AGREEMENT FOR THE PROVISION OF SINGLE-FAMILY DWELLING GARBAGE, RECYCLABLE MATERIALS, AND ORGANIC WASTE COLLECTION SERVICES

Executed By and Between

CITY OF RIVERSIDE
and

Arakelian Enterprises, Inc. dba Athens Services

Effective :
July 1, 2023

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ATHENS SERVICES SFR COLLECTION SERVICES AGREEMENT

This Agreement for the Provision of Residential Garbage, Recyclable Materials and Organics Collection Services ("**Agreement**") is entered into this ____ day of _____, 2023 by and between the CITY OF RIVERSIDE, a charter City and municipal corporation in the State of California ("**City**"), and ARAKELIAN ENTERPRISES, INC., a California corporation, doing business as ATHENS SERVICES ("**Contractor**"), on the terms and conditions set forth herein. City and Contractor may be referred to herein individually as a "**Party**" or collectively as the "**Parties**".

RECITALS

A. Article XI, § 7 of the California Constitution authorizes cities to protect public health and safety by taking measures in furtherance of their authority over police and sanitary matters; and

B. The Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989, ("**AB 939**" or the "**Act**") (codified at Public Resources Code §§ 4000 *et seq.*) established a "**Solid Waste**" (as defined herein) management process which requires cities and other local jurisdictions to implement plans for source reduction, reuse and recycling as integrated waste management practices for Solid Waste attributed to sources within their respective jurisdictions; and

C. The Act provides that aspects of Solid Waste handling of local concern include but are not limited to frequency of collection, means of collection and transportation, level of services, charges and fees, and nature, location and extent of providing solid waste services; and

D. The Act confers discretion on cities to provide for the delivery of refuse services to its residents by the City itself providing the services or by the City conferring the authority to do so on private profit-making entities and when cities confer the authority to provide refuse services on private profit-making entities; cities are authorized to do so by means which include the award of a nonexclusive, partially exclusive or wholly exclusive franchise, Agreement, license or otherwise; and

E. City's Municipal Code implements Article XI, § 7 of the California Constitution and the Act within the City of Riverside and protects public health and safety by authorizing the City Council to provide Residential Garbage, Recyclable Materials and Organics Collection Services itself or to award one or more franchises, permits or licenses to provide that service; and

F. The City Council during its regular meeting of _____, 2023 approved the award franchise agreements for the provision of Residential Garbage, Recyclable Materials and Organics Collection Services, in a defined "**Service Area"** (as defined herein), with Contractor because the City Council determined, in the exercise of its legislative discretion, that Contractor would provide high quality services to "Service Recipients" (as defined herein); and

G. City and Contractor are mindful of the provisions of the laws governing the safe collection, transport, recycling and disposal of residential Solid Waste, including AB 939, the Resource Conservation and Recovery Act ("**RCRA**"), 42 U.S.C. §§ 6901 *et seq.*, the Comprehensive Environmental Response, Compensation and Liability Act ("**CERCLA**"), 42 U.S.C. §§ 9601 *et. seq.*; the Electronic Waste Recycling Act of 2003 (SB 20, Sher, Chapter 526, Statutes of 2003; SB 50, Sher, Chapter 863, Statutes of 2004; AB 575, Wolke, Chapter 59, Statutes of 2011), laws governing Universal Waste, including, but not limited to, Universal Waste Electronics Devices ("**UWED**"), non-

empty aerosol cans, fluorescent tubes, high intensity discharge lamps, sodium vapor lamps, and any other lamp exhibiting a characteristic of a hazardous waste, batteries (rechargeable nickel-cadmium batteries, silver button batteries, mercury batteries, small sealed lead acid batteries [burglar alarm and emergency light batteries] alkaline batteries, carbon-zinc batteries and any other batteries which exhibit the characteristic of a hazardous waste), mercury thermometers, mercury-containing switches; and

H. City and Contractor desire to leave no doubts as to their respective roles and to make it clear that by entering into this Agreement, City is not thereby becoming a "generator" or an "arranger" as those terms are used in the context of CERCLA § 107(a)(3) and that it is Contractor, an independent entity, not City, which will arrange to collect Solid Waste from "**SFD**" "**Service Units**" (all as defined herein) within a defined Service Area of the City of Riverside, transport for recycling and disposal, and dispose of Solid Wastes which may contain small amounts of household products with the characteristics of hazardous wastes, collect and compost "**Organic Waste**" (as defined herein) and collect and recycle "**Recyclable Materials**" (as defined herein) from SFD Service Units in the City of Riverside; and

I. There are no places within the City limits of the City of Riverside where landfills are located, or which are suitable for the siting of a landfill and therefore Solid Waste must be exported from the City; and

J. City and Contractor agree that it is City, which will select the landfill or transformation facility destination of the residential Solid Waste which Contractor will arrange to collect, that City has not, and by this Agreement does not, instruct Contractor on its collection methods, nor supervise Contractor in the collection of waste and nothing in this Agreement or other action of the City shall be construed to give rise to any inference that the City has any title, ownership, or right of possession of such Solid Waste; and

K. Contractor represents and warrants to City that Contractor has the experience and qualifications to conduct recycling and waste diversion programs, to provide City with information sufficient to meet the City's reporting requirements to the California Department of Resource Recycling and Recovery, or any successor agency or department ("**CalRecycle**") and other agencies under the Act, to meet City's other requirements under the Act, to arrange with persons in charge of day-to-day activities of Service Units in the City of Riverside for the collection, safe transport, and disposal of Solid Wastes which may contain small amounts of household products with the characteristics of "**Hazardous Wastes**" (as defined herein), in a safe manner which shall minimize the adverse effects of collection vehicles on air quality and traffic, and that Contractor has the ability to indemnify City in accordance with this Agreement; and

L. The City Council of the City of Riverside determines and finds pursuant to California Public Resources Code § 40059(a)(1) that the public interest, health, safety and well-being, including the minimization of adverse impacts on air quality and traffic from excessive numbers of collection vehicles, the implementation of measures consistent with the City's Source Reduction and Recycling Component, and in an effort to reduce the City's potential CERCLA liability, would be served if Contractor were to be awarded an exclusive franchise for collection, recycling, diversion and disposal of Solid Waste from Service Units in the City of Riverside.

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OPERATIVE PROVISIONS

Now, therefore, in consideration of the mutual promises, agreements and consideration contained in this Agreement, City and Contractor agree as follows:

ARTICLE 1. Definitions

For the purpose of this Agreement, the definitions contained in this Article apply unless otherwise specifically stated. When not inconsistent with the context, words used in the present tense include the future, words in the plural include the singular, and words in the singular include the plural. Use of the masculine gender includes the feminine gender. The meaning of terms or words not defined in this Article will be as commonly understood in the solid waste collection services industry when the common understanding is uncertain.

1.01 AB 341. "AB 341" means State of California Assembly Bill No. 341 approved October 5, 2011. AB 341 requires businesses, defined to include commercial or public entities that generate more than 4 cubic yards of commercial solid waste per week or multifamily residential dwellings of 5 units or more, to arrange for recycling services and requires jurisdictions to implement a commercial solid waste recycling program.

1.02 AB 901. State of California Assembly Bill No. 901 approved October 15, 2015, modifying requirements for Solid Waste reporting and adding enforcement requirements.

1.03 AB 939. State of California Assembly Bill No. 939 approved September 29, 1989 enacting the California Integrated Waste Management Act of 1989, codified in part at Public Resources Code §§ *40000 and following*, as it may be amended and as implemented by the regulations of the California Department of Resources Recycling and Recovery (CalRecycle), or its successor agency.

1.04 AB 1594. State of California Assembly Bill No. 1594 approved September 28, 2014. AB 1594 provides that the use of green material as Alternative Daily Cover does not constitute diversion through recycling and would be considered disposal.

1.05 AB 1699. "AB 1669" means State of California Assembly Bill No. 1669 approved September 30, 2016 which amends California Labor Code Sections 1070 through 1076 with respect to the hiring of displaced employees under service contracts for the collection and transportation of solid waste.

1.06 AB 1826. "AB 1826" means State of California Assembly Bill No. 1826 approved September 28, 2014. AB 1826 requires each jurisdiction, on and after January 1, 2016, to implement an organic waste recycling program to divert from the landfill organic waste from businesses. Each business meeting specific organic waste or solid waste generation thresholds phased in from April 1, 2016 to January 1, 2020, is required to arrange for organic waste recycling services.

1.07 AB 3036. "AB 3036" means State of California Assembly Bill No. 3036 approved September 27, 2018. AB 3036 prohibits a County, City, District, or local government agency from subjecting the hauling of certain byproducts from the processing of food or beverages to an exclusive franchise, contract, license, or permit.

1.08 Act. Act means the Integrated Waste Management Act of 1989, as amended (California Public Resources Code section 40000 *et. seq.*).

1.09 Agreement. This written document and all amendments, between City and Contractor, governing the provision of Collection Services.

1.10 Agreement Administrator. The City Manager, or his or her designee, designated to administer and monitor the provisions of this Agreement.

1.11 Agreement Year. Agreement year means each twelve (12) month period from July 1st to June 30th during the term of this Agreement.

1.12 Annual Diversion Report. The annual report submitted by Contractor to the City describing the previous Calendar Year's diversion activities, diversion percentages and associated calculations and the description of the diversion activity planned for the upcoming year, if applicable.

1.13 Appendix. Appendix means an appendix to this Agreement, as the same may be amended or modified from time to time in accordance with the terms hereof.

1.14 Applicable Law. All Federal, State, county, and local laws, regulations, rules, orders, judgments, decrees, rulings, permits, approvals, or other requirement of any governmental entity or regulatory or quasi-regulatory authority having jurisdiction over an aspect of the Collection Services, including judicial interpretations thereof, that are in force on the Effective Date including without limitation AB 341, AB 901, AB 939, AB 1594, AB 1826, SB 1016 and SB 1383, and as may be enacted, repealed and readopted, issued, or amended thereafter, until termination or expiration of this Agreement. For purposes of this Agreement any department, agency, body or instrumentality of the State of California of competent jurisdiction to promulgate or enforce regulations, rules, orders, directives or similar requirements applicable to the collection, management, diversion and disposal of Solid Waste shall be refered to collectively as "CalRecycle."

1.15 Bins. A metal or plastic container, with a capacity of one (1) cubic yard up to and including eight (8) cubic yards, designed or intended to be mechanically dumped into a loader packer type truck, that is approved for such purpose by CITY. Bins may also include Compactors that are owned by Commercial Service Units by which the Commercial Collection Service occurs. The specifications for CONTRACTOR-provided Bins are set forth in **Exhibit 4**.

1.16 Best Management Practice. Best Management Practice means the collection of written activities, practices, policies and procedures prepared and proposed by a responsible party, and then approved by the Agreement Administrator, to prevent or reduce, to the maximum extent that is technologically and economically feasible, the discharge of pollutants to the storm drain system which might be generated from any site in the City.

1.17 Biohazardous or Biomedical Waste. Any waste which may cause disease or reasonably be suspected of harboring pathogenic organisms; included are waste resulting from the operation of medical clinics, hospitals, and other facilities processing wastes which may consist of, but are not limited to, human and animal parts, contaminated bandages, pathological specimens, hypodermic needles, sharps, contaminated clothing and surgical gloves.

1.18 E-Waste Electronic equipment such as stereos, televisions, computers, VCR's and other similar items collected from SFD Service Units.

1.19 Business. All retail, professional, wholesale and industrial facilities, and other commercial enterprises offering goods or services to the public.

1.20 Business Days. Any Monday through Friday, excluding any holidays as defined in Section 3.05 [Holiday Service].

1.21 Calendar Year. Each twelve (12) month period from January 1 to December 31.

1.22 Cans. A plastic receptacle provided by the Service Recipient of the size, shape, and color as required by law or regulation, or if no such requirement has been established by law or regulation, then as approved by City, with a maximum capacity of thirty-two (32) and not exceed fifty-five (55) gallons when full serviced by manual collection, that is approved by the Agreement Administrator for use by Service Recipients for Collection Services under this Agreement. The specifications for Service Recipient-provided Cans are set forth in **Exhibit 4.**

1.23 Carts. A heavy plastic receptacle of the size, shape, and color as required by law or regulation, or if no such requirement has been established by law or regulation, then as approved by City, with a maximum capacity of ninety-six (96) gallons, having a hinged tight-fitting lid and wheels, that is approved by the Agreement Administrator for use by Service Recipients for Collection Services under this Agreement. The specifications for Contractor-provided Carts are set forth in **Exhibit 4**.

1.24 CEQA. CEQA means the California Environmental Quality Act, codified at Cal. Pub. Res. Code 21000 et seq. as amended or superseded, and the regulations promulgated thereunder and as set forth in the California Code of Regulations.

1.25 CERCLA. The Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. sections 9601 and following, as may be amended and regulations promulgated thereunder.

1.26 Change in Laws. Change in Laws means any of the following events or conditions which has a material effect on the performance by the parties of their respective obligations under this Agreement (except for payment obligations), on the provision of Collection Services, or on the siting, design, permitting, acquisition, construction, equipping, financing, ownership, possession, management operation or maintenance of the operating assets or providing the franchise service, or other matters to which Applicable Law applies:

(1) the enactment, adoption, promulgation, issuance, modification, or written change of or in Applicable Law, including, but not limited to, new or increased fees and charges imposed by the State of California or the U.S. Federal government directly related to the collection, handling, processing, recycling or disposal of Solid Waste, or the enactment, adoption, promulgation, issuance, modification, or written change in administrative or judicial interpretation on or after Effective Date of any Applicable Law;

(2) the order or judgment of any governmental body, on or after the Effective Date, to the extent such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of the City or of the Contractor, whichever is asserting the occurrence of a Change in Law; provided, however, that the contesting in good faith or the failure in good faith to contest any such order or judgment shall not constitute or be construed as such a willful or negligent action, error or omission or lack of reasonable diligence; or

(3) the denial of an application for, delay in the review, issuance or renewal of, suspension, termination, interruption or imposition of a new or more stringent condition in connection with the issuance, renewal

or failure of issuance or renewal on or after the Effective Date of any Legal Entitlement to the extent that such denial, delay, suspension, termination, interruption, imposition or failure materially and adversely interferes with the performance of this Agreement, of and to the extent that such denial, delay, suspension, termination, interruption, imposition or failure is not the result of willful or negligent action, error or omission or a lack of reasonable diligence of the City or of the Contractor, whichever is asserting the occurrence of a Change of Law; provided, however, that the contesting in good faith or failure in good faith to contest any such denial, delay, suspension, termination, interruption, imposition or failure shall not be construed as such a willful or negligent action, error or omission or lack of reasonable diligence.

1.27 CITY. The City of Riverside, California.

1.28 City Collection Service. City Residential Solid Waste Collection Service, City Residential Organic Waste Collection Service and City Residential Recyclable Materials Service.

1.29 City Manager or Agreement Administrator. City's City Manager shall administer, implement and enforce, this Agreement on behalf of City and shall act as City's "Agreement Administrator" where designed in this Agreement. "City Manager" means the City Manager of the City of Riverside, or his or her designated representative, or any employee of the City who succeeds to the duties and responsibilities of the City Manager.

1.30 Code. Code means the City of Riverside Municipal Code.

1.31 Collection. The process whereby Residential Solid Waste is removed and transported to a Materials Recovery Facility, Disposal Facility, Organic Waste Processing Facility or Materials Recycling Facility as appropriate.

1.32 Contractor. Arakelian Enterprises, Inc., a California corporation, doing business as Athens Services. The entity that has obtained from the City this Agreement to provide Collection Services.

1.33 Contractor Representative. The person, or designee, designated by the Contractor to manage the provisions of this Agreement.

1.34 Consumer Price Index (CPI). The Consumer Price Index for All Urban Consumers published by the United States Bureau of Labor Statistics for the Riverside – San Bernardino - Ontario region of California, as may be amended or renamed and replaced from time to time by the United States Bureau of Labor Statistics.

1.35 County. Riverside County, California.

1.36 Dispose or Disposal. The final disposition of Garbage and Residual Material collected.

1.37 Disposal Facility. The facility(ies) utilized by Contractor for the disposal, or processing as appropriate, of Garbage and other materials as appropriate and acceptable.

1.38 Diversion Requirement. Means the diversion of fifty percent (50%) or more of all solid waste generated within City through source reduction, recycling and composting activities as required by Public Resources Code section 41780(a)(2), as may be amended, repealed and readopted or otherwise modified from time to time. Diversion Requirement shall also mean the comparison of the change in the City's per capita disposal rate with the equivalent per capita disposal rate determined pursuant to Applicable Law, together with such other measures and methodologies employed by CalRecycle from time to time to assess compliance with the Diverision Requirement.

1.39 Dwelling Unit. Any individual living unit in a single-family dwelling (SFD), condominium, or town home utilized for residential living.

1.40 E-Waste. Electronic Waste or E-Waste means waste containing or consisting of electronic devices and components, such as computers, monitors, terminals, computer cards and components, computer peripheral devices, main frame computers, keyboards, mice, printers and scanners, mini-systems, power supply units, servers, connectors/cables, storage discs, consumer electronics, printed circuit boards, televisions, chips and components, cellular and other phones, telecommunications equipment, and fax machines and copiers, but not including Excluded Waste.

1.41 Edible Food. "Edible Food". Food means food intended for human consumption. For purposes of this Agreement, Edible Food is not Solid Waste if it is recovered and not discarded. Nothing in this Agreement requires or authorizes the recovery of food that does not meet the food safety requirements of the California Retail Food Code.

1.42 Edible Food Recovery. "Edible Food Recovery" means the actions to collect and distribute Edible Food and distributing it to local food recovery organizations from places where it would otherwise go to waste such as, but not limited to, restaurants, grocery stores, produce markets, school cafeterias, or dining facilities.

1.43 Effective Date. Effective date of this Agreement is July 1, 2023.

1.44 Exempt Waste. Biohazardous or Biomedical Waste, Hazardous Waste, Sludge, automobiles, automobile parts, boats, boat parts, boat trailers, internal combustion engines, lead-acid batteries, dead animals, and those wastes under the control of the Nuclear Regulatory Commission.

1.45 Franchised Diversion. Franchise Diversion means the rate of diversion for which the Contractor is responsible to achieve as defined and calculated to achieve in Article 5.

1.46 Garbage Collection Service. The Collection and disposal of Garbage from SFD Service Units.

1.47 Gross Receipts. For purpose of calculated Franchise Fee, Gross Receipts shall mean revenue amounts received by Contractor for the provision of Collection Services, excluding SFD Collection Service, pursuant to this Agreement, calculated in accordance with Generally Accepted Accounting Principles (GAAP). The term Gross Receipts, for purposes of this Agreement, does not include any revenues generated from the sale of Recyclable Material, compost product or energy, or other receipts from State and local government accounts (e.g. grants, cash awards and rebates) resulting from the performance of this Agreement, and does not include any AB 939 Support Fees collected by Contractor on City's behalf and to be remitted to City as provided in this Agreement.

1.48 Household Hazardous Waste (HHW). Household products that can catch fire, react, or explode under certain circumstances, or that are corrosive or toxic as household hazardous waste. Products, such as paints, cleaners, oils, batteries, and pesticides can contain hazardous ingredients and require special care when you dispose of them.

1.49 Hazardous Waste. Any material which is defined as a hazardous waste under California or United States law or any regulations promulgated pursuant to such law, as such law or regulations may be amended from time to time.

1.50 Materials Recycling Facility. Any facility designed, operated, and legally permitted for the purpose of receiving, sorting, processing, storing, or preparing mixed use or commingled Garbage and Recyclable Materials. The Agua Mansa MRF is the current City-designated MRF under this Contract.

1.51 Materials Recovery and Transfer Facility (MRF). The Agua Mansa materials recovery and transfer facility located at 1830 Agua Mansa Road Riverside, CA 92509.

1.52 Maximum Service Rate. The maximum amount that Contractor may charge Service Recipients, as listed in **Exhibit 1**, and as may be adjusted in accordance with the provisions of this Agreement.

1.53 Non-Collection Notice. A form developed and used by Contractor, as approved by City, to notify Service Recipients of the reason for non-collection of materials set out by the Service Recipient for Collection by Contractor pursuant to this Agreement.

1.54 Organic Waste Collection Service. The collection, processing and marketing of Organic Waste from SFD Service Units (in the Service Area) and the disposal of all Organic Waste Processing Residual.

1.55 Organic Waste Processing Facility. Any facility designed, operated, and legally permitted for the purpose of receiving, and processing Food Waste, Green Waste, Large Green Waste, and Other Organics. The current City-designated Organics Waste Processing Facility is the Agua Mansa MRF.

1.56 Organic Waste Processing Residual. Materials Collected pursuant to this Agreement, including both Organic Waste, and Contaminants, that are delivered to an Organic Waste Processing Facility but are Residual as defined in Section 1.60.

1.57 Overage. Overage means excess Garbage, Organic Waste and Recyclable Materials (i) placed inside a Container that prevents the lid on the Container from being completely closed (i.e., lid remains open greater 45-degrees) or (ii) that could potentially result in excess materials spilling/dislodging during collection activity by Contractor's vehicles or require cleanup of the area around the Container.

1.58 Rebuilt Vehicle. For purposes of this Agreement, "rebuilt" means, at a minimum, replacement of worn parts and reconditioning or replacement of hydraulic systems, transmissions, differentials, electrical systems, engines, and brake systems. In addition, the rebuilt vehicle must be repainted, and its tires must have at least eighty-five percent (85%) of tread remaining.

1.59 Recyclable Materials Collection Service. The collection, processing and marketing of Recyclable Material from SFD Service Units (in the Service Area) and the disposal of all Recyclable Materials Processing Residual.

1.60 Residual or Residuals. Residual or Residuals means Garbage that is not diverted from landfill disposal after it has been delivered to a MRF, an Organic Waste Processing Facility or a Recyclables Processing Facility for processing for diversion from landfill disposal. For determining the amount of Residuals in Recyclable Materials, Contractor shall conduct a characterization study of inbound Recyclable Materials as necessary for City and/or Contractor to comply with requests, directives or orders of CalRecycle or as may otherwise be required under the Applicable Laws. Contractor shall be responsible for and shall pay any fines, administrative charges, or other charges imposed on City by CalRecycle to the extent caused or materially contributed to Contractor's failure to

provide the aforementioned characterization study(ies), the underlying data, or for taking such reasonable actions necessary to produce the relevant data.

1.61 Roll-Off Container. A metal container with a capacity of ten (10) or up to forty (40) cubic yards that is normally loaded onto a motor vehicle and transported to an appropriate facility.

1.62 SB 1016. State of California Senate Bill 1016, approved September 16, 2008 adopted a per capita disposal based accounting system for diversion reporting in meeting the mandated 50 percent diversion requirement as set by AB 939. SB 1016 also changed reporting and review process so that jurisdictions meeting the 50 percent diversion requirement would be subject CalRecycle (formally referred to as the CIWMB) review every four years, while those jurisdictions not meeting the 50 percent diversion requirement would continue to be reviewed by CalRecycle every two years.

1.63 SB 1383. State of California Senate Bill 1383, approved September 19, 2016 mandates a fifty percent (50%) reduction in disposal of Organic Materials from the 2014 levels by 2020 and seventy-five percent (75%) by 2025. According to CalRecycle's 2014 Waste Characterization Study, approximately 20 million tons of organics were disposed in 2014. For the SB 1383 mandates, this translates to a requirement to limit disposal of organics to roughly 10 million tons by January 1, 2020. A seventy-five percent (75%) reduction from the 2014 level requires California to limit disposal to roughly five (5) million tons of organics annually on and after 2025. Further, SB 1383 requires CalRecycle's regulations to include requirements designed to improve the recovery of edible food that is currently landfilled by twenty percent (20%) by 2025.

1.64 Service Area. That area within the city limits of the City of Riverside designated by City as the Service Area as those limits may be adjusted from time to time by annexation or similar process as allowed under California law. **Exhibit 9** contains a map of the serviceable areas designated by the City of Riverside.

1.65 Service Recipient. An individual receiving SFD Collection Services.

1.66 Service Unit. SFD Service Units, Service Unit specifically includes the following:

A. SFD Service Unit. Any Single-Family Dwelling Unit (SFD) in the Service Area utilizing a Cart, or any combination of 1 – 4 Dwelling Units sharing Carts, for the accumulation and set out of Residential Solid Waste.

1.67 SFD Collection Service. SFD Garbage Collection Service, SFD Recycling Service, SFD Organic Waste Collection Service, SFD Large Item Collection Service, and SFD Used Oil Collection Service. SFD Collection Service shall be via automated service, except where automated service is not possible. All SFD Service Units shall receive automated service, unless the Public Works Director determines that manual service is necessary in accordance with Riverside Municipal Code section 6.04.020.D. SFD Collection Service specifically includes the following:

A. SFD Garbage Collection Service. The Collection of Residential Garbage, by Contractor, from SFD Service Units in the Service Area and the delivery of that Residential Garbage to a Disposal Facility.

B. SFD Large Item Collection Service. The periodic on-call Collection of Large Items, by Contractor, from SFD Service Units in the Service Area and the delivery of those Large

Items to a Disposal Facility, Materials Recycling Facility or such other facility as may be appropriate under the terms of this Agreement. SFD Large Item Collection Service does not include the Collection of Large Items through the use of Roll-Off Containers, which is a commercial service.

C. SFD Organic Waste Collection Service. The Collection of Organic Waste, by Contractor, from SFD Service Units in the Service Area, the delivery of those Organic Waste materials to an Organic Waste Processing Facility and the processing and marketing of those Organic Waste materials, and the disposal of all SFD Organic Waste Processing Residual.

D. SFD Recycling Service. The Collection of Recyclable Materials by the Contractor from SFD Service Units in the Service Area, the delivery of those Recyclable Materials to a Materials Recycling Facility and the processing and marketing of those Recyclable Materials, and the disposal of all SFD Recyclable Materials Processing Residual.

1.68 Sharps. Medical devices that have acute rigid corners, edges or protuberances capable of cutting or piercing, including but not limited to hypodermic needles, hypodermic needles with syringes, needles with attached tubing, or acupuncture needles.

1.69 Sludge. The accumulated solids, residues, and precipitates generated as a result of waste treatment or processing, including wastewater treatment, water supply treatment, or operation of an air pollution control facility, and mixed liquids and solids pumped from septic tanks, grease traps, privies, or similar disposal appurtenances or any other such waste having similar characteristics or effects.

1.70 Solid Waste. The materials described in Public Resources Code section 40191, including Garbage, Recyclable Materials, Organic Waste, and Large Items. Solid Waste does not include Exempt Waste. Solid Waste specifically includes the following:

A. Food Waste. Food scraps and trimmings and other putrescible waste that results from food production, preparation, storage, consumption or handling. Food Waste includes but is not limited to meat, fish and dairy waste, fruit and vegetable waste, grain waste, and compostable food contaminated paper products. Food Waste does not include Exempt Waste.

B. Garbage. Objects or materials for which no use or reuse is intended., Garbage must be generated by and at the Service Unit wherein the Garbage is collected. Garbage does not include those items defined as Exempt Waste.

C. Green Waste. Any vegetative matter resulting from normal yard and landscaping maintenance that is not more than four (4) feet in its longest dimension or six (6) inches in diameter or weighs more than fifty (50) pounds. Green Waste includes plant debris, such as grass clippings, leaves, pruning, weeds, branches, brush, Holiday trees (does not include flocked or decorated trees), and other forms of organic waste and must be generated by and at the SFD Service Unit where the Green Waste is collected. Green Waste does not include items defined as Exempt Waste.

D. Large Green Waste. Oversized Green Waste such as tree trunks and branches with a diameter of not less than six (6) inches and not more than two (2) feet and a length of not more than five (5) feet in its longest dimension, which are attributed to the normal activities of an SFD Service Unit. Large Green Waste must be generated by and at the SFD Service Unit where the Large Green Waste is collected, and is Collected by means of Large Item Collection.

E. Large Items. Those materials including furniture; carpets; mattresses; E-Waste, White Goods; Brown Goods; clothing; Large Green Waste which are attributed to the normal activities of an SFD Service Unit. Large Items must be generated by and at the SFD Service Unit wherein the Large Items are Collected. Large Items do not include items defined as Exempt Waste.

F. Organic Waste. Food Waste, Green Waste, and Other Organics, either separately or commingled with each other, that has been separated at the source of generation from Garbage and Recyclable Materials.

G. Other Organics. Other Organics includes food-soiled paper and paper products, compostable food wares and compostable food packaging, stable materials, manure, and natural fiber textiles, and other compostable materials as may be required by the City or CalRecycle.

H. Recyclable Materials. Those materials which are capable of being recycled using available processes and markets and which would otherwise be processed or disposed of as Residential Garbage or Commercial Garbage. These materials will be as defined by City. Recyclable Materials currently being Collected include: newsprint (including inserts); mixed paper (including magazines, catalogs, envelopes, junk mail, corrugated cardboard, Kraft brown bags and paper, paperboard, paper egg cartons, office ledger paper, and telephone books); glass containers; aluminum beverage containers; small scrap and cast aluminum (not exceeding forty (40) pounds in weight nor two (2) feet in any dimension for any single item); steel including "tin" cans and small scrap (not exceeding forty (40) pounds in weight nor two (2) feet in any dimension for any single item); bimetal containers; mixed plastics such as empty plastic containers and empty bottles including containers made of HDPE, LDPE, PET, PVC, or PP; or textiles. City and Contractor agree to meet from time to time as needed to discuss additions or deletions from the list of Recyclable Materials. Contractor may request removal of Recyclable Materials due to market limitations, which request will be decided by the Agreement Administrator.

I. White Goods. Inoperative and discarded refrigerators, ranges, water heaters, freezers, and other similar household appliances.

1.71 Used Oil. Any oil that has been refined from crude oil or has been synthetically produced, and is no longer useful to the Service Recipient because of extended storage, spillage or contamination with non-hazardous impurities such as dirt or water; or has been used and as a result of such use has been contaminated with physical or chemical impurities. Used Oil must be generated by an SFD or MFD Service Recipient. Used Oils does not include diesel oil, cooking oils or grease, mineral oil, transmission fluid, gasoline, hydraulic fluid, brake fluid or antifreeze.

1.72 Used Oil Filter. Any oil filter that is no longer useful to the Service Recipient because of extended storage, spillage or contamination with non-hazardous impurities such as dirt or water; or has been used and as a result of such use has been contaminated with physical or chemical impurities. Used Oil Filters must be generated by SFD or MFD Service Recipients

1.73 Work Day. Any day, Monday through Friday, that is not a holiday as set forth in Section 3.05 [Holiday Services] of this Agreement.

ARTICLE 2. Term of Agreement and Considerations

2.01 Term. Subject to the provisions of this Agreement related to Termination and extension, the term of this Agreement will be for a fifteen (15) year period beginning midnight on the Effective Date of July 1, 2023 and terminating at 11:59 pm June 30, 2038 ("Term").

2.02 Optional Extension of Term. City may grant hauler an additional five (5) year extension of the term, if and only if the following preconditions are satisfied; (1) Contractor is not then in default of any material term or condition of the Agreement nor has been designated a "habitual violator" as provided in Article 21; and (2) Contractor has timely paid City all required fees associated with Agreement; and (3) Contractor must request the Optional Extension of Term by July 1, 2037 in order to be eligible for said extension.

2.03 Performance Review prior to Optional Extension of Term. If Contractor requests a term extension as described in Section 2.02 above, then, at City's sole option, a billing audit and performance review may be conducted with respect to that extension as described in Article 17, and Contractor must pay the cost of the billing audit and performance review subject to the maximum cost specified in such Article. Regardless of the outcome of this billing audit and performance review, City will have no obligation to extend the term of the Agreement.

2.04 Limitation on Scope of Agreement. The Agreement shall be exclusive within its Service Area, except as to the categories of Solid Waste listed in this Section.

A. Multi-Family, Commercial, and Roll-Off Solid Waste Bin Collection services;

B. Commercial Can or Cart Collection services;

C. Roll-Off Box and temporary bin Collection services;

D. Recyclable Materials source separated from Solid Waste by the Service Recipient and for which Service Recipient sells or is otherwise compensated by other persons in a manner resulting in a net payment to the Service Recipient;

E. Solid Waste, including Recyclable Materials and Organic Waste which is removed from any Premises by the Service Recipient and which is transported personally by the Service Recipient of such Premises or by his or her full time employees to a processing or disposal Facility;

F. Recyclable Materials and Organic Waste which are source separated at any Premises by the Service Recipient and donated to youth civic or charitable organizations using non-City or Contractor issued Containers;

G. Containers delivered for Recycling under the California Beverage Container Recycling Litter Reduction Act, California Public Resources Code Section 14500 et seq;

H. Green Waste removed from a Premises by a gardening, landscaping, or tree trimming company utilizing its own equipment and employees as an incidental part of a total service offered by the company rather than as a hauling service;

I. Construction and demolition waste that is incidentally removed by a duly licensed construction or demolition company or as part of a total service offered by said licensed company or by the City, where the licensed company utilizes its own equipment and employees;

J. Animal waste and remains from slaughterhouse or butcher shops for use as tallow;

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

L. Hazardous Waste and radioactive waste, regardless of its source;

M. The casual or emergency Collection, removal, disposal, or diversion of Solid Waste by the City through the City officers or employees in the normal course of their employment.

2.05 Other Provisions. The City may, at the expiration of the Term, renegotiate the terms and conditions of the Agreement with the Contractor, including the negotiation of a payment to City, for an Extended Term and / or request proposals from qualified Contractors to provide Collection Services. City retains the right to both negotiate with Contractor while concurrently conducting a request for proposal process.

2.06 Consideration for Franchise. In consideration for City's grant of the exclusive franchise, for negotiation of this Agreement, and for retention of the longstanding relationship with City, Contractor shall make when due the payments described in this Article, and as may otherwise be set forth in this Agreement, to City.

2.06.1 Franchise Fee. Contractor shall pay to the City a Franchise Fee per franchised ton collected under this Agreement. The Contractor shall remit this fee to the City according to section 2.06.6. This fee is included in the Service Rates in Exhibit 1 and is not to be charged on addition to the approved Service Rates.

2.06.2 Landfill Surcharge. Contractor shall pay to the City a landfill surcharge per franchised ton collected under this Agreement. The Contractor shall remit this surcharge to City in accordance with Section 2.06.6. This fee is included in the Service Rates in Exhibit 1 and is not to be charged on addition to the approved Service Rates.

2.06.3 AB 939 Support Fee. Contractor shall pay to the City an AB 939 Support Fee per franchised ton collected under this Agreement. The Contractor shall remit this surcharge to City in accordance with Section 2.06.6. This fee is included in the Service Rates in Exhibit 1 and is not to be charged on addition to the approved Service Rates.

2.06.4 Administrative Fee. Contractor shall pay to the City an Administrative Fee per franchised ton collected under this Agreement. The Contractor shall remit this surcharge to City in accordance with Section 2.06.6. This fee is included in the Service Rates in Exhibit 1 and is not to be charged on addition to the approved Service Rates.

2.06.5 Street Sweeping. Contractor shall pay to the City a Street Sweeping Surcharge per franchised ton collected under this Agreement. The Contractor shall remit this surcharge to City in accordance with Section 2.06.6. This fee is included in the Service Rates in Exhibit 1 and is not to be charged on addition to the approved Service Rates.

2.06.6 Time and Method of Payment. City shall be entitled to withhold the Franchise Fee, AB 939 Support Fee, Administrative Fee, Landfill Surcharge and Street Sweeping Surcharge from amounts collected through customer billing.

ARTICLE 3. Services Provided by Contractor

Grant of Exclusive Agreement. City hereby grants to Contractor, on the terms and conditions set forth herein, the exclusive franchise, right and privilege to collect, remove, and dispose of, in a lawful manner, Solid Waste accumulating in the Service Area, as may be adjusted from time to time by approved annexations, that are required to be accumulated and offered for collection to the Contractor in accordance with the City's Municipal Code, for the Term of and within the scope set forth in this Agreement.

3.01 Recyclable Materials, Organic Waste, and Large Item Disposal by Service Recipients. This Agreement shall not prohibit any person from selling Recyclable Materials or Organic Waste or giving Recyclable Materials or Organic Waste away to persons or entities other than Contractor. However, in either instance: (1) the Recyclable Materials or Organic Waste must be source separated from and not mixed with other Solid Waste; and (2) the seller/donor may not pay the buyer/donee any consideration for collecting, processing or transporting such Recyclable Materials or Organic Waste. A discount or reduction in the price for collection, disposal and/or recycling services for any form of un-segregated or segregated Solid Waste is not a sale or donation of Recyclable Materials or Organic Waste and such Solid Waste does not qualify for this exception. However, once the Recyclable Materials or Organic Waste have been placed in the Collection Container and the Container set out for Collection, the Recyclable Materials or Organic waste become the property of Contractor.

3.02 Responsibility for Service Billing and Collection. City is responsible for the billing and collection of payments for SFD Collection Services within the Service Area and Contractor compensation are covered under Article 4 of this Agreement.

3.03 Service Standards. Contractor must perform all Collection Services under this Agreement in a thorough and professional manner.

3.04 Labor and Equipment. Contractor must provide and maintain all labor, equipment, tools, facilities, and personnel supervision required for the performance of Contractor's obligations under this Agreement. Contractor must at all times have sufficient backup equipment and labor to fulfill Contractor's obligations under this Agreement. No compensation for Contractor's services or for Contractor's supply of labor, equipment, tools, facilities or supervision will be provided or paid to Contractor by City or by any Service Recipient except as expressly provided by this Agreement.

3.05 Holiday Service. The City observes New Year's Day, Martin Luther King Jr, Lincoln Birthday Day, Presidents Day, Cesar Chavez Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day as legal holidays. Contractor is not required to provide Collection Services or maintain office hours on the designated holidays. In any week in which one of these holidays falls on a Work Day, SFD Collection Services for the holiday and each Work Day thereafter will be delayed one Work Day for the remainder of the week with normally scheduled Friday SFD Collection Services being performed on Saturday.

3.06 Inspections. The City has the right to inspect Contractor's facilities or Collection vehicles and their contents at any reasonable time while operating inside or outside the City.

3.07 Commingling. Contractor must not at any time commingle any materials Collected pursuant to this Agreement with any other material Collected by Contractor from other waste streams outside the City without first providing the City Administrator with a written request and supporting justification of the need to comingle the materials, at least thirty (30) days prior to the proposed comingling. City Administrator may approve the request if, in the reasonable excericse of his or her judgement, he or she determines the supporting justification to be adequate. If commingling is approved and takes place, Contractor agrees to indemnify, defend and hold City harmless from any claims, demands, fines, or administrative charges arising from Contractor's commingling.

3.08 Recyclable Materials and Organic Waste Contamination. Contractor must obtain state mandated diversion requirements, Contractor is only required to collect Organic Waste if it has been separated by the Service Recipient from Garbage and Recyclable Materials. Contractor shall not mix or comingle Recyclable Materials and Organic Waste.

As part of Contractor's Public Education Services under Section 12.01, Contractor agrees to provide outreach and support to Service Recipients. Additionally, Contractor's route collection personnel will report to Contractor's supervisors if they observe potential contamination problems, and/or insufficient collection capacity. For purposes of determining if Organic Waste are deemed to be contaminated, if, by visual or digital inspection, Organic Waste is commingled with five percent (5%) by volume of Garbage or Recyclable Materials (provided however, that if CalRecycle requires use of a different percentage by volume threshold, then Contractor will utilize that threshold), then Organic Waste will be deemed to be contaminated and Contractor may take the following steps:

3.08.1 SFD Service Recipients. The following provisions will apply to all SFD Service Recipients.

3.08.1.1 First and Second Occurrence. For the first and second occurrence within any one Calendar Year of contamination for a particular container (i.e., Organic Waste), Contractor must collect the contaminated container (as Solid Waste) and must affix a Contamination Violation Notice to the contaminated container which contains instructions on the proper procedures for sorting Organic Waste, and must notify the Service Recipient by phone, U.S. mail, e-mail, or in person (which may be a container tag), that where incidents of excess contamination occur for three consecutive collection dates, the Service Recipient may be charged a contamination fee for the contaminated container equal to the charge for an additional solid waste container. Contractor's representative must also contact the Service Recipient by phone, U.S. mail, e-mail, or in person (which may be a container tag) to ensure that they have the appropriate level of service for proper collection of Organic Waste. Contractor must also provide digital/visual documentation to the Service Recipient that clearly documents the Service Recipient's on-going contamination problems.

3.08.1.2 Third and Fourth Occurrence. For the third and fourth occurrence within any one Calendar Year of contamination for a particular container (i.e., Organic Waste), Contractor will provide a Contamination Violation Notice that contains instructions on the proper procedures for setting out Organic Waste, and Contractor must collect the contaminated Container (as Solid Waste) and may charge the Service Recipient a contamination fee as authorized by Riverside Municipal Code section 6.04.040(D) where appriopriate. For any contamination fee charge being assessed, Contractor must provide digital/visual documentation to the Service Recipient that clearly documents the Service Recipient's on-going contamination problems. Contractor will coordinate with the City for the charging of contamination fees through the City's customer billing.

3.08.1.3 Fifth and Subsequent Occurrence. For the fifth or subsequent occurrence within any one Calendar Year of contamination for a particular container (i.e., Organic Waste), Contractor must collect the contaminated Container (as Solid Waste) and must charge the Service Recipient a contamination fee as authorized by Riverside Municipal Code section 6.04.040(D), where applicable. Contractor must continue providing the Organic Waste Collection Services. Contractor must provide (or have provided) digital documentation to the Service Recipient that clearly documents the Service Recipient's on-going contamination problems and written Notices of contamination as described above. Contractor must notify City within five (5) Business Days if Contractor increases in the Cart size or requires an additional Cart for excessive contamination or imposes a contamination surcharge to the account for a period of six months or until the Service Recipient has demonstrated no contamination for a period of three consecutive months. City will consult with Contractor and consider, and pursue as applicable, appropriate legal remedies against offending Service Recipients in order to secure discontinuance of the contamination. All City costs of such action shall be recoverable from the offending Service Recipients. Contractor will coordinate with the City for the charging of contamination fees through the City's customer billing.

3.09 Container Overage and Correction Procedures. In the event that a Customer is found to habitually overflow their Collection Container(s), i.e. lid will not close, Contractor may take the steps as listed below to correct Customers' on-going overflow of material. Customers receiving Residential services will be notified of Collection overages. The process for customer overages, is as follows:

3.09.1 Overage and Correction Procedures. The following provisions will apply to all SFD Service Recipients.

3.09.1.1 Contractor shall provide the Service Recipients the correct combination of Collection Containers that matches each Service Recipient's unique service needs to enable clean, efficient, and cost-effective collection of Solid Waste, Recyclable Materials, and Organic Waste. City and Contractor agree that overflow of Solid Waste that is not properly in the Service Recipient's Solid Waste Collection Containers may negatively impact public health and safety. Contractor has also agreed to conduct recycling audits and provide outreach and support to Service Recipient accounts receiving the correct service level. However, in the event that Service Recipients are found to habitually overflow their Solid Waste Collection Containers, Contractor may take the steps as listed below to correct Service Recipient's on-going overflow of Solid Waste.

3.09.1.2 Prior Arrangements For Collection. If the Service Recipient has made prior arrangements with Contractor for collection of Solid Waste Overages, Contractor must collect such overages as arranged, and may charge the Service Recipient the Solid Waste Overage fee (prior arrangement).

3.09.1.3 If the Service Recipient has not made prior arrangements with Contractor for collection of Solid Waste Overage, Contractor may : (i) collect such Solid Waste Overage at no additional charge as a courtesy; (ii) not collect the Solid Waste Overage and leave a Non-Collection Notice explaining the reason for

non-collection of the Solid Waste Overage; or (iii) collect the Solid Waste Overage (up to two lifts) and charge the Service Recipient the Solid Waste Overage fee (no prior arrangement) rate set forth in Exhibit 1 as provided below, or increase the capacity or frequency of collection of the existing Collection Container(s) to match documented service needs as provided below. In managing Solid Waste Overages, the following apply:

3.09.2 Each Occurrence. For each occurrence Contractor will not collect the Solid Waste Overage if the Collection Container could not be serviced by normal operating procedures or cause spillage upon servicing and Contractor must provide the following written notice via e-mail, U.S. mail, or in person (which may be by Non-Collection Notice) to the Service Recipient: (i) the date, description and photograph of the Solid Waste Overage and document in Waste Reporting System. Contractor's Non-Collection Notice for SFD Service Recipients shall also contain instructions on (a) how to schedule a Large Item Collection or (b) request an additional Collection Container to eliminate future Overages.

3.10 Ownership of Materials. Except as provided otherwise under Applicable Law, title to Solid Waste will pass to Contractor at such time as said materials are placed in Contractor's Collection vehicle

3.11 Spillage and Litter. Contractor may not litter premises in the process of providing Collection Services or while its vehicles are on the road. Contractor must transport all materials Collected under the terms of this Agreement in such a manner as to prevent the spilling or blowing of such materials from Contractor's vehicles. Contractor must exercise all reasonable care and diligence in providing Collection Services so as to prevent spilling or dropping of Residential Waste, , Recyclable Materials, or Organic Materials and must immediately, at the time of occurrence, clean up such spilled or dropped Residential Waste, , Recyclable Materials, or Organic Materials.

3.11.1 Contractor is not responsible for cleaning up sanitary conditions caused by the carelessness of the Service Recipient; however, Contractor must clean up any material or residue that is spilled or scattered by Contractor or its employees.

3.11.2 Equipment oil, hydraulic fluids, spilled paint, or any other liquid or debris resulting from Contractor's operations or equipment repair must be covered immediately with an absorptive material and removed from the street surface. Contractor must document spillage in Waste Reporting System and notify City's stormwater compliance coordinator within two (2) hours of any spills resulting from Contractor's operations or equipment. When necessary, Contractor must apply a suitable cleaning agent and cleaning technique to the street surface to provide adequate cleaning as approved by the City's stormwater compliance coordinator to be compliant with the City's stormwater permit.

3.11.3 The above paragraphs notwithstanding, Contractor must clean up any spillage or litter caused by Contractor within two (2) hours upon notice from the City. If City deems necessary, Contractor must engage third-party environmental clean-up specialist to remove any equipment oil, hydraulic fluids, or any other liquid or debris that remains on street after Contractor's own clean-up efforts. If clean-up is not conducted to satisfaction of City, City has right to engage environmental clean-up specialist to perform additional clean-up work at the expense of Contractor.

3.11.4 To facilitate such cleanup, Contractor's vehicles must at all times carry sufficient quantities of petroleum absorbent materials along with a broom and shovel.

3.12 Regulations and Record Keeping. Contractor must comply with emergency notification procedures required by applicable laws and regulatory requirements. All records required by regulations must be

maintained at Contractor's facility. These records must include waste manifests, waste inventories, waste characterization records, inspection records, incident reports, and training records.

ARTICLE 4. Charges and Rates

4.01 Billing. The City, and not the Contractor, is responsible for the billing and collection of payments for all SFD Collection Services. Contractor will work directly with the City to develop a protocol for answering all Service Recipients billing questions.

4.02 Contractor Billing Account Information. The Contractor shall be responsible for providing the City with complete customer billing account and service level data for all Collection services provided by Contractor under this Agreement during the prior month, in an electronic format that is acceptable to the City. Each invoice shall be accompanied by an accounting, which sets forth Contractor's Gross Billings for all services provided during the preceding month in sufficient detail to allow for an independent recalculation of monies due to Contractor. This information will be provided on a monthly basis by the 15th day of the month for services provided by Contractor during the prior month. Any changes to the electronic format or submission date shall be expressly approved in writing by the City.

4.03 Contractor's Compensation. City will pay to the Contractor the *Collection Element* and reimburse Dispisal Element, Reyclable Materials Processing Element, and Organic Materials Processing Element of the approved service rates for collection services provided for the prior month. The City will pay the Contractor by the end of the month.

4.04 Termination of Service. Upon notification of termination of service from the City or the Service Recipient due to occupants vacating premises, Contractor is responsible for the immediate collection of Carts upon final Collection, within one business day, to ensure Carts do not disappear or are not taken for use by other Service Recipients. Contractor is responsible for replacing Carts lost due to Contractor's delay in retrieval. After utility service is discontinued at a vacant premises, City will notify the Contractor to collect the Carts. Contractor may then discontinue Solid Waste Collection service.

4.05 Initial Service Rates. The rates for the first Rate Year, beginning July 1 2023 through June 30, 2025, shall not exceed those set forth in **Exhibit 1.**

4.06 Adjustments to Service Rates Thereafter. Beginning on July 1, 2025, and annually thereafter, the City shall conduct an annual adjustment to the Maximum Service Rates as set forth in **Exhibit 1** to this Agreement. Each adjustment is to be approved by the City Council with good faith effort by June 1st of each year and will be effective on each subsequent July 1st. No adjustments beyond what is specifically called out in Section 4.07 through 4.18 shall be made except in the case of a Change in Law or City Directed Change.

4.07 Service Recipient Rate Elements. Service Recipient Rates shall consist of the following elements:

4.07.1 Collection Element,

4.07.2 Disposal Element,

4.07.3 Recyclable Materials Processing Element,

4.07.4 Organic Materials Processing Element,

4.07.5 City Fee Element (consisting of a Franchise Fee, Landfill Surcharge, AB 939 Support Fee, City Administrative Fee, Street Sweeping Fee, and other such elements as may be added by the City during the term of this Agreement).

4.08 City Approval of Maximum Service Rates. On or before April 30, 2025, and annually thereafter during the term of this Agreement, the City Representative shall notify Contractor of the adjustments to the affected Maximum Service rates to take place on the subsequent July 1st. City shall take action on any changes in the Maximum Service Rates in accordance with the City's Municipal Code.

4.09 CPI Adjustment Calculation. Beginning with Rate Year 2025, the CPI adjustment shall be the sum of the weighted percentage change in the 12-month average of each CPI index number between the base period, which shall be the prior preceding year ending March 31st, and the preceding year ending March 31st as contained in the most recent release of the CPI. Therefore, the first Rate Adjustment rate adjustment effective July 1, 2024 will be based on the percentage changes between the 12-month average of the CPI indices from March 2023 to March 2024.

4.10 Adjustment to Collection Element. Beginning on July 1, 2025, and annually thereafter during the term of this Agreement and conditioned on the approval of City Council, the Collection Element of the Service Recipient Rates set forth in **Exhibit 1** shall be adjusted by the CPI adjustment set forth in Section 4.09.

4.11 Adjustment to the Disposal Element The Disposal Element of the Service Recipient Rates will be adjusted at the same time as the CPI adjustment to CPI Adjustment Elements described in Section 4.09 above. The Disposal Fee calculated as the percentage change between the per-ton tip fee set by the Agua Mansa MRF on the prior March 31st and the tip fee that will be effective on July 1st rate adjustment date. Contractor must provide written documentation of any changes in the per ton tip fee at the Agua Mansa MRF as part of Rate Adjustment Application.

4.12 Adjustments to Recyclable Material Processing. The Recyclable Material Processing Element of the Service Recipient Rates will be adjusted at the same time as the CPI adjustment to Collection Element described in Section 4.10 above. The Recyclables Materials Processing Element is calculated as the percentage change between the per-ton tip fee set by the Agua Mansa MRF on the prior March 31st and the tip fee that will be effective on July 1st rate adjustment date. Contractor must provide written documentation of any changes in the per ton tip fee at the Agua Mansa MRF as part of Rate Adjustment Application.

4.13 Adjustments to Organic Waste Processing Element. The Organic Waste Processing Element of the Service Recipient Rates will be adjusted at the same time as the CPI adjustment to Collection Element described in Section 4.10 above. The Organic Waste Processing Element is calculated as the percentage change between the per-ton tip fee set by the Agua Mansa MRF on the prior March 31st and the tip fee that will be effective on March 31st rate adjustment date. Contractor must provide written documentation of any changes in the per ton tip fee at the Agua Mansa MRF as part of Rate Adjustment Application.

4.14 Extraordinary Adjustments. In addition to adjustments to the Maximum Service Rates made in accordance with Section 4.06, Contractor may petition City in writing in conjunction with the annual rate adjustment application but not more often than once during any Agreement Year, for an adjustment in the Maximum Service Rates in the event of unanticipated extraordinary changes in costs or receipts related to providing collection services

under this Agreement. However, such changes may not include circumstances within the control of Contractor, such as changes in the purchase price of new equipment, amounts reimbursed by insurance companies, rebates of any type, or inaccurate estimates by Contractor of its cost of operations.

Extraordinary rate adjustments will only be effective after approval by City Council and are initially in effect for one year and may not be applied retroactively. Each year thereafter, for renewal Contractor must demonstrate that conditions causing the original extraordinary adjustment to remain in effect.

Contractor's request must contain substantial proof and justification to support the need for the adjustment. For each request brought pursuant to this section, Contractor must prepare a schedule documenting the extraordinary costs and the calculation of the potential rate adjustment. Such request must be prepared in a form acceptable to City with support for assumptions made by Contractor in preparing the estimate.

City may request from Contractor such further information, as it deems necessary to fully evaluate the request and make its determination. City is entitled to a reimbursement of its costs in reviewing a request for an extraordinary adjustment. City will review Contractor's request and, in City's reasonable judgment, make the final determination as to whether an adjustment will be made, and, if an adjustment is permitted, the appropriate amount of the adjustment. Should the City find the adjustment request to be unreasonable or unjustifiable, the City has the right to refuse such adjustment request.

4.15 Performance Standards for Adjustments to Rates. To be eligible for an extraordinary adjustment under Article 4.18, Contractor must cure any material default under Article 22 of this Agreement for which City has provided notice to Contractor.

4.16 Procedures in Event of Invalidation of Rate Adjustment. In the event that City is unable by operation of Applicable Law to approve or implement a rate increase under this Article 4, or some or all of the Maximum Service Rates are disallowed by operation of Applicable Law, Contractor will have the right, within thirty (30) days after notice of any such inability to approve or invalidation of an approved rate increase, to request, in writing, that City negotiate in good faith regarding reductions in programs, services, or fees to compensate for any negative impact from the unapproved or invalidated rate increase. If City fails to commence negotiations in good faith or negotiations are not completed within forty-five (45) days following the date of receipt of Contractor's request, either party may terminate this Agreement no earlier than one hundred and eighty (180) days after written notice to the other.

ARTICLE 5. Diversion Guarantee

5.01 Contractor hereby guarantees that beginning July 1, 2023, it will implement the recycling programs described in Sections 7.07 and 7.08 within the City, which historically have achieved the diversion requirements under Public Resources Code § 41780(a)(2) ("Diversion Program") within jurisdictions similar to the City. Contractor will include the following as part of the Diversion Program:

5.01.1 Collect and deliver all Organic Waste generated at SFD premises to a City designated location, for processing and diversion.

5.01.2 Collect and deliver all Recyclables generated at SFD premises to the City designated Agua Mansa MRF, for recycle and recovery processing of that material.

5.01.3 Collect and deliver all Garbage generated at SFD premises to the City designated Agua Mansa MRF, for processing and diversion. Only residual materials that are not diverted will be delivered to landfill for disposal.

5.01.4 For all construction and debris ("C&D") material collected by Contractor, collect and deliver all such material that meets California requirements of 65% minimum diversion for processing and diversion.

5.01.5 Collect and deliver all material from temporary roll-off inert containers to the City designated Agua Mansa MRF, for processing and diversion.

5.01.6 Deliver all source-separated Recyclables to the the City designted Agua Mansa MRF, for processing and diversion.

5.01.7 Public education and outreach programs to encourage diversion. Such programs must be consistent with applicable law.

5.02 Warranties and Representations. Contractor warrants that it is aware of and familiar with City's waste stream, and that it has the ability to and will provide sufficient programs and services designed to ensure City will meet or exceed the diversion requirements as set forth in this Article 5, as well as the diversion requirements of the Applicable Laws (including, without limitation, amounts of Solid Waste to be diverted, time frames for diversion, and any other requirements) (including AB 939, AB 341, AB 1826, AB 1594, SB 1016, and SB 1383, and all amendments and related subsequent legislation), and that it will do so without imposing any costs or fees other than those set forth on **Exhibit 1**.

5.03 Mutual Cooperation. City and Contractor will reasonably cooperate in good faith with all efforts by each other to meet City's diversion and other compliance requirements imposed by AB 939, AB 341, AB 1826, AB 1594, SB 1016, and SB 1383 and other Applicable Laws, and to meet Contractor's obligations under this Article 5. In this regard, City's obligations include, without limitation, making such petitions and applications as may be reasonably requested by Contractor for time extensions in meeting diversion goals, or other exceptions from the terms of Applicable Laws, and to agree to authorize such changes to Contractor's Recycling, Organic Waste, or Solid Waste programs as may be reasonably requested by Contractor in order to achieve the minimum requirements of this Article 5.

5.04 Guarantee. Except for programs currently required by Applicable Law but not set forth in this Agreement, or programs Contractor is expressly instructed by City not to implement, or services which a Service Recipient refuses to accept, Contractor shall implement the diversion programs set forth in this Agreement such that: (i) Contractor and City will at all times be in compliance with the requirements of the Applicable Laws applicable to them including specifically AB 939, AB 341, AB 1826, AB 1594, SB 1016, and SB 1383, and (ii) City will meet or exceed the diversion requirements (including, without limitation, amounts of Solid Waste to be diverted, time frames for diversion, and any other requirements) set forth in this Article 5 and the Applicable Laws including AB 939, AB 341, AB 1826, AB 1594, SB 1016, and SB 1383, and all amendments thereto. In this regard Contractor agrees that it will, in addition to any other Agreement requirement, at its sole cost and expense:

5.04.1 Assist City in responding to inquiries from CalRecycle or any other regulatory agency;

5.04.2 Assist City in preparing for, and participating in, CalRecycle's biannual review of City's SRRE pursuant to Public Resources Code section 41825;

5.04.3 Assist City in applying for any extension, including under Public Resources Code section 41820, if so directed by City;

5.04.4 Assist City in any hearing conducted by CalRecycle, or any other regulatory agency, relating to City's compliance with the Applicable Laws including AB 939, AB 341, AB 1826, AB 1594, SB 1016, and SB 1383;

5.04.5 Assist City with the development and implemention of a public awareness and education program that is consistent with City's Source Reduction and Recycling Element (SRRE) guidelines and Household Hazardous Waste Element, as well as any related requirements of the Applicable Laws;

5.04.6 Provide City with Recycling, source reduction, and other technical assistance as may be needed to comply with the Applicable Laws including AB 939, AB 341, AB 1826, AB 1594, SB 1016, and SB 1383;

5.04.7 Be responsible for and pay, any fees, administrative charges or other costs imposed against City by CalRecycle, and indemnify and hold harmless City from and against any fines, administrative charges, or other liabilities, levied against it for violation of the diversion requirements, set forth in the Applicable Laws, including AB 939, AB 341, AB 1826, AB 1594, SB 1016, and SB 1383, or for violation of any other provision of the Applicable Laws, arising from or in any way related to Contractor's performance of its obligations under this Agreement.

ARTICLE 6. Service Units

6.01 Service Units. Service Units include all the following categories of premises which are in the Service Area as of July 1, 2023 and all such premises which may be added to the Service Area by means of annexation, new construction, or as otherwise set forth in this Agreement during term of this Agreement:

6.01.1 SFD Service Units. Services are specified in Article 7 below.

6.01.2 Any question as to whether a premise falls within one of these categories will be determined by the Agreement Administrator and the determination of the Agreement Administrator will be final.

6.01.3 Service Unit Changes. City and Contractor acknowledge that during the term of this Agreement it may be necessary or desirable to add or delete Service Units for which Contractor will provide Service.

6.01.4 Additions and Deletions. Contractor must provide services described in this Agreement to new Service Units in Contractor's Service Area within five (5) Work Days of receipt of notice from City or the new Service Unit to begin such Service.

6.02 Annexation. If during term of the Agreement, additional territory within or adjacent to the Contractor's Service Area is acquired by City through annexation, subject to the requirements of Public Resources

Code section 49520, Contractor agrees to provide Collection Services in such annexed area in accordance with the provisions and service rates set forth in this Agreement. Such Collection Services must begin within five (5) Work Days of receipt of written notice from City. Contractor may not begin Collection Service without written authorization from City.

6.03 Route Map Update. Contractor must revise the Service Unit route maps to show the addition of Service Units added due to annexation and must provide such revised maps to the Agreement Administrator as requested.

ARTICLE 7. SFD Collection Services

7.01 SFD Collection Services. The SFD Services are governed by the following terms and conditions:

7.01.1 Conditions of Service. Contractor must provide SFD Collection Service to all SFD Service Units in the Service Area whose SFD Solid Waste is properly containerized in Garbage Carts, Recyclable Materials are properly containerized in Recycling Carts, except as set forth in Section 7.07.1; Organic Wastes are properly containerized in Organic Waste Carts, except as set forth in Sections 7.08.4, where the Garbage, Recycling, and Organic Waste carts have been placed within three (3) feet of the curb, swale, paved surface of the public roadway, closest accessible roadway, or other such location agreed to by Contractor and Service Recipient, that will provide safe and efficient accessibility to Contractor's Collection crew and vehicle. The standard level for an SFD Service Unit shall be approximately one (1) 96-gallon Garbage Cart, one (1) 96-gallon Recycling Cart, and one (1) 96-gallon Organic Waste Cart. Contractor shall provide all Carts necessary to provide SFD Collection Service to all SFD Service Units.

7.02 On-Premises Service. Notwithstanding any term or definition set forth in this Agreement, Contractor must provide on-premises Collection of SFD Solid Waste, Recyclable Materials, and Organic Waste to an SFD Service Unit as follows:

7.02.1 At no additional cost to the SFD Service Unit:

7.02.1.1 SFD Service Units where all adult Service Recipients residing therein have disabilities that prevent them from setting their Garbage, Recycling or Organic Waste Cart at the curb for Collection, and if a request for on-premises service has been made.

7.02.1.2 SFD Service Units where topography, steep driveways, below grade dwellings, or limited access to public streets that prevents the SFD Service Recipient from setting their Garbage, Recycling or Organic Waste Cart at the curb for Collection, as determined by the City and agreed by the Contractor, and if a request for on-premises service has been made.

7.02.2 SFD Service Units inaccessible by standard 3 or 4 axel collection vehicles as determined by the Contractor and agreed by the City at an additional cost to the SFD Service Unit:

7.02.2.1 Contractor must offer "push services" and "stinger/scout truck services" to SFD Service Recipients other than those listed above on a subscription basis upon request for the Service Rate set forth in **Exhibit 1**. Push services include, but are not limited to, dismounting from the Collection vehicle, moving the Collection Containers from their storage location for Collection and returning the Collection Containers back to their

storage location. Stinger/scout truck services provide for the retrieval of Collection Containers from locations with accessibility constraints that make Containers difficult or impossible to access using regular trash collection trucks.

7.02.3 Collection Day. Contractor must provide on-premises Collection Service on the same Work Day that curbside Collection would otherwise be provided to the SFD Service Unit.

7.03 Frequency and Scheduling of Service. Except as set forth in Sections 7.07 and 7.08, SFD Collection Service must be provided one (1) time per week on a scheduled route basis. SFD Collection Service must be scheduled so that all Service Units receive Solid Waste Collection Service, Recycling Collection Service, and Organic Waste Collection Service on the same Work Day.

7.04 Hour and Days of Collection. SFD Collection Service must be provided, commencing no earlier than 5:30 a.m. and terminating no later than 6:00 p.m., Monday through Friday, except for Holidays in accordance with Section 3.05. The hours, day, or both of Collection may be extended due to extraordinary circumstances or conditions with the prior verbal or written consent of the Agreement Administrator.

7.05 Manner of Collection. The Contractor must provide Collection Service with as little disturbance as possible and must leave any Garbage, Recycling or Organic Waste Cart in an upright position at the same point it was Collected without obstructing alleys, roadways, driveways, sidewalks or mail boxes.

7.05.1 Contractor's employees providing Collection Service must follow the regular walkway for pedestrians while on private property and may not trespass nor cross property to the adjoining premises unless the occupant or owner of both properties has given permission. Care should be taken to prevent damage to property, including flowers, shrubs, and other plantings.

7.05.2 Replacement of Carts. Contractor's employees must take care to prevent damage to Carts by unnecessary rough treatment. However, any Cart damaged by the Contractor must be replaced by Contractor, at Contractor's expense, within two (2) service days at no cost or inconvenience to the Service Recipient.

7.05.2.1 Upon notification to Contractor by City or a Service Recipient that the Service Recipient's Cart(s) has been stolen or damaged beyond repair through no fault of Contractor, Contractor must deliver a replacement Cart(s) to such Service Recipient within five (5) Work Days. Contractor must maintain records documenting all Cart replacements occurring and report through the Waste Reporting System monthly.

7.05.2.2 Each Service Recipient is entitled to the replacement of one (1) lost, destroyed, or stolen Cart every ten (10) years during the life of this Agreement at no cost to the Service Recipient. Except in the case of a Cart that must be replaced because of damage caused by Contractor or in the case where Contractor elects to replace a Cart rather than repair it on-site, Contractor will be compensated for the cost of those replacements in excess of one (1) per type of Cart per Service Recipient during the term of the Agreement, in accordance with the "Cart Exchange" Service Rate set forth in **Exhibit 1** , or as may be adjusted by the City from time to time as provided under this Agreement.

7.05.2.3 Contractor understands and agrees that this provision is intended to be applied on a per Cart type, individual Service Recipient basis and accordingly each Service Recipient could receive up to three (3) replacement Carts, one (1) of each type, every ten (10) years during the term of the contract.

7.05.2.4 Contractor must comply with CalRecycle container color requirements as defined under SB 1383 at the start of this Agreement. If any such changes are adopted after the Effective Date that results in Contractor being required to replace Collection Containers before they have been fully depreciated, Contactor will be eligible for additional compensation in accordance with Section 4.14.

7.05.3 Repair of Garbage, Recycling and Organic Waste Carts. Contractor is responsible for the repair of Carts, including but not be limited to, hinged lids, wheels and axles, whether or not notice is provided by the City. Within two (2) service days of notification by the City or a Service Recipient of the need for such repairs, Contractor must repair the Cart or if necessary, remove the Cart for repairs and deliver a replacement Cart to the Service Recipient.

7.05.4 Cart Exchange. Upon notification to Contractor by City or a Service Recipient that a change in the size of a Cart is requested, Contractor must deliver such Cart to such Service Recipient within two (2) service days. in accordance with the "Cart Exchange" service rate as set forth in **Exhibit 1** or as may be adjusted this Agreement.

7.05.5 Additional Cart Request. Upon notification to the Contractor by City or a Service Recipient that additional Carts for Garbage, Recyclable Materials, or Organic Waste are requested, Contractor shall deliver such Carts to such Service Recipient within two (2) service days, at the rate set forth in **Exhibit 1**.

7.05.6 Ownership of Carts. Ownership of Carts is vested in the Contractor.

7.06 SFD Solid Waste Collection Service. This service is governed by the following terms and conditions:

7.06.1 Non-Collection. Contractor is not required to Collect any Residential Solid Waste that is not placed in a Garbage Cart. In the event of non-collection, Contractor will follow the steps set forth in Section 3.10.

7.06.2 Disposal Facility. Except as set forth below, all Residential Solid Waste Collected as a result of performing Solid Waste Collection Services must be transported to, and disposed of, at the Disposal Facility. In the event the Disposal Facility is closed on a Work Day, Contractor must transport and dispose of the Residential Solid Waste at another legally permitted disposal facility. Failure to comply with this provision will result in the levy of an administrative charge as specified in this Agreement and may result in the Contractor being in default under this Agreement.

7.07 SFD Recycling Service. This service is governed by the following terms and conditions:

7.07.1 Recycling - Improper Procedure. The Contractor is not required to Collect Recyclable Materials cart if the Service Recipient does not segregate the Recyclable Materials from Solid Waste or Organic Waste. Furthermore, Contractor is not required to Collect Recyclable Materials that are contaminated through commingling with Solid Waste or Organic Waste. To address contamination, Contractor must follow the steps set forth in Section 3.08.

7.07.2 Materials Recycling Facility. Except as provided in Section 3.08, all Recyclable Materials Collected as a result of performing recycling services must be delivered to the

Materials Recycling Facility. Failure to comply with this provision will result in the levy of an administrative charge as specified in Exhibit 8 and may result in Contractor being in default under this Agreement.

7.07.3 Recycling - Changes to Services. Should changes in Applicable Law arise that necessitate any additions or deletions to the services described in this Section 7.07, including the type of items included as Recyclable Materials, the parties will negotiate any necessary cost changes and will enter into an Agreement amendment covering such modifications to the services to be performed and the compensation to be paid in accordance with Section 4.18 before undertaking any changes or revisions to such services.

7.08 SFD Organic Waste Collection Service. This service is governed by the following terms and conditions:

7.08.1 Organic Waste Processing Services. Contractor must ensure that all Organic Waste Collected pursuant to this Agreement is diverted from the landfill in accordance with AB 939, AB 1826, AB 1594, SB 1016 and SB 1383, and any subsequent or other Applicable Law. Contractor must ensure that the Organic Waste Collected pursuant to this Agreement is not disposed of in a landfill, except for residue resulting from processing. If the organics processing facility accepts bagged organic waste (where bags are biodegradable or otherwise), then Contractor is obligated to accept bagged Organic Waste.

7.08.2 Organic Waste Processing Facility. Contractor must deliver all Collected Organic Waste to a fully permitted Organic Waste Processing Facility or a fully permitted Organic Waste transfer station, that has been agreed upon by the City. All expenses related to Organic Waste processing and marketing will be the sole responsibility of Contractor. The City's designated Organic Waste Processing Facility is the Agua Mansa MRF.

7.08.3 Holiday Tree Collection. Contractor must Collect Holiday Trees set out at the curb for Collection during the three-week period beginning January 2nd each year during the term of this Agreement. Contractor must deliver the Collected Holiday Trees to an appropriate facility for processing. This annual service will be provided at no additional charge to the Service Recipient. Contractor is not required to divert Holiday Trees with tinsel, flocking or ornaments.

7.08.4 Non-Collection. Contractor is not required to Collect Organic Waste if the Service Recipient does not segregate the Organic Waste from Solid Waste or Recyclable Materials. Furthermore, Contractor is not required to Collect Organic Wastes that are contaminated through commingling with Solid Waste or Recyclable Materials. Contractor will address contamination in accordance with Section 3.08.

7.09 SFD Large Item Collection Service. This service is governed by the following terms and conditions:

7.09.1 Conditions of Service. Contractor must provide Large Item Collection Service to all SFD Service Units in the Service Area whose Large Items have been placed within three (3) feet of the curb, swale, paved surface of the public roadway, closest accessible roadway, or other such location agreed to by Contractor and Service Recipient, that will provide safe and efficient accessibility to

Contractor's Collection crew and vehicle. Up to two (2) times per Calendar Year each Service Recipient is entitled to receive large item disposal amounting to a combined annual maximum of the equivalent of (a) 1.5 cubic yards of uncontainerized Solid Waste, or (b) six (5) large items, or (c) ten (10) 32-gallon bags at no additional cost and expense. For subsequent collection in any Calendar Year, the Contractor shall receive compensation from the customer at the rate for such service as set in **Exhibit 1**.

7.09.2 Frequency of Service. Large Item Collection Service will be provided on the next regular Collection day if the request is received at least thirty to forty-five (30-45) Work Days in advance of the next regular Collection day. The Service Recipient may not intentionally commingle residential Large Items with other Residential Waste.

7.09.3 Large Items Containing Freon. In the event Contractor Collects Large Items that contain Freon, Contractor must handle such Large Items in a manner such that the Large Items are not subject to regulation as hazardous waste under applicable State and Federal laws or regulations.

7.09.4 Maximum Reuse and Recycling. Contractor must dispose of Large Items collected from Service Units pursuant to this Agreement in accordance with the following hierarchy:

7.09.4.1 Reuse as is (where energy efficiency is not compromised)

7.09.4.2 Disassemble for reuse or Recycling

7.09.4.3 Recycle

7.09.4.4 Disposal

7.09.5 Disposal of Large Items. Contractor may not landfill such Large Items unless the Large Items cannot be reused or recycled.

7.09.6 City Direction of Large Items. City reserves the right to direct Contractor to take specific types of Large Items Collected pursuant to this Section to designated sites not more than twenty (20) miles from City Hall for the purpose of reuse or recycling at no cost. Contractor has no obligation to dispose of the Large Item residue remaining at the directed site or sites after scavengers and recyclers have removed reusable or recyclable Large Items

7.10 Construction and Demolition Debris and Other Temporary Collection Service. Contractor must provide SFD Service Units with Construction and Demolition Debris and Other Temporary Collection Service with as little disturbance as possible and without obstructing alleys, roadways, driveways, sidewalks, or mail boxes. Contractor may only place Roll-off Containers in strict adherence with City's right-of-way requirements and Municipal Code.

7.10.1 This service is governed by the following terms and conditions:

7.10.1.1 Conditions of Service. Upon request of an SFD Service Unit, Contractor must provide Construction and Demolition Debris and Other Temporary Collection Service on a temporary on-call basis.

7.10.1.2 Charges for Bins or Roll-off Containers will be in accordance with **Exhibit 1**.

7.10.2 Frequency of Service. Construction and Demolition Debris and Other Temporary Collection Service must be provided within seven (7) Work Days of receipt of the request.

ARTICLE 8. Collection Routes

8.01 Service Routes. Contractor must provide City with maps precisely defining Collection routes, together with the days and the times at which Collection will regularly commence.

8.02 Service Route Changes. Contractor must submit to City, in writing, any proposed route change (including maps thereof) not less than forty-five (45) calendar days prior to the proposed date of implementation. Contractor may not implement any route changes without the prior approval of the Agreement Administrator. If the change will change the Collection day for a Service Recipient, Contractor must notify those Service Recipients in writing of route changes not less than fifteen (15) days before the proposed date of implementation.

8.02.1 Collection Route Audits. City reserves the right to conduct audits of Contractor's Collection routes. Contractor must cooperate with City in connection therewith, including permitting City employees or agents, designated by the Agreement Administrator, to ride in the Collection vehicles in order to conduct the audits. Contractor has no responsibility or liability for the salary, wages, benefits, or worker compensation claims of any person designated by the Agreement Administrator to conduct such audits.

ARTICLE 9. Minimum Performance Standards

9.01 Minimum Performance Standards. Contractor must meet or exceed the following annual minimum performance standards in each Calendar Year beginning on the Effective Date.

9.01.1 Performance Standards. Contractor must not have received assessment of Administrative Charges, as set forth in this Agreement more than $50,001 in any one (1) Agreement Year.

9.01.2 Meet Diversion Requirement. Contractor must meet the requirements set forth in Article 5.

9.01.3 No Current Default. Contractor must not be currently in default of any material term of the Agreement.

9.02 Billing Audit and Performance Reviews.

9.02.1 Selection and Cost. City may conduct billing audit and performance reviews ("reviews") of Contractor's performance at any time, and with any degree of frequency as may be decided by City in its own discretion during the term of this Agreement, but in no case shall the City conduct more than one billing audit or performance review in each consecutive year of the Term. Notwithstanding the foregoing, City may conduct more than one billing audit or performance review annually if Contractor is not in compliance with the material terms and conditions of this Agreement. The reviews may be performed by

a qualified firm under Agreement to City. City will have the final responsibility for the selection of the firm but may seek and accept comments and recommendations from Contractor. Contractor is only required to share in the cost of these reviews as provided in Sections 9.02.2 and 9.02.4 below; otherwise City shall pay the full cost of the review.

9.02.1.1 Full Reviews During Initial Term. City may conduct three (3) full reviews during the fifteen (15) years of this Agreement in years choosen at City's discretion. The purpose of these full reviews will be as described in Section 9.02.2 below. For each of these full reviews, Contractor will be responsible up to **Seventy-Five Thousand dollars ($75,000)** per review. This amount is adjusted annually starting July 1, 2024 by the same CPI adjustment methodology as used to adjust the Service Rates laid out in Section 4.09.

9.02.1.2 Full Review Post-Initial Term; Cost Shared by Contractor. City may conduct a full review at Contractor's expense every two (2) years, or each Term Extension period, following the fifteen (15) year period from the Effective Date Term. For each of these full reviews, Contractor will be responsible up to **Seventy-Five Thousand ($75,000)** dollars per review. This amount is adjusted annually starting July 1, 2024 by the same CPI adjustment methodology as used to adjust the Service Rates laid out in Section 4.09.

9.02.2 Purpose. The reviews will be designed to verify that Service Recipient billing rates have been properly calculated and they correspond to the level of service received by the Service Recipient, verify that Franchise Fees, and other fees required under this Agreement have been properly calculated and paid to City, verify Contractor's compliance with the reporting requirements and performance standards of the Collection Service Agreement, and verify Contractor has taken the required actions to achieve compliance with the Diversion Requirement. City (or its designated consultant) may utilize a variety of methods in the execution of the performance review and billing audit, including analysis of relevant documents, on-site and field observations, and interviews. City (or its designated consultant) will review and document the items in the Agreement that require Contractor to meet specific performance standards, submit information or reports, perform additional services, or document operating procedures, that can be objectively evaluated. This information will be formatted in a "compliance checklist" with supporting documentation and findings tracked for each of the identified items. The review will specifically include a determination of Contractor's compliance with the Diversion Requirement as provided in Article 5, and the public outreach and education requirements of Article 12. City (or its designated consultant) may review the Service Recipient's service functions and structure utilized by Contractor. This may include Contractor's protocol for addressing Service Recipient's complaints and service interruption procedures. Complaint logs may be reviewed, along with procedures and systems for tracking and addressing complaints. On-site and field observations by City (or its designated consultant) may include, but are not necessarily limited to:

9.02.2.1 Interviews and discussions with Contractor's administrative and management personnel;

9.02.2.2 Review and observation of Contractor's customer service functions and structure;

9.02.2.3 Review of public education and outreach materials;

9.02.2.4 Interviews and discussions with Contractor's financial and accounting personnel;

9.02.2.5 Interviews with route dispatchers, field supervisors, and managers;

9.02.2.6 Interviews with route drivers;

9.02.2.7 Interviews with vehicle maintenance staff and observation of maintenance practices; and

9.02.2.8 Review of on-route collection services, including observation of driver performance and collection productivity and visual inspection of residential routes before and after collection to evaluate Can/Cart placement and cleanliness of streets.

9.02.3 Contractor's Cooperation. Contractor must cooperate fully with the review and provide all requested data, including operational data, financial data of the type described in Section 14.01, and other data reasonably requested by City within thirty (30) Work Days.

9.02.4 Additional Billing Audit and Performance Review. In the event that the Billing Audit and Performance Review concludes that Contractor is not in compliance with all terms and conditions of this Agreement and such non-compliance is material, City may conduct an Additional Billing Audit and Performance Review to ensure that Contractor has cured any such area of non-compliance. Contractor will be responsible for one hundred percent (100%) of the reasonable cost of any such Additional Billing Audit and Performance Review, up to a maximum cost of **Seventy-Five Thousand Dollars ($75,000)** starting on July 1, 2023 and each July 1st thereafter, the maximum cost for the review will be adjusted by the CPI adjustment as calculated in Section 4.09.

9.03 City Requested Program Review. City reserves the right to require Contractor to periodically conduct reviews of the Collection Services programs, provided that such reviews are reasonable and can be accomplished at no additional cost to Contractor and without interfering with Contractor's operations. Such reviews could assess one or more of the following performance indicators: average volume of Recyclable Materials per setout per Service Recipient, average volume of Green Waste and/or Food Waste per setout per Service Recipients, participation level, contamination levels, etc. Prior to the program evaluation review, City and Contractor will meet and discuss the purpose of the review and agree on the method, scope, and data to be provided by Contractor.

9.04 Cooperation with Other Program Reviews. If City wants to collect program data, perform field work, conduct route audits to investigate Service Recipient participation levels and setout volumes and/or evaluate and monitor program results related to Garbage, Recyclable Materials and Organic Waste collected in City by Contractor, Contractor must cooperate with City or its agent(s) as reasonably requested by City, provided that such cooperation can be accomplished at no additional cost to Contractor and without interfering with Contractor's operations.

ARTICLE 10. Collection Equipment

10.01 Equipment Specifications.

10.01.1 General Provisions. All equipment used by Contractor in the performance of services under this Agreement must be of a high quality and comply with all Applicable Laws and meet or exceed all applicable air quality standards, including all applicable provisions of South Coast Air Quality

Management District Rule 1193. The vehicles must be designed and operated so as to prevent Collected materials from escaping from the vehicles. Hoppers must be closed on top and on all sides with screening material to minimize Collected materials from leaking, blowing, or falling from the vehicles. All trucks and containers must be leak resistant and must be operated to minimize spillage of liquids during Collection or in transit.

10.01.2 Large Items. Vehicles used for Collection of Large Items may not use compactor mechanisms or mechanical handling equipment that may damage reusable goods or release Freon or other gases from pressurized appliances.

10.01.3 Collection Vehicles. Contractor shall ensure that by July 1, 2026, all vehicles used by Contractor for Collection pursuant to this Agreement shall have a new or like new operating condition and meet applicable clean air standards. On or before July 1, 2026, vehicles used for Collection of Carts shall be fully-automated except where such service is not feasible because of topographic or other physical factors as approved by the Agreement Administrator. After July 1, 2026, if a vehicle fails to remain in good operating condition, as demonstrated by the failure to pass vehicle inspection requirements as otherwise provided in this Agreement and if deemed in violation of clean air standards of an applicable regulatory agency, Contractor must replace each such Collection vehicle with a new or like new Collection vehicle. Use of a non-compliant vehicle shall be considered a material breach of this Agreement. The Agreement Administrator may approve variances to this provision as requested by Contractor on a case by case basis and upon clear evidence that a vehicle remains in superior operational condition, is safe, has passed a vehicle re-inspection, its appearance is acceptable, and any violation of any clean air standards or any Applicable Laws is cured by Contractor.

10.01.4 Collection Vehicle Size Limitations / Overweight Vehicle Charge. Contractor may not use any Collection vehicle in violation of weight limitations set forth in Applicable Law. Contractor must report all instances of overweight vehicles to City on a monthly basis as part of its monthly City Reports submittal described in Section 14.02.1.1. Contractor may be assessed administrative charges as set forth in Section 10 as a result of exceeding an overweight vehicle rate of ten percent (10%) in any month during the term of the Agreement. The overweight vehicle rate will be calculated as the total number of overweight collection vehicle instances during each month, divided by the total number of collection vehicle loads transported during the same corresponding month. Prior to collecting administrative charges for overweight vehicles, the City shall afford Contractor a reasonable opportunity to provide the Agreement Administrator documentation of the extraordinary circumstance that caused the overweight vehicles. Extraordinary circumstances in this particular case include, but may be limited to, heavy rains or high winds that caused excess Green Waste to be generated, rain to accumulate in open Collection Containers, or normal Collection routes to be delayed or shortened to extreme weather conditions. The Agreement Administrator shall have authority to consider Contractor's documentation and uphold and collect the assessed charge, to reduce the charge, or waive and dismiss the charge. The Agreement Administrator shall also have the authority to waive charges in advance of an anticipated, or in response to an actual, emergency event.

10.01.5 Registration; Inspection. All vehicles used by Contractor in providing Collection Services under this Agreement, except those vehicles used solely on Contractor's premises, are to be registered with the California Department of Motor Vehicles. In addition, each such vehicle must be inspected by the California Highway Patrol in accordance with Applicable Law. Within two (2) Work Days of a request from the Agreement Administrator, Contractor must provide City a copy of its vehicle maintenance

log and any safety compliance report, including, but not limited to, any report issued under California Vehicle Code sections 34500 and following, as well as the biennial "BIT" inspections conducted by the California Highway Patrol.

10.01.6 Safety Markings. All Collection equipment used by Contractor must have appropriate safety markings including, but not limited to, highway lighting, flashing and warning lights, and clearance lights. All such safety markings must be in accordance with the requirements of the California Vehicle Code, as may be amended from time to time.

10.01.7 Vehicle Signage and Painting. Collection vehicles must be painted and numbered without repetition and must have Contractor's name, Contractor's customer service telephone number, and the number of the vehicle painted in letters of contrasting color, at least four (4) inches high, on each side and the rear of each vehicle. No advertising is permitted other than the name of Contractor, its logo and registered service marks except promotional advertisement of the Recyclable Materials and Organic Waste programs. Contractor must repaint all vehicles (including vehicles striping) during the term of this Agreement on a frequency as necessary to maintain a positive public image as reasonably determined by the Agreement Administrator,. In the event that City notifies Contractor of vehicles that warrant painting, Contractor shall repaint identified vehicles within sixty (60) days following notice from City.

10.02 Vehicle Certification. For each Collection vehicle used in the performance of services under this Agreement, Contractor must obtain a certificate of compliance (smog check) issued pursuant to California Health and Safety Code (section 43000 et seq., and regulations promulgated thereunder and/or a safety compliance report issued pursuant to California Vehicle Code section 34500 et seq., and the regulations promulgated thereunder, as applicable to the vehicle). Contractor must maintain copies of such certificates and reports and must provide copies of such certificates and reports to the Agreement Administrator when received by Contractor. Contractor may not use any vehicle that does not pass such inspection.

10.02.1 Annual Heavy Duty Vehicle Inspection. Contractor must cause each vehicle in Contractor's Collection fleet to be tested annually in the California Heavy Duty Inspection Program and must provide copies of the inspection report or verification the vehicle was inspected and passed to the Agreement Administrator. Contractor may not use any vehicle that does not pass such inspection.

10.03 Equipment Maintenance. Contractor must maintain Collection equipment in a clean condition and in good repair at all times. All parts and systems of the Collection equipment must operate properly and be maintained in a condition satisfactory to City. Contractor must wash all Collection vehicles at least once per week.

10.04 Maintenance Log. Contractor must maintain a maintenance log for all Collection vehicles. The log must at all times be accessible to City by physical inspection upon request of Agreement Administrator, and must show, at a minimum, each vehicle's Contractor assigned identification number, date purchased or initial lease, dates of performance of routine maintenance, dates of performance of any additional maintenance, and description of additional maintenance performed.

10.05 Equipment Inventory. On or before July 1, 2023, and each July 1st through the Term of this Agreement, Contractor must provide to City an inventory of Collection vehicles and major equipment used by Contractor for Collection or transportation and performance of services under this Agreement. The inventory must indicate each Collection vehicle by Contractor assigned 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 by type, the date

of acquisition, the decibel rating and the maintenance and rebuild status. Contractor must submit to the Agreement Administrator, either by fax or e-mail, an updated inventory each Calendar Year to the City or more often at the request of the Agreement Administrator. Each vehicle inventory must also include the tare weight of each vehicle. Each vehicle inventory must be accompanied by a certification signed by Contractor that all Collection vehicles meet the requirements of this Agreement.

10.06 Reserve Equipment. Contractor must have available to it, at all times, reserve Collection equipment which is SCAQMD compliance and which can be put into service and operation within one (1) hour of any service interruption. Such reserve equipment must correspond in size and capacity to the equipment used by the Contractor to perform the Agreementual duties.

ARTICLE 11. Contractor's Office

11.01 Contractor's Office. Contractor must maintain an office where complaints can be received. Such office must be equipped with sufficient telephones that all Collection Service related calls received during normal business hours are answered by an employee within five (5) rings, and must have responsible persons in charge during Collection hours and must be open during such normal business hours, 8:00 a.m. to 5:00 p.m. on Monday through Friday. Contractor must provide either a local or toll-free telephone number, and a telephone answering service or mechanical device to receive Service Recipient inquiries during those times when the office is closed. Calls received after normal business hours must be addressed the next Work Day morning.

Contractor shall keep records of all Service Recipient's calls for at least five (5) years, collected on a Calendar Year cycle. The Contractor must include the type of call (Complaint, compliment, Other), a summary of the call the time and date of the call, and if a complaint was made, the resolution to the complaint. A record of each month's calls will be reported as part of the monthly report, as part of Section 14.03.2.6 of this Agreement. A record of each year's calls will be reported as a part of the Annual Report, as defined in Section 14.04.2.6 of this Agreement. These records will also be made available to the City upon request, as pursuant to Section 14.01.1.1 of this Agreement.

11.01.1 Emergency Contact. Contractor must provide the Agreement Administrator with an emergency phone number where the Contractor can be reached outside of the required office hours.

11.01.2 Multilingual/TDD Service. Contractor must at all times maintain the capability of responding to telephone calls in English and such other languages as City may direct. Contractor must at all times maintain the capability or responding to telephone calls through Telecommunications Device for the Deaf (TDD) Services.

11.01.3 Service Recipient Calls. During office hours, Contractor must maintain a telephone answering system capable of accepting at least fifteen (15) incoming calls at one time. Contractor must record all calls including any inquiries, service requests and complaints into a customer service log.

11.01.3.1 All incoming calls will be answered within five (5) rings. Any call "on-hold" in excess of one and one-half (1.5) minutes must have the option to remain "on-hold" or request a "call-back" from a customer service Agreement Administrator. Contractor's customer service representatives must return Service Recipient calls. For all messages left before 3:00 p.m., all "call backs" must be attempted a minimum of one time prior to 6:00 p.m. on the day of the call. For messages left after 3:00 p.m., all "call backs" must be attempted a minimum of one time prior to noon the next Work Day. Contractor must make minimum of three (3) attempts within

twenty-four hours of the receipt of the call. If Contractor is unable to reach the Service Recipient on the next Work Day, Contractor must send a postcard to the Service Recipient on the second Work Day after the call was received, indicating that the Contractor has attempted to return the call.

ARTICLE 12. Contractor Support Services

12.01 Public Outreach, Education Services and Sustainability Work Plan. Contractor, at its own expense, must prepare, submit, and implement an annual (Calendar Year) Public Outreach, Education Services Sustainability Plan (the "Plan") in addition to any plan prepared by City. To the extent reasonable, Contractor will work to modernize its public outreach and education services throughout the term of this Agreement by providing outreach materials to Service Recipients electronically (e.g., via email). City staff will work collaboratively with Contractor in Contractor's annual development of the Plan. The Plan will guide the work efforts of Contractor's staff. The initial Plan is attached to this Agreement as **Exhibit 6**. This Plan is designed to increase Service Recipients awareness and participation in increasing diversion of Solid Waste and should target certain Recyclable Materials or "problem" areas of Contractor's Service Area where improvements can be maximized. Targets of outreach should be based on local trends and recycling patterns based on information obtained by both the Agreement Administrator and Contractor staff. The parties will make good faith efforts to complete each annual Work Plan by July 1st. Contractor will not be required to expend more than **Fifty Thousand Dollars ($50,000)** per year (as adjusted annually by the CPI Adjustment), for matters described in this Article 12.

12.02 Sustainability and Compliance Plan. Contractor's Sustainability and Compliance Plan is outlined in **Exhibit 6**. The proposed implementation plan must be submitted annually for City approval no later than July 1st for the next Calendar Year.

12.03 Sustainability Representative. The Contractor will collaborate with City staff to make available reasonable use of one or more Contractor representatives to assist City in meeting requirements of the California Integrated Waste Management Act (IWMA) of 1989. On an annual basis, Contractor will make an individual available as needed to implement, in cooperation with the City, Recycling programs in the Service Area on an average of approximately two days a week.

12.03.1 Website. Contractor will maintain a website that describes and promotes the use of the available Recycling services. The Contractor will consult, collaborate and coordinate its activities with the City regarding Recycling programs so that the City is fully informed and provided as opportunity for input to the Contractor's Recycling programs.

12.03.2 Outreach Activities. On an annual basis the Contractor will coordinate Recycling and Organic Waste education and outreach programs for Residential Service Recipients, in conformance with Applicable Laws, in coordination with the City. This program will consist of the following:

12.03.2.1 Contractor will attend public events and host booths to promote recycling education and awareness. Contractor will work with City to identify which special events will be attended.

12.03.2.2 Contractor to distribute educational material to Service Recipients on a quarterly basis. Examples include recycling tips, battery and bulb education, proper Can/Cart placement, resource information, and HHW education. This material will be mailed or electronically transmitted to Service Recipients.

12.03.2.3 Service Recipients will have access to Contractor's local website to find information specific to the City's programs. The Contractor will ensure that information provided on the website is maintained and up-to-date. This content will include proper container set out, educational materials, newsletters, and program descriptions. Service Recipients will also have the ability to use Contractor's web-based service request system.

12.03.2.4 Contractor, in collaboration with City, will work with local media to ensure information is communicated to the community (new programs, events, recycling information, etc.).

12.03.2.5 Contractor to use options, such as; local Paper, News, Websites, Home Owners Associations (HOA), and Civic Groups.

12.03.2.6 Contractor will assist the City in supporting Food Waste and Green Waste diversion surveys and programs.

12.03.3 News Media Requests. Contractor will notify the Agreement Administrator by fax, e-mail, or phone of all requests for news media interviews related to the services covered under this Franchise Agreement within twenty-four (24) hours of Contractor's receipt of the request. When practicable, before responding to any inquiries involving controversial issues or any issues likely to affect participation or Service Recipient's perception of services, Contractor will discuss Contractor's proposed response with the Agreement Administrator.

12.03.3.1 Copies of draft news releases or proposed trade journal articles that use the name of City or relate to the services provided hereunder must be submitted to the Agreement Administrator for prior review and approval at least five (5) working days in advance of release, except where Contractor is required by any law or regulation to submit materials to any regulatory agency in a shorter period of time, in which case Contractor must submit such materials to City simultaneously with Contractor's submittal to such regulatory agency.

12.03.3.2 Copies of articles resulting from media interviews or news releases that use the name of City or relate to the services provided hereunder must be provided to the City within five (5) days after publication.

12.04 Clean-Up Days Events. Contractor shall provide Collection Services at Clean-Up Days Events at a maximum of once (1) per quarter upon request by City. Each event shall occur on a Saturday between the hours of 8:00 a.m. and 12:00 p.m. at a location selected by the City and shall be limited to SFD Service Recipients within the City. The Agreement Administrator shall notify Contractor in writing or e-mail not less than eight (8) weeks prior to the date of the Clean-Up Days Event. The services shall be provided in a manner that meets all needs of the Clean-Up Days Event. The events shall be conducted by Contractor at no cost of any kind to the City. Contractor shall provide staffing to support City management at all times during the Clean-Up Days Events.

12.04.1 Contractor shall assist in the preparation and distribution of SFD Service Recipients Clean-Up Days Event notices no later than six (6) weeks prior to each event. At a minimum, the dates and hours of operation, locations of the collection sites, and acceptable materials for collection shall be included in the notices. Contractor may separately mail electronically transmit the notices, or provide the notices as billing inserts to each SFD Service Recipient. Contractor shall provide Spanish-translated notices upon request by the City. The costs of production, printing, mailing and all associated costs for the notices shall be borne by Contractor. Contractor shall also provide their information in digital format to the City.

12.04.2 Contractor shall require that each SFD Service Recipient turn in the notice to Contractor's staff at the collection site as proof of City residency as a condition to collection.

12.04.3 On the first (1) Working Day following each Clean-Up Days Event, Contractor shall remove and clean up any remaining materials left for collection.

12.05 Free Paper Shredding Events. Four (4) times per year, concurrent with a Clean-Up Days Event, at no additional cost to CITY or its residents, CONTRACTOR will conduct a free paper shredding event at the same location as the Clean-Up Days Event. At each event, all CITY residents will be permitted to deliver an unlimited amount of paper for shredding free of charge by CONTRACTOR. CONTRACTOR must arrange for all shredded paper generated by each event to be processed in such a manner so as to ensure the diversion of this material from landfilling.

12.06 Additional Outreach Programs and Services. Contractor will provide additional public outreach services and programs as requested by City at a price to be mutually agreed upon between the Contractor and the Agreement Administrator. This agreement will ultimately take the form of a standard Contractor personal services Agreement. In the event the Contractor and Agreement Administrator cannot reach a mutually agreed upon price for the requested service or program, City shall have the right to procure the service of other vendors or Contractors to provide the requested public outreach services.

ARTICLE 13. Emergency Service

13.01 Revised Services During an Emergency. In the event of a natural disaster or Act of God, the Agreement Administrator may grant the Contractor a variance from regular routes and schedules, which will not be withheld unreasonably. As soon as practicable after such event, Contractor must advise the Agreement Administrator when it is anticipated that normal routes and schedules can be resumed. The Agreement Administrator will make an effort through the local news media and in coordination with the City to inform the public when regular services may be resumed. The clean-up from a natural disaster or Act of God may require that Contractor hire additional equipment, employ additional personnel, or work existing personnel on overtime hours to clean debris resulting from the natural disaster or Act of God. At the City's election and upon written notice from the Agreement Administrator, Contractor may be required to provide Collection Services outside of the Service Area defined in this agreement to SFD Units. Contractor will receive additional compensation for extraordinary clean-up directly in response to a natural disaster or Act of God above the normal compensation contained in this Agreement, to cover the costs of rental equipment, additional personnel, overtime hours and other documented expenses based on the rates set forth in **Exhibit 1** provided Contractor has first secured written authorization and approval from City through the Agreement Administrator. City will be given equal priority and access to resources as with other franchise jurisdictions held by Contractor or its affiliates.

13.02 Emergency Provision of Residential Services. Upon written notice from the City, Contractor shall provide SFD Collection Services to all or part of the customers in the City, including areas and customers of the City not already serviced by Contractor. Contractor shall initiate service to the additional service areas within three (3) days of request by the City. Compensation for the additional services shall be paid in accordance with the same rate schedule and in the same method as then currently paid for SFD Collection Services. SFD Collection Services shall be provided in accordance with the terms and conditions of the SFD contracted services.

ARTICLE 14. Record Keeping and Reporting Requirements

14.01 Record Keeping. Notwithstanding Article 14 herein:

14.01.1 Accounting Records. Contractor must maintain full, complete, and separate financial, statistical, and accounting records, pertaining to cash, billing, and provisions of all Collection Services, prepared on an accrual basis in accordance with GAAP. Such records will be subject to audit, copy, and inspection. Gross receipts derived from provision of the Collection Services, whether such services are performed by Contractor or by a subcontractor or subcontractors, will be recorded as revenues in the accounts of Contractor. Contractor must maintain and preserve all cash, billing and disposal records for a period of not less than five (5) years following the close of each of Contractor's fiscal years.

14.01.1.1 City reserves the right to request audited, reviewed, or compiled financial statements for services provided under this Agreement by Contractor prepared by an independent Certified Public Accountant.

14.01.2 Agreement Materials Records. Contractor must maintain records of the quantities of Solid Waste Collected, processed, and disposed under the terms of this Agreement, by type, Collected, purchased, processed, sold, donated or given for no compensation, and Residual disposed.

14.01.3 Other Records. Contractor must maintain all other records reasonably related to provision of Collection Services, whether or not specified in this Agreement.

14.02 Monthly Reporting.

14.02.1 General. Monthly reports must be submitted no later than 4 p.m. PST on the fifteenth (15th) day of the month following the close of the reporting period. If the fifteenth (15th) day falls on a day that City is closed, or a holiday, then the report will be due on the next business day.

14.02.1.1 Overweight Vehicle Reporting. The monthly report must include a summary total of all instances of overweight collection vehicles. This summary must include the number of overweight vehicle instances expressed as a percentage of the total number of collection vehicle loads transported during the reported month.

14.02.1.2 Contamination Reporting. To the extent required by Applicable Law, the monthly report must include a summary of all instances of qualifying contamination under the procedures in Section 3.08. This summary must include the total number of accounts where contamination occurred, the total number of Contamination Violation Notices issued by Contractor to Service Recipients, and the total number of instances where Collection Can or Cart size was increased/decreased specifically due to contamination. Within twenty (20) work days of request by City, Contractor will provide copies of the Contamination Violation Notices and the digital documentation of contamination.

14.03 Monthly Reporting.

14.03.1 General. Monthly reports must be submitted no later than 4 p.m. PT on the fifteenth (15th) day following the last month of the month . If the fifteenth (15th) day falls on a day that City is closed, or a holiday, then the report will be due on the next business day.

14.03.2 City Reports. Monthly reports to City must include:

14.03.2.1 Franchised Tonnage Data. Contractor must report the tonnage of Garbage, Recyclable Materials, and Organic Waste collected, processed for diversion, Residual amounts and landfilled for SFD Collection Services, and the facilities where the tons were processed or disposed. This should include totals of quantities by material type for each commodity collected.

14.03.2.2 Non-Collection. The monthly report must include a summary of each Service Unit receiving a Non-Collection Notice in the previous month along with a description for the Non-Collection Notice.

14.03.2.3 Diversion Data. Within 15 days following the beginning of each month, Contractor must deliver to City diversion data for the specific services performed under this Agreement in the format specified by City.

14.03.2.4 Collection Overage Charges. The monthly report must include each Service Unit incurring a charge for a Solid Waste Overage in the previous month .

14.03.2.5 Service Recipient Complaint Log. The monthly report must include the Service Recipient call log collected from the previous month as required in Section 11.01.3 of this Agreement.

14.03.2.6 Hazardous Waste diversion records showing types and quantities, if any, of Hazardous Waste that was inadvertently Collected, but diverted from landfilling.

14.03.2.7 Other information and/or reports that the City may reasonably request or require.

14.04 Annual Reporting.

14.04.1 General. An annual report must be submitted no later than 4:00 p.m. PT on April 1, 2024 and each April 1st thereafter for the previous Calendar Year. If April 1st falls on a day that City is closed, then the report will be due on the next business day. Annual reports must be provided electronically in a format acceptable to the City.

14.04.2 City Reports. Annual reports to City must include:

14.04.2.1 Public Education Summary. Public education and information activities undertaken during the year, including distribution of bill inserts, collection notification tags, community information and events, tours and other activities related to the provision of Collection Services. This report will discuss the impact of these activities on Recycling program participation and include amounts Collected from SFD Service Units.

14.04.2.2 Summary of Programs. An analysis of any Recycling and Organic Waste Collection, processing and marketing issues or conditions (such as participation, setouts, contamination, etc.) and possible solutions, discussed separately for SFD programs.

14.04.2.3 Garbage Data. Gross tons of garbage processed, recovered, diverted and landfilled for the Calendar Year for SFD Garbage Collection Service. The number of SFD Service Units and the

number of Carts distributed by size and Service Unit type. Include a separate line item for Service Units utilizing manual Cans that are Collected by Contractor. Also provide totals and location for Residue disposed.

14.04.2.4 Recycling Data. Gross tons of Recyclable Material processed, diverted, and recovered for the Calendar Year for SFD Recycling Collection Service. Indicate, by material type (and grade where appropriate), quarterly and annual totals of Recyclable Materials processed and sold including facility name and location, average price received per ton, and total recycling revenue received for the Calendar Year, cost of Recyclables Materials processing, and the cost of residual disposal. Indicate any quantities, by material type, donated or otherwise disbursed without compensation. Indicate number of Carts distributed by size and Service Unit type. Include a separate line item for Service Units utilizing manual Cans that are Collected by Contractor. Also provide totals and location for Residue disposed.

14.04.2.5 Organic Waste Data. Gross tons Organic Waste processed, diverted, and recovered for the Calendar Year for SFD Organic Waste Collection Service. This should include quarterly and annual totals of quantities by material type, such as green waste, food waste, composting and procurement data. Include the total number of generators that receive each type of Organic Waste Collection Service provided by the Contractor. Indicate average daily number of set-outs by route. Indicate average participation rates relative to the total number of Service Units in terms of weekly set-out counts. Indicate number of Carts distributed by size and Service Unit type. Include a separate line item for Service Units utilizing manual Cans that are Collected by Contractor. Provide totals and location for Residue disposed. Include the number of route reviews conducted for prohibited contaminants and the number of Non-Collection Notices issued to Service Recipients.

14.04.2.6 Customer Service Log. A summary of the type and number of complaints and their resolution, including calls related to missed pickups and responses to such calls. (with five-year retention).

14.04.2.7 Overweight Vehicle Data. A summary of all instances of overweight collection vehicles. This summary must also include the number of overweight vehicle instances as a percentage of the total number of collection vehicle loads transported during the Calendar Year.

14.04.2.8 Cart and Vehicle Inventory. An updated complete inventory of Carts by type and size, data on replaced carts by type and size, and an updated complete inventory of Collection vehicles including for each vehicle: truck number, date purchased, vehicle type, tare weight, license plate number, vehicle make and model, vehicle manufacture year, and total miles.

14.05 Diversion Data. By 4:00 p.m. PT on March 31, 2024, and annually thereafter during the term of this Agreement, Contractor must deliver to City diversion data for the specific services performed under this Agreement in the format specified by City.

14.06 CalRecycle Reports. Contractor will provide reasonable assistance to City in preparing annual reports to CalRecycle, including but not limited to supplying required data for preparation of the reports,

14.06.1 In the event that CalRecycle requires City to submit an Implementation Schedule to comply with AB 341, AB 901, AB 939, AB 1826, AB 1594, SB 1383 and other Applicable Laws, Contractor will provide reasonable assistance to City in preparing a report, including Contractor's policies and procedures related to compliance with AB 341, AB 901, AB 939, AB 1826, AB 1594, SB 1383, and other Applicable Laws and how recycling or organics are collected, a description of the geographic area, routes, list of addresses served and a method for tracking contamination, copies of route audits, copies of

notice of contamination, copies of notices, violations, education and enforcement actions issued, and copies of educational materials, flyers, brochures, newsletters, website, and social media.

14.07 Additional Reporting. Contractor must furnish City with any additional reports as may reasonably be required, such reports to be prepared within a reasonable time following the reporting period.

ARTICLE 15. Nondiscrimination

15.01 Nondiscrimination. In the performance of all work and services under this Agreement, Contractor may not discriminate against any person on the basis of such person's race, color, sex (including pregnancy, childbirth, and related medical conditions), age, ancestry, national origin, religion, marital status, or sexual orientation, gender identify and gender expression, disability (physical and mental), medical conditions, AIDS/HIV, citizenship status and genetic information, military or veteran status, political affiliations or activities, and status as a victim of domestic violence, assault or stalking, or any other protected class identified under State or Federal Law or regulation, as may be adopted or amended from time to time. Contractor must comply with all applicable local, state and federal laws and regulations regarding nondiscrimination, including those prohibiting discrimination in employment.

ARTICLE 16. Service Inquiries and Complaints

16.01.1 Contractor will utilize the Customer Service Log to maintain a record of all inquiries and complaints in a manner prescribed by City.

16.01.2 For those complaints related to missed Collections, where Containers are properly and timely set out, that are received by 12:00 noon on a Work Day, Contractor will return to the Service Unit address and Collect the missed materials before leaving the Service Area for the day. For those complaints related to missed Collections that are received after 12:00 noon on a Work Day, Contractor will have until the end of the following Work Day to resolve the complaint. For those complaints related to repair or replacement of Collection Containers, the appropriate Sections of this Agreement will apply.

16.01.3 Contractor agrees that it is in the best interest of City that all Residential Garbage, Recyclable Materials, and Organic Waste be Collected on the scheduled Collection day. Accordingly, missed Collections will normally be Collected as set forth above regardless of the reason that the Collection was missed. However, in the event a Service Recipient requests missed Collection service more than two (2) times in any consecutive two (2) month period the Agreement Administrator will work with Contractor to determine an appropriate resolution to that situation. In the event Contractor believes any complaint to be without merit, Contractor will notify the Agreement Administrator, by e-mail. The Agreement Administrator will investigate all disputed complaints and render a decision.

16.01.4 Contractor's service and emergency telephone numbers must be accessible by a local (City) phone number or toll-free number. The service telephone number(s) must be listed in the area's telephone directories under Contractor's name in the White Pages and available through an online search and listed on the Contractor's website.

ARTICLE 17. Quality of Performance of Contractor

17.01 Intent. Contractor acknowledges and agrees that one of City's primary goals in entering into this Agreement is to ensure that the Collection Services are of the highest caliber, that Service Recipient satisfaction remains at the highest level, that maximum diversion levels are achieved, and that materials Collected are put to the highest and best use to the extent possible.

17.02 Service Supervisor. Contractor must assign a qualified supervisor to be in charge of the Collection Service within the Service Area and must provide the name of that person in writing to the Agreement Administrator within thirty (30) days prior to the effective date of this Agreement, and annually by January 1st of each subsequent Calendar Year of the term of this Agreement, and any other time the person in that position changes. The supervisor must be physically located in the Service Area and available to the Agreement Administrator through the use of telecommunication equipment at all times that Contractor is providing Collection Services. In the event the supervisor is unavailable due to illness or vacation, Contractor must designate an acceptable substitute who will be available and who has the authority to act in the same capacity as the supervisor.

17.03 Agreement Manager. Contractor must designate an Agreement Manager and must provide the name of that person in writing to City within thirty (30) days prior to the effective date of this Agreement and annually by January 1st of each subsequent Calendar Year of this Agreement and any other time the person in that position changes. The Contract Manager must be available to the City through the use of telecommunications equipment at all times that Contractor is providing Collection Services in the Service Area. The Contract Manager must provide City with an emergency phone number where the Contract Manager can be reached outside of normal business hours.

17.04 Administrative Charges . Should Contractor be in material breach of the requirements set forth in **Exhibit 8** of this Agreement, it is mutually understood and agreed that the public will necessarily suffer damages and that such damages, from the nature of the default in performance will be extremely difficult and impractical to fix. City finds, and the Contractor agrees, that as of the time of the execution of this Agreement, it is impractical, if not impossible, to reasonably ascertain the extent of damages which will be incurred by City as a result of a material breach by Contractor of its obligations under this Agreement. The factors relating to the impracticability of ascertaining damages include, but are not limited to, the fact that: (i) substantial damage results to members of the public who are denied services or denied quality or reliable service; (ii) such breaches cause inconvenience, anxiety, frustration and deprivation of the benefits of this Agreement to individual members of the general public for whose benefit this Agreement exists, in subjective ways and in varying degrees of intensity which are incapable of measurement in precise monetary terms; (iii) services might be available at substantially lower costs than alternative services, and the monetary loss resulting from denial of services or denial of quality or reliable services is impossible to calculate in precise monetary terms; and (iv) the termination of this Agreement for such breaches, and other remedies are, at best, a means of future correction and not remedies which make the public whole for past breaches.

17.05 Procedure for Review of Administrative Charges. The Agreement Administrator may assess administrative charges as specified in **Exhibit 8** pursuant to this Agreement monthly. At the end of each month during the term of this Agreement, the Agreement Administrator will issue a written notice to Contractor ("Notice of Assessment") of the administrative charges assessed and the basis for each assessment.

17.05.1 The assessment will become final unless, within ten (10) calendar days of the date of the notice of assessment, Contractor provides a written request for a meeting with the City Manager to present evidence that the assessment should not be made.

17.05.2 The Agreement Administrator will schedule a meeting between Contractor and the City Manager as soon as reasonably possible after timely receipt of Contractor's request.

17.05.3 The City Manager will review Contractor's evidence and render a decision sustaining or reversing the administrative charges as soon as reasonably possible after the meeting. Written notice of the decision will be provided to Contractor.

17.05.4 In the event Contractor does not submit a written request for a meeting within ten (10) calendar days of the date of the Notice of Assessment, the Agreement Administrator's determination will be final.

17.05.5 City's assessment or collection of administrative charges will not prevent City from exercising any other right or remedy, including the right to terminate this Agreement, for Contractor's failure to perform the work and services in the manner set forth in this Agreement.

17.06 Uncontrollable Circumstances.

17.06.1 If either party is prevented from or delayed in performing its duties under this Agreement by circumstances beyond its control, whether or not foreseeable, including, without limitation, acts of terrorism, landslides, lightning, forest fires, storms, floods, severe weather, freezing, earthquakes, other natural disasters, the threat of such natural disasters, pandemics (or threat of same), quarantines, civil disturbances, acts of the public enemy, wars, blockades, public riots, strikes, lockouts, or other labor disturbances, acts of government or governmental restraint or other causes, whether of the kind enumerated or otherwise, that are not reasonably within the control of the affected party, then the affected party will be excused from performance hereunder during the period of such disability.

17.06.2 The party claiming excuse from performance must promptly notify the other party when it learns of the existence of such cause, including the facts constituting such cause, and when such cause has terminated.

17.06.3 The interruption or discontinuance of services by a party caused by circumstances outside of its control will not constitute a default under this Agreement.

ARTICLE 18. Performance Bond

18.01 Performance Bond. Within ten (10) Business Days from the date the City Council approves this Agreement, Contractor must furnish to City, and keep current, a performance bond, for the faithful performance of this Agreement and all obligations arising hereunder in an amount as follows:

18.01.1 From July 1, 2023 and so long as this Agreement or any extension thereof remains in force, Contractor must maintain a performance bond in the amount of **One Million Five Hundred Thousand Dollars (U.S. $1,500,000).**

18.01.1.1 The performance bond must be executed by a surety company licensed to do business in the State of California; having an "A" or better rating by A. M. Best or Standard and Poor; and included on the list of surety companies approved by the Treasurer of the United States.

18.01.2 In the event City draws on the bond, all of City's costs of collection and enforcement of the Bond, including reasonable attorney's fees and costs, must be paid by Contractor.

ARTICLE 19. Insurance

19.01 Insurance Policies. Contractor must secure and maintain throughout the term of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with Contractor's performance of work or services under this Contract. Contractor's performance of work or services includes performance by Contractor's employees, agents, representatives and subcontractors. With respect to General Liability and Environmental Pollution liability, coverage should be maintainted for a minimum of five (5) years after the contract completion.

19.02 Minimum Scope of Insurance. Insurance coverage must be at least this broad:

19.02.1 Insurance Services Office Form No. GL 0002 (Ed. 1/96) covering Comprehensive General Liability and Insurance Services Office Form No. GL 0404 covering Broad Form Comprehensive General Liability; or Insurance Services Office Commercial General Liability coverage ("occurrence" form CG 0001). If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

19.02.2 Insurance Services Office Form No.CA 0001 (Ed. 12/93) covering Automobile Liability, code 1 "any auto", or code 2 "owned autos" and endorsement CA 0025. Coverage must also include code 8, "hired autos" and code 9 "non-owned autos".

19.02.3 Workers' Compensation insurance, with Statutory limits, as required by the California Labor Code and Employers Liability Insurance.

19.02.4 Environmental Pollution Liability and/ or Errors & Omissions Insurance applicable to all work performed within the term of the contract.

19.03 Minimum Limits of Insurance. Contractor must maintain insurance limits no less than:

19.03.1 Comprehensive General Liability: $3,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability insurance with a general aggregate limit is used, either the general aggregate limit will apply separately to this Agreement or the general aggregate limit must be $5,000,000. Policy must include coverage for products and completed operations, property damage, bodily injury, and personal and advertising injury.

19.03.2 Automobile Liability: $10,000,000 combined single limit per accident for bodily injury and property damage.

19.03.3 Workers' Compensation and Employers Liability: Workers' Compensation limits as required by the California Labor Code and Employers Liability limits of $3,000,000 per accident.

19.03.4 Environmental Pollution Liabilityand/ or Errors & Omissions: $3,000,000 per occurrence and $5,000,000 aggregate, with five (5) years tail coverage. Coverage shall include bodily injury

or property damage arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants resulting from Contractor's operations.

19.03.5 If Consultant maintains higher limits than the minimum shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Service Provider. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

19.04 Deductibles and Self-Insured Retention. Any deductibles or self-insured retention must be declared to City's risk manager. Should City form a reasonable belief that Contractor may be unable to pay any deductibles or self-insured retentions, Contractor must procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses in an amount specified by City's risk manager.

19.05 Endorsements. The policies are to contain, or be endorsed to contain, the following provisions:

19.05.1 General Liability, Automobile and Environmental Liability Coverage.

19.05.1.1 City, its officers, employees, agents and contractors are to be covered as additional insureds as respects: Liability arising out of activities performed by, or on behalf of, Contractor; products and completed operations of Contractor; premises owned, leased or used by Contractor; and automobiles owned, leased, hired or borrowed by Contractor. The coverage must contain no special limitations on the scope of protection afforded to City, its officers, employees, agents and contractors.

19.05.1.2 Contractor's insurance coverage must be primary insurance as respects City, its officers, employees, agents and contractors. Any insurance, or self-insurance maintained by City, its officers, employees, agents or contractors will be in excess of Contractor's insurance and will not contribute with it.

19.05.1.3 Any failure to comply with reporting provisions of the policies will not affect coverage provided to City, its officers, employees, agents, or contractors.

19.05.1.4 Coverage must State that Contractor's insurance will apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

19.05.2 All Coverage. Each insurance policy required by this Agreement must be endorsed to State that coverage may not be canceled except after thirty (30) calendar days (ten (10) days in the event of cancellation for non-payment) prior written notice has been given to City. Moreover, Contractor will not order the cancellation of any required insurance policy or change in insurance policy limits without thirty (30) days prior written notice to City by Contractor.

19.06 Acceptability of Insurers. Insurance is to be placed with insurers having an A.M. Best rating of A-/VII or better.

19.07 Verification of Coverage. Contractor must furnish City with certificates of insurance and with original endorsements affecting coverage required by this Agreement. The certificates and endorsement for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. Contractor must furnish City with a new certificate of insurance and endorsements on each renewal of coverage or change of insurers.

19.07.1 Proof of insurance must be mailed to the following address or any subsequent address as may be directed by the City:

City of Riverside

Public Works Department

3900 Main Street

Riverside, Ca 92522

19.08 Subcontractors. Contractor must include all subcontractors performing services in the City as insureds under its policies or subcontractors must obtain separate certificates and endorsements.

19.09 Modification of Insurance Requirements. The insurance requirements provided in this Agreement may be modified or waived by City's risk manager, in writing, upon the request of Contractor if City's risk manager determines such modification or waiver is in the best interest of City considering all relevant factors, including exposure to City.

Rights of Subrogation. All required insurance policies must preclude any underwriter's rights of recovery or subrogation against City with respect to matters related to Contractor's performance of its obligations under this Agreement, with the express intention of the parties being that the required insurance coverage protects both parties as the primary coverage for any and all losses covered by the above-described insurance. Contractor must ensure that any companies issuing insurance to cover the requirements contained in this Agreement agree that they will have no recourse against City for payment or assessments in any form on any policy of insurance. The clauses 'Other Insurance Provisions' and 'Insured Duties in the Event of an Occurrence, Claim or Suit' as it appears in any policy of insurance in which City is named as an additional insured will not apply to City.

ARTICLE 20. Hold Harmless and Indemnification

20.01 Hold Harmless for Contractor's Damages. To the extent permitted by law, Contractor holds City, its elected officials, officers, agents, employees and volunteers (City Indemnitees), harmless from all of Contractor's claims, demands, lawsuits, judgments, damages, losses, injuries or liability to Contractor, to Contractor's employees, to Contractor's contractors or subcontractors, or to the owners of Contractor's firm, which damages, losses, injuries or liability occur during the work or services required under this Agreement, or performance of any activity or work required under this Agreement. Contractor must also pay and or reimburse the City for any third party claims submitted against the City for damage to the extent caused by the contractor during the entire duration of the contract term.

20.02 Defense and Indemnity Contractor shall indemnify, defend with legal counsel approved by City, and hold harmless City, its officers, officials, employees and volunteers from and against all liability including, but not limited to, loss, damage, expense, cost (including without limitation reasonable legal counsel fees, expert fees and all other costs and fees of litigation) of every nature arising out of or in connection with Contractor's negligence, recklessness or willful misconduct in the performance of work hereunder or its failure to comply with any of its obligations contained in the Agreement, except such loss or damage which is caused by the active negligence or willful misconduct of City. Should conflict of interest principles preclude a single legal counsel from representing both City and Contractor, or should City otherwise find Contractor's legal counsel unacceptable, then Contractor shall reimburse City its costs of defense, including without limitation reasonable legal counsel fees, expert fees and all other costs and fees of litigation. The Contractor shall promptly pay City any final judgment rendered against City

(and its officers, officials, employees and volunteers) with respect to claims determined by a trier of fact to have been the result of Contractor's negligent, reckless or wrongful performance. It is expressly understood and agreed that the foregoing provisions are intended to be as broad and inclusive as is permitted by the law of the State of California and will survive termination of this Agreement.

20.02.1 Contractor's obligations under this section apply regardless of whether or not such claim, charge, damage, demand, action, proceeding, loss, stop notice, cost, expense, judgment, civil fine or administrative charge, or liability was caused in part or contributed to by an Indemnitee. However, without affecting the rights of City under any provision of this Agreement, Contractor shall not be required to indemnify and hold harmless City for liability attributable to the active negligence of City, provided such active negligence is determined by agreement between the parties or by findings of a court of competent jurisdiction. In instances where City is shown to have been actively negligent and where City's active negligence accounts for only a percentage of the liability involved, the obligation of the Contractor will be for that entire portion or percentage of liability not attributable to the active negligence of City.

20.03 Nonwaiver. City does not waive, nor shall be deemed to have waived, any indemnity, defense or hold harmless rights under this section because of the acceptance by City, or the deposit with City, of any insurance certificates or policies described in Article 19.

20.04 Diversion Indemnification. Subject to the requirements of Public Resources Code section 40059.1, which will control in the event of any conflict with the provisions of this Section, Contractor agrees to protect and defend City Indemnitees with counsel selected by Contractor and approved by City, to pay all attorneys' fees, and to indemnify and hold City Indemnitees harmless from and against all fines or administrative charges imposed by the California Integrated Waste Management Board if the diversion goals specified in California Public Resources Code section 41780, as it may be amended, are not met by City with respect to the Materials Collected by Contractor and if the lack in meeting such goals are attributable to the failure of Contractor to implement and operate the recycling or diversion programs or undertake the related activities required by this Agreement. In the event CalRecycle provides an administrative process to challenge the imposition of a compliance order or a fine or fines, Contractor will be responsible for engaging any consultants or attorneys necessary to represent City in any challenge. Contractor will be responsible for the retention of and payment to any consultants engaged to perform waste generation studies (diversion and disposal). All consultants and attorneys engaged hereunder are subject to the agreement of City and Contractor.

20.05 CalRecycle Idemnification. Contractor's duty to defend and indemnify herein includes payment of all fines and/or charges imposed by CalRecycle, subject to the restrictions set forth in Public Resources Code Section 40059.1, if the requirements of AB 939, AB 341, AB 1826, and/or SB 1383 and corresponding regulations are not met by the Contractor with respect to the Discarded Materials Collected under this Agreement, and such failure is: (i) due to the failure of Contractor to meet its obligations under this Agreement, or, (ii) due to Contractor delays in providing information that prevents Contractor or Jurisdiction from submitting reports required by AB 939, AB 341, AB 1826, and/or SB 1383 and corresponding regulations in a timely manner. The provisions of this Section shall survive the termination or expiration of this Agreement.

20.06 Hazardous Substances Indemnification. CONTRACTOR agrees to indemnify, defend (with counsel reasonably approved by CITY), protect and hold harmless the City Indemnitees from and against any and all Claims of any kind whatsoever paid, suffered or incurred by or against the City Indemnitees resulting from any removal action or response action undertaken pursuant to CERCLA, the Carpenter-Presley-Tanner Hazardous Substance Account Act of 1981, Health & Safety Code sections 25300 et seq., or other similar Federal, State or

local law or regulation, with respect to Solid Waste or Household Hazardous Waste Collected and Disposed of by CONTRACTOR. The foregoing indemnity is intended to operate as an agreement pursuant to Section 107(e) of CERCLA and Section 25364 of the Health & Safety Code to defend, protect, hold harmless and indemnify the City Indemnitees from all forms of liability under CERCLA, the Carpenter-Presley-Tanner Hazardous Substance Account Act of 1981, Health & Safety Code sections 25300 et seq., or other similar Federal, State or local law or regulation.

20.07 Consideration. It is specifically understood and agreed that the consideration inuring to Contractor for the execution of this Agreement consists of the promises, payments, covenants, rights and responsibilities contained in this Agreement.

20.08 Obligation. This Agreement obligates Contractor to comply with the foregoing indemnification and release provisions; however, the collateral obligation of providing insurance must also be complied with as set forth in this Agreement.

20.09 Subcontractors. Contractor must require all subcontractors performing work in the City to enter into a contract containing the provisions set forth in Section 20.02 in which contract the subcontractor fully indemnifies City in accordance with this Agreement.

20.10 Exception. Notwithstanding other provisions of this Agreement, Contractor's obligation to indemnify, hold harmless and defend City, its officers and employees will not extend to any loss, liability, administrative charge, damage, action or suit to the extent arising from the sole negligence, willful misconduct, material breach of this Agreement, or violation of law on the part of City, its officers or employees.

20.11 Damage by Contractor. If Contractor's employees or subcontractors cause any injury, damage or loss to City property, including but not limited to City streets or curbs, excluding normal wear and tear, Contractor must reimburse City for City's cost of repairing or replacing such injury, damage or loss. Such reimbursement is not in derogation of any right of City to be indemnified by Contractor for any such injury, damage or loss. With the prior written approval of City, Contractor may repair the damage at Contractor's sole cost and expense. Any injury, damage or loss to private property caused by the negligent or willful acts or omissions of CONTRACTOR to private property must be repaired or replaced by CONTRACTOR at CONTRACTOR'S sole expense. Disputes between CONTRACTOR and its Service Recipients or private property owners as to damage to private property are civil matters and complaints of damage will be referred to CONTRACTOR as a matter within its sole responsibility and as a matter within the scope of Article 20.

ARTICLE 21. Default of Agreement

21.01 Termination. City may cancel this Agreement, except as otherwise provided below in this section, by giving Contractor thirty (30) calendar days advance written notice, to be served as provided in this Agreement, upon the happening of any one of the following events:

21.01.1 Contractor takes the benefit of any present or future insolvency statute, or makes a general assignment for the benefit of creditors, or files a voluntary petition in bankruptcy (court) or a petition or answer seeking an arrangement for its reorganization or the readjustment of its indebtedness under the Federal bankruptcy laws or under any other law or statute of the United States or any state thereof, or consent to the appointment of a receiver, trustee or liquidator of all or substantially all of its property; or

21.01.2 By order or decree of a court, Contractor is adjudged bankrupt or an order is made approving a petition filed by any of its creditors or by any of the stockholders of Contractor, seeking its reorganization or the readjustment of its indebtedness under the Federal bankruptcy laws or under any law or statute of the United States or of any state thereof, provided that if any such judgment or order is stayed or vacated within sixty (60) calendar days after the entry thereof, any notice of default will be and become null, void and of no effect; unless such stayed judgment or order is reinstated in which case, such default will be deemed immediate; or

21.01.2.1 By, or pursuant to, or under the authority of any legislative act, resolution or rule or any order or decree of any court or governmental board, agency or officer having jurisdiction, a receiver, trustee or liquidator takes possession or control of all or substantially all of the property of Contractor, and such possession or control continues in effect for a period of sixty (60) calendar days; or

21.01.3 Contractor has defaulted, by failing or refusing to pay in a timely manner the administrative charges or other monies due City and such default is not cured within thirty (30) calendar days of receipt of written notice by City to do so; or

21.01.4 Contractor has defaulted by allowing any final judgment for the payment of money owed to City to stand against it unsatisfied and such default is not cured within thirty (30) calendar days of receipt of written notice by City to do so; or

21.01.5 In the event that the monies due City under Section 21.01.3 above or an unsatisfied final judgment under Section 21.01.4 above is the subject of a judicial proceeding, Contractor will not be in default if the sum of money is bonded. All bonds must be in the form acceptable to the City Attorney; or

21.01.6 Contractor has defaulted, by failing or refusing to perform or observe the terms, conditions or covenants in this Agreement or any of the rules and regulations promulgated by City pursuant thereto or has wrongfully failed or refused to comply with the instructions of the Agreement Administrator relative thereto and such default is not cured within thirty (30) calendar days of receipt of written notice by City to do so, or if by reason of the nature of such default, the same cannot reasonably be remedied within thirty (30) calendar days following receipt by Contractor of written demand from City to do so, Contractor fails to commence the remedy of such default within such thirty (30) calendar days following such written notice or having so commenced fails thereafter to continue with diligence the curing thereof (with Contractor having the burden of proof to demonstrate (a) that the default cannot be cured within thirty (30) calendar days, and (b) that it is proceeding with diligence to cure such default, and such default will be cured within a reasonable period of time).

21.02 Violations. Notwithstanding the foregoing and as supplemental and additional means of termination of this Agreement under this Article, in the event that Contractor's record of performance shows that Contractor has defaulted in the performance of any of the covenants and conditions required herein excepting those for which City's remedy is to levy and collect an Administrative Charges under Exhibit 8, to be kept and performed by Contractor three (3) or more times in any twenty-four (24) month period, and regardless of whether the Contractor has corrected each individual condition of default, Contractor will be deemed a "habitual violator", will be deemed to have waived the right to any further notice or grace period to correct, and all such defaults will be considered cumulative and collectively will constitute a condition of irredeemable default. City will thereupon issue Contractor a final warning citing the circumstances therefore, and any single default by Contractor of whatever nature,

subsequent to the occurrence of the last of such cumulative defaults, will be grounds for immediate termination of the Agreement. In the event of any such subsequent default, City may terminate this Agreement upon giving of written final notice to Contractor, such cancellation to be effective upon the date specified in City's written notice to Contractor, and all Agreementual fees due hereunder plus any and all charges and interest will be payable to such date, and Contractor will have no further rights hereunder. Immediately upon the specified date in such final notice Contractor must cease any further performance under this Agreement.

21.03 Effective Date of Termination. In the event of any the events specified above, and except as otherwise provided in such subsections, termination will be effective upon the date specified in City's written notice to Contractor and upon such date this Agreement will be deemed immediately terminated and upon such termination all liability of City under this Agreement to Contractor will cease, and City will have the draw down on the Letter of Credit and will be free to negotiate with other Contractors for the operation of interim and long-term Collection Services. Contractor must reimburse City for all direct and indirect costs of providing any interim Collection Services as a result of Contractor's default in this Agreement.

21.04 Shortened and Immediate Termination. City may terminate this Agreement immediately upon written notice to Contractor in the event Contractor offers or gives any gift to a City official or employee prohibited by City's Municipal Code. The City may terminate this agreement upon ten (10) days written notice to Contractor in the event Contractor: (a) fails to provide and maintain Letter of Credit as required by this Agreement, (b) fails to obtain or maintain insurance policies endorsements as required by this Agreement, (c) fails to provide the proof of insurance as required by this Agreement. For purposes of this section, a "gift" creating financial conflict shall be anything that would be considered reportable income under FPPC rules.

21.05 Termination Cumulative. City's right to terminate this Agreement is cumulative to any other rights and remedies provided by law or by this Agreement.

21.06 Alternative Service. Should Contractor, for any reason, except the occurrence or existence of any of the events or conditions set forth in Section 17.06 [Uncontrollable Circumstances], refuse or be unable for a period of more than forty-eight (48) hours, to Collect a material portion or all of the Solid Waste which it is obligated under this Agreement to Collect, and as a result, Solid Waste should accumulate in City to such an extent, in such a manner, or for such a time that the City Manager, in the reasonable exercise of the City Manager's discretion, should find that such accumulation endangers or menaces the public health, safety or welfare, then City will have the right to Agreement with another Solid Waste enterprise to Collect any or all Solid Waste which Contractor is obligated to Collect pursuant to this AGREEMENT. City must provide twenty-four (24) hours prior written notice to Contractor during the period of such emergency, before Agreementing with another Solid Waste enterprise to Collect any or all Solid Waste which Contractor would otherwise collect pursuant to this Agreement for the duration of period during which Contractor is unable to provide such services. In such event, Contractor must undertake commercially reasonable efforts to identify sources from which such substitute Solid Waste services are immediately available, and must reimburse City for all of its expenses for such substitute services during the period in which Contractor is unable to provide Collection services required by this Agreement.

ARTICLE 22. Modifications to the Agreement

22.01 City-Director Change. City has the power to make changes in this Agreement to impose new rules and regulations on Contractor under this Agreement relative to the scope and methods of providing Collection Services as may from time-to-time be necessary and desirable for the public welfare. City will give the Contractor notice of any proposed change and an opportunity to be heard concerning those matters. The scope and method

of providing Collection Services as referenced herein will be liberally construed to include procedures, operations and obligations, financial or otherwise, of Contractor. When such modifications are made to this Agreement, City and Contractor will negotiate in good faith, a reasonable and appropriate compensation adjustment for any increase or decrease in the services or other obligations required of Contractor due to any modification in the Agreement under this Article. City and Contractor will not unreasonably withhold agreement to such compensation adjustment. Should agreement between City and Contractor on compensation adjustment not be reached within six months of the change request, or other period as agreed upon by both parties, City shall have the right to seek services under modified conditions elsewhere.

22.01.1 Change in Law. City and Contractor understand and agree that the California Legislature has the authority to make comprehensive changes in Solid Waste Collection legislation, and that these and other changes in Applicable Law in the future which mandate certain actions or programs for counties, municipalities or Contractor may require changes or modifications in some of the terms, conditions or obligations under this Agreement. Contractor agrees that the terms and provisions of the City of Riverside Municipal Code, as it now exists or as it may be amended in the future, will apply to all of the provisions of this Agreement and the Service Recipients of Contractor located within the Service Area. In the event any future change in Federal law or regulations, State or local law of regulation, or the City Code materially alters the obligations of Contractor, then the affected service rates, as established in **Exhibit 1** of this Agreement will be adjusted in accordance with Article 4 herein. Nothing contained in this Agreement will require any party to perform any act or function contrary to law. City and Contractor agree to enter into good faith negotiations regarding modifications to this Agreement which may be required in order to implement changes in the interest of the public welfare or due to Change in Law. When such modifications are made to this Agreement, City and Contractor will negotiate in good faith, a reasonable and appropriate compensation adjustment for any increase or decrease in the services or other obligations required of Contractor due to any Change in Law or modification in the Agreement under this Article. City and Contractor will not unreasonably withhold agreement to such compensation adjustment. Should agreement between City and Contractor on compensation adjustment not be reached within six months of the change request, or other period as agreed upon by both parties, City shall have the right to terminate Agreement and seek services under modified conditions elsewhere.

ARTICLE 23. Legal Representation

23.01 Acknowledgement. It is acknowledged that each party was, or had the opportunity to be, represented by counsel in the preparation of, and contributed equally to the terms and conditions of this Agreement and, accordingly, the rule that an Agreement will be interpreted strictly against the party preparing the same will not apply due to the joint contributions of both parties.

ARTICLE 24. Conflict of Interest

24.01 Financial Interest. Contractor is unaware of any City employee or official that has a financial interest in Consultant's business. During the term of this Agreement and/or as a result of being awarded this Agreement, Consultant shall not offer, encourage or accept any financial interest in Consultant's business by any City employee or official.

ARTICLE 25. Contractor's Personnel

25.01 Personnel Requirements. Contractor must employ and assign qualified personnel to perform all services required under this Agreement. Contractor is responsible for ensuring that its employees comply with all Applicable Laws related to their employment and position.

25.01.1 City may request the transfer of any employee of Contractor who materially violates any provision of this Agreement, or who is wanton, negligent, or discourteous in the performance of his or her duties under this Agreement.

25.01.2 Contractor's field operations personnel are required to wear a clean uniform shirt bearing Contractor's name. Contractor's employees, who normally come into direct contact with the public, including drivers, must bear some means of individual photographic identification such as a name tag or identification card.

25.01.3 Each driver of a Collection vehicle must at all times carry a valid California driver's license and all other required licenses for the type of vehicle that is being operated.

25.01.4 Each driver of a Collection vehicle must at all times comply with all applicable State and Federal laws, regulations and requirements.

25.01.5 Contractor's employees, officers, and agents may not identify themselves or in any way represent themselves as being employees or officials of City.

ARTICLE 26. Exempt Waste

26.01 Contractor is not required to Collect or dispose of Exempt Waste, but may offer such services. All such Collection and disposal of Exempt Waste is not regulated under this Agreement, but if provided by Contractor must be in strict compliance with all Applicable Laws.

ARTICLE 27. Independent Contractor

27.01 In the performance of services pursuant to this Agreement, Contractor is an independent contractor and not an officer, agent, servant or employee of City. Contractor will have exclusive control of the details of the services and work performed and over all persons performing such services and work. Contractor is solely responsible for the acts and omissions of its officers, agents, employees, contractors and subcontractors, if any. Neither Contractor nor its officers, employees, agents, contractors or subcontractors will obtain any right to retirement benefits, Workers Compensation benefits, or any other benefits which accrued to City employees and Contractor expressly waives any claim to such benefits.

27.02 Subcontractors. Contractor will require all subcontractors performing work in the City to enter into a contract containing the provisions set forth in the preceding subsection in which contract the subcontractor agrees that Contractor and subcontractor are independent contractors and have no other agency relationship with City.

ARTICLE 28. Laws to Govern

28.01 The law of the State of California governs the rights, obligations, duties and liabilities of City and Contractor under this Agreement and govern the interpretation of this Agreement.

ARTICLE 29. Consent to Jurisdiction

29.01 The parties agree that any litigation between City and Contractor concerning or arising out of this Agreement must be filed and maintained exclusively in the Superior Courts of Riverside County, State of California to the fullest extent permissible by law. Each party consents to service of process in any manner authorized by California law.

ARTICLE 30. Assignment

30.01 No assignment of this Agreement or any right occurring under this Agreement may be made in whole or in part by Contractor without the express prior written consent of the City. City will have full discretion to approve or deny, with or without cause, any proposed or actual assignment by the Contractor. Any assignment of this Agreement made by Contractor without the express written consent of the City will be null and void and will be grounds for City to declare a default of this Agreement and immediately terminate this Agreement by giving written notice to Contractor, and upon the date of such notice Contract will be deemed immediately terminated, and upon such termination all liability of City under this Contract to Contractor will cease, and City will have the right to call the performance bond and will be free to negotiate with other contractors, for the services that are the subject of this Agreement. In the event of any assignment approved by City, the assignee must fully assume all the liabilities of Contractor by way of an assignment and assumption agreement. Notwithstanding the above, an assignment to an affiliate of Contractor may be undertaken upon notice to City, but without the requirement for its approval. For purposes of this provision, "affiliate" means any person or legal entity that, directly or indirectly, controls, is controlled by, or is under common control with Contractor.

30.02 The use of a subcontractor to perform services under this Contract will not constitute delegation of Contractor's duties provided that Contractor has received prior written authorization from the Agreement Administrator to subcontract such services and the Agreement Administrator has approved a subcontractor who will perform such services. Contractor will be responsible for directing the work of Contractor's subcontractors and any compensation due or payable to Contractor's subcontractor will be the sole responsibility of Contractor. The Agreement Administrator will have the right to require the removal of any approved subcontractor for reasonable cause. The subcontractors listed in **Exhibit 5**, if any, are hereby approved by the City.

ARTICLE 31. Compliance with Laws

31.01 In the performance of this Agreement, City and Contractor must comply with all Applicable Laws, including without limitation the Riverside Municipal Code.

31.02 City must provide written notice to Contractor of any planned amendment of the Riverside Municipal Code that would substantially affect the performance of Contractor's services pursuant to this Agreement. Such notice must be provided at least thirty (30) calendar days prior to the City Council's approval of such an amendment.

ARTICLE 32. Permits and Licenses

32.01 Contractor must obtain, at its own expense, all permits and licenses required by law or ordinance and maintain same in full force and effect throughout the term of this Agreement. Contractor must provide proof of such permits, licenses or approvals and must demonstrate compliance with the terms and conditions of such permits, licenses and approvals upon the request of the Agreement Administrator.

ARTICLE 33. Ownership of Written Materials

33.01 Contractor hereby grants City a non-exclusive license as to all reports, documents, brochures, public education materials, and other similar written, printed, electronic or photographic materials developed by Contractor at the request of City or as required under this Agreement, and intended for public use, without limitation or restrictions on the use of such materials by City. Contractor may not use such materials that specifically reference City for other purposes without the prior written consent of the Agreement Administrator. This Article 35 does not apply to ideas or concepts described in such materials and does not apply to the format of such materials.

ARTICLE 34. Waiver

34.01 Waiver by City or Contractor of any breach for violation of any term covenant or condition of this Agreement will not be deemed to be a waiver of any other term, covenant or condition or any subsequent breach or violation of the same or of any other term, covenant or condition. The subsequent acceptance by City of any fee, tax, or any other monies which may become due from Contractor to City will not be deemed to be a waiver by City of any breach for violation of any term, covenant or condition of this Agreement.

ARTICLE 35. Prohibition Against Gifts

35.01 Contractor represents that Contractor is familiar with City's prohibition against the acceptance of any gift by a City officer or designated employee. Contractor may not offer any City officer or designated employee any gifts prohibited by the City.

ARTICLE 36. Point of Contact

36.01 The day-to-day dealings between Contractor and City will be between Contractor Representative and the Agreement Administrator.

ARTICLE 37. Notices

37.01 Except as provided in this Agreement, whenever either party desires to give notice to the other, it must be given by written notice addressed to the party for whom it is intended, at the place last specified and to the place for giving of notice in compliance with the provisions of this Section. For the present, the parties designate the following as the respective persons and places for giving of notice:

As to the City:

Public Works Director

City of Riverside

3900 Main Street, 4th Floor

Riverside, CA 92522

Telephone: (951) 826-5148

As to the Contractor:

Arakelian Enterprises, Inc. dba Athens Services

Attn: General Manager

687 Iowa Ave.

Riverside, CA 92507

Telephone: (626) 336-3636

37.02 Notices will be effective when received at the address as specified above. Changes in the respective address to which such notice is to be directed may be made by written notice.

37.03 Notice by City to Contractor of a Collection or other Service Recipient problem or complaint may be given to Contractor orally by telephone at Contractor's local office with confirmation sent to Contractor through the Customer Service System by the end of the Work Day.

ARTICLE 38. Transition to Next Contractor

38.01 In the event Contractor is not awarded an extension or new contract to continue to provide Collection Services following the expiration or early termination of this Agreement, Contractor will cooperate fully with City and any subsequent contractors to assure a smooth transition of services described in this Agreement. Such cooperation will include but not be limited to transfer of computer data, files and tapes; providing routing information, route maps, vehicle fleet information, and list of Service Recipients; providing a complete inventory of all Collection Containers; providing adequate labor and equipment to complete performance of all Collection Services required under this Agreement; taking reasonable actions necessary to transfer ownership of carts and bins, as appropriate, to City; including transporting such containers to a location designated by the Agreement Administrator; coordinating Collection of Materials set out in new containers if new containers are provided for a subsequent Agreements and providing other reports and data required by this Agreement.

ARTICLE 39. Contractor's Records

39.01 Contractor shall keep and preserve, during the Term of this Agreement, full, complete, and accurate financial and accounting records, pertaining to cash, billing and disposal transactions for the franchise

area, prepared on an accrual basis in accordance with generally accepted accounting principles. These records and reports are necessary for the City to properly administer and monitor the Agreement and to assist the City in meeting the requirements of the Act. The Contractor shall keep and preserve, during the Term of this Agreement, and for a period of not less than four (4) years following expiration or other termination hereof or for any longer period required by law, full, complete and accurate records as indicated in the Agreement.

39.02 Any records or documents required to be maintained pursuant to this Agreement must be made available for inspection or audit for the purposes set forth in 9.02.2, at any time during regular business hours, upon written request by the Agreement Administrator, the City Attorney, City Auditor, City Manager, or a designated representative of any of these officers. Copies of such documents will be provided to City electronically, available to City for inspection at the local Contractor office, or an alternate site if mutually agreed upon.

39.02.1 Contractor acknowledges that City is legally obligated to comply with the California Public Records Act ("CPRA"). City acknowledges that Contractor may consider certain records, reports, or information contained therein, ("Records") which Contractor is required to provide to City under this AGREEMENT, to be of a proprietary or confidential nature. In such instances, Contractor will inform City in writing of which records are considered propriety or confidential and shall identify the statutory exceptions to disclosure provided under the CPRA that legally permit non-disclosure of the Records. At such time as City receives a request for records under the CPRA or Federal Freedom of Information Act ("FOIA") or a subpoena or other court order requesting disclosure of the Records, City will notify Contractor of the request, subpoena or order and of City's obligation and intent to provide a response within ten (10) calendar days. Contractor shall within five (5) calendar days either: (i) consent in writing to the disclosure of the Records; or (ii) seek and obtain, at Contractor's sole cost and expense, the order of a court of competent jurisdiction staying or enjoining the disclosure of the Records. If Contractor fails to timely respond, then City may proceed to disclose the Records in which event Contractor agrees waives and releases City of any liability for the disclosure of the Records.

39.03 Where City has reason to believe that such records or documents may be lost or discarded in the event of the dissolution, disbandment or termination of Contractor's business, City may, by written request or demand of any of the above named officers, require that custody of the records be given to City and that the records and documents be maintained in City Hall. Access to such records and documents will be granted to any party authorized by Contractor, Contractor's representatives, or Contractor's successor-in-interest.

ARTICLE 40. Entire Agreement

40.01 This Agreement and the attached Exhibits constitute the entire Agreement and understanding between the parties, and the Agreement will not be considered modified, altered, changed or amended in any respect unless in writing and signed by the parties.

ARTICLE 41. Severability

41.01 If any provision of this Agreement or the application of it to any person or situation is to any extent held invalid or unenforceable, the remainder of this Agreement and the application of such provisions to persons or situations other than those as to which it is held invalid or unenforceable, will not be affected, will continue in full force and effect, and will be enforced to the fullest extent permitted by law.

ARTICLE 42. Right to Require Performance

42.01 The failure of City at any time to require performance by Contractor of any provision of this Agreement will in no way affect the right of City thereafter to enforce same. Nor will waiver by City of any breach of any provision of this Agreement be taken or held to be a waiver of any succeeding breach of such provision or as a waiver of any provision itself.

ARTICLE 43. All Prior Agreements Superseded

43.01 This Agreement incorporates and includes all prior negotiations, correspondence, conversations, agreements and understandings applicable to the matters contained in this Agreement and the parties agree that there are no commitments, agreements or understandings concerning the subject matter of this Agreement that are not contained in this document. Accordingly, it is agreed that no deviation from the terms of this Agreement will be predicated upon any prior representations or agreements, whether oral or written.

ARTICLE 44. Headings

44.01 Headings in this document are for convenience of reference only and are not to be considered in any interpretation of this Agreement.

ARTICLE 45. Exhibits

45.01 Each Exhibit referred to in this Agreement forms an essential part of this Agreement. Each such Exhibit is a part of this Agreement and each is incorporated by this reference.

ARTICLE 46. Effective Date

46.01 This Agreement will become effective when it is properly executed by City and Contractor and Contractor will begin Services under this Agreement as of July 1, 2023.

[signatures on the following page]

IN WITNESS WHEREOF, City and Contractor have executed this Agreement on the respective date(s) below each signature.

CITY OF RIVERSIDE
A California Charter city and municipal corporation

By: City Manager

ATTEST. City Clerk

CONTRACTOR
Arakelian Enterprises, Inc., a California corporation, doing business as Athens Services

By: [NAME] Ron Arakelian III
[TITLE] Executive Officer

By: [NAME] Adam Arakelian
[TITLE] Executive Officer

CERTIFIED AS TO FUNDS AVAILABILITY:

for Chief Financial Officer

APPROVED AS TO FORM

By: Deputy City Attorney

23-0306.2 RMS 3/29/2023

EXHIBIT 1
Maximum Service Rates

Rate Code Adjustment for Residential Solid Waste Billi
Fiscal Year 2020/21 (Effective Fall 2020)
Private Waste Hauler

					Approved by City Council on Sept 15, 2020								
					$2.07		**$1.93**		**$1.45**		**$1.48**		**$1.02**
					$28.92		**$30.85**		**$32.30**		**$33.78**		**$34.80**
					7.71%		**6.67%**		**4.70%**		**4.58%**		**3.02%**
			FY 19/20		**1/1/2021**		**7/1/2021**		**7/1/2022**		**7/1/2023**		**7/1/2024**
Service	Component	Rate Code	Existing Rate	Increase	Proposed Rates	Increase		Increase		Increase		Increase	
Curbside/Disabled	Base Rate	R893	$7.87	7.71%	$8.48	6.67%	$9.04	4.70%	$9.47	4.58%	$9.90	3.02%	$10.20
(trash/green/recycle	Disposal	R153	$7.77		$10.48		$10.48		$10.48		$10.48		$10.48
	Franchise Fee	R105	$1.17		$1.57		$1.57		$1.57		$1.57		$1.57
	City Cost**	R130	$10.04		$8.39		$9.76		$10.78		$11.83		$12.55
	TOTAL		**$26.85**		**$28.92**		**$30.85**		**$32.30**		**$33.78**		**$34.80**
Driveway	Base Rate	R896	$17.27	7.71%	$18.60	6.67%	$19.84	4.70%	$20.78	4.58%	$21.73	3.02%	$22.38
(trash/green/recycle	Disposal	R153	$7.77		$10.48		$10.48		$10.48		$10.48		$10.48
	Franchise Fee	R105	$1.17		$1.57		$1.57		$1.57		$1.57		$1.57
	City Cost**	R135	$10.61		$9.01		$10.41		$11.47		$12.54		$13.29
	TOTAL		**$36.82**		**$39.66**		**$42.31**		**$44.29**		**$46.32**		**$47.72**
Backyard	Base Rate	R897	$24.21	7.71%	$26.08	6.67%	$27.82	4.70%	$29.12	4.58%	$30.46	3.02%	$31.38
(trash/green/recycle	Disposal	R153	$7.77		$10.48		$10.48		$10.48		$10.48		$10.48
	Franchise Fee	R105	$1.17		$1.57		$1.57		$1.57		$1.57		$1.57
	City Cost**	R136	$11.02		$9.45		$10.88		$11.96		$13.06		$13.82
	TOTAL		**$44.17**		**$47.58**		**$50.75**		**$53.14**		**$55.57**		**$57.25**
Mobilehome/Apt	Base Rate	R501	$5.87	7.71%	$6.32	6.67%	$6.74	4.70%	$7.06	4.58%	$7.39	3.02%	$7.61
(trash/recycle)	Disposal	R143	$4.95		$7.38		$7.38		$7.38		$7.38		$7.38
	Franchise Fee	R106	$0.74		$1.11		$1.11		$1.11		$1.11		$1.11
	City Cost**	R131	$3.76		$1.69		$2.37		$2.88		$3.40		$3.76
	TOTAL		**$15.32**		**$16.50**		**$17.60**		**$18.43**		**$19.27**		**$19.86**
Condo/Townhouse	Base Rate	R502	$6.77	7.71%	$7.29	6.67%	$7.78	4.70%	$8.14	4.58%	$8.52	3.02%	$8.77
(trash/recycle)	Disposal	R163	$4.95		$7.38		$7.38		$7.38		$7.38		$7.38
	Franchise Fee	R107	$0.74		$1.11		$1.11		$1.11		$1.11		$1.11
	City Cost**	R137	$4.11		$2.07		$2.77		$3.30		$3.84		$4.21
	TOTAL		**$16.57**		**$17.85**		**$19.04**		**$19.93**		**$20.85**		**$21.48**
Extra Trash	Base Rate	R732	$0.75	7.71%	$0.81	6.67%	$0.86	4.70%	$0.90	4.58%	$0.94	3.02%	$0.97
	Disposal	R174	$4.95		$5.52		$5.52		$5.52		$5.52		$5.52
	Franchise Fee	R103	$0.74		$0.83		$0.83		$0.83		$0.83		$0.83
	City Cost**	R132	$4.99		$5.16		$5.92		$6.50		$7.09		$7.49
	TOTAL		**$11.43**		**$12.31**		**$13.13**		**$13.75**		**$14.38**		**$14.81**
Extra Blue	Base Rate	R733	$0.75	7.71%	$0.81	6.67%	$0.86	4.70%	$0.90	4.58%	$0.94	3.02%	$0.97
	Disposal	R175	$0.00		$1.86		$1.86		$1.86		$1.86		$1.86
	Franchise Fee	R104	$0.00		$0.28		$0.28		$0.28		$0.28		$0.28
	City Cost**	R133	$1.33		$1.37		$1.37		$1.37		$1.37		$1.37
	TOTAL		**$2.08**		**$2.24**		**$2.39**		**$2.50**		**$2.62**		**$2.70**
Extra Green	Base Rate	R734	$0.69	7.71%	$0.74	6.67%	$0.79	4.70%	$0.83	4.58%	$0.87	3.02%	$0.89
	Disposal	R176	$2.82		$3.10		$3.10		$3.10		$3.10		$3.10
	Franchise Fee	R109	$0.42		$0.47		$0.47		$0.47		$0.47		$0.47
	City Cost**	R134	$1.31		$1.34		$1.66		$1.91		$2.16		$2.33
	TOTAL		**$5.24**		**$5.64**		**$6.02**		**$6.30**		**$6.59**		**$6.79**

EXHIBIT 2
City Sponsored Events
[Exhibit Held]

EXHIBIT 3
CITY SERVICE UNITS

[Exhibit Held]

EXHIBIT 4
CART SPECIFICATIONS

1. **Cart Specifications.**

   1.1. Carts must be designed and manufactured with heavy plastic in accordance with standard industry specifications approved by City.

   1.2. Carts must be constructed with material that resists deterioration from ultraviolet radiation, and be incapable of penetration by household pets or small wildlife when lids are fully closed.

   1.3. Carts must include wheels and handles that accommodate ease of movement by able-bodied persons.

   1.4. Carts must include lids that continuously overlap the Cart body so as to prevent the intrusion of rainwater and minimize odors. The lids would be of a design and weight so as to prevent the Cart body from tilting backward when flipping the lid open.

   1.5. Carts must be capable of being lifted into the collection vehicle without damage or distortion under normal usage.

   1.6. Carts must be labeled using hot stamp or labels, and at a minimum will include Contractor's name and graphics indicating what materials may and may not be placed in each Cart type.

   1.7. Carts must be compliant with SB 1383 requirements. Color of Cart base and Cart lid must be in accordance with specifications approved by City. The following colors shall be used for collection container lids: Garbage (gray); Recyclable Materials (blue); Organic Materials (green); Contractor-owned Compactor Bins (color appropriate to content as previously designated); Food Waste (to be determined).

EXHIBIT 5
APPROVED SUBCONTRACTORS

Contractor does not intend or anticipate the use of any subcontractors to perform Contractor's obligations under this Agreement. The Parties agree that due to the length of the Term, situations may arise in the future which are not currently contemplated and which may make the use of one or more subcontractors desirable to both Parties. Based thereon, the Parties agree that Contractor may in the future propose the use of subcontactors to perform one or more obligations of Contractor under this Agreement. City shall have the right to approve or reject Contractor's proposal in its sole discretion. Under no circumstancs shall the use of subcontractors be approved to the extent such use would constitute a transfer of this Agreement to a single subcontractor or to several subcontractors in the aggregate.

Exhibit 6
Sustainability and Compliance Plan

This Exhibit will be replaced by the Contractor's Sustainability and Compliance Plan, which must be submitted to the City and approved prior to the award of a contract, and annually thereafter as described in Section 12.01. Described below is the template for the Sustainability and Compliance Plan that the Contractor must develop. The Contractor's Plan must describe how the Contractor will provide outreach and education to residents, schools and businesses; the material that will be developed and distributed, including its format and distribution method; how the Contractor will maintain compliance with the State's Mandatory Commercial and Organics Recycling mandates (SB 1383, AB 1826, AB 939, AB 341), including when and to whom letters will be sent, how compliance will be documented and reported; and the Contractor's plan for waste audits and site visits. The Contractor is required to document site visits and compliance data in the City's Waste Reporting System.

5.5.4.4 DIVERSION PLAN

Approach to Meeting the City's Diversion Requirements

Included as an attachment in the Appendix is the Approach to Meeting the City's Diversion Requirements. The table displays a specific diversion program for Single Family Dwellings. The table highlights programs associated with reducing waste and increasing the recycling of recyclable material and organics waste through a robust education and outreach strategy and includes the specific programs and tasks, along with milestones, and timeframes for meeting the diversion requirements, as specified in the RFP. These strategies and diversion programs will support the City in meeting its diversion requirements, as well as CalRecycle's requirements.

Diversion Facility

As required by the RFP, Athens will collect garbage, recyclable material, green waste, and source-separated food waste to the Agua Mansa MRF, located at 1830 Agua Mansa Road, Riverside, CA 92509. The facility is permitted according to the CalRecycle website and is permitted for a maximum capacity of 4,000 tons per day.

Tonnage Table

Included in the Appendix is the Projected Diversion and Tonnage Table segregated by SFD, Additional Services that estimates tonnages for Recyclable Material and Organic Waste delivered and processed, and the estimated residual tonnages for each calendar year of the Franchise Agreement beginning with calendar year 2023.

Reducing Contamination

Athens will utilize a combination of education and outreach, customer notifications, monitoring, and reporting to reduce contamination of recyclable material and organics waste. These strategies have been used in other Cities, of similar size and service, to reduce contamination. We are confident that this strategy will yield the same results in Riverside.

Education and Outreach

Working with residents throughout Southern California for six decades, we have learned what works in driving in reducing contamination. We take a proactive, time-tested, and -proven approach that delivers best-in-class results. Our focus is on reducing contamination before the containers are collected. Through a series of material collateral, community workshops, and school outreach, we have successfully educated communities on source separation strategies and kept contamination low. To read more about Athens' approach, please see the Education and Outreach section.

Monitoring Container Contamination

The contaminated container process for residential customers is designed to notify customers of the service event, while also educating on ways to prevent future events. Prior to collection, Athens drivers are trained to monitor containers for contamination. If a container is identified as contaminated, the driver will leave Athens' unique Notification Tag to notify the customer, and report the occurrence to dispatch to note the event in Athens' database.

The tag notifies customers or the occurrence, and the type of contamination observed in the container. It directs the customer to additional online resources on how to prevent contamination in the future. Athens is the first company to leverage a "phygital" experience by incorporating a Quick Response (QR) Code on the Notification tag.

Waste Characterizations

To best understand contamination in waste streams, Athens will conduct waste characterizations of residential routes. he characterizations are designed to identify materials incorrectly placed in various waste streams. The results will be used to identify a benchmark and establish targeted goals for implementing a compliant organics recycling program. Based on the established goals, we can determine the resources needed and the timeline to compliance.

Waste characterizations will be completed on residential refuse route. Approximately 200-400 pounds of material will be characterized from each load. From that sampling, we can identify the various organic materials. Each material type is identified, labeled, and photographed. We will quantify how much of each type is in the load sample. This process takes roughly 3-4 hours per load sample. This ensures that we accurately identify and categorize materials appropriately. Waste characterizations are an effective program for getting to the source of contamination.

Lid Flipping

Athens is the first waste and recycling collection company to utilize "Lid-Flippers", which are Vehicles with right-side steering. This custom vehicle was designed to help route auditors identify contamination before it is lifted by the collection truck. Once a specific route is identified as having "high contamination" through waste characterizations, a lid-flipper is dispatched to the specific route ahead of the collection vehicle. The lid-flipper will open containers to check for contamination. If a container is contaminated, it will be tagged, a photograph captured, and depending on the number of occurrences in the calendar year it will be serviced.

Reporting

State mandates require local municipalities to enhance reporting to track outreach efforts and contamination monitoring. Athens has developed the infrastructure needed to capture data required under SB 1383 and other mandates. This includes all the information captured through our outreach efforts, photo and graphs, and contamination monitoring. Information collected includes:

- Number of routes reviews conducted
- Level of contamination determined
- Summary report of non-collection and contamination notices
- Number of containers disposed of due to observation of prohibited container contaminates
- List of all customers assessed for contamination processing fees
- Any other information reasonably requested by the City

In addition, the data gathered from the contamination monitoring and route reviews will be tracked. These strategies help Cities reduce the contamination of residential containers.

Alternative Fuel Near-Zero RNG Trucks and Air Emissions. To do our part in reducing Southern California smog and pollution and serve the local community while leaving the lowest possible environmental footprint, Athens has converted our fleet to near-zero emissions vehicles running on natural gas. Cleaner alternative fuels power 90% of our collection vehicles' fleet and 100% of our street sweeper vehicles.

Athens' new collection and sweeper trucks are purchased with near-zero, renewable natural gas (RNG) engines. Each year, older diesel trucks – the few that remain in our fleet – are retired and replaced with clean, near-zero RNG. Our Cummins-manufactured near-zero emission engines reduce NOx emissions by 90%, and greenhouse gases (GHG) are reduced by 49%. Closed crankcase ventilation (CCV) reduces engine-related methane emissions by 70%.

Manufactured by Autocar, the power-on-demand hydraulic system reduces fuel consumption. Athens trucks are equipped with the cleanest available heavy truck engines in the world – 90% cleaner than the U.S. Environmental Protection Agency's strictest emissions standard. Each of our near-zero-emissions RNG trucks reduces GHG emissions by the equivalent of taking 225 cars off the road.

Decrease Road Wear and Tear: Athens Truck Route Efficiency. The Athens team will regularly re-examine customer truck routes to reduce vehicle fuel consumption and traffic trips, while also decreasing roadway wear and tear. Efficiency is a best management practice that is beneficial for the environment – and it saves money and time.

Athens Environmentally Preferable Purchasing Policy (EPPP). The Athens team adheres to procurement protocols that are meant to reduce the impact on human health and the environment. Throughout operations, we utilize recycled and non-toxic products where possible. Please see the following examples from our EPPP Policy that relate to the proposed activities of this proposal.

Examples from Athens EPPP Policy

Waste Reduction Practices

» Institute practices that reduce waste, encourage reuse, and result in the purchase of fewer products.

» Purchase remanufactured products such as office supplies, tires, furniture, equipment, and repair parts.

» Consider the total cost of ownership in comparing product alternatives. The analysis includes an evaluation of the costs expected during the life of a product when owned. Costs include acquisition, extended warranties, operations, supplies, maintenance/replacement parts, and disposal costs compared to the expected life cycle of alternative solutions.

» Purchase products that are durable, reusable, or refillable and avoid purchasing single-use disposable products.

» Eliminate the purchase of polystyrene (aka Styrofoam) cups, plates, and other serving ware. This restriction extends to include any situation in which a vendor would provide these products at no charge, such as an event.

» Request vendors to eliminate or minimize unnecessary packaging. Vendors will be encouraged to take back packaging for reuse. Specify a preference for packaging that is returnable, reusable, recyclable, or compostable.

» Encourage vendors to take back and reuse pallets and other shipping materials.

» Encourage suppliers of electronic equipment, such as computers, monitors, printers, and copiers, to take back equipment (when possible) for reuse or environmentally sound recycling when Athens discards or replaces such equipment. Suppliers will be required to state their take-back, reuse, or recycling programs during the bidding process.

» Print and copy documents on both sides to reduce the use and purchase of paper. Printers and copiers will be set to default to duplex and with no cover page.

» Enhance inventory best management practices by reducing excess product purchasing, refurbishing existing products to extend that product's life, and increasing reuse and sharing of current products in excess.

» Enhance internal processes to facilitate the transition from paper-based to paperless options through paperless payment and billing processing for clients, vendors, and employees.

» Identify opportunities for and encourage the use of reusable kitchen items such as dishes, cutlery, coffee filters, and other applicable items.

» Purchase reusable drinking containers for employees.

Recycled-Content Products

» Purchase products that the United States Environmental Protection Agency (U.S. EPA) has established minimum recycled content standard guidelines. Products include printing paper, office paper, janitorial paper, construction, landscaping, parks and recreation, transportation, vehicles, miscellaneous and non-paper office products that contain the highest post-consumer content available, but no less than the minimum recycled content standards established by the U.S. EPA Comprehensive Procurement Guidelines.

» Purchase re-refined lubricating and industrial oil for use in vehicles and other equipment as long as the American Petroleum Institute (API) certifies it as appropriate for such equipment per California Public Contract Code, Sec. 10409. This section does not preclude virgin-oil products for exclusive use in vehicles whose warranties expressly prohibit products containing recycled oil.

» Use recycled, reusable, or reground materials where feasible, when specifying asphalt, concrete, aggregate base, or Portland cement concrete for road construction projects;

» Specify and purchase recycled content traffic control products, including, but not limited to, signage, cones, parking stops, delineators, and barricades.

» Purchase or produce paper-based marketing collateral intended for distribution made with recycled content that meets or exceeds local contract requirements.

Non-Toxics, Pollution Prevention Products, and Practices

» Use products with the lowest amount of volatile organic compounds (VOCs), highest recycled content, low or no formaldehyde, and no halogenated organic flame-retardants when purchasing building maintenance materials such as paint, carpeting, adhesives, furniture, and casework.

» Purchase or require janitorial contractors to supply industrial and institutional cleaning products that meet Green Seal or other third-party certifications allowed as part of the USGBC LEED™ guidelines.

Examples from Athens EPPP Policy (cont.)

» Purchase paper, paper products, and janitorial paper products that are unbleached or are processed without chlorine or chlorine derivatives. These products must contain a minimum of 30% pre- or post-recycled content.
» Prohibit the purchase of products that use polyvinyl chloride (PVC), such as furniture and flooring, unless no other options exist.
» Purchase products and equipment with no lead or mercury whenever possible. For products containing lead or mercury, Athens will prefer those products with lower quantities of these metals and vendors with established lead and mercury recovery programs. In addition, whenever lead or mercury-containing products require disposal, Athens will dispose of those products in the most environmentally safe manner possible.
» Provide a minimum of one designated area in every Athens facility to collect in-office generated, hazardous waste, including batteries, fluorescent bulbs/tubes, electronic waste, and cleaning products. Collection points must be easily accessible for employees and promoted to encourage participation.
» Specify that purchased desktop computers, notebooks, and monitors meet, at a minimum, Electronic Product Environmental Assessment Tool (EPEAT) environmental criteria designated as "required" as contained in the IEEE 1680 Standard for the Environmental Assessment of Personal Computer Products.
» Consider less-polluting alternatives to diesel (as available) such as compressed natural gas, bio-based fuels, hybrids, electric batteries, and fuel cells when replacing vehicles.

Athens' LEED Certified Solar-Powered MRF. Athens is proud to have designed and built California's first LEED-certified, 200 kW solar-powered recycling facility. The U.S. Green Building Council awarded LEED Certification identifying Athens' Sun Valley MRF as a showcase example of sustainability. We utilize the latest scientific technologies for recovering recyclables, including artificial intelligence robots, with their own YouTube videos. Specialists from around the world visit our Sun Valley facility to see the best MRF in SoCal.

Athens' Facilities Sustainable Design Features. Athens is an industry leader in water and resource conservation activities within our facilities' design, construction, and operation. Athens is currently a National Consensus Committee (NCC) Member helping to shape new national sustainability performance rating standards for the industry - Solid Waste Environmental Excellence Protocol (SWEEP).

In 2007, the California Building Standards Commission developed green building standards (Cal Green) to meet the goals of California's AB 32 initiative, which established a comprehensive program to reduce GHG to 1990 levels. The following sustainable design features will be integrated into Athens' next development projects.

These features are part of the prescriptive compliance approach for the California Green Building Code (Cal Green).

Building Design and Materials

» Identify the area on the floor for building occupants to recycle.
» State clearly in specifications the VOC limits for architectural paints, coatings, adhesives, caulks, and sealants.
» Incorporate air barriers into the exterior w types.
» Construct walls to have a minimum of R-13 insulation.
» Test and label roofing materials by the Cool Roof Rating Council (CRRC) with a minimum Initial Solar Reflectance of 75. Prescribe a minimum of R-30 insulation in the roof.
» Assemble exterior windows/storefront and glazed doors to be double-pane with low-e coating, an air space, and thermal breaks (minimum U-value of 0.50).
» Utilize skylights to bring daylight into interior spaces and be connected to the automatic daylighting controls for energy efficiency.
» Provide Sound Transmission Class (STC) ratings and design for exterior walls per Cal Green requirements. Provide STC ratings and systems for interior walls in public spaces.
» Specify carpet to meet the testing and product requirements. New carpet cushion is to meet the requirements of the carpet and Rug Institute Green Label program.

Building Systems

» Install LED lighting with automatic daylighting controls.
» Include heating and cooling equipment system controls with optimum start/stop controls, economizer fault detection, diagnostics, and direct digital controls. Heat recovery systems will be included in space heating analysis.
» Ensure Lighting Controls & Lighting Studies comply with Light Pollution Reduction requirements.
» Exceed California Energy Code (based on 2008 Energy Efficiency Standards) by a minimum of 15%.
» Specify Energy Star Appliances.
» Evaluate projects for excess water consumption. The plumbing engineer will provide a fixture schedule to show the mandatory 20% reduction in potable water and wastewater.
» State requirements for Pollutant Control during construction for HVAC equipment openings and ducts on drawings.

Compliance with Hazardous Materials Regulations

The Athens team will ensure compliance with laws governing e-waste, HHW, and universal waste. Our operations meet and exceed requirements from the U.S. EPA, the California Department of Toxic Substances Control (DTSC), and CalRecycle to properly care for and handle HHW and universal wastes (including e-waste). Athens' personnel are appropriately trained during weekly safety meetings. Some additional personnel receive certification and the U.S. Dept. of Transportation Hazardous Materials training. Third-party contractors specializing in licensed hazardous waste handling remove the HHW and Universal wastes from Athens facilities and collection events.

Athens will inform and educate customers on the full range of all services being offered, including cart and bin exchange and cleaning, HHW Drop-Off locations, HHW Collection annual events, Clean-Up Day annual events, and bulky waste collection, and availability of indoor food waste pails/containers. Customers will have easy access to all of this information on their Welcome Package, quarterly newsletters, and customized City webpage.

Local Vendors

As part of our sustainability efforts, Athens supports fostering economic growth by partnering with local vendors and supporting local organizations whenever possible. Athens will give vendor preference to locally produced goods and services to enhance the local community's economic prosperity and environmental health.

Local business preference will be considered for specialized outreach and diversion efforts and other identified opportunities. To support the local economy and strengthen our partnership, Athens will purchase collection vehicles and containers for the franchise agreement using our local Riverside address. This significant capital purchase will result in significant sales tax revenue for the City.

Innovative "Green" Approach to Providing Services

Introduction to RNG

To reduce our fleet's emissions even further, Athens began sourcing renewable natural gas (RNG) to fuel our natural gas vehicles. RNG is a sustainable, renewable fuel made from abundant organic waste streams including waste from wastewater treatment plants, food and green waste collected in landfills, agricultural and dairy waste, and forest management. What started in 2016 as fueling just over half of our fleet with RNG has consistently grown year-over-year. Athens now fuels 100% of our natural gas collection fleet with carbon negative RNG.

How can a Fuel Be Carbon Negative?

RNG is created by capturing and processing methane from decomposing organic waste streams. Methane is a naturally occurring greenhouse gas with 25 times more climate warming potential than CO2 over a 100-year period. When methane escapes into the atmosphere, instead of being captured and processed as RNG, it is a powerful contributor to climate change.

Because producing RNG captures and utilizes methane that would otherwise be released into the atmosphere, RNG is classified as a low carbon, and even negative carbon, fuel. When the production of RNG removes more carbon from the atmosphere than it produces from being used as a fuel, it is considered carbon negative.

Measuring a Fuel's Carbon Intensity

Every transportation fuel—including diesel, renewable natural gas, electricity, hydrogen and all others—has a degree of carbon intensity which represents the sum of all greenhouse gases emitted throughout the entire life cycle of the fuel. This includes all direct and indirect effects of the fuel's production, distribution, storage and finally, its use.

A carbon intensity value (CI value) measures this and is expressed on a per-unit-of-fuel-energy basis in units of gCO2e/MJ (or "grams of carbon dioxide equivalent per megajoule of energy").

A CI value takes the fuel's entire lifecycle into account which is crucial for quantifying the full impacts of any fuel. Measuring just the tailpipe emissions that a fuel produces when used only takes into consideration one source of emissions that the fuel is responsible for and ignores all other sources of emissions.

Accounting for all greenhouse gases emitted throughout the entire life cycle of the fuel is also referred to as a "well-to-wheels" approach, because it accounts for all emissions from the source (the "well") to the use of the fuel in the vehicle (the "wheels"). In the case of RNG, the "well" is the original source of RNG or which organic material was used to make the fuel (for example, dairy waste, green waste, or landfill waste).

Scaling Our Commitment to a Carbon-Negative Fuel

As Athens Services continues to move towards a more sustainable future, we have proactively made an investment to source the cleanest fuel possible.

We have sought out a fuel supplier capable of providing us with not just low carbon, or even carbon neutral fuel, but entirely carbon negative fuel sourced from dairy waste.

This carbon negative fuel has a carbon intensity value of –400 gCO2e/MJ, one of the lowest Carbon Intensity scores of any transportation fuel. For comparison, below are the Carbon Intensity values of a range of widely used transportation fuels:

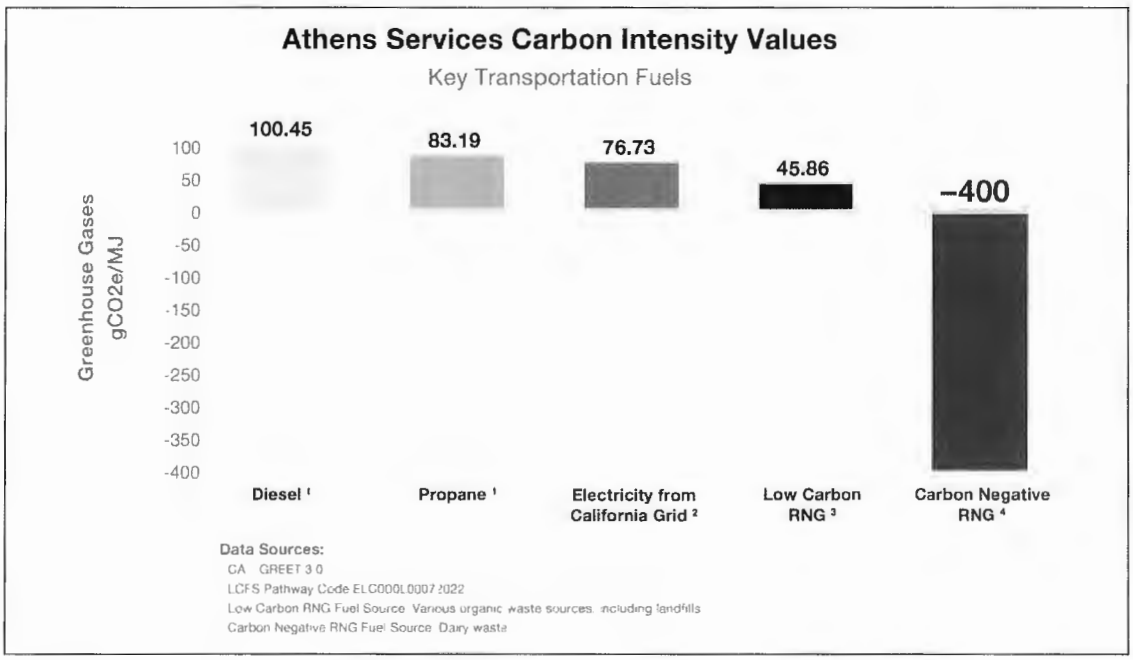


EXHIBIT 7
PUBLIC OUTREACH, EDUCATION SERVCIES AND SUSTAINABILITY PLAN

5.5.4.5 EDUCATION AND OUTREACH PLAN

Education and Outreach Plan

From the beginning more than 60 years ago, Athens has been driven to protect the environment. Today, we lead the recycling and waste industry by investing in groundbreaking technology and infrastructure with one overarching goal in mind: Divert as much material from landfills as possible, for now and the foreseeable future. That's why more than two dozen cities in Southern California rely on Athens Services as their zero waste partner.

Sustainability is more than a catchword for us; it is a foundational principle. It drives everything we do, every investment we make in technology and infrastructure, and every hire we make. We incorporate sustainability principles into every community we serve.

In our experience, all Athens customers, from schoolchildren to CEOs, want to reduce, reuse, and recycle as much as possible; they just aren't sure how. Similarly, cities want to educate their residents and businesses about recycling and see them succeed, but struggle with executing how. Many have knowledgeable staff dedicated to sustainability, but their resources are stretched thin.

Putting our expertise to work will close the gap in educating students, residents, and businesses, driving recycling results to new heights for years to come.

Working with residents and hundreds of businesses across Southern California for six decades, we have learned what works in driving behavior change. We take a proactive, time-tested and -proven approach that delivers best in class results.

In the following pages, we outline in detail the components of our Education and Outreach Plan. The pillars of our program are:

- City-specific website with interactive features, social media, and other online materials that place recycling resources at your fingertips
- Best-in-class outreach from professionals skilled in teaching children, college students, homeowners, business owners, employees, and anyone else interested in becoming better at managing waste
- Customized collateral - A broad spectrum of outreach materials produced by experts in their fields, from newsletters to signage
- Legislative expertise for City staff and others
- Environmental programs to augment sustainability in the City

All are provided by a hauler that practices what we preach and is recognized for our sustainable practices and environmental stewardship.

Athens is proud that more than two dozen communities in Southern California call us their environmental partner. We have extensive experience developing successful outreach, education, and sustainability programs that increase diversion and reduce the material landfilled. Our goal in the City is to provide the best service to businesses and residents, while dramatically increasing recycling participation to foster a sustainable environment for future generations to come.

City-Specific Website

Athens will maintain and keep up-to-date a dedicated, city-specific page on the Athens website. It will be managed and updated by in-house technical support team members.

The website structure will be an expanded version of the existing Riverside page AthensServices.com/Commercial-Services/Riverside. Content will include:

- Outreach and education materials (including newsletters, welcome packets, cheat sheets, signage, and more)
- Details on available services; what can and cannot be placed in recycling, organics, and landfill-bound containers
- Special collection services
- Holiday schedules
- Proper container set-out details
- Contact options for Customer Service (phone number, live chat, and direct messaging)
- Bill pay preferences
- Quick links to request services allowing the customer to schedule services and submit changes, inquiries, complaints, and queries.
- Additional programs, as the City sees fit

The website will contain transition information and concise descriptions of services. Customers can pay their bills online at no additional charge. They can also request bulky item collection, extra pickups, service changes, and account changes.

Requests are handled during regular business hours and confirmed within one hour of receipt. Customers may also e-mail their requests, which will generate an e-mail or telephonic confirmation. The site will also provide a conduit for customers to interact with the Athens' Customer Service team via live chat.

Recycling Resources

Athens is dedicated to providing the most current and state-of-the-art recycling resources, including outreach and education materials, programs, and activities. We will work with the City to create content and input feedback. Athens' team will promote recycling resources via the following:

Website and social media platforms

E-mail blasts and educational videos

Welcome packet/brochures and newsletters

Community events and meetings

Athens provides virtual programs, prerecorded activities, events, and training. Our recycling resources will be made available on our website for download, marketed via social media, and distributed via e-mail or mailers (per customer preference).

Athens will maintain an up-to-date list of recyclable materials on its website, accessible to customers in numerous media to meet varying preferences. We will promote and provide the following:

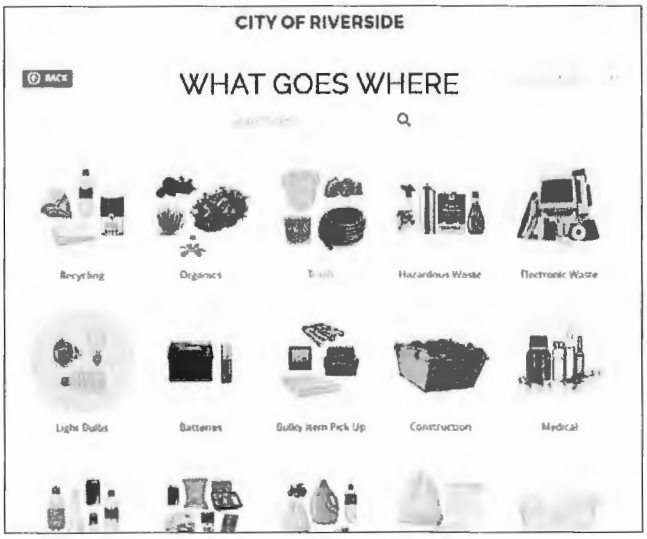
- Customizable interactive Ultimate Recycling Guide
- Printable, two-page recycling cheat sheet that lists what is acceptable in each container and how to identify and handle electronic and hazardous waste
- Illustration of container streams and a list with what is acceptable on the website
- Signage for each waste stream illustrating what is acceptable
- Container labeling on dumpsters and carts for recycling, organics, and landfill streams
- Newsletter article reminders of what is and is not acceptable in each container
- Social media images to promote proper recycling, explain how to dispose of special waste items, and educate about contamination

Interactive Recycling Guide

Athens has collaborated with Recyclist to create an interactive Ultimate Recycling Guide accessible on our dedicated webpage.

Recyclist is a California company that has worked with more than 40 cities and waste providers. They are certified as a small business enterprise (SBE) and a Disadvantaged Business Enterprise (DBE). This online guide will:

- Offer a state-of-the-art program that is intuitive, colorful, picture-oriented, simple to follow, and engaging
- Illustrate tips on reusing, reducing, and recycling of 400+ everyday items
- Supply in-depth educational content about disposal options, safe handling, and alternative recycling options such as take-back and mail-in
- Make available information on local and nationwide resources about drop-off and mail-in programs
- Work seamlessly across devices with no download required
- Provide mobile-friendly information with SEO
- Allow users to stay up-to-date with accurate information
- Quantify outreach efforts and measure audience growth and participation



Legislative Compliance Notices, Site Visits, & Outreach

As part of our ongoing outreach and education efforts, Athens will meet and exceed City and state legislative requirements. This includes SB 1383 (Short-Lived Climate Pollutants Reduction Strategy).

Athens takes a comprehensive and proactive approach to compliance. A wide range of staff from across the organization, ranging from Compliance, Government Affairs, Outreach Team, to Marketing, work in partnership to ensure accurate and consistent data collection, record keeping, reporting, and outreach and education.

Compliance Outreach and Education

Throughout the life of the contract, Athens will disseminate information through billing inserts, welcome packets, and various community presentations. We will provide customers with a legislative handout that will outline compliance requirements for SB 1383. Athens will also supplement its presentations with information on the mandates, the importance of successful participation, and contamination avoidance.

Additional outreach specific to a SB 1383 is as follows:

Athens will work with the City to educate and engage customers in compliant programs, such as organics waste collection. We will outline what items are acceptable, including green waste (yard trimmings and landscape waste), food scraps, and 100% fiber-based food-soiled paper. We also will enumerate the environmental benefits of diverting organics waste from landfills and into nutrient-rich soil amendments. Efforts will include education and outreach, reporting, monitoring contamination, and enforcement.

SB 1383 IMPLEMENTATION PLAN

OUTREACH AND EDUCATION

In order to comply, Athens will need to embark on an extensive outreach and education process within the city to start working with customers to encourage a change in behavior. This will be accomplished through enhanced, print, and electronic outreach in the city. While AB 1826 required outreach to a specific customer type, SB 1383 requires full outreach to all customers. Athens will be providing additional team members in the city to help with these efforts. Athens will also track and record the data gathered from these outreach efforts to assist the City in reporting to CalRecycle.

WASTE COMPOSITION STUDIES

To best understand the City's waste composition, Athens will conduct waste characterizations of residential waste routes. The characterizations are designed to identify the volume of organics incorrectly placed in this stream. The results will be used to identify a benchmark and establish targeted goals for implementing a compliant organics recycling program. Based on the established goals, we can determine the resources needed and the timeline to compliance.

Waste characterizations will be completed on each residential refuse route. Approximately 200-400 pounds of material will be characterized from each load. From that sampling, we can identify the various organic materials. Each material type is identified, labeled, and photographed. We will quantify how much of each type is in the load sample. This process takes roughly 3-4 hours per load sample. This ensures that we accurately identify and categorize materials appropriately.

REPORTING

SB 1383 requires enhanced reporting to track not only outreach efforts, but also contamination monitoring as well. Athens has developed the infrastructure needed to capture data required under SB 1383. This includes all the information captured through our outreach efforts, photographs, etc. Information collected will include:

- Number of routes reviews conducted
- Level of contamination determined
- Summary report of non-collection and contamination notices
- Number of containers disposed of due to observation of prohibited container contaminates
- List of all customers assessed for contamination processing fees
- Any other information reasonably requested by the City

In addition, the data gathered from the contamination monitoring and route reviews will be tracked. This will eliminate the need for the City to manage this data, which will we will make available to the City for reporting and compliance purposes.

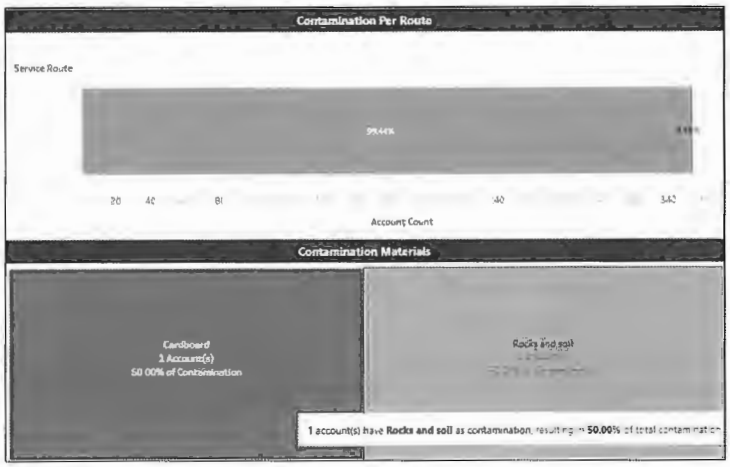
ROUTE REVIEWS

SB 1383 requires jurisdictions to conduct regular monitoring of collection routes. Waste stream contamination must be documented and reported. Customers responsible for the contamination must be notified of the contamination and educated to remedy future instances.

Athens can provide a solution to help comply with this requirement. The law provides an option either for periodic waste evaluations at the processing facility, or for periodic reviews of the collection routes. Athens has determined the most cost-effective approach for compliance with this component of the mandate is through route reviews.

Athens will provide quarterly reviews of residential routes. When we identify contamination, we will issue violation notices on containers to generators. We will conduct these audits by performing hands-on visual checks and will document our findings with photos of the containers. Information will be housed in our database and will be available for the City to review quarterly.

ROUTE AUDIT PROCESS:



PROCUREMENT

SB 1383 requires jurisdictions to procure recycled organic products on an annual basis. CalRecycle has developed a calculator to help jurisdictions determine how much material would need to be procured based on a per capita calculation.

Athens will help the City comply with this requirement through the use of RNG fuel utilized in our collection vehicles. Athens vehicles will run strictly on RNG fuel. Athens can also provide compost and mulch from American Organics.

The RNG utilized by our vehicles in the City will help the City meet its per capita requirement under SB 1383.

Education and Outreach Materials Development and Distribution

Athens has extensive experience designing, implementing, and operating public education and information programs that result in high participation and increased diversion. Athens' expertise and knowledge with municipal service transitions have resulted in a deep appreciation and understanding of how to meet our customer demographics and cultural needs.

Athens will customize outreach and education materials to meet cultural, linguistic, and demographic characteristics. The outreach strategy and material content will consider local trends and data obtained by Athens and the City.

We will ensure that the educational material will be useful and appropriate for non-English speakers of varying cultures and backgrounds. Our goal is to help them feel at ease, understand the services provided, and know who to contact with questions or comments regarding service levels. Also, the Customer Service Department offers translation for more than 175 languages.

Athens will develop and distribute public education, outreach, and promotional materials to residents at the inception of the new contract and throughout the term of the agreement. Service recipients will receive outreach and education material via snail-mail and electronically (via e-mail and social media). Materials will be available for download from our dedicated webpage.

By analyzing the data, we can achieve higher participation by quantifying engagement compared to recycling and organics participation; identifying outreach opportunities and recipient types based on our diversion goals; targeting problem areas; creating necessary outreach materials, programs, and strategies; and measuring success along the way.

Athens will work with the City to expand public and customer knowledge of our programs and share additional methods to reduce, reuse, recycle, and compost. Athens will maintain our education program, as well as support the efforts of the City. Athens will create educational material that is practical, applicable, easy to read, colorful, and engaging.

Athens will work with the City to promote new solid waste and recycling programs, events, and information on recycling, organics, and other services. We will utilize local media and print outlets, HOAs, and other associations, schools, libraries, community centers, civic groups, and nonprofits to promote recycling programs. Athens will provide outreach and education material for distribution where applicable.

Athens utilizes various strategies to engage with the community, inform them about the City's waste and recycling program, and distribute public education and outreach material.

Quarterly Newsletter. A quarterly newsletter will be sent to customers by mail in their bill or electronically. Newsletter content will include service notifications and tips on proper sorting and usage. Additional content will include identifying recyclables; composting; disposal education for batteries, e-waste, and HHW; bulky item collection; contamination prevention; container placement; holidays observed; holiday tree collection; upcoming events; pertinent recycling legislation information; and additional resources. The newsletter will include English and Spanish translations.

Education and outreach strategies include the following (continued):

Community Events and Presentations. To increase diversion, promote recycling education and awareness, and increase participation, Athens will participate in community events and provide zero waste and recycling presentations to community groups. We will include educational and publicity information promoting the City's waste and recycling program. Our most popular presentations are "Recycling 101 – Let's Talk Trash" and "How to Implement Organics Recycling." Athens will also provide our mini-collection truck "Mighty Mike" and our recycling display/information booth for community events at the City's request.

Social Media. Outreach content will be available for posting on the City's website and other social media sites, including Twitter, Instagram, Facebook, and LinkedIn. The Athens team will assist the City in answering any relevant inquiries through social media avenues.

Interactive Ultimate Recycling Guide. Athens will maintain interactive recycling guide accessible on our dedicated City web page.

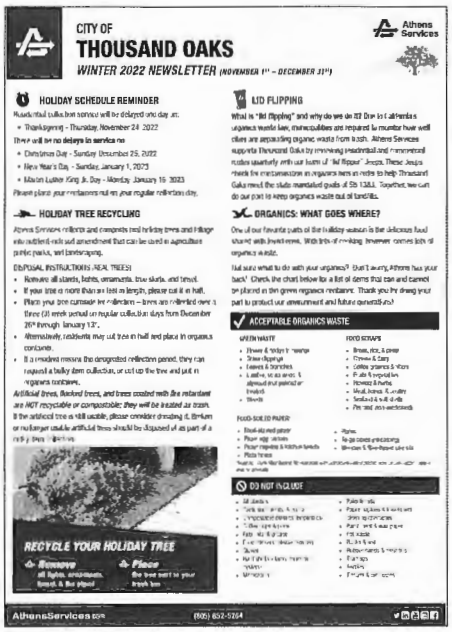
Corrective Action "Red Tag" Notice. Athens will develop a corrective action notification form/tag and implementation plan for instances where customers set out inappropriate materials for collection or where containers are overfilled, overweight, or contaminated. The notice will include the appropriate manner for disposal or other required corrective actions.

Reduce and Reuse Education and Events. Reduce and Reuse Education and Events. Athens will make available information on opportunities to donate, repair, and reuse material. We will provide a resource list of websites that promote reuse options, such as repair tutorials and manuals (i.e., iFixit), community share sites (i.e., Buy Nothing Project). Annually Athens sponsors and work with the City to host a reuse and repair oriented event.

Community Meetings and City Council Updates. Athens will provide the City Council with regular updates on new technologies, the state of the waste and recycling industry, and notifications of government actions that affect the City. Athens can also hold annual town hall meetings to provide interactive, face-to-face, or virtual discussions on waste and recycling issues. Athens will work with community groups, civic/nonprofit organizations, HOAs, other professional associations, and neighborhood associations to provide community-based information sessions and attend meetings to answer questions (both at contract transition and through the life of the contract).

Here is an example of a quarterly newsletter sent to residential customers with information on recycling legislation, holiday schedule, and overfill containers.

The information on newsletters can be customized to the City and include service information, upcoming events, recycling reminders, general outreach and education, and more.


CITY OF
THOUSAND OAKS
WINTER 2022 NEWSLETTER (NOVEMBER 1st – DECEMBER 31st)

HOLIDAY SCHEDULE REMINDER

HOLIDAY TREE RECYCLING

LID FLIPPING

ORGANICS: WHAT GOES WHERE?

ACCEPTABLE ORGANICS WASTE

DO NOT INCLUDE

RECYCLE YOUR HOLIDAY TREE

HERMOSA BEACH
RESIDENTIAL/MULTIFAMILY NEWSLETTER - FALL 2021

Please call Athens Services to order your green cart today to start recycling your organics!

ORGANIC WASTE EXAMPLES

FOOD SCRAPS

100% FIBER-BASED, FOOD-SOILED PAPER

GREEN WASTE

TIPS FOR COLLECTING ORGANICS AT HOME

COMPOST IN YOUR BACKYARD

NOT ACCEPTED

RAIN REMINDER

AthensServices.com

Available Services Notice and Information

Athens will create and distribute a Welcome Packet via e-mail including the necessary information about Athens' new contract services. This resource will also be available on our website and can be downloaded electronically. An online version will allow Athens and the City to update information periodically. Our customers will have immediate access to this resource.

The Welcome Packet will be provided to our customers annually by mail or electronically and will include pertinent contact information, including the local address and phone numbers for various inquiries. We will translate this Welcome Packet into the languages suggested by the City, and it will be distributed accordingly.

We will provide specific procedures for setting out the materials and avoiding overfilled and overweight containers. There will be educational material on waste streams, where to dispose, and what is and is not acceptable as recycling, organics, solid waste, e-waste, HHW, and bulky-item.

Additional services, information, and tips that will be addressed in the Welcome Packet. Below are examples of content that used in Welcome Packets.

- **Holiday Schedule and Special Events:** Information on holiday schedule and related service delays. Advise customers on annual events such as compost giveaways, e-waste, and household hazardous waste collection days.
- **Special Collection and Other Services:** Collection options for e-waste and household hazardous waste, bulky item collection, and city street sweeping
- **On-premise Service:** Details for on-premise collection for service recipients with disabilities and customers who are in hard-to-service areas. Describe "push service" and when and how this service will be provided to customers
- **Customer Rate Schedule:** City Monthly Rate schedule for services provided
- **Service Level Changes:** Instructions on how to change your preferred service levels and when those changes will be applied and billed.
- **Container Support:** How to request the repair or replacement of containers
- **Billing Support:** Details on the billing process, who to contact, and how to report an issue
- **Customer Signage and Outreach Material:** Examples of the City approved waste stream signage and the website link to download and print copies of outreach material
- **State Regulations:** Detailed and easy-to-understand information on state-mandated Assembly and Senate bills, customers need to comply, and what actions need to be taken
- **Diversion Programs and Participation:** Details on various diversion programs and how to participate. Instructions on how to set up successful recycling and organics collection at work and home and provide additional links to online tips and resources. The benefits of participating in these diversion programs and their impact on the local community and our environment.
- **Contamination, Overfill, and Overweight Education:** What constitutes a contaminated, overfilled, and overweight container? Information on why these containers are unsafe to collect and instructions on avoiding these issues and associated fees.
- **Athens Fact Sheet:** Information on Athens, customer service contact information, billing options, and local office locations

Approach to Meeting the City's Diversion Requirements					
Strategy / Public Education Program(s)	**Customer Target Sector (SFD, MFD, & Commercial)**	**Diversion Program Type Organics, Recycling, Bulky, HHW, Special Waste (Comm.), Ewaste, Edible Food Recovery, Textile, & Reuse**	**Tasks Description**	**Implementation Schedule (start dates)**	**Milestones & Time Frame for Meeting Diversion Requirements**
Newsletters, Email blasts, and online media campaigns	All	All	Content promoting proper recycling, explain how to dispose of special waste items, and educate on contamination. Additional info includes event information, holiday schedules, tips, collection options, legislation, and other resources.	90 Days before start of Contract	Distribution based on contract requirements per item type Thru course of contract
City Specific Website	All	All	Maintain a dedicated, city specific page on our existing Athens Services website.	90 Days before start of Contract	Updates thru course of contract
Welcome Packet/ Brochure	All	All	The Welcome Packet/Brochure will include all necessary information about the contract services, signage examples, and outreach materials. It will be updated annually.	30 Days before Start of Contract	Annually updated and distributed by mail or electronically to all customers through course of contract (15 years + extensions)
Service Recipient Personnel Training	All	All	Provides training to help individuals participate in their location's overall waste and recycling efforts. The training includes how to set up internal infrastructure elements (like containers, signage, liners, and collection methods), increase diversion, and practice landfill avoidance.	30 Days before Start of Contract	Personnel training is available at the start of the contract Information will be placed in the Welcome Packet RCs will remind customers of this option during waste assessments Annual reminders will be included in newsletters thru course of contract Annually, we will assess our outreach efforts based on training participation by businesses and make adjustments to our program where necessary.
Community Events, Presentations, and Meetings	All	All	Participate in community events and provide zero waste and recycling presentations to community groups. Athens will provide regular City Council updates and hold annual town meetings.	30 Days before Start of Contract	Athens will partake in opportunities during each year. We will work with City to identify and schedule yearly opportunities as part of our Annual Sustainability Plan. Thru course of contract.
Interactive Ultimate Recycling Guide	All	All	Partner with Recyclist on the creation and maintenance of a customizable interactive Ultimate Recycling Guide that will be accessible on our dedicated Thousand Oaks webpage.	At Implementation	Standard design to be completed prior to transition. Reviews to be completed prior to start of contract. Edits/updates thru course of contract.
Legislative Compliance Notices and Outreach (including AB 1826, SB 1383, AB 827, and AB 341)	All	Organics, Recycling, & Edible Food Recovery	Make available our Legislative Handouts, Single-Use Disposables Product Recommendations List, AB 1826/SB 1383 Mailer, Recycling Containers – Vendor Suggestion List, and our Organics Recommendation Letter & Getting Started Checklist.	3 Months after implementation	Quarterly compliance notices by last day of the month following the end of each quarter Once per year site visits for first 3 years, then every other year for businesses in compliance and every year for those not in compliance."
Reduce and Reuse Education	All	Reuse	Make available reuse information and options and promote resources on our website and other outreach material	2023	From start of contract, information on reduce and reuse opportunities will be available on our website and in Welcome Packet. These will be updated thru course of the contract. Additional resources will be made available thru additional outreach include newsletters and social media thru course of contract.
Social Media Dos and Don'ts Campaign	All	Organics, Recycling, HHW, Ewaste, Textile, and bulky	Targets certain recyclable materials or "problem" areas, including proper sorting and contamination.	2025	Start Date: 2025 following analyzing Waste Assessment data hru course of contract
Textile/Clothing Recycling Program and Collection Event	All	Textile	Design and implement a textile rescue and recycling program, share resources, and host an annual clothing collection event.	2025	In year 2025, we will design a textile rescue and recycling program. Pilot implementation will start in 2026. City-wide roll out will happen in 2027. Each year we will adjust the program and annual plan based. he program will continue thru the course of the contract.

Exhibit 8
Administrative Charges

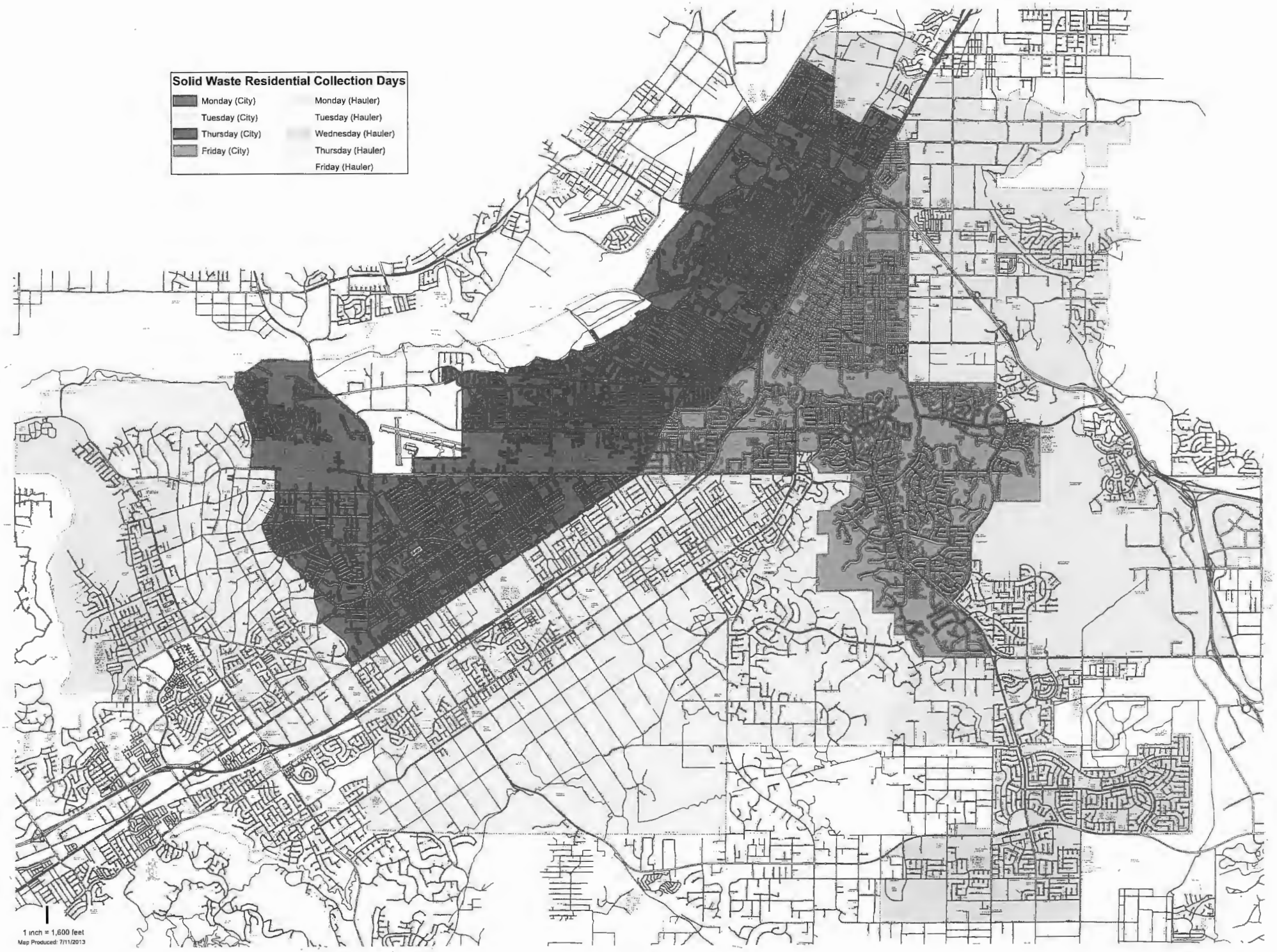
	Item	Amount if Not Cured in 30 Days	If Cured in 30 Days
a.	Failure to respond to each complaint within three (3) Work Days of receipt of complaint.	$100 per incident per Service Recipient.	
b.	Failure to maintain call center hours as required by this Agreement.	$100 per day.	-0-
c.	Failure to submit to City all reports by the deadlines required under the provisions of this Agreement.	$100 per day.	-0-
d.	Failure to include all parts of monthly, quarterly and annual reports specified in Sections 16.02, 16.03 and 16.04 in the submitted report	$100 per day.	-0-
e.	Failure to submit to City all payments by the deadlines required under the provisions of this Agreement.	1% of the total amount due if fees are 1 – 10 days late; and 10% of the total amount due if fees are more than 10 days late.	
f.	Failure for Collection Container to be compliant with specifications of Exhibit 4.	$50.00/each Collection Container not compliant.	-0-
g.	Failure for Collection Container to be compliant with SB 1383 labeling requirements.	$50.00/each Collection Container not compliant.	-0-
h.	Failure to display Contractor's name and customer service phone number on Collection Vehicles.	$100 per incident per day.	-0-
i.	Failure to collect a missed collection by close of the next Work Day upon notice to Contractor, that exceeds twenty (20) in any Calendar Year.	$1,000 per Calendar year, plus $10 per incident per day.	-0-
j.	Failure to repair or replace damaged Containers within the time required by this Agreement, that exceeds twenty (20) in any Calendar year.	$1,000 per Calendar year, plus $10 per incident per day.	
k.	Failure to maintain collection hours as required by this Agreement.	$100 per day.	-0-
l.	Failure to have Contractor personnel in Contractor-provided uniforms.	$25 per day per employee.	-0-

Exhibit 8
Administrative Charges

Item		Amount if Not Cured in 30 Days	If Cured in 30 Days
m.	Failure of Contractor to follow Recyclable Materials and Organic Waste Contamination and Overage procedures as set forth under Section 3.11 and 3.12.	$100/day for failure to implement correction plan.	Submit for approval to City and implement plan of correction to City within 30 days.
n.	Vehicle fluid leak incidents from Contractor Collection Vehicles in excess of three (3) during a calendar year.		$5000 per incident in excess of three (3)
o.	Failure of Contractor to provide proof of performance bond as required by this Agreement	Agreement Default	$500 per day
p.	Failure of Contractor to provide proof of insurance as required by this Agreement	Agreement Default	$500 per day

Exhibit 9

Service Area


Solid Waste Residential Collection Days
Monday (City)
Tuesday (City)
Thursday (City)
Friday (City)
Monday (Hauler)
Tuesday (Hauler)
Wednesday (Hauler)
Thursday (Hauler)
Friday (Hauler)
1 inch = 1,600 feet
Map Produced: 7/11/2013