Received Under this Agreement	See above	\$50/Event
Unauthorized Hours of Operation	Each occurrence of Contractor Collecting from Customers during unauthorized hours.	Less than two (2) per 1,000 Service Opportunities	See above	\$50/Event

Inaccurate Billing	Each Complaint received where the Contractor billed a Customer in error. Inaccurate billing may include either over- or under-charging of the Customer relative to the approved Rates for services.	Less than five (5) per one thousand (1,000) bills issued.	See above	\$100/Event
Failure to Perform Technical Assistance: Recycling Assessments as detailed in Attachment B8-A	No failures or Complaints in this category are acceptable; therefore, any Complaint of this nature shall be considered unacceptable.	Each individual failure by Contractor to complete a required annual Recycling Assessment for each Commercial and MFD customer per Attachment B8 to this Agreement.	Contractor shall report all completed Recycling Assessments per its Quarterly Report.	\$250 per activity
Failure to Perform Public Education and Outreach Tasks	No failures or Complaints in this category are acceptable; therefore, any Complaint of this nature shall be considered unacceptable.	Each individual failure by Contractor to develop, produce, and distribute public education and outreach materials, except the Recycling Assessments, in the form and manner required under Attachment B8 to this Agreement.	Contractor shall report all public education and outreach activities completed each year in the annual Public Education Plan.	\$250 per activity

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5714 **Performance Area: Facilities**

5715 Performance Indicator: Contractor's performance relative to facilities shall be considered acceptable
 5716 when one hundred percent (100%) of all material types Collected by Contractor shall be delivered to the
 5717 appropriate Approved Facility as required under Article 5 of this Agreement. If Contractor fails to meet
 5718 this level of performance, RA Members may assess liquidated damages for the specific performance
 5719 measures identified in the following table.

Specific Performance Measure	Definition	Acceptable Performance Level	Tracking Method	Liquidated Damage Amount
Delivery to Non-Approved Facility	Each individual occurrence of delivering materials to a facility other than the Approved Facility designated for each material type under Section 4 of this Agreement.	No acceptable failure level	Tonnage reports	\$100/Ton
Disposal of Targeted Diversion	Each individual occurrence of delivering Recyclable Materials, Organic Materials, or Reusable Materials set out for Collection by the Customer for Disposal rather than Processing.	No acceptable failure level	Tonnage reports	\$500/Ton
Mixing Materials During Collection	Each individual Container that is Collected by Contractor in a vehicle intended or designated for Collecting a different material type (e.g. Recyclable Materials Collected in Solid Waste vehicle, Solid Waste Collected in Organic Materials vehicle, etc.)	No acceptable failure level	Tonnage reports, observation, complaints	\$100/Container

5720 **Performance Area: Reporting**
 5721 Performance Indicator: Contractor’s reporting shall be considered acceptable if Reports required under
 5722 Exhibit D and record requests allowed under Article 7 to this Agreement are received, complete, and
 5723 accurate within seven (7) calendar days after the date due or requested. If Contractor fails to meet this
 5724 level of performance, RA Members may assess liquidated damages for the specific performance
 5725 measures identified in the following table.

Specific Performance Measure	Definition	Acceptable Performance Level	Liquidated Damage Amount
Late Report	Each occurrence of a Report, as required under Attachment D to this Agreement, being submitted after the due date. Reports shall be considered late until they are submitted in a complete and accurate format.	Less than seven (7) calendar days after reporting due date	\$250/Day
Misleading/ Inaccurate Reporting	Each occurrence of Contractor providing misleading or otherwise inaccurate information or reporting to RA Members under or regarding this Agreement. Typographical, cell reference, mathematical, and/or logic errors shall not be considered legitimate excuses from this requirement, nor shall ignorance.	No acceptable failure level	\$500/Event

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 5727 By placing Designee’s initials at the places provided, each Party specifically confirms the accuracy of the
 5728 statements made above and the fact that each Party has had ample opportunity to consult with legal
 5729 counsel and obtain an explanation of Liquidated Damage provisions of the time that the Agreement was
 5730 made.

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 5732 Recology San Benito County Regional Agency Contract Manager (for RA Members)

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 5734 Initial Here: ____ Initial Here: ____

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ATTACHMENT H
PERFORMANCE INCENTIVES AND DISINCENTIVES

1. General

The RA Members will provide an *incentive payment* to Contractor for exceptional performance on an overall Diversion related performance measure. The performance measure is:

- Overall Annual Diversion Level, as determined in the chart below

In addition, the Agency will assess a *disincentive payment* to the Contractor for substandard performance on overall Diversion related performance measure as follows:

- Overall Annual Diversion Level, as determined in the chart below

The performance incentives/disincentives are designed to encourage Contractor's performance in increasing diversion for the RA Members and Regional Agency. These performance incentives/disincentives include an incentive payment to Contractor for exceeding goals and a disincentive payment assessed to Contractor for failure to achieve the performance standards. The table below provides a summary of the incentive/disincentive structure, which is described in detail in Section 2 of this Attachment. Section 2 describes how to determine the Calculated Overall Diversion Level and the targeted Overall Diversion Level. Section 3 of this Attachment describes the frequency and method for distributing incentive payments and assessing disincentive payments.

Summary of Incentives/Disincentives

Annual Diversion Level			
	Disincentive Payment Threshold	Incentive Payment Threshold	Performance Incentive/Disincentive Payment Amount
Overall Annual Diversion Level For Time Period Year 1 through Year 4	Calculated Overall Diversion Level <45% (or a higher minimum threshold as determined after partial fiscal year FY1819)	Calculated Overall Diversion Level > the targeted Overall Diversion Level	Incentive Payment = \$75.00 per ton Disincentive Payment = \$75.00 per ton
Overall Annual Diversion Level For Time After Year 4 and through Year 10 (and any extensions)	Calculated Overall Diversion Level <45% (or a higher minimum threshold as determined after Rate Year 4)	Calculated Overall Diversion Level > the targeted Overall Diversion Level	Incentive Payment = \$75.00 per ton Disincentive Payment = \$75.00 per ton

5758 **2. Diversion Levels**

5759 **Definition of Calculated Diversion Level**

5760 The Diversion Levels achieved shall be calculated based on the methodology shown in the following

5761 example:

5762 Assumptions (will be based on actual Contractor performance):

5763 *Example for hypothetical year 5*

5764 Annual Recyclable Materials Collected = 7,600 tons

5765 Recyclable Materials Contamination Level = 8%*

5766 Annual Organic Materials Collected = 8,600 tons

5767 Organic Materials Contamination Level = 5%*

5768 Annual Solid Waste Collected = 18,600 tons

5769 Calculated Overall Annual Diversion Level

5770 7,600 tons + 8,600 tons = 16,200 tons

5771 8% (residue level) x 7,600 tons = 608 tons

5772 5% (residue level) x 8,600 tons = 430 tons

5773 16,200 – (608 + 430) = 15,162 tons (net annual tons diverted)

5774 15,162 + 18,600 = 33,762 tons (total tons generated)

5775 (15,162/33,762) x 100 = 45% (Overall annual diversion level)

5776 To calculate the Diversion Levels, the most-recently reported quarterly Residue levels shall be used. The

5777 annual average of the four quarters shall be used for the purposes of calculating the annual Diversion

5778 levels per this Attachment.

5779 **Exceptional Diversion Level Performance**

5780 Contractor shall receive an incentive payment if the annual Calculated Overall Diversion Level exceeds

5781 the targeted Overall Diversion Level. The targeted Overall Diversion Level shall be set for Rate Year 2

5782 after completion of partial fiscal year 2018/19 (November 1, 2018 - June 30, 2019) and then adjusted

5783 again after Rate Year 5 (five) and adjusted each Rate Year thereafter if the Contractor exceeds the

5784 targeted Overall Diversion Level. In such cases, the adjusted targeted Overall Diversion Level shall be

5785 calculated based on the methodology used in the following example:

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5788 Assumptions (will be based on actual Contractor performance):

5789 Current Year Overall Diversion Level = 47%

5790 Prior Year (Rate Year 4) Overall Diversion Level = 45%

5791 Incentive payment

5792 Overall Annual Diversion Level = 47%

5793 Targeted Annual Overall Diversion Level = 45%

5794 Total Annual Solid Waste Collected = 18,000 tons

5795 Total Annual Recyclable and Organic Materials Collected = 15,500 tons

5796 Incentive Payment = \$75.00

5797 $47/100 = 0.47$

5798 $45/100 = 0.45$

5799 $18,000 + 15,500 = 33,500$ (total tons generated)

5800 $0.47 - 0.45 = 0.02$ (% increase in annual diversion level)

5801 $0.02 \times 33,500 \text{ tons} = 670 \text{ tons}$ (net increase in tons diverted)

5802 $\$75.00 \times 670 \text{ tons} = \$50,250$ (incentive payment)

5803 **Substandard Diversion Level Performance**

5804 If the annual Calculated Overall Diversion Level is less than 45% **{to be determined after Rate Year**
5805 **4(four)}**, then a disincentive payment shall be calculated and paid by the Contractor.

5806 **3. Incentive/Disincentive Payment Procedures**

5807 **A. Record Keeping.** In accordance with Article 7, records shall be maintained by Contractor for the
5808 Regional Agency and RA Members in a manner that adequately demonstrates and documents
5809 Contractor's performance in accordance with this Agreement. They shall be sufficient for the
5810 determination that Contractor has (or has not) performed in accordance with the performance
5811 standards presented in the Attachment H.

5812 **B. Determination of Achievement of Performance Standards.** On an annual basis, Agency shall
5813 review the annual report submitted by the Contractor pursuant to the requirements of Article 7
5814 and determine if the Contractor has achieved the Overall Diversion Level that warrants RA
5815 Member distribution of incentive payments. No later than twenty (20) Business Days after
5816 receipt of the Contractor's annual report, the RA Member shall provide written notice to the
5817 Contractor of its determination of incentive payments, if any due, and shall include a description
5818 of its method of determination and any calculations of incentive payments. The
5819 incentive/disincentive payments that will be calculated annually include: Overall Diversion Level.

5820 **C. Amount.** The incentive/disincentive net payment amounts shall be determined in accordance
5821 with the formulas presented in Section 2 of this Attachment H.

- 5822 **D. Timing of Payment.** If an incentive/disincentive payment is due, RA Member or Contractor shall
5823 provide payment in the form of a check or wire transfer no later than twenty (20) calendar days
5824 after the issuance of the RA Member's written notice of incentive net payment determination.
5825 Alternatively, the RA Member may reimburse Contractor for some or all of the incentive
5826 payments or account for disincentive payments as an adjustment to Contractor's Compensation
5827 for the coming Rate Year. This adjustment may be a net positive or negative (dollar amount)
5828 depending upon the calculations described above.
- 5829 **E. Disputes by Contractor.** Contractor may, within ten (10) calendar days after receiving the RA
5830 Member's written notice regarding its determination of incentive/disincentive payments,
5831 provide written notice to the RA Member of any disagreement with the RA Member's
5832 determination. Contractor may present evidence in writing to support its position. The RA
5833 Member shall review Contractor's submission and within ten (10) calendar days shall make its
5834 final determination of incentive/disincentive payments. The decision of the RA Member shall be
5835 final.
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ATTACHMENT I
PERFORMANCE BOND

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FORM OF PERFORMANCE BOND

Travelers Casualty and Surety Company of America
One Tower Square 3PB, Hartford, CT 06183

Bond No. _____

KNOW ALL MEN BY THESE PRESENTS, that we, Recology South Valley, as Principal, and Travelers Casualty and Surety Company of America, licensed to do business in the State of California, as Surety, are held and firmly bound unto _____ (Obligee), in the penal sum of _____ and 00/100 Dollars (\$____), lawful money of the United States of America, for the payment of which sum, well and truly to be made, the Principal and Surety do bind themselves, their heirs, executors, administrators, and successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the above bounden Principal has entered into a certain written Contract with the above named Obligee, effective the 1st day of November 1, 2018, and terminating the 31st day of October, 2028, for Recyclables, Organics and Solid Waste Collection Services and more fully described in said Contract, a copy of which is attached, which Agreement is made a part hereof and incorporated herein by reference, except that nothing said therein shall alter, enlarge, expand or otherwise modify the term of the bond as set out below.

NOW, THEREFORE, if Principal, its executors, administrators, successors and assigns shall promptly and faithfully perform the Contract, according to the terms, stipulations or conditions thereof, then this obligation shall become null and void, otherwise to remain in full force and effect. This bond is executed by the Surety and accepted by the Obligee subject to the following express condition:

Notwithstanding the provisions of the Contract, the term of this bond shall apply from November 1, 2018, until October 31, 2019, and may be extended by the Surety by Continuation Certificate. However, neither nonrenewal by the Surety, nor the failure or inability of the Principal to file a replacement bond in the event of nonrenewal, shall itself constitute a loss to the obligee recoverable under this bond or any renewal or continuation thereof. The liability of the Surety under this bond and all continuation certificates issued in connection therewith shall not be cumulative and shall in no event exceed the amount as set forth in this bond or in any additions, riders, or endorsements properly issued by the Surety as supplements thereto.

Sealed with our seals and dated this _____ day of _____, _____.

Witness

, Principal

Travelers Casualty and Surety Company of America

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ATTACHMENT J
GUARANTY

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5895 THIS GUARANTY (the "Guaranty") is given as of the 1st day of November 2018, by Recology South Valley
5896 dba Recology San Benito County ("Guarantor"), to and for the benefit of each of the following:

- 5897 • the City of Hollister, a municipal corporation of the State of California
- 5898 • the City of San Juan Bautista, a municipal corporation of the State, and
- 5899 • the County of San Benito, a political subdivision of the State.

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5901 The Cities and County are referred to in this Guaranty as "RA Member". This single document is made
5902 for the benefit of each RA Member.

5903 THIS GUARANTY is made with reference to the following facts and circumstances:

5904 A. Recology South Valley dba Recology San Benito County ("Contractor") is a corporation
5905 organized under the laws of the State of California, all the issued and outstanding stock of which is
5906 owned by Guarantor.

5907 B. Guarantor is a corporation organized under the laws of the State of California.

5908 C. Contractor and each RA Member have negotiated an Agreement for Recyclables,
5909 Organics, and Solid Waste collection services ("Agreement"), under which Contractor is to provide
5910 specified services to each RA Member. A copy of this Agreement is attached hereto and incorporated
5911 herein by this reference.

5912 D. It is a requirement of the Agreement, and a condition to each RA Member's entering
5913 into the Agreement, that Guarantor guaranty Contractor's performance of the Agreement.

5914 E. Guarantor is providing this Guaranty to induce each RA Member to enter into the
5915 Agreement.

5916 NOW, THEREFORE, in consideration of the foregoing, Guarantor agrees as follows:

5917 1. **Guaranty of the Agreement.** Guarantor hereby irrevocably and unconditionally
5918 guarantees to each RA Member the complete and timely performance, satisfaction and observation by
5919 Contractor of each term and condition of the Agreement which Contractor is required to perform,
5920 satisfy or observe. In the event that Contractor fails to perform, satisfy or observe any of the terms or
5921 conditions of the Agreement, Guarantor will promptly and fully perform, satisfy or observe them in the
5922 place of the Contractor. Guarantor hereby guarantees prompt payment to each RA Member of each
5923 sum due from Contractor to each RA Member under the Agreement, as and when due from time to
5924 time, and the prompt performance of every other task and duty to be performed by the Contractor
5925 under the Agreement.

5926 2. **Guarantor's Obligations Are Absolute.** The obligations of the Guarantor hereunder are
5927 direct, immediate, absolute, continuing, unconditional and unlimited and, with respect to any payment
5928 obligation of Contractor under the Agreement, shall constitute a guarantee of payment and not of

collection, and are not conditional upon the genuineness, validity, regularity or enforceability of the Agreement.

3. **Waivers and Subordination.** The Guarantor shall have no right to terminate this Guaranty or to be released, relieved, exonerated or discharged from its obligations under it for any reason whatsoever, including, without limitation: (1) the insolvency, bankruptcy, reorganization or cessation of existence of the Contractor; (2) any amendment, modification or waiver of any provision of the Agreement or the extension of its Term; (3) the actual or purported rejection of the Agreement by a trustee in bankruptcy, or any limitation on any claim in bankruptcy resulting from the actual or purported termination of the Agreement; (4) any waiver, extension, release or modification with respect to any of the obligations of the Agreement guaranteed hereunder or the impairment or suspension of any RA Member's rights or remedies against Contractor; or (5) any merger or consolidation of the Contractor with any other organization, or any sale, lease or transfer of any or all the assets of the Contractor.

The Guarantor hereby waives any and all rights, benefits and defenses under California Civil Code Sections 2809, 2815, 2819, 2845, 2849 and 2850, and all other rights permitted to be waived by Section 2856(a) including, without limitation, the right to require each RA Member to (a) proceed against Contractor, (b) proceed against or exhaust any security or collateral any RA Member may hold now or hereafter hold, or (c) pursue any other right or remedy for Guarantor's benefit, and agree that each RA Member may proceed against Guarantor for the obligations guaranteed herein without taking any action against Contractor or any other guarantor or pledgor and without proceeding against or exhausting any security or collateral any RA Member may hold now or hereafter hold. Each RA Member may unqualifiedly exercise in its sole discretion any or all rights and remedies available to it against Contractor or any other guarantor or pledgor without impairing each RA Member's rights and remedies in enforcing this Guarantee.

The Guarantor hereby waives and agrees to waive at any future time at the request of each RA Member, to the extent now or then permitted by applicable law, any and all rights which the Guarantor may have or which at any time hereafter may be conferred upon it, by statute, regulation or otherwise, to avoid any of its obligations under, or to terminate, cancel, quit or surrender this Guaranty. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not affect the liability of the Guarantor hereunder: (a) at any time or from time to time, without notice to the Guarantor, the time for Contractor's performance of or compliance with any of its obligations under the Agreement is extended, or such performance or compliance is waived; (b) the Agreement is modified or amended in any respect; (c) any other indemnification with respect to Contractor's obligations under the Agreement or any security therefor is released or exchanged in whole or in part or otherwise dealt with; (d) any assignment of the Agreement is effected which does not require each RA Member's approval; or (e) any termination or suspension of the Agreement arising by reason of a default by Contractor.

The Guarantor hereby expressly waives diligence, presentment, demand for payment or performance, protest and all notices whatsoever, including, but not limited to, notices of non-payment or non-performance, notices of protest, notices of any breach or default, and notices of acceptance of this Guaranty. If all or any portion of the obligations guaranteed hereunder are paid or performed, Guarantor's obligations hereunder shall continue and remain in full force and effect in the event that all or any part of such payment or performance is avoided or recovered directly or indirectly from each RA Member as a preference, fraudulent transfer or otherwise, irrespective of (a) any notice of revocation given by Guarantor or Contractor prior to such avoidance or recovery, or (b) payment in full of any obligations then outstanding.

The Guarantor expressly subordinates and waives its rights to subrogation, reimbursement, contribution or indemnity with respect to performance by Guarantor of the obligations of Contractor guaranteed hereby, until each RA Member receives payment or performance in full of all such obligations.

4. **Term.** This Guaranty is not limited to any period but shall continue in full force and effect until all the terms and conditions of the Agreement have been fully performed by Contractor, and Guarantor shall remain fully responsible under this Guaranty without regard to the acceptance by each RA Member of any performance bond or other collateral to assure the performance of Contractor's obligations under the Agreement. Guarantor shall not be released of its obligations hereunder so long as there is any claim by any RA Member against Contractor arising out of the Agreement based on Contractor's failure to perform which has not been settled or discharged.

5. **No Waivers by Each RA Member.** No delay on the part of any RA Member in exercising any rights under this Guaranty or failure to exercise such rights shall operate as a waiver of such rights. No notice to or demand on Guarantor shall be a waiver of any obligation of Guarantor or right of any RA Member to take other or further action without notice or demand. No modification or waiver by any RA Member of any of the provisions of this Guaranty shall be effective unless it is in writing and signed by such RA Member and by Guarantor, nor shall any waiver by any RA Member be effective except in the specific instance or matter for which it is given.

6. **Payment of Costs of Enforcing Guaranty.** In addition to the amounts guaranteed under this Guaranty, Guarantor agrees to pay actual attorney's fees and all other costs and expenses, including staff costs, incurred by each RA Member in enforcing this Guaranty, or in any action or proceeding arising out of or relating to this Guaranty, including any action instituted to determine the respective rights and obligations of the parties hereunder.

7. **Enforcement.** The terms of this Guaranty may be enforced as to any one or more breaches either separately or cumulatively.

8. **Remedies Cumulative.** No remedy herein conferred upon or reserved to each RA Member under this Agreement is intended to be exclusive of any other available remedy or remedies, but each remedy is cumulative and is in addition to every other remedy given under the Guaranty and the Agreement or hereinafter existing at law or in equity or by statute.

9. **Governing Law; Jurisdiction.** This Guaranty is and shall be deemed to be a contract entered in and pursuant to the laws of the State of California and shall be governed and construed in accordance with the laws of California without regard to its conflicts of laws rules for all purposes, including, but not limited to, matters of construction, validity and performance. Guarantor agrees that any action brought by any RA Member to enforce this Guaranty may be brought in any court of the State of California and Guarantor consents to personal jurisdiction over it by such courts. Guarantor appoints the following person as its agent for service of process in California:

10. _____

11. _____

12. **Severability.** If any portion of this Guaranty is held to be invalid or unenforceable, such invalidity shall have no effect upon the remaining portions of this Guaranty, which shall be severable and continue in full force and effect.

13. **Amendments.** No amendment, change, modification or termination of this Guaranty is made except upon the written consent of Guarantor and each RA Member.

14. **Binding on Successors.** This Guaranty shall inure to the benefit of each RA Member and its successors and shall be binding upon Guarantor and its successors, including a successor entity formed by a merger or consolidation, a transferee of substantially all its assets, and its shareholders in the event of its dissolution or insolvency. The Guarantor may not assign or delegate the performance of this Guaranty without the prior written consent of each RA Member in its sole discretion. Any assignment made without the consent of each RA Member is voidable by each RA Member in its sole discretion. Together with its request for each RA Member's consent, Guarantor shall pay each RA Member \$10,000 to compensate each RA Member for its reasonable expenses for attorneys' fees, including fees charged by a private attorney who is not a staff member of the RA Member, and investigation costs ("**assignment expenses**") necessary to investigate the suitability of any proposed assignee, and to review and finalize any documentation required as a condition for approving any assignment. Each RA Member shall reimburse Guarantor for any portion of the assignment expenses it does not use for the assignment. If any RA Member incurs assignment expenses greater than \$10,000, then Guarantor shall reimburse such RA Member for the additional expenses within 30 days of such RA Member's request therefore. Guarantor shall further pay to each RA Member each RA Member's reimbursement for any attorneys' fees or costs, including investigation costs and fees charged by a private attorney who is not a staff member of the RA Member, necessary to enjoin the assignment or to otherwise enforce this provision within 30 days of each RA Member's request therefore ("**injunction costs**"). Guarantor's obligation to pay each RA Member assignment expenses and injunction costs will not exceed \$60,000 in the aggregate, excluding any costs that each RA Member may recover under Applicable Law, but including court costs paid to a prevailing party.

15. **No merger, No Conveyance of Assets.** Guarantor agrees that it will not consolidate with or merge into any other corporation where the shareholders of the Guarantor yield control of the Guarantor, or a majority interest in the Guarantor, to the newly formed corporation, or convey, transfer or lease all or substantially all its properties and assets to any person, firm, joint venture, corporation and other entity, unless each RA Member consents thereto in accordance with Section (12) above.

16. **Authority.** Guarantor represents and warrants that on the date of signing this Guaranty:

17. (a) The Guarantor has the power, authority and legal right to enter into this Guaranty and to perform its obligations and undertakings under this Guaranty, and the execution, delivery and performance of this Guaranty by the Guarantor (i) have been duly authorized by all necessary corporate and shareholder action on the part of the Guarantor, (ii) have the requisite approval of all federal, state and local governing bodies having jurisdiction or authority with respect thereto, (iii) do not violate any judgment, order, law or regulation applicable to the Guarantor; (iv) do not conflict with or constitute a default under any agreement or instrument to which the Guarantor is a party or by which the Guarantor or its assets may be bound or affected; and (v) do not violate any provision of the Guarantor's articles or certificate of incorporation or by-laws.

18. (b) This Guaranty has been duly signed and delivered by the Guarantor and constitutes the legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms; and

19. (c) There is no pending or, to the knowledge of the Guarantor, threatened actions or proceedings before any court or administrative agency that would have a material adverse effect on the financial condition of the Guarantor, or the ability of the Guarantor to perform its obligations or undertakings under this Guaranty.

20. **Counterparts.** This Guaranty may be signed in any number of counterparts, some of which may not bear the signatures of all parties to this Agreement. When signed and delivered, each counterpart is deemed to be an original and all of counterparts, taken together, will constitute one and the same instrument; provided, however, that in pleading or proving this Guaranty, it will not be necessary to produce more than one copy (or sets of copies) bearing the signature of the Guarantor.

21. **Headings.** The Section headings appearing herein are for convenience only and will not govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions of this Guaranty.

22. **Notices.** Notice shall be given in writing, deposited in the U.S. mail, registered or certified, first class postage prepaid, addressed as follows:

To each RA Member:

With a copy to each RA Member's Attorney at the same address.

To Guarantor:

The parties may change the address to which notice is to be sent by giving the other party notice of the change as provided in this Section.

23. **Events of Default.** Each of the following will constitute a Default under this Agreement:

(a) **Failure to Fulfill Payment of Guaranty.** Guarantor fails to fulfill full and timely payment of any guaranty under this Guaranty, including Section (1), and its failure continues for 5 days after written notice has been given to the Guarantor by an RA Member;

(b) **Breach of Guaranty.** The Guarantor fails to observe and perform any covenant, condition or agreement of this Guaranty or engages in any acts prohibited under this Agreement, other than any failures or prohibitions listed explicitly in this Section, and its failure continues for more than 30 days after Notice has been given to the Guarantor by an RA Member;

(c) **Failure to Give Notice of Proposed Assignment, etc.** The Guarantor fails to give each RA Member notice in accordance with Section (12) or (13) within 10 days of the first to occur of

(i) Contractor or any affiliate issuing a press release as to any proposed assignment (within the meaning of Section (12)), or consolidation, merger, conveyance, transfer or lease described in Section (13) or

(ii) the filing with the Securities and Exchange Commission of a Form 8-K or other filing with respect to a memorandum of intent or an agreement and plan therefore (paragraphs (i) and (ii) together defined as, "Change Notice")

(d) **Consolidation, Merger, Conveyance of Assets.** This Guaranty is assigned in violation of Section (12) or the Guarantor consolidates, merges or conveys, transfers or leases assets in violation of Section (13) despite any RA Member Council or RA Member Board action after Change Notice in preceding paragraph (c) withholding or denying such RA Member's consent, and on or before 15 days thereafter, Guarantor does not provide each RA Member with a substitute Guarantor satisfactory to each RA Member in each RA Member's sole discretion;

(e) **Bankruptcy, Insolvency, Liquidation.** Guarantor files a voluntary claim for debt relief under any applicable bankruptcy, insolvency, debtor relief, or other similar law now or hereafter in effect, or will consent to the appointment of or taking of possession by a receiver, liquidator, assignee, trustee, custodian, administrator (or similar official) of Guarantor for any substantial part of Guarantor's operating assets or any substantial part of Guarantor's property, or will make any general assignment for the benefit of Guarantor's creditors, or will fail generally to pay Guarantor's debts as they become due or will take any action in furtherance of any of the foregoing.

A court having jurisdiction enters a decree or order for relief in respect of the Agreement, in any involuntary case brought under any bankruptcy, insolvency, debtor relief, or similar law now or hereafter in effect, or Guarantor consents to or fails to oppose any proceeding, or any said court having jurisdiction enters a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Guarantor or for any substantial part of the Guarantor's operating equipment or assets, or orders the winding up or liquidation of the affairs of the Guarantor.

(f) **Breach of Representations or Warranties.** Any representation or warranty of Guarantor is untrue on the date thereof, or Guarantor knowingly makes, causes to be made or condones the making of any false entry in its books, accounts, records and reports under this Agreement.

Upon any Default, any RA Member may proceed first and directly against the Guarantor under this Guaranty without proceeding against or exhausting any other remedies that it may have. The Guarantor acknowledges that any Default comprises a Default under the Agreement.

24. **Entire Agreement.** This Guaranty constitutes the entire agreement between the parties to this Agreement with respect to the transactions contemplated by this Guaranty. Nothing in this Guaranty is intended to confer on any person other than the Guarantor, each RA Member and their permitted successors and assign under this Agreement any rights or remedies under or because of this Guaranty.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty on the day and year first above written.

By:_____

By:_____

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ATTACHMENT K
CONTRACTOR'S ENVIRONMENTALLY PREFERABLE PURCHASING POLICY

Environmentally Preferable Purchasing Policy

Consistent with the company's corporate sustainability platform, Recology Inc. has adopted environmentally preferable purchasing behaviors, including the implementation of a corporate-wide green procurement policy for office, breakroom and promotional products.

The program is managed interdepartmentally to ensure procurement activities consider both environmental and fiscal impacts. Recology's selected vendor provides a "Greener Office" brochure and committed customer support green team to provide guidance and reporting services related to green product procurement and utilization.

Quantifiable results of Recology's Environmentally Preferable Purchasing Policy will be reported in Recology's Annual Report to the RA Members and in external sustainability reporting contexts.

Examples of product criteria are provided below:

- Copy Paper: 100% post-consumer content (PCC) recycled content products, including letter, ledger and legal-sized varieties.
- Misc. Paper: Minimum 50% post-consumer (PCC) recycled content products, with goal to achieve 100% recycled content within one (1) year of implementation (filing folders, mailing envelopes, paper tablets, notebooks, etc.).
- Paper Towels and Bath Tissue: Minimum 50% recycled content products, with goal to achieve 100% recycled content within one (1) year of implementation.
- Janitorial: Purchase green-certified, natural cleaners and detergents whenever applicable.
- Toner and Electronic Recycling: Company-wide participation in vendor recycling programs for printer and toner cartridges, household batteries, and electronics.
- Program Development: Continue to pursue procurement of additional environmentally preferable, alternative products as fiscal and sustainability program contexts allow.

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ATTACHMENT L
COUNTY CODE TITLE 15, CHAPTER 15.01, ARTICLE 3, SECTION 15.01.040 SOLID WASTE COLLECTION
(SEE SEPARATELY ATTACHED FILE)

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ATTACHMENT M
CORPORATE SECRETARY'S CERTIFICATE

SECRETARY'S CERTIFICATE

The undersigned hereby certifies that he is the Corporate Secretary of Recology South Valley, a California corporation (the "Corporation"), that he is authorized to execute and deliver this Secretary's Certificate in the name of and on behalf of the Corporation, that the following resolutions have been duly adopted by the unanimous written consent of the duly elected Board of Directors of the Corporation, and that such resolutions have not been amended, modified or rescinded and are in full force and effect as of the date hereof:

"RESOLVED, that the execution, delivery and performance by the Corporation of the Franchise Agreement between Hollister, San Juan Bautista and the County of San Benito, Respectively, and Recology South Valley d/b/a Recology San Benito County for Recyclables, Organics and Solid Waste Collection Services, dated as of November 1, 2018 (the "Franchise Agreement"), be, and it hereby is, ratified, confirmed and approved;

"RESOLVED, that Michael J. Sangiacomo or any other officer of the Corporation be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation, to execute and deliver the Franchise Agreement in substantially the form presented to the Board, with such changes thereto as the officer executing the same may approve, the execution thereof by such officer to be conclusive evidence of such approval."

Executed this ____ day of ____, 2018.

Cary Chen
Corporate Secretary