

FRANCHISE AGREEMENT

BETWEEN

HOLLISTER, SAN JUAN BAUTISTA AND THE COUNTY OF SAN BENITO,

RESPECTIVELY

AND

RECOLOGY SOUTH VALLEY DBA RECOLOGY SAN BENITO COUNTY

FOR

**RECYCLABLES, ORGANICS, AND SOLID WASTE COLLECTION
SERVICES**

NOVEMBER 1, 2018

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1 **FRANCHISE AGREEMENT**

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

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

10 **RECITALS**

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

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

17 **WHEREAS;** the State of California has found and declared that the amount of refuse generated in
18 California, coupled with diminishing Disposal capacity and potential adverse environmental impacts
19 from landfilling and the need to conserve natural resources, have created an urgent need for State and
20 local agencies to enact and implement an aggressive integrated waste management program. The State
21 has, through enactment of the Act and subsequent related legislation including, but not limited to AB
22 341, the AB 1826, (AB 2176, and SB 1016 (Chapter 343, Statutes of 2008 [Wiggins, SB 1016]), directed
23 the responsible State agency, and all local agencies, to promote Diversion and to maximize the use of
24 feasible waste reduction, reuse, Recycling, and Composting options in order to reduce the amount of
25 refuse that must be Disposed;

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

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

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

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

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

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

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

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

58 **ARTICLE 1: DEFINITIONS**

59 **1.1 DEFINITIONS**

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

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ARTICLE 2: REPRESENTATIONS AND WARRANTIES

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

2.1 CONTRACTOR'S CORPORATE STATUS

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

2.2 CONTRACTOR'S CORPORATE AUTHORIZATION

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

2.3 AGREEMENT WILL NOT CAUSE BREACH

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

2.4 NO LITIGATION

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

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

93 **2.5 NO ADVERSE JUDICIAL DECISIONS**

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

96 **2.6 NO LEGAL PROHIBITION**

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

100 **2.7 CONTRACTOR’S ABILITY TO PERFORM**

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

105 **2.8 CONTRACTOR’S INVESTIGATION**

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

111 **2.9 STATEMENTS AND INFORMATION IN PROPOSAL**

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

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ARTICLE 3: GRANT AND ACCEPTANCE OF FRANCHISE

118 **3.1 GRANT AND ACCEPTANCE OF FRANCHISE**

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

124 **3.2 LIMITATIONS TO THE FRANCHISE**

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

130 **A. Recyclable and Organic Materials.** Other Persons shall maintain the right to accept Source
131 Separated Recyclable Materials and Source Separated Organic Materials provided that
132 such Person paid the service recipient for materials, so long as there is no net payment of
133 any type made by the service recipient to such other Person including, without limitation,
134 for rental of collection or storage containers, loading or transporting of materials, and/or
135 Disposal;

136 **B. Self-Hauled Materials.** A Commercial business Owner or resident of a Residential Property
137 may Dispose of Solid Waste, Recyclable Materials, and Compostable Materials generated
138 in or on their own Premises with their own vehicle;

139 **C. Donated Materials.** Any items which Source Separated at any Premises by the Generator
140 are and donated to youth, civic, or charitable organizations;

141 **D. Beverage Containers.** Containers delivered for Recycling under the California Beverage
142 Container Recycling and Litter Reduction Act, Section 14500, et seq. California Public
143 Resources Code;

144 **E. Materials Removed by Customer's Contractor as Incidental Part of Services.** Solid Waste,
145 Recyclable Materials, Compostable Materials, and/or C&D removed from a Premise by a
146 contractor (e.g., gardener, landscaper, tree-trimming service, construction contractor,
147 Residential clean-out service) using contractor's own vehicle, equipment, and employee(s)

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

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

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

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

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

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

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

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

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

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

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

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

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

197 **3.3 OBLIGATIONS OF PARTIES**

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

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

210 **3.4 REIMBURSEMENT OF EXECUTION OF AGREEMENT**

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

216

ARTICLE 4: TERM OF AGREEMENT

217 **4.1 TERM**

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

221 **4.2 EXTENSION OF TERM**

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

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ARTICLE 5: SCOPE OF COLLECTION SERVICES

230 **5.1 SUMMARY SCOPE OF SERVICES**

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

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

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

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

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

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

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

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

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

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

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

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

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

274 G. Complying with all Applicable Laws.

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

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

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

292 **5.2 USE OF APPROVED FACILITIES**

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

298 **5.3 SUBCONTRACTING**

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

307 **5.4 RESPONSIBILITY FOR MATERIALS**

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

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

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

325 **5.6 SOLID WASTE**

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

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

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

338 **5.7 RECYCLABLE MATERIALS**

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

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

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

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

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

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

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

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

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

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

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

415 **5.8 ORGANIC MATERIALS**

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

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

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

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

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

430 **5.9 BULKY ITEMS AND REUSABLE MATERIALS**

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

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

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

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

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

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

455 **5.10 RA MEMBER SERVICES**

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

457 **A. Containers at RA Member Facilities**

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

470 **B. Containers at Public Locations**

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

480 **C. RA Member Community Events**

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

485 **1. Event Collection Stations.** At each event collection station, Contractor shall provide a
486 separate receptacle for each of Solid Waste, Recyclable Materials, and Organic Materials,
487 as appropriate. Contractor shall provide a sufficient number of event collection stations of
488 sufficient capacity to meet the needs of the event as determined by Contractor in
489 cooperation with the event organizer.

490 **2. Collection Station Monitors.** Contractor shall ensure that collection station monitors
491 service event collection stations and educate event attendees about what materials are
492 acceptable in each event collection station receptacle. Contractor shall staff the event
493 with a sufficient number of employees or volunteers to ensure that event collection
494 stations are serviced frequently enough to prevent overflow and litter.

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

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

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

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

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

520 **D. Free Compost**

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

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

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

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

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

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

538 **G. Public Drop Box Service**

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

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

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

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

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

556 **H. Abandoned Solid Waste**

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

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

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

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

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

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

577 **5.11 PUBLIC EDUCATION AND OUTREACH**

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

580 **A. Program Objectives**

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

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

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

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

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

607 **5.12 DIVERSION REQUIREMENTS**

608 **A. Contractor Obligation**

609 In awarding this Agreement, the RA Members relied on Contractor representation that
610 Contractor will provide a level of Diversion that ensures the RA Members will be in full
611 compliance with its State Diversion obligations, as defined as of the Effective Date by AB
612 939, AB 341, AB 1826 and related state laws and regulations. The RA Members' grant of
613 exclusive services as defined in Section 3.1 is based in part on providing Contractor the
614 means necessary to ensure the Regional Agency meets its Diversion obligations. The
615 following Diversion requirements are intended to ensure the RA Members and Regional
616 Agency will be in full compliance with their Diversion obligations under Applicable Law.

617 **B. Diversion Rate**

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

623 **C. Diversion Requirements**

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

630

631

632 **D. Compliance with Diversion Requirements**

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

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

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

659 **E. Cooperation**

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

669 **5.13 ENVIRONMENTAL ENHANCEMENTS**

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

672 **A. Edible Garden at the Community Food Bank**

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

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

680 **B. San Benito County Recycles! Poster Contest**

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

687 **C. School Assemblies and Outreach**

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

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

699

700

701 **D. Emissions Reporting**

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

707 **ARTICLE 6: REQUIREMENTS FOR OPERATIONS, EQUIPMENT AND PERSONNEL**

708 **6.1 GENERAL**

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

714 **6.2 OPERATING HOURS AND SCHEDULES**

715 **A. Hours of Collection.**

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

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

722 **2. Commercial Premises.** Collection from Commercial Premises that are two hundred (200)
723 feet or less from Residential Premises shall only occur between the hours of 6:00 a.m. and
724 6:00 p.m., Monday through Friday. Collection from Commercial Premises more than two
725 hundred (200) feet from Residential Premises shall only occur between the hours of
726 3:00 a.m. and 6:00 p.m., Monday through Saturday.

727 **B. Holiday Collection Schedule.**

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

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

734 **6.3 COLLECTION STANDARDS**

735 **A. Servicing Containers.**

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

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

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

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

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

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

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

- 765 • Closing Container lids and right sizing service: Contractor staff will tag overfull
766 containers with “reminder stickers,” which will serve as outreach and education to the
767 Customer. Photos of the container will be taken by drivers, attached to the Customer’s
768 account, and will be available to outreach and Customer service staff to demonstrate to
769 the Customer where a problem exists.
- 770 • Outreach to Customer on importance of bagging lightweight materials such as plastic
771 bags, film plastics, foam peanuts, and other materials that can easily become litter due
772 to their lightweight nature.
- 773 • Driver training on litter reduction techniques and litter removal best management
774 practices.
- 775 • Affixing signage to the back of Contractor trucks which reads “Help us keep our
776 roadways and waterways clean. If you see litter falling out of this truck, please
777 contact 800-XXX-XXXX”.
- 778 • Collaboration with the RA Members street sweeping operators, as appropriate, to align
779 schedules with Collection schedules to have sweeping following the standard Collection
780 day.

781 **C. Development and Review of Collection Specifications.** Contractor shall work with each
782 RA Member to develop standard specifications for Collection Container enclosures at
783 Commercial and Multi-Family Premises. These specifications shall be developed to ensure
784 that the Collection Container enclosures are built to provide adequate space for and
785 suitable configuration to allow the Contractor to safely and efficiently service Solid Waste,
786 Recyclable Materials, and Organic Materials Containers. Contractor’s Operations
787 Manager or other appropriately qualified staff shall, upon request by the Regional
788 Agency Contract Manager or RA Members, provide a review of plans for new
789 Multi-family and Commercial development or project design drawings. Contractor shall
790 provide comments and recommendations resulting from the review in writing within ten
791 (10) days of receipt of the documents for review. In each review report, Contractor
792 shall comment on the acceptability of the proposed enclosure arrangements in terms of:
793 i) the adequacy of space for Solid Waste, Recyclable Materials, and Organic Materials
794 Containers; ii) the accessibility of the Containers for Collection including whether
795 additional charges (e.g., push/pull, etc.) would apply; and iii) ease of use by tenants.

796 **6.4 VEHICLE REQUIREMENTS**

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

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

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

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

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

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

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

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

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

852 **6.5 CONTAINER REQUIREMENTS**

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

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

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

874 **6.6 PERSONNEL**

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

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

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

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

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

898 **6.7 HAZARDOUS WASTE INSPECTION AND HANDLING**

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

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

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

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

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

934 **6.8 REGIONAL AGENCY CONTRACT MANAGER**

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

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

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

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

963 **6.9 ENVIRONMENTALLY-PREFERRABLE PURCHASING**

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

969 **6.10 LOCAL PURCHASING PREFERENCE**

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

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

978 **7.1 BILLING SERVICES**

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

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

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

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

991 • **SFD Rate Arrangements**

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

997 • **MFD and Commercial Rate Arrangements**

998 Member Agencies will maintain a rate structure that includes an integrated fee for collection
999 that covers solid waste and recycling. A volume-based rate structure will be used. MFD and
1000 Commercial customers will be provided the opportunity to subscribe to unlimited levels of
1001 recyclable materials collection service at no additional charge. As a result, the contractor will
1002 provide the number and sizes of recycling containers requested by the customer and service the
1003 containers as frequently as requested. In addition, Member Agencies will continue to allow open
1004 market competition for recyclable materials excluded from the Contractor's exclusive franchise
1005 pursuant to Section 3.2.

1006 Member Agencies will establish separate, volume-based rates for organics collection services.
1007 Customers will be encouraged to voluntarily participate in organics collection, unless required to do so
1008 by state law, and will be required to pay a fee for organics collection services based on subscription
1009 levels.

1010 • **RA Members Facilities**
1011 RA Members facilities shall be provided all collection services at “no cost.” The cost of collection
1012 services provided to Member Agencies will be included in the contractor’s annual compensation
1013 and shall be paid for through the rates charged to SFD, MFD and commercial customers, at RA
1014 Members discretion.

1015 • **Special Services Charges**
1016 Contractor’s customer proposed rate schedule shall include all charges for special services,
1017 including: (1) unlocking Containers; (2) accessing Container enclosures with a key; (3) pulling or
1018 pushing Containers to a Collection Vehicle; (4) steam cleaning, except carts, Containers more
1019 frequently than one time per year as requested by the Customer; (5) additional residential solid
1020 waste cart monthly service rate; (6) additional Recyclable Materials Cart monthly rental; (7)
1021 additional Organic Materials Cart charge equivalent to 50% of the Solid Waste monthly service
1022 rate gallon equivalent; (8) additional Bulky Item Collection Event beyond two times per year; (9)
1023 assessment of “contamination fee” as more fully described in the Franchise Agreement
1024 Attachments B1 subsections 2 and 3, B2 subsections 2 and 3, and B3 subsections 2 and 3; and
1025 (10) Sunday collection surcharge for MFD and Commercial accounts.

1026 Please see Sections 6.3.A, and 6.5 and Attachments B1, B2, and B3 for more details on situations in
1027 which special service charges apply.

1028 Contractor’s website shall provide Customers with the ability to pay their bills through an electronic
1029 check or credit card and include the ability for Customer billings to be automatically charged on a
1030 recurring basis. Contractor shall promote the website- based billing and payment system on all paper bill
1031 sent to Customers. Contractor shall prepare, mail, and collect bills from Customers who decline to use
1032 such internet-based billing system. Contractor shall make arrangements to allow Customers to pay bills
1033 by cash, check, electronic check, money order, and credit card.

1034 **A. RA Member Inserts.** Each RA Member may direct Contractor to produce and insert
1035 mailers with billings relating to RA Member community events, public education and
1036 outreach activities, other environmental programs, and authorized rate increases. Each RA
1037 Member may request such mailers as frequently as the lesser of: 1) six (6) times per year
1038 or 2) the number of billing cycles for that Customer Type.

1039 **B. Delinquent Accounts.** Contractor shall be responsible for collecting delinquent charges for
1040 services it renders to customers. Contractor shall employ measures, consistent with
1041 Applicable Law regulating the collection of debts, to obtain payment of charges including
1042 use of its own employees to obtain judgments in Small Claims Court and to enforce such
1043 judgments.

1044 In the event that any account becomes more than forty-five (45) calendar days past
1045 due, Contractor shall notify such Customer of the delinquency via written correspondence

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

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

1064 **D. Customer Privacy.**

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

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

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

1083 **7.2 CUSTOMER SERVICE**

1084 **A. Customer Service.** Contractor shall at all times be in compliance with this Section 7.2 and
1085 with the provisions of the Customer Service Plan included in Contractor’s Proposal.
1086 Contractor shall revise, modify and otherwise update such Plan throughout the Term as it
1087 deems necessary, or as or as reasonably requested by the RA Members.

1088 **B. Office Location and Hours.** Contractor will have an operation and maintenance yard
1089 located at 1351 Pacheco Pass Highway, Gilroy, CA. Contractor will provide at least one
1090 location in each RA Member’s jurisdiction acceptable to the RA Representative where
1091 Customers can pay their bills in person. Contractor intends to use the following locations
1092 initially: Ace Cash Express located in Safeway in Hollister at 591 Tres Pinos Road; Windmill
1093 Market in San Juan Bautista at 301 The Alameda; and Paicines General Store located at
1094 12261 Airline Highway in Paicines. The Contractor office shall be open from 8 am to 5 pm
1095 Monday through Friday for the public to pay their bills or get customer service assistance.

1096 **C. Local Telephone Number and Equipment.** Contractor's principal office shall be accessible
1097 by a local (toll-free to Customers) telephone number at least during the office hours
1098 specified in Section 7.2.B and from 8:00 a.m. to noon on Saturdays. The telephone
1099 number shall be listed under Contractor’s name in the local telephone directory and as
1100 appropriate on Collection vehicles and Containers. The Contractor shall have sufficient
1101 equipment in place and staff to handle the volume of calls experienced on the busiest
1102 days and such telephone equipment shall be capable of recording the responsiveness
1103 (e.g., call hold-time, abandoned calls, etc.) to calls. Recording of Contractor’s
1104 responsiveness to calls shall include, at a minimum, all items included in the “Service
1105 Quality and Reliability” and “Customer Service” performance standards listed in
1106 Attachment G. An answering machine or voicemail service shall record Customer calls and
1107 voice messages between during hours the office is closed, or outside times calls are not
1108 being answered.

1109 **D. Emergency Telephone Number.** Contractor shall maintain an emergency telephone
1110 number for use outside Contractor's office hours. The emergency telephone number shall
1111 be listed as an emergency number under Contractor's name and under the Regional
1112 Agency and RA Members in the local telephone directory. Contractor shall have a
1113 representative, or an answering service to contact such representative, available at
1114 Contractor's emergency telephone number during all hours other than Contractor's office
1115 hours.

1116 **E. Multilingual/TDD Service.** Contractor shall at all times maintain the capability of
1117 responding to telephone calls in English, Spanish, and such other languages as the RA
1118 Members may direct, employing a service such as ATT Language Line. Contractor shall at
1119 all times maintain the capability of responding to telephone calls through

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

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

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

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

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

1146 **7.3 RECORD KEEPING AND REPORTING**

1147 **A. Record Keeping.**

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

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

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

1164 **B. Report Submittal Requirements**

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

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

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

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

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

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

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

1192 **C. Performance Audits.** Performance and service quality audits and evaluations may be
1193 conducted or caused to be conducted by the RA Members at their discretion and cost
1194 throughout the term of this Agreement. The reports required by this Agreement and the
1195 Contractor's ability or inability to achieve Diversion goals may be utilized as a basis of
1196 review. Such audits may include, but shall not be limited to analyses of both financial and
1197 qualitative performance of Contractor and Contractor's operations and compliance with
1198 the performance standards in Attachment G. If any noncompliance with the Agreement is
1199 found, the RA Members may direct the Contractor to correct the inadequacies in
1200 accordance with the terms of this Agreement. If the Contractor fails to correct the
1201 noncompliance items, said failure will be considered a default under this Agreement.
1202 Contractor shall cooperate fully with the RA Members in conducting such evaluations and
1203 audits. The Contractor's cost of cooperating with such audits and correcting any
1204 noncompliance with this Agreement shall be borne by Contractor.

1205 **ARTICLE 8: FRANCHISE FEES AND OTHER FEES**

1206 **8.1 FRANCHISE FEE**

1207 In consideration of the rights provided Contractor herein, including the right to use RA Member' streets
1208 and property, Contractor shall pay franchise fees to each RA Member each quarter equal to the
1209 following percent of Gross Receipts for all services performed under this Agreement: 5% for City of
1210 Hollister, 10% for residential in San Juan Bautista and 15% for commercial, and 5% for County of San
1211 Benito.

1212 This fee will include an amount to cover an in-lieu property tax payment of at least \$10,154 if the
1213 Contractor's operation and maintenance yard is located outside the County. This fee may be adjusted by
1214 governing body resolution.

1215 **8.2 AB 939 FEE AND OTHER STATUTORY FEES**

1216 The Contractor shall pay an AB 939/Statutory fee to each RA Member each quarter. The amount of the
1217 AB 939/Statutory fee shall be a percent of Gross Receipts as follows for all services performed under this
1218 Agreement and shall be paid in equal quarterly installments: 5% for City of Hollister, 2.5% for San Juan
1219 Bautista, and 4.5% for County of San Benito.

1220 The amount of the AB 939/Statutory fee will be equal to or less than the costs of Regional Agency and
1221 RA Members' programs, pilot studies, education and outreach campaigns, reporting, compliance, and
1222 other activities involved in complying with AB 939 or other existing or future statutory requirements
1223 related to solid waste and recycling, such as AB 341 and AB 1826. Each RA Member will use the AB
1224 939/Statutory fee to offset such costs.

1225 **8.3 HHW FEE**

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

1233 **8.4 LITTER ABATEMENT FEE**

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

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

1243 **8.5 ADJUSTMENT TO FEES**

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

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

1250 **8.6 PAYMENT SCHEDULE AND LATE FEES**

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

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

1260 by Customer Type for the period collected from all operations conducted or permitted by this
1261 Agreement. The Regional Agency Contract Manager may, at any time during the Term, request a
1262 detailed calculation of Gross Receipts which may include, but is not necessarily limited to, the number of
1263 Customers charged at each Service Level and Rate charged for each billing period.

1264 The Regional Agency Contract Manager may, at any time during the Term, perform an audit of
1265 Contractor's billings and payment of fees. Contractor shall cooperate with the Regional Agency Contract
1266 Manager in any such audit. Should the Regional Agency or its agent perform this review and identify
1267 billing errors or other errors in payment of fees valued at one (1) percent or more of Gross Receipts,
1268 Contractor shall, in addition to compensating the Regional Agency and individual RA Members as
1269 applicable for lost fees, reimburse the Regional Agency's cost of the review.

1270 **ARTICLE 9: CONTRACTOR'S COMPENSATION AND RATE SETTING**

1271 **9.1 GENERAL**

1272 The Contractor's compensation for performance of all its obligations under this Agreement shall be
1273 Gross Receipts. Contractor's compensation provided for in this Article is the full, entire and complete
1274 compensation due to Contractor pursuant to this Agreement for all labor, equipment, materials and
1275 supplies, Processing and Disposal fees, fees due to the Regional Agency and individual RA Members as
1276 applicable, taxes, insurance, bonds, overhead, operations, profit, and all other things necessary to
1277 perform all the services required by this Agreement in the manner and at the times prescribed. Nothing
1278 herein shall obligate the Regional Agency or the RA Members to provide any compensation to
1279 Contractor beyond Gross Receipts.

1280 If Contractor's actual costs, including fees due to Agency, are more than Gross Receipts, Contractor shall
1281 not be compensated for the difference in actual costs and actual Gross Receipts. If Contractor's actual
1282 costs are less than the actual Gross Receipts, Contractor shall retain the difference provided that
1283 Contractor has paid Regional Agency and RA Member fees pursuant to Article 8.

1284 Under this Agreement, Contractor shall have the right and obligation to charge and collect from
1285 Customers, Rates in Attachment F3 that are approved by the RA Members for provision of services to
1286 Customers. The Rates for Rate Period One are based on the Contractor's Proposal. Contractor's
1287 proposed costs and operating assumptions for Rate Period One are presented in Attachment F2.

1288 **9.2 RATES AND ANNUAL ADJUSTMENTS**

1289 **A. General.** The RA Members shall be responsible for approving Rates as described in this
1290 Article. If at any time during the Term of the Agreement, the Contractor determines the
1291 need for a Rate that does not appear on the RA Member-approved Rate schedule in
1292 Attachment F3, Contractor shall immediately notify the Regional Agency and RA Members

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

1297 **B. Rates for Rate Period One.** Rates for Rate Period One, which are presented in Attachment
1298 F3, were determined by Contractor and RA Members and approved by the RA Members
1299 through their approval of this Agreement, subject to completion of any proceedings that
1300 an RA Member chooses to undertake under Article XIII C and/or D of the California
1301 Constitution with respect to such Rates. If as a result of such proceedings the Rates for
1302 Rate Period One are not approved by such RA Member by the Commencement Date, then
1303 (i) such RA Member and Contractor shall negotiate in good faith to amend this Agreement
1304 to reduce Contractor's obligations hereunder (with respect to such RA Member only) so
1305 that they are commensurate with the Rates that Contractor can legally charge, and (ii)
1306 until such amendment takes effect, Contractor shall not be required to comply with any
1307 obligations under this Agreement (with respect to such RA Member only) that exceed
1308 Contractor's obligations under the previous franchise agreement. Subject to the foregoing
1309 the Rates for Rate Period One shall be effective from the Commencement Date of this
1310 Agreement through June 30, 2019.

1311 **C. Rates for Subsequent Rate Periods.** Rates for subsequent Rate Periods shall be adjusted
1312 annually in accordance with this Section 9.2 and Attachment E.

1313 The index-based adjustment, which is described in Attachment E1, involves use of various
1314 cost adjustment factors (such as the percentage change in the consumer price index and
1315 percentage change in the Approved Facility tipping fees) to calculate adjusted Rates. Such
1316 Rate adjustment calculations shall be performed in strict conformance to the procedures
1317 described in Attachment E1.

1318 **D. Rate Structure.** The Regional Agency and RA Members and Contractor shall meet and
1319 confer to change the relationship of individual Rates in comparison with other Rates. Any
1320 such changes would occur in conjunction with the annual Rate adjustment process
1321 described in Section 9.2.C or in conjunction with a Rate adjustment resulting from an
1322 extraordinary Rate adjustment in accordance with Section 9.3. Changes to the Rates
1323 charged under the new structure shall be calculated in such a way that the revised Rate
1324 structure generates at least the same amount of total revenue when the number of
1325 accounts at each Service Level are multiplied by the Rates charged for each Service
1326 Level and the totals for all Service Levels are summed.

1327 **E. Low Income Rates.** Contractor shall offer discounted Rates to low income Customers
1328 subscribing to 20 or 32-gallon service with the Contractor. The low-income Rate shall
1329 only apply to Single-Family Customers who demonstrate participation in the PG&E
1330 "Lifeline" program or other comparable utility program offering discounts based on a low-
1331 income qualification.

1332 **9.3 EXTRAORDINARY RATE ADJUSTMENTS**

1333 It is understood that the Contractor accepts the risk for changes in cost of providing services and the
1334 Service Levels requested by Customers and therefore the extraordinary adjustments to Rates shall be
1335 limited to a Change in Law or an RA Member-directed change in scope. If a Change in Law or RA
1336 Member- directed change in scope (pursuant to Section 5.5) occurs, the Contractor may petition the RA
1337 Members for an adjustment to the Rates in excess of the annual adjustment described in Section 9.2.

1338 Contractor shall prepare an application for the extraordinary Rate increase. Such submittal shall be
1339 prepared in compliance with the procedures described in Attachment E1 and shall provide all
1340 information requested by the Regional Agency Contract Manager specific to the nature of the request
1341 being made. Contractor shall pay all reasonable costs incurred by the RA Members, including the costs
1342 of outside accountants, attorneys, and/or consultants, in order to make a determination of the
1343 reasonableness of the requested Rate adjustment, up to a maximum for each extraordinary Rate
1344 increase request of Ten Thousand Dollars (\$10,000) in the aggregate for all RA Members and Regional
1345 Agency combined. The application shall clearly document the reason for the proposed adjustment,
1346 include calculation of the proposed Rate adjustments, and provide supporting documentation.

1347 If Contractor provides reasonable evidence that a Change in Law or RA Member-directed change has
1348 occurred or will occur, that such change will result in an increase in Contractor’s costs of performing this
1349 Agreement, and that such increased costs are reasonable, then Contractor shall be entitled to an
1350 adjustment in rates sufficient to cover such increased costs.

1351 The Regional Agency Contract Manager shall have the right to request any other information that they,
1352 in their sole judgment, determine is necessary to establish the reasonableness or accuracy of
1353 Contractor’s request for an extraordinary Rate increase. Contractor’s failure to fully cooperate in a
1354 timely manner with any reasonable request for information by the Regional Agency Contract Manager
1355 may result in either the denial of or a delay in the approval of the request for an extraordinary Rate
1356 increase.

1357 **9.4 PERFORMANCE INCENTIVES AND DISINCENTIVES**

1358 Contractor shall submit an annual report on the Performance Incentives and Disincentives detailed in
1359 Attachment H with submittal of its annual reports to the Regional Agency Contract Manager and RA
1360 Members pursuant to Section 7.3B. Contractor shall pay the RA Member, or the RA Member shall pay
1361 Contractor the net amount, if any, due for Performance Incentives and Disincentives calculated pursuant
1362 to Section 11.6, and Attachment H.

1363

ARTICLE 10: INDEMNIFICATION, INSURANCE AND PERFORMANCE BOND

1364 **10.1 INDEMNIFICATION**

1365 **A. General.** Contractor shall indemnify, defend with counsel acceptable to the RA Members,
1366 and hold harmless (to the full extent permitted by law) each RA Member and the Regional
1367 Agency and its officers, officials, employees, volunteers, and agents from and against any
1368 and all claims, liability, loss, injuries, damage, expense, and costs (including without
1369 limitation costs and fees of litigation, including attorneys’ and expert witness fees)
1370 (collectively, “Damages”) of every nature arising out of or in connection with Contractor’s
1371 performance under this Agreement, or its failure to comply with any of its obligations
1372 contained in the Agreement, except to the extent such loss or damage was caused by the
1373 sole negligence or willful misconduct of an RA Member or the Regional Agency.

1374 Contractor’s duty to defend and indemnify herein shall include for Damages arising from
1375 or attributable to any operations, repairs, clean-up or detoxification, or other plan
1376 (regardless of whether undertaken due to governmental action) concerning any Excluded
1377 Waste collected in the Service Area. The foregoing is intended to operate to defend and
1378 indemnify and hold harmless indemnitees to the full extent permitted for liability
1379 pursuant to 107(e) of CERCLA, 42 U.S.C. 9607(e) and California Health and Safety Code
1380 25364. In addition, Contractor’s duty to defend and indemnify herein includes all fines
1381 and/or penalties imposed by the California Department of Resources Recycling and
1382 Recovery, subject to the restrictions set forth in Public Resources Code section 40059.1, if
1383 the requirements of AB 939 or AB 341 are not met by the Contractor with respect to the
1384 waste stream collected under this Agreement, and such failure is (i) due to the failure of
1385 Contractor to meet its obligations under this Agreement, or (ii) due to Contractor delays in
1386 providing information that prevents Contractor or RA Members or the Regional Agency
1387 from submitting reports required by AB 939 or AB 341 in a timely manner. The provisions
1388 of this Section shall survive the termination or expiration of this Agreement.

1389 **B. AB 939, AB 341, AB 1846 and Local Ordinance Compliance**

1390 Contractor shall perform all education, outreach, monitoring, and reporting for all
1391 Commercial and Residential, including Multi-Family, properties as required by AB 939,
1392 AB 1826, AB 341, and any RA Member or Regional Agency ordinance, solely as set out in
1393 Section 5.1, and in Attachment B. Contractor has developed, and shall implement and
1394 update as necessary a Diversion Plan as provided that, among other things supports and
1395 educates Multi-Family and Commercial Customers on both State and local requirements.
1396 Contractor shall provide all necessary reporting relating to the Regional Agency’s
1397 compliance requirements pertaining to AB 939, AB 1826 and AB 341, and as it affects the
1398 County's Integrated Waste Management Plan, solely as required by Section 7.3 and
1399 Attachment D.

1400 C. **Excluded Waste.** Contractor acknowledges that it is responsible for compliance during the
1401 entire Term of this Agreement with all Applicable Laws. Contractor shall not store,
1402 transport, use, or Dispose of any Excluded Waste except in strict compliance with all
1403 Applicable Laws.

1404 In the event that Contractor negligently or willfully mishandles Excluded Waste in the
1405 course of carrying out its activities under this Agreement, Contractor shall at its sole
1406 expense promptly take all investigatory and/or remedial action reasonably required for
1407 the remediation of such environmental contamination. Prior to undertaking any
1408 investigatory or remedial action, however, Contractor shall first obtain the Regional
1409 Agency Contract Manager's approval of any proposed investigatory or remedial action.
1410 Should Contractor fail at any time to promptly take such action, the RA Members may
1411 undertake such action at Contractor's sole cost and expense, and Contractor shall
1412 reimburse the RA Members for all such expenses within thirty (30) calendar days of being
1413 billed for those expenses, and any amount not paid within that thirty (30) calendar day
1414 period shall thereafter be deemed delinquent and subject to the delinquent fee payment
1415 provision of Section 7.1. These obligations are in addition to any defense and indemnity
1416 obligations that Contractor may have under this Agreement. The provisions of this Section
1417 shall survive the termination or expiration of this Agreement.

1418 Notwithstanding the foregoing, Contractor's duties under this subsection shall not extend
1419 to any claims arising from the Disposal of Solid Waste at the Approved Disposal Facility,
1420 including, but not limited to, claims arising under Comprehensive Environmental
1421 Response, Compensation and Liability Act (CERCLA) unless such claim is a direct result of
1422 Contractor's negligence or willful misconduct or Contractor owns or operates the
1423 Approved Disposal Facility.

1424 D. **Environmental Indemnity.** Contractor shall defend, indemnify, and hold each RA Member
1425 and the Regional Agency harmless against and from any and all claims, suits, losses,
1426 penalties, damages, and liability for damages of every name, kind and description,
1427 including attorneys' fees and costs incurred, attributable to the negligence or willful
1428 misconduct of Contractor in handling Excluded Waste.

1429 E. **Related to Propositions 218 and 26.** Should there be a Change in Law or a new judicial
1430 interpretation of Applicable Law, including, but not limited to, Article XIII C and D of the
1431 California Constitution (Commonly Proposition 218 and Proposition 26), which impacts
1432 the RA Members' ability to set or change Rates for the Collection services established in
1433 accordance with this Agreement, Contractor agrees to meet and confer with the RA
1434 Members to discuss the impact of such Change in Law on either Party's ability to perform
1435 under this Agreement.

1436 The RA Members shall not be in default of this Agreement, if it is determined by a court of
1437 competent jurisdiction, that RA Members lack the authority to set Rates or increase Rates

1438 for charges related to providing Collection services under this Agreement. Should a court
1439 of competent jurisdiction determine that the Contractor cannot charge and/or increase its
1440 Rates for any charges incorporated into the Rates under this Agreement, Contractor shall
1441 reduce the Rates it charges Customers a corresponding amount, providing said fees, Rates
1442 and/or charges disallowed by the court are not related to the cost of providing service
1443 hereunder and had been incorporated in the Rates charged by Contractor to its
1444 Customers.

1445 Nothing herein is intended to imply that California Constitution, Articles XIII C or XIII D,
1446 apply to the Rates established for services provided under this Agreement; rather this
1447 Section is provided merely to allocate risk of an adverse judicial interpretation between
1448 the Parties.

1449 This provision (i.e., Section 10.1) will survive the expiration or earlier termination of this
1450 Agreement and shall not be construed as a waiver of rights by each RA Member and the
1451 Regional Agency to contribution or Indemnity from third parties.

1452 **10.2 INSURANCE**

1453 **A. General Requirements.** Contractor shall, at its sole cost and expense, maintain in effect
1454 always during the Term of this Agreement not less than the following coverage and limits
1455 of insurance:

1456 **B. Coverages and Requirements.** During the Term of this Agreement, Contractor shall at all
1457 times maintain, at its expense, the following coverages and requirements. The
1458 comprehensive general liability insurance shall include broad form property damage
1459 insurance.

1460 1. Minimum Coverages. Insurance coverage shall be with limits not less than the following:

1461 **Comprehensive General Liability** – \$5,000,000 combined single limit per occurrence for
1462 bodily injury, personal injury, and property damage. The general liability policy must
1463 provide contractual liability coverage for Contractor’s indemnities.

1464 **Comprehensive Automobile Liability** – \$5,000,000 combined single limit per accident for
1465 bodily injury and property damage (include coverage for Hired and Non-owned vehicles).

1466 **Environmental liability/Pollution** - \$5,000,000 per occurrence covering loss (including
1467 cleanup costs) that Contractor becomes legally obligated to pay as a result of claims for
1468 bodily injury, property damage, and cleanup costs (including expenses required by
1469 environmental laws or incurred by federal, state, or local governments or third parties)
1470 resulting from pollution conditions caused by transported cargo (including waste). For the
1471 purposes of this subsection, “pollution conditions” includes the dispersal, discharge,
1472 release, or escape of any solid, liquid, gaseous, or thermal irritant or contaminant (such as

1473 smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, medical waste, and waste
1474 materials) into or upon land, any structure on land, the atmosphere, or any watercourse
1475 or body of water (including groundwater), provided the conditions are not naturally
1476 present in the environment in the amounts or concentrations discovered.

1477 The liability coverage for pollution must provide contractual liability coverage, by
1478 endorsement or schedule, if necessary, for Contractor Indemnities.

1479 **Workers' Compensation** – Statutory Limits/Employers' Liability - \$1,000,000/accident for
1480 bodily injury or disease.

1481 **Crime/Employee Dishonesty Insurance** (covering theft of money or other property of any
1482 RA Member for which Contractor is legally liable, by any employee of Contractor or any
1483 third party) - \$5,000,000 per occurrence.

1484 If Contractor fails to secure and maintain any insurance required by this Agreement, at its
1485 sole option each RA Member or the Regional Agency may secure and maintain that
1486 insurance at their expense and Contractor will pay them their RA Member's
1487 reimbursement costs therefore. This remedy is in addition to each RA Member's right to
1488 declare a Default under Section 11.1 and terminate this agreement under Section 11.2.

1489 2. Additional Insured. Each RA Member and the Regional Agency, its officers, agents,
1490 employees, and volunteers shall be named as additional insured on all but the workers'
1491 compensation and professional liability coverages.

1492 3. Said policies shall remain in force through the life of this Agreement and, with the
1493 exception of professional liability coverage, shall be payable on a "per occurrence" basis
1494 unless the Regional Agency's Risk Manager specifically consents in writing to a "claims
1495 made" basis. For all "claims made" coverage, in the event that the Contractor changes
1496 insurance carriers Contractor shall purchase "tail" coverage or otherwise provide for
1497 continuous coverage covering the Term of this Agreement and not less than three (3)
1498 years thereafter. Proof of such "tail" or other continuous coverage shall be required at
1499 any time that the Contractor changes to a new carrier prior to receipt of any payments
1500 due.

1501 4. The Contractor shall declare all aggregate limits on the coverage before commencing
1502 performance of this Agreement, and the Regional Agency's Risk Manager reserves the
1503 right to require higher aggregate limits to ensure that the coverage limits required for
1504 this Agreement as set forth above are available throughout the performance of this
1505 Agreement

1506 5. The deductibles or self-insured retentions are for the account of Contractor and shall be
1507 the sole responsibility of the Contractor.

- 1508 6. Each insurance policy shall provide or be endorsed to state that coverage shall not be
1509 suspended, voided, canceled by either Party, reduced in coverage or in limits except
1510 after thirty (30) calendar days prior written notice by certified mail, return receipt
1511 requested, has been given to the Regional Agency Contract Manager ten (10) Business
1512 Days for delinquent insurance premium payments).
- 1513 7. Insurance is to be placed with insurers with a current A.M. Best Company, Inc. rating of no
1514 less than A-VII, unless otherwise approved by the Regional Agency Risk Manager.
- 1515 8. The policies shall cover all activities of Contractor, its officers, employees, agents and
1516 volunteers arising out of or in connection with this Agreement.
- 1517 9. For any claims relating to this Agreement, the Contractor's insurance coverage shall be
1518 primary, including as respects each RA Member and the Regional Agency, its officers,
1519 agents, employees, and volunteers. Any insurance maintained by each RA Member
1520 and the Regional Agency shall apply in excess of, and not contribute with, insurance
1521 provided by Contractor's liability insurance policy.
- 1522 10. The Contractor shall waive all rights of subrogation against each RA Member and the
1523 Regional Agency, its officers, employees, agents, and volunteers.
- 1524 11. Insurance Coverage Requirements for Subcontractors. Contractor will ensure all
1525 Subcontractors performing Collection by providing evidence that either:
- 1526 (1) Contractor is maintaining insurance required by this Section covering the activities of
1527 Subcontractors, or
- 1528 (2) those Subcontractors are maintaining that insurance.
- 1529 At the RA Representative's request, Contractor will promptly provide the RA
1530 Representative with copies of evidence of Subcontractor insurance coverage within 10
1531 days of being insured and/or within 10 days of the RA Representative's request.
- 1532 **C. Evidence of Coverage.** Contractor will deliver certificates of insurance, original
1533 endorsements, schedules and other evidence of coverage as required by this agreement
1534 and/or requested by and acceptable to at the RA Representative, at the following times:
- 1535 (1) on or before the Agreement Execution Date,
- 1536 (2) promptly upon renewal of policies, and
- 1537 (3) within 10 days of the RA Representative's request.

1538 The certificates or endorsements are to be signed by a Person authorized by that insurer
1539 to bind coverage on its behalf. All certificates or endorsements are to be received by, and
1540 are subject to the approval of, the Regional Agency Risk Manager before work
1541 commences.

1542 **1. Certificates of Insurance.** Contractor will provide Certificates (or other evidence of
1543 coverage) containing at a minimum, the following information:

1544 (1) **Agreement name:** specifically identify this Agreement (for example, UNDER
1545 DESCRIPTION OF OPERATIONS), and if necessary to secure contractual liability coverage as
1546 an "insured contract" or otherwise, include a schedule or endorsement that specifically
1547 identifies this Agreement;

1548 (2) **Types, policy numbers, policy effective / expiration dates and limits:** clearly evidence
1549 all types and limits of coverage required under this Agreement, together with the
1550 following:

1551 - policy numbers,

1552 - effective / expiration dates, and

1553 - certificate of insurance that clearly evidences the required type of coverage (such as
1554 "pollution liability" under TYPE OF INSURANCE - OTHER) together with a summary
1555 description of its coverage (such as "pollution conditions caused by transported cargo"
1556 under SPECIAL PROVISIONS);

1557 (3) **30 days' cancellation notice:** contain the express condition that each RA Member and
1558 the Regional Agency must be given written notice by mail at least 30 days in advance of
1559 cancellation for all policies evidenced on the certificate of insurance. Endorsements
1560 cannot contain mere "best effort" modifiers or relieve the insurer from its responsibility to
1561 give that notice and the cancellation information on the certificate of insurance must
1562 delete language such as "failure to do so shall impose no obligation or liability of any kind
1563 upon the insurer, its agents or representatives".

1564 (4) **Deductibles and self-insured retentions:** identify any deductibles and self-insured
1565 retention. Upon request of the RA Representative, Contractor will reduce any self-insured
1566 retention as it applies to any RA Member or provide a letter of credit, certificate of
1567 deposit or other financial assurance acceptable to the RA Representative guaranteeing
1568 payment of all retained losses and related costs and expenses related to investigations,
1569 claims administrations, and legal defense. The letter of credit or certificate of deposit
1570 must be provided by a bank satisfactory to the RA Representative; and

1571 (5) **Claims made:** if any insurance coverage is written on a claims-made form (such as
1572 pollution liability), evidence that the "retro date" is before the Agreement Execution Date.

1573 Contractor must maintain that coverage for at least 5 years after the Termination Date
1574 and provide each RA Member promptly with evidence of that coverage at each RA
1575 Member direction. THIS PROVISION SURVIVES THE TERMINATION OF THIS AGREEMENT;
1576 and

1577 **2. Endorsements:** Contractor must provide copies of the following endorsements or other
1578 documentation satisfactory to the RA Representative:

1579 (1) additional insured endorsement to each liability policy, explicitly adding each RA
1580 Member, the Regional Agency and their respective "officers and employees" as insured;

1581 (2) waiver of subrogation; and

1582 (3) insurance is primary and not contributing with any other insurance or self³² insurance
1583 programs maintained by an RA Member, the Regional Agency, and their respective
1584 officers and employees.

1585 **3. Schedules:** Contractor must provide schedules or other evidence that liability policies
1586 provide contractual liability coverage for Indemnities, such as listing this Agreement as an
1587 "insured contract".

1588 **4. Sitnature Verification.** At the RA Representative's request, Contractor must provide
1589 documentation verifying that the individual signing or countersigning the certificates,
1590 policies, endorsements, or other evidence of coverage is authorized to do so and identifies
1591 his or her company affiliation and title. The RA Representative may require complete,
1592 certified copies of Contractor's insurance policies at any time.

1593 **D. Renewals.** During the Term of this Agreement, Contractor shall furnish the Regional
1594 Agency Contract Manager with certificates or original endorsements reflecting renewals,
1595 changes in insurance companies, and any other documents reflecting the maintenance of
1596 the required coverage throughout the entire Term of this Agreement. The certificates or
1597 endorsements are to be signed by a Person authorized by that insurer to bind coverage on
1598 its behalf.

1599 **E. Workers' Compensation.** Contractor shall provide workers' compensation coverage as
1600 required by State law, and prior to the Effective Date pursuant to this Agreement,
1601 Contractor shall file the following statement with each RA Member and the Regional Agency.

1602 "I am aware of the provisions of Paragraph 3700 of the Labor Code that require every
1603 employer to be insured against liability for workers' compensation or to undertake
1604 self-insurance in accordance with the provisions of that code, and I will comply with such
1605 provisions before commencing any services required by this Agreement.

1606 The Person executing this Certificate on behalf of Contractor affirmatively represents that
1607 she/he has the requisite legal authority to do so on behalf of Contractor, and both the
1608 Person executing this Agreement on behalf of Contractor and Contractor understand that
1609 each RA Member and the Regional Agency is relying on this representation in entering
1610 into this Agreement.”

1611 **F. Notice of Claims.** If any Person makes a claim against Contractor or any Subcontractor
1612 exceeding the amount of any deductibles or self-insured retentions, Contractor will
1613 promptly notify the RA Representative thereof.

1614 **G. Contractor Accounting.** Contractor will institute a comprehensive accounting system
1615 satisfactory to the RA Representative to monitor all insurance requirements under this
1616 Agreement, including those of its Subcontractors.

1617 **H. Contractor Compliance.** Contractor will comply with all requirements of its insurance
1618 policies and insurers.

1619 **10.3 PERFORMANCE BOND**

1620 Within seven (7) calendar days of receiving notice that all the RA Members have executed this
1621 Agreement, Contractor shall file with the Regional Agency a bond, payable to each RA Member, securing
1622 the Contractor's performance of its obligations under this Agreement, and such bond shall be renewed
1623 annually if necessary so that the performance bond is maintained always during the Term. The principal
1624 sum of the bond shall be \$625,000 for the County of San Benito, \$1,270,000 for the City of Hollister and
1625 \$45,000 for the City of San Juan Bautista and shall be adjusted every three (3) years, commencing with
1626 Rate Period Three, so that the bond amount equals three (3) months of the prior Rate Period’s annual
1627 Gross Receipts. The bond shall be executed as surety by a corporation authorized to issue surety bonds
1628 in the State of California that has a rating of A or better in the most recent edition of Best’s Key Rating
1629 Guide, and that has a record of service and financial condition satisfactory to the Agency. The bond shall
1630 be in the form attached as Attachment I.

1631 **ARTICLE 11: DEFAULT AND REMEDIES**

1632 **11.1 EVENTS OF DEFAULT**

1633 All provisions of the Agreement are considered material. Each of the following shall constitute an event
1634 of default.

1635 **A. Fraud or Deceit.** Contractor practices, or attempts to practice, any fraud or deceit upon
1636 the Regional Agency or RA Members.

- 1637 **B. Insolvency or Bankruptcy.** Contractor becomes insolvent, unable, or unwilling to pay its
1638 debts, or upon listing of an order for relief in favor of Contractor in a bankruptcy
1639 proceeding.
- 1640 **C. Failure to Maintain Coverage.** Contractor fails to provide or maintain in full force and
1641 affect the Workers' Compensation, liability, or indemnification coverage as required by
1642 this Agreement.
- 1643 **D. Violations of Regulation.** Contractor violates any orders or filings of any regulatory body
1644 having authority over Contractor relative to this Agreement, provided that Contractor may
1645 contest any such orders or filings by appropriate proceedings conducted in good faith, in
1646 which case no breach or default of this Agreement shall be deemed to have occurred
1647 unless and until the regulatory body or court determines Contractor violated such order or
1648 filing.
- 1649 **E. Violations of Applicable Law.** Contractor violates Applicable Law relative to this
1650 Agreement.
- 1651 **F. Failure to Perform Direct Services.** Contractor ceases to provide Collection,
1652 Transportation, or Processing services as required under this Agreement for a period of
1653 two (2) consecutive calendar days or more, for any reason within the control of
1654 Contractor.
- 1655 **G. Failure to Pay or Report.** Contractor fails to make any payments to the Regional Agency or
1656 RA Members required under this Agreement including payment of Regional Agency or RA
1657 Member fees or Liquidated Damages or refuses to provide the Regional Agency or RA
1658 Members with required information, reports, and/or records in a timely manner as
1659 provided for in the Agreement.
- 1660 **H. Acts or Omissions.** Any other act or omission by Contractor which violates the terms,
1661 conditions, or requirements of this Agreement, the Act, as it may be amended from time
1662 to time, or any law, statute, ordinance, order, directive, rule, or regulation issued there
1663 under and which is not corrected or remedied within the time set in the written notice of
1664 the violation or, if Contractor cannot reasonably correct or remedy the breach within the
1665 time set forth in such notice, if Contractor should fail to commence to correct or remedy
1666 such violation within the time set forth in such notice and diligently effect such correction
1667 or remedy thereafter.
- 1668 **I. False, Misleading, or Inaccurate Statements.** Any representation or disclosure made to
1669 the Regional Agency or RA Members by Contractor in connection with or as an
1670 inducement to entering into this Agreement, or any future amendment to this Agreement,
1671 which proves to be false or misleading in any material respect as of the time such
1672 representation or disclosure is made, whether or not any such representation or

1673 disclosure appears as part of this Agreement; and, any Contractor- provided report
1674 containing a misstatement, misrepresentation, data manipulation, or an omission of fact
1675 or content explicitly defined by the Agreement, excepting non-numerical typographical
1676 and grammatical errors.

1677 **J. Seizure or Attachment.** There is a seizure of, attachment of, or levy on, some or all of
1678 Contractor’s operating equipment, including without limits its equipment, maintenance or
1679 office facilities, Approved Facility (ies), or any part thereof.

1680 **K. Suspension or Termination of Service.** There is any termination or suspension of the
1681 transaction of business by Contractor related to this Agreement, including without limit,
1682 due to labor unrest including strike, work stoppage or slowdown, sick-out, picketing, or
1683 other concerted job action lasting more than two (2) calendar days.

1684 **L. Criminal Activity.** Contractor, its officers, managers, or employees are found guilty of
1685 criminal activity related directly or indirectly to performance of this Agreement or any
1686 other agreement held with the Regional Agency or RA Members.

1687 **M. Assignment without Approval.** Contractor transfers or assigns this Agreement without the
1688 expressed written approval of the RA Members unless the assignment is permitted
1689 without approval of each RA Member pursuant to Section 12.6.

1690 **N. Failure to Provide Proposal or Implement Change in Service.** Contractor fails to provide a
1691 proposal for new services or changes to services or fails to implement a change in service
1692 as requested by the RA Member as specified in Section 5.5.

1693 **O. Failure to Perform Any Obligation.** Contractor fails to perform any obligation established
1694 under this Agreement.

1695 **11.2 RIGHT TO TERMINATE UPON EVENT OF DEFAULT**

1696 Contractor shall be given ten (10) Business Days from written notification by the RA Member to cure any
1697 default which, in the RA Member’s sole opinion, creates a potential public health and safety threat.

1698 Contractor shall be given ten (10) Business Days from written notification by the RA Member to cure any
1699 default arising under subsections C, E, F, I, J, and K in Section 11.1 provided, however, that the RA
1700 Member shall not be obligated to provide Contractor with a notice and cure opportunity if the
1701 Contractor has committed the same or similar breach/default within a twenty-four (24) month period.

1702 Contractor shall be given thirty (30) calendar days from written notification by the RA Member to cure
1703 any other default (which is not required to be cured within ten (10) Business Days); however, the RA
1704 Member shall not be obligated to provide Contractor with a notice and cure opportunity if the
1705 Contractor has committed the same or similar breach/default within a twenty-four (24) month period.

1706 **11.3 RA MEMBER’S REMEDIES IN THE EVENT OF DEFAULT**

1707 Upon Contractor’s default, the RA Members have the following remedies in the event of Contractor
1708 default:

1709 **A. Waiver of Default.** The RA Members may waive any event of default or may waive
1710 Contractor’s requirement to cure a default event if the RA Members determine that such
1711 waiver would be in the best interest of the RA Members. RA Members’ waiver of an event
1712 of default is not a waiver of future events of default that may have the same or similar
1713 conditions.

1714 **B. Suspension of Contractor’s Obligation.** The RA Members may suspend Contractor’s
1715 performance of its obligations if Contractor fails to cure default in the time frame
1716 specified in Section 11.2 until such time the Contractor can provide assurance of
1717 performance in accordance with Section 11.8.

1718 **C. Liquidated Damages.** The RA Members may assess Liquidated Damages for Contractor’s
1719 failure to meet specific performance standards pursuant to Section 11.6 and Attachment
1720 G.

1721 **D. Termination.** In the event that Contractor should default and subject to the right of the
1722 Contractor to cure, in the performance of any provisions of this Agreement, and the
1723 default is not cured for any default within ten (10) calendar days if the default creates a
1724 potential public health and safety threat or arises under Section 11.1.C., E, F, I, J, or K, or
1725 otherwise thirty (30) calendar days after receipt of written notice of default from the RA
1726 Members, then the RA Members may, at their option, terminate this Agreement and/or
1727 hold a hearing at its governing body meeting to determine whether this Agreement
1728 should be terminated. In the event RA Members decides to terminate this Agreement, the
1729 RA Members shall serve twenty (20) calendar days written notice of its intention to
1730 terminate upon Contractor. In the event RA Member exercises its right to terminate this
1731 Agreement, the RA Members may, at their option, upon such termination, either directly
1732 undertake performance of the services or arrange with other Persons to perform the
1733 services with or without a written agreement. This right of termination is in addition to
1734 any other rights of the RA Members upon a failure of Contractor to perform its obligations
1735 under this Agreement.

1736 Contractor shall not be entitled to any further revenues from Collection operations
1737 authorized hereunder from and after the date of termination.

1738 **E. Other Available Remedies.** The RA Members’ election of one (1) or more of the remedies
1739 described herein shall not limit the RA Members from all other remedies at law and in
1740 equity including injunctive relief, etc.

1741 **11.4 POSSESSION OF RECORDS UPON TERMINATION**

1742 In the event of termination for an event of default, the Contractor shall furnish the Regional Agency
1743 Contract Manager with immediate access to all its business records, including without limitation,
1744 proprietary Contractor computer systems, related to its Customers, Collection routes, and billing of
1745 accounts for Collection services.

1746 **11.5 RA MEMBER'S REMEDIES CUMULATIVE; SPECIFIC PERFORMANCE**

1747 The RA Member's rights to terminate the Agreement under Section 11.2, and to take possession of the
1748 Contractor's records under Section 11.4 are not exclusive, and the RA Member's termination of the
1749 Agreement and/or the imposition of Liquidated Damages shall not constitute an election of remedies.
1750 Instead, these rights shall be in addition to all other legal and equitable rights and remedies which the
1751 RA Members may have.

1752 By the nature of this Agreement, the urgency of timely, continuous, and high-quality service; the lead
1753 time required to effect alternative service; and, the rights granted by the RA Members to the
1754 Contractor, the remedy of damages for a breach hereof by Contractor is inadequate and the RA
1755 Members shall be entitled to injunctive relief (including but not limited to specific performance).

1756 **11.6 PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES**

1757 **A. General.** The Parties find that as of the time of the execution of this Agreement, it is
1758 impractical, if not impossible, to reasonably ascertain the extent of damages which shall
1759 be incurred by the RA Members because of a breach by Contractor of its obligations under
1760 this Agreement. The factors relating to the impracticability of ascertaining damages
1761 include, but are not limited to, the fact that: (i) substantial damage results to members of
1762 the public who are denied services or denied quality or reliable service; (ii) such breaches
1763 cause inconvenience, anxiety, frustration, and deprivation of the benefits of the
1764 Agreement to individual members of the general public for whose benefit this Agreement
1765 exists, in subjective ways and in varying degrees of intensity which are incapable of
1766 measurement in precise monetary terms; (iii) that exclusive services might be available at
1767 substantially lower costs than alternative services and the monetary loss resulting from
1768 denial of services or denial of quality or reliable services is impossible to calculate in
1769 precise monetary terms; and, (iv) the termination of this Agreement for such breaches,
1770 and other remedies are, at best, a means of future correction and not remedies which
1771 make the public whole for past breaches.

1772 **B. Service Performance Standards; Liquidated Damages for Failure to Meet Standards.** The
1773 Parties further acknowledge that consistent, reliable Collection services are of utmost
1774 importance to the RA Members and that the RA Members have considered and relied on
1775 Contractor's representations as to its quality of service commitment in awarding the
1776 Agreement to it. The Parties recognize that some quantified standards of performance are
1777 necessary and appropriate to ensure consistent and reliable service and performance. The

1778 Parties further recognize that if Contractor fails to achieve the performance standards or
1779 fails to submit required documents in a timely manner, RA Members and its residents and
1780 businesses will suffer damages, and that it is, and will be, impractical and extremely
1781 difficult to ascertain and determine the exact amount of damages which the RA Members
1782 will suffer. Therefore, without prejudice to RA Members' right to treat such
1783 non-performance as an event of default under this Section, the Parties agree that the
1784 Liquidated Damages amounts established in Attachment G of this Agreement represent a
1785 reasonable estimate of the amount of such damages considering all of the circumstances
1786 existing on the Effective Date of this Agreement, including the relationship of the sums to
1787 the range of harm to the RA Members that reasonably could be anticipated and the
1788 anticipation that proof of actual damages would be costly or impractical.

1789 Contractor agrees to pay (as Liquidated Damages and not as a penalty) the amounts set
1790 forth in the Performance Standards and Liquidated Damages, Attachment G.

1791 In addition to considering the reports submitted by Contractor pursuant to Section 7.3,
1792 the RA Members may determine the occurrence of events giving rise to liquidated
1793 damages through the observation of its own employees or agents, through discussions
1794 with Customers, and through investigation of Customer complaints made directly to the
1795 Regional Agency or RA Members. Prior to assessing Liquidated Damages based on such
1796 observations or investigations, the Regional Agency shall give Contractor notice of its
1797 intention to do so. The notice will also include a brief description of the incident(s)/non-
1798 performance. Contractor may review (and make copies at its own expense) all non-
1799 confidential information in the possession of the Member Agencies or Regional Agency
1800 relating to incident(s)/non-performance. Contractor may, within ten (10) Days after
1801 receiving the notice, request a meeting with Regional Agency Contract Manager or his or
1802 her designee. Contractor may present evidence in writing and through testimony of its
1803 employees and others relevant to the incident(s)/non-performance. The Regional Agency
1804 Contract Manager or his or her designee will provide Contractor with a written
1805 explanation of her or her determination on each incident(s)/non-performance prior to
1806 authorizing the assessment of Liquidated Damages. The decision of the Regional Agency
1807 Contract Manager or his or her designee shall be final.

1808 **C. Two-Phase Performance Management.** The Parties desire to minimize the time and cost
1809 involved in monitoring Contractor's performance under this Agreement, particularly about
1810 the assessment of Liquidated Damages. Attachment G to this Agreement identifies each
1811 "Performance Area" for which the RA Members desire to establish performance standards
1812 for this Agreement. Contractor's performance within each "Performance Area" shall be
1813 primarily monitored using the "Performance Indicator" described for each. The RA
1814 Members shall not assess Liquidated Damages for the "Specific Performance Measures"
1815 identified in Attachment G unless Contractor fails to meet the minimum standard for the
1816 "Performance Indicator" within the same "Performance Area".

1817 D. **Amount.** The RA Members may assess Liquidated Damages for each calendar day or
1818 event, as appropriate, that Contractor is determined to be liable in accordance with this
1819 Agreement in the amounts specified in Attachment G subject to annual adjustment
1820 described below.

1821 E. **Timing of Payment.** Contractor shall pay any Liquidated Damages assessed by the RA
1822 Members within ten (10) Business Days of the date the Liquidated Damages are assessed.
1823 If they are not paid within the ten (10) Business Day period, RA Members may proceed
1824 against the performance bond required by the Agreement, order the termination of the
1825 rights or “franchise” granted by this Agreement, or all the above.

1826 **11.7 EXCUSE FROM PERFORMANCE**

1827 The Parties shall be excused from performing their respective obligations hereunder and from any
1828 obligation to pay Liquidated Damages to the extent and for the period of time they are prevented from
1829 so performing by reason of floods, earthquakes, other acts of nature, war, civil insurrection, riots, acts of
1830 any government (including judicial action), and other similar catastrophic events which are beyond the
1831 control of and not the fault of the Party claiming excuse from performance hereunder. In the case of
1832 labor unrest or job action directed at a third party over whom Contractor has no control, the inability of
1833 Contractor to provide services in accordance with this Agreement due to the unwillingness or failure of
1834 the third party to: (i) provide reasonable assurance of the safety of Contractor's employees while
1835 providing such services; or, (ii) make reasonable accommodations with respect to Container placement
1836 and point of Delivery, time of Collection, or other operating circumstances to minimize any
1837 confrontation with pickets or the number of Persons necessary to make Collections shall, to that limited
1838 extent, excuse performance. The foregoing excuse shall be conditioned on Contractor's cooperation in
1839 performing Collection services at different times and in different locations. Further, in the event of labor
1840 unrest, including but not limited to strike, work stoppage or slowdown, sickout, picketing, or other
1841 concerted job action conducted by the Contractor’s employees or directed at the Contractor, or a
1842 subsidiary, the Contractor shall not be excused from performance. In such case, Contractor shall
1843 continue to provide a reasonably satisfactory level of performance during the pendency thereof, but the
1844 Contractor shall not be required to adhere strictly to the specific requirements of this Agreement
1845 regarding routes, Collection times or similar matters; provided, however, that in no event shall more
1846 than seven (7) calendar days elapse between pickups for Residential and Commercial Customers.

1847 The Party claiming excuse from performance shall, within two (2) calendar days after such Party has
1848 notice of such cause, give the other Party notice of the facts constituting such cause and asserting its
1849 claim to excuse under this Section.

1850 If either Party validly exercises its rights under this Section, the Parties hereby waive any claim against
1851 each other for any damages sustained thereby.

1852 The partial or complete interruption or discontinuance of Contractor's services caused by one (1) or
1853 more of the events described in this Section shall not constitute a default by Contractor under this

1854 Agreement. Notwithstanding the foregoing, however, if Contractor is excused from performing its
1855 obligations hereunder for any of the causes listed in this Section for a period of thirty (30) calendar days
1856 or more, each RA Member shall nevertheless have the right, in its sole discretion, to terminate this
1857 Agreement by giving ten (10) Business Days' notice to Contractor, in which case the provisions of Section
1858 11.2 shall apply.

1859 **11.8 RIGHT TO DEMAND ASSURANCES OF PERFORMANCE**

1860 The Parties acknowledge that it is of the utmost importance to the RA Members and the health and
1861 safety of all those members of the public residing or doing business within the Regional Agency Service
1862 Area who will be adversely affected by interrupted waste management service, that there is no material
1863 interruption in services provided under this Agreement.

1864 If Contractor: (i) is the subject of any labor unrest including work stoppage or slowdown, sick-out,
1865 picketing or other concerted job action; (ii) appears in the reasonable judgment of RA Members to be
1866 unable to regularly pay its bills as they become due; or, (iii) is the subject of a civil or criminal judgment
1867 or order entered by a Federal, State, regional or local agency for violation of an Applicable Law, and the
1868 RA Members believe in good faith that Contractor's ability to perform under the Agreement has thereby
1869 been placed in substantial jeopardy, the RA Members may, at their sole option and in addition to all
1870 other remedies it may have, demand from Contractor reasonable assurances of timely and proper
1871 performance of this Agreement, in such form and substance as the RA Members believe in good faith is
1872 reasonably necessary in the circumstances to evidence continued ability to perform under the
1873 Agreement. If Contractor fails or refuses to provide satisfactory assurances of timely and proper
1874 performance in the form and by the date required by the RA Members, such failure or refusal shall be an
1875 event of default for purposes of Section 11.1.

1876 **ARTICLE 12: OTHER AGREEMENTS OF THE PARTIES**

1877 **12.1 RELATIONSHIP OF PARTIES**

1878 The Parties intend that Contractor shall perform the services required by this Agreement as an
1879 independent Contractor engaged by the RA Members and neither as an officer nor employee of the RA
1880 Members, nor as a partner or agent of, or joint venturer with, the RA Members. No employee or agent
1881 of Contractor shall be, or shall be deemed to be, an employee or agent of the RA Members. Contractor
1882 shall have the exclusive control over the manner and means of performing services under this
1883 Agreement, except as expressly provided herein. Contractor shall be solely responsible for the acts and
1884 omissions of its officers, employees, Subcontractors and agents. Neither Contractor nor its officers,
1885 employees, Subcontractors, and agents shall obtain any rights to retirement benefits, workers'
1886 compensation benefits, or any other benefits which accrue to RA Members' employees by their
1887 employment with RA Members.

1888 **12.2 COMPLIANCE WITH LAW**

1889 Contractor shall always, at its sole cost, comply with all Applicable Laws, permits and licenses of the
1890 United States, the State, County of San Benito, and the RA Members and with all applicable regulations
1891 promulgated by Federal, State, regional or local administrative and regulatory agencies, now in force
1892 and as they may be enacted, issued or amended during the Term.

1893 **12.3 GOVERNING LAW**

1894 This Agreement shall be governed by, and construed and enforced in accordance with, the laws of
1895 California.

1896 **12.4 JURISDICTION**

1897 Any lawsuits between the Parties arising out of this Agreement shall be brought and concluded in the
1898 courts of San Benito County in the State of California, which shall have exclusive jurisdiction over such
1899 lawsuits. With respect to venue, the Parties agree that this Agreement is made in and will be performed
1900 in San Benito County.

1901 **12.5 BINDING ON SUCCESSORS**

1902 The provisions of this Agreement shall inure to the benefit to and be binding on the successors and
1903 permitted assigns of the Parties.

1904 **12.6 ASSIGNMENT**

1905 Neither Party shall assign its rights nor delegate or otherwise transfer its obligations under this
1906 Agreement to any other Person without the prior written consent of the other Party. Any such
1907 assignment made without the consent of the other Party shall be void and the attempted assignment
1908 shall constitute a material breach of this Agreement.

1909 For purposes of this Section, "assignment" shall include, but not be limited to: (i) a sale, exchange or
1910 other transfer of substantially all of Contractor's local, regional, and/or corporate assets dedicated to
1911 service under this Agreement to a third party; (ii) a sale, exchange or other transfer of ten (10) percent
1912 or more of the local, regional, and/or corporate assets, stock, or ownership of Contractor to a Person
1913 (other than a transfer of shares in Contractor by the owner of such shares to a revocable trust for the
1914 benefit of his family or to another owner of shares in Contractor) except that no cumulative sale,
1915 exchange, or transfer of shares may exceed twenty (20) percent during the Term of the Agreement
1916 (other than a transfer of shares in Contractor by the owner of such shares to a revocable trust for the
1917 benefit of his family or to another owner of shares in Contractor); (iii) any reorganization, consolidation,
1918 merger, recapitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow
1919 arrangement, liquidation or other transaction to which Contractor or any of its shareholders is a party
1920 which results in a change of ownership or control of ten (10) percent or more of the value or voting
1921 rights in the local, regional, and/or corporate stock of Contractor; (iv) divestiture of an Affiliate (e.g.,
1922 trucking company, materials recovery facility, transfer station, etc.) used by Contractor to fulfill its

1923 obligations under this Agreement; and, (v) any combination of the foregoing (whether or not in related
1924 or contemporaneous transactions) which has the effect of any such transfer or change of local, regional,
1925 and/or corporate ownership and/or control of Contractor. For purposes of this Section, the term
1926 "proposed assignee" shall refer to the proposed transferee(s) or other successor(s) in interest pursuant
1927 to the assignment.

1928 Contractor acknowledges that this Agreement involves rendering a vital service to RA Members'
1929 residents and businesses, and that each RA Member has selected Contractor to perform the services
1930 specified herein based on: (i) Contractor's experience, skill, and reputation for conducting its Solid
1931 Waste, Recyclables, and Organics management operations in a safe, effective, and responsible fashion,
1932 at all times in keeping with applicable waste management laws, regulations, and good waste
1933 management practices; and, (ii) Contractor's financial resources on a local, regional, and/or corporate
1934 level to maintain the required equipment and to support its indemnity obligations to each RA Member
1935 under this Agreement. Each RA Member has relied on each of these factors, among others, in choosing
1936 Contractor to perform the services to be rendered by Contractor under this Agreement.

1937 If Contractor requests RA Members' consideration of and consent to an assignment, the RA Members
1938 may deny or approve such request in their complete discretion. No request by Contractor for consent to
1939 an assignment need be considered by each RA Member unless and until Contractor has met the
1940 following requirements. The RA Member may, in its sole discretion, waive one (1) or more of these
1941 requirements.

1942 **A.** On the date, the Contractor submits a written request for each RA Member written
1943 consent of an assignment, Contractor shall pay each RA Member a transfer fee in the
1944 amount of one (1) percent of the Gross Receipts for the most-recently completed Rate
1945 Period.

1946 **B.** Contractor shall undertake to pay each RA Member its reasonable expenses for attorneys',
1947 consultants', accountants' fees, staff time, and investigation costs necessary to investigate
1948 the suitability of any proposed assignee, and to review and finalize any documentation
1949 required as a condition for approving any such assignment.

1950 **C.** Contractor shall furnish each RA Member with audited financial statements of the
1951 proposed assignee's operations for the immediately preceding three (3) operating years.

1952 **D.** Contractor shall furnish each RA Member with satisfactory proof: (i) that the proposed
1953 assignee has at least ten (10) years of Solid Waste, Recyclable Materials, and Organic
1954 Materials management experience on a scale equal to or exceeding the scale of
1955 operations conducted by Contractor under this Agreement; (ii) that in the last five (5)
1956 years, the proposed assignee has not suffered any citations or other censure from any
1957 Federal, State or local contractor having jurisdiction over its waste management
1958 operations due to any significant failure to comply with State, Federal or local waste
1959 management laws and that the assignee has provided the RA Member with a complete list

1960 of such citations and censures; (iii) that the proposed assignee has at all times conducted
1961 its operations in an environmentally safe and conscientious fashion; (iv) that the proposed
1962 assignee conducts its operations and management practices in accordance with sound
1963 waste management practices in full compliance with all Federal, State, and local laws
1964 regulating the Collection, Transportation, Processing and Disposal of Solid Waste,
1965 Recyclable Materials, and Organic Materials, including Hazardous Waste; and, (v) that any
1966 other information required by the RA Member demonstrates that the proposed assignee
1967 can fulfill the terms of this Agreement in a timely, safe and effective manner.

1968 E. Contractor shall provide each RA Member with any and all additional records or
1969 documentation which, in the RA Member's sole determination, would facilitate the review
1970 of the proposed assignment.

1971 Under no circumstances shall any proposed assignment be considered by the RA Member
1972 if Contractor is in default at any time during the period of consideration. If, in the RA
1973 Member's sole determination, there is any doubt regarding the compliance of the
1974 Contractor with the Agreement, the RA Member may require an audit of the Contractor's
1975 compliance and the costs of such audit shall be paid by Contractor in advance of the
1976 performance of said audit.

1977 **12.7 NO THIRD PARTY BENEFICIARIES**

1978 This Agreement is not intended to, and will not be construed to, create any right on the part of any third
1979 party to bring an action to enforce any of its terms.

1980 **12.8 WAIVER**

1981 The waiver by either Party of any breach or violation of any provisions of this Agreement shall not be
1982 deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach
1983 of or violation of the same or any other provision. The subsequent acceptance by either Party of any
1984 monies which become due hereunder shall not be deemed to be a waiver of any pre-existing or
1985 concurrent breach or violation by the other Party of any provision of this Agreement.

1986 **12.9 NOTICE PROCEDURES**

1987 All notices, demands, requests, proposals, approvals, consents, and other communications, which this
1988 Agreement requires, authorizes or contemplates, shall be in writing and shall either be personally
1989 delivered to a representative of the Parties at the address below or deposited in the United States mail,
1990 first class postage prepaid, addressed as follows:

1991 If to Regional Agency Contract Manager: Kathleen Gallagher
1992 County of San Benito
1993 Resource Management Agency – IWM Department
1994 2301 Technology Parkway, Hollister, CA 95023
1995 kathleeng@csgengr.com

1996 Phone: 831-637-5313 Ext.303

1997 If to Hollister: Bill Avera, City Manager

1998 City of Hollister

1999 375 Fifth Street, Hollister, CA 95023

2000 bill.avera@hollister.ca.gov

2001 Phone: (831) 636-4300 x15

2002 If to San Juan Bautista: Michaele LaForge, City Manager

2003 City of San Juan Bautista

2004 311 Second Street, P.O. Box 1420

2005 San Juan Bautista, CA 95045

2006 citymanager@san-juan-bautista.ca.us

2007 Phone: (831) 623-4661, Fax: (831) 623-4093

2008 If to San Benito County: Ray Espinosa, County Administrative Officer

2009 County of San Benito

2010 481 4th St., 1st Floor, Hollister, CA 95023-3840

2011 respinosa@cosb.us

2012 Phone: (831) 636-4000, Fax: 831.636.4010

2013 If to Contractor: Phil Couchee, General Manager

2014 Recology San Benito County

2015 1351 Pacheco Pass Hwy, Gilroy, CA 95020

2016 pcouchee@recology.com

2017 Phone: (408)846-1395, Fax: 408-461-0530

2018 with a copy to:

2019

2020 Recology Inc.

2021 Attn: Legal Department

2022 50 California Street, 24th Floor

2023 San Francisco, CA 94111

2024

2025 The address to which communications may be delivered may be changed from time to time by a notice

2026 given in accordance with this Section. Notice shall be deemed given on the day it is personally delivered

2027 or, if mailed, three (3) calendar days from the date it is deposited in the mail.

2028 **12.10 REPRESENTATIVES OF THE PARTIES**

2029 **A. RA Members.** References in this Agreement to the “RA Members” shall mean RA

2030 Members’ elected bodies and shall refer to each RA Member separately or all RA

2031 Members depending on the context and whether all RA Members have the same RA

2032 Representative, as provided herein. Each RA Member has delegated authority to exercise

2033 its rights, remedies and options under this Agreement, and to administer this Agreement

2034 to an RA Representative. At the time of the Effective Date, each RA Member has identified

2035 the same individual as its RA Representative; such individual will be the Regional Agency
2036 Contract Manager, as described in Section 6.8 and identified in Section 12.9. At each RA
2037 Member's sole discretion, upon notice to Contractor and all other RA Members, an RA
2038 Member may change its designation for its RA Representative, in which case, that RA
2039 Representative will exercise the RA Member's right, remedies, and options under this
2040 Agreement, and shall administer this Agreement with respect to that RA Member's
2041 jurisdiction separately than the other RA Representatives do with respect to their
2042 respective jurisdictions.

2043 The RA Representative has the authority to exercise each RA Member's rights, remedies
2044 and options under this Agreement and to administer this Agreement, except with respect
2045 to:

- 2046 (1) extending the Term for an additional year or more,
- 2047 (2) suspending or terminating the Agreement,
- 2048 (3) approving or disapproving Transfer of this Agreement,
- 2049 (4) amending this Agreement, and
- 2050 (5) exercising any delegation of authority contrary to Applicable Law.

2051 All the above actions require approval by each RA Member's elected body.

2052 **B. Contractor.** The Contractor shall, by the Effective Date, designate in writing a responsible
2053 officer who shall serve as the representative of the Contractor in all matters related to the
2054 Agreement and shall inform the RA Members in writing of such designation and of any
2055 limitations upon his or her authority to bind the Contractor.

2056 The RA Members may rely upon action taken by such designated representative as actions
2057 of the Contractor unless they are outside the scope of the authority delegated to him/her
2058 by the Contractor as communicated to the RA Members.

2059 **ARTICLE 13: MISCELLANEOUS AGREEMENTS**

2060 **13.1 ENTIRE AGREEMENT**

2061 This Agreement is the entire agreement between the Parties with respect to the subject matter hereof
2062 and supersedes all prior and contemporaneous oral and written agreements and discussions. Each Party
2063 has cooperated in the drafting and preparation of this Agreement and this Agreement shall not be
2064 construed against any Party based on drafting. This Agreement may be amended only by an agreement
2065 in writing, signed by each of the Parties hereto.

2066 **13.2 SECTION HEADINGS**

2067 The article headings and section headings in this Agreement are for convenience of reference only and
2068 are not intended to be used in the construction of this Agreement nor to alter or affect any of its
2069 provisions.

2070 **13.3 REFERENCES TO LAWS**

2071 All references in this Agreement to laws and regulations shall be understood to include such laws as
2072 they may be subsequently amended or recodified, unless otherwise specifically provided herein.

2073 **13.4 AMENDMENTS**

2074 This Agreement may not be modified or amended in any respect except in writing signed by the Parties.

2075 **13.5 SEVERABILITY**

2076 If any non-material provision of this Agreement is for any reason deemed to be invalid and
2077 unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining
2078 provisions of this Agreement, which shall be enforced as if such invalid or unenforceable provision had
2079 not been contained herein.

2080 **13.6 COUNTERPARTS**

2081 This Agreement may be executed in counterparts, each of which shall be considered an original.

2082 **13.7 ATTACHMENTS**

2083 Each of the Exhibits identified as Attachment "A" through "M" is attached hereto and incorporated
2084 herein and made a part hereof by this reference. In the event of a conflict between the terms of this
2085 Agreement and the terms of an Attachment, the terms of this Agreement shall control. In the event of a
2086 conflict between Attachment F1 and any other Attachment(s), such other Attachment(s) shall control.

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2089

2090 IN WITNESS WHEREOF, this Agreement is entered by the parties hereto in Hollister, California on the
2091 Day and year first above written.

HOLLISTER, CALIFORNIA,
a municipal corporation

By: Ignacio Velazquez
Title: MAYOR
Dated: _____

ATTEST:

Christine Black, MMC, CITY CLERK
Dated: _____

APPROVED AS TO FORM:

JRG, Attorneys at Law, CITY ATTORNEY
Dated: _____

SAN JUAN BAUTISTA, CALIFORNIA,
a municipal corporation

By: Jim West
Title: MAYOR
Dated: _____

ATTEST:

CITY CLERK
Dated: _____

APPROVED AS TO FORM:

CITY ATTORNEY
Dated: _____

CONTRACTOR

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

Title: President & CEO
Dated: _____

ATTEST: _____

Dated: _____

SAN BENITO COUNTY, CALIFORNIA,
a political subdivision

By: Anthony Bothelo
Title: CHAIR
Dated: _____

ATTEST:

Janet Slibsager, COUNTY CLERK
Dated: _____

APPROVED AS TO FORM:

Barbara Thompson, COUNTY COUNSEL
Dated: _____

2092
2093
2094

**ATTACHMENT A
DEFINITIONS**

2095 The definitions set forth in this Attachment A shall govern the interpretation of this Agreement.

2096 **Abandoned Solid Waste**

2097 "Abandoned Solid Waste" means Solid Waste, Recyclable Materials, Organic Materials, Excluded Waste,
2098 Bulky Items, or other materials that have been abandoned, littered, or illegally dumped in the public
2099 right of way or on public property.

2100 **AB 341**

2101 "AB 341" means the California Jobs and Recycling Act of 2011 (Chapter 476, Statutes of 2011 [Chesbro,
2102 AB 341]), also commonly referred to as "AB 341", as amended, supplemented, superseded, and replaced
2103 from time to time.

2104 **AB 876**

2105 "AB 876" means Chapter 593, Statutes of 2015 [McCarty, AB 876] relating to compostable organics,
2106 commonly referred to as "AB 876", as amended, supplemented, superseded, and replaced from time to
2107 time.

2108 **AB 939**

2109 "AB 939" means the California Integrated Waste Management Act of 1989 (Division 30 of the California
2110 Public Resources Code), also commonly referred to as "AB 939," as amended, supplemented,
2111 superseded, and replaced from time to time.

2112 **AB 1826**

2113 "AB 1826" means Chapter 727, Statutes of 2014 [Chesbro, AB 1826] relating to recycling of organic
2114 waste, commonly referred to as "AB 1826", as amended, supplemented, superseded, and replaced from
2115 time to time.

2116 **AB 2176**

2117 "AB 2176" means Chapter 879, Statutes of 2004 [Montanez, AB 2176] relating to large venue and large
2118 event recycling programs, commonly referred to as "AB 2176, as amended, supplemented, superseded,
2119 and replaced from time to time.

2120 **Affiliate**

2121 "Affiliate" means all businesses (including corporations, limited and general partnerships and sole
2122 proprietorships) that are directly or indirectly related to Contractor by virtue of direct or indirect
2123 ownership interest or common management. They shall be deemed to be "Affiliated with" Contractor
2124 and included within the term "Affiliates" as used herein. An Affiliate shall include: (i) a business in which
2125 Contractor has a direct or indirect ownership interest, (ii) a business that has a direct or indirect

2126 ownership interest in Contractor and/or (iii) a business that is also Owned, controlled or managed by
2127 any business or individual which has a direct or indirect ownership interest in Contractor. For the
2128 purposes of this definition, “ownership” means ownership as defined in the constructive ownership
2129 provisions of Section 318(a) of the Internal Revenue Code of 1986, as in effect on the date here,
2130 provided that ten percent (10%) shall be substituted for fifty percent (50%) in Section 318(a)(2)(C) and in
2131 Section 318(a)(3)(C) thereof; and Section 318(a)(5)(C) shall be disregarded. For purposes of determining
2132 ownership under this paragraph and constructive or indirect ownership under Section 318(a), ownership
2133 interest of less than ten percent (10%) shall be disregarded and percentage interests shall be
2134 determined on the basis of the percentage of voting interest of value that the ownership interest
2135 represents.

2136 **Agreement**

2137 “Agreement” means this Agreement between each RA Member and Contractor, including all
2138 attachments, and any future amendments hereto.

2139 **Alternative Daily Cover (ADC)**

2140 “Alternative Daily Cover” means CalRecycle-approved materials other than soil used as a temporary
2141 overlay on an exposed landfill face. Generally, these materials must be processed so that they do not
2142 allow gaps in the face surface, which would provide breeding grounds for insects and vermin.

2143 **Applicable Law**

2144 “Applicable Law” means all Federal, State, County, and local laws, regulations, rules, orders, judgments,
2145 degrees, permits, approvals, or other requirement of any governmental agency having jurisdiction over
2146 the Collection, Transportation, Processing or Disposal of Discarded Materials that are in force on the
2147 Effective Date and as may be enacted, issued or amended during the term of this Agreement. Without
2148 limiting the foregoing, Applicable Law includes Environmental Laws.

2149 **Approved Disposal Facility**

2150 “Approved Disposal Facility” means the John Smith Road Landfill, which is owned by the County of San
2151 Benito and operated by Waste Connections.

2152 **Approved Facility(ies)**

2153 “Approved Facility(ies)” means any one of or any combination of the: Approved Disposal Facility;
2154 Approved Organic Materials Processing Facility; Approved Recyclable Materials Processing Facility;
2155 and/or, Approved Reusable Materials Processing Facility.

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2158 **Approved Organic Materials Processing Facility**

2159 "Approved Organics Processing Facility" means the South Valley Organics facility owned and operated
2160 by Recology and located at 3675 Pacheco Pass Highway, Gilroy, CA 95020.

2161 **Approved Recyclable Materials Processing Facility**

2162 "Approved Recyclables Processing Facility" means the Monterey Regional Waste Management District
2163 material recovery facility located at 14201 Del Monte Blvd., Marina, CA. 93333

2164 **Approved Reusable Materials Processing Facility**

2165 "Approved Reusable Materials Processing" Facility means Pat's Place located at 101 5th Street,
2166 Hollister, California 95023.

2167 **Bin**

2168 "Bin" means a Container with capacity of approximately one (1) to eight (8) cubic yards, with a hinged
2169 lid, and with wheels (where appropriate), that is serviced by a front end-loading Collection vehicle.
2170 Contractor shall not be required to provide five (5) or seven (7) cubic yard Bins. Contractor may require
2171 a customer to use a smaller Bin than the one requested by the customer, if Contractor has reason to
2172 believe the customer would fill the larger Bin with heavy material such that the Bin would become
2173 overweight. In the event of a dispute between Contractor and customer regarding the previous
2174 sentence, the applicable Regional Agency shall have the right to decide the matter.

2175 **Biomedical Waste**

2176 "Biomedical Waste" means Discarded Materials which are likely to be infectious, pathological or
2177 biohazardous, originating from residences, hospitals, public or private medical clinics, departments of
2178 research laboratories, pharmaceutical industries, blood banks, forensic medical departments,
2179 mortuaries, veterinary facilities and other similar facilities and includes (without limitations) equipment,
2180 instruments, utensils, fomites, laboratory wastes (including pathological specimens and fomites
2181 attendant thereto), surgical facilities, equipment, bedding and utensils (including pathological specimens
2182 and disposal fomites attendant thereto), sharps (hypodermic needles, syringes, etc.), dialysis unit waste,
2183 chemotherapeutic waste, animal carcasses, offal and body parts, biological materials (vaccines,
2184 medicines, etc.), and other similar materials, but excluding any such Discarded Materials which are
2185 reasonably determined by Contractor to be noninfectious, non-pathological and non-biohazardous.

2186 **Biosolids**

2187 "Biosolids" means solid, semisolid, or liquid residues generated during primary, secondary, or advanced
2188 treatment of domestic sanitary sewage.

2189

2190 **Bulky Item**

2191 "Bulky Item" means discarded appliances, furniture, tires, carpets, mattresses, and similar large items
2192 that require special Collection due to their size or nature but can be Collected without the assistance of
2193 special loading equipment (such as forklifts or cranes) and without violating vehicle load limits. It does
2194 not include abandoned automobiles, large auto parts, or trees.

2195 **Business Days**

2196 "Business Days" mean days during which the RA Member(s) offices are open to do business with the
2197 public.

2198 **CalRecycle**

2199 "CalRecycle" means the California Department of Resources Recycling and Recovery or its successor.

2200 **Cart**

2201 "Cart" means a plastic Container with a hinged lid and wheels that is serviced by an automated or semi-
2202 automated Collection vehicle. A Cart has capacity of 20-, 32-, 64- or 96-gallons (or similar volumes).

2203 **Change in Law**

2204 "Change in Law" means any of the following events or conditions that increases the cost of the
2205 performance by the Contractor of its respective obligations under this Agreement (except for payment
2206 obligations):

2207 (i) The enactment, adoption, promulgation, issuance, modification, or written change in
2208 administrative or judicial interpretation of any Applicable Law on or after the Effective Date; or,

2209 (ii) The order or judgment of any governmental body, on or after the Effective Date, to the
2210 extent such order or judgment is not the result of willful or negligent action, error or omission or lack of
2211 reasonable diligence of the RA Members or of the Contractor, whichever is asserting the occurrence of a
2212 Change in Law; provided, however, that the contesting in good faith or the failure in good faith to
2213 contest any such order or judgment shall not constitute or be construed as such a willful or negligent
2214 action, error or omission or lack of reasonable diligence.

2215 **Collect, Collected, Collection**

2216 "Collect," "Collected" or "Collection" means the Contractor taking physical possession of, and removing
2217 Discarded Materials, whether by manual, semi-automated or automated means, and transporting such
2218 materials, pursuant to this Agreement.

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2221 **Commencement Date**

2222 “Commencement Date” means the date specified in Section 4.1 when the Contractor is to begin
2223 providing Collection and related services required by this Agreement.

2224 **Commercial, Commercial Property**

2225 “Commercial” or “Commercial Property” means property used for conducting business thereon,
2226 including, but not limited to, retail sales, services, wholesale operations, manufacturing and industrial
2227 operations, school facilities (both public and private), other institutions, and governmental agencies, but
2228 excluding businesses conducted upon Single-Family Property (as defined herein).

2229 **Compactor, Compaction**

2230 “Compactor”, “Compaction” means a mechanical apparatus that compresses materials, the Container
2231 that holds the compressed materials, and/or the process. Compactors include Bin Compactors of any
2232 size serviced by front-loading Collection vehicles and Drops Box Compactors of any size serviced by Drop
2233 Box or roll-off Collection vehicles.

2234 **Compost**

2235 “Compost” means the resulting material from Composting.

2236 **Composting**

2237 “Composting” means the controlled or uncontrolled biological decomposition of organic constituents
2238 such that the resulting material meets the maximum acceptable metal concentration limits specified in
2239 Section 17868.2 and pathogen reduction requirements specified in Section 17868.3 of Title 14, California
2240 Code of Regulations Chapter 3.1.

2241 **Construction and Demolition Debris (C&D)**

2242 “Construction and Demolition Debris” and “C&D” means materials resulting from construction,
2243 renovation, remodeling, repair, or demolition operations relating to or resulting from a building,
2244 structure, pavement or other improvement, including concrete, brick, bituminous concrete, rubble,
2245 wood and masonry, composition roofing and roofing paper, steel, and other metals such as copper, but
2246 excluding liquid wastes and Hazardous Wastes.

2247 **Containers**

2248 “Containers” mean Bins, Carts, Compactors, and Drop Boxes.

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2251 **Contamination**

2252 “Contamination” means there is no more than ten (10) percent by volume of the “wrong” materials
2253 placed in a Container. Thus, for instance a Solid Waste Container is Contaminated if it contains a total by
2254 volume of more than 10 percent Recyclables and Organic Waste, and a Recyclables Container is
2255 Contaminated if it contains a total by volume of more than 10 percent Solid Waste and Organic Waste.

2256 **Contractor**

2257 "Contractor" means Recology South Valley dba Recology San Benito County.

2258 **Contractor’s Compensation**

2259 “Contractor Compensation” means the monetary compensation received by Contractor in return for
2260 providing services in accordance with this Agreement as described in Article 8.

2261 **Contractor’s Proposal**

2262 “Contractor’s Proposal” means the proposal submitted to the Regional Agency by Contractor on
2263 November 14, 2017 for provision of Solid Waste, Recyclables, and Organic Materials services and certain
2264 written materials, which are included as Attachment F to this Agreement and are incorporated by
2265 reference.

2266 **County**

2267 “County” means San Benito County, California.

2268 **Customer**

2269 “Customer” means the Person whom Contractor submits its billing invoice to and collects payment from
2270 for Collection services provided to a Premises. The Customer is not necessarily the owner of the
2271 Premises and may be either the Person who occupies the Premises or the Owner of the Premises.

2272 **Customer Type**

2273 “Customer Type” means the Customer’s sector category including, but not limited to, Single-Family,
2274 Multi-Family, Commercial, C&D, Drop Box, and Agency.

2275 **Day**

2276 “Day” means calendar day unless otherwise specified in this Agreement.

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2279 **Drop Box**

2280 “Drop Box” mean open-top Containers with a typical capacity of eight (8) to forty (40) cubic yards that
2281 are serviced by a roll-off Collection vehicle. Drop Boxes that contain putrescible materials require a lid.

2282 **Discarded Materials**

2283 “Discarded Materials” means Solid Waste, Recyclable Materials, Organic Materials, and C&D placed by a
2284 Generator in a receptacle and/or at a location for the purposes of Collection by Contractor, excluding
2285 Excluded Waste.

2286 **Disposal**

2287 “Disposal” or “Disposed” mean the ultimate disposition of unprocessed Solid Waste intended for
2288 Disposal, and Residue.

2289 **Divert, Diversion**

2290 “Divert” or “Diversion (or any variation thereof)” means to prevent Recyclables and Organic Waste from
2291 Disposal at landfill or transformation facilities, (including facilities using incineration, pyrolysis,
2292 distillation, gasification, or biological conversion methods) through Source Reduction, reuse, Recycling,
2293 and Composting, as provided in Section 41780-41786 of AB 939, as AB 939 may be hereafter amended
2294 or superseded.

2295 Diversion is a broad concept that is to be inclusive of material handling and Processing changes that may
2296 occur over the Term including, but not limited to, changes in standard industry practice or
2297 implementation of innovative (but not necessarily fully proven) techniques or technology that reduce
2298 Disposal risk, decrease costs and/or are for other reasons deemed desirable by the RA Members.

2299 **Effective Date**

2300 “Effective Date” means the date on which the last of the Parties signs this Agreement.

2301 **Electronic Waste**

2302 “Electronic waste” or “E-Waste” means discarded electronic equipment including, but not limited to,
2303 televisions, computer monitors, central processing units (CPUs), laptop computers, computer
2304 peripherals (including external hard drives, keyboards, scanners, and mice), printers, copiers, facsimile
2305 machines, radios, stereos, stereo speakers, VCRs, DVDs, camcorders, microwaves, telephones, cellular
2306 telephones, and other electronic devices. Some E-Waste or components thereof may be Hazardous
2307 Waste or include Hazardous Substances and thus require special handling, Processing, or Disposal.

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2310 **Emergency Condition**

2311 "Emergency Condition" means the existence of a condition or conditions which threaten or threatens
2312 the public health, safety and welfare resulting from Contractor's failure or inability to perform its duties
2313 and obligations hereunder due to the effect upon Contractor of fire, flood, storm, earthquake, or other
2314 natural calamity, riot, insurrection, public disobedience, labor controversy, labor strike, insolvency of
2315 Contractor or similar condition. "Emergency Condition" does not include the results of failure of
2316 Contractor to comply with basic standards and procedures of Collection or other substandard
2317 performance by Contractor.

2318 **Environmental Laws**

2319 "Environmental Laws" means all federal and State statutes, and county and Regional Agency ordinances
2320 concerning public health, safety and the environment including, by way of example and not limitation,
2321 AB 341, AB 939, AB 1826, the Comprehensive Environmental Response, Compensation and Liability Act
2322 of 1980, 42 U.S.C. § 9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6902 et seq.;
2323 the Federal Clean Water Act, 33 U.S.C. § 1251 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601
2324 et seq.; the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the California Hazardous Waste
2325 Control Act, California Health and Safety Code § 25100 et seq.; the Carpenter-Presley-Tanner Hazardous
2326 Substance Account Act, California Health and Safety Code § 25300 et seq.; the Porter-Cologne Water
2327 Quality Control Act, California Water Code § 13000 et seq.; the Safe Drinking Water and Toxic
2328 Enforcement Act, California Health and Safety Code § 25249.5 et seq.; as currently in force or as
2329 hereafter amended, and all rules and regulations promulgated thereunder.

2330 **Excluded Waste**

2331 "Excluded Waste" means Hazardous Substances, Hazardous Waste, Biomedical Waste, volatile,
2332 corrosive, biomedical, infectious, biohazardous, and toxic substances or material, waste that Contractor
2333 reasonably believes would, as a result of or upon Disposal, be a violation of local, State or Federal law,
2334 regulation or ordinance, including land use restrictions or conditions, waste that cannot be Disposed of
2335 in Class III landfills, waste that in Contractor's reasonable opinion would present a significant risk to
2336 human health or the environment, cause a nuisance or otherwise create or expose Contractor or
2337 Regional Agency to potential liability; but not including de minimis volumes or concentrations of waste
2338 of a type and amount normally found in Residential Solid Waste after implementation of programs for
2339 the safe Collection, Recycling, treatment, and Disposal of batteries and paint in compliance with
2340 Sections 41500 and 41802 of the California Public Resources Code.

2341 **Food Waste**

2342 "Food Waste" means a subset of Organic Waste including: (i) all kitchen and table food waste scraps,
2343 and animal, or vegetable, fruit, grain, dairy or fish waste that attends or results from the storage,
2344 preparation, cooking or handling of foodstuffs, with the exception of animal excrement, (ii) paper waste

2345 contaminated with putrescible material, and (iii) biodegradable food service ware designed to
2346 disintegrate and biodegrade quickly.

2347 **Generator**

2348 “Generator” means any Person whose act or process produces Discarded Materials as defined in the
2349 Public Resources Code, or whose act first causes any of these items to become subject to regulation.

2350 **Gross Receipts**

2351 “Gross Receipts” means total cash receipts collected from Customers by the Contractor for the provision
2352 of services pursuant to this Agreement, without any deductions. Gross Receipts do not include revenues
2353 from the sale of Recyclable Materials.

2354 **Hazardous Substance**

2355 “Hazardous Substance” means any of the following: (a) any substances defined, regulated or listed
2356 (directly or by reference) as "Hazardous Substances", "hazardous materials", "Hazardous Wastes", "toxic
2357 waste", "pollutant" or "toxic substances" or similarly identified as hazardous to human health or the
2358 environment, in or pursuant to: (i) the Comprehensive Environmental Response, Compensation and
2359 Liability Act (CERCLA) of 1980, 42 USC §9601 et seq. (CERCLA); (ii) the Hazardous Materials
2360 Transportation Law, 49 USC §5101, et seq.; (iii) the Resource Conservation and Recovery Act, 42 USC
2361 §6901 et seq.; (iv) the Clean Water Act, 33 USC §1251 et seq.; (v) California Health and Safety Code
2362 §§25115-25117, 25249.8, 25281, and 25316; (vi) the Clean Air Act, 42 USC §7901 et seq.; and, (vii)
2363 California Water Code §13050; (b) any amendments, rules or regulations promulgated there under to
2364 such enumerated statutes or acts currently existing or hereafter enacted; and, (c) any other hazardous
2365 or toxic substance, material, chemical, waste or pollutant identified as hazardous or toxic or regulated
2366 under any other Applicable Law currently existing or hereinafter enacted, including, without limitation,
2367 friable asbestos, polychlorinated biphenyl's (PCBs), petroleum, natural gas, and synthetic fuel products,
2368 and by-products.

2369 **Hazardous Waste**

2370 “Hazardous Waste” means all substances defined as Hazardous Waste, acutely Hazardous Waste, or
2371 extremely Hazardous Waste by the State in Health and Safety Code §25110.02, §25115, and §25117 or
2372 in the future amendments to or recodifications of such statutes or identified and listed as Hazardous
2373 Waste by the U.S. Environmental Protection Agency (EPA), pursuant to the Federal Resource
2374 Conservation and Recovery Act (42 USC §6901 et seq.), all future amendments thereto, and all rules and
2375 regulations promulgated thereunder.

2376 **Holidays**

2377 “Holidays” shall mean the observed holiday for Independence Day, Thanksgiving Day, Christmas Day and
2378 New Year’s Day.

2379 **Household Batteries**

2380 "Household Batteries" means disposable or rechargeable dry cells such as those referred to as A, AA,
2381 AAA, B, C, D, 9-volt, button type or those from laptop computers or cell phones, and commonly used as
2382 power sources for consumer electronics devices, including but not limited to zinc oxide, nickel metal
2383 hydride, alkaline, mercury, silver oxide, lithium, lithium ion and carbon zinc, but excluding automotive
2384 lead acid batteries.

2385 **Household Hazardous Waste (HHW)**

2386 "Household Hazardous Waste" or "HHW" means Hazardous Waste generated at Single-Family
2387 Properties within the Regional Agency. HHW includes, but is not limited to: paint, stain, varnish, thinner,
2388 adhesives, auto products such as old fuel, batteries, household batteries, fluorescent bulbs, tubes,
2389 cleaners and sprays, pesticides, fertilizers and other garden products, needles, syringes, and lancets.

2390 **Liquidated Damages**

2391 "Liquidated Damages" means the amounts due by Contractor for failure to meet specific quantifiable
2392 standards of performance as described in Section 11.6 and Attachment G.

2393 **Mandatory Collection Area**

2394 "Mandatory Collection Area" means the areas, individually or collectively, of that name described in
2395 County Code Title 15, Chapter 15.01, Article 3, Section 15.01.040 Solid Waste Collection which is
2396 included as Attachment L to the Franchise Agreement.

2397 **Mixed C&D**

2398 "Mixed C&D" means C&D materials which have not been Source Separated into homogeneous material
2399 streams of like materials and which require sorting and Processing prior to Recycling.

2400 **Multi-Family, Multi-Family Property, MFD**

2401 "Multi-Family" means any Residential Premises, other than a Single-Family Premises, with five (5) or
2402 more dwelling units used for Residential purposes (regardless of whether residence therein is temporary
2403 or permanent) that receive centralized Collection service for all units on the Premises which are billed to
2404 one (1) Customer at one (1) address.

2405 **Non-Collection Notice**

2406 "Non-Collection Notice" means a form, as approved in advance by RA Members, used to notify Service
2407 Recipient(s) of the reason for the non-collection of materials set out by the Service Recipient(s) for
2408 Collection by Contractor pursuant to this Agreement.

2409

2410 **Organic Materials**

2411 "Organic Materials" means those Yard Trimmings and Food Waste which are specifically accepted at the
2412 Approved Organic Materials Processing Facility. No Discarded Material shall be considered to be Organic
2413 Materials, however, unless it is separated from Solid Waste and Recyclable Material.

2414 **Owner**

2415 "Owner" means the Person(s) holding legal title to real property and/or any improvements thereon and
2416 shall include the Person(s) listed on the latest equalized assessment roll of the County Assessor.

2417 **Party, Parties**

2418 "Party", "Parties" refers to the RA Members and Contractor, individually or together.

2419 **Person(s)**

2420 "Person(s)" means any individual, firm, association, organization, partnership, corporation, trust, joint
2421 venture, or public entity.

2422 **Premises**

2423 "Premises" means any land or building in the Service Area where Solid Waste, Recyclable Materials,
2424 Organic Materials, or C&D are generated or accumulated.

2425 **Processing**

2426 "Processing" means to sort, separate, prepare, treat, bale or otherwise package, compost, cure, or to
2427 take other steps necessary to re-use materials at the Approved Facilities, or to remanufacture,
2428 reconstitute, and or create new products from Discarded Materials. Processing includes reuse,
2429 Recycling and Composting, and excludes energy conversion processes except by prior approval of RA
2430 Members.

2431 **Public Containers**

2432 "Public Containers" means RA Member-owned Containers maintained by the RA Member for use by the
2433 public located on or near streets and public rights-of-way and other public places in the Service Area as
2434 specified by the RA Member for placement of Discarded Materials generated by the public.

2435 **Rate**

2436 "Rate" means the maximum amount, expressed as a dollar unit, approved by the RA Members that the
2437 Contractor may bill a Customer for providing services under this Agreement. A Rate has been
2438 established for each individual RA Member's jurisdiction, and the initial Rates for Rate Period One are
2439 presented in Attachment F3. The Rates approved by each RA Member governing body are the maximum

2440 Rates that Contractor may charge a Customer, and Contractor may, in its sole discretion, charge any
2441 amount up to and including the maximum Rate approved by each RA Member.

2442 **Rate Period or Rate Year**

2443 “Rate Period” or “Rate Year” means a 12-month period, beginning with July 1 and concluding twelve (12)
2444 months later, for which Contractor’s Compensation is calculated, except that Rate Period One shall
2445 commence on November 1, 2018 and end on June 30, 2019.

2446 **Recyclable Materials**

2447 “Recyclable Materials” means those Discarded Materials that: Generators set out in Recyclables
2448 Containers for Collection for the purpose of Recycling by the Contractor that are at least ninety percent
2449 (90%) Recyclable and that exclude Excluded Waste. No Discarded Materials shall be considered
2450 Recyclable Materials unless such material is separated from Solid Waste, and Organic Materials.
2451 Recyclable Materials shall include, but not be limited to: newspaper (including inserts, coupons, and
2452 store advertisements); mixed paper (including office paper, computer paper, magazines, junk mail,
2453 catalogs, brown paper bags, brown paper, paperboard, paper egg cartons, telephone books, grocery
2454 bags, colored paper, construction paper, envelopes, legal pad backings, shoe boxes, cereal and other
2455 similar food boxes); chipboard; corrugated cardboard; glass containers, all colors; aluminum (including
2456 beverage containers, foil, food containers, small pieces of scrap metal); scrap metal weighing less than
2457 10 pounds (without cords or chains and fitting into the container); steel, tin or bi-metal cans; plastic
2458 containers, Numbers 1 to 7; plastic bags and plastic film (no. 4); textiles; household batteries (AAA-D,
2459 9V, alkaline, rechargeable and button cell); and aseptic beverage boxes.

2460 **Recycle, Recycling**

2461 “Recycle” or “Recycling” means the process of collecting, sorting, cleansing, treating and reconstituting
2462 materials that would otherwise be disposed of in a landfill, and returning them to the economic
2463 mainstream in the form of raw material for new, reused, or reconstituted products which meet the
2464 quality standards necessary to be used in the marketplace. Recycling does not include Transformation.

2465 **Regional Agency**

2466 “Regional Agency” means San Benito County Integrated Waste Management Regional Agency.

2467 **Regional Agency Contract Manager**

2468 “Regional Agency Contract Manager” means the Person designated by the RA Members to administer
2469 the provisions of the Agreement as referenced in Section 6.8.

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2472 **RA Member**

2473 “RA Member” means one of the public agencies that are a member of the Regional Agency, which may
2474 include the County of San Benito, City of Hollister, and City of San Juan Bautista.

2475 **RA Representative**

2476 “RA Representative” means the Person named by each RA Member in accordance with Section 12.10.

2477 **Residential, Residential Property**

2478 “Residential”, “Residential Property” means on, of or pertaining to property used for residential
2479 purposes, irrespective of whether such dwelling units are rental units or owner-occupied, or whether
2480 commercial activities are conducted thereon or therefrom, provided that such commercial activities are
2481 permitted under applicable zoning regulations and do not consist of the primary use of the property.

2482 **Residue**

2483 “Residue” means unrecoverable materials remaining after Processing Discarded Materials for which
2484 there are no other options for viable use and which therefore must be disposed of in a landfill.

2485 **Reusable Materials**

2486 “Reusable Materials” means items that are capable of being used again after minimal Processing.
2487 Reusable Materials may be Collected Source Separated or recovered through a Processing Facility.

2488 **SB 1383**

2489 “SB 1383” means Chapter 395, Statutes of 2016 [Lara, SB 1383] relating to short lived climate pollutants,
2490 commonly referred to as “SB 1383, as amended, supplemented, superseded, and replaced from time to
2491 time.

2492 **Service Area**

2493 “Service Area” means the geographical boundaries of San Benito County.

2494 **Service Level**

2495 “Service Level” refers to the size of a Customer’s Container and the frequency of Collection service.

2496 **Single-Family, Single-Family Property, SFD**

2497 “Single-Family” means, notwithstanding any contrary definition in a RA Member Code, any detached or
2498 attached house or residence designed or used for occupancy by one (1) family, provided that Collection
2499 service feasibly can be provided to such Premises as an independent unit, and the Owner or occupant of

2500 such independent unit is billed directly for the Collection service. Single-Family includes Residential units
2501 of a duplex, tri-plex, or four-plex Residential structure provided that the owner or Occupant of each unit
2502 is separately billed for its specific service level.

2503 **Solid Waste**

2504 “Solid Waste” means solid waste as defined in California Public Resources Code, Division 30, Part 1,
2505 Chapter 2, §40191 and regulations promulgated hereunder. Excluded from the definition of Solid Waste
2506 are Excluded Waste, Source Separated C&D, Source Separated Recyclable Materials, Source Separated
2507 Organic Materials, and radioactive waste. Notwithstanding any provision to the contrary, Solid Waste
2508 may include de minimis volumes or concentrations of waste of a type and amount normally found in
2509 Residential Solid Waste after implementation of programs for the safe Collection, Recycling, treatment,
2510 and Disposal of Household Hazardous Waste in compliance with Section 41500 and 41802 of the
2511 California Public Resources Code as may be amended from time to time. Solid Waste includes
2512 salvageable materials only when such materials are included for Collection in a Solid Waste Container.

2513 **Source Reduction**

2514 “Source Reduction” means any action which causes a net reduction in the generation of Solid Waste. It
2515 includes, but is not limited to, reducing the use of non-recyclable materials, replacing Disposal materials
2516 and products with Reusable materials and products, reducing packaging, reducing the amount of Yard
2517 Trimmings generated, and increasing the efficiency of the use of paper, cardboard, glass, metal, plastic,
2518 and other materials. Source Reduction does not include steps taken after the material becomes Solid
2519 Waste or actions which would impact air or water resources in lieu of land, including, but not limited to,
2520 Transformation.

2521 **Source-Separated**

2522 “Source Separated” means the segregation from solid waste, by the Generator, of materials designated
2523 for separate Collection for some form of Recycling, Composting, recovery, or reuse. A load of source
2524 separated materials that contains more than ten (10) percent solid waste shall not be considered source
2525 separated.

2526 **State**

2527 “State” means the State of California.

2528 **Subcontractor**

2529 “Subcontractor” means a Party who has entered into a contract, express or implied, with the Contractor
2530 for the performance of an act that is necessary for the Contractor’s fulfillment of its obligations for
2531 providing service under this Agreement. Vendors providing materials and supplies to Contractor shall
2532 not be considered Subcontractors.

2533 **Term**

2534 “Term” means the Term of this Agreement, including extension periods if granted, as provided for in
2535 Section 4.1.

2536 **Transformation**

2537 “Transformation” means incineration, pyrolysis, distillation, gasification, or biological conversion other
2538 than Composting.

2539 **Transportation**

2540 “Transportation” means the act of transporting or state of being transported.

2541 **Universal Waste**

2542 “Universal Waste” or “U-waste” means all wastes defined by Title 22, Subsections 66273.1 through
2543 66273.9 of the California Code of Regulations or successor regulations. These include, but are not
2544 limited to, Household Batteries, fluorescent light bulbs, mercury switches, and E-Waste.

2545 **Used Motor Oil**

2546 “Used Motor Oil” means used motor oil from automobiles and other light duty vehicles intended for
2547 personal use which is removed from vehicles at Single-Family Premises and not as a part of a for-profit
2548 or other business activity. Used Motor Oil does not include transmission fluid.

2549 **Used Oil Filter**

2550 “Used Oil Filter” means a used motor oil filter from automobiles and other light duty vehicles intended
2551 for personal use which is removed from vehicles at Single-Family Premises and not as a part of a for-
2552 profit or their business activity.

2553 **Used Oil Recovery Kit**

2554 “Used Oil Recovery Kit” means a kit containing: one (1) reusable plastic jug of at least one (1) gallon
2555 capacity with a watertight screw-on top to contain Used Motor Oil; one (1) plastic disposable resealable
2556 bag of sufficient capacity to accommodate one (1) Used Motor Oil Filter; and, a flyer, brochure, or other
2557 informational media approved by the Regional Agency Contract Manager intended to educate
2558 Customers about the Used Motor Oil and Filter Collection program and the benefits resulting from the
2559 proper handling of Used Motor Oil and Filters. The Used Oil Recovery Kit is to be provided to Customers
2560 by Contractor to recover Used Motor Oil and Filters from Single-Family residents.

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2563 **Voluntary Collection Area**

2564 “Voluntary Collection Area” means the areas, individually or collectively, of that name described in
2565 County Code Title 15, Chapter 15.01, Article 3, Section 15.01.040 Solid Waste Collection which is
2566 included as Attachment L to the Franchise Agreement.

2567 **Yard Trimmings**

2568 “Yard Trimmings” means those Discarded Materials that will decompose and/or putrefy, including, but
2569 not limited to, green trimmings, grass, weeds, leaves, prunings, branches, dead plants, brush, tree
2570 trimmings, dead trees, small pieces of unpainted and untreated wood, and other types of organic waste.
2571 Yard Trimmings is a subset of Organic Waste. Yard Trimmings placed for Collection may not exceed six
2572 (6) inches in diameter and three (3) feet in length and must fit within the Contractor-provided
2573 Container.

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ATTACHMENT B
SCOPE OF SERVICES – DETAILS

2580 The following Attachments (B1 through B8) describe the programs which, in aggregate, represent the
2581 direct services to be performed under this Agreement by the Contractor.

2582 Each of the following Attachments (B1 through B8) present the programs to be provided to each
2583 Customer Type by Contractor. Within each program description are specific requirements for the:

- 2584 • Type and size of Containers or Service Level to be offered by Contractor under each program;
- 2585 • Frequency of service to be offered by Contractor to Customers;
- 2586 • Location of service, including an indication of whether additional charges may apply if a
2587 Customer selects a location that is costlier to serve (e.g. back-yard service);
- 2588 • Materials that are acceptable or prohibited within the program;
- 2589 • Provision of additional services to the Customer if the standard Service Levels are inadequate,
2590 either on a regular or periodic basis, and an indication of whether additional charges may apply;
2591 and/or,
- 2592 • Other requirements and considerations of the program.

2593 Contractor shall provide the services for each program described in accordance with the specific
2594 program requirements detailed in Attachments B1 through B8 and Contractor shall promote such
2595 programs using the public education and outreach methods described in Attachment B8.

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

1. Solid Waste Collection

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

- Containers:** Carts
- Container Sizes:** 20-, 32-, 64-, and 96-gallons or comparable sizes (as requested by Customer)
- Service Frequency:** One (1) time per week
- Service Location:** One (1) direction or two (2) direction side- or back-yard Solid Waste Collection Service for Single-Family Customers may be available for an additional monthly per-container fee.
- Acceptable Materials:** Solid Waste
- Prohibited Materials:** Recyclable Materials, Organic Materials, Excluded Waste
- Additional Service:** Contractor shall provide additional Solid Waste Carts to Single-Family Customers upon request and may charge the “Additional Solid Waste Cart” Monthly Service Rate approved by the RA Member.
- Other Requirements:** **None**

2. Recyclable Materials Collection

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

- Containers:** Carts
- Container Sizes:** 64- and 96-gallons or comparable sizes. Standard container size is 64-gallon Carts. 96-gallon carts will be made available, upon request by Customer.
- Service Frequency:** One (1) time per week on the same day Solid Waste is collected.
- Service Location:** One (1) direction or two (2) direction side- or back-yard Solid Waste Collection Service for Single-Family Customers may be available for an additional monthly per-container fee.
- Acceptable Materials:** Recyclable Materials
- Prohibited Materials:** Solid Waste, Organic Materials, Excluded Waste
- Additional Service:** Single-Family Customers shall receive one (1) Recyclable Materials Cart as standard. Contractor shall provide additional Recyclable Materials Carts to Single-Family Customers upon request and may charge the “Additional Recycling Cart” Monthly Rental Rate approved by the RA Member.

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

2638 than 3' x 3') adjacent to the Recyclable Materials Cart on their regularly-
2639 scheduled Collection day at no additional charge to the Customer.

2640 **Other Requirements:** Contractor shall accept household batteries in the Recyclable Materials
2641 program, provided that those batteries have been separately packaged in a
2642 sealed, clear plastic bag.

2643 Contractor shall also accept textiles (cotton and denim clothing, towels and
2644 blankets) in the Recyclable Materials program provided that those textiles are
2645 clean and dry and placed in a clear, tied plastic bag.

2646 Contractor may assess a "contamination fee" per event for Customers who have
2647 repeatedly (no less than three times in a calendar year) placed more than ten
2648 percent (10%) by volume of prohibited materials in their Recyclable Materials
2649 Container. Prior to assessing such contamination fee, Contractor must provide
2650 targeted education (e.g., through the use of a tag on the Container) no less than
2651 three times to that specific Customer. Such education shall, at a minimum,
2652 notify the Customer of the specific materials that have been incorrectly placed
2653 and inform the Customer as to which Container the materials should be placed.
2654 Upon assessment of the contamination fee, Contractor shall document the
2655 presence of prohibited items through photographic record and make such
2656 documentation available to the Customer and/or Agency Contract Manager,
2657 upon request.

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2660 **3. Organic Materials Collection**

2661 Contractor shall Collect Organic Materials in Contractor-provided Carts one (1) time per week from
2662 Single-Family Customers and Transport all Organic Materials to the Approved Organic Materials
2663 Processing Facility for Processing.

2664 **Containers:** Carts

2665 **Container Sizes:** 64-, and 96-gallons or comparable sizes. Standard container size is 96-gallon
2666 Carts. 64-gallon carts will be made available, upon request by Customer.

2667 **Service Frequency:** One (1) time per week on the same day Solid Waste is collected.

2668 **Service Location:** One (1) direction or two (2) direction Side- or Back-yard Solid Waste Collection
2669 Service for Single-Family Customers may be available for an additional monthly
2670 per-container fee.

2671 **Acceptable Materials:** Food Waste and Yard Trimmings.

2672 **Prohibited Materials:** Solid Waste, Recyclable Materials, Excluded Waste

2673 **Additional Service:** Single-Family Customers shall receive one (1) Organic Materials Cart standard.
2674 Contractor shall provide additional Organic Materials Carts to Single-Family
2675 Customers upon request and may charge the “Additional Organic Materials
2676 Cart” Monthly Service Rate equivalent to fifty (50%) of the Solid Waste monthly
2677 Service Rate gallon equivalent.

2678 **Other Requirements:** Contractor may assess a “contamination fee” per event for Customers who have
2679 repeatedly (no less than three times in a calendar year) placed more than ten
2680 percent (10%) by volume of prohibited materials in their Yard Trimmings
2681 Container. Prior to assessing such contamination fee, Contractor must provide
2682 targeted education (e.g. through the use of a tag on the Container) no less than
2683 three times to that specific Customer. Such education shall, at a minimum,
2684 notify the Customer of the specific materials that have been incorrectly placed
2685 and inform the Customer as to which Container the materials should be placed.
2686 Upon assessment of the contamination fee, Contractor shall document the
2687 presence of prohibited items through photographic record and make such
2688 documentation available to the Customer and/or Agency Contract Manager,
2689 upon request.

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2691 **4. Used Motor Oil and Filter Collection**

2692 Contractor shall Collect Used Motor Oil and Filters in a Contractor-provided Used Oil Recovery Kit from
2693 Single-Family Customers and properly Dispose of the Used Motor Oil and Filter.

2694 **Containers:** Used Oil Recovery Kit

2695 **Container Sizes:** One 1-gallon Filter Bag; and, up to two 1-gallon used oil jugs or one 2.5-gallon
2696 used oil jug

2697 **Service Frequency:** Up to one (1) time per week on the same day as Solid Waste Collection Service

2698 **Service Location:** Curbside (adjacent to Recyclable Materials Cart)
 2699 **Acceptable Materials:** Used Motor Oil and Filter
 2700 **Prohibited Materials:** Solid Waste, Recyclable Materials, Organic Materials, Excluded Waste
 2701 **Additional Service:** Not applicable
 2702 **Other Requirements:** Contractor shall provide a Used Oil Recovery Kit to a Customer on the next
 2703 scheduled service day after such request is made by Customer at no additional
 2704 cost to Customer. Upon Collection of Used Motor Oil and Filter from a
 2705 Customer, Contractor shall leave a Used Oil Recovery Kit adjacent to the
 2706 Recyclables Cart. Contractor shall not be required to Collect more than one (1)
 2707 Used Oil Recovery Kit per individual dwelling unit per week from Single-Family
 2708 Customers who request it.

2709 **5. Curbside Bulky Item/Reusable Materials Collection**

2710 Contractor shall Collect Bulky Items and Reusable Materials from Single-Family Customers and transport
 2711 the Bulky Items to the Approved Reusable Materials Processing Facility for Processing.

2712 **Containers:** Not applicable
 2713 **Service Level:** Up to two (2) cubic yard of Reusable Materials, up to five (5) E-Waste items, and
 2714 up to two (2) Appliances or Bulky Items. Appliances with Freon count as two (2)
 2715 Bulky Items.
 2716 **Service Frequency:** Up to two (2) times per year (as requested by Customer)
 2717 **Service Location:** Curbside
 2718 **Acceptable Materials:** Reusable Materials, Appliances, Bulky Items, E-Waste, and U-Waste
 2719 **Prohibited Materials:** Solid Waste, Organic Materials, Hazardous Materials, Recyclable Materials,
 2720 abandoned automobiles, trees, Excluded Waste or any single item (e.g. large
 2721 auto parts, etc.) that exceeds two hundred (200) lbs. in weight.
 2722 **Additional Service:** Contractor shall Collect additional eligible items that exceed the required
 2723 Service Level and may charge the “Additional Bulky Item” Rate approved by the
 2724 Agency (as requested by Customer) for each item Collected.
 2725 Contractor shall provide additional Bulky Item/Reusable Materials Collection
 2726 Events to Single-Family Customers, beyond two (2) per year, and may charge
 2727 the “Additional Bulky Item Collection Event” Rate approved by the RA Member.
 2728 Each Bulky Item/Reusable Materials Collection Event shall be subject to the
 2729 same Service Level as identified above.
 2730 **Other Requirements:** Contractor shall provide the service to the Customer within five (5) Business
 2731 Days of the Customer’s requested service date, as mutually agreed upon by the
 2732 Customer and Contractor.
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2734 **6. Seasonal Programs**

2735 Contractor shall develop and educate Single-Family Customers about the availability of and participation
 2736 requirements for programs dealing with seasonal or periodic waste management demands that exceed
 2737 regularly scheduled Collection via outreach through the Customer newsletter and the Contractor

2738 website. Contractor shall provide the following seasonal program services to Single-Family Customers at
2739 no additional charge:

2740 Holiday Tree Collection. Contractor shall Collect from Single-Family Customers whole, un- flocked, and
2741 undecorated holiday trees that are placed curbside during the first three (3) weeks of each year. Holiday
2742 trees must be cut into sections no greater than 6’.

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2744 **7. Alternative Service Location for Disabled Single-Family Customers**

2745 Contractor shall allow for Persons that have a disability as defined by the Americans with Disabilities Act
2746 (which means Public Law 101-336, 104 Stat. 327, 42 U.S.C. 12101-12213 and 27 U.S.C. 225 and 611, and
2747 all Federal rules and regulations relating thereto) that are Occupants of Single-Family Premises to
2748 receive Collection services at a location other than Curbside at no extra charge to the Customer.
2749 Contractor shall review all applications (which shall include statements from physicians) made by
2750 Customers to determine conformance with this exemption provision and shall grant exemptions, if
2751 applicable. Contractor shall make reasonable accommodations with regard to provision of and servicing
2752 of Containers (e.g., Container size and type, placement of Containers for Collection, etc.) at no additional
2753 cost to the Customer.

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

1. Solid Waste Collection

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

- Containers:** Carts, Bins, Compactors
- Container Sizes:** 64-, and 96-gallon or comparable size Carts:1-, 2-, 3-, 4-, 6-, and 8- cubic yard Bins; and, Compactors (as requested by Customer)
- Service Frequency:** Up to six (6) times per week but not less than one (1) time per week, as requested by Customer
- Service Location:** Curbside or other Customer-selected service location at the Multi-Family Premises (difficult to service charges may apply if service location is not immediately accessible by the Collection vehicle)
- Acceptable Materials:** Solid Waste
- Prohibited Materials:** Recyclable Materials, Organic Materials, Excluded Waste
- Additional Service:** Special pickups requested by a Customer, on days other than their regularly scheduled Collection day, will be available at an approved additional charge. Extra picks ups can be scheduled equating to up to six days per week total service.
- Other Requirements:** Contractor shall contact Multi-Family Customers in advance of the start of service to determine appropriate Container sizes and service frequency.
Contractor shall open and close gates, push and/or pull Containers, lock and unlock Containers, or perform other services as reasonably necessary to access and empty Containers (additional charge may apply).

2. Recyclable Materials Collection

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

- Containers:** Carts, Bins, Compactors
- Container Sizes:** 64-, and 96-gallon or comparable size Carts: 1-, 2-, 3-, 4-, 6-, and 8- cubic yard Bins; and, Compactors (as requested by Customer)
- Service Frequency:** Up to six (6) times per week but not less than one (1) time per week (as requested by Customer)
- Service Location:** Curbside or other Customer-selected service location at the Multi-Family Premises (difficult to service charges may apply if service location is not immediately accessible by the Collection vehicle)
- Acceptable Materials:** Recyclable Materials
- Prohibited Materials:** Solid Waste, Organic Materials, Excluded Waste

2794 **Additional Service:** Special pickups requested by a Customer, on days other than their regularly
2795 scheduled Collection day, will be available at an approved additional charge.
2796 Extra pickups can be scheduled equating to up to six days per week total
2797 service.

2798 **Other Requirements:** Contractor shall contact Multi-Family Customers in advance of the start of
2799 service to determine appropriate Container sizes and service frequency.
2800 Contractor shall open and close gates, push and/or pull Containers, lock and
2801 unlock Containers, or perform other services as reasonably necessary to access
2802 and empty Containers (additional charge may apply).

2803 Multi-Family Customers with no greater than once per week individual cart
2804 service will receive one (1) Recyclable Materials cart free of additional charge.

2805 Contractor may assess a “contamination fee” per event for Customers who have
2806 repeatedly (no less than three times in a calendar year) placed more than ten
2807 percent (10%) by volume of prohibited materials in their Recyclable Materials
2808 Container. Prior to assessing such contamination fee, Contractor must provide
2809 targeted education (e.g. through the use of a tag on the Container) no less than
2810 three times to that specific Customer. Such education shall, at a minimum,
2811 notify the Customer of the specific materials that have been incorrectly placed
2812 and inform the Customer as to which Container the materials should be placed.
2813 Upon assessment of the contamination fee, Contractor shall document the
2814 presence of prohibited items through photographic record and make such
2815 documentation available to the Customer and/or Agency Contract Manager,
2816 upon request.

2817 **3. Organic Materials Collection**

2818 Contractor shall Collect Organic Materials in Contractor-provided Carts no less than one (1) time per
2819 week (i) from all Multi-Family Customers who are subject to the requirements of AB 1826 and do not
2820 refuse the service, and (ii) from all other Multi-Family Customers who subscribe for the service. Under
2821 both (i) and (ii), Contractor shall be entitled to charge for Organic Materials Collection service at the
2822 then-applicable Rates for the service. Contractor shall transport all Organic Materials to the Approved
2823 Organic Materials Processing Facility for Processing. If a Multi-Family Customer subject to the
2824 requirements of AB 1826 refuses Organics Materials Collection Service, Contractor shall not be required
2825 to provide service to that Customer and shall notify the applicable RA Member of the Customer’s refusal
2826 within 30 days and in Contractor’s quarterly report. “Subject to the requirements of AB 1826” means
2827 that the Multi-Family Customer is subscribed for a volume of weekly Solid Waste service equal to or
2828 greater than the applicable volume threshold set forth in California Public Resources Code
2829 §42649.81(a)(2), (3) or (4).

2830 **Container:** Carts

2831 **Container Sizes:** 64-, and 96-gallon or comparable size Carts (as requested by Customer).

2832 **Service Frequency:** Up to three (3) times per week but not less than one (1) time per week, as
2833 requested by the Multi-Family Customer.

2834 **Service Location:** Curbside or other Customer-selected service location at the Multi-Family
2835 Premises. (difficult to service charges may apply if service location is not
2836 immediately accessible by the Collection vehicle)

2837 **Acceptable Materials:** Organic Materials

2838 **Prohibited Materials:** Solid Waste, Recyclable Materials, Excluded Waste

2839 **Additional Service:** Special pickups requested by a Customer, on days other than their regularly
2840 scheduled Collection day, will be available at an approved additional charge.
2841 Extra picks ups can be scheduled equating to up to six days per week total
2842 service.

2843 **Other Requirements:** Contractor shall contact Multi-Family Customers in advance of the start of
2844 service to determine appropriate Container sizes and service frequency.
2845 If a Customer places Organic Materials Container(s) for Collection and the
2846 materials placed in such Container(s) include a sufficient volume or particular
2847 type of Prohibited Materials that could reasonably result in the Approved
2848 Organic Materials Processing Facility either rejecting the material from
2849 Processing or charging Contractor a greater amount for Processing, Contractor
2850 may classify that set-out as “Contaminated”. Contractor shall document any set-
2851 outs classified as Contaminated with photographic evidence of the presence of
2852 the Prohibited Material(s) and shall provide such evidence to the Regional
2853 Agency Contract Manager or Customer upon request. In the event of a
2854 Contaminated set-out, Contractor shall provide Customer with a written
2855 warning of the Contamination and instruct the Customer about how to properly
2856 separate and place Organic Materials for Collection and Contractor may, at their
2857 sole discretion, refuse to Collect the Container until it is no longer
2858 Contaminated. In the event that Contractor classifies more than two (2) set-outs
2859 in a consecutive three (3) month period as Contaminated, whether Collected or
2860 not, Contractor may assess the “Organics Contamination” Rate approved by the
2861 RA Member under this Agreement if Collected. In the event that Contractor has
2862 assessed the Organics Contamination Rate more than two (2) times in a
2863 consecutive six (6) month period, Contractor may cancel the Customer’s
2864 subscription to the Organic Materials program and may prohibit such Customer
2865 from subscribing to the program until they demonstrate to the satisfaction of
2866 the Contractor or Regional Agency Contract Manager that adequate measures
2867 have been implemented to prevent future contamination.

2868 **4. Bulky Item/Reusable Materials Collection**

2869 Contractor shall Collect Bulky Items and Reusable Materials from Multi-Family Customers and transport
2870 the Collected materials to the Approved Reusable Materials Processing Facility for Processing.

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2872	Containers:	Not applicable
2873	Service Level:	Up to two (2) cubic yards of Reusable Materials, up to five (5) E-Waste items,
2874		AND up to two (2) Appliance or Bulky Item. Appliances with Freon count as two
2875		(2) Bulky Items.
2876	Service Frequency:	Up to two (2) times per year (as requested by Multi-Family Customer)
2877	Service Location:	Curbside or other location approved by Contractor
2878	Acceptable Materials:	Reusable Materials, Appliances, Bulky Items, E-Waste, and U-Waste
2879	Prohibited Materials:	Solid Waste, Organic Materials, Recyclable Materials, Excluded Waste or any
2880		single item that exceeds two hundred (200) lbs. in weight
2881	Additional Service:	Upon Multi-Family Customer request, Contractor shall Collect additional items
2882		which exceed the required Service Level and may charge the "Additional Bulky
2883		Item" Rate approved by the RA Member.
2884		Contractor shall provide additional Collection events for a Customer beyond two
2885		(2) per year and may charge the "Additional Bulky Item Collection" Rate
2886		approved by the RA Member.
2887	Other Requirements:	The Contractor shall provide the service to the Customer within five (5) Business
2888		Days of the Customer's requested service date, as mutually agreed upon by the
2889		Customer and Contractor.

**ATTACHMENT B3:
COMMERCIAL SERVICES**

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2893 **1. Solid Waste Collection**

2894 Contractor shall Collect Solid Waste in Contractor-provided Containers not less than one (1) time per
2895 week from Commercial Customers and transport all Solid Waste to the Approved Disposal Facility for
2896 Disposal.

- 2897 **Containers:** Carts, Bins, Compactors.
- 2898 **Container Sizes:** 64-, and 96-gallon or comparable size Carts: 1-, 2-, 3-, 4-, 6-, and 8- cubic yard
2899 Bins; and, Compactors (as requested by Customer).
- 2900 **Service Frequency:** Up to six (6) times per week but not less than one (1) time per week, as
2901 requested by Customer.
- 2902 **Service Location:** Curbside; or other Customer-selected service location at the Commercial
2903 Premises (difficult to service charges may apply if service location is not
2904 immediately accessible by the Collection vehicle)
- 2905 **Acceptable Materials:** Solid Waste
- 2906 **Prohibited Materials:** Excluded Waste
- 2907 **Additional Service:** Special pickups requested by a Customer, on days other than their regularly
2908 scheduled Collection day, will be available at an approved additional charge.
2909 Extra picks ups can be scheduled equating to up to six days per week total
2910 service
- 2911 **Other Requirements:** Contractor shall contact Commercial Customers in advance of the start of
2912 service to determine appropriate Container sizes and service frequency.
2913 Contractor shall open and close gates, push and/or pull Containers, lock and
2914 unlock Containers, or perform other services as reasonably necessary to access
2915 and empty Containers (additional charge may apply).

2916 **2. Recyclable Materials Collection**

2917 Contractor shall Collect Recyclable Materials and/or Source Separated Recyclable Materials in
2918 Contractor-provided Containers not less than one (1) time per week from Commercial Customers and
2919 Transport all Recyclable Materials to the Approved Recyclable Materials Processing Facility for
2920 Processing or, at Contractor's discretion, to any Person who will make a net payment to Contractor for
2921 the delivery of the Source-Separated Recyclable Materials.

- 2922 **Containers:** Carts, Bins, Drop Boxes, Compactors
- 2923 **Container Sizes:** 64-, and 96-gallon or comparable size Carts: 1-, 2-, 3-, 4-, 6-, and 8- cubic yard
2924 Bins; and, Compactors (as requested by Customer)
- 2925 **Service Frequency:** Up to six (6) times per week but not less than one (1) time per week, as
2926 requested by Customer
- 2927 **Service Location:** Curbside or other Customer-selected service location at the
2928 Commercial Premises (difficult to service charges may apply if service
2929 location is not immediately accessible by the Collection vehicle)
- 2930 **Acceptable Materials:** Recyclable Materials

2931 **Prohibited Materials:** Solid Waste, Organic Materials, Excluded Waste
2932 **Additional Service:** Special pickups requested by a Customer, on days other than their regularly
2933 scheduled Collection day, will be available at an approved additional charge.
2934 Extra picks ups can be scheduled equating to up to six days per week total
2935 service.
2936 **Other Requirements:** Contractor shall contact Commercial Customers in advance of the start of
2937 service to determine appropriate Container sizes and service frequency.
2938 Contractor shall open and close gates, push and/or pull Containers, lock and
2939 unlock Containers, or perform other services as reasonably necessary to access
2940 and empty Containers (additional charge may apply).

2941 Contractor may assess a “contamination fee” per event for Customers who have
2942 repeatedly (no less than three times in a calendar year) placed more than ten
2943 percent (10%) by volume of prohibited materials in their Recyclable Materials
2944 Container. Prior to assessing such contamination fee, Contractor must provide
2945 targeted education (e.g. through the use of a tag on the Container) no less than
2946 three times to that specific Customer. Such education shall, at a minimum,
2947 notify the Customer of the specific materials that have been incorrectly placed
2948 and inform the Customer as to which Container the materials should be placed.
2949 Upon assessment of the contamination fee, Contractor shall document the
2950 presence of prohibited items through photographic record and make such
2951 documentation available to the Customer and/or Agency Contract Manager,
2952 upon request.

2953 Contractor shall document and report to the Regional Agency Contract Manager
2954 each instance where Contractor delivers Source Separated Recyclable Materials
2955 to a Person other than the Approved Recyclable Materials Processing Facility.
2956 Such report shall include the Person to whom the materials were delivered, the
2957 specific type of materials delivered (e.g., cardboard, metal etc.), the number of
2958 Tons, and the amount received in payment for the delivery.

2959 **3. Organic Materials Collection**

2960 Contractor shall Collect Organic Materials in Contractor-provided Containers no less than one (1) time
2961 per week from (i) all Commercial Customers who are subject to the requirements of AB 1826 and do not
2962 refuse the service, and (ii) from all other Commercial Customers who subscribe for the service. Under
2963 both (i) and (ii), Contractor shall be entitled to charge for Organic Materials Collection service at the
2964 then-applicable Rates for the service. Contractor shall Transport all Organic Materials to the Approved
2965 Organic Materials Processing Facility for Processing. If a Commercial Customer subject to the
2966 requirements of AB 1826 refuses Organics Materials Collection Service, Contractor shall not be required
2967 to provide service to that Customer and shall notify the applicable RA Member within 30 days of the
2968 Customer’s refusal and in Contractor’s quarterly report. “Subject to the requirements of AB 1826”
2969 means that the Commercial Customer is subscribed for a volume of weekly Solid Waste service equal to
2970 or greater than the applicable volume threshold set forth in California Public Resources Code
2971 §42649.81(a)(2), (3) or (4).

2972 **Containers:** Carts, Bins, Compactors

2973 **Container Sizes:** 64-, and 96-gallon or comparable size Carts:1- and 2- cubic yard Bins; and,

2974 Compactors (as requested by Customer)

2975 **Service Frequency:** Up to six (6) times per week but not less than one (1) time per week, as

2976 requested by Customer

2977 **Service Location:** Curbside or other Customer-selected service location at the

2978 Commercial Premises (difficult to Service charges may apply if service

2979 location is not immediately accessible by the Collection vehicle)

2980 **Acceptable Materials:** Organic Materials

2981 **Prohibited Materials:** Solid Waste, Recyclable Materials, Excluded Waste

2982 **Additional Service:** Special pickups requested by a Customer, on days other than their regularly

2983 scheduled Collection day, will be available at an approved additional charge.

2984 Extra picks ups can be scheduled equating to up to six days per week total

2985 service.

2986 **Other Requirements:** Contractor shall contact Commercial Customers in advance of the start of

2987 service to determine appropriate Container sizes and service frequency.

2988 Contractor shall open and close gates, push and/or pull Containers, lock and

2989 unlock Containers, or perform other services as reasonably necessary to access

2990 and empty Containers (additional charge may apply).

2991 If a Customer places Organic Materials Container(s) for Collection and the

2992 materials placed in such Container(s) include a sufficient volume or particular

2993 type of Prohibited Materials that could reasonably result in the Approved

2994 Organic Materials Processing Facility either rejecting the material from

2995 Processing or charging Contractor a greater amount for Processing, Contractor

2996 may classify that set-out as "Contaminated". Contractor shall document any set-

2997 outs classified as Contaminated with photographic evidence of the presence of

2998 the Prohibited Material(s) and shall provide such evidence to the Regional

2999 Agency Contract Manager or Customer upon request. In the event of a

3000 Contaminated set-out, Contractor shall provide Customer with a written

3001 warning of the Contamination and instruct the Customer about how to properly

3002 separate and place Organic Materials for Collection and Contractor may, at their

3003 sole discretion, refuse to Collect the Container until it is no longer

3004 Contaminated. In the event that Contractor classifies more than two (2) set-outs

3005 in a consecutive three (3) month period as Contaminated, whether Collected or

3006 not Contractor may assess the "Organics Contamination" Rate approved by the

3007 RA Member under this Agreement if Collected. In the event that Contractor has

3008 assessed the Organics Contamination Rate more than two (2) times in a

3009 consecutive six (6) month period, Contractor may cancel the Customer's

3010 subscription to the Organic Materials program and may prohibit such Customer

3011 from subscribing to the program until they demonstrate to the satisfaction of

3012 the Contractor or Regional Agency Contract Manager that adequate measures
3013 have been implemented to prevent future contamination.
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ATTACHMENT B4: RA MEMBER SERVICES

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1. Commercial Customer Services to RA Member Facilities

3019 Contractor shall Collect Solid Waste, Recyclable Materials, Source Separated Recyclable Materials,

3020 Organic Materials, and Bulky Items and Reusable Materials from RA Member facilities in the same

3021 manner as those services are provided to Commercial Customers. Contractor shall provide service to all

3022 existing RA Member facilities identified in Attachment B5 as well as any future RA Member facilities

3023 established after the commencement of services. Contractor shall provide these services at no

3024 additional cost to the RA Member.

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

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

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

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

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

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**ATTACHMENT B6:
 RA MEMBER PUBLIC LOCATION SERVICE LEVELS**

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

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

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*Map of locations available upon request from Recology.

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

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

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**ATTACHMENT B8:
PUBLIC EDUCATION AND OUTREACH REQUIREMENTS**

1. General Administration

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

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

3103 non-Collection and courtesy notices in clear instances of Customer non-compliance. Contractor
3104 shall develop and maintain a system of keeping records of and following up with Customers who
3105 receive non- Collection notices during Collection of materials.
3106 7. Contractor shall develop a website specific to its operations in San Benito County, with a section
3107 specific to Regional Agency and RA Members programs and services, that will be used to post
3108 educational materials for download, highlight program successes and provide Diversion statistics.
3109 Contractor shall prepare multi-lingual public education materials in English and Spanish and post
3110 the multi-lingual outreach materials on its website.

3111
3112 **2. Public Education and Outreach Team**

3113 To achieve a high level of recycling public education and awareness, Contractor shall employ a minimum
3114 of one full-time Waste Zero Manager (WZM) and one (1) full-time Waste Zero Specialist (WZS) to
3115 develop and implement all public education and outreach activities required by this Agreement for all
3116 RA Members and shall serve the Regional Agency Service Area exclusively. Also, during year 1 only of
3117 this Agreement, Recology shall have two additional WZS's. The public education and outreach staff shall
3118 work with the RA Members and the Regional Agency to conduct outreach, promote waste reduction,
3119 recycling, diversion programs, and provide technical assistance to Multi-family and Commercial
3120 Customers.

3121 The WZM shall have the following duties and responsibilities:

- 3122 1. Serve as liaison with the Regional Agency and RA Members. In this capacity, WZM shall participate
3123 in PEP and other strategy development meetings to increase recycling, organics collection, source
3124 reduction, reuse, and composting;
3125 2. Initiate and participate in community activities and offer support to local service organizations;
3126 3. Work with the WZS to ensure recycling for all sectors of residential, commercial, multi-family
3127 (MFD) is increasing, ensure recycling participation is high and ongoing efforts are provided to
3128 increase general knowledge of waste reduction alternatives.
3129 4. Meet with the RACM quarterly to discuss methods to increase recycling particularly for the
3130 Commercial and MFD and discuss methods to increase recycling and decrease solid waste.
3131 5. Develop and maintain relationships with the media and draft press releases to increase recycling
3132 participation and waste reduction alternatives, increase recycling event and workshop
3133 participation and promote other methods to increase diversion.
3134 6. Develop and participate in events and meetings in the community to promote recycling and
3135 diversion programs
3136 7. Ensure compliance with the Agreement, AB 341, AB 1826, AB 939 and other solid waste related
3137 mandates and requirements(s).

3138 The WZS shall have the following duties and responsibilities:

- 3139 8. The WZS's primary function is to increase recycling by providing onsite technical assistance to MFD
3140 and Commercial Service Recipients and meet with the Commercial primary decision maker (i.e.,
3141 the person with authority to make service changes), janitorial staff, and employees using the
3142 services to increase recycling and decrease garbage and ensure employees (and residents of MFDs)
3143 fully participate in recycling and other diversion programs.
3144 9. Provide training to staff at Commercial and MFD accounts to ensure full knowledge and

- 3145 participation by the Commercial and MFD accounts, and periodically follow up with Commercial
 3146 and MFD accounts to maximize recycling and reduce contamination.
- 3147 10. Initiate outreach and education opportunities in the community and have a clear understanding of
 3148 San Benito County's unique challenges and provide solutions to increase diversion. Provide
 3149 educational/outreach materials to assist Commercial and MFD accounts staff and their janitorial
 3150 staff to know about and fully utilize the recycling program. Be proactive in reducing recurring
 3151 contamination issues and implement solutions;
- 3152 11. Initiate and participate in recycling training workshops, Regional Agency and RA Members-
 3153 sponsored activities, civic and business group meetings, and other community events to actively
 3154 increase recycling;

3155 Contractor's WZM and WZS shall, at a minimum, perform the following additional tasks:

- 3156 12. Actively develop partnerships with the Regional Agency and RA Members' staff provides
 3157 workshops and educational activities;
- 3158 13. Initiate recycling and other diversion activities at community events and activities;
- 3159 14. Ensure compliance and high level of quality Customer service of program services, as described
 3160 in Attachment B to the Agreement;
- 3161 15. Ensure compliance with the Agreement and regulatory agencies having jurisdiction over
 3162 Contractor's activities;
- 3163 16. Develop and implement the annual PEP;
- 3164 17. Initiate and provide onsite technical assistance meetings with Commercial and MFD accounts
 3165 and meet with all Commercial and MFD accounts a minimum of one (1) time every year. For
 3166 each technical assistance meeting, the WZS will complete each action as detailed in Attachment
 3167 B8-A and report progress. Provide training staff at the Commercial and MFD accounts and
 3168 provide ongoing follow-up to ensure full participation in the programs.
- 3169 18. Provide the Quarterly Recycling Technical Assistance Report that provides the individual CTAP
 3170 reports and summarizes noteworthy successes or challenges of the commercial technical
 3171 assistance program CTAP site visits provided in the prior quarter. Attachment B8-A. The reports
 3172 shall be filed with the Contractor's quarterly reports required under Section 7.3.B and
 3173 Attachment D.
- 3174 19. Actively encourage all Customers to use the educational information (posters, etc.) to fully
 3175 participate in recycling and diversion programs.
- 3176 20. Plan recycling and organics program collection services for community events and large venues
 3177 and coordinate with the event organizer to discuss location/placement of recycling /organics
 3178 bins, recycling posters and other education to maximize diversion at each events or venue,
 3179 provide diversion reporting. Provide recycling program planning materials to event/venue
 3180 coordinator/facility staff to maximize recycling and reduce disposed waste;
- 3181 21. Develop and provide reports as required under this Agreement and/or requested by the RACM.
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3183 **3. Sector-Specific Activities**

3184 The following tables present the public education and outreach activities to be performed by Contractor
 3185 as minimum requirements under this Agreement. Each type of Customer faces unique waste
 3186 management opportunities and challenges; therefore, Contractor shall develop targeted, sector-specific
 3187 educational materials and perform outreach activities as described for each Customer Type.

3188 **Public Education and Outreach**

3189 All printed materials also to be posted on the Contractor’s website.

3190 The following public education and outreach materials shall each be produced for the benefit of all Customer Types that receive Collection
 3191 service from the Contractor. The listing is broken out between those materials and activities required during the initial start-up and rollout of
 3192 Collection service and those required on an ongoing basis.

3193 **Initial Start-Up Public Education and Outreach Materials and Activities**

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

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

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

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3200 **Ongoing Public Education and Outreach Materials and Activities**

3201 **Public Education and Outreach | Single-Family Education and Outreach Activities**

3202 All printed materials also to be posted to the Company's website.

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

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

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

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

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

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

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

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Public Education and Outreach | Schools

3211 All printed materials also to be posted to the Company’s website as well as links to teacher resources.

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3213 The Regional Agency, RA Members and the Contractor shall collaborate on providing outreach to schools.

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

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

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ATTACHMENT C
JOINT POWERS INTEGRATED WASTE MANAGEMENT AGREEMENT (1995) AND SAN BENITO COUNTY
INTEGRATED WASTE MANAGEMENT REGIONAL AGENCY COST SHARING AGREEMENT (2006)
(SEE SEPARATELY ATTACHED FILE)

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**ATTACHMENT D
REPORTING REQUIREMENTS**

3231 As set forth in this Attachment, Contractor shall submit reports to the Regional Agency and RA Members
3232 in an agreed upon format that provides information that can be used to, among other things:

- 3233 1. Provide concise and comprehensive program information and metrics for use in fulfilling
3234 reporting requirements under AB 939, AB 341, AB 1826 and other Applicable Law.
- 3235 2. Evaluate past and expected progress towards achieving the Contractor's Diversion goals and
3236 objectives.
- 3237 3. Determine needs for adjustment to programs.
- 3238 4. Evaluate Customer service and complaints as applicable.

3239 **Quarterly Report Content**

3240 Quarterly reports shall be presented by Contractor to show the following information for each month in
3241 the reported quarter and include a quarterly average. In addition, each quarterly report shall show the
3242 past four (4) quarters average for data comparison (the first three (3) quarters of the Agreement shall
3243 only include the available quarterly information).

3244 **1. Tonnage Report**

- 3245 • Tonnage delivered to each Approved Facility by Customer Type, subtotaling and clearly
3246 identifying those Tons that are Disposed and those that are Diverted, inclusive of any
3247 Abandoned Waste.
- 3248 • Quarterly measured contamination levels for Single-Family Recyclable Materials, Commercial
3249 (inclusive of Multi-Family) Recyclable Materials, Single-Family Organic Materials, and
3250 Commercial Organic Materials (inclusive of Multi-Family) as reported by the Approved Facilities.
- 3251 • Units of Used Oil, E-Waste, U-Waste, and Bulky Items Collected by CustomerType.
- 3252 • Recyclable Materials Tonnage Marketed (by commodity and including average commodity value
3253 for each) and Processing Residue Tonnage Disposed.
- 3254 • Organic Materials Tonnage Marketed and Processing Residue Tonnage Disposed.

3255 **2. Customer Report**

- 3256 • Number of Customers by Customer Type.
- 3257 • Number of Containers at each Service Level by Customer Type and program. Summarizing the
3258 total gallons of Cart service, cubic yards of Bin service, and pulls and cubic yards or Tons of
3259 Compactor service by Customer Type. Report should calculate the average volume of service
3260 received per: Single-Family Customer; Multi-Family dwelling unit; Commercial Customer; and,
3261 C&D Customer as applicable.
- 3262 • Number of Bulky Item/Reusable Materials Collection events by Customer Type. Participation
3263 percentage by program and Customer Type where the participation percentage is calculated as
3264 the number of Customers who have subscribed to or requested service under the program
3265 relative to the number of Customers of that Customer Type subscribing to Solid Waste service.
3266 Contractor shall not be required to submit participant Customer names and addresses as part of
3267 the regular reporting; however, such information shall be provided to the Regional Agency
3268 Contract Manager upon request.

3269 **3. RA Member Report**

- 3270 • RA Member facility Diversion rate report (i.e. volume of service by Service Type received by each
3271 RA Member Facility and the percentage of the total Service Levels that are for Diversion services
3272 relative to the total).
- 3273 • Summary report on the programs offered to RA Members as described in Attachments B5-B7
3274 focused on when each service was provided, and any issues/concerns identified.
- 3275 • Summary report on free compost donated, and results of e-waste and shred events.
- 3276 • Summary report on any community clean-up events.

- 3277 • Summary report on Abandoned Waste trouble spots where the Contractor repeatedly observes
3278 litter.
3279 • Summary report on Public Container trouble spots where the Contractor repeatedly observes
3280 litter.

3281 **4. Customer Service Report**

- 3282 • Number of Customer calls listed separately by complaints and inquiries (where inquiries include
3283 requests for Recycling information, Rate information, etc.). For complaints, list the number of
3284 calls separately by category (e.g., missed pickups, scheduled cleanups, billing concerns, damage
3285 claims, etc.).
3286 • Number of new service requests for each Customer Type and program.
3287 • Number of events of Discarded Materials being tagged for non-Collection summarized by the
3288 reason for tagging (e.g., inclusion of non-Recyclable or non-Compostable materials, improper
3289 set out, Hazardous Waste, etc.).
3290 • Number of hits and unique visitors to the Contractor's website.
3291 • Number of Customers utilizing electronic billing.

3292 **5. Education and Outreach Report**

- 3293 • Provide a status report of Contractor's actual activities completed compared to the annual
3294 public education plan. For each completed item, document the results including what date the
3295 activity was performed, how many Customers were targeted or participated, and what methods
3296 were used to accomplish the task, if different from the plan. The status report shall detail all
3297 public education and outreach activities associated with compliance with AB 341, AB 1826 and
3298 other related laws and regulations.
3299 • Summarize the Recycling assessments provided to Customers (reporting Multi- Family separate
3300 from Commercial) by identifying the number of Recycling assessments conducted each month in
3301 the most-recently completed quarter, and contact information including address, contact
3302 names, telephone number of Persons contacted, number of units (for Multi-Family), and the
3303 Solid Waste and Recyclable Materials Service Level for each complex. Include any Service Level
3304 changes resulting from such visits. Include copies of the completed Commercial Recycling
3305 Assessment Program reports.
3306 • Dates, times, and group names of meetings and events attended.

3307 **6. Pilot and New Programs Report**

3308 For each pilot and/or new program as applicable, provide activity related and narrative reports on
3309 goals, milestones, and accomplishments. Describe problems encountered, actions taken and any
3310 recommendations to facilitate progress. Describe vehicles, personnel, and equipment utilized for each
3311 program.

3312 **7. Revenue Report**

3313 Provide a statement detailing Gross Receipts from all operations conducted or permitted pursuant to
3314 this Agreement as required by Section 8.8.

3315 **Annual Report Content**

3316 The annual report shall be the fourth quarterly report plus the following additional information.

3317 **1. Summary Assessment**

3318 Provide a summary assessment of the programs performed under this Agreement from Contractor's
3319 perspective relative to the financial and physical status of the program. The physical status assessment
3320 shall reflect how well the program is operating in terms of efficiency, economy, and effectiveness in
3321 meeting all the goals and objectives of this Agreement, particularly the Contractor's Diversion goals.
3322 Provide recommendations and plans to improve. Highlight significant accomplishments and problems.
3323 Results shall be compared to other similar size communities served by the Contactor in the State.

3324 **2. Operational Information**

3325 **a) Vehicle Inventory.** Provide a listing of all vehicles used in performing services under this

3326 Agreement including the license plate number, VIN, make, model, model year, purchase date, engine

3327 overhaul/rebuild date (if applicable), and mileage at December 31.

3328 **b) Cart Inventory.** Provide a listing of all Containers (carts and bins) in service including year placed

3329 into service.

3330 **c) Collection Route Maps.** Updated Collection Route maps as original included in Attachment F7. The

3331 Regional Agency or RA Member may also request, but is not requiring annual submittal of, other

3332 operational information such as routes by customer type, personnel details and productivity statistics.

3333 **3. Recyclables Markets**

3334 Contractor shall include a listing of markets for Recyclable Materials and the end use of these

3335 materials. This type of information is intended to help the Agency gauge the sustainability of Recycling

3336 markets and the ultimate Disposal of all types of materials Collected.

3337 **4. Performance Incentives/Disincentives**

3338 Determination and Payment of Performance Incentives and Disincentives. In accordance with the

3339 requirements of Section 11.6, Contractor shall provide with its Annual Report, a report that identifies

3340 any non-compliance with the performance standards listed in Attachment H and includes calculation

3341 of the Performance Incentive payments and Disincentive assessments due. Performance Incentives (in

3342 the form of increased compensation to Contractor) will be awarded by the RA Member for excellent

3343 performance on aspects of Solid Waste diversion, as specified in Attachment H. Performance

3344 disincentives will be assessed by the RA Member for substandard performance on aspects of Solid

3345 Waste diversion specified in Attachment H.

3346 **5. Financial Information**

3347 **a) Affiliates.** As part of the annual reporting requirement, Contractor shall provide the Regional

3348 Agency and RA Members with a copy of each Affiliate whose cost of services are not

3349 pre-determined in this Agreement on a unit price basis or by a governmental contractor) audited

3350 annual financial statements and management letter for that fiscal year, or within ninety (90)

3351 calendar days of each related party entity's fiscal year-end, if timing does not coincide with the

3352 annual report date. Financial statements shall be prepared in accordance with generally accepted

3353 accounting principles (GAAP) and audited, in accordance with GAAS, by a CPA licensed in the State,

3354 and that the CPA's opinion on each related party entity's annual financial statements shall be

3355 unqualified, and that the CPA make available to the Agency (or the Agency's designated

3356 representative) such CPA's working papers related to the audit.

3357 Contractor agrees that all financial transactions with all related party entities shall be approved in

3358 advance in writing and disclosed in a separate disclosure letter to the RA Member, upon request. This

3359 letter shall include, but not be limited to, the following information:

3360 • A general description of the nature of each related party entity transaction, or type of

3361 transaction (if many similar transactions exist) shall be provided, as applicable. Such description

3362 shall include for each (or similar) transaction, amounts, specific related party entity, basis of

3363 amount (how amount was determined), description of the allocation methodology used to

3364 allocate any common costs, and profit amount. Amounts shall be reconciled to the related party

3365 entity disclosures made in Contractor's annual audited financial statements referred to in this

3366 Exhibit.

3367 • At the RA Member's request, Contractor shall provide the RA Member with copies of working

3368 papers or other documentation deemed relevant by the Contractor relating to information

3369 shown in the annual disclosure letter.

3370 It is agreed that the costs of the organics processing services provided by South Valley Organics are
3371 pre-determined in this Agreement on a unit price basis, and therefore audited financial statements of
3372 South Valley Organics need not be provided.
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ATTACHMENT E
CONTRACTOR'S COMPENSATION AND RATE SETTING

3378 **Overview**

3379 Subject to the terms herein (with capitalized terms having the meaning set forth below or in Attachment
3380 A), the Contractor shall be entitled to an annual adjustment of all Rates. Each Rate, excluding special
3381 charges, includes an "Operating Component", "Disposal Component", "Processing Component", and
3382 "Fee Component", which are annually adjusted.

3383 Contractor shall submit its application for a Rate adjustment to the Regional Agency Contract Manager
3384 on or before April 1 of each Rate Period where Rates will be adjusted using the index-based
3385 methodology. Contractor's Rate application shall document all calculations and include all supporting
3386 schedules, documentation of Disposal or Processing Facility tipping fee changes, documentation of
3387 changes in Governmental Fees, and any other documentation or evidence determined by the Regional
3388 Agency Contract Manager to be reasonably necessary to ensure that the calculation of Rate adjustments
3389 has been performed in strict conformance to the requirements of this Attachment E.

3390 The RA Members governing bodies shall make a good faith effort to approve Rates by June 1 of each
3391 year, and such Rates shall be effective on each subsequent July 1. If Rates are not effective by July 1 due
3392 to a delay caused solely by an RA Member, the RA Member shall allow Contractor to retroactively bill
3393 Customers for the amount of the Rate increase for any period of said delay that is solely caused by the
3394 RA Member. If Rates are not effective by July 1 as a result of Contractor's delay in submitting the Rate
3395 application in a complete and accurate form, then prior Rates remain in effect until such adjustment is
3396 made. In the case of a delayed Rate adjustment, the Contractor may bill the Customer during the next
3397 billing cycle to recoup the deferred Rate increase.

3398 Notwithstanding any provision herein to the contrary, in no case shall the change in the Operating
3399 Component of the Rate (whether an increase or decrease) exceed 5% per year. In the event that any
3400 such increase or decrease would exceed 5% in any one year, the excess change above 5% shall be
3401 applied to the following year's adjustment pursuant to this paragraph, provided that the increase or
3402 decrease in that following year shall not exceed 5%. In such event, all or a portion of the excess increase
3403 or decrease shall be applied to the adjustment each of the following years until fully satisfied. Percent
3404 adjustments carried over to a succeeding year shall be simply added to or subtracted from the current
3405 year's adjustment in the Rates. It is understood that the 5% carryover mechanism does not apply to any
3406 other component of the Rates (i.e., Disposal, Processing, and Fee) or to any other type of adjustment
3407 (i.e., Change in Law, and RA Member-directed change in scope).

3408 **Applicable Law**

3409 Contractor understands that RA Members may choose to undertake the proceedings provided under
3410 Article XIII D, Section 6, of the California Constitution for the initial Rates and increases in the Rates.
3411 Nothing herein is intended to imply that California Constitution, Articles XIII C or XIII D, apply to the Rates
3412 established for services provided under this Agreement. If an RA Member is prevented from approving
3413 an adjustment in the Rates under the provisions of Article 13D, Section 6, of the California Constitution
3414 or other Applicable Law, then such adjustment in the Rates charged to Customers by Contractor shall
3415 not be allowed.

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Definitions

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

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

3461 **ATTACHMENT E1:**
3462 **RATE ADJUSTMENT METHODOLOGY**
3463 **MULTI-INDEX RATE ADJUSTMENT METHODOLOGY**

3464 **Overview**

3465 The multi-index Rate adjustment methodology involves inflating: (1) the operating component of Rates
3466 for the current Rate Period by the CPI, and Fuel Index; and, (2) the disposal, processing, and fee
3467 components of the Rates by the actual changes to those components, to determine the Rates for the
3468 coming Rate Period. The intent of performing the multi-index-based adjustment is to allow Contractor's
3469 Compensation to be adjusted throughout the Term of this Agreement (giving consideration to those
3470 specific cost categories of "fuel" that may be more volatile than the CPI) using simple, readily available
3471 indicators of changes in Contractor's costs for providing service.

3472 If the CPI, or Fuel Index is discontinued or revised during the Term by the BLS, such other government
3473 index or computation with which it is replaced shall be used in order to obtain substantially the same
3474 result as would be obtained if said index had not been discontinued or revised.

3475 **Calculation**

3476 Contractor shall calculate the adjustment to their Rates using the following methodology:

3477 **Step 1:** Calculate the annual index adjustment to the Operating Component of rates, which is comprised
3478 of the proposed operating costs by the Contractor in their final approved proposal.

3479 The annual index rate adjustment on the Operating Component portion of the rate shall be made with
3480 reference to the following terms:

3481 **94.7%** of the Operating Component will be adjusted by the Consumer Price Index for All Urban
3482 Consumers (CPI-U) for San Francisco-Oakland-Hayward series CUUSS49BSA0. This percentage represents
3483 the portion of proposed total operational costs that are labor and all other non-fuel related cost.

3484 **5.3%** of the Operating Component will be adjusted by the Consumer Price Index for Producer Price
3485 Index-Commodities for #2 Diesel Fuel series WPU057303. This percentage represents the portion of
3486 proposed total operational costs that are fuel related cost.

3487
3488 If for example the year over year changes in the CPI indices for non-fuel operating costs was 2.5% and
3489 the fuel index was 5% then the Operating Component rate adjustment would be as follows:

3490
$$\text{Operating Component adjustment} = (0.947 \times 0.025) + (0.053 \times 0.05) = 0.0237 + .00265 = 0.0264 =$$

3491 2.64%

3492
3493 **Step 2:** Calculate the adjusted Operating Component, rounded to the nearest cent, for each Rate as
3494 follows:

3495 Adjusted Operating Component = Then-current Operating Component x (1 + rate adjustment %). For
3496 example, assuming:

3497
$$\text{Then-current Operating Component} = \$25.00$$

3498 Rate adjustment % = 2.64%

3499 Adjusted Operating Component = $\$25.00 \times (1 + 0.064) = \mathbf{\$25.66}$

3500 **Step 3:** Calculate the adjusted Disposal Component, rounded to the nearest cent, for each Rate to
3501 reflect any percentage change in the total cost of Disposal at the John Smith Road Landfill. This “step 3”
3502 shall only be applied to Solid Waste Rates. The adjustment shall be calculated as follows:

3503 Beginning on April 1 in the second full calendar year of the Term and thereafter on each April 1, the
3504 Disposal Component will be adjusted for any change in Disposal tipping fees charged at the John Smith
3505 Road Landfill and any changes in forecasted disposed tons vs. actual disposed tons. Sample calculation
3506 for changes in the Disposal Component:

3507 Adjusted Disposal Component = Then-current Disposal Component x [(Current Approved Disposal
3508 Facility Tipping Fee X Most Recent 12-month Actual Tonnage) / (Prior Approved Disposal Facility Tipping
3509 Fee X Prior 12-month Forecasted Tonnage)]

3510 Disposal tipping fee charges on Agreement \$44.75

3511 Execution Date or last prior adjustment date

3512 Disposal tipping fee charges on adjustment date \$46.00

3513 Forecasted solid waste tons over prior 12 months 25,000

3514 Actual solid waste tons over most recent 12 months 22,000

3515 Adjusted Disposal Component = Then-current Disposal Component of \$4.00 x [(\$46 x 22,000)/
3516 (\$44.75 x 25,000)]. = $\$4.00 \times 0.9046 = \mathbf{\$3.62}$

3517 **Step 4:** Calculate the adjusted Processing Component, rounded to the nearest cent, for each Rate to
3518 reflect any percentage change in the total cost of Processing, net of any rebates, at an Approved
3519 Processing Facility. This “step 4” shall not be applied to Solid Waste Rates unless the Solid Waste Rates
3520 includes the cost and/or revenue associated with processing Recyclable Materials. The Processing
3521 Component Rate Adjustment shall not exceed the Annual Percentage Change in CPI for any facility
3522 owned and operated by Contractor or their Subcontractor plus pass-through of any change in
3523 governmental or regulatory fees, if consistent with Applicable Law, payable by such facility. The
3524 adjustment shall be calculated as follows:

3525 Beginning on April 1 in the second full calendar year of the Term and thereafter on each April 1, the
3526 Processing Component will be adjusted for any change in Processing fees charged at the Approved
3527 Recyclable Materials Processing Facility and any changes in forecasted recyclable materials tons vs.
3528 actual recyclable materials tons. Sample calculation for changes in the Processing Component for
3529 Recyclable Materials:

3530 Adjusted Processing Component for Recyclable Materials = Then-current Processing Component x
3531 [(Current Approved Processing Facility Tipping Fee X Most Recent 12-month Actual Tonnage) / (Prior
3532 Approved Processing Facility Tipping Fee X Prior 12-month Forecasted Tonnage)]

3533 Processing tipping fee charges on Agreement \$15.00

3534 Execution Date or last prior adjustment date

3535	Processing tipping fee charges on adjustment date	\$15.25
3536	Forecasted recyclables tons over prior 12 months	10,000
3537	Actual recyclables tons over most recent 12 months	10,250
3538	Adjusted Processing Component = Then-current Processing Component of \$2.00 x [(\$15.25 x	
3539	10,250)/ (\$15.00 x 10,000)]. = \$2.00 x1.04 = \$2.08	

3540 **Step 5:** Calculate the adjusted Processing Component, rounded to the nearest cent, for each Rate to
3541 reflect any percentage change in the total cost of Processing at an Approved Organic Materials
3542 Processing Facility. This “step 5” shall not be applied to Solid Waste Rates unless the Solid Waste Rates
3543 includes the cost and/or revenue associated with processing Organic Materials. The Processing
3544 Component Rate Adjustment shall not exceed the Annual Percentage Change in CPI for any facility
3545 owned and operated by Contractor or their Subcontractor plus pass-through of any change in
3546 governmental or regulatory fees, if consistent with Applicable Law, payable by such facility. The
3547 adjustment shall be calculated as follows:

3548 Beginning on April 1 in the second full calendar year of the Term and thereafter on each April 1, the
3549 Processing Component will be adjusted for any change in Processing fees charged at the Approved
3550 Organic Materials Processing Facility and any changes in forecasted organic materials tons vs. actual
3551 organic materials tons. Sample calculation for changes in the Processing Component for Organic
3552 Materials:

3553 Adjusted Processing Component for Organic Materials = Then-current Processing Component x [(Current
3554 Approved Processing Facility Tipping Fee X Most Recent 12-month Actual Tonnage) / (Prior Approved
3555 Processing Facility Tipping Fee X Prior 12-month Forecasted Tonnage)]

3556	Processing tipping fee charges on Agreement	\$32.00
3557	Execution Date or last prior adjustment date	
3558	Processing tipping fee charges on adjustment date	\$32.75
3559	Forecasted organics tons over prior 12 months	10,000
3560	Actual organics tons over most recent 12 months	10,250
3561	Adjusted Processing Component = Then-current Processing Component of \$2.75 x [(\$32.75 x	
3562	10,250)/ (\$32.00 x 10,000)]. = \$3.00 x1.05 = \$3.15	

3563 **Step 6:** Calculate the adjusted Fee Component, rounded to the nearest cent, for each Rate. The Fee
3564 Component shall also be adjusted to pass through any change in governmental or regulatory fees
3565 payable by the Contractor (unless covered in Step 4 or 5). The adjusted Fee Component of each Rate
3566 shall be calculated as follows:

3567 Adjusted Fee Component = Then-current Fee Component x (1+rate adjustment %). For example,
3568 assuming:

3569	Then-current Fee Component = \$0.50	
3570	Rate adjustment % =	2.5%
3571	Adjusted Fee Component =	\$0.50 x (1 + 0.025) = \$0.51

3572 **Step 7:** Calculate the adjusted value for each Rate charged under this Agreement. Adjusted Rates shall
3573 be calculated as follows:

3574 Adjusted Rate = Adjusted Operating Component + Adjusted Disposal Component + Adjusted Processing
3575 Component (for recyclables) + Adjusted Processing Component (for organics) + Adjusted Fee Component
3576 (will likely be multiple fee calculations)

3577 For example, assuming:

- 3578 1. The Rate being adjusted is a Solid Waste Collection Rate
- 3579 2. Adjusted Operating Component = \$25.66 (as calculated in Step 2)
- 3580 3. Adjusted Disposal Component = \$3.62 (as calculated in Step 3)
- 3581 4. Adjusted Processing Component = \$2.08 (as calculated in Step 4)
- 3582 5. Adjusted Processing Component = \$3.15 (as calculated in Step 5)
- 3583 6. Adjusted Fee Component = \$0.51 (as calculated in Step 6)

3584

3585 Adjusted Rate = \$25.66 + \$3.62 + \$2.08 + \$3.15 + \$0.51 = \$35.02

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**ATTACHMENT F
CONTRACTOR'S OPERATIONAL DETAILS**

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

3600

F1. TECHNICAL PROPOSAL

F1. A. Single-Family Services

3602

Single-Family Base Services

3604

3605 All single-family customers will receive weekly solid waste, recycling, and organics collection, as well as
3606 two bulky item collections per year.

3607

3608 The following services are also available to single-family residential customers, as described below.

3609

Bulky Item Collection

3611

3612 To schedule a bulky item collection, customers must contact Recology's Customer Service Specialists
3613 (CSSs), who will schedule the pickup for their next collection day. If the customer has exceeded their
3614 two bulky item collections per year, the CSS will inform them of any service charges. The CSS will ask
3615 the customer to describe the items to be collected and ask them to place their bulky items next to their
3616 containers on collection day.

3617

3618 Recology will work with Pat's Place to facilitate reuse of the bulky items collected. For more
3619 information, please see Section F1. I: Other Environmental Enhancements.

3620

Additional Recycling Carts

3622

3623 SFD customers may request additional recycling carts for a monthly rental fee agreed upon with the RA
3624 Members. To request the cart, customers would simply contact Recology's Customer Service.

3625

Overage Service

3627

3628 SFD customers may place additional recyclables that do not fit in their cart in customer-provided clear
3629 plastic bags next to their collection cart. Cardboard may also be placed adjacent to the cart, bundled no
3630 larger than 3' by 3'. Recology will collect the material on customers' regular collection days at no
3631 additional charge.

3632

Household Battery Collection

3634

3635 Recology will collect household batteries from SFD customers during their regularly scheduled collection
3636 day. Single-family customers would place household batteries in a clear, sealed plastic bag on top of the
3637 weekly-serviced single-stream recycling cart. Drivers collect the bags, store them in a dedicated
3638 container that is secured to the recycling collection vehicle, and transport them for processing.

3639

3640

3641

3642

3643 **Textile Collection**

3644
3645 Recology will collect textiles (such as clothing, towels, and blankets), that are placed next to their
3646 recycling container, sealed in a clear plastic bag. Textiles must be clean and dry.

3647
3648 Recology drivers will then collect the textiles and place them in a separate compartment inside the
3649 collection vehicle. The textiles will be provided to Pat’s Place for sorting and reuse.

3650
3651 **Used Motor Oil and Filter Collection**

3652
3653 Recology will collect used motor oil and oil filters from SFD customers at the curbside. Customers can
3654 contact Customer Service to request 1-gallon sealable plastic jugs and sealable plastic bags to collect
3655 used oil filters.

3656
3657 The jugs and bags will be delivered on the next regular collection day, following the customer’s request.
3658 The collection kit will be accompanied by a “how to” brochure with instructions on preparing the motor
3659 oil and oil filters for collection.

3660
3661 Customers would place the used motor oil in a sealed container and the oil filters in sealed plastic bags,
3662 setting them on top of their cart during their usual collection day. All collection trucks will contain spill
3663 kits, and drivers will be trained on containment procedures in case of an accidental spill.

3664
3665 The collection vehicles will be equipped with storage racks designed to hold 1-gallon used oil jugs and
3666 filter bags. These storage racks have a secondary containment feature that will help mitigate any
3667 potential spillage. When the oil and filters are collected, a new collection kit will be provided by the
3668 driver, if requested.

3669
3670 **Holiday Tree Collection**

3671
3672 Recology will collect trees will be collected at curbside from single-family customers for a three-week
3673 period following January 1 for no additional fee. Customers must:

- 3674 ○ Remove all decorations, including tinsel, lights, ornaments, or hooks.
3675 ○ Set out unflocked trees only.
3676 ○ Place the trees next to their organics collection cart.
3677 ○ Ensure the tree is cut into lengths six feet or less, if applicable.

3678
3679 Trees will be processed at Recology’s South Valley Organics composting facility.

3680
3681 **Contamination Fees**

3682
3683 Recology will issue Courtesy Non-Collection Notices to any single-family customer with a contaminated
3684 garbage, recycling, or organics container. “Contamination” is defined as greater than 10% by volume of
3685 prohibited material in the container.

3686
3687 After three Courtesy Non-Collection Notices, any customer that continues to have contamination levels
3688 greater than 10% by volume in their container will be issued a contamination fee per incident.

3689
3690
3691

3692 **RouteSmart Routing Software**

3693
3694 All routes – whether single-family, multi-family, or commercial – will be designed using RouteSmart
3695 software or software with similar functionality. RouteSmart is fully-integrated with Recology’s Customer
3696 Relationship Management System (RCRM), and therefore uses the most up-to-date data to design
3697 routes.

3698
3699 Using RouteSmart software, Recology operating companies experience a measurable reduction in
3700 vehicle miles traveled, fuel use, tire wear, greenhouse gas emissions, and street wear-and-tear.

3701
3702 RouteSmart integrates seamlessly with ESRI’s ArcGis family of mapping products and provides the ability
3703 to balance routes based on time, number of lifts, or potential volumes and densities to be collected.
3704 The system considers vehicle type, address restrictions, and service time-of-day constraints, among
3705 other parameters.

3706
3707 For regularly scheduled collection, customer information is downloaded from the RCRM database into
3708 RouteSmart for routing. The routed data is interfaced back to the RCRM database, providing accurate
3709 customer information to anyone with access to either online inquiry or reports from the RCRM system.

3710
3711 After initial routing in RouteSmart, Recology supervisors drive each route prior to the commencement of
3712 services to verify efficiency and safety issues. Ultimately, the final routing adjustments will be made by
3713 the driver.

3714
3715 As new customers start and stop service, change service levels, and route conditions change, routes will
3716 be adjusted as necessary.

3717
3718 **Single-Family Route Productivity**

3719
3720 The following table provides Recology’s productivity assumptions for single-family customers, based on
3721 average number of accounts per route per day. These are assumptions based on Recology’s current
3722 services in San Benito County, Hollister, San Juan Bautista, Gilroy, and Morgan Hill.

3723

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

3724
3725
3726
3727
3728
3729

3730 **Single-Family Collection Methodology**

3731
3732 Recology proposes to use fully-automated side-loading vehicles to service single-family customers.
3733 More information on the specifications of these vehicles is available in Section F1. G: Requirements for
3734 Operations, Equipment and Personnel of this Section.

3735
3736 Each vehicle will have a one-person crew and will be capable of collecting approximately 75 accounts
3737 per hour.

3738
3739 Single-family collection routes assume a nine-hour total workday, with approximately six to seven hours
3740 of active on-route time per driver per day. In addition, drivers are well-trained on the obstacles they
3741 encounter in alleys, such as low-hanging wires, sharp corners, and narrow spaces.

3742
3743 Recology vehicles will all have GPS tracking capabilities, enabling Recology to monitor progress on each
3744 collection route.

3745
3746 In addition, each collection vehicles will be equipped with an on-board video safety system, such as
3747 DriveCam or similar functionality. The on-board video safety system is an event recorder that is
3748 activated by hard stops, collisions, and similar unexpected driving events. A forward-facing camera
3749 records video ahead of the vehicle and an interior camera records the view of the driver. Images of
3750 recordable events are reviewed, stored, incorporated into incident reports, and used to help coach
3751 drivers. This state-of-the-art feature helps improve driver behavior.

3752
3753 **Additional Single-Family Collection Assumptions**

3754
3755 Recology used the following assumptions when designing its single-family collection routes for this
3756 Proposal. Recology based these assumptions on the current service level subscriptions among single-
3757 family customers in the area.

3758

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

3759

3760 **F1. B. Multi-Family Services**

3761
3762 **Multi-Family Base Services**

3763
3764 Multi-family customers will receive weekly solid waste and recycling collection from one to six times per
3765 week, depending on the level of service necessary.

3766
3767 Multi-family customers will also be able to subscribe to optional organics collection service, which would
3768 include food scraps comingled with yard trimmings.

3769

3770 Customers will also receive two bulky items collections per complex each year. To schedule a bulky item
3771 collection, the customer would contact Recology’s Customer Service. Multi-family customers will be
3772 asked to place their items next to the complex collection container, or at another mutually agreed upon
3773 spot at the complex, such as the resident’s parking spot, to ensure street corners or sidewalks are not
3774 obstructed.

3775

3776 Recology will work with Pat’s Place to facilitate reuse of the bulky items collected. For more
3777 information, please see Section F1. I: Other Environmental Enhancements of this Section.

3778

3779 **RouteSmart Routing Software**

3780

3781 All multi-family customers will be routed using RouteSmart software, as described in Section F1. A:
3782 Single-Family Services.

3783

3784 **Multi-Family Route Productivity**

3785

3786 Multi-family customers will be routed with commercial customers to maximize efficiency and minimize
3787 the number of collection vehicles on the street. For productivity assumptions (in terms of lifts per route
3788 per day) for both multi-family and commercial, please see Section F1.C: Commercial Services.

3789

3790 **Multi-Family Collection Methodology**

3791

3792 For details on collection methodology for both multi-family and commercial accounts, please see
3793 Section F1.C: Commercial Services.

3794

3795 **Contamination Fees**

3796

3797 Recology will issue Courtesy Non-Collection Notices to any single-family customer with a contaminated
3798 garbage, recycling, or organics container. “Contamination” is defined as greater than 10% by volume of
3799 prohibited material in the container.

3800 After three Courtesy Non-Collection Notices, any customer that continues to have contamination levels
3801 greater than 10% by volume in their container will be issued a contamination fee per incident.

3802 **F1. C. Commercial Services**

3803

3804 **Commercial Base Services**

3805

3806 Commercial customers will receive weekly solid waste and recycling collection from one to six times per
3807 week, depending on the level of service necessary. Commercial customers will also be able to subscribe
3808 to optional organics collection service, which would include food scraps comingled with yard trimmings.

3809

3810 Recology is also offering universal organics collection to help customers maintain compliance with
3811 Assembly Bill (AB) 1846. Recology will implement the program at the start of the new Agreement term
3812 (November 1, 2018) to help ensure the Regional Agencies’ compliance with AB 1826.

3813

3814 Recology’s universal organics collection program for commercial customers would collect both pre-
 3815 consumer (back of house/kitchen) and post-consumer (front of house) material. Signage, such as
 3816 posters and placards, would illustrate acceptable materials for staff and customer, helping to minimize
 3817 contamination.

3818
 3819 The following materials would be accepted under Recology’s universal commercial food scrap collection
 3820 program.

- 3821
- | | | |
|--|--|---|
| <p><u>Food Scraps</u></p> <ul style="list-style-type: none"> ○ Bread, grains and pasta ○ Coffee grounds ○ Dairy ○ Eggshells ○ Fish and shellfish ○ Fruit, including pits ○ Meat, including bones ○ Vegetables | <p><u>Soiled Paper Products</u></p> <ul style="list-style-type: none"> ○ Coffee filters ○ Greasy pizza boxes ○ Paper cups and plates ○ Paper bags, napkins, towels ○ Paper take-out boxes and containers ○ Paper tea bags | <p><u>Yard Trimmings</u></p> <ul style="list-style-type: none"> ○ Branches and brush ○ Flowers and floral trimmings ○ Grasses and weeds ○ Leaves ○ Tree trimmings |
|--|--|---|

3822
 3823 **RouteSmart Routing Software**

3824
 3825 All commercial customers will be routed using RouteSmart software, as described in Section F1. A:
 3826 Single-Family Services.

3827
 3828 **Commercial Route Productivity**

3829
 3830 The following table provides Recology’s multi-family and commercial productivity assumptions, based
 3831 on the average number of lifts per route per day. These are assumptions based on Recology’s current
 3832 services in San Benito County, Hollister, San Juan Bautista, Gilroy, and Morgan Hill.

3833
 3834 The average number of lifts per day is lower than in a more urban area, due to the rural nature of the
 3835 County. Many of the commercial accounts in the service area are on ranches and farmland, resulting in
 3836 a longer drive time and reduced number of lifts per hour.

3837

Multi-Family and Commercial Productivity Assumptions	
By Average Number of Lifts Per Route Per Day	
Monday	54
Tuesday	80
Wednesday	65
Thursday	80
Friday	55
Saturday	50
Sunday	None

3838
 3839
 3840
 3841
 3842

3843 **Commercial Collection Methodology**

3844
3845 Recology proposes to use front end loading vehicles to service multi-family and commercial customers.
3846 More information on the specifications of these vehicles is available in Section F1. G: Requirements for
3847 Operations, Equipment and Personnel. Each vehicle will have a one-person crew. The routes assume a
3848 nine-hour total workday, with approximately six to seven hours of active on-route time per driver per
3849 day.

3850
3851 Recology vehicles will all have GPS tracking capabilities, enabling Recology to monitor progress on each
3852 collection route

3853
3854 Front end loading routes will be capable of collecting about 10 accounts per hour if collecting
3855 commercial metal containers. Due to the rural nature of the service area, the average number of lifts
3856 per hour for commercial customers is lower than what might be possible in a more densely-populated
3857 area.

3858
3859 For commercial customers utilizing carts (as opposed to metal containers), Recology will incorporate the
3860 carts into the single-family collection routes, utilizing fully-automated side-loading vehicles.

3861 **Contamination Fees**

3862
3863 Recology will issue Courtesy Non-Collection Notices to any single-family customer with a contaminated
3864 garbage, recycling, or organics container. "Contamination" is defined as greater than 10% by volume of
3865 prohibited material in the container.

3866
3867
3868 After three Courtesy Non-Collection Notices, any customer that continues to have contamination levels
3869 greater than 10% by volume in their container will be issued a contamination fee per incident.

3870

3871 **F1. D. RA Member Services**

3872
3873 **RA Member Services**

3874
3875 Recology will provide a minimum of weekly solid waste, recycling, and organics collection at RA Member
3876 facilities, including municipal offices, parks, parking lots, fire stations, and other locations, at no direct
3877 cost to the RA Member. RA Member facilities can request more frequent service as needed.

3878
3879 To schedule a bulky item collection, RA Members would contact Recology's Customer Service
3880 Department. Similar to multi-family customers, Recology will work with the RA Member to identify a
3881 location to set out the item for collection to ensure sidewalks and public walkways are not obstructed.

3882
3883 RA Member locations will receive appropriate container sizes in all three material streams as part of
3884 their service. Recology's Waste Zero Specialists (described in Section F1. E: Public Outreach and
3885 Education) will be available to provide site assessments for RA Member locations to help determine
3886 adequate service needs, if necessary.

3887

3888

3889

3890 **Containers at Public Locations**

3891
3892 Recology will collect solid waste, recycling, and organic materials from public containers within the RA
3893 Member service areas, as scheduled by the RA Member. This includes cleaning scattered litter within 15
3894 feet of the public container.

3895
3896 **Community Event Services**

3897
3898 Recology will provide solid waste, recycling, and organic material collection services at Regional Agency
3899 community events, as listed in Attachment B7 of the Franchise Agreement.

3900
3901 Recology's community event services will include:

- 3902 ○ Event collection stations, featuring color-coded receptacles for each material stream (pictured).
- 3903 ○ Collection station monitors, to help educate event participants on proper material sorting.
- 3904 ○ Containers for each material stream (solid waste, recycling, and organics) that are clearly
3905 marked.
- 3906 ○ Public education booths, featuring educational material (such as brochures and flyers), as well
3907 as giveaways and games (pictured) designed to educate customers on source separation.
- 3908 ○ Reports on the outcome of the event services, including the number of collection stations at the
3909 event, the number of collection monitors, the tonnage of the material collected (by stream), and
3910 a description of the educational material distributed.

3911
3912 For events that are not hosted or primarily funded by an RA member, Recology will offer these services
3913 to the event organizer for a negotiated rate.

3914
3915 **Compost Giveaway**

3916
3917 Recology will host compost giveaways in the RA service area, offering nutrient-rich compost. Each RA
3918 may request up to 20 cubic yards of compost up to three times per year. Recology will provide the
3919 compost for RA Members or residents in a drop box or similar container.

3920
3921 The Giveaway provides residents free compost to enrich their gardens and demonstrate the end result
3922 of their efforts to recycling yard waste and food scraps. At these events, Recology also provides
3923 education on the benefits of home composting.

3924
3925 **E-Waste and Shred Event**

3926
3927 Recology will host a total of three E-Waste and Shredding Events each year. During the events,
3928 residents can drop off e-waste, u-waste, batteries, cell phones, compact fluorescent lamps (CFL), and
3929 fluorescent tubes. In addition, Recology will offer paper shredding services, helping residents properly
3930 destroy documents and recycle the paper.

3931
3932 The dates for these events would be mutually agreed upon by Recology and the RA Member. Based on
3933 past experience, Recology recommends conducting the events in the following months:
3934 ○ January, to capture holiday e-waste and u-waste material.

- 3935 ○ April, to coincide with “Earth Day,” spring cleaning efforts, and document destruction after tax
- 3936 season.
- 3937 ○ September, after school is back in session.

3938

3939 Material collected at these events will be properly diverted as applicable.

3940

3941 Quarterly Recycle Days at John Smith Road Landfill

3942

3943 Recology will support the RA’s quarterly Recycle Days at John Smith Road Landfill through an annual
3944 \$25,000 contribution to the event.

3945

3946 Public Drop Box Service

3947

3948 Recology will support the RA’s annual neighborhood cleanup events through a special drop box service,
3949 available for no additional charge.

3950

3951 Recology has previous experience conducting successful public drop box services for the City of Gilroy
3952 and looks forward to offering this feature to the RA Members.

3953

3954 Recology will deliver 40 cubic yard drop boxes (or other available size requested) to sites designated by
3955 the RA Members. Recology will work with the RA Members to strategize the specific geographical
3956 placement of the drop boxes, identifying safe and convenient areas for customers.

3957

3958 RA Members must give two weeks of advanced notice for the service, which will entail:

- 3959 ○ Up to 10 solid waste drop boxes for the County and City of Hollister
- 3960 ○ Up to five solid waste drop boxes for San Juan Bautista
- 3961 ○ Up to 10 recycling drop boxes for the County and City of Hollister
- 3962 ○ Up to five recycling drop boxes for San Juan Bautista

3963

3964 Material will be disposed or diverted as appropriate.

3965

3966 Abandoned Waste Service

3967

3968 Recology will offer abandoned waste collection services to RA Members to help each community remain
3969 a clean and vibrant place.

3970

3971 Recology will collect up to five tons of abandoned material identified by an RA Member and
3972 communicated to Recology through verbal, electronic (such as e-mail), or written direction at no
3973 additional cost.

3974

3975 Recology is able to collect abandoned waste the same weekday if notified before noon; if notified after
3976 noon, Recology will collect the waste the next business day. This includes litter clean up within a 10-foot
3977 radius of the abandoned waste site.

3978

3979 Recology’s drivers are the eyes and ears of the community and are specifically trained to identify
3980 abandoned waste while on route. In the event that abandoned waste is spotted, Recology will contact
3981 the RA Contract Manager.

3982

3983 In addition, Recology drivers and supervisors will work collaboratively to document trouble spots of
3984 abandoned material. If a driver notices an area with frequent abandoned material, he or she will notify
3985 Recology supervisors, who will take photographic documentation of the site to share with the RA
3986 Members.

3987
3988 Recology will work to divert collected abandoned waste whenever possible.
3989

3990 **F1. E. Public Education and Outreach**

3991
3992 A well-defined public outreach and education program – with consistent messaging and easy-to-
3993 understand tools – is one of the best management practices to help increase participation in diversion
3994 programs while reducing contamination.

3995
3996 Recology currently employs one full-time Public Education and Outreach Specialist (known as a Waste
3997 Zero Specialist) and will hire one full-time Recycling Outreach Manager (known as a Waste Zero
3998 Manager) prior to the start of the new Agreement.

3999
4000 In addition, Recology will maintain two additional FTE Waste Zero Specialists during the first year of the
4001 Agreement, to assist with outreach, education, waste assessments, and the transition into the new
4002 services. These positions will be temporary and will terminate after the first year of the Agreement.

4003
4004 The Waste Zero Manager (Manager) and Waste Zero Specialist (Specialist) serve as Recology’s public
4005 education and diversion liaisons in the community, promoting recycling, composting, and reduced
4006 disposal in the RA service area.

4007
4008 The Manager and Specialist will help champion the new services outlined in the Agreement Attachment
4009 B8, helping customer utilize these new programs to achieve the diversion goals set by the RA members.

4010
4011 The Manager and Specialist will be responsible for such tasks as:

- 4012 ○ Offering comprehensive, multi-faceted outreach to all customers, tailored to resident and
4013 business type
- 4014 ○ Coordinating and producing education events, including educational efforts in local schools
- 4015 ○ Supporting local community service organizations
- 4016 ○ Offering technical assistance to help all customers implement services and optimize diversion,
4017 including on-site training for employees
- 4018 ○ Presenting to homeowners’ associations, business groups, multi-family residents, and
4019 environmental organizations
- 4020 ○ Conducting site visits to educate customers on diversion goals, contamination concerns, and
4021 new programs
- 4022 ○ Conducting on-site waste assessments to help customers divert more material from the MSW
4023 stream and minimize contamination in the recycling and organics stream

4024
4025
4026

4027 **Public Education Plan**

4028

4029 Recology’s Recycling Outreach Manager (known as a Waste Zero Manager) would be responsible for
4030 creating and submitting the annual Public Education Plan to the RA Members per Attachment B8 of the
4031 Franchise Agreement.

4032

4033 The Plan would serve as a roadmap for the upcoming year’s educational efforts for each customer
4034 segment. It will include services provided, community events, specific educational campaigns, public
4035 education material to be developed and revised, community partnership opportunities, and an
4036 implementation schedule.

4037

4038 The Waste Zero Manager will work closely with the Regional Agency Contract Manager to develop the
4039 Plan. This will include reviewing annual progress since the last Plan submission.

4040

4041 **Public Education Material**

4042

4043 Below is an overview of the types of materials Recology will offer. Exact content will be mutually agreed
4044 upon between Recology and the RA members, but at a minimum will include all items specified in
4045 Attachment B8 to the Franchise Agreement and included in the annual Public Education Plan. All
4046 printed materials will also be accessible on Recology’s website.

4047

4048 **New Programs Mailing and Recycling Guide**

4049 Prior to the start of service, each customer will receive a New Programs Mailing and Recycling Guide
4050 describing and illustrating methods to prepare recyclable, organic, and solid waste materials for
4051 collection. The brochure will illustrate the acceptable materials for each container and will also detail
4052 the proper set out procedures for the collection containers.

4053

4054 Recology recommends combining the New Program Mailing and Recycling Guide into one mailing that
4055 serves as a comprehensive guide for customers.

4056

4057 Recology will prepare tailored content for single-family, multi-family, and commercial subscribers. For
4058 multi-family and commercial subscribers, the mailing will emphasize compliance with State-mandated
4059 recycling and composting requirements.

4060

4061 Content of the Mailing and Recycling Guide can include:

4062

- A complete list of programs and services provided to customers, including effective dates

4063

- A list of recyclable materials that are accepted in the single-stream recycling program

4064

- A list of organic materials that are accepted in the organics program

4065

- A list of items that need to be landfilled at this time

4066

- Graphics and an explanation of proper set-out procedures

4067

- Recycling and/or disposal options for Household Hazardous Waste (HHW)

4068

- Used motor oil and oil filter collection program (single-family customers only)

4069

- Telephone numbers and website information for Recology

4070

- Other relevant resources

4071

4072 Advertisements, Press Releases, and Public Service Announcements

4073 Recology will prepare and distribute the following announcements approximately one month prior to
4074 the start of the new Agreement:

- 4075 ○ A public service announcement (PSA) for local radio and cable television broadcasts
- 4076 ○ Newspaper and online advertisements highlighting upcoming programs and services
- 4077 ○ A press release describing the programs offered by customer sector (single-family, multi-family,
4078 and commercial)

4079

4080 **Bill Inserts**

4081 Throughout the Agreement term, Recology can provide various bill inserts tailored to each customer
4082 sector on an array of topics, such as rate changes; tips on how to Reduce, Reuse, Recycle, Rot, and
4083 Recover; and how to properly dispose of Hazardous Waste.

4084

4085 Each Regional Agency may request Recology to distribute the inserts bi-monthly in each customer bill.

4086

4087 **Biennial Newsletter**

4088 Recology will create, design, and distribute bi-annual newsletters to educate customers on vital
4089 information in the waste and recycling industry. The newsletters will be mailed with customer bills or
4090 downloaded electronically.

4091

4092 Newsletters serve as an important tool to remind residents about the available services and programs;
4093 in addition, newsletters are an opportunity to promote recycling events and educate customers on
4094 additional resources for recycling and waste reduction.

4095

4096 **Multi-Family and Commercial Sorting Posters**

4097 Throughout the Agreement term, Recology will design and distribute posters to multi-family and
4098 commercial property managers for on-site use, illustrating the recyclable materials collection program
4099 and the commercial food scrap collection program. These posters are designed to educate program
4100 participants on proper sorting. The commercial posters will offer information in English and Spanish.

4101

4102 **Commercial “How To” Flyers for Recycling and Composting**

4103 Recology will prepare and distribute “How To” Guides on recycling and composting for commercial
4104 customers.

4105

4106 The Recycling “How To” Guide will be mailed directly to commercial customers prior to the start of
4107 services; both the Recycling and Composting “How To” Guides will be posted on the website and will be
4108 provided during Recycling Assessments.

4109

4110 The flyers will be graphics-based and will focus on compliance with the diversion requirements of AB
4111 341 and AB 1826. Content will include:

- 4112 ○ List of recyclables or organics (as applicable) accepted in the collection programs
- 4113 ○ List of materials that are not accepted in the collection programs
- 4114 ○ Illustrations and an explanation of proper set-out procedures
- 4115 ○ Tips on how to mitigate odors and vectors (composting guide only)

4116 **Commercial and Multi-Family Mandatory Recycling and Composting Notices**

4117 Recology can prepare and distribute notices to multi-family complexes and commercial businesses that
4118 are not compliant with mandatory diversion requirements of AB 341 and AB 1826. Using service
4119 subscription level information, driver compliance notes, and waste audit information, Recology can
4120 identify non-compliant customers and provide outreach.

4121
4122 The notices explain why the customer is not compliant, outline the potential consequences for
4123 non-compliance, and outline the steps customers can take to become compliant. Recology can track
4124 customers that have received these notices in the RCRM system, and Specialists can follow-up with
4125 customers to help them take proper action.

4126
4127 **Multi-Family Move-in Kits**

4128 Recology can work with the property manager to provide the guides to inform new residents of services,
4129 program options, and acceptable and unacceptable materials in each stream. The guide can also be
4130 available for download on Recology’s website, and includes:

- 4131 ○ List of acceptable and unacceptable materials in the recycling and organics programs
- 4132 ○ Options for hard-to-recycle items
- 4133 ○ Household Hazardous Waste recycling and/or disposal options
- 4134 ○ Contact Information

4135
4136 **Social Media**

4137 In conjunction with the website (described in further detail on Page 32), Recology will use social media
4138 outlets such as Facebook and Twitter to help educate customers on diversion, new programs, and
4139 service announcements. In addition, Recology will use its social media presence to connect directly with
4140 customers and community organizations.

4141
4142 **Commercial and Multi-Family Recycling Assessments & Technical Assistance**

4143
4144 The Recology Waste Zero Specialist conducts in-field assessments of all three material streams to help
4145 identify and maximize diversion opportunities. Once on site, the Specialist analyzes each of the
4146 customer’s material streams, with a focus on the diversion options available to customers by business
4147 type. The Assessments will be documented using Attachment B8-A and the overall approach to
4148 commercial technical assistance detailed in the approved Commercial Recycling and Organics Outreach
4149 Plan.

4150
4151 The Specialist may then suggest methods to help capture more divertible material and reduce
4152 contamination. This could include right-sizing service levels to capture more recycling or organics,
4153 evaluating equipment needs, suggesting alternative container placements, or helping with employee
4154 engagement and trainings.

4155
4156 Educational material such as posters, “How To” guides on recycling and composting, and internal
4157 containers will also be provided as needed.

4158
4159 For more detail on this aspect of Recology’s public education program, please see Section F6:
4160 Commercial Recycling and Organics Outreach Plan.

4161
4162

4163 **Reducing Contamination**

4164
4165 Contamination control is an essential component of Recology’s diversion program. If the driver sees
4166 contamination, the driver will record the observation on the route sheet and will leave a Courtesy Non-
4167 Collection Notice with the cart or container. The notice features the time, date, and reason for issue
4168 (i.e., contamination), and can be provided in English and Spanish.

4169
4170 The driver will then coordinate with dispatch to ensure the contaminated container is collected as
4171 municipal solid waste. “Contamination” is defined as greater than 10% by volume of prohibited material
4172 in the container.

4173
4174 Recology will monitor locations with excessive contamination to determine if a higher level of service,
4175 container size, or outreach is warranted.

4176
4177 After three Courtesy Non-Collection Notices, any customer that continues to have contamination levels
4178 greater than 10% by volume in their container, Recology will issue a contamination fee, as described in
4179 Sections F1. A. Single-Family Services, F1. B. Multi-Family Services, and F1. C. Commercial Services.

4180
4181 **Engaging Residents and Businesses**

4182
4183 Recology partners closely with business groups in the communities it serves to help further the Waste
4184 Zero message. This will include the San Benito County Chamber of Commerce, property managers,
4185 Hollister Rotary Club, San Juan Bautista Strategic Planning Committee, CHISPA Housing Management,
4186 local homeowner’s associations, and environmental groups.

4187
4188 Recology will provide outreach and educational information, participate in networking events, and host
4189 meetings to inform local businesses and property managers on the diversion tools available.

4190 **F1. F. Diversion Requirements**

4191
4192 Recology is committed to assisting RA Members reach their diversion goals and will work with the
4193 Regional Agencies and community members to achieve an overall measured diversion rate of 45% in a
4194 calendar year.

4195
4196 Organic material will be processed into nutrient-rich compost at the Recology South Valley Organics
4197 composting facility in Gilroy, CA.

4198

Recology San Benito County Total Forecasted Diversion Years 1 through 4 of Agreement				
	Year 1	Year 2	Year 3	Year 4
MSW	18,782	18,252	17,722	17,190
Recycle	6,683	6,683	6,683	6,683
Organics	9,659	10,189	10,719	11,250
Total Collection	35,123	35,123	35,123	35,123
Diversion %	46.5%	48.0%	49.5%	51.1%

4199

4200 For recyclables, Recology has established relationships with two Material Recovery Facilities (MRFs) with
4201 capacity to process RA Member recyclables, Recology has designated Monterey Regional Waste
4202 Management District as its selected processor with Green Waste Recovery as the back-up or alternate
4203 processor.

- 4204 ○ Monterey Regional Waste Management District (MRWMD), located in Marina, CA
- 4205 ○ Green Waste Recovery, located in San Jose, CA

4206
4207 The MRWMD MRF, scheduled to be operational by January 2018, is a new, state-of-the-art facility.
4208 Recology has acquired a letter of interest from the MRWMD to receive RA Member material collected
4209 by Recology.

4210
4211 In addition, Recology currently has a contract with Green Waste Recovery to process RA Member
4212 material that is effective until September 2018.

4213
4214 Recology designates Monterey Regional Waste Management District as its processing facility, however
4215 Recology may use both or one of these facilities to process recyclables during the new Agreement;
4216 processing costs for single-stream recyclables quoted in this Proposal will remain as quoted regardless
4217 of the facility used.

4218 **Green Waste Recovery MRF**

4219
4220
4221 The Green Waste Recovery MRF accepts residential and commercial mixed recyclables and separates
4222 them into individual commodities, including cardboard, glass, aluminum and different plastics. These
4223 materials are baled and sent to processors.

4224
4225 Located at 625 Charles Street in San Jose, CA, it is approximately 47.6 road miles from the San Benito
4226 County administration building at 481 4th Street in Hollister, CA.

4227
4228 Recyclables will be transferred from Recology South Valley's San Martin Transfer Station, located at
4229 14070 Llagas Ave. in San Martin, CA.

4230 **Green Waste MRF Capacity**

4231
4232 With a permitted capacity of 3,500 tons per day, Green Waste is capable of accepting the San Benito
4233 County IWM recyclable material.

4234
4235 The facility can process over 45 tons per hour, recovering over 95% of the material it processes.

4236 **Green Waste MRF Permits and Approvals**

4237
4238 The Green Waste Recovery MRF is fully-permitted by the California Department of Resources Recycling
4239 and Recovery (CalRecycle) as a large volume transfer and processing facility. Its Solid Waste Information
4240 System (SWIS) number is [43-AN-0019](#).

4241 **Monterey Regional Waste Management District (MRWMD) MRF**

4242
4243 The MRWMD is a new, state-of-the-art facility capable of processing several streams of recyclable
4244 material, including single-stream recyclables, commercial MSW, and construction & demolition debris.
4245 It is scheduled to be operational by January 2018.

4247

4248 Recology has secured a letter of interest from the MRWMD to accept approximately 17,000 tons per
4249 year of single-stream recyclables collected by Recology in the RA Member service areas.

4250

4251 Located at 14201 Del Monte Blvd. in Marina, CA, it is approximately 29.4 road miles from the San Benito
4252 County administration building at 481 4th Street in Hollister, CA. Recyclables collected by Recology in the
4253 RA service areas would be direct hauled to the facility.

4254

4255 The MRF features two separate processing lines: one for construction and demolition (C&D) debris, and
4256 one for single-stream recyclables and MSW.

4257

4258 **C&D Processing Line**

4259 The C&D processing line is designed to process and separate mixed recyclables (which will be
4260 recirculated back to the single-stream/MSW line for recovery, as well as the recovery of aggregate
4261 materials, wood/lumber, metals, old corrugated cardboard, rigid plastics, carpeting, and mattresses.

4262

4263 The line is designed to operate at 40 tons/hour, with a recovery rate of 74%. Using sizing screens (debris
4264 roll screens), the line directs material that is larger than eight inches to a staffed sort line. Material
4265 between 2.5 inches and 8 inches in size is run through a series of magnets to capture metals, and then
4266 directed to the single-stream/MSW line to capture mixed containers and fiber.

4267

4268 **Single-Stream/MSW Processing Line**

4269 The MRF's single-stream/MSW line will process either single-stream materials or MSW materials
4270 separately in dedicated material runs. This line can also direct C&D materials (such as wood wastes and
4271 large rigid plastics) to the C&D system for recovery.

4272

4273 The single-stream/MSW system has both mechanical and human sorting systems for the state-of-the-art
4274 processing, recovery, and quality control activities occurring through the system.

- 4275 ○ The MSW stream will be processed at approximately a 40 tons/hour rated capacity with an
4276 anticipated diversion rate of 65%

- 4277 ○ The single-stream materials will be running at a 35 tons/hour rated capacity with an estimated
4278 diversion rate of over 90%.

4279

4280 The line includes eight sizing screens (debris roll screens) varying from one inch to 12 inches, which
4281 separate the various streams. Material then proceeds through a variety of density drum separations
4282 equipment (Nyhot), magnets for ferrous materials (steel cans and scrap metals), eddy current
4283 separation for Aluminum, and four NRT Optical Sorters for the separation of plastics by resin types, as
4284 well as to remove film plastics from fibers.

4285

4286 **MRWMD MRF Capacity**

4287 Once operational, the MRF will have the capacity to process 140,000 tons per year of single-stream
4288 recycling and MSW over an 80 hour per week operations schedule. In addition, the facility will be
4289 capable of processing 100,000 to 120,000 tons per year of C&D.

4290

4291 **MRWMD MRF Permits and Approvals**

4292 The facility is currently operating under SWIS number 27-AA-0010 for the MRF and landfill.

4293

4294

4295

4296

4297 **Marketing Recyclables**

4298 Green Waste Recovery has an established network of domestic and foreign customers for the materials
4299 recovered at its MRF. The MRWMD is currently preparing a Request for Qualifications (RFQ) for a
4300 recyclables marketing subcontractor.

4301
4302 Furthermore, the Recology Products sales team is experienced in marketing recyclable commodities for
4303 the company's network of MRFs. The team has longstanding relationships with end users, which
4304 minimizes the reliance on brokers and ensures materials are sold for the best value possible. Each year,
4305 Recology markets approximately 450,000 tons of recyclables.

4306 Recology has a great reputation industrywide for the quality of materials it markets. Great measures are
4307 taken to ensure that only the highest quality materials are sold. By focusing on quality, Recology not
4308 only sells its products for the highest values possible, but also rarely has a product rejected due to
4309 quality issues.

4310
4311 Several years ago, Recology developed a Standard Operating Procedure (SOP) to help ensure
4312 commodities are sold for their highest and best value. The SOP requires Recology obtain multiple
4313 quotes for each commodity on a monthly basis; only the highest offers for materials are accepted.

4314
4315 The SOP is overseen by Recology's Commodity Sales Manager and the Director of Sales & Marketing,
4316 who also monitor performance against key market indicators. When benchmarked against other
4317 companies in our industry, Recology consistently sells its materials for higher values.

4318
4319 **Recology South Valley Organics**

4320
4321 Recology proposes to process organics at its Recology South Valley Organics (SVO) composting site in
4322 nearby Gilroy, CA.

4323
4324 Recology South Valley Organics (SVO) is a large-scale composting facility located at 3675 Pacheco Pass
4325 Highway in Gilroy, CA. It is approximately 13.6 road miles from the San Benito County administration
4326 building at 481 4th Street in Hollister, CA.

4327
4328 Organics will be direct-hauled to the composting facility.

4329
4330 **SVO Capacity**

4331 With a permitted capacity of 117,000 tons per year, SVO is capable of accepting the San Benito County
4332 IWM organic material.

4333
4334 **SVO Processing Methods**

4335 SVO uses both windrow and in-vessel processing systems to compost residential organics and food
4336 scraps. The site is permitted to receive material from 6:00 am to 9:00 PM, excluding Christmas Day and
4337 New Year's Day. The facility is permitted to occasionally receive material 24 hours per day between
4338 April and November, by prior arrangement.

4339
4340 Loads are inspected for contamination, and RSVO reserves the right to reject loads that contain more
4341 than 1% - 3% contamination by volume (depending on the material type). Any loads containing
4342 hazardous material are automatically rejected. The average monthly residue level of SVO is less than
4343 1%.

4344

4345 The following is an overview of SVO’s composting process:

- 4346
- 4347 ○ When materials arrive at the site, a load checker screens for large contaminants.
- 4348 ○ Feedstock is then processed through a slow speed shredder,
- 4349 ○ After shredding and or grinding, the material is placed in active windrows and/or in-vessel
- 4350 processing systems, where it is turned into fully-cured compost over a period of approximately
- 4351 120 days.

4352

4353 **SVO Permits and Approvals**

4354 SVO is a fully-permitted composting site. The following table details the permits, permit numbers, and

4355 issuing entities.

4356

Recology South Valley Organics (SVO) Permits		
Permit	Number/Unit	Issuing Entity
Use Permit and Architectural and Site Approval (ASA)	2102-55-68-03GA-03EA-03PAM	Santa Clara County
Solid Waste Facility Permit - Composting	Facility No. 43-AA-0017	California Department of Resource Recycling & Recovery (CalRecycle)
Registration Permit – Wood Processing	Facility No. 43-AA-0035	California Department of Resource Recycling & Recovery (CalRecycle)
Waste Discharge Requirements Order No. R3-2011-0019	Waste Discharger ID No. 3 430307001	Central Coast Regional Water Quality Control Board
Environmental Health Permit	PT0466209 – Composting (Wood Processing)	Santa Clara County Department of Environmental Health
Environmental Health Permit	PT0475248 – Aboveground Storage Tank PT0430145 – Haz Waste Generator PT0478639 – Haz Mat Storage PT0478957 – Storm Water	Santa Clara County Department of Environmental Health
Permit to Operate	Plant No. 13566	Bay Area Air Quality Management District
Permit to Operate Air Pressure Tank – Compressor Trailer	Serial No. A026406-11	California Department of Industrial Relations
Permit to Operate Air Pressure Tank – Compressor	Serial No. A026144-15	California Department of Industrial Relations
Permit to Operate Air Pressure Tank – Portable Compressor	Serial No. A028538-04	California Department of Industrial Relations
Permit to Operate Air Pressure Tank – Compressor Trailer	Serial No. A026198-06	California Department of Industrial Relations
Environmental Protection Agency ID	ID No. CAL000153023	California Department of Toxic Substances Control
Fertilizing Materials License	Firm No. 109289 License No. 109290	California Department of Food and Agriculture

4357

4358

4359 **Marketing Organics**

4360
4361 The source-separated organic materials received at SVO are converted into nutrient-rich compost. The
4362 compost is an OMRI-listed product, sold for agricultural or horticultural use.

4363 The primary markets for compost consist of Central and Northern California organic farmers that use
4364 Recology products to produce organically-grown fruits and vegetables. In addition, Recology sells
4365 wholesale compost to retail outlets, which supply local vineyards.

4366
4367 Recology's quality assurance program includes thorough nutrient, metal, and pathogen analysis, which
4368 meets the U.S. Composting Council Seal of Testing Assurance program. In addition to the materials
4369 analysis, Recology personnel carefully inspect finished compost to ensure the product is visually
4370 appealing and free of any foreign objects.

4371
4372 The sales and marketing of Recology's organics products are handled by Recology Organics, a sub-brand
4373 of Recology Inc. complete with its own sales force and branding designed to nurture demand for
4374 Recology products.
4375

4376 **F1. G. Requirements for Operations, Equipment and Personnel**

4377
4378 **Operations: Residential Premises**

4379
4380 Recology honors the noise ordinances of the communities it serves and will ensure that collection from
4381 residential premises will occur between the hours of 6 AM and 6 PM, Monday through Friday.
4382 Recology's RouteSmart software (described in further detail in Section F1. A: Single-Family Services)
4383 considers time of day constraints when creating routes. This ensures any noise ordinances are not
4384 violated.

4385
4386 **Operations: Commercial Premises**

4387
4388 Recology will likewise honor noise ordinances when serving commercial premises. Commercial
4389 customers that are 200 feet or less from residential areas will be served between 6 AM and 6 PM,
4390 Monday through Friday. Commercial customers more than 200 feet from residential properties will be
4391 served between the hours of 3 AM and 6 PM, Monday through Saturday.

4392
4393 **Equipment**

4394
4395 **Collection Vehicles**

4396 Recology will utilize new collection vehicles for the new Agreement term, powered by renewable diesel.
4397 The following chart provides an overview of vehicle specifications. All vehicles will be 2018 model year,
4398 with an anticipated 10-year useful life.

4399
4400 Each vehicle will either collect garbage, single-stream recyclables, or organic material (food waste co-
4401 mingled with yard trimmings), depending on the routing needs.

4402
4403
4404
4405

Single-Family Customers	
Vehicle Type	Fully-automated side loader
Quantity	12
Cost per vehicle	\$364,000
Manufacturers	Autocar/Heil
Gross weight	54,000 lbs.
Capacity	28 cu yds
Number of axles	3
# of compartments	1

Multi-Family and Commercial Customers	
Vehicle Type	Front end loader
Quantity	4
Cost per vehicle	\$395,000
Manufacturers	Autocar/Heil
Gross weight	57,000 lbs.
Capacity	40 cu yds
Number of axles	4
# of compartments	1

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Renewable Diesel Fuel

The renewable-diesel fleet would be powered by NEXBTL renewable diesel, manufactured by Neste Oil, or a similar renewable diesel fuel, or a similar renewable diesel fuel produced by an alternative manufacturer. Recology is currently using NEXBTL renewable diesel to power 381 collection vehicles serving the City of San Francisco.

Neste Oil uses a variety of vegetable oils and waste animal fats (including high free fatty acids) as feedstock for NEXBTL renewable diesel. Hydrotreated Vegetable Oil (HVO) like NEXBTL renewable diesel is produced by hydrotreating various vegetable oils, animal-based waste fats, and by-products of vegetable oil refining. HVO is an advanced biofuel compared to traditional biofuel FAME (Fatty Acid Methyl Ester) produced through the conversion of vegetable oils.

The benefits of this fuel type include:

- **Increased energy security**, since the fuel can be produced using a variety of widely-available feedstocks such as soybean oil, palm oil, canola oil, animal tallow, or vegetable oil waste.
- **Lower emissions** described in further detail in the table and charts below.
- **Improved utilization of existing assets** since the fuel can be used in existing diesel infrastructure.
- **Better performance** due to its higher combustion quality compared to conventional diesel.
- **Overall more cost effective compared to CNG**. CNG engines are each over \$30,000 more than diesel engines and have a shorter life expectancy. Renewable diesel allows Recology to offer a more cost-effective fleet while further reducing emissions.
- **Greater security during a natural disaster**, since Recology’s fleet will not be dependent on natural gas infrastructure.

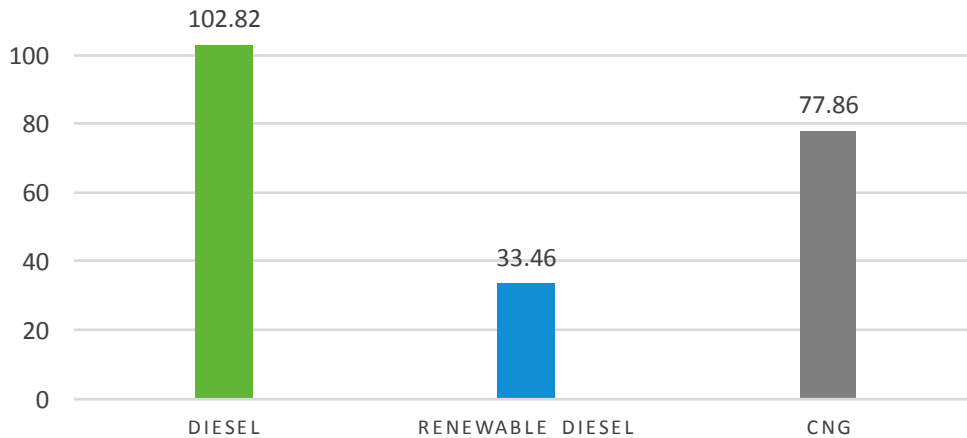
In 2016, Recology commissioned a study by Ramboll/Environ to analyze fuel types. Of the three fuel types analyzed – renewable diesel, diesel, and CNG – renewable diesel had the lowest life-cycle emissions rates and the lowest emission rate for three air pollutants. In addition, renewable diesel outperforms CNG in three out of five emissions standards.

4444 Below is an overview of the findings.

Emission Rates, by Fuel Type						
Fuel Type	NMHC	NOx	CO	PM	DPM	Life-Cycle Emissions*
Diesel	.010	0.190	0.050	0.001	0.001	102.82
Renewable Diesel	.0095	0.171	0.045	0.0007	0.0007	33.46
CNG	.050	0.130	7.5	0.002	0	77.86

4455 *According to the Environmental Protection Agency (EPA), Life-cycle emissions “is used to assess the
 4456 overall greenhouse gas (GHG) impacts of a fuel, including each stage of its production and use.” For
 4457 more information, please go to: [https://www.epa.gov/renewable-fuel-standard-program/lifecycle-
 4458 analysis-greenhouse-gas-emissions-under-renewable-fuel](https://www.epa.gov/renewable-fuel-standard-program/lifecycle-analysis-greenhouse-gas-emissions-under-renewable-fuel)

4460 Life-Cycle Emissions, by Fuel Type



4477 **The renewable diesel that will power Recology’s fleet will not be produced from palm oil.** Please
 4478 see Attachment F1-1: Golden Gate Petroleum Sourcing for a letter clarifying the source of the fuel.

4480 Neste Oil adopted “No-Deforestation and Responsible Sourcing Guidelines” in April 2013. The
 4481 general purpose of the guidelines is to ensure that Neste’s raw materials will not lead, either directly
 4482 or indirectly, to loss of valuable forests. Specifically, the guidelines provide the following
 4483 environmental benefits or requirements:

- 4484 ○ All Neste feedstock sourcing will follow the requirements of the European Union Renewable
 4485 Energy Directive (established in 2009) which precludes the use of raw material used to produce
 4486 biofuels being obtained from land with high biodiversity after January 2008, including primary
 4487 forests, nature preserves, threatened or endangered ecosystems, grasslands, wetlands, or
 4488 peatlands as defined in the Directive.
- 4489 ○ Neste will only purchase biofuel feedstock that, among other things, are:
 - 4490 ▪ Fully traceable back to the point of origin
 - 4491 ▪ Are produced in compliance with all applicable laws and regulations

- 4492 ▪ Protect high carbon stock forest areas
- 4493 ▪ Protect and properly manage peatlands
- 4494 ○ Neste will provide preference to suppliers who actively implement similar no-deforestation principles in their operations, will support their suppliers in meeting their guidelines, and, will reconsider use of suppliers unwilling to comply with the guidelines.
- 4495
- 4496
- 4497 ○ Neste’s guidelines established legally binding requirements for renewable raw material supply that prohibit the use of raw material obtained from land that was either a primary forest or wooded land, a protected area, a wetland, or a peatland in or after January 2008.
- 4498
- 4499

4500

For more information, please visit the following links:

4501

<https://www.neste.com/en/corporate-info/sustainability/sustainable-supply-chain/sustainably-produced-palm-oil>

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4503

https://www.chelanpud.org/docs/default-source/default-document-library/biodiesel-fact-sheet_1024.pdf

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Cart and Container Specifications

4510

Single-family, multi-family, and commercial carts will be manufactured by Toter. Toter carts meet all the specifications of the American National Standards Institute (“ANSI”) standards Z245.30-1999 and Z45.60-1999. These carts are watertight and have the highest level of craftsmanship in the industry.

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Toter carts are manufactured by rotational molding technology, with high-density polyethylene (HDPE) material, and include at least 30% post-consumer recycled content material. They include hot stamping, tamper-proof polymeric or rubber wheels with the proper load rating, attached lids, and a ten-year manufacturer’s warranty.

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Front load containers will be manufactured by Wastequip and Consolidated Fabricators. Metal containers will also be color-coded and will feature labels with contact information, as well as instructions for reporting leaky or damaged containers. The containers are designed to mitigate potential leakage.

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Recology recommends color-coding only the top band of each metal container (pictured), while leaving the remainder of the container gray. This lowers the amount of time required to exchange containers and uses less paint and resources while still conveying the color-coded message to support source-separation.

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4539 The following tables provide an overview of the collection cart and container specifications for all
 4540 material types and customer segments.
 4541

Solid Waste Carts and Containers – All Customers					
Customer Segment	Available Sizes	Color	Collection Frequency	Cart Construction	Signage
Single-family	20-, 32-, 64- or 96-gallon Toter carts	Gray	1 / week	Advanced Rotation Molded™	Hot stamp (carts) Stickers (metal containers/debris boxes)
Multi-family	64- or 96-gallon Toter carts 1-8 c.y. containers	Gray	1-6 / week	Advanced Rotation Molded™	Hot stamp (carts) Stickers (metal containers/debris boxes)
Commercial	64- or 96-gallon Toter carts 1-8 c.y. containers 20-, 30- and 40-c.y. drop boxes/compactors	Gray	1-6 / week	Advanced Rotation Molded™	Hot stamp (carts) Stickers (metal containers/debris boxes)
RA Members	64- or 96-gallon Toter carts 1-8 c.y. containers 20-, 30- and 40-c.y. drop boxes/compactors	Gray	1-6 / week	Advanced Rotation Molded™	Hot stamp (carts) Stickers (metal containers/debris boxes)

4542

Recycling Carts and Containers – All Customers					
Customer Segment	Available Sizes	Color	Collection Frequency	Cart Construction	Signage
Single-family	64- or 96-gallon Toter carts	Blue	1 / week	Advanced Rotation Molded™	Hot stamp (carts) Stickers (metal containers/debris boxes)
Multi-family	64- or 96-gallon Toter carts 1-8 c.y. containers	Blue	1-6 / week	Advanced Rotation Molded™	Hot stamp (carts) Stickers (metal containers/debris boxes)
Commercial	64- or 96-gallon Toter carts 1-8 c.y. containers	Blue	1-6 / week	Advanced Rotation Molded™	Hot stamp (carts) Stickers (metal containers/debris boxes)
RA Members	64- or 96-gallon Toter carts 1-8 c.y. containers	Blue	1-6 / week	Advanced Rotation Molded™	Hot stamp (carts) Stickers (metal containers/debris boxes)

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Organics Carts and Containers – All Customers					
Customer Segment	Available Sizes	Color	Collection Frequency	Cart Construction	Signage
Single-family	64- or 96-gallon Toter carts	Green	1 / week	Advanced Rotation Molded™	Hot stamp (carts) Stickers (metal containers/debris boxes)
Multi-family	64- or 96-gallon Toter carts	Green	1-6 / week	Advanced Rotation Molded™	Hot stamp (carts) Stickers (metal containers/debris boxes)
Commercial	64- or 96-gallon* Toter carts 1-2 c.y. containers	Green	1-6 / week	Advanced Rotation Molded™	Hot stamp (carts) Stickers (metal containers/debris boxes)
RA Members	64- or 96-gallon* Toter carts 1-2 c.y. containers	Green	1-6 / week	Advanced Rotation Molded™	Hot stamp (carts) Stickers (metal containers/debris boxes)

4546
4547 * For cart-based organics collection, Recology recommends that customers do not exceed a 64-gallon food
4548 scrap cart size for safety reasons. Because organics are wet and therefore have a heavier weight than MSW or
4549 recyclables, 96-gallon organics carts are often too heavy to move when full. Recology can work with customers
4550 requiring a 96-gallon organics cart to implement two smaller carts, or conduct more frequent collection service,
4551 to ensure safety.

4552 **Cart and Container Experience**

4553 Recology uses carts manufactured by Toter and containers manufactured by Wastequip and
4554 Consolidated Fabricators in the majority of its service areas, including San Francisco, San Mateo County,
4555 Vacaville, Dixon, American Canyon, and other areas.

4557
4558 Recology’s longstanding relationship with these vendors extends more than thirty years. Recology
4559 presently has several million carts by Toter deployed throughout its service areas and several hundred
4560 thousand containers and debris boxes by Wastequip and Consolidated Fabricators.

4561 **Personnel**

4562
4563 Recology has an established training program for its collection service employees, Customer Service
4564 staff, and Waste Zero staff.

4565
4566 Below is an overview of these training programs:

4567 **New Driver Training**

4568
4569 All new Recology drivers receive training in the operation of Recology equipment and the unique
4570 aspects of the collection program. Training is provided in the classroom and in the vehicle. Topics
4571 include:
4572

- 4573 ○ Recology CORE On-boarding, to welcome and integrate new employees into Recology’s culture.
4574 During this segment, drivers are taught about their job roles and expectations, as well as
4575 Recology’s culture and values.
- 4576 ○ Customer Service training: This training explores the differences between basic customer
4577 service versus excellent customer service, and how every interaction with a customer is an
4578 opportunity for a positive and memorable experience, for the customer as well as themselves.
4579 Drivers will learn methods to maintain professionalism when faced with difficult customers, and
4580 tips on how to resolve issues on their routes.
- 4581 ○ Franchise training: During this session, drivers are taught general collection protocols to meet
4582 the requirements of the Franchise Agreement.
- 4583 ○ Contamination training: This training, delivered by a Recology Waste Zero Team member,
4584 teaches drivers how to identify and document contaminated containers. Drivers will be trained
4585 on the procedures for tagging contaminated containers.
- 4586 ○ Maintenance training: This training teaches drivers their responsibilities for daily vehicle
4587 maintenance inspections.
- 4588 ○ Dispatch Operations training: This training guides drivers through their Route Manual, which
4589 answers questions that a driver may have regarding their position and route responsibilities.
4590 Drivers can use the Route Manual as a frame of reference for specific job responsibilities, route
4591 practices and route expectations.
- 4592 ○ Safety and Equipment Overview: This program guides drivers through the requirements of
4593 Recology’s safety training program, to ensure compliance with regulations and industry best
4594 practices.
- 4595 ○ Truck Training: The majority of Recology’s driver on-boarding program is spent in the trucks,
4596 actively educating drivers on their use of the vehicles to ensure that safety, efficiency, and
4597 customer service are always at the forefront.
- 4598 ○ Q&A Refresher: On this final day of the three-week training program, drivers will meet with the
4599 Managers and Supervisors to review important information from the previous weeks.

4600
4601 **Customer Service Specialist Training**

4602 Recology invests in the development of Customer Service Specialists (CSSs) through a comprehensive
4603 training program, covering:

- 4604 ○ Recology CORE On-boarding, to welcome and integrate new employees into Recology’s culture.
4605 During this segment, CSSs are taught about their job roles and expectations, as well as
4606 Recology’s culture and values.
- 4607 ○ Creating Memorable Customer Service: The goal of this training is to educate the CSS on
4608 Recology’s customer base, the services Recology provides, and the CSS’s role in delivering
4609 excellent service.
- 4610 ○ Franchise Training: Franchise Training teaches the CSSs general protocols related to the
4611 Agreement
- 4612 ○ Technical Training Elements: The Technical Training portion covers the majority of the CSS
4613 training program. During these weeks, the CSSs learn the practical, technical skills they need to
4614 work with the Recology Customer Relationship Management System (RCRM) database.

- 4615 ○ Contamination Training: Delivered by an experienced Recology Waste Zero Specialist, the
4616 Contamination Training will teach CSSs on the proper procedures for identifying and
4617 documenting accounts with contamination and how to delicately relay information and options
4618 to customers with contaminated containers.
- 4619 ○ In-Field Ride-Along with a Driver: Communication between customer service, operations, and
4620 the route driver is vital to ensure customer needs are met. Therefore, Recology CSSs will go on
4621 a ride-along with a driver to observe field conditions and better understand how their role
4622 relates to customers and collection operations.

4623

4624 **Waste Zero Specialist Training**

4625 Recology invests in the development of the Waste Zero Specialist (WZS) through a comprehensive
4626 training program, covering:

- 4627 ○ Recology CORE On-boarding, to welcome and integrate the new employee into Recology’s
4628 culture. During this segment, the WZS will be taught about his or her role and expectations, as
4629 well as Recology’s culture and values.
- 4630 ○ Customer Service Training: The WZS will then complete a training titled “Creating Memorable
4631 Customer Service,” delivered by the Customer Service Manager. The goal of this training is to
4632 educate the WZS on Recology’s customer base, the services Recology provides, and his or her
4633 role in delivering excellent service.
- 4634 ○ Outreach and Education Material Overview: The WZS will receive focused training on the types
4635 of outreach materials available to teach customers about his or her programs and services.
- 4636 ○ Franchise Training: During this session, the WZS will be taught the protocols related to the
4637 Agreement.
- 4638 ○ Contamination Training: Delivered by an experienced Recology WZS, the Contamination
4639 Training teaches the new employee how to identify and document contaminated containers and
4640 how to assist customers in addressing contamination.
- 4641 ○ Facilities Tours: The WZS will receive tours of various processing facilities, to better understand
4642 this fundamental aspect of the diversion process.
- 4643 ○ Developing Presentation Skills: This training will provide the WZS the tools he or she needs to
4644 deliver hands-on presentations to an array of business types, including non-profit organizations,
4645 homeowners’ associations, business groups, environmental organizations, and schools.
- 4646 ○ Conducting Waste Audits: During this training, the WZS will be taught how to analyze a
4647 particular customer’s material stream, with a focus on the diversion opportunities available to
4648 customers by business type.
- 4649 ○ Providing On-Site Technical Assistance: This training will teach the WZS the various types of
4650 Technical Assistance and training he or she will provide customers related to Recology’s
4651 programs and the Regional Agencies’ diversion goals.
- 4652 ○ Reporting and Technical Requirements: This segment of the On-Boarding Program will teach the
4653 WZS about the reporting requirements and his or her role in meeting those reporting needs.
- 4654 ○ Recology in the Community: During this on-boarding component, the WZS will meet with a
4655 Recology Ownership Communication Committee (ROCC) Representative and a Recology
4656 Volunteer Liaison to learn more about Recology’s dedication to the community.

- 4657 ○ Supervisor and Driver Ride-Alongs: During this component of training, the WZS will ride with a
4658 Supervisor and/or Driver, to get an overview of the service area, routes, and his or her
4659 responsibilities to support operations in providing quality collection services and meeting the
4660 Regional Agencies' diversion goals.

4661

4662 **Vehicle Maintenance Program**

4663

4664 Recology's Vehicle Maintenance Program features three main elements:

- 4665 ○ Preventive Maintenance
- 4666 ○ Vehicle Condition Reports (VCRs)
- 4667 ○ 63-Point Inspections (scheduled safety inspections)

4668 Recology is proud of the fact that its companywide fleet has consistently passed California Highway
4669 Patrol Basic Inspection of Terminals (BIT) inspections.

4670

4671 **Preventive Maintenance**

4672 This program is computer-generated and based on the number of hours a vehicle has been in service, as
4673 well as the time since the last scheduled service. The services are completed at several vehicle
4674 operating intervals: 150, 250, 500, 1000, and 2000 hours. The services include but are not limited to:

- 4675 ○ Inspection of hydraulic and air hoses and lines for wear or leaks
- 4676 ○ Check and adjust all fluid levels
- 4677 ○ Changing of filters (oil / fuel / air / hydraulic / etc.)
- 4678 ○ Lubricate truck chassis and body per specifications.

4679

4680 **Vehicle Condition Reports (VCRs)**

4681 All drivers are required to complete a VCR at the beginning and end of each shift in order to identify any
4682 equipment defects, leaks, or necessary repairs and/or adjustments. The VCRs are signed off by
4683 mechanics and reviewed by the Maintenance Manager.

4684

4685 **Safety Inspection**

4686 Safety inspections are performed at least every 90 days and are subject to Compliance Audits by the
4687 California Highway Patrol to ensure Recology complies with all DOT standards and regulations.

4688

4689 Recology's 63-point inspection is a detailed process that includes:

- | | | |
|-----------------------|-------------------------|----------------------|
| ○ Interior / Exterior | ○ Hoses / lines / tubes | ○ Emergency brake |
| ○ Safety devices | ○ Fuel pump / throttle | ○ Chassis |
| ○ Wiring | ○ Brakes | ○ Springs / shackles |
| ○ Horn / lighting | ○ Drums / lining | ○ Driveshaft |
| ○ Engine | ○ Governor / air brake | ○ Frame |
| ○ Radiator | application tests | |

4690

4691 **Recology Safety**

4692

4693 Recology cares about its employees, its customers and the communities it serves. As employee owners,
4694 staff have high expectations to keep everyone safe at work and at home.

4695

4696 Recology observes high safety standards for its collection drivers, sorters, and other employees. All new
4697 collection drivers must:

- 4698 ○ Possess a valid commercial driver license
- 4699 ○ Pass a physical examination to obtain a medical receipt
- 4700 ○ Pass background checks, including motor vehicle driving history and drug and alcohol testing
4701 history

4702
4703 New drivers receive safety orientation training, which is comprised of both classroom and hands-on field
4704 exercises. New drivers are then trained in the operation of collection trucks and equipment, followed by
4705 on-route training with safety trainers. The training process typically takes three to four weeks. Once
4706 completed, the driver is given a road test to assess proficiency before being assigned a route as a
4707 probationary driver.

4708
4709 Going forward, drivers and equipment operators participate in monthly training events that address
4710 major operational topics. In addition, weekly and ad hoc trainings will be conducted to address topics of
4711 current interest or concern. A record is maintained of the dates, topics, locations, and participants of all
4712 Recology training events.

4713
4714 Driver and equipment operator safety performance is monitored through direct observation by (a)
4715 Operations Supervisors and other management personnel using mobile recording technology, and (b) an
4716 on-board video safety system technology, mounted in the collection vehicles. Electronic records of all
4717 events of concern are maintained by Recology.

4718
4719 Recology maintains records of all driver and equipment operator qualifications data, including current
4720 licenses and certifications, and the results of pre-employment, random, and post-accident drug and
4721 alcohol tests. An outside contractor monitors DMV records to alert Recology of upcoming driver license
4722 renewal requirements and driver citation experience, for which electronic records are maintained by
4723 Recology.

4724 4725 **Environmentally Preferable Purchasing Policy**

4726
4727 Consistent with the company's corporate sustainability platform, Recology Inc. has adopted
4728 environmentally preferable purchasing behaviors, including the implementation of a corporate-wide
4729 green procurement policy for office, breakroom and promotional products.

4730
4731 The program is managed interdepartmentally to ensure procurement activities consider both
4732 environmental and fiscal impacts. Recology's selected vendor provides a "Greener Office" brochure and
4733 committed customer support green team to provide guidance and reporting services related to green
4734 product procurement and utilization.

4735
4736 Quantifiable results of Recology's Environmentally Preferable Purchasing Policy will be reported in
4737 Recology's annual report to the RA Members and in external sustainability reporting contexts. Examples
4738 of product criteria are provided below:

- 4739 ○ Copy Paper: 100% post-consumer content (PCC) recycled content products, including letter,
4740 ledger and legal-sized varieties.

- 4741 ○ Misc. Paper: Minimum 50% post-consumer (PCC) recycled content products, with goal to
- 4742 achieve 100% recycled content within one (1) year of implementation (filing folders, mailing
- 4743 envelopes, paper tablets, notebooks, etc.).
- 4744 ○ Paper Towels and Bath Tissue: Minimum 50% recycled content products, with goal to achieve
- 4745 100% recycled content within one (1) year of implementation.
- 4746 ○ Janitorial: Purchase green-certified, natural cleaners and detergents whenever applicable.
- 4747 ○ Toner and Electronic Recycling: Company-wide participation in vendor recycling programs for
- 4748 printer and toner cartridges, household batteries, and electronics.
- 4749 Program Development: Continue to pursue procurement of additional environmentally
- 4750 preferable, alternative products as fiscal and sustainability program contexts allow.

4751

4752 Local Purchasing Preference

4753

4754 Recology prides itself on working with local businesses and suppliers to help the communities it serves

4755 economically thrive. Below is a list of some of the local vendors that Recology utilizes in the San Benito

4756 County area:

- 4757 ○ Napa Auto Parts - Hollister Auto Parts, located at 140 4th Street, HollisterWright Brothers
- 4758 Industrial Supply, located at 1745 San Felipe Road, HollisterDassel's Petroleum, located at 31
- 4759 Wright Road, Hollister

4760

4761 F1. H. Billing, Customer Service, Record Keeping and Reporting

4762

4763 Billing Services

4764

4765 Recology will bill each single-family customer bi-monthly in arrears. Each multi-family and commercial

4766 customer shall be billed monthly in advance.

4767

4768 Recology accepts bill payments online, over the telephone, in-person, or as recurring monthly charges.

4769 All customer account information, service levels, and billing is recorded in the Recology Customer

4770 Relationship Management (RCRM) system. More information on this system and the various payment

4771 methods accepted by Recology is provided below.

4772

4773 Recology Customer Relationship Management System

4774 Recology records customer service data in its Recology Customer Relationship Management (RCRM)

4775 system. The system allows Recology to record the history of all customer-related information, billing,

4776 services, and interactions.

4777

4778 The RCRM system is an IBM iSeries-based system that was developed over the past 28 years to provide

4779 functionality specific to the collection and recycling business. This software is updated to accommodate

4780 changes in the industry and new government regulations.

4781

4782 The system records such information as:

- 4783 ○ Customer and service level information
- 4784 ○ Billing and payment history
- 4785 ○ Customer service issues and inquiries
- 4786 ○ Routing

- 4787 ○ Ticketing
- 4788 ○ Dispatching
- 4789 ○ Contact information
- 4790 ○ Service level including size and number of containers
- 4791 ○ Collection day(s)
- 4792 ○ Current routes
- 4793 ○ Special servicing requirements
- 4794 ○ Entry key electronic opening device or entry code requirements
- 4795 ○ Account history

4796
4797 The RCRM system is fully integrated with Recology’s RouteSmart routing software, ensuring that the
4798 most up-to-date customer information is used to create routes.

4799
4800 Billing is a module within the RCRM software, and customer service information and billing information
4801 are therefore fully integrated. Customers with billing concerns can contact the call center, where all
4802 CSSs are trained to address billing concerns and adjust as necessary in the RCRM system.

4803
4804 All charges and credits appear on the bill that is provided to the customer, and a history of those bills is
4805 available to the CSSs for review. This data aids the CSSs with answering customer billing questions.

4806
4807 **Web-Based Electronic Billing and Bill Payment**

4808 Customers have the option to view and pay their bills through Recology’s online Account Management
4809 capabilities, accessible at www.Recology.com.

4810
4811 Customers can also access the website 24 hours a day, seven days a week to view and pay their bill or
4812 submit billing inquiries. For more information on the website, please see Attachment F1.

4813
4814 Recology promotes online bill payment on its websites, in newsletters, through messages on bills, and
4815 on the back of paper billing envelopes. E-BillPay allows customers to make a one-time electronic
4816 payment from a conventional paper bill, or to enroll for online billing services to receive and pay their
4817 bill electronically.

4818
4819 All data, including bills and the transactions that appear on those bills, are maintained in the RCRM
4820 system. A prior bill can be viewed, or a copy can be printed at any time. This information is not purged
4821 for active accounts; data can be purged for stopped accounts.

4822
4823 **ACH Debit Payment**

4824 Recology offers customers the option of paying their service bills via recurring Automated Clearing
4825 House (ACH) direct debits from a customer-authorized bank account. To pay by ACH debit, customers
4826 must provide Recology the applicable bank account information and authorize the deduction from their
4827 bank account.

4828
4829 **Billing and Payment by Mail**

4830 The majority of Recology’s customer bills are produced on paper and mailed to customers. However, a
4831 growing number of Recology’s customers prefer to pay their bills electronically.

4832
4833
4834

4835 **Payment at the Call Center**

4836 Recology accepts in-person bill payment at its call center located at 1351 Pacheco Pass Hwy in Gilroy,
4837 CA. Recology's Customer Service Specialists (CSSs) can also process payments made over the phone
4838 using a checking or savings accounts, or by credit or debit card.

4839

4840 **Local Payment Centers**

4841 Recology currently accepts customer payments at the Ace Cash Express located inside the Safeway
4842 Supermarket at 591 Tres Pinos Road in Hollister, CA. During the new Agreement term, customers will be
4843 able to continue using this location to pay their bills.

4844

4845 In addition, Recology will begin accepting payments at two additional locations – one in San Juan
4846 Bautista and one in the unincorporated County area – to provide convenient alternative payment
4847 options for customers.

4848

4849 In San Juan Bautista, Recology will accept payments at the Windmill Market located at 301 The Alameda.
4850 In the unincorporated County area, Recology will accept payments at the Paicines General Store located
4851 at 12261 Airline Highway in Paicines, CA.

4852

4853 **Customer Service**

4854

4855 **Office Location and Hours**

4856 Recology's call center is centralized at its administrative offices at 1351 Pacheco Pass Hwy in Gilroy, CA.
4857 The call center serves all customers of Recology San Benito County, as well as Recology's customers in
4858 the cities of Gilroy and Morgan Hill.

4859

4860 The Contractor shall also maintain, at least for the first year of the Agreement, an office within San
4861 Benito County for its commercial outreach staff. The capital purchases will be invoiced through this
4862 office.

4863

4864 The call center is staffed with local Customer Service Specialists (CSSs) who are trained in the specific
4865 requirements of the Franchise Agreement.

4866

4867 Customers can contact the Call Center from 8 AM to 5 PM Monday through Friday, as well as 8 AM to
4868 noon on Saturday. The office is also open from 8 AM to 5 PM Monday through Friday for customers
4869 who wish to pay their bill in person. Recology also maintains an automated bill pay number that
4870 customers can call 24 hours a day to pay over the phone.

4871

4872 **Local Telephone Number and Equipment**

4873 Customers can reach Customer Service by calling 831-636-7500.

4874

4875 Recology's call center is equipped with a ShoreTel Voice Over IP (VOIP) phone system with unified
4876 communications and contact center capabilities. A single PRI (Primary Rate Interface) is capable of
4877 handling 23 calls at one time; depending on the magnitude of the contract, Recology can implement
4878 multiple PRIs.

4879

4880 ShoreTel's solutions are built to scale, grow, and evolve as needed. The ShoreTel system is centrally
4881 managed through an intuitive server interface that makes complex tasks easier to accomplish. Recology

4882 IT staff can manage the system from anywhere on the network or from anywhere there is internet
4883 connectivity.

4884
4885 With a small energy footprint, a single ShoreTel module supports 90 phones and voicemail boxes with
4886 56 hours of voicemail storage. Adding more phones and voicemail boxes is as simple as adding another
4887 ShoreTel module, making expandability almost unlimited.

4888
4889 **Emergency Telephone Number**

4890 Recology will provide an emergency telephone number to the Regional Agency and RA Members in the
4891 event of an after-hours emergency. The number will connect the Regional Agency and RA Members to
4892 the Recology supervisor on call.

4893
4894 **Multilingual/TDD Service**

4895 The Recology Call Center has immediate access to interpreters in over 175 languages through AT&T's
4896 Language Line. A TDD relay service will be used to provide customer service to hearing impaired
4897 customers.

4898
4899 **Website**

4900 Recology's online Account Management capabilities allow customers to manage their account at their
4901 own pace. After a simple enrollment process, (which requires the customer's account number and
4902 service address for validation), customers can view their current service levels and scheduled service
4903 days.

4904
4905 Online Account Management enables customers to:

- 4906
- 4907 ○ Request service changes
 - 4908 ○ Request a change to contact and billing information
 - 4909 ○ Submit inquiries
 - 4910 ○ View and pay their bill
 - 4911 ○ Request special services
 - 4912 ○ View current service rates
 - 4913 ○ Learn about services and programs

4914
4915 Beyond Account Management, Recology offers a variety of other information on its websites designed
4916 to educate customers on Recology's services and programs. Content can include:

- 4917
- 4918 ○ Links to outreach and education material
 - 4919 ○ Announcements on new programs and services
 - 4920 ○ Standard service descriptions
 - 4921 ○ A "Contact Us" function, allowing customers to contact Recology
 - 4922 ○ Links to upcoming events

4923
4924 **Service Requests, Compliments, Complaints**

4925 Recology's method to resolve customer complaints begins with a work order, or "ticket," that is created
4926 in the RCRM system. Each ticket is time-stamped and remains open until completed. Upon completion,
4927 the ticket is closed, and the date, time, and nature of the resolution are recorded.

4928

4929 A variety of summary reports can be prepared, based on particular metrics regarding the customer
4930 service process. The tickets all feature a caller name, creation date, type and reason code, scheduled
4931 date, resolution date, and resolution code. The Recology employee creating the ticket and the source –
4932 be it a manually-entered ticket or an interaction from the website – are also recorded.

4933
4934 Recology can tailor the “reason codes” to match the specific reporting requirements of the Franchise
4935 Agreement, such as missed pickups, to ensure the IWMRA receives reports that are meaningful and
4936 specific. The data is never purged, allowing for historical analysis. Recology also tracks ticket reports
4937 internally to identify customer service improvement opportunities.

4938
4939 If a dispute arises that is not resolved to the customer’s satisfaction, the General Manager will
4940 communicate the nature of the complaint and review Recology’s compliance with the Franchise
4941 Agreement with the IWMRA. As outlined in the Franchise Agreement, Recology will respond to all
4942 customer complains within 24 hours of receipt, excluding holidays and weekends.

4943 **Record Keeping and Reporting**

4944
4945 Recology uses the PC Scale software package to monitor and report collected materials. PC Scale is a
4946 leader in point-of-sale systems for all types of disposal, recycling, and material sales involving truck,
4947 floor, attended and unattended scales.

4948
4949
4950 The PC Scale software captures activity at the scale sites. Every load into or out of a Recology-controlled
4951 location is weighed and details such as route, truck, commodity, gross weight, tare weight, and net
4952 weight are recorded and uploaded every hour to the RCRM system.

4953
4954 At a facility that is not a Recology-controlled location, drivers receive their weight tag at the facility, and
4955 those numbers are entered into the RCRM system.

4956
4957 For loads that are taken to facilities outside of Recology, the weight tags can either be electronically
4958 uploaded from the facility, or they can be manually keyed into Recology’s Weight Tag module within the
4959 RCRM software.

4960
4961 The weight tags are reviewed, and reports are generated in the RCRM software. These reports are
4962 reconciled with the day’s final reports for PC Scales or information provided by the outside facility. Once
4963 reconciled, the tags are posted to the RCRM system. This data is never purged and, therefore, is
4964 available for historical analysis. By capturing the details on every load, Recology can accurately report
4965 the weight and type of material collected as well as the weight and type of the material leaving the
4966 facility.

4967
4968 The PC Scale software allows Recology to track all inbound collection vehicle tonnage by route and day,
4969 and by load for roll off and transfer vehicles. The truck ID is captured and sent the PC Scales system
4970 where the truck tare weight is stored, thereby eliminating the need to weigh the truck twice.

4971
4972 As outlined in the Franchise Agreement, Recology shall submit quarterly reports within 30 days after the
4973 end of the calendar quarter. In addition, Recology shall submit annual reports within 45 days after the
4974 end of the calendar year.

4975

4976 **F1. I. Other Environmental Enhancements**

4977

4978 Providing community-centered, environmentally-friendly collection services are core to Recology’s
4979 business practices. Recology has a long commitment to sustainable practices, beginning with the
4980 recovery and reuse methods employed by predecessor companies in the 1920s.

4981

4982 Although many business conditions have changed in the past one hundred years, Recology remains
4983 focused on minimizing waste and engaging with climate change initiatives, both internally and on behalf
4984 of customers.

4985

4986 “WASTE ZERO” is more than just a company tag line – it is Recology’s commitment to future generations
4987 and a core component of the company’s strategies.

4988

4989 To support the IWMRA’s environmental goals, Recology is offering the following enhancements as part
4990 of its base proposal:

4991

4992 **Edible Garden at the Community Food Bank**

4993

4994 As part of Recology’s mission to support sustainable communities, Recology will work with the Food
4995 Bank’s staff to plant fruit trees, vegetables, and flowers. Recology employees will help staff tend to the
4996 crops and harvest produce, which can be distributed to Food Bank customers.

4997

4998 The garden would be planted on a designated area of the 2,250 square feet patch of land located on the
4999 north side of the building. Recology will pay for the materials to build the garden, including the fruit
5000 trees, irrigation, vegetables, flowers and herbs, compost and soil amendments, ground cover, and stakes
5001 for trees and shrubs.

5002

5003 **Partnership with Pat’s Place to Divert Reusable Goods**

5004

5005 Recology will work with Pat’s Place, a reuse store in Hollister, to give a second life to reusable goods
5006 collected under the Bulky Item Collection Program.

5007

5008 After collection, a Recology employee will bring reusable items to Pat’s Place, where volunteers can sort
5009 items for resale. Any items that cannot be utilized or sold will be placed in a container provided by
5010 Recology for either recycling or disposal, as appropriate.

5011

5012 All proceeds from the sale of the salvaged items will be given to the Community Food Bank of San
5013 Benito. Furthermore, Recology will provide a quarterly donation to Pat’s Place and/or the Food Bank to
5014 help cover the cost of staff time utilized for the sorting and handling of the materials dropped off by
5015 Recology.

5016

5017 **San Benito County Recycles! Poster Contest**

5018

5019 The San Benito County Recycles! Poster Contest is an opportunity for students to express their creativity
5020 while reinforcing the importance of recycling.

5021

5022 The contest would be open to all local students in public or private schools, from Kindergarten through
5023 12th grade.

5024 Posters would contain the student’s original artwork and highlight recycling, waste reduction efforts, or
5025 other environmental issues such as water or air pollution. The winning poster would be depicted on the
5026 side of Recology’s collection vehicles.

5027

5028 **School Assemblies and Outreach**

5029

5030 Recology sees the future generation as a fundamental partner in maximizing diversion efforts.

5031 Therefore, Recology’s public education and outreach strategy includes a robust program in schools
5032 within the IWMRA area.

5033

5034 Recology’s Waste Zero Specialist will work closely with public and private schools to educate students on
5035 source reduction, reuse of materials, and participation in recycling programs. Specific programs can
5036 include:

5037 ○ School assemblies: Recology will continue to offer environmentally-focused assemblies to local
5038 schools, with performances by the Banana Slug String Band (pictured).

5039 ○ Classroom projects: Also tailored to grade level, these hands-on projects teach students about
5040 renewable versus non-renewable resources and encourage creative uses of everyday items to
5041 increase sustainability.

5042 ○ Educator resources: Recology’s Waste Zero Specialist will connect educators with curriculum
5043 and other resources to help continue sustainability and diversion lessons throughout the school
5044 year.

5045

5046
5047
5048
5049

F2. COST BASIS FOR PROPOSAL (FINAL COST FORMS 1.0 TO 1.9)

(SEE SEPARATELY ATTACHED FILE)

5050

5051

5052

5053

5054

**F3. MAXIMUM ALLOWABLE RATES FOR COLLECTION SERVICES FOR RATE YEAR 1
(MODIFIED FINAL COST FORMS 2.1, 2.2, 2.3, 2.4.A, 2.5.A, 2.6.A, 2.7, 2.8, AND 2.9)**

(SEE SEPARATELY ATTACHED FILE)

5055 **ATTACHMENT F4. CONTRACTOR IMPLEMENTATION PLAN AND SCHEDULE**

5056
5057 **Transition into the New Agreement Term**
5058

5059 As the incumbent service provider for the IWMRA, Recology can ensure a smooth transition into the
5060 new Agreement term. Since Recology maintains an accurate customer database for residents and
5061 businesses, routes and collection days would not need to be adjusted, unless the IWMRA elects
5062 programmatic changes.
5063

5064 Furthermore, customers will continue to be served by the same team of drivers and customer service
5065 specialists, providing the consistent, high-quality service.
5066

5067 In addition, because Recology is the incumbent contractor, **no blackout period for service level**
5068 **modifications would be necessary during the new Agreement implementation.** During transitions to a
5069 new service provider, it is common to require a two-week blackout period, to help minimize customer
5070 data inaccuracies during the transition.
5071

5072 **Participation from the Regional Agency Members**
5073

5074 Recology appreciates its relationship with IWMRA staff and looks forward to continuing this open
5075 communication into the new Agreement term.
5076

5077 Recology proposes to hold regular meetings with IWMRA staff and any other relevant stakeholders
5078 following execution of the Agreement.
5079

5080 Assuming the Agreement is signed in June 2018, for a service start date of November 1, 2018, Recology
5081 recommends meeting every other week for the month of August. Meeting frequency would increase to
5082 weekly for the final three months prior to the start of the Agreement. Depending on the nature of the
5083 final Agreement, this meeting schedule could be adjusted at the discretion of IWMRA staff.
5084

5085 In advance of each meeting, Recology would provide an agenda. Within 24 hours following the meeting,
5086 Recology would provide a summary and action items. Meetings could be held in-person or via
5087 conference call as appropriate.
5088

5089 **Vehicle Procurement**
5090

5091 Recology understands that timely procurement
5092 of equipment is essential to the start of the new
5093 Agreement. Recology's experience and
5094 relationships with equipment vendors provides
5095 an accurate estimate on the time needed to
5096 produce and secure equipment.
5097



5098 Typically, 9 months lead time is required to procure, build, and test new vehicles. Due to the required
5099 manufacturing time, Recology will use existing equipment to service customers until the new vehicles

5100 arrive. As new vehicles are delivered and tested, Recology will begin utilizing the new vehicles to service
5101 customers. Existing collection vehicles will be fueled using renewable diesel.

5102

5103 **New Programs Mailing and Recycling Guide**

5104

5105 Prior to the start of service, each customer will receive a New Programs Mailing and Recycling Guide
5106 describing and illustrating methods to prepare recyclable, organic, and solid waste materials for
5107 collection. The brochure will illustrate the acceptable materials for each container and will also detail
5108 the proper set out procedures for the collection containers.

5109

5110 Recology will prepare tailored content for single-family, multi-family, and commercial subscribers.

5111 Further details on the New Programs Mailing and Recycling Guide are provided in Section F1. E. Public

5112 Education and Outreach.

5113

5114 **Cart and Container Selection**

5115

5116 Container selection is an important component of Recology's transition plan. By helping customers
5117 identify the proper container sizes for all three material streams, Recology can maximize diversion
5118 potential.

5119

5120 Recology will distribute a Container/Cart Selection Card as a component of the New Programs Mailing.

5121 The Card will offer multiple media formats to help customers select their proper container sizes,

5122 including:

5123

5124 ○ **Container/Cart Selection postcard:** These postcards, which would be sent to every customer,
5125 graphically depict the container and cart sizes available to customers in all three waste streams.
5126 Customers check a box for their desired size and mail the postcard back to Recology.

5127 ○ **Website:** As a supplement to the Container/Cart Selection postcard, Recology will launch a
5128 webpage (pictured) where customers can select their preferred cart or container sizes. After
5129 selection, customers receive an acknowledgement email and the information is updated in
5130 Recology's system to facilitate cart distribution.

5131

5132 **Advertisements, Press Releases, and Public Service Announcements**

5133

5134 Recology will prepare and distribute the following announcements approximately one month prior to

5135 the start of the new Agreement:

5136 ○ A public service announcement (PSA) for local radio and cable television broadcasts

5137 ○ Newspaper and online advertisements highlighting upcoming programs and services

5138 ○ A press release describing the programs offered by customer sector (single-family, multi-family,
5139 and commercial)

5140

5141 **Customer Database and Routing**

5142

5143 As the incumbent service provider, Recology already maintains an accurate customer database, and can
5144 continue to provide consistent service to customers during the transitional period.

5145

5146 In fact, the creation of an accurate customer database is one of the most vital components of any start-
5147 up, impacting routing, outreach and education activities, equipment procurement, and other factors.

5148 Recology’s customer database already includes all pertinent information for routing, billing, and service
5149 levels, such as:
5150 ○ Customer name
5151 ○ Billing address
5152 ○ Service address
5153 ○ Contact information
5154 ○ Service level, including size and number of containers
5155 ○ Collection day(s)
5156 ○ Current routes
5157 ○ Special servicing requirements
5158 ○ Entry key electronic opening device or entry code requirements
5159 ○ Account history
5160

5161 **Cart and Container Distribution**

5162
5163 Recology will have a dedicated manager overseeing the distribution teams for plastic carts and metal
5164 containers. In addition, each distribution team will have a field supervisor overseeing delivery, assuring
5165 all homes and businesses receive the correct size cart(s) and container(s). Field supervisors will also be
5166 Recology’s spokespeople for residents and businesses that may have questions as carts and bins are
5167 delivered.

5168
5169 The following is an overview of Recology’s operational steps to distribute new plastic carts and metal
5170 containers.

5171 5172 **Single-Family Cart Distribution Process**

5173
5174 Recology will work with Toter, its vendor for carts, to conduct the cart distribution process in a timely
5175 manner.

5176
5177 Using the updated customer database and RouteSmart, Recology will produce a cart assembly and
5178 delivery report. This report will provide a summary of the number and size of each type of cart for each
5179 route. This report will allow the assembly crew the ability to pre-load a delivery truck with the exact
5180 number and size of cart by route, providing for efficient and accurate delivery.

5181
5182 Single-family distribution teams will deliver recycling carts. Teams will utilize route sheets created by
5183 RouteSmart. The delivery trucks will mirror the collection route in RouteSmart, assuring all homes are
5184 receiving their requested cart size.

5185
5186 Recology would use a similar method to collect the existing carts. Existing cart collection teams would
5187 utilize route sheets created by RouteSmart to systematically collect the existing carts after the new carts
5188 have been delivered.

5189
5190 Recology field supervisors will also have the same route sheets, allowing them to record by address any
5191 issue that may occur on the route that may affect future collection efficiency. In addition, the use of
5192 route books will allow Recology to accurately generate reports that follow distribution progress.

5193
5194

5195 The recycling cart will include outreach material detailing the following information:

- 5196 ○ Proper placement of cart
- 5197 ○ Collection start date
- 5198 ○ Materials accepted in the recycling cart
- 5199 ○ Frequently asked questions (FAQ)
- 5200 ○ Contact information for the resident should they have any questions

5201

5202 Commercial and Multi-Family Container Exchange

5203

5204 Commercial and multi-family container delivery teams will utilize distribution route sheets similar to
5205 those of single-family residents.

5206

5207 Due to space constraints in many commercial areas, Recology will exchange multi-family and
5208 commercial containers rather than simply distribute new containers.

5209

5210 Distribution of new commercial and multi-family containers will be done in zones. Dividing the service
5211 area into container exchange zones will minimize traffic delays, facilitate supervision, and provide for
5212 more efficient use of equipment. Recology will complete the exchange of containers zone by zone, until
5213 the entire service area has been completed.

5214

5215 The commercial container exchange team's delivery fleet equipment will consist of two stinger trucks
5216 (trucks with bin lifting and transferring capabilities), flat-bed trucks, and a front-end-loading (FEL) truck.

5217

5218 The stinger truck is a specially designed truck that can pick up and transport FEL bins. As the commercial
5219 container exchange team moves from business to business within a zone, one stinger truck will remove
5220 the existing bin to a location where the FEL truck is able to empty it. Once empty, the container will be
5221 loaded on a flat-bed truck to be delivered to Recology's corporate yard, where they will be refurbished.
5222 Once the bin has been removed, the second stinger truck will place a new container from another flat-
5223 bed truck at the service location.

5224

5225

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5243

5244 **Implementation Schedule**

5245
 5246 The following Transition Schedule overviews the major tasks and time periods required to complete
 5247 those tasks, assuming a June 2018 Agreement execution date. Please note that exact dates are subject
 5248 to adjustment in the final implementation plan.
 5249

Final Implementation Schedule – June to November 2018	
Implementation Task	Timeline
Agreement Executed (estimated)	June 2018
Equipment & Procurement	
Trucks	
Place order for new collection vehicles	June 2018
Serve customers with existing collection fleet as new vehicles are manufactured and tested	November 1, 2018
Receive new collection vehicles	March 1, 2019
Truck testing	March 1 – March 31, 2019
Begin serving customers with new collection vehicles	April 1, 2019
Truck electronics	
Order truck equipment (GPS-enabled on-board video safety system, such as DriveCam or similar technology)	June 2018
Carts	
Place cart inventory order	June 2018
Cart manufacturing	July 1, 2018 – Sept. 1, 2018
Receive carts (rolling deliveries)	Sept. 21, 2018 – Oct. 8, 2018
Cart delivery/removal	Oct. 1, 2018 – Oct. 29, 2018
Containers	
Place container inventory order	June 2018
Container manufacturing	July 1, 2018 – Sept. 1, 2018
Receive inventory containers	Sept. 24, 2018 – Oct. 8, 2018
Container exchange	Oct. 1, 2018 – Oct. 29, 2018
Route Development	
Refine and develop routes	July 5, 2018 – Oct. 1, 2018
Refine and develop Commercial / MFD Route	July 5, 2018 – Oct. 1, 2018
Create final route maps	Oct. 4, 2018 – Oct. 29, 2018
Employee Onboarding and Training	
Conduct Driver refresher training to ensure compliance with Agreement	Oct. 15, 2018 – Oct. 29, 2018
Conduct Customer Service Specialist (CSS) refresher training to ensure compliance with Agreement	Oct. 15, 2018 – Oct. 26, 2018
Recruit and hire Waste Zero Manager	June 2018
Recruit and hire Waste Zero Specialists	Aug. 6, 2018 – Oct. 5, 2018
Conduct Waste Zero Specialist training to ensure compliance with Agreement	Oct. 1, 2018 – Oct. 31, 2018
Customer Notification & Public Education	
Design Residential, Commercial, and Multi-Family Program Brochures and other educational material, in collaboration with Regional Agency	July 1, 2018 – July 31, 2018
Distribute Cart Selection postcards/website URL and conduct cart selection period	Aug. 1, 2018 – Sept. 28, 2018

5250

5251

F5. APPROVED SUBCONTRACTORS

5252 1. Monterey Regional Waste Management District

5253 14201 Del Monte Blvd.

5254 Marina, CA. 93333

5255

5256 The MRWMD will process single-stream recyclables and construction and demolition
5257 collected by Recology in the RA Member service areas. The facility will also process
5258 commercial municipal solid waste to capture divertible materials, should the RA members
5259 elect to implement this program.

5260

5261

F6. COMMERCIAL RECYCLING AND ORGANICS OUTREACH PLAN

5262 **F6.A. San Benito County Regional Agency Members**

5263 *Recology is submitting this plan in response to the Regional Agency’s Conditions of Approval that*
5264 *required Recology to develop a detailed commercial recycling plan to thoroughly outline how to increase*
5265 *commercial diversion from the current commercial diversion rate of 6% and include two additional*
5266 *Recycling Outreach Coordinators in year 1 of the contract at no cost to the ratepayers.*

5267
5268 Recology will provide the recycling and organics outreach programs described in this Plan to all
5269 Commercial and Multi-Family (MFD) customers in the service areas. This includes schools located within
5270 the service area. **A comprehensive and well-coordinated commercial recycling and organics outreach**
5271 **plan is essential to increasing the current 6% diversion rate and meet the overall 45% diversion**
5272 **requirement in the Franchise Agreement.**

5273

Recology San Benito County Total Forecasted Diversion Years 1 through 4 of Agreement				
	Year 1	Year 2	Year 3	Year 4
MSW	18,782	18,252	17,722	17,190
Recycle	6,683	6,683	6,683	6,683
Organics	9,659	10,189	10,719	11,250
Total Collection	35,123	35,123	35,123	35,123
Diversion %	46.5%	48.0%	49.5%	51.1%

5274
5275 Prior to the commencement date and throughout the term of the Agreement, Recology, via the Public
5276 Education and Outreach Plan (PEOP), will meet with the Regional Agency Manager and/or their designee
5277 to discuss Recology’s performance and identify new methods and best practices to meet the 45%
5278 diversion rate in the Franchise Agreement.

5279
5280 **F6.B. Staffing and Training to Maximize Diversion**

5281
5282 Recology will maintain one full-time equivalent (FTE) Waste Zero Manager and one FTE Waste Zero
5283 Specialist throughout the Agreement term. These positions will be 100% dedicated (40 hours week) to
5284 the RA Member service areas. The key role of these staff is to increase diversion, with a special focus on
5285 commercial diversion through effective technical assistance and outreach programs. The goal of the
5286 commercial outreach program is to achieve 50% diversion at these accounts. Per the Franchise
5287 Agreement, the technical outreach staff are to use Attachment B8-A from the Franchise Agreement and
5288 submit these completed forms to the Regional Agency on a quarterly basis.

5289
5290 In addition, Recology will maintain two additional FTE Waste Zero Specialists during the first year of the
5291 Agreement, to assist with outreach, education, waste assessments, and the transition into the new
5292 services. These positions will be temporary and will terminate after the first year of the Agreement.
5293 The key role of these staff is to increase commercial diversion through effective technical assistance. For

5294 each account, per the Franchise Agreement, staff will use Attachment B8-A and submit these completed
5295 forms to the Regional Agency.

5296

5297 SBC Regional Agency IWM staff and/or their consultant retains the right to participate in the
5298 selection/hiring of the Recycling staff, including Waste Zero Manager and the 3 Outreach Coordinator
5299 staff.

5300

5301 Waste Zero staff will be thoroughly trained by experienced Recology personnel to effectively conduct
5302 waste assessments & trainings, manage necessary databases, understand the requirements of AB 341 &
5303 AB 1826, provide educational outreach, document activities, and respond to possible barriers to
5304 recycling and organics participation. Prior to the start of the agreement, Waste Zero staff will receive
5305 training in best practices from Recology personnel in San Francisco, San Mateo and other Recology
5306 operating companies to employ best practices in San Benito County. Recology will discuss the best
5307 practices to be used with Regional Manager and/or their designee. In addition, Recology will use the
5308 public education material produced in San Francisco, San Mateo, and other Recology operating
5309 companies as examples to help develop outreach and education material specific to San Benito County.

5310

5311 Staff will use Attachment B8-A and submit these completed forms to the Regional Agency quarterly.
5312 Regional Agency staff has the option to attend customer trainings and the on-site technical assistance
5313 meetings, with permission from the customer receiving the training or assistance. Staff will be trained
5314 to understand that the franchise goal is to achieve 50% diversion at commercial accounts. Staff will be
5315 trained to record outreach activities in Recology's customer database and to follow up with accounts
5316 after new services have been initiated. Staff to be thoroughly trained in methods to identify and meet
5317 with the decision maker at the business or MFD (the person authorized to make service/cost changes).

5318

5319 Outreach staff will be thoroughly trained to have the ability to convince or 'sell' recycling and organics
5320 programs. This will include tools to respond to MFDs or businesses who initially refuse starting or
5321 expanding recycling or organics service. Outreach staff will be trained to identify and respond to
5322 barriers to participation in diversion programs for MFD & Commercial customers, helping customer
5323 identify possible solutions. Outreach staff will develop "road maps" toward solutions, so staff is
5324 prepared to deal with common challenges and accounts that are resistant to starting or increasing
5325 recycling or organics collection services.

5326

5327 For job descriptions for the Waste Zero Manager and Waste Zero Specialist, please see Attachment F6-1.

5328

5329 **F6.C. Office Location**

5330

5331 Recology will maintain a temporary Waste Zero office in the City of Hollister for the first year of the
5332 Agreement. This office will serve as the workspace for the Waste Zero staff during the first year of the
5333 Agreement.

5334

5335 **F6.C. Initial Waste Assessment and Recycling Toolkit to Increase Recycling**

5336

5337 Prior to start of the new Agreement term, Recology will develop a database to evaluate its current MFD
5338 and Commercial customer data to identify the accounts with the greatest opportunity to increase
5339 recycling and organics service, based on current subscription levels. Using this data, Recology will
5340 develop a technical assistance plan to help customers gain compliance with Assembly Bill (AB) 341 and
5341 AB 1826. Over the course of the first year of the Agreement, the team will conduct an on-site initial

5342 waste assessment for all MFD and Commercial accounts. Staff will use Recyclist or other device/tablet
5343 to maximize efficiency in the field and use Attachment B8-A Recycling Assessment Report.
5344 Outreach staff to route their daily outreach plan to businesses in advance and aspire to work in a grid
5345 geographic area to save drive time. At each audit, outreach staff will:

- 5346 • Provide information on new/expanded recycling and organics service options for the
5347 decision maker at the business or MFD to review
- 5348 • Take photos of recyclables in garbage bins
- 5349 • Provide information on the requirements of AB 341 & AB 1826 for the decision maker at the
5350 business or MFD to review
- 5351 • Complete a walkthrough of the facility with the decision maker to identify areas for
5352 internal/external recycling or organics bin placement, and areas to display posters/stickers
- 5353 • Identify best practices for staff to streamline participation in recycling program, and how to
5354 reduce contamination
- 5355 • Offer decision maker a complementary staff and janitorial diversion training
- 5356 • Discuss current service levels with the decision maker and recommend new recycling and
5357 organics service levels to help reduce garbage subscription
- 5358 • Provide a follow-up report/email summarizing the audit and action items to the decision maker
- 5359 • Coordinate with Recology Customer Service & Operations Dept. to implement changes,
5360 working to ensure new recycling and organics containers are delivered in timely manner and
5361 garbage bins area are right sized.
- 5362 • Ensure there is a system to promptly coordinate service adjustments with operations, such
5363 as delivering new recycling and organics containers in a timely manner, and right sizing
5364 garbage bins. Staff will ensure the changes/recommendations are implemented and a
5365 system in place to follow up with the customer.

5366 Recology will strategically prioritize the high-volume generators first, in order to capture the largest
5367 volume of divertible material. Using this data from the customer database, the Waste Zero team will:

- 5368 • First reach out to accounts that generate eight yards of MSW or more per week to maximize
5369 their recycling levels. Accounts producing large amounts of MSW typically have greater
5370 recycling opportunities that have not yet been realized and will be encouraged to adjust their
5371 service levels to capture more recycling. Staff will right size the containers and strive to achieve
5372 50% diversion goal. Staff will follow up with the accounts after the services have been delivered.
- 5373 • Next focus on customers who produce four to seven yards of MSW per week will receive
5374 outreach from the Waste Zero Team to encourage greater recycling adoption.
- 5375 • Subsequently address customers with a 50% diversion level or less (based on all material
5376 streams, including organics).
- 5377 • Finally ensure that all multi-family and commercial customers have received their annual waste
5378 assessment and technical assistance meeting for the year.

5379
5380 During these initial waste assessments, Recology staff will help customers with the following common
5381 barriers, as applicable to each customer:

- 5382
5383 • **Addressing space constraints:** Recology's Waste Zero Specialist can assist customers facing
5384 space constraints, helping to fit three containers in a limited area. An example would be
5385 suggesting smaller containers and increasing service frequency or placing containers in a parking
5386 space. Furthermore, Recology can make recommendations for additional equipment, if
5387 necessary, such as compactors.

5388 • **Addressing tenant turnover:** The best method to address high tenant turnover in a multi-family
5389 property is to offer frequent, consistent messaging. Since each multi-family property will have a
5390 visit from a Waste Zero Specialist annually, Recology can ensure adequate sorting posters are
5391 displayed and provide more posters or container labels as necessary.

5392
5393 • **Connecting with janitorial staff:** Recology’s Waste Zero Specialist will work to establish a
5394 relationship with business owners and staff. Every commercial customer will receive an on-site
5395 visit annually, and Recology’s Waste Zero Specialist will encourage and provide complementary
5396 staff and janitorial training to each business and MFD. By working to build a rapport with staff
5397 and convey the importance of diversion, Recology will aim to close any disconnect.

5398
5399 In addition, Recology uses illustrative sorting posters and education materials that use pictures
5400 and images to convey the material suitable for each container. Using images and Spanish
5401 translation, this will help reduce any possible language barriers among staff.

5402
5403 For the initial waste assessments, as well as the ongoing annual waste assessments described below,
5404 Recology staff will also use Attachment B8-A: Commercial Recycling and MFD Technical Assistance
5405 /Recycling Assessment Report. Staff will submit these completed forms to the Regional Agency on a
5406 quarterly basis.

5407
5408 **F6.D. Ongoing Annual Waste Assessments**

5409
5410 Each year throughout the Agreement term, the Waste Zero team will work to meet a 50% diversion at
5411 commercial accounts and conduct a minimum of one on-site waste assessment per MFD and
5412 commercial account using the Attachment B8-A and submit these completed forms to the Regional
5413 Agency quarterly. This will help Recology better understand the changing needs of each customer, while
5414 monitoring progress over the course of the Agreement.

5415
5416 Using Recyclist or other tablet/device on site, waste assessments will include a visual evaluation and
5417 written report (the report format/template to be approved by Regional Agency Manager and or their
5418 designee) with recommendations for increasing diversion. The process analyzes a customer’s material
5419 stream, with a focus on the diversion options available to customers by business type.

5420
5421 The annual assessments per the Attachment B8-A include identifying the decision maker and making an
5422 appointment to:

- 5423 • Find methods to increase recycling and organics at each site visit to meet the 50% diversion goal.
5424 • Assess current Services: Container commodity & size, quantity, and location are documented.
5425 • Documentation: Photos of contamination, overflowing containers, and the presence of
5426 divertible material in the solid waste stream to help educate customers
5427 • Complete a walkthrough with the decision maker and provide recommendations that may
5428 include:
- 5429 ○ INCREASE RECYCLING AND ORGANICS COLLECTION AND Right sizing services levels
 - 5430 ○ Equipment recommendations (this could include compactors for buildings with space
5431 constraints, or assistance fitting bins in tight spaces)
 - 5432 ○ Providing posters, stickers flyers, brochures, and internal containers at each site
 - 5433 ○ Providing further on-site training for employees and janitorial staff

5434 For the documentation component, Recology will use its mobile app-building software platform to
5435 facilitate quality control (auditing) and waste stream analysis (characterization) activities at the
5436 customer site and at transfer stations and processing facilities.

5437
5438 The platform allows Recology to create customized mobile forms to gather data on customer program
5439 participation and overall load quality and use the tool to set minimum diversion targets. This includes
5440 capturing photos and data related to presence of contamination and load characterization. These forms
5441 are currently in use at the customer site (curbside bin assessments) and at Recology facilities and are
5442 developed by Recology's Business Systems Services team. This team also conducts thorough trainings
5443 with mobile tool users to ensure consistent methodology and quality standards.

5444
5445 Results are then incorporated into a PDF report that can be shared with both Recology and Regional
5446 Agency members. Additionally, these reports are designed to be shared with customers and used as
5447 educational tools to help communicate and improve program participation, thereby helping reduce
5448 recycling and organics contamination and improve landfill diversion. Recology is also developing an
5449 integrated metrics dashboard where historic data can be accessed to view trending patterns of
5450 customer behavior and load data.

5451
5452 For a sample of the reports, please see Attachment F6-2: Sample Contamination Assessment and
5453 Diversion Audit Form (this form's name should be changed to "Increasing Recycling/Organics
5454 Recommendations" or some other name that encourages recycling/organics/diversion.

5455
5456 Outreach staff to have tablet/device that provides services levels and costs that can be readily shared
5457 with the MFD /Business when out in the field. Staff to complete digital audit reports, have ability to
5458 bring up customer service levels and download in advance of going out into field. Provide and access
5459 information about cost savings and recycling benefits during the audit.

5460
5461 Daily, outreach staff to ensure they have all outreach materials, posters, memos to train staff, internal
5462 containers in their car to be handed out at MFD/businesses. Staff to bring to each audit:

- 5463 • Internal recycling bins
- 5464 • Recycling flyers
- 5465 • Recycling stickers
- 5466 • External recycling signage

5467
5468 **F6. E. Commercial and MFD Education Material**

5469
5470 Below is an overview of the types of materials Recology will offer to Commercial and MFD customers
5471 over the Agreement term. Exact content will be mutually agreed upon between Recology and the RA
5472 members. All printed materials will also be accessible on Recology's website.

5473
5474 Recology will use the public education material produced in San Francisco, San Mateo, and other
5475 Recology operating companies as examples to help develop outreach and education material specific to
5476 San Benito County.

5477
5478 **New Programs Mailing and Recycling Guide**

5479 Prior to the start of service, each customer will receive a New Programs Mailing and Recycling Guide
5480 describing and illustrating methods to prepare recyclable, organic, and solid waste materials for

5481 collection. The brochure will illustrate the acceptable materials for each container and will also detail
5482 the proper set out procedures for the collection containers.

5483
5484 Recology recommends combining the New Program Mailing and Recycling Guide into one mailing that
5485 serves as a comprehensive guide for customers.

5486
5487 Recology will prepare tailored content for single-family, multi-family, and commercial subscribers. For
5488 multi-family and commercial subscribers, the mailing will emphasize compliance with State-mandated
5489 recycling and composting requirements.

5490

5491 Content of the Mailing and Recycling Guide can include:

- 5492 ○ A complete list of programs and services provided to customers, including effective dates
- 5493 ○ A list of recyclable materials that are accepted in the single-stream recycling program
- 5494 ○ A list of organic materials that are accepted in the organics program
- 5495 ○ A list of items that need to be landfilled at this time
- 5496 ○ Graphics and an explanation of proper set-out procedures
- 5497 ○ Recycling and/or disposal options for Household Hazardous Waste (HHW)
- 5498 ○ Used motor oil and oil filter collection program (single-family customers only)
- 5499 ○ Telephone numbers and website information for Recology
- 5500 ○ Other relevant resources

5501

5502 **Advertisements, Press Releases, and Public Service Announcements**

5503 Recology will prepare and distribute the following announcements approximately one month prior to
5504 the start of the new Agreement:

- 5505 ○ A public service announcement (PSA) for local radio and cable television broadcasts
- 5506 ○ Newspaper and online advertisements highlighting upcoming programs and services
- 5507 ○ A press release describing the programs offered by customer sector (single-family, multi-family,
5508 and commercial)
- 5509 ○ Social media as described below describing new programs

5510

5511 **Bill Inserts**

5512 Throughout the Agreement term, Recology can provide various bill inserts tailored to each customer
5513 sector on an array of topics, such as rate changes; tips on how to Reduce, Reuse, Recycle, Rot, and
5514 Recover; and how to properly dispose of Hazardous Waste.

5515

5516 Each Regional Agency may request Recology to distribute the inserts bi-monthly in each customer bill.

5517

5518 **Biennial Newsletter**

5519 Recology will create, design, and distribute bi-annual newsletters to educate customers on vital
5520 information in the waste and recycling industry. The newsletters will be mailed with customer bills or
5521 downloaded electronically.

5522

5523 Newsletters serve as an important tool to remind residents about the available services and programs;
5524 in addition, newsletters are an opportunity to promote recycling events and educate customers on
5525 additional resources for recycling and waste reduction.

5526

5527

5528 **Multi-Family and Commercial Sorting Posters**

5529 Throughout the Agreement term, Recology will design and distribute posters to multi-family and
5530 commercial property managers for on-site use, illustrating the recyclable materials collection program
5531 and the commercial food scrap collection program. These posters are designed to educate program
5532 participants on proper sorting. The commercial posters will offer information in English and Spanish.

5533

5534 **Commercial “How To” Flyers for Recycling and Composting**

5535 Recology will prepare and distribute “How To” Guides on recycling and composting for commercial
5536 customers.

5537

5538 The Recycling “How To” Guide will be mailed directly to commercial customers prior to the start of
5539 services; both the Recycling and Composting “How To” Guides will be posted on the website and will be
5540 provided during Recycling Assessments.

5541

5542 The flyers will be graphics-based and will focus on compliance with the diversion requirements of AB
5543 341 and AB 1826. Content will include:

- 5544 ○ List of recyclables or organics (as applicable) accepted in the collection programs
- 5545 ○ List of materials that are not accepted in the collection programs
- 5546 ○ Illustrations and an explanation of proper set-out procedures
- 5547 ○ Tips on how to mitigate odors and vectors (composting guide only)

5548

5549 **Commercial and Multi-Family Mandatory Recycling and Composting Notices**

5550 Recology can prepare and distribute notices to multi-family complexes and commercial businesses that
5551 are not compliant with mandatory diversion requirements of AB 341 and AB 1826. Using service
5552 subscription level information, driver compliance notes, and waste audit information, Recology can
5553 identify non-compliant customers and provide outreach.

5554

5555 The notices explain why the customer is not compliant, outline the potential consequences for
5556 non-compliance, and outline the steps customers can take to become compliant. Recology can track
5557 customers that have received these notices in the RCRM system, and Specialists can follow-up with
5558 customers to help them take proper action.

5559

5560 **Multi-Family Move-in Kits**

5561 Recology can work with the property manager to provide the guides to inform new residents of services,
5562 program options, and acceptable and unacceptable materials in each stream. The guide can also be
5563 available for download on Recology’s website, and includes:

- 5564 ○ List of acceptable and unacceptable materials in the recycling and organics programs
- 5565 ○ Options for hard-to-recycle items
- 5566 ○ Household Hazardous Waste recycling and/or disposal options
- 5567 ○ Contact Information

5568

5569

5570

5571

5572 **Outreach in the Schools**

5573 Recology will conduct student-focused outreach activities at schools located within the service area.

5574 Recology's Waste Zero Specialist will work closely with public and private schools to educate students on
5575 source reduction, reuse of materials, and participation in recycling programs. Specific programs can
5576 include:

- 5577 ○ School assemblies: Recology will continue to offer environmentally-focused assemblies to local
5578 schools, with performances by the Banana Slug String Band (pictured).
- 5579 ○ Classroom projects: Also tailored to grade level, these hands-on projects teach students about
5580 renewable versus non-renewable resources and encourage creative uses of everyday items to
5581 increase sustainability.
- 5582 ○ Educator resources: Recology's Waste Zero Specialist will connect educators with curriculum
5583 and other resources to help continue sustainability and diversion lessons throughout the school
5584 year.

5585

5586 **Social Media**

5587 Recology will use social media outlets such as Facebook to help educate customers on diversion, new
5588 and existing programs, and service announcements. In addition, Recology will use its social media
5589 presence to connect directly with customers and community organizations.

5590

5591 Recology's Waste Zero team will meet bi-weekly to create a social media calendar for the upcoming two
5592 weeks. The posts will cover a variety of events and topics, such as:

- 5593 ○ What goes where & sorting education
- 5594 ○ Service offerings & special item collection programs
- 5595 ○ Service updates and holiday hours
- 5596 ○ Community events
- 5597 ○ General resource conservation, recycling, diversion ideas and industry facts

5598

5599 The Waste Zero team will create San Benito-specific social media profiles on both Twitter and Facebook
5600 for the new Agreement term. Recology is also happy to create an Instagram account should the RA
5601 Members be interested.

5602

5603 Recology can ensure that similar content is shared across the chosen platforms (i.e. Facebook, Twitter,
5604 Instagram), within the parameters of those platforms (i.e. Twitter's 140-character limit).

5605

5606 Periodically, Recology utilizes social media advertising to boost account/content visibility, targeted to
5607 social accounts within ~25 miles of the service area. When the new San Benito County-specific social
5608 media accounts are created, Recology will deploy a social advertising campaign to build initial followers.
5609 Combined with a robust content calendar, Recology will continue to grow followers organically by
5610 posting interesting and relevant content.

5611

5612 **F6. F. Tracking and Reporting**

5613 The Waste Zero staff will meet quarterly with the Recycling Manager to discuss the results of the prior
5614 quarter and detail:

- 5615 ● Per the Franchise Agreement use Attachment B8-A and submit these completed forms to the
5616 Regional Agency quarterly.
- 5617 ● Quantify of commercial recycling started /increased/decreased
- 5618 ● Quantity of commercial organics started/increased/decreased

- 5619 • Average # of on -site technical assistance calls/visits made daily
- 5620 • Outreach and education challenges

5621
5622 Staff will document their activities in the Recology Customer Relationship Management (RCRM) System,
5623 helping to keep an accounting of outreach and diversion activities in the RA Member service areas. Staff
5624 will implement a follow-up plan with customers, which will entail contacting customers after their
5625 service level adjustment(s) to help ensure the customer is utilizing their diversion services effectively
5626 and address any subsequent questions/concerns regarding diversion programs.

5627
5628 Recology can track commercial and multi-family outreach activities through the Recology Customer
5629 Relationship Management (RCRM) system. The Waste Zero team will assign “reason codes” to specific
5630 outreach activities/tasks.

5631
5632 Anytime the Waste Zero Specialist conducts outreach at a specific multi-family or commercial customer,
5633 the Specialist will record the event using the appropriate reason code in the RCRM system. Reason
5634 codes can be designed for such events as a waste assessment, staff training, educational material
5635 distribution, or presentation.

5636 **F6. G. Commercial Recycling and Organics Diversion Goals**

5638 Recology’s Waste Zero team will work towards achieving 50% diversion at each MFD and businesses, as
5639 defined by subscription level, by Year 4 of the Agreement.

5640 A successful commercial technical assistance visit will vary depending on the needs of the customer.
5641 Some customers may be eager participants in their diversion programs and may only need new signage
5642 or outreach material in order to aid in their progress.

5643
5644 Other customers may be resistant to their programs, or simply not understand why sorting their
5645 material is so important. For these customers, a successful commercial technical assistance visit would
5646 consist of:

- 5647 • The Waste Zero Specialist (Specialist) scheduling/conducting a waste assessment with the
5648 decision maker in order to evaluate the diversion opportunities and identify contamination
5649 issues at the site.
- 5650 • The Specialist would then have face-to-face contact with the decision maker, for example the
5651 business owner, manager, or head of the janitorial staff, so could the Specialist can
5652 communicate the benefits of a diversion program directly with the decision-maker for the
5653 business.
- 5654 • Using information gained from the waste assessment, the Specialist would make
5655 recommendations for service level changes to help maximize diversion and minimize
5656 contamination, which may even help save the customer money, thus providing an additional
5657 incentive to participate in the diversion programs.
- 5658 • The Specialist would also make recommendations on container placement, to help facilitate
5659 proper sorting. The Specialist would provide signage and if necessary, internal recycling
5660 containers. The Specialist would also offer to strategically hang posters above carts or
5661 containers to ensure they are visible to those utilizing the containers.
- 5662 • The Specialist would also offer on-site presentations and/or trainings for staff/janitorial, and
5663 schedule those trainings with the decision maker, gaining an immediate commitment to future
5664 engagement with the business.

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ATTACHMENT G
PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

5669 RA Members wish to establish standards of performance under the Agreement in each of the four (4)
5670 "Performance Areas" listed below. The Regional Agency Contract Manager may monitor Contractor's
5671 performance in each of those areas based on the "Performance Indicator" listed below for each area. In
5672 the event that Contractor fails to meet the performance standard established for any "Performance
5673 Indicator", Regional Agency Contract Manager may review Contractor's performance relative to the
5674 "Specific Performance Measures" within that performance area. In the event that the Regional Agency
5675 Contract Manager determines that Contractor has failed to meet the performance standard established
5676 for any "Specific Performance Measure", the RA Members may assess Liquidated Damages pursuant to
5677 Section 11.5 of the Agreement. Liquidated Damages, if assessed, shall only be assessed for the number
5678 of events, days, or other measure in excess of the acceptable performance level.

5679 **Defined Terms**

5680 Certain terms that are specific to this Exhibit are defined below:

5681 **"Complaint"** shall mean each written or orally communicated statement made by any Person, whether
5682 to RA Member or Contractor, alleging: (1) non-performance, or deficiencies in Contractor's
5683 performance, of its duties under this Agreement; or, (2) a violation by Contractor of this Agreement.

5684 **"Event"** shall mean each occurrence of the required Specific Performance Measure that exceeds the
5685 Acceptable Performance Standard, as provided in the chart below.

5686 **"Service Opportunity"** shall mean each individual scheduled opportunity the Contractor has to Collect
5687 from a Container at a Customer's location. For example, a Multi-Family or Commercial Customer
5688 receiving Solid Waste Collection service three (3) times per week from two (2) Containers and Recyclable
5689 Materials Collection service two (2) times per week from two (2) Containers would have a total of ten

5690 (10) Service Opportunities each week. Service Opportunities shall be calculated based on the
5691 subscription levels presented in Contractor's most recent Quarterly Report to the Regional Agency and RA
5692 Member.

5693 **"Total Service Opportunities"** shall mean the sum of all Service Opportunities in each time.

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Performance Area: Service Quality and Reliability

Specific Performance Measure	Definition	Acceptable Performance Level	Tracking Method	Liquidated Damage Amount
Missed Collections	Each Service Opportunity where Contractor fails to Collect a Container from a Customer who properly placed said Container for Collection.	Less than ten (10) per one thousand (1,000) Service Opportunities	Contractor shall document from its customer service system listing the total complaints coded as missed pick-up for each RA Member. Submit electronic report annually.	\$50/Event
Failure to Correct Missed Collections	Each "Missed Collection" as defined above which is not Collected by the end of the Business Day following the receipt of the Customer complaint about the Missed Collection.	Less than one (1) per one hundred (100) Missed Collections	Contractor shall document missed pick-up complaint reports listing for each RA Member each complaint, the date of the complaint, the resolution date; and any other information requested by the RA Members. Submit electronic report annually.	\$50/Event
Failure to Clean-Up Spillage	Each failure by Contractor to clean up: (1) any items or materials spilled during the Collection of a Container; or, (2) any fluids spilled or leaked from a Container or Collection vehicle prior to leaving the Collection location.	Less than five (5) per one thousand (1,000) Service Opportunities	See above	\$100/Event
Damage to Property	Each event of damage to either public or private property because of Collection activity, including without limitation curbs, sidewalks, landscapes, Container enclosures and gates, signs, light fixtures, and overhead wires and cables.	Less than two (2) per one thousand (1,000) Service Opportunities	See above	\$250/Event
Excessive Noise or Discourteous Behavior	Each Complaint received that is related to either noise during Collection activity or the behavior of Contractor's employees.	Less than five (5) per one thousand (1,000) Service Opportunities	See above	\$250/Event

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Performance Area: Customer Service and Public Education and Outreach

Specific Performance Measure	Definition	Acceptable Performance Level	Tracking Method	Liquidated Damage Amount
Failure to Commence Service	Any failure by Contractor to deliver a Container and begin providing Collection to a Customer, at the level of service requested by said Customer, within seven (7) calendar days of receiving such request. This may include a new Customer receiving new service or an existing Customer requesting a change in or addition to existing service levels. This may also include delivering Used Oil Recovery Kits to Customers upon request.	Less than one (1) per 100 Service Requests	Contractor shall document on a quarterly basis from its customer service system listing the total number of complaints coded for each category. Submit electronic report annually.	\$50/Event
Failure to Replace Container	Any failure by Contractor to replace a damaged or defaced Container within seven (7) calendar days of receiving such a request from a Customer.	No acceptable failure level	See above	\$50/Event
Failure to Resolve Complaint	Any failure by Contractor to resolve or remedy a Complaint within seven (7) calendar days of receiving such Complaint.	Less than one (1) per 100 Complaints	See above	\$100/Event
Failure to Answer Phones	Any failure by Contractor to answer a telephone call from a Customer during normal business hours. A call is not considered to be answered if the Customer does not speak with a live operator. A call is considered to be answered if the Customer hangs-up or abandons the call following a hold time of less than three (3) minutes.	Less than five (5) per 1,000 Calls Received Under this Agreement	See above	\$50/Event
Excessive Call Center Hold Time	Each occurrence of a call being placed "on hold" for more than two (2) minutes.	Less than two (2) per 1,000 Calls Received Under this Agreement	See above	\$50/Event
Unauthorized Hours of Operation	Each occurrence of Contractor Collecting from Customers during unauthorized hours.	Less than two (2) per 1,000 Service Opportunities	See above	\$50/Event

Inaccurate Billing	Each Complaint received where the Contractor billed a Customer in error. Inaccurate billing may include either over- or under-charging of the Customer relative to the approved Rates for services.	Less than five (5) per one thousand (1,000) bills issued.	See above	\$100/Event
Failure to Perform Technical Assistance: Recycling Assessments as detailed in Attachment B8-A	No failures or Complaints in this category are acceptable; therefore, any Complaint of this nature shall be considered unacceptable.	Each individual failure by Contractor to complete a required annual Recycling Assessment for each Commercial and MFD customer per Attachment B8 to this Agreement.	Contractor shall report all completed Recycling Assessments per its Quarterly Report.	\$250 per activity
Failure to Perform Public Education and Outreach Tasks	No failures or Complaints in this category are acceptable; therefore, any Complaint of this nature shall be considered unacceptable.	Each individual failure by Contractor to develop, produce, and distribute public education and outreach materials, except the Recycling Assessments, in the form and manner required under Attachment B8 to this Agreement.	Contractor shall report all public education and outreach activities completed each year in the annual Public Education Plan.	\$250 per activity

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5723 **Performance Area: Facilities**

5724 Performance Indicator: Contractor’s performance relative to facilities shall be considered acceptable
 5725 when one hundred percent (100%) of all material types Collected by Contractor shall be delivered to the
 5726 appropriate Approved Facility as required under Article 5 of this Agreement. If Contractor fails to meet
 5727 this level of performance, RA Members may assess liquidated damages for the specific performance
 5728 measures identified in the following table.

Specific Performance Measure	Definition	Acceptable Performance Level	Tracking Method	Liquidated Damage Amount
Delivery to Non-Approved Facility	Each individual occurrence of delivering materials to a facility other than the Approved Facility designated for each material type under Section 4 of this Agreement.	No acceptable failure level	Tonnage reports	\$100/Ton
Disposal of Targeted Diversion	Each individual occurrence of delivering Recyclable Materials, Organic Materials, or Reusable Materials set out for Collection by the Customer for Disposal rather than Processing.	No acceptable failure level	Tonnage reports	\$500/Ton
Mixing Materials During Collection	Each individual Container that is Collected by Contractor in a vehicle intended or designated for Collecting a different material type (e.g. Recyclable Materials Collected in Solid Waste vehicle, Solid Waste Collected in Organic Materials vehicle, etc.)	No acceptable failure level	Tonnage reports, observation, complaints	\$100/Container

5729 **Performance Area: Reporting**
 5730 Performance Indicator: Contractor’s reporting shall be considered acceptable if Reports required under
 5731 Exhibit D and record requests allowed under Article 7 to this Agreement are received, complete, and
 5732 accurate within seven (7) calendar days after the date due or requested. If Contractor fails to meet this
 5733 level of performance, RA Members may assess liquidated damages for the specific performance
 5734 measures identified in the following table.

Specific Performance Measure	Definition	Acceptable Performance Level	Liquidated Damage Amount
Late Report	Each occurrence of a Report, as required under Attachment D to this Agreement, being submitted after the due date. Reports shall be considered late until they are submitted in a complete and accurate format.	Less than seven (7) calendar days after reporting due date	\$250/Day
Misleading/ Inaccurate Reporting	Each occurrence of Contractor providing misleading or otherwise inaccurate information or reporting to RA Members under or regarding this Agreement. Typographical, cell reference, mathematical, and/or logic errors shall not be considered legitimate excuses from this requirement, nor shall ignorance.	No acceptable failure level	\$500/Event

5735
 5736 By placing Designee’s initials at the places provided, each Party specifically confirms the accuracy of the
 5737 statements made above and the fact that each Party has had ample opportunity to consult with legal
 5738 counsel and obtain an explanation of Liquidated Damage provisions of the time that the Agreement was
 5739 made.

5740
 5741 Recology San Benito County Regional Agency Contract Manager (for RA Members)

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 5743 Initial Here: ____ Initial Here: ____

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ATTACHMENT H
PERFORMANCE INCENTIVES AND DISINCENTIVES

5748 **1. General**

5749 The RA Members will provide an *incentive payment* to Contractor for exceptional performance on an
 5750 overall Diversion related performance measure. The performance measure is:

- 5751 • Overall Annual Diversion Level, as determined in the chart below

5752 In addition, the Agency will assess a *disincentive payment* to the Contractor for substandard
 5753 performance on overall Diversion related performance measure as follows:

- 5754 • Overall Annual Diversion Level, as determined in the chart below

5755 The performance incentives/disincentives are designed to encourage Contractor’s performance in
 5756 increasing diversion for the RA Members and Regional Agency. These performance
 5757 incentives/disincentives include an incentive payment to Contractor for exceeding goals and a
 5758 disincentive payment assessed to Contractor for failure to achieve the performance standards. The
 5759 table below provides a summary of the incentive/disincentive structure, which is described in detail in
 5760 Section 2 of this Attachment. Section 2 describes how to determine the Calculated Overall Diversion
 5761 Level and the targeted Overall Diversion Level. Section 3 of this Attachment describes the frequency
 5762 and method for distributing incentive payments and assessing disincentive payments.

5763 Summary of Incentives/Disincentives

Annual Diversion Level			
	Disincentive Payment Threshold	Incentive Payment Threshold	Performance Incentive/Disincentive Payment Amount
Overall Annual Diversion Level For Time Period Year 1 through Year 4	Calculated Overall Diversion Level <45% (or a higher minimum threshold as determined after partial fiscal year FY1819)	Calculated Overall Diversion Level > the targeted Overall Diversion Level	Incentive Payment = \$75.00 per ton Disincentive Payment = \$75.00 per ton
Overall Annual Diversion Level For Time After Year 4 and through Year 10 (and any extensions)	Calculated Overall Diversion Level <45% (or a higher minimum threshold as determined after Rate Year 4)	Calculated Overall Diversion Level > the targeted Overall Diversion Level	Incentive Payment = \$75.00 per ton Disincentive Payment = \$75.00 per ton

5764

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5767 **2. Diversion Levels**

5768 **Definition of Calculated Diversion Level**

5769 The Diversion Levels achieved shall be calculated based on the methodology shown in the following
5770 example:

5771 Assumptions (will be based on actual Contractor performance):

5772 *Example for hypothetical year 5*

5773 Annual Recyclable Materials Collected = 7,600 tons

5774 Recyclable Materials Contamination Level = 8%*

5775 Annual Organic Materials Collected = 8,600 tons

5776 Organic Materials Contamination Level = 5%*

5777 Annual Solid Waste Collected = 18,600 tons

5778 Calculated Overall Annual Diversion Level

5779 $7,600 \text{ tons} + 8,600 \text{ tons} = 16,200 \text{ tons}$

5780 $8\% \text{ (residue level)} \times 7,600 \text{ tons} = 608 \text{ tons}$

5781 $5\% \text{ (residue level)} \times 8,600 \text{ tons} = 430 \text{ tons}$

5782 $16,200 - (608 + 430) = 15,162 \text{ tons (net annual tons diverted)}$

5783 $15,162 + 18,600 = 33,762 \text{ tons (total tons generated)}$

5784 $(15,162/33,762) \times 100 = 45\% \text{ (Overall annual diversion level)}$

5785 To calculate the Diversion Levels, the most-recently reported quarterly Residue levels shall be used. The
5786 annual average of the four quarters shall be used for the purposes of calculating the annual Diversion
5787 levels per this Attachment.

5788 **Exceptional Diversion Level Performance**

5789 Contractor shall receive an incentive payment if the annual Calculated Overall Diversion Level exceeds
5790 the targeted Overall Diversion Level. The targeted Overall Diversion Level shall be set for Rate Year 2
5791 after completion of partial fiscal year 2018/19 (November 1, 2018 - June 30, 2019) and then adjusted
5792 again after Rate Year 5 (five) and adjusted each Rate Year thereafter if the Contractor exceeds the
5793 targeted Overall Diversion Level. In such cases, the adjusted targeted Overall Diversion Level shall be
5794 calculated based on the methodology used in the following example:

5795

5796

5797 Assumptions (will be based on actual Contractor performance):

5798 Current Year Overall Diversion Level = 47%

5799 Prior Year (Rate Year 4) Overall Diversion Level = 45%

5800 Incentive payment

5801 Overall Annual Diversion Level = 47%

5802 Targeted Annual Overall Diversion Level = 45%

5803 Total Annual Solid Waste Collected = 18,000 tons

5804 Total Annual Recyclable and Organic Materials Collected = 15,500 tons

5805 Incentive Payment = \$75.00

5806 $47/100 = 0.47$

5807 $45/100 = 0.45$

5808 $18,000 + 15,500 = 33,500$ (total tons generated)

5809 $0.47 - 0.45 = 0.02$ (% increase in annual diversion level)

5810 $0.02 \times 33,500$ tons = 670 tons (net increase in tons diverted)

5811 $\$75.00 \times 670$ tons = \$50,250 (incentive payment)

5812 **Substandard Diversion Level Performance**

5813 If the annual Calculated Overall Diversion Level is less than 45% **{to be determined after Rate Year**
5814 **4(four)}**, then a disincentive payment shall be calculated and paid by the Contractor.

5815 **3. Incentive/Disincentive Payment Procedures**

5816 **A. Record Keeping.** In accordance with Article 7, records shall be maintained by Contractor for the
5817 Regional Agency and RA Members in a manner that adequately demonstrates and documents
5818 Contractor's performance in accordance with this Agreement. They shall be sufficient for the
5819 determination that Contractor has (or has not) performed in accordance with the performance
5820 standards presented in the Attachment H.

5821 **B. Determination of Achievement of Performance Standards.** On an annual basis, Agency shall
5822 review the annual report submitted by the Contractor pursuant to the requirements of Article 7
5823 and determine if the Contractor has achieved the Overall Diversion Level that warrants RA
5824 Member distribution of incentive payments. No later than twenty (20) Business Days after
5825 receipt of the Contractor's annual report, the RA Member shall provide written notice to the
5826 Contractor of its determination of incentive payments, if any due, and shall include a description
5827 of its method of determination and any calculations of incentive payments. The
5828 incentive/disincentive payments that will be calculated annually include: Overall Diversion Level.

5829 **C. Amount.** The incentive/disincentive net payment amounts shall be determined in accordance
5830 with the formulas presented in Section 2 of this Attachment H.

5831 **D. Timing of Payment.** If an incentive/disincentive payment is due, RA Member or Contractor shall
5832 provide payment in the form of a check or wire transfer no later than twenty (20) calendar days
5833 after the issuance of the RA Member’s written notice of incentive net payment determination.
5834 Alternatively, the RA Member may reimburse Contractor for some or all of the incentive
5835 payments or account for disincentive payments as an adjustment to Contractor’s Compensation
5836 for the coming Rate Year. This adjustment may be a net positive or negative (dollar amount)
5837 depending upon the calculations described above.

5838 **E. Disputes by Contractor.** Contractor may, within ten (10) calendar days after receiving the RA
5839 Member’s written notice regarding its determination of incentive/disincentive payments,
5840 provide written notice to the RA Member of any disagreement with the RA Member’s
5841 determination. Contractor may present evidence in writing to support its position. The RA
5842 Member shall review Contractor’s submission and within ten (10) calendar days shall make its
5843 final determination of incentive/disincentive payments. The decision of the RA Member shall be
5844 final.

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**ATTACHMENT I
PERFORMANCE BOND**

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FORM OF PERFORMANCE BOND

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Travelers Casualty and Surety Company of America
One Tower Square 3PB, Hartford, CT 06183

Bond No. _____

KNOW ALL MEN BY THESE PRESENTS, that we, Recology South Valley, as Principal, and Travelers Casualty and Surety Company of America, licensed to do business in the State of California, as Surety, are held and firmly bound unto _____ (Obligee), in the penal sum of _____ and 00/100 Dollars (\$____), lawful money of the United States of America, for the payment of which sum, well and truly to be made, the Principal and Surety do bind themselves, their heirs, executors, administrators, and successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the above bounden Principal has entered into a certain written Contract with the above named Obligee, effective the 1st day of November 1, 2018, and terminating the 31st day of October, 2028, for Recyclables, Organics and Solid Waste Collection Services and more fully described in said Contract, a copy of which is attached, which Agreement is made a part hereof and incorporated herein by reference, except that nothing said therein shall alter, enlarge, expand or otherwise modify the term of the bond as set out below.

NOW, THEREFORE, if Principal, its executors, administrators, successors and assigns shall promptly and faithfully perform the Contract, according to the terms, stipulations or conditions thereof, then this obligation shall become null and void, otherwise to remain in full force and effect. This bond is executed by the Surety and accepted by the Obligee subject to the following express condition:

Notwithstanding the provisions of the Contract, the term of this bond shall apply from November 1, 2018, until October 31, 2019, and may be extended by the Surety by Continuation Certificate. However, neither nonrenewal by the Surety, nor the failure or inability of the Principal to file a replacement bond in the event of nonrenewal, shall itself constitute a loss to the obligee recoverable under this bond or any renewal or continuation thereof. The liability of the Surety under this bond and all continuation certificates issued in connection therewith shall not be cumulative and shall in no event exceed the amount as set forth in this bond or in any additions, riders, or endorsements properly issued by the Surety as supplements thereto.

Sealed with our seals and dated this _____ day of _____, _____.

Witness

, Principal

Travelers Casualty and Surety Company of America

5893 Witness _____, Attorney-in-Fact

5894

5895 Agreed and acknowledged this _____ day of _____, _____.

5896

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By: _____

Obligee

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**ATTACHMENT J
GUARANTY**

5903
5904 THIS GUARANTY (the "Guaranty") is given as of the 1st day of November 2018, by Recology South Valley
5905 dba Recology San Benito County ("Guarantor"), to and for the benefit of each of the following:

- 5906 • the City of Hollister, a municipal corporation of the State of California
- 5907 • the City of San Juan Bautista, a municipal corporation of the State, and
- 5908 • the County of San Benito, a political subdivision of the State.

5909
5910 The Cities and County are referred to in this Guaranty as "RA Member". This single document is made
5911 for the benefit of each RA Member.

5912 THIS GUARANTY is made with reference to the following facts and circumstances:

5913 A. Recology South Valley dba Recology San Benito County ("Contractor") is a corporation
5914 organized under the laws of the State of California, all the issued and outstanding stock of which is
5915 owned by Guarantor.

5916 B. Guarantor is a corporation organized under the laws of the State of California.

5917 C. Contractor and each RA Member have negotiated an Agreement for Recyclables,
5918 Organics, and Solid Waste collection services ("Agreement"), under which Contractor is to provide
5919 specified services to each RA Member. A copy of this Agreement is attached hereto and incorporated
5920 herein by this reference.

5921 D. It is a requirement of the Agreement, and a condition to each RA Member's entering
5922 into the Agreement, that Guarantor guaranty Contractor's performance of the Agreement.

5923 E. Guarantor is providing this Guaranty to induce each RA Member to enter into the
5924 Agreement.

5925 NOW, THEREFORE, in consideration of the foregoing, Guarantor agrees as follows:

5926 1. **Guaranty of the Agreement.** Guarantor hereby irrevocably and unconditionally
5927 guarantees to each RA Member the complete and timely performance, satisfaction and observation by
5928 Contractor of each term and condition of the Agreement which Contractor is required to perform,
5929 satisfy or observe. In the event that Contractor fails to perform, satisfy or observe any of the terms or
5930 conditions of the Agreement, Guarantor will promptly and fully perform, satisfy or observe them in the
5931 place of the Contractor. Guarantor hereby guarantees prompt payment to each RA Member of each
5932 sum due from Contractor to each RA Member under the Agreement, as and when due from time to
5933 time, and the prompt performance of every other task and duty to be performed by the Contractor
5934 under the Agreement.

5935 2. **Guarantor's Obligations Are Absolute.** The obligations of the Guarantor hereunder are
5936 direct, immediate, absolute, continuing, unconditional and unlimited and, with respect to any payment
5937 obligation of Contractor under the Agreement, shall constitute a guarantee of payment and not of

5938 collection, and are not conditional upon the genuineness, validity, regularity or enforceability of the
5939 Agreement.

5940 3. **Waivers and Subordination.** The Guarantor shall have no right to terminate this
5941 Guaranty or to be released, relieved, exonerated or discharged from its obligations under it for any
5942 reason whatsoever, including, without limitation: (1) the insolvency, bankruptcy, reorganization or
5943 cessation of existence of the Contractor; (2) any amendment, modification or waiver of any provision of
5944 the Agreement or the extension of its Term; (3) the actual or purported rejection of the Agreement by a
5945 trustee in bankruptcy, or any limitation on any claim in bankruptcy resulting from the actual or
5946 purported termination of the Agreement; (4) any waiver, extension, release or modification with respect
5947 to any of the obligations of the Agreement guaranteed hereunder or the impairment or suspension of
5948 any RA Member's rights or remedies against Contractor; or (5) any merger or consolidation of the
5949 Contractor with any other organization, or any sale, lease or transfer of any or all the assets of the
5950 Contractor.

5951 The Guarantor hereby waives any and all rights, benefits and defenses under California Civil
5952 Code Sections 2809, 2815, 2819, 2845, 2849 and 2850, and all other rights permitted to be waived by
5953 Section 2856(a) including, without limitation, the right to require each RA Member to (a) proceed
5954 against Contractor, (b) proceed against or exhaust any security or collateral any RA Member may hold
5955 now or hereafter hold, or (c) pursue any other right or remedy for Guarantor's benefit, and agree that
5956 each RA Member may proceed against Guarantor for the obligations guaranteed herein without taking
5957 any action against Contractor or any other guarantor or pledgor and without proceeding against or
5958 exhausting any security or collateral any RA Member may hold now or hereafter hold. Each RA Member
5959 may unqualifiedly exercise in its sole discretion any or all rights and remedies available to it against
5960 Contractor or any other guarantor or pledgor without impairing each RA Member's rights and remedies
5961 in enforcing this Guarantee.

5962 The Guarantor hereby waives and agrees to waive at any future time at the request of each RA
5963 Member, to the extent now or then permitted by applicable law, any and all rights which the Guarantor
5964 may have or which at any time hereafter may be conferred upon it, by statute, regulation or otherwise,
5965 to avoid any of its obligations under, or to terminate, cancel, quit or surrender this Guaranty. Without
5966 limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the
5967 following shall not affect the liability of the Guarantor hereunder: (a) at any time or from time to time,
5968 without notice to the Guarantor, the time for Contractor's performance of or compliance with any of its
5969 obligations under the Agreement is extended, or such performance or compliance is waived; (b) the
5970 Agreement is modified or amended in any respect; (c) any other indemnification with respect to
5971 Contractor's obligations under the Agreement or any security therefor is released or exchanged in whole
5972 or in part or otherwise dealt with; (d) any assignment of the Agreement is effected which does not
5973 require each RA Member's approval; or (e) any termination or suspension of the Agreement arising by
5974 reason of a default by Contractor.

5975 The Guarantor hereby expressly waives diligence, presentment, demand for payment or
5976 performance, protest and all notices whatsoever, including, but not limited to, notices of non-payment
5977 or non-performance, notices of protest, notices of any breach or default, and notices of acceptance of
5978 this Guaranty. If all or any portion of the obligations guaranteed hereunder are paid or performed,
5979 Guarantor's obligations hereunder shall continue and remain in full force and effect in the event that all
5980 or any part of such payment or performance is avoided or recovered directly or indirectly from each RA
5981 Member as a preference, fraudulent transfer or otherwise, irrespective of (a) any notice of revocation
5982 given by Guarantor or Contractor prior to such avoidance or recovery, or (b) payment in full of any
5983 obligations then outstanding.

5984 The Guarantor expressly subordinates and waives its rights to subrogation, reimbursement,
5985 contribution or indemnity with respect to performance by Guarantor of the obligations of Contractor
5986 guaranteed hereby, until each RA Member receives payment or performance in full of all such
5987 obligations.

5988 4. **Term.** This Guaranty is not limited to any period but shall continue in full force and
5989 effect until all the terms and conditions of the Agreement have been fully performed by Contractor, and
5990 Guarantor shall remain fully responsible under this Guaranty without regard to the acceptance by each
5991 RA Member of any performance bond or other collateral to assure the performance of Contractor's
5992 obligations under the Agreement. Guarantor shall not be released of its obligations hereunder so long
5993 as there is any claim by any RA Member against Contractor arising out of the Agreement based on
5994 Contractor's failure to perform which has not been settled or discharged.

5995 5. **No Waivers by Each RA Member.** No delay on the part of any RA Member in exercising
5996 any rights under this Guaranty or failure to exercise such rights shall operate as a waiver of such rights.
5997 No notice to or demand on Guarantor shall be a waiver of any obligation of Guarantor or right of any RA
5998 Member to take other or further action without notice or demand. No modification or waiver by any RA
5999 Member of any of the provisions of this Guaranty shall be effective unless it is in writing and signed by
6000 such RA Member and by Guarantor, nor shall any waiver by any RA Member be effective except in the
6001 specific instance or matter for which it is given.

6002 6. **Payment of Costs of Enforcing Guaranty.** In addition to the amounts guaranteed
6003 under this Guaranty, Guarantor agrees to pay actual attorney's fees and all other costs and expenses,
6004 including staff costs, incurred by each RA Member in enforcing this Guaranty, or in any action or
6005 proceeding arising out of or relating to this Guaranty, including any action instituted to determine the
6006 respective rights and obligations of the parties hereunder.

6007 7. **Enforcement.** The terms of this Guaranty may be enforced as to any one or more
6008 breaches either separately or cumulatively.

6009 8. **Remedies Cumulative.** No remedy herein conferred upon or reserved to each RA
6010 Member under this Agreement is intended to be exclusive of any other available remedy or remedies,
6011 but each remedy is cumulative and is in addition to every other remedy given under the Guaranty and
6012 the Agreement or hereinafter existing at law or in equity or by statute.

6013 9. **Governing Law; Jurisdiction.** This Guaranty is and shall be deemed to be a contract
6014 entered in and pursuant to the laws of the State of California and shall be governed and construed in
6015 accordance with the laws of California without regard to its conflicts of laws rules for all purposes,
6016 including, but not limited to, matters of construction, validity and performance. Guarantor agrees that
6017 any action brought by any RA Member to enforce this Guaranty may be brought in any court of the State
6018 of California and Guarantor consents to personal jurisdiction over it by such courts. Guarantor appoints
6019 the following person as its agent for service of process in California:

6020 10. _____

6021 11. _____

6022 12. **Severability.** If any portion of this Guaranty is held to be invalid or unenforceable, such
6023 invalidity shall have no effect upon the remaining portions of this Guaranty, which shall be severable
6024 and continue in full force and effect.

6025 13. **Amendments.** No amendment, change, modification or termination of this Guaranty is
6026 made except upon the written consent of Guarantor and each RA Member.

6027 14. **Binding on Successors.** This Guaranty shall inure to the benefit of each RA Member
6028 and its successors and shall be binding upon Guarantor and its successors, including a successor entity
6029 formed by a merger or consolidation, a transferee of substantially all its assets, and its shareholders in
6030 the event of its dissolution or insolvency. The Guarantor may not assign or delegate the performance of
6031 this Guaranty without the prior written consent of each RA Member in its sole discretion. Any
6032 assignment made without the consent of each RA Member is voidable by each RA Member in its sole
6033 discretion. Together with its request for each RA Member’s consent, Guarantor shall pay each RA
6034 Member \$10,000 to compensate each RA Member for its reasonable expenses for attorneys' fees,
6035 including fees charged by a private attorney who is not a staff member of the RA Member, and
6036 investigation costs (“**assignment expenses**”) necessary to investigate the suitability of any proposed
6037 assignee, and to review and finalize any documentation required as a condition for approving any
6038 assignment. Each RA Member shall reimburse Guarantor for any portion of the assignment expenses it
6039 does not use for the assignment. If any RA Member incurs assignment expenses greater than \$10,000,
6040 then Guarantor shall reimburse such RA Member for the additional expenses within 30 days of such RA
6041 Member’s request therefore. Guarantor shall further pay to each RA Member each RA Member’s
6042 reimbursement for any attorneys’ fees or costs, including investigation costs and fees charged by a
6043 private attorney who is not a staff member of the RA Member, necessary to enjoin the assignment or to
6044 otherwise enforce this provision within 30 days of each RA Member’s request therefore (“**injunction**
6045 **costs**”). Guarantor’s obligation to pay each RA Member assignment expenses and injunction costs will
6046 not exceed \$60,000 in the aggregate, excluding any costs that each RA Member may recover under
6047 Applicable Law, but including court costs paid to a prevailing party.

6048 15. **No merger, No Conveyance of Assets.** Guarantor agrees that it will not consolidate
6049 with or merge into any other corporation where the shareholders of the Guarantor yield control of the
6050 Guarantor, or a majority interest in the Guarantor, to the newly formed corporation, or convey, transfer
6051 or lease all or substantially all its properties and assets to any person, firm, joint venture, corporation
6052 and other entity, unless each RA Member consents thereto in accordance with Section (12) above.

6053 16. **Authority.** Guarantor represents and warrants that on the date of signing this
6054 Guaranty:

6055 17. (a) The Guarantor has the power, authority and legal right to enter into this Guaranty
6056 and to perform its obligations and undertakings under this Guaranty, and the execution, delivery and
6057 performance of this Guaranty by the Guarantor (i) have been duly authorized by all necessary corporate
6058 and shareholder action on the part of the Guarantor, (ii) have the requisite approval of all federal, state
6059 and local governing bodies having jurisdiction or authority with respect thereto,(iii) do not violate any
6060 judgment, order, law or regulation applicable to the Guarantor; (iv) do not conflict with or constitute a
6061 default under any agreement or instrument to which the Guarantor is a party or by which the Guarantor
6062 or its assets may be bound or affected; and (v) do not violate any provision of the Guarantor’s articles or
6063 certificate of incorporation or by-laws.

6064 18. (b) This Guaranty has been duly signed and delivered by the Guarantor and constitutes
6065 the legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor in
6066 accordance with its terms; and

6067 19. (c) There is no pending or, to the knowledge of the Guarantor, threatened actions
6068 or proceedings before any court or administrative agency that would have a material adverse effect on
6069 the financial condition of the Guarantor, or the ability of the Guarantor to perform its obligations or
6070 undertakings under this Guaranty.

6071 20. **Counterparts.** This Guaranty may be signed in any number of counterparts, some of
6072 which may not bear the signatures of all parties to this Agreement. When signed and delivered, each
6073 counterpart is deemed to be an original and all of counterparts, taken together, will constitute one and
6074 the same instrument; provided, however, that in pleading or proving this Guaranty, it will not be
6075 necessary to produce more than one copy (or sets of copies) bearing the signature of the Guarantor.

6076 21. **Headings.** The Section headings appearing herein are for convenience only and will not
6077 govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions of this
6078 Guaranty.

6079 22. **Notices.** Notice shall be given in writing, deposited in the U.S. mail, registered or
6080 certified, first class postage prepaid, addressed as follows:

6081 To each RA Member:

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6085 With a copy to each RA Member's Attorney at the same address.

6086 To Guarantor:

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6088 The parties may change the address to which notice is to be sent by giving the other party notice
6089 of the change as provided in this Section.

6090 23. **Events of Default.** Each of the following will constitute a Default under this Agreement:

6091 (a) **Failure to Fulfill Payment of Guaranty.** Guarantor fails to fulfill full and timely payment of
6092 any guaranty under this Guaranty, including Section (1), and its failure continues for 5 days after written
6093 notice has been given to the Guarantor by an RA Member;

6094 (b) **Breach of Guaranty.** The Guarantor fails to observe and perform any covenant, condition or
6095 agreement of this Guaranty or engages in any acts prohibited under this Agreement, other than any
6096 failures or prohibitions listed explicitly in this Section, and its failure continues for more than 30 days
6097 after Notice has been given to the Guarantor by an RA Member;

6098 (c) **Failure to Give Notice of Proposed Assignment, etc.** The Guarantor fails to give each RA
6099 Member notice in accordance with Section (12) or (13) within 10 days of the first to occur of

6100 (i) Contractor or any affiliate issuing a press release as to any proposed assignment (within the
6101 meaning of Section (12)), or consolidation, merger, conveyance, transfer or lease described in Section
6102 (13) or

6103 (ii) the filing with the Securities and Exchange Commission of a Form 8-K or other filing with
6104 respect to a memorandum of intent or an agreement and plan therefore (paragraphs (i) and (ii) together
6105 defined as, "Change Notice")

6106 (d) **Consolidation, Merger, Conveyance of Assets.** This Guaranty is assigned in violation of
6107 Section (12) or the Guarantor consolidates, merges or conveys, transfers or leases assets in violation of
6108 Section (13) despite any RA Member Council or RA Member Board action after Change Notice in
6109 preceding paragraph (c) withholding or denying such RA Member's consent, and on or before 15 days
6110 thereafter, Guarantor does not provide each RA Member with a substitute Guarantor satisfactory to
6111 each RA Member in each RA Member's sole discretion;

6112 (e) **Bankruptcy, Insolvency, Liquidation.** Guarantor files a voluntary claim for debt relief under
6113 any applicable bankruptcy, insolvency, debtor relief, or other similar law now or hereafter in effect, or
6114 will consent to the appointment of or taking of possession by a receiver, liquidator, assignee, trustee,
6115 custodian, administrator (or similar official) of Guarantor for any substantial part of Guarantor's
6116 operating assets or any substantial part of Guarantor's property, or will make any general assignment
6117 for the benefit of Guarantor's creditors, or will fail generally to pay Guarantor's debts as they become
6118 due or will take any action in furtherance of any of the foregoing.

6119 A court having jurisdiction enters a decree or order for relief in respect of the Agreement, in any
6120 involuntary case brought under any bankruptcy, insolvency, debtor relief, or similar law now or
6121 hereafter in effect, or Guarantor consents to or fails to oppose any proceeding, or any said court having
6122 jurisdiction enters a decree or order appointing a receiver, liquidator, assignee, custodian, trustee,
6123 sequestrator (or similar official) of the Guarantor or for any substantial part of the Guarantor's
6124 operating equipment or assets, or orders the winding up or liquidation of the affairs of the Guarantor.

6125 (f) **Breach of Representations or Warranties.** Any representation or warranty of Guarantor is
6126 untrue on the date thereof, or Guarantor knowingly makes, causes to be made or condones the making
6127 of any false entry in its books, accounts, records and reports under this Agreement.

6128 Upon any Default, any RA Member may proceed first and directly against the Guarantor under
6129 this Guaranty without proceeding against or exhausting any other remedies that it may have. The
6130 Guarantor acknowledges that any Default comprises a Default under the Agreement.

6131 24. **Entire Agreement.** This Guaranty constitutes the entire agreement between the parties
6132 to this Agreement with respect to the transactions contemplated by this Guaranty. Nothing in this
6133 Guaranty is intended to confer on any person other than the Guarantor, each RA Member and their
6134 permitted successors and assign under this Agreement any rights or remedies under or because of this
6135 Guaranty.

6136 IN WITNESS WHEREOF, Guarantor has executed this Guaranty on the day and year first above
6137 written.

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6139 By: _____

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6141 By: _____

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**ATTACHMENT K
CONTRACTOR'S ENVIRONMENTALLY PREFERABLE PURCHASING POLICY**

Environmentally Preferable Purchasing Policy

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Consistent with the company’s corporate sustainability platform, Recology Inc. has adopted environmentally preferable purchasing behaviors, including the implementation of a corporate-wide green procurement policy for office, breakroom and promotional products.

The program is managed interdepartmentally to ensure procurement activities consider both environmental and fiscal impacts. Recology’s selected vendor provides a “Greener Office” brochure and committed customer support green team to provide guidance and reporting services related to green product procurement and utilization.

Quantifiable results of Recology’s Environmentally Preferable Purchasing Policy will be reported in Recology’s Annual Report to the RA Members and in external sustainability reporting contexts.

Examples of product criteria are provided below:

- Copy Paper: 100% post-consumer content (PCC) recycled content products, including letter, ledger and legal-sized varieties.
- Misc. Paper: Minimum 50% post-consumer (PCC) recycled content products, with goal to achieve 100% recycled content within one (1) year of implementation (filing folders, mailing envelopes, paper tablets, notebooks, etc.).
- Paper Towels and Bath Tissue: Minimum 50% recycled content products, with goal to achieve 100% recycled content within one (1) year of implementation.
- Janitorial: Purchase green-certified, natural cleaners and detergents whenever applicable.
- Toner and Electronic Recycling: Company-wide participation in vendor recycling programs for printer and toner cartridges, household batteries, and electronics.
- Program Development: Continue to pursue procurement of additional environmentally preferable, alternative products as fiscal and sustainability program contexts allow.

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ATTACHMENT L
COUNTY CODE TITLE 15, CHAPTER 15.01, ARTICLE 3, SECTION 15.01.040 SOLID WASTE COLLECTION
(SEE SEPARATELY ATTACHED FILE)

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ATTACHMENT M
CORPORATE SECRETARY'S CERTIFICATE

SECRETARY'S CERTIFICATE

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The undersigned hereby certifies that he is the Corporate Secretary of Recology South Valley, a California corporation (the "Corporation"), that he is authorized to execute and deliver this Secretary's Certificate in the name of and on behalf of the Corporation, that the following resolutions have been duly adopted by the unanimous written consent of the duly elected Board of Directors of the Corporation, and that such resolutions have not been amended, modified or rescinded and are in full force and effect as of the date hereof:

"RESOLVED, that the execution, delivery and performance by the Corporation of the Franchise Agreement between Hollister, San Juan Bautista and the County of San Benito, Respectively, and Recology South Valley d/b/a Recology San Benito County for Recyclables, Organics and Solid Waste Collection Services, dated as of November 1, 2018 (the "Franchise Agreement"), be, and it hereby is, ratified, confirmed and approved;

"RESOLVED, that Michael J. Sangiacomo or any other officer of the Corporation be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation, to execute and deliver the Franchise Agreement in substantially the form presented to the Board, with such changes thereto as the officer executing the same may approve, the execution thereof by such officer to be conclusive evidence of such approval."

Executed this ____ day of ____, 2018.

Cary Chen
Corporate Secretary