



Memorandum

TO: Leland Wilcox,
Chief of Staff
Office of the City Manager

FROM: Kerrie Romanow
Director of Environmental Services

SUBJECT: Approval of Retroactivity

DATE: May 11, 2020

Approved

Date

5/22/2020

SUBJECT: APPROVAL OF RETROACTIVITY IN THE AGREEMENT FOR COMMERCIAL SOLID WASTE AND RECYCLABLE MATERIALS COLLECTION FRANCHISES AGREEMENT BETWEEN THE CITY OF SAN JOSE AND ALLIED WASTE SERVICES OF NORTH AMERICA, LLC, DBA ALLIED WASTE SERVICES OF SANTA CLARA COUNTY.

In June 2013, the City Auditor released an audit report entitled "Consulting Agreements: Better Enforcement of Procurement Rules, Monitoring, and Transparency is Needed." (City Audit Report No. 13-06.) Recommendation No. 4 (Audit Report pages 16-17) involves limiting retroactive agreements to situations where contract execution is in process. The audit report states that when a City employee informally authorizes work before execution of the agreement, the employee commits City funds not within his/her authority to commit.

The Environmental Service Department is seeking authorization for the retroactive provision in the following agreement.

Allied Waste "Republic Services" has an exclusive franchise agreement with the City of San José to collect and process garbage, recyclables, and organics from all businesses. Recyclable materials are captured for reuse, diverting them from landfill. Organic material is taken to a Zero-Waste Energy Development (ZWED) where it is processed and put through an anaerobic digestion process, ultimately producing electricity and compost.

On February 25, 2020, the City Council authorized the City Manager to negotiated and execute amended and restated agreements, as part of a larger settlement agreement, with Republic and ZWED. Once these agreements are signed, they will be included as attachments and incorporated by reference into a settlement agreement to be signed by the City Attorney.

The Environmental Services Department understand that retroactive agreements are to be avoided. However, due to ongoing negotiations with each party and the COVID-19 Shelter in

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Place, it was not possible to execute this document prior to or on the effective date. The Environmental Services Department requests an exception be made and the agreement detailed in this memorandum be allowed to proceed. Both Republic and ZWED have begun operating in conformance with the amended and restated agreements.

s/
KERRIE ROMANOW
Director of Environmental Services

For questions please contact Valerie Osmond, Deputy Director, Integrated Waste Management, at 408-535-8557 or Valerie.Osmond@sanjoseca.gov.



AMENDED AND RESTATED COMMERCIAL SOLID WASTE AND RECYCLABLE MATERIALS COLLECTION FRANCHISES AGREEMENT BETWEEN THE CITY OF SAN JOSE AND ALLIED WASTE SERVICES OF NORTH AMERICA, LLC, DBA ALLIED WASTE SERVICES OF SANTA CLARA COUNTY

THIS AMENDED AND RESTATED AGREEMENT is made and entered into by and between the City of San José, a municipal corporation of the State of California, (the "CITY") and Allied Waste Services of North America, LLC, dba Allied Waste Services of Santa Clara County (the "FRANCHISEE").

WHEREAS, pursuant to Part 11 of Chapter 9.10 of the San José Municipal Code, FRANCHISEE applied to CITY for Commercial Solid Waste and Recyclable Materials Collection Franchises; and

WHEREAS, on April 16, 2010, CITY issued a Request for Proposals ("RFP") to select franchisees to provide Commercial Solid Waste and Recyclable Material Collection Service for Commercial Premises in San José; and

WHEREAS, on September 22, 2010, FRANCHISEE submitted a response to the RFP and the various addenda to the RFP; and

WHEREAS, after consideration of FRANCHISEE's response and the responses of other proposers for the same franchises, CITY's staff and the evaluation panel have recommended FRANCHISEE be granted the franchises to perform the services permitted and more fully described by this Agreement; and

WHEREAS, on June 21, 2011, the City Council held a public hearing for the purpose of hearing persons in favor of or in opposition to the granting of such franchises determined that the grant of such franchises to FRANCHISEE is in the public interest; and

WHEREAS, on September 16, 2011, CITY and FRANCHISEE entered into a Commercial Solid Waste and Recyclable Materials Collection Franchises Agreement in order that FRANCHISEE may perform Commercial Solid Waste and Recyclable Material collection, transportation and disposal services in the City of San José ("2011 Franchises Agreement"); and

WHEREAS, the CITY and FRANCHISEE have amended the 2011 Franchises Agreement four times; and

WHEREAS, the First Amendment was entered into on December 18, 2012 to require FRANCHISEE to deliver Organic Stream 4, in addition to the delivery of Organic Streams 1, 2, and 3, to the Organics Processing Contractor; and

WHEREAS, the Second Amendment was entered into on March 5, 2013 to modify the revenue requirement assumptions in the RFP and to true up compensation to FRANCHISEE; and

WHEREAS, the Third Amendment was entered into on December 18, 2015 to clarify the rate setting process for Rate Year Five through the remaining Term; and

WHEREAS, the Fourth Amendment and Cooperative Agreement was entered into on August 22, 2017 to implement the "Recyclery Workers Wage Requirements" to resolve a dispute over the applicability of the CITY's Living Wage Policy; and

WHEREAS, CITY and FRANCHISEE desire to amend and restate the 2011 Franchises Agreement to resolve an ongoing dispute between the CITY, FRANCHISEE, and the Organics Processing Contractor regarding performance of the September 2011 Agreement, among other things, to incorporate the changes made by prior amendments, continue services through June 30, 2032 and make other changes to the processing and compensation for the collection and processing of materials; and

WHEREAS, the Negative Declaration prepared for this project under File No. PP10-157 was adopted on June 21, 2011 in accordance with the requirements of the California Environmental Quality Act has been completed; and

WHEREAS, this AMENDED AND RESTATED COMMERCIAL SOLID WASTE AND RECYCLABLE MATERIALS COLLECTION FRANCHISES AGREEMENT BETWEEN THE CITY OF SAN JOSE AND ALLIED WASTE SERVICES OF NORTH AMERICA, LLC, DBA ALLIED WASTE SERVICES OF SANTA CLARA COUNTY is hereafter referred to as this "Agreement" or "Franchises Agreement;"

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS, AGREEMENTS AND CONSIDERATIONS CONTAINED HEREIN, CITY AND FRANCHISEE HEREBY AGREE AS FOLLOWS:

ARTICLE 1 DEFINITIONS

For the purpose of this Agreement, the definitions contained in this Article shall apply unless otherwise specifically stated. If a word or phrase is not defined in this Article, the definition of such word or phrase as contained in Chapter 9.10 of the San José Municipal Code, shall control. When not inconsistent with the context, words used in the present tense include the future, words in the plural include the singular, and words in the singular include the plural. Use of the masculine gender shall include the feminine gender.

1.1 Affiliate.

Parent company, subsidiary, partner, or joint venture of the FRANCHISEE.

1.2 Billing.

Statement of charges for Commercial Solid Waste and Recyclable Material Collection Service.

1.3 Bin.

A detachable metal or heavy plastic collection Container with hinged lid.

1.4 Cart.

A heavy plastic receptacle with a hinged tight-fitting lid and wheels.

1.5 City Representative.

The Director of Environmental Services, and his or her designee.

1.6 Commercial Premises.

All premises except residential premises, multi-family dwellings, Mixed-Use Developments collected by the multi-family solid waste hauler consistent with the San José Municipal Code, and CITY facilities. Commercial Premises include but are not limited to commercial, industrial, manufacturing, institutional, and warehouse premises.

1.7 Commercial Solid Waste and Recyclable Material Collection Service ("Commercial Service").

The collection, Processing, transfer, and Disposal of Solid Waste, Mixed Waste, Source Separated Recyclables and Recyclable Material from Commercial Premises; and the collection and transfer of Wet Material and a portion of Dry Material to the Organics Processing Contractor.

1.8 Compactor.

Container that mechanically compresses material.

1.9 Compost.

Material which results from Composting which complies with the Seal of Testing Assurance Program ("STA") or other programs with comparable requirements.

1.10 Composting.

Any controlled aerobic decomposition process for a period of not less than eight (8) weeks, such that the resulting material meets the maximum acceptable metal

concentration limits specified in Section 17868.2, and pathogen reduction requirements specified in Section 17868.3 of Title 14, California Code of Regulations, Chapter 3.1.

1.11 Construction and Demolition Debris (“C&D”).

Recyclable and non-recyclable waste building materials, packaging, and rubble resulting solely from construction, remodeling, clean-ups, and demolition operations on pavements, houses, commercial buildings, and other structures.

1.12 Container.

Cart, Bin, Compactor or Roll-Off Container.

1.13 Contaminated Recyclables.

Recyclable Materials combined with non-Recyclable Materials.

1.14 Customer.

Person receiving Commercial Service or Billing for Commercial Service.

1.15 Delivery.

The point at which FRANCHISEE leaves the Solid Waste, Organic Material, Dry Material or Recyclable Material at the Transfer, Processing or Disposal Facility.

1.16 Director.

The Director of the Environmental Services Department of the City of San José.

1.17 Disposal.

The final disposition of Residue at the Disposal Facility.

1.18 Disposal Facility.

The Newby Island Landfill located at 1601 Dixon Landing Road, San José, CA or other permitted facility selected by the FRANCHISEE and approved by the City Representative.

1.19 Dry Material.

Rubbish, commingled Recyclable Material, and other dry discards collected by the FRANCHISEE from the Container designated for placement of Dry Material.

1.20 Exempt Waste.

Sludge, stable matter, used oil or used oil filters, automobiles, automobile parts except those which fall within the definition of Recyclable Material, boats, boat parts, boat trailers, internal combustion engines, waste under the control of the Nuclear Regulatory Commission, biohazardous or biomedical waste that may cause disease or reasonably be suspected of harboring pathogenic organisms including human and animal parts, contaminated bandages, pathological specimens, hypodermic needles, sharps, contaminated clothing and surgical gloves from the operation of medical clinics, hospitals, and other facilities that process this waste; Hazardous Waste as identified in California Code of Regulations, Title 22, Division 4.5, Chapter 23, as may be amended; and electronic waste (“E-Waste”) such as discarded electronics equipment containing

cathode ray tubes (“CRTs”) computers monitors, televisions, stereo equipment, peripherals, and other electronic equipment.

1.21 Food Discard.

Material that will decompose or putrefy including pre and post-consumer kitchen and table food scraps; animal or vegetable waste that is generated during or results from the storage, preparation, cooking or handling of food stuffs; fruit waste; grain waste; dairy waste; meat and fish waste; paper or waxed cardboard contaminated with various foodwaste.

1.22 Hazardous Waste.

Any material which is defined as a hazardous waste or universal waste under State or federal law or regulations including, but not limited to CRTs, batteries (except automotive lead-acid), items containing mercury (such as switches, thermometers, and thermostats), and fluorescent lamps.

1.23 Illegally Dumped Material.

All waste, except Hazardous Waste other than Exempt Waste that has been abandoned within the Service District.

1.24 Landscaper Greenwaste.

Material composed of Plant Trimmings that is 95% Plant Trimmings with no glass and is placed in a Container by a landscape contractor or service provider.

1.25 Market Specifications.

Market standards established through input from commodity brokers, peer facilities, ISRI Scrap Specifications, Circular 2009 or the most current version of this document, or other similar standards designated by the City Representative.

1.26 Mixed-Use Development.

Any development that contains multiple uses as defined in Section 9 of the San José Municipal Code.

1.27 Mixed Waste.

Materials placed in Containers for collection that combines Recyclable Materials and non-Recyclable Materials.

1.28 Organic Material.

Food Discard, Landscaper Greenwaste, and Plant Trimmings. Plastic products labeled as compostable or biodegradable shall not be considered Organic Material unless mutually approved by FRANCHISEE, Organics Processing Contractor and CITY.

1.29 Organics Processing Contractor.

Zero Waste Energy Development, or alternate contractor designated by the CITY in the event that Zero Waste Energy Development is unable to Process material collected by the FRANCHISEE.

1.30 Organics Processing Facility.

Any legally permitted facility specified by CITY to Process Organic Material.

1.31 Person.

Any real person, firm, company, association, organization, partnership, corporation, trust, public agency, school district, the State of California, its political subdivisions and/or instrumentalities thereof.

1.32 Plant Trimmings.

Any vegetative matter resulting from normal yard and landscaping maintenance that is not more than five (5) feet in its longest dimension, six (6) inches in diameter and no more than sixty (60) pounds. Plant Trimmings includes sod, plant debris such as palm, yucca and cactus, grass clippings, leaves, prunings, weeds, branches, brush, Christmas trees, and other forms of horticultural waste generated at the Commercial Premises from which the Plant Trimmings are collected. Plant Trimmings do not include items defined as Exempt Waste.

1.33 Process.

When used in reference to the FRANCHISEE'S or Organics Processing Contractor's processing services under this Agreement, "Process" and "Processing" means, the act of handling and separating material collected by type.

1.34 Recyclable Material / Recyclables.

Glass, paper, cardboard, wood, concrete, plastic, used motor oil and filters, ferrous and non-ferrous metal, aluminum and any other materials that are capable of being Recycled. The terms Recycle, Recycled and Recycling each mean and refer to the process of collecting, sorting, re-using and/or selling recyclable materials. Recyclable Material and Recyclables also includes any materials defined in Chapter 9.10 of the Municipal Code or CITY regulation.

1.35 Recyclable Material Processing Facility.

Newby Island Recyclery located at 1601 Dixon Landing Road, San José, CA or another permitted facility selected by the FRANCHISEE and approved by the City Representative to receive, sort, Process, pre-Process, bale, store, and otherwise recover material for reuse, or prepare commingled and Source-Separated Recyclable Material for sale to other processors or manufacturers.

1.36 Recycle.

The process of collecting and sorting material that would otherwise be disposed in a landfill and returning them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace. Recycling shall also include any Processing, energy conversion, beneficial reuse, or other activity deemed to be Recycling under the statutes or regulations enforced by the Department of Resources Recycling and Recovery ("CalRecycle") with the exception that Recycle shall not include use as landfill alternative daily cover.

1.37 Residue.

When used in reference to the FRANCHISEE'S or Organics Processing Contractor's processing services, "Residue" mean material remaining after Processing that does not meet Market Specifications and cannot be Recycled.

1.38 Roll-Off Container.

A metal Container that must be loaded on a collection vehicle.

1.39 Rubbish.

All waste wood, wood products, tree trimmings, grass cuttings, dead plants, weeds, leaves, dead trees or branches thereof, chips, shavings, sawdust, printed matter, paper, pasteboard, rags, straw, used and discarded mattresses, used and discarded clothing, used and discarded shoes and boots, combustible waste pulp and other products such as are used for packaging or wrapping crockery and glass, ashes, cinders, floor sweepings, glass, mineral or metallic substances, earth, rock, used, demolished or discarded building material, and other waste material not included in the definitions of Food Discard or Recyclable Material. Rubbish must be generated at the Commercial Premises from which the Rubbish is Collected. Rubbish does not include Exempt Waste.

1.40 Service District.

Those areas designated as North Service District and South Service District on the map entitled Service District Map in Exhibit I.

1.41 Sold.

A market-based transaction involving a change in ownership of the material Collected and/or Processed by FRANCHISEE that is documented through a bill of sale, sales agreement, cancelled checks, invoice, or other appropriate written documentation.

1.42 Solid Waste.

Solid Waste mean all putrescible and non-putrescible solid, semi-solid, and liquid wastes, including garbage, trash, refuse, paper, Rubbish, ashes, commercial and industrial wastes, green waste, Construction and Demolition Debris, Landscaper Greenwaste, abandoned vehicles and parts thereof, discarded home and industrial appliances, vegetable or animal solid and semi-solid wastes, and other discarded solid and semi-solid wastes. Solid Waste does not include Exempt Waste.

1.43 Source Separated.

Source Separated means materials generated by Commercial Service Customers at Commercial Premises and separated by Commercial Service Customers and placed in a Container designated exclusively for Recyclable Material or Construction and Demolition Debris and set out for collection by the FRANCHISEE. Source Separated shall not include commingled Recyclable Material.

1.44 Transfer Facility.

A facility with the primary purpose of loading or unloading material for the purpose of transfer.

1.45 Wet Material.

Putrescibles and mixed Organic Material collected by the FRANCHISEE from the Container designated for placement of Wet Material.

1.46 Work Day.

For Commercial Service, any day of the week except Sunday and a holiday designated by this Agreement.

ARTICLE 2 TERM OF AGREEMENT

2.1 Term.

Subject to Article 7 of this Agreement, the term of the Commercial Solid Waste and Recyclable Materials Collection Franchise for the North Service District (Ordinance No. 28937, as amended by Ordinance No. 30367) and the Commercial Solid Waste and Recyclable Materials Collection Franchise for the South Service District (Ordinance No. 28936, as amended by Ordinance No. 30366) granted to FRANCHISEE shall be from May 1, 2020 (“Effective Date”) through June 30, 2032.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF FRANCHISEE

3.1 Organizational Status.

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

3.2 Authorization.

FRANCHISEE has the authority to enter into and perform its obligations under this Agreement. The limited liability company has taken all actions required by law to authorize the execution of this Agreement. The real person(s) signing this Agreement on behalf of FRANCHISEE has/have authority to do so.

3.3 No Conflict with Applicable Law or Other Documents.

FRANCHISEE's performance of its obligations under this Agreement does not conflict with, violate, or result in breach of any existing applicable law or 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 FRANCHISEE is a party or by which FRANCHISEE or any of its properties or assets are bound.

3.4 No Litigation.

There is no action, suit, proceeding or investigation at law or in equity, before or by any court or governmental entity, pending or threatened against FRANCHISEE or its partners, or otherwise affecting FRANCHISEE or its partners, wherein an unfavorable decision, ruling, or finding, in any single case or in the aggregate, would materially adversely affect FRANCHISEE's performance hereunder, or which, in any way, would adversely affect the validity or enforceability of this Agreement, or which would have a material adverse effect on the financial condition of FRANCHISEE or its partners.

3.5 Expertise.

FRANCHISEE has the expertise and professional and technical capability to perform all of its obligations under this Agreement and is ready, willing and able to so perform.

3.6 Financial Condition.

FRANCHISEE has made available to CITY information on its financial condition. FRANCHISEE recognizes that CITY has relied on this information in evaluating the sufficiency of FRANCHISEE's financial resources to perform this Agreement to guarantee such performance. To the best of FRANCHISEE's knowledge, this information is complete and accurate, does not contain any material misstatement of fact and does not omit any fact necessary to prevent the information provided from being materially misleading.

ARTICLE 4 SERVICES PROVIDED BY FRANCHISEE

4.1 Grant of Franchises.

By ordinance, CITY has granted FRANCHISEE a Commercial Solid Waste and Recyclable Materials Collection Franchise for the North District (No. 28937, as amended by Ordinance 30367), and, by ordinance, a Commercial Solid Waste and Recyclable Materials Collection Franchise for the South District (No. 28936, as amended by Ordinance 30366), as set forth in Exhibit I, authorizing FRANCHISEE to engage in the business of collection, processing, transfer, and Disposal of all material placed in a Container including Solid Waste, Mixed Waste, Landscaper Greenwaste, Contaminated Recyclables, Dry Material, Wet Material, Source Separated Recyclable Material, Recyclable Material, and commingled Recyclable Material from Commercial Premises; and the collection and transfer of this material to the Organics Processing Contractor.

FRANCHISEE acknowledges that said Franchises are subject to the terms and conditions specified in Article XIII of the City Charter, the terms and conditions specified in the Ordinances granting the Franchises, as each may be amended, the provisions of Chapter 9.10 of the San José Municipal Code, and the terms and conditions of this Agreement.

CITY warrants that it had full authority to grant FRANCHISEE the scope of Franchise described in this Agreement.

4.2 Limitations to Franchises.

Nothing in this Agreement shall be construed to limit any of the following:

4.2.1 Redirection of Processing Residue.

CITY reserves the discretion to request that the FRANCHISEE participate in pilot programs that may redirect up to ten percent (10%) of the Residue from Processing the Recyclable Material Collected from Commercial Premises to an alternative facility. CITY shall provide written notice to FRANCHISEE no less than sixty (60) calendar days prior to implementation of the CITY request.

4.2.2 Exceptions to Franchises.

In addition to the limitations to the Franchises referenced in the Agreement, the collection, Processing, and Disposal of the following material is not exclusive to the Franchises:

- a. Material collected from residential properties in temporary residential clean-outs with Roll-Off Containers or front-load Containers rented for a period of one (1) week or less.
- b. Source Separated Recyclable Material sold or donated by the generator where the generator does not incur any cost for collection, transportation, Processing or any other service.
- c. Material that is generated at a Commercial Premises that is transported by the generator, in a vehicle owned by the company and operated by an employee of the company, for which there is no compensation to the hauler (i.e. self-hauled waste).

- d. Organic Material Composted on the real property where it is generated.
- e. Biosolids created from a process used by the Water Pollution Control Plant whereby primary, secondary and nitrification biosolids is anaerobically digested, thickened in lagoons, and solar dried to at least 50% solids.
- f. Exempt Waste.
- g. Liquids and/or semisolid material commonly generated from commercial kitchens collected with a grease receptor (tallow, fats, oils, and grease).
- h. Secure document shredding
- i. Rock, concrete, asphalt and dirt.
- j. Construction and Demolition Debris resulting solely from construction, remodeling, and demolition authorized by a CITY permit, transported by Persons or entities possessing a valid permit, franchise, or license from the CITY to haul C&D, and collected pursuant to a temporary service agreement of no longer than one (1) year.

4.3 Service Standards.

FRANCHISEE shall perform all services permitted by this Agreement in a thorough and professional manner.

4.4 Labor and Equipment.

FRANCHISEE shall provide and maintain all labor, equipment, tools, facilities, and personnel supervision required for the performance of this Agreement. The enumeration of, and specification of requirements for, particular items of labor or equipment shall not relieve FRANCHISEE of the duty to furnish all others that may be required, whether enumerated or not. Commercial Service equipment used by FRANCHISEE shall be of the appropriate quality to perform the services. FRANCHISEE shall at all times have sufficient backup vehicles, Containers, other equipment, and labor as required by Article 6, and as is sufficient to fulfill FRANCHISEE's obligations.

4.5 Holiday Service.

The following days of the calendar year are legal holidays ("Holidays"): Thanksgiving Day, December 25th, and January 1st. FRANCHISEE is not required to provide Commercial Solid Waste and Recyclable Material Collection Service nor to maintain office hours on these days.

ARTICLE 5 COMMERCIAL SERVICE

FRANCHISEE shall provide Commercial Service in the North Service District and the South Service District in accordance with the terms and conditions of this Agreement.

5.1 Commercial Service Systems.

5.1.1 One Bin Plus Container System.

FRANCHISEE shall provide a One Bin Plus Container System for Commingled Recyclable Material and Solid Waste. This system will also allow for provision of separate Containers for Customers generating Organic Material in amounts that could fill a separate Container.

5.1.2 Two-Container System.

FRANCHISEE shall offer a Two-Container System for Collecting Dry Material and Wet Material to those Customers that cannot be serviced through the One Bin Plus Container System.

5.1.3 Three-Container System.

FRANCHISEE shall offer a Three-Container System for Collecting Commingled Recyclable Material, Organic Material, and Solid Waste to those Customers that cannot be serviced through the One Bin Plus Container System.

5.1.4 Option for Two-Container System or Three-Container System.

CITY shall have the option to require FRANCHISEE to provide either a mandatory Two-Container System or Three-Container System to all Commercial Customers. CITY shall provide FRANCHISEE notice of at least one (1) year before it exercises this option. Upon the CITY providing notice to FRANCHISEE, FRANCHISEE shall negotiate in good faith with the CITY to make any amendments to this Agreement, and corresponding adjustment to Maximum Service Rates in order to implement either a Two-Container System or Three-Container System.

5.2 General Collection Standards.

5.2.1 Frequency of Collection.

a. Carts and Bins.

For Solid Waste and Wet Material, FRANCHISEE shall provide regular service for a minimum of once per week and a maximum of six (6) days per week. For Dry Material, FRANCHISEE shall offer collection up to a maximum of six (6) days per week. With the exception of weeks containing Holidays, regularly scheduled service shall occur on the same day(s) of each week.

b. Roll-Off Containers and Compactors.

For Solid Waste and Wet Material, FRANCHISEE shall provide regular service and on-call service for a minimum of once per week up to a maximum of six (6) days per week. For Recyclable Material and Dry Material, FRANCHISEE shall offer the Customer regular service and on-call service once per week up to a maximum of six (6) days per week. With the exception of weeks containing Holidays, regularly scheduled service shall occur on the same day(s).

5.3 No Commingling of Material.

With the exception of material referenced in Exhibit C-1 ("Collection Plan"), FRANCHISEE shall not commingle material collected from Commercial Premises pursuant to this Agreement with material collected from any other source prior to weighing the material at the Recyclable Material Processing Facility, Disposal Facility, Organics Processing Facility, or Transfer Facility, without the express written permission of the CITY.

5.4 Collection of Materials.

FRANCHISEE shall provide collection services pursuant to Exhibit C-1 ("Collection Plan").

5.5 Transport and Delivery of Material.

FRANCHISEE shall Deliver all material to the designated facilities.

5.6 Processing of Material.

For the duration of this Agreement, FRANCHISEE shall Deliver materials to the Organics Processing Facility for Processing in accordance with Section 5.7. FRANCHISEE shall further, in accordance with this Section 5.6, Deliver any remaining materials to the Disposal Facility for Disposal or to the Recyclables Material Processing Facility to be Processed. Material delivered to the Recyclable Materials Processing Facility shall be Processed in a manner that achieves the Minimum Diversion Standards as outlined in Section 7.2 of this Agreement.

Unless otherwise agreed to by the CITY and FRANCHISEE, and except as otherwise stated in Exhibit C-9, FRANCHISEE shall process at least 200 tons per day (on a 5-day week average basis), and no more, of Dry Material at the Recyclables Material Processing Facility. CITY and FRANCHISEE acknowledge that the remaining portion of the Dry Material over the 200 tons per day limit that is not processed at the Organics Processing Facility or the Recyclable Materials Processing Facility will be delivered directly to the Disposal Facility. Per Exhibit C-3 ("Processing Enhancement Plan"), FRANCHISEE shall develop and implement a Low Recyclable Content Dry Material Diversion Plan to address the Dry Material that is directly hauled to the Disposal Facility. The intent of the Low Recyclable Content Dry Material Diversion Plan will be to encourage Commercial Service Customers to generate higher levels of Source Separated Recyclable Material, present clean recyclables at the source of collection, and improve overall diversion for low recyclable content Dry Material customers.

FRANCHISEE agrees that CITY may seek alternative options for processing of the Dry Material delivered directly to the Disposal Facility at locations other than the Recyclable Material Processing Facility. FRANCHISEE shall deliver any such Dry Material to the alternate facility and any additional cost impacts associated with delivery and processing shall be agreed upon through good faith negotiation by FRANCHISEE and CITY prior to commencement of delivery to the alternative location.

If at any time during the term of this Agreement, FRANCHISEE has additional capacity to process more than 200 tons per day of Dry Material at the Recyclables Material Processing Facility (as determined in FRANCHISEE's sole discretion), the CITY shall have the first right of refusal to obtain, under terms to be negotiated, such additional capacity before any other parties or, if the additional capacity is offered to any other parties, the first right of refusal to obtain such capacity on the same terms as offered to any additional party. Said right of first refusal and reservation of capacity shall be net of processing obligations to existing customers, per current agreements, of the FRANCHISEE and the Recyclable Materials Processing Facility as of the Execution Date of this Amended and Restated Agreement. The CITY shall have 90 days to negotiate terms acceptable to both CITY and FRANCHISEE or accept same terms as offered to any additional party.

5.7 Maximum Tonnage Requirement to Organics Processing Contractor

Except as otherwise stated in Exhibit C-9, FRANCHISEE shall Deliver to the Organics Processing Facility all Wet Material collected from Commercial Service Customers and any additional Dry Material collected from Commercial Service Customers necessary to meet a maximum tonnage requirement of 105,000 tons per year to the Organics Processing Contractor. The Organics Processing Contractor has represented that it has the permitted capacity to accept and Process the tonnages referenced in this Article of the Agreement.

CITY and FRANCHISEE acknowledge that the Organics Processing Contractor has agreed to accept Wet and Dry Material at the Organics Processing Facility regardless of contamination levels, Recyclable Material content, or Residue content. However, FRANCHISEE agrees that the Organics Processing Contractor may refuse to accept material that exceeds any of the tonnage limits set forth herein.

FRANCHISEE shall not Deliver Source Separated Recyclable Material, Source Separated Construction and Demolition Debris, Exempt Waste, or Hazardous Waste to the Organics Processing Facility. The requirement to Deliver the material to the Organics Processing Facility must also be in compliance with federal and state law.

5.7.1. Partial Year and Partial Month Tonnage Requirement.

For any partial year, the maximum tonnage set forth in Section 5.7 will be prorated at a maximum rate of 8,750 tons per month.

For any partial month, the maximum tonnage will be prorated at a maximum rate of 8,750 tons per month multiplied by the number of calendar days remaining in the month divided by the total number of calendar days in the month.

5.7.2 Daily Maximum Tonnage Limit.

To meet the maximum yearly tonnage requirement in Section 5.7, FRANCHISEE shall Deliver to the Organics Processing Facility up to a maximum of 400 tons per day Monday through Friday and up to 200 tons per day on Saturday, excluding Holiday service. In the event a Holiday (e.g. Thanksgiving Day, Christmas Day, or New Year's Day) falls on a weekday, the daily tonnage limit for the following Saturday will be increased to 450 tons. FRANCHISEE may deliver more than 400 tons per day Monday through Friday with permission from the Organics Processing Contractor.

The Organics Processing Contractor acknowledges in its Agreement that, at least three to four times per year, the total tons of Wet Material collected in a day may exceed the daily tonnage limit in this Section 5.7.2. On these occasions, FRANCHISEE may Deliver more than the daily tonnage limits defined in this Section 5.7.2 with permission from the Organics Processing Contractor. Permission may be granted by the Organics Processing Contractor operations staff through phone or email and such permission may not be unreasonably withheld.

Notwithstanding the foregoing, FRANCHISEE may not Deliver material if it will cause the Organics Processing Contractor to exceed the maximum permitted capacity at the Organics Processing Facility as permitted CalRecycle.

5.7.3 Redirection of Dry Material.

FRANCHISEE agrees that the primary purpose of this Tonnage Requirement is to provide for the Delivery of all Wet Material collected from Commercial Service Customers to the Organics Processing Contractor to Process Organic Material. FRANCHISEE further acknowledges that the tonnage of Wet Material collected may fluctuate throughout the year, in part, due to seasonal trends. Accordingly, City Representative may require Dry Material that would have been Delivered to the Organics Processing Facility to be redirected and Processed by FRANCHISEE in order to provide sufficient capacity for the Organics Processing Contractor to accept Wet Material throughout the calendar year. Provided however, that FRANCHISEE is under no obligation to process additional Dry Material other than as described in Article 5.6.

5.8 E-Waste Processing.

FRANCHISEE shall cause any E-Waste that is collected from Commercial Premises to be processed in compliance with the Basel Action Network Electronics Stewardship standard or another comparable standard approved by the CITY; provided, however, that FRANCHISEE has no obligation to collect such material.

5.9 Contingency Organic Processing.

In the event the Organics Processing Contractor cannot accept material at the Organics Processing Facility, FRANCHISEE shall comply with the Contingency Plan set forth in Exhibit C-5. ("Contingency Plan").

In the event the Organics Processing Contractor is unable to fulfill the terms and conditions of its agreement with the CITY, FRANCHISEE and CITY shall meet to negotiate in good faith to assist the City in identifying alternative locations for processing of the Organics Material and/or Dry Material that would have been Delivered to the Organics Processing Contractor.

5.10 Market Specifications.

The CITY may initiate, or pursuant to a request from the FRANCHISEE, initiate modifications to the Market Specifications if a material category is not listed by ISRI or other similar standard; provided, however, that such Market Specifications shall not be more stringent than CalRecycle regulations defining what is required to Recycle the material in question.

5.10.1 CITY shall consider modifications based on the following criteria: Recyclable Material that can be Sold for their highest and best use; commodity specifications from national commodity brokers identified by the CITY in consultation with FRANCHISEE; commodity specifications from comparable facilities to FRANCHISEE's facilities ("Peer Facilities") identified by the CITY in consultation with FRANCHISEE; and market analyses prepared by CITY staff, consultants, and FRANCHISEE.

5.10.2 On or before July 1, 2014, and at least annually thereafter but no more than once each calendar quarter, CITY shall review and/or update the Market Specifications. The CITY shall obtain information from Peer Facilities as to their standards for Processing Recyclable Material. If the majority of Peer Facilities are processing a material to a specification that is lower than the equivalent ISRI specification, the specifications from the Peer Facilities would be ranked and the median specification may be used in place of the ISRI specification for a period to be determined by the City Representative in consultation with the FRANCHISEE.

5.11 Storage Capacity.

Notwithstanding severe market and pricing fluctuations, FRANCHISEE shall provide sufficient capacity at the Recyclable Material Processing Facility to Process and store the Recyclable Material until FRANCHISEE can market the Recyclable Material consistent with Exhibit C-4 ("Recyclable Material Marketing Plan").

5.12 Significant Events.

FRANCHISEE shall notify the City Representative within two hours, electronically or in writing, of any significant event that negatively impacts its ability to perform Commercial Service.

5.13 Marketing of Recyclable Material.

FRANCHISEE shall seek to develop and utilize stable markets so that recovered material may be used for its highest and best use and ensure that Recyclable Material

marketing services are conducted in accordance with Exhibit C-4 (“Recyclable Material Marketing Plan”).

5.14 Diversions Service.

FRANCHISEE shall comply with the diversion requirements of this Article and Exhibit C (“Diversion Plan” and “Processing Enhancement Plan”).

Beginning on the Effective Date, for material processed at the Recyclable Material Processing Facility, FRANCHISEE shall divert from the Disposal Facility a minimum of sixty percent (60%) by weight as measured on a facility-wide basis as reported to CalRecycle.

5.15 Outreach and Technical Assistance.

FRANCHISEE shall perform outreach and technical assistance in accordance with Exhibit C-7 (“Outreach and Technical Assistance Plan”).

- 5.15.1 FRANCHISEE shall work diligently with the Customer to minimize the contamination in the Containers.
- 5.15.2 On or before the last day of February of each year, FRANCHISEE shall meet with the City Representative to discuss FRANCHISEE's annual public education plan for the following fiscal year (July-June). The written plan must address specific diversion services to small, medium, and large businesses; strategies to resolve “problem” areas identified in the past year of service; the budget for outreach efforts and education; and monitoring of California AB32 compliance. FRANCHISEE shall meet with the City Representative up to four (4) times per fiscal year to coordinate of outreach and technical assistance efforts.
- 5.15.3 Distribution of CITY Material.
 - a. FRANCHISEE shall distribute, upon CITY request up to twice per year, outreach material to all Customers. “Outreach Material” includes written material such as fliers, brochures, and newsletters, on topics such as waste reduction, reuse, recycling, the CITY’s Green Vision or Climate Smart goals, or solid waste rules and regulations of the CITY.
 - b. The CITY is responsible for the cost to design and produce the outreach material and shall deliver the material to FRANCHISEE's local office at an agreed upon date but no later than one (1) week prior to the distribution deadline.
 - c. FRANCHISEE may deliver the outreach material by personal delivery, U.S. mail postage prepaid, or any other method agreed upon by the City Representative. Distribution of the material by U.S. mail shall be at the FRANCHISEE's sole cost and expense. If the material is to be delivered by U.S. mail, the design of the outreach material shall not cause the FRANCHISEE to incur cost in excess of the cost of first class postage.

5.16 Distribution of FRANCHISEE Material.

In order for the CITY to adequately respond to public inquiries, FRANCHISEE shall provide the City Representative with a copy of all press releases, reports, advertisements, letters or other documents intended for public release prior to the public release. CITY reserves the right to require that FRANCHISEE correct any inaccurate information or add clarifying information if its omission could be misleading to the Customer.

5.17 Website.

FRANCHISEE shall maintain a website, or a portion of its existing website for the franchise services. The website shall provide readily understandable material for Customers regarding services, options for waste prevention and diversion, and a diversion and rate calculator tool. The website must also provide educational material for download, highlight program successes, and diversion statistics. FRANCHISEE is required to resolve any CITY concerns regarding the accessibility, format, and content of material on the website within two (2) weeks of receiving notice from the CITY.

5.18 Staffing.

FRANCHISEE shall dedicate a minimum of four (4) full time staff equivalents to meet the outreach and technical assistance requirements of this Agreement. Primary outreach and technical assistance tasks include waste stream audits and analysis, assistance to Customers in setting-up diversion programs, education, and resolution of contamination issues.

5.19 Recycling and Waste Prevention Guides.

FRANCHISEE is required to produce a recycling and waste prevention guide, and a laminated recycling poster for distribution to all Customers prior to the start of Commercial Service, and upon request from Customers. Recycling posters should inform Customers on how to use the One Bin Plus System. The guides should have information regarding: collection methodologies, service level options, contact information, specifics of the service, simple waste prevention options (i.e. the use of two-sided copying, paper reuse, and electronic paperless options to reduce paper use and discard), and proper handling and disposal of Hazardous Waste, and contacts for appropriate public agencies.

5.20 Adjusting the Level of Service.

FRANCHISEE shall proactively and continually work with Customers to adjust the level of Commercial Solid Waste and Recyclable Material Collection Service to achieve the most efficient system and highest diversion rate. FRANCHISEE shall offer Customers the opportunity to share Container(s) as outlined in Exhibit C-8 ("Customer Service and Reporting Plan"), to the extent permitted by law.

5.21 Customer Service.

FRANCHISEE shall ensure that customer service and call center activities are conducted in accordance with Exhibit C-8 ("Customer Service and Reporting Plan"). FRANCHISEE shall also:

- a. Provide skilled and trained staff to respond to service start-up, rate increases, changes in service affecting many Customers, and other contingencies;

- b. Require customer service representatives (“CSR”) to attend CITY trainings to be scheduled in coordination with the FRANCHISEE;
- c. Meet all of the following call center and telephone system performance requirements:
 - 1. The total average, peak hourly, and daily call volumes per CSR identified in Exhibit C-8 (“Customer Service and Reporting Plan”).
 - 2. During normal business hours, maintain a telephone answering system capable of accepting at least fifteen (15) incoming calls at one time.
 - 3. Provide the option for any caller left “on-hold” in excess of one and one-half (1.5) minutes to remain “on-hold” or to be switched to a message center where the caller can leave a message.
 - 4. For all messages left before 3:00 p.m., FRANCHISEE shall attempt all “call backs” at least one time prior to 5:00 p.m. on the day of the call. For messages left after 3:00 p.m., FRANCHISEE shall attempt all “call backs” at least one time prior to noon the next Work Day.
 - 5. FRANCHISEE shall make a minimum of three (3) attempts to call back within twenty-four (24) hours of the receipt of the call.
 - 6. Provide the ability to respond to telephone calls in languages other than English that meet the needs of the business community.
 - 7. Provide the ability to respond to telephone calls through Telecommunications Device for the Deaf (“TDD”) Services.
 - 8. Provide a telephone answering service or mechanical device to receive Customer inquiries during those times when FRANCHISEE’s office is closed.
- d. Track all calls and call backs using the categories identified in Exhibit C-8 (“Customer Service and Reporting Plan”); and
- e. FRANCHISEE shall resolve complaints of the following within the specified times:

Spills and litter resulting from collection	2 hours
Container in service free from graffiti	5 Work Day
Missing Container replacement	1 Work Day
Broken Container repair/replacement	5 Work Day
- f. In the event the CITY receives a complaint from a Customer, FRANCHISEE must cooperate with the City Representative to investigate and attempt to reasonably resolve the dispute within ten (10) Work Days.

5.22 Collection Standards for Customers.

5.22.1 Access to Route Information.

FRANCHISEE shall make Customer data available to the CITY through real-time, read-only access to the FRANCHISEE's customer information system. The system capabilities and scope of access are specified in Exhibit C-8 ("Customer Service and Reporting Plan").

5.22.2 Changes in Routes.

FRANCHISEE shall develop and maintain routes that would ensure timely and consistent collection service. The CITY reserves the right to request information regarding significant proposed route changes or changes in the time of Collection in the Central Business District, the Transit Mall Zone, and Mixed-Use Development areas as defined in Section 9 of the San José Municipal Code.

5.22.3 Space Constraints.

FRANCHISEE may be required to provide reasonable alternative Collection methods and Containers for Customers with space constraints, noise restrictions, and limited accessibility; or in the Central Business District and Transit Mall Zone. Unless a separate fee is approved for new services, FRANCHISEE shall provide these services without an additional charge.

5.22.4 Mixed-Use Development.

Contractor shall provide collection service to Commercial Premises and Mixed-Use Development consistent with the limitations under the San José Municipal Code.

5.22.5 Care of Private Property.

FRANCHISEE shall use due care when Collecting all material. Containers shall not be thrown from trucks, roughly handled, damaged or broken. Containers shall be returned to the Collection point upright with lids properly closed. FRANCHISEE shall ensure that its employees close all gates opened by them during Collection unless otherwise directed by Customer. FRANCHISEE shall take care when working within trash enclosures to ensure that enclosure walls/fencing is not damaged and left in clean condition. FRANCHISEE shall avoid crossing landscaping during Collection operation.

5.23 Hazardous Waste and Other Exempt Waste.

5.23.1 General.

FRANCHISEE shall comply with all laws and regulations relating to the handling and transportation of Hazardous Waste, hazardous material and other Exempt Waste; provided, however, that FRANCHISEE shall not, and is not obligated to, assume title of ownership to any such waste or material.

5.23.2 Written Operating Procedure.

FRANCHISEE shall establish, implement and maintain written operating procedures including, but not limited to, handling and removing Hazardous Wastes and other Exempt Waste in accordance with local, state, and federal regulations and applicable guidelines.

5.23.3 Notice to Customers.

FRANCHISEE shall notify all Customers at least once a year of the: (i) prohibition against the disposal of Hazardous Waste in Containers, (ii) Customer requirement to properly handle and dispose of Hazardous Waste, and (iii) options available to Customers for the legal collection and disposition of Hazardous Waste. FRANCHISEE shall not collect any Container if FRANCHISEE has actual knowledge of the existence of Hazardous Waste in the Container. FRANCHISEE shall inform the Customer on the same Work Day as the scheduled collection of why the collection was not made before leaving the Commercial Premises.

5.23.4 Segregation and Disposal.

In the event FRANCHISEE inadvertently collects any Hazardous Waste, FRANCHISEE may return such Hazardous Waste to the generator if feasible or, if this is not feasible, shall segregate the Hazardous Waste and arrange for its transport to a properly permitted recycling, treatment or Disposal Facility. FRANCHISEE shall be solely responsible for the transport and appropriate disposition of all Hazardous Waste that is collected, but FRANCHISEE shall retain all rights to seek compensation, damages and other appropriate remedies from the generators of such Hazardous Waste.

CITY will cooperate with FRANCHISEE's efforts to recover the cost of handling the Hazardous Waste from the responsible Customer or generator. Notwithstanding the foregoing, FRANCHISEE shall be solely responsible for all costs associated with the handling, transportation, or disposal of Hazardous Waste, hazardous material and other Exempt Waste Delivered to the Recyclable Material Processing Facility. CITY shall not be responsible for any cost to handle, transport, or dispose of Hazardous Waste, hazardous materials, or other Exempt Waste.

5.23.5 Operating Procedures and Employee Training.

FRANCHISEE shall maintain an employee training program to ensure that employees can properly identify, handle, and remove Hazardous Waste and other Exempt Waste. Records that describe the training and the employees who received the training shall be maintained by FRANCHISEE. These records shall be available for review upon request by the City Representative.

5.23.6 Notice to Authorities.

Upon discovery of any release of hazardous materials, FRANCHISEE must immediately (within 24 hours) notify the appropriate authorities and the CITY of reportable quantities of Hazardous Waste, in accordance with California Code of Regulations, Title 23, Section 2251.

5.24 Spillage and Litter.

FRANCHISEE shall conduct collection and transportation of Solid Waste and Recyclable Material so that no material spills out of the Container or collection vehicle. FRANCHISEE shall cover with petroleum-absorbent material all oil, hydraulic fluids, spilled paint, or any other liquid or debris resulting from FRANCHISEE's operations or equipment repair and shall remove the debris and the petroleum-absorbent material from the street surface, or any other area where FRANCHISEE's operations have occurred. FRANCHISEE shall clean up any spillage or litter caused by FRANCHISEE within two (2) hours after the occurrence, but no later than two (2) hours of notice from the CITY. When necessary, FRANCHISEE shall apply a suitable cleaning agent to the

spill area to provide adequate cleaning. To facilitate cleanup, FRANCHISEE's collection vehicles shall at all times carry sufficient quantities of petroleum-absorbent material, brooms and shovels, and other appropriate cleanup material or equipment.

5.25 Hours of Collection.

Collection may occur only within hours permitted under the San José Municipal Code. The Director of Environmental Services may grant an exception to these limitations if FRANCHISEE demonstrates to the satisfaction of the Director that such an exception will not create noise, impede traffic flow or otherwise interfere with the quiet enjoyment of the residential premises. In the event FRANCHISEE violates this provision, in addition to any other remedies the CITY may have, CITY's Director of Environmental Services may charge FRANCHISEE for CITY's costs of enforcement of this provision. FRANCHISEE shall reimburse CITY for such costs within ten (10) days of the date of CITY's invoice for such costs.

5.26 Collection Vehicle Noise Level.

The noise level generated by collection vehicles shall not exceed seventy-five (75) decibels at a distance of twenty-five (25) feet from the collection vehicle measured at an elevation of five (5) feet above ground level using the "A" scale of the standard sound level meter at slow response. FRANCHISEE shall test noise levels for each vehicle prior to placing it in service and shall re-test each vehicle no less than once every three (3) years from the time it is first placed in service. FRANCHISEE shall maintain copies of certificates of testing showing the results of the vehicle testing and shall make such certificates available for inspection upon request by the City Representative.

5.27 Ownership of Material.

Title to material collected under these franchises, except for Hazardous Waste and other Exempt Waste, shall pass to FRANCHISEE at the time the material is placed in the collection Container.

5.28 Disposal of Residue.

FRANCHISEE shall properly dispose of Residue from the Processing of Recyclable Material and Solid Waste in accordance with Article 8.

5.29 Contingency.

FRANCHISEE shall comply with Exhibit C-5 ("Contingency Plan"), when operations at the Recyclable Material Processing Facility and Disposal Facility, FRANCHISEE fleet or fueling stations are diminished or unavailable for any reason; or for short-term access to processing capacity at a recyclable material processing facility due to a temporary interruption of service.

5.30 Coordination with Organics Processing Contractor.

FRANCHISEE shall coordinate with the Organics Processing Contractor for Delivery of material, vehicle turn-around time (e.g., on-site time including queuing, scale house and vehicle weighing, unloading, and exiting), identifying and solving any problems related to contamination of Delivered material, and tonnage reporting.

5.31 Illegally Dumped Material.

5.31.1 General.

FRANCHISEE will provide a rear load collection vehicle route each week for up to one eight (8) hour day each week to collect up to fifty (50) tons of Illegally Dumped Material each month. Once FRANCHISEE has collected fifty (50) tons of Illegally Dumped Material in any calendar month, FRANCHISEE may discontinue operating the Illegally Dumped Material route until the beginning of the following month. FRANCHISEE will be solely responsible for providing necessary equipment, transport, and appropriate personnel for the collection of Illegally Dumped Material. FRANCHISEE must comply with the requirements of Section 5.23 related to Hazardous Waste and hazardous material, which might incidentally be included with the Illegally Dumped Material collected by FRANCHISEE. Illegally Dumped Material is assumed not to have originated from Commercial Premises and will not be subject to Section 7.2, Minimum Diversion Standards. The collection vehicles utilized as part of collection of Illegally Dumped Material will be exempt from the requirements of Section 6.5.8 of this Agreement.

5.31.2 Written Operating Procedure.

FRANCHISEE must establish, implement, and maintain written operating procedures for the collection and handling of Illegally Dumped Material.

ARTICLE 6 EQUIPMENT, PERSONNEL AND FACILITIES

6.1 Equipment Specifications.

All equipment used by FRANCHISEE shall be of the necessary quality to perform Commercial Services.

6.2 Equipment Maintenance.

FRANCHISEE shall maintain all equipment in clean condition and good repair at all times. All parts and systems of the equipment shall operate properly and be maintained in good working order. Additional maintenance requirements are specified in Exhibit C-1 ("Collection Plan") and Exhibit C-3 ("Processing Enhancement Plan").

6.3 Maintenance Log.

FRANCHISEE shall maintain a maintenance log for all collection vehicles. The log shall be available for review during the Work Day upon the request of the City Representative. FRANCHISEE shall record in the log, at a minimum, for each vehicle the FRANCHISEE: assigned identification number, date purchased or initial lease, dates of performance of routine maintenance, dates of performance of any additional maintenance, and description of additional maintenance performed.

6.4 Vehicle Inventory.

FRANCHISEE shall submit an inventory of vehicles to be used for Commercial Service. The inventory shall indicate each vehicle using an identification number assigned by FRANCHISEE, Vehicle Identification Number, DMV license number, type of fuel used, and the type and capacity of each vehicle. The inventory shall include the tare weight of each vehicle as determined by weighing at a public scale. Each vehicle inventory shall be accompanied by a certification by FRANCHISEE that all vehicles meet the requirements of this Agreement. CITY may request that FRANCHISEE submit an updated inventory within twenty-four (24) hours of the request.

6.5 General Vehicle Requirements.

All collection equipment used by FRANCHISEE shall be of high quality. The vehicles shall be designed to prevent material from escaping the vehicles. All hoppers shall be closed on top and on all sides with screening material to prevent material from leaking, blowing or falling from the vehicles.

6.5.1 Clean Air Vehicles. FRANCHISEE must maintain its Collection vehicles in full compliance with local, State, and federal clean air quality requirements.

6.5.2 Vehicle Age and Retrofitting. FRANCHISEE shall not use any collection vehicle made prior to 2012 unless it was manufactured to meet the requirements of this Article, or has been retrofitted to be in full compliance with the California Air Resources Board Heavy Duty Engine Standards.

6.5.3 Global Positioning System. FRANCHISEE shall equip collection vehicles with Global Positioning System ("GPS") or similar technology that meets the systems specifications of Exhibit C-8 ("Customer Service and Reporting Plan").

- 6.5.4 Lubricants. FRANCHISEE shall utilize re-refined motor oil and re-refined hydraulic oil in all vehicles where use of such lubricants does not invalidate the warranty for service and repairs of vehicles.
- 6.5.5 Safety Markings and Devices. FRANCHISEE shall provide that collection vehicles have the following safety markings and devices: highway lighting, flashing and warning lights, reverse gear alarm, and clearance lights in accordance with the California Vehicle Code.
- 6.5.6 Idling of Vehicles. FRANCHISEE may not idle vehicles in parking lots or other locations adjacent to residential premises. FRANCHISEE may stage vehicle in parking lots or other locations adjacent to residential premise only if the engine is turned off.
- 6.5.7 Equipment Washing. All washing of vehicles shall be conducted in a manner that conforms to the BMP Guidelines for Non-Point Source Pollutants in the publication entitled Storm Water Best Management Practices Handbook for Industrial Commercial.
- 6.5.8 Alternative Fuel Vehicles. FRANCHISEE shall use a 100% Compressed Natural Gas ("CNG") collection vehicle fleet and utilize alternative fuel light duty auxiliary vehicles as they become commercially available and older light duty vehicles are removed from service in the performance of services under this Agreement and subject to the Reporting Requirements provided in Exhibit C-8 and Article 12.
- 6.5.9 CNG Fueling Station. FRANCHISEE shall construct and have operational a CNG fueling station at its corporation yard at NIRRP. The CNG fueling station shall be made available for the refueling of CITY vehicles when CITY CNG fueling stations are unavailable, provided such use does not interfere with FRANCHISEE's performance of services under this Agreement. CITY shall pay market rate as established by FRANCHISEE for fuel received from FRANCHISEE's CNG fueling station.

6.6 Reserve Equipment.

FRANCHISEE must have access to replacement collection equipment for Commercial Service within twenty-four (24) hours of any breakdown.

6.7 Vehicle Signage and Painting.

- 6.7.1 Vehicle Identifying Signage. Collection vehicles shall be painted with FRANCHISEE's name and customer service telephone number. The information shall be painted in contrasting color, at least four (4) inches high, on each side and the rear of each vehicle.
- 6.7.2 Unique Numbering. A unique vehicle identification number shall also be painted in contrasting color at least four (4) inches high on both the front driver and passenger side doors of each Collection vehicle so as to be clearly visible to facility scale house personnel upon Delivery of material.

This number shall also be painted on the rear of collection vehicles with sufficient space to accommodate labeling.

6.7.3 Repainting. FRANCHISEE shall repaint all Commercial Services vehicles consistent with Exhibit C-1 ("Collection Plan").

6.7.4 CITY Directed Signage. Upon request of CITY, but not more than once every other year, FRANCHISEE shall display CITY logos or program information on trucks provided it does not interfere with the required vehicle identification signage, unique numbering or safety markings. CITY will provide art and design to FRANCHISEE.

6.8 Vehicle Registration, Licensing and Inspection.

FRANCHISEE shall ensure that all vehicles are in compliance with registration, licensing and inspection requirements of the California Highway Patrol, the California Department of Motor Vehicles, and any other applicable laws or regulations.

FRANCHISEE shall maintain copies of all certificates and reports evidencing compliance and shall make such certificates and reports available for inspection upon request by the City Representative. FRANCHISEE may not use any vehicle that is not in compliance with applicable registration, licensing and inspection requirements.

6.9 Container Specifications.

FRANCHISEE may confirm with CITY prior to ordering the Containers as to whether the order complies with this Section.

6.9.1 Carts.

Cart sizes shall be 32, 64 and 96-gallon (or similar sizes) and shall remain consistent throughout the term of this franchise. All Carts shall be manufactured by injection or rotational molding methods and contain a minimum of twenty percent (20%) post-consumer content. Carts provided to Customers shall have a useful life of ten (10) years as evidenced by a manufacturer's warranty or other documentation acceptable to CITY. Carts will have a minimum wall thickness of .150 inches for rotationally molded Containers and .165 inches for injection molded Containers. Colors of the Carts shall be as provided in Exhibit C-1 ("Collection Plan"). Colors shall be non-fading throughout the ten-year useful life. The color and shade of Carts shall be consistent and without noticeable variation from one to another. All markings on Carts should be done with a white hot stamp and must have at a minimum a unique serial number and FRANCHISEE's name.

6.9.2 Bins.

Bin sizes shall be 1, 1.5, 2, 3, 4, 6, and 8 cubic yards. Bin colors, signs and specifications must meet the requirements of Exhibit C-1 ("Collection Plan"). All Bins purchased and used by FRANCHISEE shall be watertight and fixed with a permanent lid which closes tightly and prevents water from intruding into the Container. Each Bin must include text which reads "Clean Up All Leaks/Spills Promptly" in English and Spanish. Customers may subscribe to additional capacity with varying sizes and/or multiple quantities of Bins.

6.9.3 Roll-Off Containers.

Roll-Off Container sizes shall have capacities of 10, 15, 20, 30, and 40 cubic yards. Colors, signs and specifications of new Roll-Off Containers must meet the requirements of Exhibit C-1 ("Collection Plan"). All Roll-Off Containers must have a visible and legible serial number, have reflectors at each outside corner, and be watertight. FRANCHISEE shall provide the Customer with a tarp for all Roll-Off Containers to prevent storm water intrusion into the Container.

6.9.4 Compactors.

FRANCHISEE shall coordinate with Customers leasing and purchasing Compactors to determine the appropriate size and type of Compactor that is serviceable by FRANCHISEE, and to ensure that such Compactors are watertight. Compactors purchased from FRANCHISEE shall be leak proof and sealed to prevent intrusion of storm water.

6.10 Container Exchange.

Each Customer shall be entitled to one (1) free replacement of a destroyed or stolen Container each calendar year. FRANCHISEE shall deliver a replacement Container and remove the damaged Container within five (5) Work Days of receiving notice from the Customer. This limitation on exchange would not apply to a Container damaged by FRANCHISEE during the course of collection. In addition, each Customer is entitled to one (1) free Container exchange each calendar year. FRANCHISEE shall deliver a replacement Container and remove the original Container within five (5) Work Days of receiving notice from the Customer or the CITY.

6.11 Container Ownership.

FRANCHISEE shall provide all Carts, Bins, and Roll-Off Containers, and permit Customers to purchase or lease Compactors from a third-party provided these Containers are compatible with the FRANCHISEE's collection equipment.

6.12 Container Inventory.

FRANCHISEE shall be responsible for ensuring that an adequate supply of each Container type is maintained to ensure delivery within the timeframe specified under this Article.

6.13 Container Maintenance.

FRANCHISEE shall ensure that all Containers are watertight, designed and constructed to eliminate spillage and leakage during normal use and collection. FRANCHISEE shall repair or replace all leaky or non-serviceable Containers within five (5) Work Days of being notified by Customer or observing the damaged Container, whichever is earlier in time. If the repair or replacement cannot be completed within five (5) Work Days, FRANCHISEE shall provide the Customer a Container of the same size or larger until the damaged Container can be repaired or replaced. FRANCHISEE shall be responsible for the general repair and upkeep of all Containers. FRANCHISEE is only responsible for the cost of repairing or replacing a Container that is damaged during the course of collection.

FRANCHISEE shall regularly maintain Compactors leased from FRANCHISEE in good working order and functioning at high compaction levels.

6.14 Container Appearance.

FRANCHISEE shall ensure that all Containers in use or in reserve have a uniform physical appearance.

6.15 Container Locks.

FRANCHISEE shall maintain an adequate supply of locks and provide locks to Customers requesting locks for their Containers.

6.16 Roll-Off Container Delivery and Placement.

FRANCHISEE shall deliver and remove all Roll-Off Containers within two (2) Work Days of the Customer's order. Roll-Off Containers must be placed in locations permitted under the Municipal Code.

6.17 Personnel Requirements.

6.17.1 General.

FRANCHISEE shall employ qualified personnel to perform all services. FRANCHISEE shall be responsible for its employees' compliance with all laws and regulations.

6.17.2 FRANCHISEE shall require its field operation personnel to wear a clean uniform shirt bearing FRANCHISEE's name.

6.17.3 FRANCHISEE shall require employees who have direct contact with the public to wear on their person a photographic identification such as a name tag or identification card.

6.17.4 Each driver shall carry a valid California driver's license and all other required licenses for the type of vehicle that is being operated.

6.17.5 FRANCHISEE shall require its field employees to be accessible consistent with the Exhibit C-1 ("Collection Plan").

6.17.6 General Manager Qualification.

FRANCHISEE shall have a general manager or other person with comparable five (5) or more years of experience in performing the same or similar functions. The general manager or comparable person's primary responsibility shall be to fulfill the requirements of this Agreement. Prior to the start of service, FRANCHISEE shall provide the CITY a written description of its general manager's duties, responsibilities, and obligations to Customers other than Customers of Commercial Premises, including duties and responsibilities related to FRANCHISEE management activities, and other collection, Processing or Disposal operations.

6.17.7 Access to General Manager.

FRANCHISEE shall provide the City Representative with access to the general manager by telephone or in person during FRANCHISEE's office hours.

6.17.8 Emergency Contact.

FRANCHISEE shall provide the City Representative with emergency phone number(s) at which the general manager, and any other FRANCHISEE representative authorized to act on FRANCHISEE's behalf can be reached outside of normal FRANCHISEE's office hours. The emergency representative shall respond to any call from the City Representative within one hour.

6.17.9 Training.

FRANCHISEE shall provide the initial and ongoing personnel training required and necessary to provide Commercial Services. Training may include, but is not limited to, operational training, safety training programs, compliance with Equal Employment Opportunities ("EEO"), the Americans with Disabilities Act (ADA), and other training as more specifically described in Exhibit C.

6.18 Facilities.

FRANCHISEE shall maintain the Recyclable Material Processing Facility consistent with Exhibit C-3 ("Processing Enhancement Plan"). FRANCHISEE shall at all times provide sufficient administrative, equipment and personnel staging, and maintenance facilities sufficient to perform the services permitted by this Agreement. FRANCHISEE shall maintain, and upon CITY request, provide copies of all leasing arrangements related to administrative, staging, and maintenance facilities. FRANCHISEE shall provide the CITY with prior notice and information of significant modifications and/or expansions to existing administrative, staging, and maintenance facilities that could affect delivery of services on a temporary or ongoing basis.

6.19 Recyclable Material Processing Facility Capacity.

FRANCHISEE shall provide the Recyclable Material Processing Facility, or alternate capacity as described below, to Process material collected through the Three-Container System, Two-Container System, or the One Bin Plus Container System for the term of the Franchise.

6.20 Facility Permits and Licenses.

FRANCHISEE shall be solely responsible for obtaining, at its own expense, any and all permits, licenses, and approvals necessary for the transportation, Processing and Transfer of material collected from Commercial Premises, and maintain same in full force and effect throughout the term of the franchise.

FRANCHISEE shall provide proof of such permits, licenses, or approvals and shall demonstrate compliance with the terms and conditions of such permits, licenses, and approvals upon the request of the City Representative.

FRANCHISEE shall at all times ensure that it is in full compliance with all other local, regional, State and federal regulatory requirements. FRANCHISEE shall at all times anticipate, and be proactive in identifying and actively participating in the timely resolution of issues related to regulatory compliance in order to ensure that there is no lapse in FRANCHISEE's ability to provide Commercial Service.

6.21 Facility Access.

FRANCHISEE shall provide the City Representative with access to any facilities engaged in Commercial Services upon request.

6.22 Hours of Operation.

The Recyclable Material Processing Facility shall be open for Delivery on the following schedule: Monday through Friday from 4:00 am to 5:00 pm.

6.23 Office Hours.

FRANCHISEE and staff shall be available to the City Representative Monday through Friday from 8:30 a.m. to 5:00 p.m., or as otherwise mutually agreed upon by the FRANCHISEE and the City Representative.

ARTICLE 7 PERFORMANCE STANDARDS

7.1 Diversions Responsibility.

FRANCHISEE is responsible for meeting Minimum Diversion Standards for the total tonnage of material collected from Commercial Premises that is subsequently Delivered to the Recyclable Materials Processing Facility. FRANCHISEE is not responsible for meeting Minimum Diversion Standards for material Delivered by FRANCHISEE to the Organics Processing Contractor or to the Disposal Facility.

7.2 Minimum Diversion Standards.

Beginning with the Effective Date of this Amended and Restated Agreement, for material processed at the Recyclable Material Processing Facility, FRANCHISEE shall divert from the Disposal Facility a minimum of sixty percent (60%) by weight of all material collected from Commercial Premises that is processed at the Recyclable Material Processing Facility, excluding any material Delivered to the Organics Processing Contractor or the Disposal Facility, as measured on a facility-wide basis as reported to CalRecycle.

7.2.1 Annual Residue Allocation and Methodology.

Step One: Determine the CITY fraction of all material Delivered to the Recyclable Material Processing Facility from Commercial Premises, relative to the total tonnage for all incoming material from other sources during the applicable period of time. The CITY's fraction shall be determined by the following calculation:

City Processing Fraction = Tons of all material from this Agreement Delivered to the Recyclable Material Processing Facility / Total tons of all incoming materials from all sources Delivered to the Recyclable Material Processing Facility.

Step Two: Determine the total tonnage of Residue, as reported by FRANCHISEE to CalRecycle, resulting from the Processing of materials from all sources at the Recyclable Material Processing Facility.

Step Three: Determine the Residue attributable to the CITY by multiplying the CITY's Processing fraction by the total Residue, as reported by FRANCHISEE to CalRecycle, generated at the Recyclable Material Processing Facility.

7.3 Additional Provisions.

FRANCHISEE shall provide the City Representative with access to all supporting documentation relevant to verifying diversion standard calculations, diversion incentive, and change to diversion standards.

7.4 Change Diversion Standard.

CITY reserves the right to request a change in the Diversion Standards. If the CITY desires to change the Diversion Standards set forth in this Agreement, FRANCHISEE and CITY shall negotiate in good faith to establish a different Diversion Standard than set forth in this Article. FRANCHISEE shall be under no obligation to abide by an

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adjusted Diversion Standard should the parties be unable to agree upon a mutually agreeable Diversion Standard.

ARTICLE 8 DISPOSAL

8.1 CITY Responsibility.

8.1.1 CITY will arrange for sufficient landfill Disposal capacity for the Disposal of Solid Waste and Residue at the Disposal Facility. FRANCHISEE shall pay the Disposal Facility directly for the Disposal of Solid Waste and Residue from the Recyclable Material Processing Facility and the Organics Processing Facility per the provisions outlined herein. FRANCHISEE will be responsible for tracking and monitoring all Residues Delivered under this Agreement and shall submit tonnage backup information with the monthly source reduction and recycling fees remitted and reports submitted to CITY as required by Article 12.

8.1.2 Except as otherwise stated in Exhibit C-9, FRANCHISEE agrees that the Organics Processing Contractor will not be responsible for Residue Disposal costs for forty-one point forty-three percent (41.43%) of the actual tons of material FRANCHISEE Delivers to the Organics Processing Contractor each calendar year ("Residue Disposal Allotment").

Except for reasons beyond the Organics Processing Contractor's reasonable control, including, but not limited to, riots, civil disturbances, epidemic, war, embargoes, severe weather, fire, earthquake, acts of God, or defaults by FRANCHISEE, if the Organics Processing Contractor is unable to or does not accept material Delivered as required under Section 5.7 and the material is disposed in a landfill, all such disposed material will be considered Residue for the purposes of determining the Organics Processing Contractor's yearly Residue Disposal Allotment and will be delivered to the Disposal Facility by the FRANCHISEE.

If for any reason the Organics Processing Contractor is unable to dispose of Residue at the Disposal Facility through no fault of its own, the Organics Processing Contractor, at its own expense, may dispose of Residue at an alternate disposal facility that is unaffiliated with the Disposal Facility approved in advance by the CITY.

In the event of a dispute between FRANCHISEE and the Organics Processing Contractor over the determination of the Residue Disposal Allotment, FRANCHISEE shall follow the appropriate provisions to resolve discrepancies under this Agreement (see Section 19.4 for FRANCHISEE.) The CITY shall make the final determination with regard to disputes over the Residue Disposal Allotment, consistent with the requirements of this Agreement, which shall be final and binding on all parties.

8.1.3 With the exception of the portion of the Residue Disposal Allotment that CITY has agreed to fund, FRANCHISEE shall be solely responsible to pay for Residue Disposal costs from the Organics Processing Contractor up to the Residue Disposal Allotment. CITY and FRANCHISEE agree that FRANCHISEE shall deduct \$350,000 from Source Reduction and Recycling fees annually, in twelve (12) monthly installments, to reflect CITY's agreed-upon portion of the Residue Disposal Allotment. This amount shall be increased by CPI-W, as defined in Exhibit A, on an annual basis.

The Organics Processing Contractor, however, will be responsible for any Disposal costs, including all associated Disposal fees, above the Residue Disposal Allotment. FRANCHISEE will invoice the Organics Processing Contractor annually, for any Disposal costs owed by the Organics Processing Contractor at the current CITY Municipal Solid Waste ("MSW") Unit Rate for Disposal under the FRANCHISEE'S separate Disposal Agreement between the CITY and International Disposal Corporation ("IDC"). FRANCHISEE shall ensure that IDC (as of the Effective Date, a wholly-owned subsidiary of FRANCHISEE's parent company) charges the Organics Processing Contractor the current CITY MSW Unit Rate when assessing Disposal fees for the remaining term of this Agreement.

The Organics Processing Contractor, through the Organics Processing Agreement, agrees to pay the Disposal cost invoice from FRANCHISEE within 30 days of the invoice date. If the Organics Processing Contractor fails to timely pay the FRANCHISEE, FRANCHISEE will remit a written notice by mail and email notice of delinquent remittance to the Organics Processing Contractor. After receiving notice of delinquent remittance from FRANCHISEE, the Organics Processing Contractor has ten (10) business days to remedy the delinquent remittance. If the Organics Processing Contractor does not remedy the delinquent remittance by 5:00 p.m. on the tenth (10th) business day following such notice, the Organics Processing Contractor shall pay a late payment charge in an amount equal to ten percent (10%) of the monthly remittance amount that was not timely paid by the Organics Processing Contractor. If the Organics Processing Contractor fails to pay the delinquent remittance amount within thirty (30) days of receipt of notice of delinquent payment, the Organics Processing Contractor shall pay a second late payment charge in an amount equal to ten percent (10%) of the monthly remittance outstanding after such thirty (30) day period. Such second late payment charge shall be in addition to the first late payment charge. In addition, the Organics Processing Contractor shall pay interest on all unpaid monthly remittance amounts at the rate of ten percent (10%) per annum or the legal rate allowed, whichever is less, from the date said monthly remittance amounts were due and payable to the date actually paid. The aforementioned shall not apply to disputed portions of invoices.

8.1.4 FRANCHISEE, through FRANCHISEE's separate Disposal Agreement between the CITY and IDC, agrees that the Organics Processing Contractor may dispose of up to 250 tons of Residue per day from the Organics Processing Facility, Monday through Saturday, at the Disposal Facility.

Furthermore, and except as otherwise stated in Exhibit C-9, FRANCHISEE, through FRANCHISEE's separate Disposal Agreement between the CITY and IDC, agrees that the Organics Processing Contractor may dispose of up to 52,000 tons of Residue from the Organics Processing Facility per calendar year at the Disposal Facility, but no more than 250 tons of Residue in any given day, Monday through Saturday. In no circumstance is FRANCHISEE and its affiliate IDC obligated to accept Residue from the Organics Processing Contractor in an amount greater than 52,000 tons of Residue per calendar year (as prorated by the number of calendar days in the first calendar year of this Agreement). FRANCHISEE and its affiliate IDC agree that the Organics Processing Contractor may dispose of any additional Residue above 52,000 tons at an alternate facility approved by the City Representative at its own expense.

FRANCHISEE agrees and warrants that such Disposal by the Organics Processing Contractor shall not constitute a breach of this Agreement or the separate Disposal Agreement between the CITY and IDC.

8.1.5 FRANCHISEE will be compensated for the Disposal of Illegally Dumped Material up to 50 tons each month at the current City Waste Rate for Disposal under the FRANCHISEE'S separate Disposal Agreement (IDC) with the CITY. IDC will separately invoice the CITY for Disposal of these tons in a manner consistent with other Disposal tonnage Delivered under the CITY's separate Disposal Agreement with IDC or other entity upon its expiration.

8.2 FRANCHISEE Responsibility.

8.2.1 Delivery of Residue.

FRANCHISEE shall transport all Recyclable Material Processing Residue and Solid Waste to the Disposal Facility, or to such other facilities as the FRANCHISEE and the City Representative may mutually agree to in writing.

8.2.2 Limitation on Use of CITY-Arranged Landfill Capacity.

FRANCHISEE shall not, under any circumstances, utilize the CITY-arranged Disposal capacity at Newby Island Landfill for the Disposal of any material that was collected from Customers other than the Commercial Premises in San José.

8.2.3 Compliance with Regulations.

FRANCHISEE shall observe and comply with all regulations in effect at the Disposal Facility or any other agreed upon Disposal Facility at the time FRANCHISEE transports and disposes of material at the site. FRANCHISEE shall at all times while at the Disposal Facility or any other agreed upon Disposal Facility, operate according to safe industry practices.

8.2.4 Segregation and Disposal of Illegally Dumped Materials.

FRANCHISEE will at its sole discretion Deliver Illegally Dumped Material either for Disposal at the Newby Island Landfill or for processing at the Recyclable Materials Processing Facility in accordance with Exhibit C-10 ("Illegally Dumped Materials Plan"). If Illegally Dumped Material is sent for Disposal, CITY will compensate FRANCHISEE for Disposal of Illegally Dumped Materials at the CITY rate. FRANCHISEE will be responsible for tracking and monitoring all Illegally Dumped Material collected under this Agreement and must submit tonnage backup information with the reports submitted to CITY as required by Article 12.

8.2.5 Reporting Requirements

Beginning with Q2 2020 reports, FRANCHISEE shall submit the CalRecycle Quarterly Station Notification ("QSN") report to the City Representative at the same time FRANCHISEE submits the report to the CalRecycle Recycling and Disposal Reporting System ("RDRS"). An example Disposal reporting schedule is provided below:

<u>Timeline</u>	<u>Action(s)</u>
May 1 – May 31, 2025	FRANCHISEE submits 2025 Q1 Disposal Report to CITY and “RDRS”
August 1 – August 31, 2025	FRANCHISEE submits 2025 Q2 Disposal Report to CITY and “RDRS”
November 1 – November 30, 2025	FRANCHISEE submits 2025 Q3 Disposal Report to CITY and “RDRS”
February 1 – February 28, 2026	FRANCHISEE submits 2025 Q4 Disposal Report to CITY and “RDRS”
March 2026	FRANCHISEE invoices Organics Processing Contractor the 2025 annual disposal payment

ARTICLE 9 CUSTOMER BILLING

9.1 Billing and Payment.

FRANCHISEE may not bill Customers a service rate that exceeds the maximum collection rates set forth per Article 10 and Exhibit A and A-1.

9.1.1 Bills for Customers receiving Cart and Bin service shall be issued at minimum quarterly per year and be mailed thirty (30) days before the provision of service. For Customers that begin service in between Billing periods, FRANCHISEE shall prorate that service on the next month's invoice. FRANCHISEE shall Bill Roll-Off Container Customers within one (1) month of providing the service.

9.1.2 FRANCHISEE shall review its Billing to Customers to determine if the amount the FRANCHISEE is Billing each Customer accurately reflects the actual level of service provided to the Customer.

9.2 Bad Debt Collection.

If there is no payment of a Bill after sixty (60) calendar days or more from the invoice date, the FRANCHISEE may undertake collection of the amount owed (including penalties and expenses of collection). FRANCHISEE shall make reasonable efforts to obtain payment through issuance of late payment notices, by telephone, and from collection agencies (who shall make at least two attempts to collect). If a Customer does not pay the Bill after ninety (90) days or more from the invoice date, FRANCHISEE may discontinue Commercial Service. Each quarter, FRANCHISEE shall provide a list of Customers to the CITY that are sixty (60) days past due and ninety (90) days past due.

ARTICLE 10 RATE METHODOLOGY AND MAXIMUM SERVICE RATE

The maximum rate that the FRANCHISEE may charge Customers shall be determined in accordance with this Article and Exhibit A, ("Maximum Service Rates").

10.1 Definition.

10.1.1 Revenue Requirement.

Revenue Requirement means the total monies required to fund the cost of operations, profit, pass-through fees, Government Fees (Franchise Fees and Source Reduction and Recycling Fees), Recyclable Material Processing costs, Organics Processing Fee paid to the Organics Processing Contractor, taxes, insurance, bonds, overhead, operations, and any other cost incurred in the performance of the services and other costs allowed under this Agreement, as specified in Exhibit A-1 as FRANCHISEE's Revenue Requirement.

10.1.2 Maximum Service Rate. The Maximum Service Rate means the maximum amount FRANCHISEE may charge the Customer for services provided under these Franchises

10.1.3 Gross Rate Revenue.

Gross Rate Revenue means the monies FRANCHISEE collects from the Customer for services rendered. The gross rate revenue shall be the full, entire and complete compensation due to FRANCHISEE for all labor, equipment, material and supplies, Recyclable Material Processing costs, Organics Processing Fee paid to the Organics Processing Contractor, Government Fees (Franchise Fees and Source Reduction and Recycling Fees), taxes, insurance, bonds, overhead, operations, profit and any other cost incurred in the performance of the services and other costs allowed under Exhibit A-1 to this Agreement.

10.2 Maximum Service Rate Adjustment Application.

FRANCHISEE may apply for an adjustment to the Maximum Service Rate once a year. All forms to be with the application must be approved by the CITY. The application must, at a minimum, include the following content:

10.2.1 Operational Information.

FRANCHISEE shall provide a spreadsheet identifying the number of accounts by account type (i.e., Container size, collection frequency, and material type) by Line of Business. Operational information shall be prepared for each Line of Business and shall be submitted on the forms similar in format to the Forms 1 through 4 of Exhibit A-1. Operational information includes, but is not limited to:

- Tonnage Collected by Line of Business;
- Number of Containers in service by Line of Business;
- Set-out rates by Line of Business;
- Number of routes and annual route hours by Line of Business;

- Number and type of vehicles by Line of Business; and
- Number of personnel and annual route hour labor by Line of Business.

10.2.2 Financial Statement.

The application shall include financial statement for the most recently completed year with a letter from an Area Director of Finance confirming accounting practices and certifying the accuracy of the financial statement.

10.2.3 Certification of Application.

The application shall include a certification that the signatory has the authority to bind FRANCHISEE, the proposed adjustment was prepared in accordance with this Article and Exhibit A, and all significant information and documents required to independently review the proposed adjustment will be made available to the CITY.

10.2.4 Documentation of Calculation.

Worksheets used to calculate FRANCHISEE's Revenue Requirement and Maximum Service Rate for the coming year must be prepared in a format consistent with Exhibit A. A cost-based adjustment may require additional worksheets.

10.2.5 Report of Gross Rate Revenue.

The statement of Gross Rate Revenue for the most recently completed year shall provide the information by Line of Business including, but not limited to: rate revenue and revenue received for regular collection service, on-call collection service, and extra services.

10.2.6 Report of Disposal and Processing Cost Information.

FRANCHISEE shall report the actual Disposal and Processing costs for the most recently completed year beginning with the application to adjust the Maximum Service Rate for Year Three. The report shall include a summary of tons Disposed and Processed each month.

10.2.7 Preparation of Supporting Documentation.

Any supporting documentation for all calculations, assumptions, and data used to determine the proposed adjustment including, but not limited to, labor agreements, general ledger, revenue and accounts receivable ledgers, Solid Waste transfer and Disposal tickets (transfer, Disposal, and Processing); Quarterly Disposal Reports; Recyclable Material, plant material, and Organic Material and Dry Material Transfer, and Processing cost/invoices; and copies of index data.

10.3 Review of Application.

The CITY must determine if the application for an adjustment to the Maximum Service Rate is complete within thirty (30) days of receiving the application. If the application is not complete, the CITY will request, in writing, additional information. The CITY shall notify the FRANCHISEE when the application is complete. The CITY's review of the application may include, but is not limited to:

10.3.1 Review of Calculations.

Verify that the calculations to determine the FRANCHISEE's Revenue Requirement, Maximum Service Rate Adjustment Factor, and Maximum Service Rate were prepared consistent with this Article and Exhibit A. The CITY will identify any discrepancies in the calculation and recommend adjustments as appropriate.

10.3.2 Review of Gross Rate Revenue.

Historical, actual and estimated Gross Rate Revenue based on then-current Customer accounts.

10.3.3 Review of Disposal, Transfer, and Processing Costs.

Historical Disposal, Transfer and Processing expenses and tonnages. The CITY may select a sample of transactions for testing each year to ensure that the data can be supported by invoices; Disposal, Transfer, and Processing Facility gate house tickets and invoices; or other appropriate source documents. If the CITY observes variances in Disposal, Transfer, and Processing costs from year to year, the CITY may seek additional information to confirm that costs correlate with the revenues and operating statistics (e.g. correlate changes in Customer service levels and/or Gross Rate Revenues to Disposal volumes).

10.3.4 Review of Depreciation, Interest Expenses, and Lease Costs.

Depreciation, interest expenses, and lease costs (e.g. route vehicles and Containers).

10.3.5 Review of Allowable Operating Costs.

Actual costs for the most recently completed year to verify the reported costs are accurate and allowable in accordance with this Article and Exhibit A for cost-based adjustment years.

10.4 Adjustment Method.

The FRANCHISEE may request that the Maximum Service Rate be adjusted annually.

10.4.1 Index-based Adjustment.

The index-based adjustment involves various cost adjustment factors such as the percentage change in the CPI-W and percentage change in the Organics Processing Fee paid to Organics Processing Contractor to calculate the new Revenue Requirement and new Maximum Service Rates. During the index-based adjustment process, changes are made to calculated costs of the then-current year. Adjustments are not made to reflect actual costs, actual changes in wages and benefits, actual changes in Customer account data and service levels, or other actual changes.

The index-based adjustment process must be used to determine Maximum Service Rates for any year in which a cost-based adjustment is not employed. The index-based adjustment method may result in an increase or decrease to Maximum Service Rates. The total increase to Maximum Service Rates in any given year may not exceed six percent (6%); provided, however, this six percent (6%) cap shall not apply to the extent the Maximum Service Rates are increased due to increases in the Organics Processing Fee, Government Fees (Franchise Fees and Source

Reduction and Recycling Fees), Changes in Law, or CITY-directed changes in FRANCHISEE'S scope of work.

10.4.2 Cost-based Adjustment.

The cost-based adjustment involves a detailed review of the FRANCHISEE's actual costs of service, projection of the Revenue Requirement for the coming year, and determination of the new Maximum Service Rates to reflect the Revenue Requirement. The intent of performing the cost-based adjustment is to minimize risks to FRANCHISEE for changes in costs, the number of Customers, the service level of Customers, and tonnage levels. The cost-based rate adjustment uses the FRANCHISEE's actual cost of operations and operational statistics (staffing levels, routes, route hours, Customers and their service levels, etc.) to calculate the Revenue Requirement for the coming year. Actual costs are reviewed to identify allowable costs and deduct non-allowable costs. Allowable costs that will be used in the calculation of the Revenue Requirement for the coming year will be determined based on cost categories and operating assumptions presented in Exhibit A-1. The actual allowable costs will be adjusted using cost indices to calculate the Revenue Requirement for the coming year.

The cost-based adjustment process may be used to determine Maximum Service Rates for Years Ten (10), Eleven (11), Twelve (12), or and Sixteen (16) if requested by either party, and may, at either parties' option, be used to determine Maximum Service Rates in any year during the term of the agreement if the index-based adjustment method results in an increase of greater than six percent (6%) net of Organics Processing Fee, Government Fees (Franchise Fees and Source Reduction and Recycling Fees), Changes in Law, or CITY-directed changes in FRANCHISEE's scope of work. In addition, the CITY shall have a one-time option to use the cost-based adjustment process to determine the Maximum Service Rates in any Index-Based Adjustment Year. This option is exclusive of any other option available to the parties in this Section 10.4.2. If the CITY exercises this one-time option, the CITY shall provide notice to FRANCHISEE by September 1 in the year preceding the commencement date of the applicable Rate Year and the application shall be due by December 1 in the same year.

The cost-based adjustment method may result in an increase or decrease to Maximum Service Rates. The total increase for any given year cannot exceed six percent (6%); provided, however, this six percent (6%) cap shall not apply to the extent the Maximum Service Rates are increased due to increases in the Organics Processing Fee, Government Fees (Franchise Fees, and Source Reduction and Recycling Fees), Changes in Law, or CITY-directed changes in FRANCHISEE's scope of work.

10.5 Rate Structure.

FRANCHISEE may request a change in the rate structure during a year in which the Maximum Service Rates are being set using the cost-based adjustment methodology.

Any change in the rate structure shall be based on the same amount of Gross Rate Revenue that would have been generated had the previous rate structure remained in place.

10.6 New Rate Categories.

FRANCHISEE may request to add new service categories during the annual rate adjustment process.

10.7 Maximum Service Rate Adjustment Application Process Timeline.

The table below summarizes the adjustment method used to determine Maximum Service Rates for each year and the dates the FRANCHISEE must submit its application. If the FRANCHISEE does not submit the application on or before the required application date, no retroactive adjustment will be allowed for the FRANCHISEE to recover any lost revenue that would have been collected had the Maximum Service Rate adjustments been implemented in accordance with the prescribed schedule.

Year	Commencement Date of Year (Rate Effective Date)	Maximum Service Rate Adjustment Method	Application Submittal Date
1	July 1, 2012	Index-Based Adjustment plus adjustments for changes in route personnel wage and benefit costs and Disposal and Processing Fees	January 1, 2012
2	July 1, 2013	Index-Based Adjustment plus adjustments for changes in route personnel wage and benefit costs and Disposal and Processing Fees	January 1, 2013
3	July 1, 2014	Cost-Based Adjustment	December 1, 2013
4	July 1, 2015	Index-Based Adjustment	January 1, 2015
5	July 1, 2016	Index-Based Adjustment	January 1, 2016
6	July 1, 2017	Index-Based Adjustment	January 1, 2017
7	July 1, 2018	Index-Based Adjustment	January 1, 2018
8	July 1, 2019	Index-Based Adjustment	January 1, 2019
9*	July 1, 2020	Index-Based Adjustment	January 1, 2020

Year	Commencement Date of Year (Rate Effective Date)	Maximum Service Rate Adjustment Method	Application Submittal Date
10	July 1, 2021	Index-Based Adjustment unless one party requests a Cost-Based Adjustment	For Index-Based: January 1, 2021 For Cost-Based: December 1, 2020 (Notice by September 1, 2020)
11	July 1, 2022	Index-Based Adjustment unless one party requests a Cost-Based Adjustment	For Index-Based: January 1, 2022 For Cost-Based: December 1, 2021 (Notice by September 1, 2021)
12	July 1, 2023	Index -Based Adjustment unless one party requests a Cost-Based Adjustment	For Index-Based: January 1, 2023 For Cost-Based: December 1, 2022 (Notice by September 1, 2022)
13	July 1, 2024	Index-Based Adjustment	January 1, 2024
14	July 1, 2025	Index-Based Adjustment	January 1, 2025
15	July 1, 2026	Index-Based Adjustment	January 1, 2026
16	July 1, 2027	Index-Based Adjustment unless one party requests a Cost-Based Adjustment	For Index-Based: January 1, 2027 For Cost-Based: December 1, 2026 (Notice by September 1, 2026)
17	July 1, 2028	Index-Based Adjustment	January 1, 2028
18	July 1, 2029	Index-Based Adjustment	January 1, 2029
19	July 1, 2030	Index-Based Adjustment	January 1, 2030

Year	Commencement Date of Year (Rate Effective Date)	Maximum Service Rate Adjustment Method	Application Submittal Date
20	July 1, 2031	Index-Based Adjustment	January 1, 2031

Notes: In any of the above mentioned Rate Years, with the exception of Rate Years Ten, Eleven, Twelve, and Sixteen and the Rate Year in which the CITY exercises its one-time option set forth in Section 10.4.2, the CITY or FRANCHISEE may exercise the option to conduct a Cost-Based Adjustment if the Index-Based adjustment is greater than 6%, net of the Organics Processing Fee, Government Fees (Franchise Fees and Source Reduction and Recycling Fees), Changes in Law, or CITY-directed changes in FRANCHISEE’S scope of work. Rate Years One through Eight included for historical reference.

*Due to timing of negotiations for this Amended and Restated Agreement, the rate methodology for Rate Year Nine will be an Index-Based Adjustment utilizing the method prescribed in the 2011 Franchises Agreement. Thereafter, Maximum Service Rate adjustments will be performed in conformance with Exhibit A of this Amended and Restated Agreement.

10.8 Notice of Rate Adjustments.

Once the CITY has approved a change to the Maximum Service Rate, in writing, the FRANCHISEE shall provide all Customers with advance written notice of changes to the Maximum Service Rates in the form of a bill insert at least thirty (30) calendar days prior to the effective date of the change.

10.9 Audit.

The CITY reserves the right to audit at any time during the term of the franchise and within five (5) years of the expiration date or early termination date of the franchise. The purpose of the CITY’s audit may include, but is not limited to, verifying that the CITY has received all Government Fees, and any other fees due to the CITY; Organic Material and Dry Material Processing Cost; and that the Customers are not charged more than the Maximum Service Rate for services rendered. FRANCHISEE shall cooperate with the audit and provide reports and documentation in the form requested by the CITY within five (5) business days of any request. FRANCHISEE shall also provide staff who can explain the FRANCHISEE’s Billing and accounting procedures, calculations, and other relevant matters.

ARTICLE 11 ADDITIONAL SERVICES

11.1 Special Services.

11.1.1 New Regulation.

FRANCHISEE agrees to collaborate with the CITY in developing and implementing regulations and/or programs such as a State mandatory commercial recycling requirement.

11.1.2 Waste Characterization.

FRANCHISEE agrees to perform a minimum of one (1) informal waste characterization study for each year of the franchise with the scope to be determined by the CITY. The studies will be conducted at such times as are mutually agreed upon by FRANCHISEE and the City Representative.

11.2 Pilot Programs.

The CITY and FRANCHISEE may mutually agree to conduct pilot programs that temporarily change the Collection method, equipment, or the type of service to Commercial Premises for up to ten percent (10%) of total collected material or redirect up to ten percent (10%) of the Residue. FRANCHISEE shall have the first right to refuse the opportunity to participate in the pilot. A pilot program shall be limited to a term of not more than eighteen (18) months unless otherwise specifically agreed to in writing by FRANCHISEE and the City Representative.

FRANCHISEE shall perform any additional record keeping required by a pilot program.

FRANCHISEE and City Representative shall execute a letter of agreement setting forth the terms of the pilot test program including program costs, program operating parameters, and program duration.

If a pilot program affects the cost of providing Commercial Services, the program costs set forth in the letter of agreement shall include an adjustment to the Maximum Service Rate the FRANCHISEE is permitted to charge as provided in Exhibit A. An amendment to Maximum Service Rate will reflect the benefits and/or burdens of the pilot program. The adjustment shall be set so as to capture any increase or decrease in FRANCHISEE's direct operating costs resulting from the pilot test program. "Direct operating costs" include planning costs; labor expense, including supervision (wages, employment taxes, and fringe benefits); material, supplies and fuel; and amortized costs of new equipment purchased, or equipment modified for the pilot test program. Any increases in direct operating costs must be established by FRANCHISEE and must be capable of verification by an independent auditor.

The parties agree to cooperate in seeking grant opportunities for alternative fuel vehicle conversion, facility installations, or deployment of new vehicle technologies. Cooperation may extend to assistance in the preparation and submission of grant requests. CITY may also request that FRANCHISEE participate in testing the use of alternative fuel vehicles and other new vehicle technologies as part of FRANCHISEE's Commercial Services. Where vehicle testing involves the use of existing vehicles providing

Commercial Services under this Agreement, the existing vehicles must be in good working order. Testing of alternative fuels in existing vehicles shall not be required if such testing voids a manufacturer's warranty. FRANCHISEE shall report the results of the testing in FRANCHISEE's Quarterly Report to the CITY.

11.3 Disaster Debris Plan.

Beginning Effective Date, FRANCHISEE shall work cooperatively with City Representative to develop a Disaster Debris Plan by October 1, 2020. Both parties shall review and update plan on an annual basis thereafter.

ARTICLE 12 RECORD KEEPING, REPORTING AND INSPECTIONS

12.1 Collection, Processing, Marketing, and Disposal Records.

FRANCHISEE shall maintain records of Collection, Processing, marketing, and Disposal of all material for five (5) years after the expiration or termination of the franchise. Records shall be organized by chronology. FRANCHISEE and CITY will mutually agree on the type of data and reporting requirements prior to the beginning of service.

12.2 Financial Records.

FRANCHISEE shall maintain accurate and complete accounting records containing the underlying financial and operating data relating to and showing the basis for computation of all costs associated with providing services permitted by this Agreement. The accounting records shall be prepared in accordance with Generally Accepted Accounting Principles ("GAAP"), consistently applied. These records shall be maintained for a minimum period of five (5) years, and may include, but not be limited to, any and all ledgers, books of account, invoices, vouchers, cancelled checks, and other documents evidencing or relating to charges for services, or expenditures and disbursements charged to Customers.

12.3 Records of Affiliate(s).

If FRANCHISEE enters into any financial transactions with an Affiliate for the provision of labor, equipment, supplies, services, or capital in order to provide the services permitted by this Agreement, FRANCHISEE shall disclose the transaction in the financial reports submitted to the CITY. FRANCHISEE shall require any Affiliate to provide the CITY access to inspect these records and related financial information.

12.4 Inspection.

Any documents required to be maintained by this Agreement must be made available for inspection or audit, at any time during regular business hours, upon written request by the City Attorney, City Auditor, Director, or a designated representative of any of these officers. FRANCHISEE shall provide copies of such documents to CITY for inspection at City Hall when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the records shall be available at FRANCHISEE's address indicated for receipt of notices. The CITY's right to inspect records survives the termination of this franchise for five (5) years. FRANCHISEE shall make records available for inspection within two (2) weeks of receiving a written request to inspect records from the CITY.

12.5 Security of Records.

FRANCHISEE shall maintain security measures to protect the records from events such as fire or theft. Electronically-maintained data/records shall be protected, and a second copy of data/records shall be saved to a protected source such as an external hard-drive.

12.6 Custody of Records.

FRANCHISEE shall deliver to CITY, upon a written request, records relating to this Agreement for maintenance at City Hall if there is evidence that would lead a reasonable Person to believe the records could be lost or discarded due to dissolution, disbandment, or termination of FRANCHISEE'S business.

12.7 Data Management.

Detailed records shall be maintained and retained in forms and by methods that facilitate flexible use of data contained in records to structure reports, as needed. Records shall be maintained in such a manner that FRANCHISEE can generate reports to compile recorded data into useful forms of information. Reports could include, but are not limited to, customer service, Billing, financial information, tonnage information, scale house records, Processing, marketing, and Disposal.

12.8 Reporting Requirements.

FRANCHISEE shall report to the CITY the information required in this Agreement in the timelines required.

12.8.1 Monthly and Quarterly Reports.

- 12.8.1.1 Tons Collected, Delivered, Accepted, and Sold.
FRANCHISEE shall report the tons Collected, Delivered, accepted, Processed, and Sold for each Container type. FRANCHISEE shall use daily tonnage reports from the scale house data management system to arrive at the monthly totals reported to the CITY.
- 12.8.1.2 Tons Residue Disposed.
FRANCHISEE shall report the tons of Residue Disposed, tons of Residue directed for beneficial reuse, tons of Recyclable Materials recovered, and tons of Organic Material and Dry Material Delivered to the Organics Processing Facility. A copy of this report may be provided by the CITY to the Organics Processing Contractor.
- 12.8.1.3 Diversion Rate.
FRANCHISEE shall report the Diversion Rate.
- 12.8.1.4 Customer Service.
FRANCHISEE shall report the number of Customer calls received for the following categories: new starts; stops; missed pickups; Container exchanges, repairs, and replacements; Container sizes; and calls that require CITY consultation. FRANCHISEE shall also report the total number of calls received and the average on-hold time; and number of completed graffiti clean-ups.
- 12.8.1.5 Delinquent Accounts.
FRANCHISEE shall report the number of accounts that became delinquent and provide a list to the CITY in accordance with Article 9.
- 12.8.1.6 Special Events.
FRANCHISEE shall report the information required in accordance with State and local regulations.
- 12.8.1.7 General Account Information.
FRANCHISEE shall report the total number of accounts and number of accounts listed by Container type,

Container size, Disposal code and types of materials being disposed.

- 12.8.1.8 Comments.
FRANCHISEE shall report, if applicable, any trends, spill information, specific Customer situations, ownership changes, key management staff changes, or other information FRANCHISEE desires to inform the City Representative.
- 12.8.1.9 Significant Events.
FRANCHISEE shall discuss any significant events that have impacted or will impact the organization and/or the Recyclable Material Processing Facility including, but not limited to, operational changes related to receipt, Acceptance, Processing, marketing, Solid Waste Disposal, Residue Disposal, hazardous material, and notices of violations. FRANCHISEE shall describe the potential consequences of such events and mitigation plans.
- 12.8.1.10 Technical Assistance.
FRANCHISEE shall report technical assistance milestones outlined in the Annual Outreach and Technical Assistance Plan.
- 12.8.1.11 Market Information.
FRANCHISEE shall report on key markets that were used to sell Recyclable Material. The report should also include company names, locations, and contact information.
- 12.8.1.12 Environmental Information.
FRANCHISEE shall cooperate with CITY in providing information to demonstrate the CITY's compliance with environmental goals and policies regarding fuel economy and emissions.
- 12.8.1.13 Monthly Reports.
CITY shall have the right to request with fourteen (14) days notice that any or all of the Quarterly Report information be provided on a monthly basis.
- 12.8.1.14 Vehicle Inventory.
Upon CITY's request, FRANCHISEE shall report vehicle inventory information regarding service history, types of vehicles, number of vehicles, and vehicle tare weights.

12.8.2 Annual Reports.

Annual reports shall include a summary report that presents all monthly data required by the monthly reporting requirements and an annual total for each item reported, including an annual report of the vehicle inventory

information regarding types of vehicles, number of vehicles, and vehicle tare weights.

12.8.3 Financial Statements.

Within one hundred twenty (120) calendar days after the close of FRANCHISEE's fiscal year, FRANCHISEE shall deliver to the CITY four (4) copies of the certified consolidated financial statements and profit and loss statements of FRANCHISEE for the preceding fiscal year. Financial statements shall include a supplemental combining schedule showing FRANCHISEE's results of operations, including the specific revenues and expenses in connection with the operations permitted by this Agreement from others included in such financial statements. The financial statements and footnotes shall be prepared in accordance with Generally Accepted Accounting Principles ("GAAP") consistently applied and fairly reflecting the results of operation and FRANCHISEE's financial condition. Annual financial statements shall be certified by the Area Controller, in accordance with Generally Accepted Auditing Standards ("GAAS").

12.8.4 As Needed, Per Occurrence, and On-Request Reports.

FRANCHISEE shall provide information to the CITY as needed, per occurrence, or on-request. Types of information could include general accounts records; sales records; revenue; major re-routes; non-facility accidents; facility accidents; major media interest; major labor actions; and all applicable local, state or federal permits provided such information is related to material collected under this Agreement. FRANCHISEE shall make available any information that is proprietary available for CITY review at its on-site at its facilities.

12.9 Report Format.

FRANCHISEE shall provide records to the CITY using an electronic format approved by the City Representative. The reports may be sent by electronic mail ("e-mail"), or if e-mail is not feasible, through an alternate electronic medium that is compatible with the CITY's software and computer systems.

12.10 Report Submittal.

FRANCHISEE shall submit the following reports in accordance with the deadlines set forth below.

12.10.1 Monthly Reports

FRANCHISEE shall submit monthly reports on or before the last day of the calendar month immediately following the completed month.

12.10.2 Quarterly Report.

FRANCHISEE shall submit quarterly reports on or before the last day of the calendar month immediately following the last month of the quarter.

12.10.3 Annual Report.

FRANCHISEE shall submit annual reports on or before the last day February for the services provided in the previous calendar year. The

final annual report covering the last six months of service shall be submitted by August 15 following termination of the franchise.

12.10.4 Submittal Day Exceptions.

If the last day of the month falls on a Saturday, Sunday or a designated holiday under this Agreement, the report is due on the next calendar day.

12.10.5 Submittal to CITY.

All reports shall be submitted to the City Representative.

ARTICLE 13 NONDISCRIMINATION AND WAGE POLICY

13.1 Nondiscrimination.

In the performance of all work and services permitted by this Agreement, FRANCHISEE shall not discriminate against any person on the basis of such person's race, sex, color, national origin, religion, marital status, sexual orientation, actual or perceived gender, or disability. FRANCHISEE shall comply with all applicable local, state and federal laws and regulations regarding nondiscrimination, including those prohibiting discrimination in employment.

13.2 Wage Policy.

Except where wages and benefits are established in accordance with a collective bargaining agreement covering the employees in question, FRANCHISEE and its approved subcontractors, as set forth in Exhibit D ("Approved Subcontractors and Affiliates"), shall pay those employees who are employed in the job classifications listed in Exhibit E, Wage and Labor Policy, and are performing work permitted by this Agreement those minimum wage rates as set forth in Exhibit E. FRANCHISEE shall also comply with worker retention provisions, job fair provisions and labor peace provisions of Exhibit E and shall meet the documentation and reporting requirements set forth therein.

ARTICLE 14 QUALITY OF PERFORMANCE OF FRANCHISEE

14.1 Intent.

FRANCHISEE acknowledges and agrees that among CITY's primary goals in issuing the Franchise are to ensure that the services are of the highest caliber, that maximum diversion levels are achieved, and that all materials are put to the highest and best use.

14.2 Liquidated Damages.

In the event FRANCHISEE fails to comply with the term of this Agreement, FRANCHISEE shall pay liquidated damages in the amounts specified in Exhibit B. The payment of liquidated damages shall be remitted to the CITY on or before the date specified in the notice of breach provided by CITY. Prior to imposing liquidated damages, CITY shall give FRANCHISEE written notice of any acts or omissions of FRANCHISEE that CITY contends may give rise to the imposition of liquidated damages by CITY and allow FRANCHISEE to respond per any cure provisions allowed under this Agreement or to present additional information for consideration by CITY

14.3 Exercise of Rights.

CITY's right to collect liquidated damages shall not prevent CITY from exercising any other right or remedy, as set forth in this Agreement, including the right to terminate this franchise, for FRANCHISEE's failure to comply with this Agreement.

14.4 Diversion Incentive.

For Rate Years Ten, Eleven, Twelve, and Sixteen in which rates are set using the operating ratio described in Exhibit A, the operating ratio used to determine FRANCHISEE'S compensation shall be adjusted downwards in the FRANCHISEE'S favor by half a percent (0.5%) for every percent of diversion above the annual diversion requirement referenced in Section 7.2.

ARTICLE 15 FINANCIAL ASSURANCE OF PERFORMANCE

15.1 Performance Bond.

As of the Effective Date of this Agreement, FRANCHISEE, pursuant to its obligations under 2011 Franchises Agreement, furnished to the City Clerk a Performance Bond in a form as set forth in Exhibit G, Form of Performance Bond, for the faithful performance of this Agreement and all of FRANCHISEE's obligations arising hereunder in an amount as follows:

From ten (10) calendar days from the Effective Date through sixty (60) days after the term of this Agreement or until CITY issues a written release, whichever is later, for a minimum amount Six Million Two Hundred and Fifty Thousand Dollars (\$6,250,000).

FRANCHISEE shall keep this Performance Bond current. Notwithstanding Section 20.23, FRANCHISEE acknowledges that this Amended and Restated Agreement does not nullify or supersede the 2011 Franchises Agreement for the purposes of the Performance Bond currently on file with the City Clerk as of the Effective Date. Within thirty calendar day (30) of the Effective Date, FRANCHISEE shall provide documentation of the consent of the Surety under the current bond or furnish to the City Clerk a new Performance Bond as set forth in Exhibit G, for the faithful performance of this Agreement and all of FRANCHISEE's obligations arising hereunder from the Effective Date through sixty (60) days after the term of this Agreement or until CITY issues a written release, whichever is later, for a minimum amount Six Million Two Hundred and Fifty Thousand Dollars (\$6,250,000).

15.2 Licensed Surety.

The Performance Bond shall be executed by a surety company licensed to do business in the State of California; having an "A-" or better rating by A. M. Best or Standard and Poor's and included on the list of surety companies approved by the Treasurer of the United States. If the performance bond is shorter than the term of this Agreement, FRANCHISEE shall submit proof of renewal or extension at least ninety (90) calendar days prior to the performance bond expiration date.

15.3 Alternative Security.

FRANCHISEE may provide the following alternative security for the performance of this Agreement in the same amount specified for the Performance Bond in the form of: (a) a prepaid irrevocable standby letter of credit from a financial institution satisfactory to the Director and approved as to form by the City Attorney; or (b) a certificate of deposit in the name of the CITY with a financial institution satisfactory to the Director.

In the event alternative security is approved by the CITY, FRANCHISEE shall notify the City Representative within three (3) calendar days of any change in status. CITY may periodically request verification from the financial institution that issued the letter of credit regarding the status of the letter of credit. If the letter of credit is no longer in full effect, FRANCHISEE must cure the defect within five (5) calendar days.

15.4 Corporate Guaranty.

Prior to the execution of the 2011 Franchises Agreement, FRANCHISEE provided CITY a corporate guaranty from Republic Services, Inc., entered into and effective as of September 16, 2011, to irrevocably and unconditionally guarantee to CITY the complete

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and timely performance, satisfaction and observation by FRANCHISEE of each and every term and condition of this Agreement which FRANCHISEE is required to perform, satisfy or observe. The Corporate Guaranty submitted in 2011 remains valid for the purposes of this Agreement and a true and correct copy is attached as Exhibit H.

ARTICLE 16 INSURANCE

16.1 Terms of Insurance Coverage.

FRANCHISEE shall comply with the insurance requirements set for in Exhibit F, ("Insurance Requirements") for the Term of the Agreement.

16.2 Modification of Insurance Requirements.

The insurance requirements provided in this Agreement may be modified or waived by CITY's Risk Manager, in writing, upon the request of FRANCHISEE if the CITY's Risk Manager determines such modification or waiver is in the best interest of CITY considering all relevant factors, including exposure to CITY.

ARTICLE 17 INDEMNIFICATION

17.1 General Indemnification.

FRANCHISEE shall indemnify and hold harmless CITY, CITY's contractors, public officials, officers, directors, employees, agents and other contractors of each of them, from and against any and all claims, costs, losses and damages (including but not limited to all fees and charges of engineers, architects, attorneys and other professionals as well as all Court or other dispute resolution costs), liabilities, expenditures, or causes of action of any kind (including negligent, reckless, willful or intentional acts or omissions of the FRANCHISEE, any subcontractor, any supplier, any Person or organization directly or indirectly employed by any of them to perform or furnish any services or anyone for whose acts any of them may be liable), arising from, relative to, or caused by the performance of the services permitted by this Agreement. This indemnity includes, but is not limited to, claims attributable to bodily injury, sickness, disease or death, and to injury or destruction of tangible property. FRANCHISEE agrees, at FRANCHISEE's expense, after written notice from CITY, to defend any action against CITY that falls within the scope of this indemnity, or CITY, at CITY's option, may elect not to tender such defense and may elect instead to secure its own attorneys to defend any such action and the reasonable costs and expenses of such attorneys incurred in defending such action shall be payable by FRANCHISEE. Additionally, if FRANCHISEE, after receipt of written notice from CITY, fails to make any payment due under this Agreement to CITY, FRANCHISEE shall pay any reasonable attorneys' fees or costs incurred by CITY in securing any such payment from FRANCHISEE. Payment of any amount due pursuant to the foregoing indemnity shall, after receipt of written notice by FRANCHISEE from CITY that such amount is due, be made by FRANCHISEE prior to CITY being required to pay same, or in the alternative, CITY, at CITY's option, may make payment of an amount so due and FRANCHISEE shall promptly reimburse CITY for same.

17.2 Consideration.

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

17.3 Obligation.

The execution of this Agreement by FRANCHISEE shall obligate FRANCHISEE to comply with the foregoing indemnification provision; however, the collateral obligation of providing insurance must also be complied with as set forth in Article 16.

17.4 Subcontractors.

FRANCHISEE shall require all subcontractors to enter into a contract containing the provisions set forth in Section 17.1 in which contract the subcontractor fully indemnifies CITY in accordance with this Agreement.

17.5 Exception.

Notwithstanding Sections 17.1 above, FRANCHISEE's obligation to indemnify, hold harmless and defend CITY, its officers and employees shall not extend to any loss, liability, penalty, claim, damage, action or suit arising or resulting from acts or omissions constituting willful misconduct or gross negligence on the part of CITY, its officers or employees.

17.6 Damage by FRANCHISEE.

If FRANCHISEE's employees or subcontractors cause any injury, damage or loss to CITY property, including but not limited to CITY streets or curbs (excepting normal wear and tear), FRANCHISEE shall reimburse CITY for CITY's cost of repairing such injury, damage or loss. Such reimbursement is not in derogation of any right of CITY to be indemnified by FRANCHISEE for any such injury, damage or loss. With the prior written approval of CITY's Director, FRANCHISEE may repair the damage at FRANCHISEE's sole cost and expense.

ARTICLE 18 TERMINATION

18.1 Termination.

The Commercial Solid Waste and Recyclable Materials Collection Franchises granted to FRANCHISEE may be terminated by the CITY pursuant to Chapter 9.10 of the San José Municipal Code, as may be amended. In the event FRANCHISEE defaults in the performance of any of the duties to be performed by it under the terms of this Agreement, CITY shall give FRANCHISEE written notice, either by mail or by personal service, setting forth the default. FRANCHISEE shall correct such default within thirty (30) days after receipt of such notice unless the default cannot, by its nature, reasonably be cured within said period, in which case the cure period shall be extended for such additional time as is reasonably necessary to effect a cure, provided that FRANCHISEE shall commence efforts to effect a cure as soon as practicable and shall diligently pursue the cure. If FRANCHISEE fails, neglects or refuses for the applicable cure period to correct any default which constitutes a material breach of this Agreement, then CITY, without further notice and without suit or other proceedings, may cancel and annul the rights and privileges of this Agreement. Nothing in this section shall prohibit the parties from meeting to discuss ways to resolve the issue.

In the event the Commercial Solid Waste and Recyclable Material Collection franchises are terminated or expires, FRANCHISEE shall have no right or authority to engage in commercial Solid Waste or commingled Recyclable Material collection, transportation or Disposal operations in the City of San José. FRANCHISEE shall have a continuing obligation to submit to CITY all reports, any and all fees, penalties late payment charges and interest required by this Agreement which relate to commercial solid waste or recycling activities performed by FRANCHISEE up to and including the date of termination or expiration.

The termination provisions in Exhibit C-9 in no way amend or alter the City's rights to terminate under Article 18.

ARTICLE 19 GOVERNMENT AND OTHER FEES

19.1 Franchise Fees.

19.1.1 During the term of the Commercial Solid Waste and Recyclable Materials Collection Franchises, FRANCHISEE shall pay to CITY franchise fees for the privilege of engaging in the business of collecting, transporting and disposing of commercial Solid Waste and Recyclable Material kept, accumulated or generated in the City of San José.

19.1.2 FRANCHISEE shall pay commercial solid waste franchise fees on all Commercial Services performed by FRANCHISEE pursuant to this Franchises Agreement. Such fees shall be in the amount set forth in a resolution adopted by City Council. In addition, for the right to conduct Commercial Services in both the North District and South District, FRANCHISEE shall pay a supplemental commercial solid waste franchise fees in the amount of one million dollars annually and remitted as specified in Section 19.1.3.

The supplemental commercial solid waste franchise fee may be increased on each anniversary of this Agreement and shall be included in FRANCHISEE's rates for each subsequent Fiscal Year to reflect an amount not to exceed the percentage increase in the annual Consumer Price Index, All Urban Consumers, U.S. City Average, Series ID CUUR0000SA0 (CPI) for the preceding calendar year.

If an index is discontinued, the successor index with which it is replaced will be used for subsequent calculations. If no successor index is identified by the Bureau of Labor Statistics, the index published by the Bureau which is most comparable (as determined by mutual agreement of both parties) will be used.

19.1.3 Franchise fees shall be due and payable at the time and in such manner as set forth in Chapter 9.10 of the San José Municipal Code, as may be amended. The first franchise fee payment for July 2012 is due August 31, 2012, and for each month thereafter, on the last day of the following month. Franchise fees shall be paid by wire transfer. The wire transfer containing the payment must show that the payment was sent on or before the due date.

19.1.4 If franchise fees are not paid by FRANCHISEE at the times required by the San José Municipal Code, such franchise fees shall be delinquent and in addition to the franchise fees, FRANCHISEE shall pay a late payment charge in an amount equal to ten percent (10%) of the franchise fee that was not timely paid by FRANCHISEE. If FRANCHISEE fails to pay delinquent franchise fees within thirty (30) days of the date required by the San José Municipal Code, FRANCHISEE shall pay a second late payment charge in an amount equal to ten percent (10%) of the franchise fee outstanding after such thirty day period. Such second late payment charge shall be in addition to the first late payment charge. In addition, FRANCHISEE shall pay interest on all unpaid franchise fees at the rate of ten percent (10%) per annum or the legal rate allowed, whichever is less,

from the date said franchise fees were due and payable to the date actually paid.

- 19.1.5 In the event FRANCHISEE believes that FRANCHISEE has paid franchise fees in excess of the fees due to CITY, FRANCHISEE may submit documentation supporting the request to the CITY. If proof of overpayment is satisfactory to the CITY, FRANCHISEE may request that the CITY either refund to FRANCHISEE any overpayment or credit the overpayment to the franchise fees due for the subsequent month. FRANCHISEE shall not apply any overpayment as a credit against any Source Reduction and Recycling Fee due or other amounts payable to CITY unless specifically so authorized by the CITY in writing.
- 19.1.6 FRANCHISEE acknowledges that CITY reserves the right to increase franchise fees payable by FRANCHISEE at any time consistent with subsection 19.1.2 and provided such fees are immediately passed through in FRANCHISEE's rates.
- 19.1.7 FRANCHISEE acknowledges that CITY and the County of Santa Clara have an agreement that if FRANCHISEE passes through the franchise fee charges to the County of Santa Clara, CITY is required to reimburse the County for that same amount. FRANCHISEE agrees to remit any payment from the County of Santa Clara to pay for the FRANCHISEE's franchise fee obligation to the CITY so that the CITY may reimburse the County.

19.2 Source Reduction and Recycling Fee.

- 19.2.1 FRANCHISEE shall remit to CITY a Source Reduction and Recycling Fee ("SRR Fee") in an amount set forth by resolution of the City Council and any amendment thereto that may be adopted by the City Council. FRANCHISEE's rates shall be promptly adjusted to compensate FRANCHISEE for any increase in the SRR Fee.
- 19.2.2 FRANCHISEE shall remit the SRR Fees to CITY at the time and place FRANCHISEE remits franchise fees to CITY. SRR Fees shall be paid by wire transfer. The wire transfer containing the payment must show that the payment was sent on or before the due date.
- 19.2.3 If FRANCHISEE fails to remit to CITY the SRR Fees at the required time and place, then FRANCHISEE shall pay a late payment charge in an amount equal to ten percent (10%) of the SRR Fees which FRANCHISEE failed to remit. If FRANCHISEE fails to remit the SRR Fees within thirty (30) days of the due date provided in this AGREEMENT, FRANCHISEE shall pay a second late payment charge in an amount equal to ten percent (10%) of the SRR Fees outstanding at the end of such thirty day period. Such second late payment charge shall be in addition to the first late payment charge. In addition, FRANCHISEE shall pay interest on all unremitted SRR Fees at the rate of ten percent (10%) per annum or the legal rate allowed, whichever is less, from the date said SRR Fees were due to be remitted to the date actually remitted.
- 19.2.4 In the event FRANCHISEE believes that FRANCHISEE has paid SRR Fees in excess of the fees due to CITY, FRANCHISEE may submit

documentation supporting the request to the CITY. If proof of overpayment is satisfactory to the CITY, FRANCHISEE may request that the CITY either refund to FRANCHISEE any overpayment or credit the overpayment to the SRR Fees due for the subsequent month. FRANCHISEE shall not apply any overpayment as a credit against any franchise fees due or other amounts payable to CITY unless specifically so authorized by the CITY in writing.

19.2.5 FRANCHISEE shall report all SRR Fees separately from franchise fees and other charges paid by FRANCHISEE to CITY.

19.2.6 CITY shall notify FRANCHISEE in writing of any changes in the amount of the SRR Fee and of the date any such changes are to be effective.

19.3 Payment to Organics Processing Contractor.

CITY authorizes FRANCHISEE to compensate the Organics Processing Contractor consistent with the terms of the Agreement between the CITY and the Organics Processing Contractor. FRANCHISEE acknowledges that the CITY will not have any other source of funds for such compensation in excess of the revenues received from the Maximum Service Rate.

The CITY shall require the Organics Processing Contractor to remit an invoice and account statement no later than the seventh (7th) day of the month following the month such services were rendered. At the same time fees are remitted to the Organics Processing Contractor, FRANCHISEE shall submit a copy of each invoice and wire transfer or a check that includes a detailed listing to the CITY of each Delivery to the Organics Processing Facility, which shall include, at a minimum, the truck number, date of Delivery, and tons Delivered (sorted by date) .

FRANCHISEE shall remit the Organics Processing Fee directly to the Organics Processing Contractor on the last day of the calendar month following the calendar month the services were rendered, with the timeline for payment to be extended by the same number of days equivalent to any delay in receipt of the invoice. Except as otherwise stated in Exhibit C-9, the Organics Processing Fee shall be calculated as provided in Exhibit A of the agreement between the CITY and the Organics Processing Contractor, incorporated herein by reference and made part of this Agreement with the same force and effect as though fully set forth herein.

FRANCHISEE shall pay the Organics Processing Contractor by wire transfer to the Organics Processing Contractor's designated bank account(s). The wire transfer containing the payment must show that the payment was sent on or before the due date. The FRANCHISEE may deduct its costs of the wire transfers from the monthly payment otherwise due to CONTRACTOR.

Excepted as otherwise stated in Exhibit C-9, if FRANCHISEE fails to timely pay the Organics Processing Contractor, the Organics Processing Contractor will remit a written notice by mail and email notice of delinquent remittance to FRANCHISEE. After receiving notice of delinquent remittance from the Organics Processing Contractor, FRANCHISEE has ten (10) business days to remedy the delinquent remittance. If FRANCHISEE does not remedy the delinquent remittance by 5:00 p.m. on the tenth (10th) business day following such notice, FRANCHISEE shall pay a late payment

charge in an amount equal to ten percent (10%) of the monthly remittance amount that was not timely paid by FRANCHISEE. If FRANCHISEE fails to pay delinquent remittance amount within thirty (30) days of receipt of notice of delinquent payment, FRANCHISEE shall pay a second late payment charge in an amount equal to ten percent (10%) of the monthly remittance outstanding after such thirty (30) day period. Such second late payment charge shall be in addition to the first late payment charge. In addition, FRANCHISEE shall pay interest on all unpaid monthly remittance amounts at the rate of ten percent (10%) per annum or the legal rate allowed, whichever is less, from the date said monthly remittance amounts were due and payable to the date actually paid. The aforementioned shall not apply to disputed portions of invoices.

19.4 Resolution of Discrepancies Between the Organics Processing Contractor and FRANCHISEE.

Within ten (10) days of receipt of Notice of Discrepancies, the Organics Processing Contractor and FRANCHISEE shall meet and attempt to resolve any dispute concerning said invoices. If the Organics Processing Contractor and FRANCHISEE are unable to resolve said dispute within twenty (20) days after receipt of the Notice of Discrepancies, then the Organics Processing Contractor and FRANCHISEE shall, within five (5) days after the expiration of said twenty-day period, immediately meet with the CITY Representative to resolve any such discrepancies or deficiencies and shall provide the CITY Representative any and all documentation relating to the discrepancy or deficiency that is requested by the CITY Representative or which the Organics Processing Contractor or FRANCHISEE wishes to provide in support of their respective positions.

Within fifteen (15) calendar days of meeting with the CITY Representative, the CITY Representative shall notify the Organics Processing Contractor and FRANCHISEE, in writing, of CITY Representative's resolution of the discrepancies or deficiencies. The CITY Representative's determination shall be final.

During the existence of any dispute, the FRANCHISEE shall pay all undisputed amounts to the Organics Processing Contractor. Within ten (10) days of resolution of the dispute, FRANCHISEE shall pay to the Organics Processing Contractor any additional sums which may be found by CITY Representative to be due to the Organics Processing Contractor.

19.5 Other Fees, Taxes, Assessments.

Nothing in this Agreement shall limit the CITY's authority to adopt any other fees, taxes, or assessments, provided that FRANCHISEE's rates are immediately adjusted to reflect the costs associated with such fees, taxes or assessments.

19.6 Withholding of Payment.

CITY reserves the right to direct FRANCHISEE to withhold or retain all or a portion of any monthly payment to the Organics Processing Contractor consistent with agreement between the CITY and the Organics Processing Contractor. Late fees described in Section 19.3 of this Agreement will not apply if FRANCHISEE is required to withhold or retain any portion of the monthly payment to Contractor.

FRANCHISEE shall pay any withheld amounts within twelve (12) calendar days after notice from the City Representative that the grounds for withholding payment are resolved. The FRANCHISEE shall not be liable for interest on any disputed amounts pending resolution of the dispute.

19.7 Cessation of Services.

FRANCHISEE acknowledges that, per the terms of the Organics Processing Agreement, the Organics Processing Contractor may cease providing Organics Processing Services (as defined under the Organics Processing Agreement) in the event that FRANCHISEE fails to pay an undisputed amount greater than \$100,000 that is more than ninety (90) days past due. If such an event were to occur, FRANCHISEE's failure to pay would constitute a material breach of this Agreement and the CITY may immediately pursue all available legal remedies.

ARTICLE 20 MISCELLANEOUS PROVISIONS

20.1 Modifications.

CITY shall have the power to make changes in this Agreement as the result of changes in law, changes in the San José Municipal Code, or both, and to impose new rules and regulations on FRANCHISEE under this Agreement relative to the scope and methods of providing Commercial Services as shall from time-to-time be necessary and desirable for the public welfare. CITY shall give FRANCHISEE notice of any proposed change and an opportunity to be heard concerning those matters. The scope and method of providing Commercial Services as referenced herein shall also be liberally construed to include, but is not limited to the manner, procedures, operations and obligations, financial or otherwise of the FRANCHISEE.

20.2 Change in Law.

CITY and FRANCHISEE understand and agree that the California Legislature and other governmental entities have the authority to make comprehensive changes in Solid Waste Management legislation and that these and other changes in law in the future which mandate certain actions or programs for counties or municipalities may require changes or modifications in some of the terms, conditions or obligations under this Agreement. FRANCHISEE agrees that the terms and provisions of the San José Municipal Code, as it now exists or as it may be amended in the future, shall apply to all of the provisions of this Agreement. In the event any future change in the San José Municipal Code or in any federal, state, county or other local agency law, ordinance or regulation materially alters the obligations of either party, then the affected service rates, as established in Exhibit A, Maximum Service Rates, of this Agreement shall be adjusted. Nothing contained in this Agreement shall require any party to perform any act or function contrary to law. CITY and FRANCHISEE agree to enter into good faith negotiations regarding modifications to this Agreement which are required in order to implement changes in law. When such modifications are made to this Agreement, CITY and FRANCHISEE shall negotiate in good faith, a reasonable and appropriate Maximum Service Rate adjustment for any increase or decrease in the services or other obligations required of FRANCHISEE due to any modification in the Agreement under this Article. CITY and FRANCHISEE shall not unreasonably withhold agreement to such Maximum Service Rate adjustment.

Notwithstanding a change in law, FRANCHISEE agrees that any increase in cost to FRANCHISEE associated with modifying operations, the site, or facilities to meet obligations of service to persons other than the Customer may not be recovered through the Maximum Service Rate.

FRANCHISEE acknowledges that any potential increase in cost to FRANCHISEE associated with modifying the operations, site, and facilities; or securing the necessary entitlements that may be required to implement the initial required services under the terms of this Agreement were factored into the proposed Revenue Requirement.

20.3 Uncontrollable Circumstances.

Notwithstanding any other provision herein, no default, delay or failure to perform on the part of either party shall be considered a breach hereunder if such default, delay or failure to perform is due to causes beyond such party's reasonable control, including, but not limited to, riots, civil disturbances, epidemic, war, embargoes, severe weather, fire,

earthquake, acts of God, or defaults by the other party. In the event of any such default, delay or failure to perform, any dates or times by which the affected party otherwise is scheduled to perform shall be extended for a period of time equal in duration to the additional time required because of the excused default, delay or failure to perform.

20.4 Amendments to Municipal Code.

CITY shall provide written notice to FRANCHISEE of any planned amendment to Chapter 9.10, or to other applicable chapters of the San José Municipal Code that would substantially affect the performance of FRANCHISEE's services permitted by the Agreement. Except in the case of an amendment determined by the City Council to be an urgency measure, such notice shall be provided at least thirty (30) calendar days prior to the City Council's approval of such an amendment.

20.5 Rights Reserved to City.

In addition to all other rights reserved to the CITY, the following shall apply:

- a. There is hereby reserved to the CITY every right and power, and the exercise thereof, which is reserved or authorized by any provision of any lawful ordinance or resolution of the CITY, whether enacted before or after the effective date of this part.
- b. Neither the granting of any franchise nor any provision of any franchise shall constitute a waiver of or a bar to the exercise of any governmental right or power of the CITY.
- c. Except as provided in this Agreement, FRANCHISEE shall have no recourse whatsoever against the CITY, its officers, employees or agents for any loss, cost, expense or damage arising out of any provision or requirement of this part or of any franchise issued under this part or because of the enforcement of this part.
- d. There is hereby expressly reserved to the CITY the power and authority to amend any section of this part so as to require additional or greater standards on the part of the FRANCHISEE and the power and authority to increase the franchise fees to be paid by the grantee pursuant to the Municipal Code.

20.6 Independent Entity.

In the performance of services permitted by this Agreement, FRANCHISEE is regulated by CITY and not an officer, agent, servant or employee of CITY. FRANCHISEE shall have exclusive control of the details of the services and work performed and over all persons performing such services and work. FRANCHISEE shall be solely responsible for the acts and omissions of its officers, agents, employees, contractors and subcontractors, if any. Neither FRANCHISEE nor its officers, employees, agents, contractors or subcontractors shall obtain any right to retirement benefits, Workers' Compensation benefits, or any other benefits which accrue to CITY employees and FRANCHISEE expressly waives any claim it may have or acquire to such benefits.

20.7 Violation of Franchise.

If FRANCHISEE encounters Containers from other private companies collecting any material defined as exclusive in these franchises, FRANCHISEE may report violations to the City Representative within twenty-four (24) hours of observing the violation with any

20.12 Venue.

Any litigation between CITY and FRANCHISEE concerning or arising out of this Agreement shall be filed and maintained exclusively in the Superior Courts of Santa Clara County, State of California, or in the United States District Court for the Northern District of California to the fullest extent permissible by law. Each party consents to service of process in any manner authorized by California law.

20.13 Compliance with Law.

In the performance of this Agreement, FRANCHISEE shall comply with all applicable laws, regulations, ordinances and codes of the federal, state and local governments, including without limitation the Charter of the City of San José and the San José Municipal Code.

20.14 Prohibition Against Gifts.

FRANCHISEE acknowledges that Chapter 12.08 of the San José Municipal Code prohibits CITY's officers and designated employees from accepting gifts as defined in Chapter 12.08. FRANCHISEE agrees not to offer any CITY officer or designated employee any gift prohibited by Chapter 12.08. FRANCHISEE's offer or giving of any gift prohibited by Chapter 12.08 will constitute a material breach of this Agreement. In addition to any other remedies CITY may have in law or equity, CITY may terminate this Agreement for such breach as provided in Article 17 of this Agreement.

20.15 Disqualification of Former Employees.

FRANCHISEE is familiar with Chapter 12.10 of the San José Municipal Code ("Revolving Door Ordinance") relating to the disqualification of CITY's former officers and employees in matters which are connected with their former duties or official responsibilities. FRANCHISEE shall not utilize either directly or indirectly any officer, employee, or agent of FRANCHISEE to perform services under this Agreement, if in the performance of such services, the officer, employee, or agent would be in violation of the Revolving Door Ordinance.

20.16 Transition of Next Franchisee.

Upon expiration or early termination of the franchises, FRANCHISEE shall cooperate fully with CITY, and any subsequent contractor(s) to ensure a smooth transition of services described in this Agreement. Such cooperation may include but not be limited to providing a list of workers who will be displaced by the transfer of services to a successor contractor no less than one hundred twenty (120) calendar days prior to the termination of the franchise; attend meetings as necessary with the CITY and successor franchisee commencing one hundred eighty (180) calendar days prior to the termination of the franchise; and providing other reports and data required by this Agreement.

All Carts, Bins, Compactors, and Roll-Offs purchased and put into service at Customers' Premises after July 1, 2012 that have not been fully depreciated shall be available to the CITY, at the CITY's option, at net book value. Should the CITY elect not to exercise its rights with regards to this Section, the Containers shall remain the property of the FRANCHISEE upon the expiration or earlier termination of the Franchise and FRANCHISEE shall be responsible for removing all Containers in service from premises within ten (10) Work Days.

20.17 Use of Recycled Products.

FRANCHISEE shall use recycled paper for all printed material such as brochures, reports, studies, and promotional literature. For the purposes of the Agreement,

“recycled paper” means a paper or wood pulp product with not less than one hundred percent (100%) of its total weight consisting of secondary and postconsumer waste and with not less than thirty percent (30%) of its total weight consisting of postconsumer waste. “Postconsumer waste” means a finished material that would normally be disposed of as a Solid Waste, having completed its life cycle as a consumer item. “Secondary waste” means fragments of products or finished products of a manufacturing process that has converted a virgin resource into a commodity of real economic value and includes postconsumer waste but does not include fibrous waste generated during the manufacturing process such as fibers recovered from waste water or trimmings of paper machine rolls (mill broke), wood slabs, chips, sawdust, or other wood residue from a manufacturing process.

20.18 Franchise Terms and Conditions.

FRANCHISEE shall be subject to the terms and conditions specified in the Charter of the City of San José, to the terms and conditions specified in the San José Municipal Code, and to the terms and conditions specified in this Agreement. CITY reserves the discretion to prescribe such other additional terms and conditions in the public interest, not in conflict with the City Charter or the San José Municipal Code.

20.19 Severability.

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

20.20 Right to Require Performance.

The failure of CITY at any time to require performance by FRANCHISEE of any provision hereof shall in no way affect the right of CITY thereafter to enforce same. Nor shall waiver by CITY of any breach of any provision hereof be taken or held to be a waiver of any succeeding breach of such provision or as a waiver of any provision itself.

20.21 Headings.

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

20.22 Exhibits.

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

20.23 Entire Agreement.

This Agreement and the Exhibits attached hereto constitute the entire agreement and understanding between the parties regarding the subject matter hereof, and this Agreement shall not be considered modified, altered, changed or amended in any respect unless in writing and signed by the parties hereto. Unless otherwise stated herein, this Agreement incorporates and includes all prior negotiations, correspondence, conversations, agreements and understandings applicable to the matters contained in this Agreement except for the Settlement Agreement between the City, the Organics Processing Contractor and FRANCHISEE approved by the City Council on February 25, 2020, which will remain in full force and effect. The parties agree that there are no commitments, agreements or understandings concerning the subject matter of this

Agreement that are not contained in this document. Accordingly, it is agreed that no deviation from the terms of this Agreement shall be predicated upon any prior representations or agreements, whether oral or written.

20.24 Execution in Counterparts.

This Agreement may be executed in any number of counterparts and by each party in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

WITNESS THE EXECUTION HEREOF on the date written below each party's signature.
"CITY"

APPROVED AS TO FORM:

CITY OF SAN JOSE, a municipal corporation

By: _____
MARK VANNI
Deputy City Attorney

By: _____
LELAND WILCOX
Chief of Staff, Office of the City Manager

Date: _____

Date: _____

"FRANCHISEE"

ALLIED WASTE SERVICES OF NORTH AMERICA, LLC, a Delaware limited liability company

By: _____
MICHAEL A. CAPRIO
Vice President

Date: _____

Agreement that are not contained in this document. Accordingly, it is agreed that no deviation from the terms of this Agreement shall be predicated upon any prior representations or agreements, whether oral or written.

20.24 Execution in Counterparts.

This Agreement may be executed in any number of counterparts and by each party in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

WITNESS THE EXECUTION HEREOF on the date written below each party's signature.

"CITY"

APPROVED AS TO FORM:

CITY OF SAN JOSE, a municipal corporation

By: 
MARK VANNI
Deputy City Attorney

By: 
LELAND WILCOX
Chief of Staff, Office of the City Manager

Date: 5/4/2020

Date: 5/22/2020

"FRANCHISEE"

ALLIED WASTE SERVICES OF NORTH AMERICA, LLC, a Delaware limited liability company

By: _____
MICHAEL A. CAPRIO
Vice President

Date: _____

Agreement that are not contained in this document. Accordingly, it is agreed that no deviation from the terms of this Agreement shall be predicated upon any prior representations or agreements, whether oral or written.

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WITNESS THE EXECUTION HEREOF on the date written below each party's signature.
"CITY"

APPROVED AS TO FORM: CITY OF SAN JOSE, a municipal corporation

By: _____
MARK VANNI
Deputy City Attorney

By: _____
LELAND WILCOX
Chief of Staff, Office of the City Manager

Date: _____

Date: _____

"FRANCHISEE"

ALLIED WASTE SERVICES OF NORTH AMERICA, LLC, a Delaware limited liability company

By: Michael A. Caprio
MICHAEL A. CAPRIO
Vice President

Date: 5/2/20

EXHIBIT A

MAXIMUM SERVICE RATES

CITY and FRANCHISEE entered into a Third Amendment and a Cooperative Agreement and Fourth Amendment to the Franchises Agreement wherein the method for setting the Maximum Service Rate was amended, as set forth in the Second Revised Exhibit A to the Third Amendment, and the definition of the term "CPI-W" was amended, as set forth in the Cooperative Agreement.

For Rate Year Nine (July 1, 2020-June 30, 2021), the Maximum Service Rates will be determined using an Index-Based Adjustment following the procedures set forth in the Franchises Agreement as modified by the Third Amendment and Cooperative Agreement, incorporated herein by reference with the same force and effect as though fully set forth herein.

For all subsequent Rate Years, beginning with Rate Year Ten (July 1, 2021-June 30, 2022), the following will apply:

1.1 Definitions. The maximum rate that the FRANCHISEE may charge Customers for Commercial Service shall be determined in accordance with procedures of Article 10 and this Exhibit A, Maximum Service Rates. The CITY shall have the sole and exclusive right to change the relationship of individual Maximum Service Rates in comparison with other Maximum Service Rates as CITY deems appropriate. Any such change to the rate structure shall result in the same revenue requirement had the rate structure remained the same.

- **"Annual Percentage Change"** means the annual percentage change in any of the indices defined in 1.2 "Indices", or six percent (6%), whichever is less, with the exception that the Annual Percentage Change in the Natural Gas Index shall not be capped at six percent (6%).

The Annual Percentage Change in an index is calculated by subtracting the Average Index Value for the 12-month period ending October 31 of the most recently completed Rate Year from the Average Index Value for the 12-month period ending October 31 of the then-current Rate Year and dividing the result by the Average Index Value for the 12-month period ending October 31 of the most recently completed Rate Year.

For example, if the FRANCHISEE is calculating FRANCHISEE's Revenue Requirement for Rate Year Four to include in its January 1, 2015 Maximum Service Rate Adjustment Application, the Annual Percentage Change for the CPI-W would be calculated as follows:

$$\frac{[(\text{Average CPI-W for November 2013 through October 2014}) - (\text{Average CPI-W for November 2012 through October 2013})]}{(\text{Average CPI-W for November 2012 through October 2013})}$$

The calculated Annual Percentage Change shall be carried to three places to the right of the decimal and rounded to the nearest thousandths.

- **"Average Index Value"** means the sum of the monthly index values during the 12-month period ending in October 31 divided by 12 (in the case of indices published monthly) or the sum of the bi-monthly index values divided by 6 (in the case of indices published bi-monthly).

- **“CPI-W”** means: The U.S. Bureau of Labor Statistics Consumer Price Index, U.S. City average, Water and Sewer and Trash Collection Services Index (Series ID CUUR0000SEHG), but not to exceed 3.12% each year.
- **“Costs Forms”** include the costs, operating statistics, and Maximum Service Rates presented in Exhibit A-1 for one or more of the following:
 - (i) modification to the scope of services;
 - (ii) any unique conditions or contract terms;
 - (iii) any other changes agreed upon by the Parties.
- **“Direct Costs”** includes all costs directly attributable to Collection Service including route labor, route vehicles and maintenance thereof, fuel for route vehicles, and vehicle and Container depreciation.
- **“Government Fees”** means the fees established under Articles 19.1 and 19.2 of this Agreement, and any other new or increased federal, state, county or other local agency fees.
- **“Line of Business”** refers to the type of service provided to Customers as described on the Costs Forms contained in Exhibit A-1.
- **“Natural Gas Index”** means the PG&E Compressed Natural Gas Schedule G-NGV2.
- **“Net Recyclable Material Processing Cost (or Revenue)”** means the Recyclable Material Processing costs less revenue earned from the sale of Recyclable Material.
- **“NIRRP Processing Costs”** means:

The fee for processing Source Separated Recyclables and Dry Material at the Recyclable Material Processing Facility in accordance with this Agreement. This fee is inclusive of all costs to remove Recyclable Material contamination, and/or Exempt Waste from Source Separated Recyclables and Dry Material including all labor (e.g. Recyclery Workers’ Wage) and overhead costs and costs associated with the Disposal of Residue resulting from such processing.

The NIRRP Processing Costs shall be calculated as the sum of the Disposal Cost itemized in Subsection (i), below, plus the following processing fee set at a base rate of \$154 per ton as of the Effective Date. This base rate will be adjusted by CPI-W beginning July 1, 2020, which will increase the per ton rate to \$158.80 for period from July 1, 2020 through June 30, 2021. The base rate will be then be adjusted annually by CPI-W beginning July 1, 2021 and every July 1 thereafter in accordance with the Agreement for the remaining Term. This processing fee will be assessed in each Rate Year as follows:

- July 1, 2020 through June 30, 2021: 17,333 tons times the base rate as adjusted by CPI-W in accordance with the methodology set forth above.
- July 1, 2021 through June 30, 2022: 34,667 tons times the base rate as adjusted by CPI-W in accordance with the methodology set forth above.
- July 1, 2023 through June 30, 2032: 52,000 tons times the base rate as adjusted by CPI-W in accordance with the methodology set forth above.

(i) Disposal Cost resulting from Residue from the Organics Processing Contractor delivered to the Disposal Facility which is below the Residue Disposal Allotment.

- **“Direct Disposal Costs”** means:
The actual costs to dispose of any material (at the then-current City MSW Unit Rate for Solid Waste at the Disposal Facility) that is not directed to the Organics Processing Contractor or Recyclable Material Processing Facility. This cost is not adjusted by CPI-W. This includes Disposal during contingency event at Organics Processing Contractor or Recyclable Material Processing Facility.
- **“Organics Processing Fee”** means:
 - (i) The fee paid to the CITY’s Organics Processing Contractor for the processing of the Organic Material and Dry Material. Organics Processing Cost for the coming Rate year shall be determined in accordance with the CITY’s Organics Processing Agreement and as noted in this section shall be an Allowable Cost in any rate application.;
 - (ii) Other costs approved by the CITY in advance.

1.2 **Indices.** Table 1 provides additional information about the indices described above.

TABLE 1 – Indices

	CPI-W	Natural Gas Index
Expense Category	Labor, Vehicle-Related Costs, and Other Costs	Fuel
Description	3.12% cap of CPI-W Water and Sewer and Trash Collection, U.S. City Average	PG&E Compressed Natural Gas Schedule G-NGV2
Series ID	CUUR0000SEHG	Schedule G-NGV2
Adjusted	Not seasonally adjusted	Not seasonally adjusted
Group	U.S. City Average	NA
Item	Water and sewer and trash collection services	Compressed natural gas
Base Period	Dec 1997=100	199012
Periodicity	Monthly	Monthly

If an index is discontinued, the successor index with which it is replaced will be used for subsequent calculations. If no successor index is identified by the Bureau of Labor Statistics, the index published by the Bureau which is most comparable will be used.

1.3 Recyclable Material Sale Revenue. FRANCHISEE shall retain all revenues, including California Redemption/Refund Value ("CRV") and beverage container processing fees from the sale of material recovered through the Processing of material collected under this Agreement. FRANCHISEE may not seek to recover from the Customer or the CITY additional revenue to offset any shortage in the revenue from the sale of Recyclable Material. During the term of this Agreement, Recyclable Material Sale Revenue shall not be utilized in the calculation of the Gross Rate Revenues or any Revenue Requirement.

2.1 Cost-Based Rate Adjustment Method. The cost-based rate adjustment method must be used to adjust Maximum Service Rates in any year where a cost-based adjustment option is exercised under Section 10.4. Cost-based adjustments may be employed in Rate Years Ten, Eleven, Twelve, and Sixteen, at either party's option if the index-based adjustment method results in an increase greater than six percent (6%), or pursuant to the CITY's one-time option in an Index-Based Adjustment Year. This cap shall not apply to the extent the Maximum Service Rates are increased due to increases in the Organics Processing Fee, Government Fees (Franchise Fees and Source Reduction and Recycling Fees), Changes in Law, or City-directed changes in FRANCHISEE's scope of work.

The FRANCHISEE'S Revenue Requirement for applicable Rate Years shall be calculated in the manner described in this Section.

2.1.1 Total Annual Cost of Operations.

Total Annual Cost of Operations. FRANCHISEE's financial statement(s) and books and records shall be reviewed to determine FRANCHISEE's cost for the most-recently completed Rate Year to perform all the services in the manner required by this Agreement for each of the following cost categories:

- (i) Calculated labor-related costs
- (ii) Calculated vehicle-related costs (excluding fuel)
- (iii) Calculated fuel costs
- (iv) Calculated transport costs
- (v) Calculated other costs (as defined on Cost Form 6 of Exhibit A-1)
- (vi) Direct depreciation costs
- (vii) Calculated allocated general and administrative costs (labor, vehicle, fuel and other costs)
- (viii) Calculated allocated vehicle maintenance costs (labor, vehicle, fuel and other costs)
- (ix) Calculated allocated container maintenance costs (labor, vehicle, fuel and other costs)
- (x) Calculated allocated depreciation and start-up costs

Below are several examples of how operating statistics and ratios may be used to determine costs. This list is provided for example purposes only.

- Labor costs related to Roll-Off collection vehicle drivers will be labor costs related to the number of allowable Roll-Off routes, which shall be determined by dividing the actual average number of pulls per day by the actual number of Roll-Off pulls per day per route as presented on Form 2 in Exhibit A-1.
- Labor costs for Customer Service Representatives (“CSR”) shall correlate to the number of allowable CSRs, which shall be determined by multiplying the actual number of customers by the ratio of proposed CSRs to the number of customers assumed for the proposal.
- Collection vehicle fuel costs for Bin Service will be related to the average annual gallons of fuel per route per Form 2 of Exhibit A-1 and the number of Bin Collection routes, which shall be determined by dividing the actual average number of lifts per day by the actual number of Bin lifts per day per route as presented on Form 2 in Exhibit A-1.

Prohibited Costs. FRANCHISEE shall adjust Total Annual Cost of Operations for most-recently completed Rate Year by deducting non-allowable costs. Non-allowable costs include, but are not limited to, the following:

- (i) Costs that are not consistent with cost categories presented by FRANCHISEE in its Exhibit A-1.
- (ii) Labor and equipment costs for personnel and vehicles that are not specified in Exhibit A-1 and/or are in excess of that determined to be allowable based on operating statistics, ratios, and other factors.
- (iii) Payments to directors and/or owners of FRANCHISEE unless paid as reasonable compensation for services actually rendered.
- (iv) Payments to repair damage to property of third parties or the CITY for which FRANCHISEE is legally liable.
- (v) Fines for penalties of any nature.
- (vi) Liquidated damages assessed under this Agreement.
- (vii) Federal or State income taxes.
- (viii) Charitable or political donations.
- (ix) Depreciation or interest expense for collection vehicles, Containers, other equipment, offices and other facilities if such items are leased as specified on Forms 6 and 10 in Exhibit A-1 and/or are in excess of that determined to be allowable based on operating statistics, ratios, and other factors.
- (x) Payments to related-party entities for products or services, in excess of the cost to the related-party entities for those products or services. This prohibition however does not apply to the rate for the delivery of Solid Waste under the CITY’s disposal agreement with the operator of the Newby Island Sanitary

Landfill, which will be an allowable cost to FRANCHISEE for the disposal of Residue and any material direct hauled to the Disposal Facility per the terms of this Agreement at said landfill (rate adjusted from time to time per the IDC disposal agreement).

- (xi) Goodwill.
- (xii) Unreasonable profit-sharing distributions.
- (xiii) Depreciation and interest expenses in excess of that presented in Exhibit A-1 including costs for replacement of Containers because the useful life of such containers was less than anticipated, and/or are in excess of that determined to be allowable based on operating statistics, ratios, and other factors.
- (xiv) Bad debt write offs in excess of one and one half percent (1.5%) of billed revenue.
- (xv) Attorney fees and other expenses incurred by FRANCHISEE arising from any act or omission in violation of this Agreement.
- (xvi) Reloading, transfer, and exempt waste surcharges paid to the Organics Processing Contractor.
- (xvii) Costs incurred in the collection, transport, handling and disposal of Illegally Dumped Material.

Allowable Cost Methodology. Calculated Total Annual Cost of Operations for the coming Rate Year shall be calculated in the following manner:

- (i) Labor-related costs shall be calculated for the coming Rate Year by multiplying (a) the allowed labor-related costs for the most-recently completed Rate Year by: 1 plus the Annual Percentage Change in CPI-W, and (b) multiplying the result of step (a) by: 1 plus the Annual Percentage Change in CPI-W.
- (ii) Vehicle-related costs (excluding fuel costs) shall be calculated for the coming Rate Year by (a) multiplying the allowed vehicle-related costs for the most-recently completed Rate Year by: 1 plus the Annual Percentage Change in the CPI-W, and (b) multiplying the result of step (a) by: 1 plus the Annual Percentage Change in CPI-W.
- (iii) Fuel costs shall be calculated for the coming Rate Year by (a) multiplying the allowed fuel costs for the most-recently completed Rate Year by: 1 plus the Annual Percentage Change in the PG&E Compressed Natural Gas Schedule G-NGV2, and (b) multiplying the result of step (c) by the same percentage changed used in step one.
- (iv) Transport costs shall be calculated for the coming Rate Year by multiplying (a) the allowed transport costs for the most-recently completed Rate Year by: 1 plus the Annual Percentage Change in CPI-W, and (b) multiplying the result of step (a) by: 1 plus the Annual Percentage Change in CPI-W.

- (v) Other costs shall be calculated for the coming Rate Year by (a) multiplying the allowed other-related costs for most-recently completed Rate Year by: 1 plus the Annual Percentage Change in CPI-W, and (b) multiplying the result of step (a) by: 1 plus the Annual Percentage Change in CPI-W.
- (vi) Direct depreciation expense shall be the amount of \$2,001,164.
- (vii) Allocated general and administrative labor-related, vehicle-related and other costs shall be calculated for the coming Rate Year by (i) multiplying the allowed allocated general and administrative costs for most-recently completed Rate Year by: 1 plus the Annual Percentage Change in CPI-W, and (ii) multiplying the result of step (i) by: 1 plus the Annual Percentage Change in CPI-W.
- (viii) Allocated vehicle maintenance labor-related, vehicle-related and other costs shall be calculated for the coming Rate Year by (i) multiplying the allowed allocated vehicle maintenance labor-related, vehicle-related and other costs for most-recently completed Rate Year by: 1 plus the Annual Percentage Change in CPI-W, and (ii) multiplying the result of step (i) by: 1 plus the Annual Percentage Change in CPI-W.
- (ix) Allocated container maintenance labor-related, vehicle-related and other costs shall be calculated for the coming Rate Year by (i) multiplying the allowed allocated container maintenance labor-related, vehicle-related and other costs for most-recently completed Rate Year by: 1 plus the Annual Percentage Change in CPI-W, and (ii) multiplying the result of step (i) by: 1 plus the Annual Percentage Change in CPI-W.
- (x) Allocated depreciation expense and start-up costs shall be the amount of the Rate Year One allocated depreciation expense and start-up costs.
- (xi) The Total Annual Cost of Operations for the coming Rate Year shall equal the sum of the following costs, which shall have been calculated in accordance with procedures in this Section:
 - (1) Labor-related costs
 - (2) Vehicle-related costs (excluding fuel costs)
 - (3) Fuel costs
 - (4) Transport costs
 - (5) Other costs
 - (6) Direct depreciation expense
 - (7) General and Administrative allocated labor, vehicle, fuel, and other costs
 - (8) Vehicle Maintenance allocated labor, vehicle, fuel, and other costs
 - (9) Container Maintenance allocated labor, vehicle, fuel, and other costs
 - (10) Allocated depreciation and start-up costs

2.1.2 Profit. FRANCHISEE shall calculate its profit for the coming Rate Year by dividing the Total Annual Cost of Operations for the coming Rate Year by an operating ratio of 0.8529 and subtracting from the result the Total Annual Cost of Operations for the coming Rate Year.

$$\text{Profit} = \frac{\text{Total Annual Cost of Operations for Coming Rate Year}}{\text{Total Annual Cost of Operations for Coming Rate Year}} - \text{Total Annual Cost of Operations for Coming Rate Year}$$

0.8529

2.1.3 Pass-Through Costs. Pass-Through Costs (which includes interest), shall equal the amount of the Rate Year One Pass Through Costs plus any adjustments for processing, as well as newly enacted, or increases to existing Government Fees or costs associated with Changes in Law.

2.1.4 NIRRP Processing Costs. As defined in Section 1.1 of this Exhibit A.

2.1.5 Direct Disposal Costs. As defined in Section 1.1 of this Exhibit A. The Disposal Costs will be calculated for the most-recently completed twelve-month period ending October 31. This cost is not adjusted by CPI-W.

2.1.6 Organics Processing Fee. As defined in Section 1.1 of this Exhibit A.

2.1.7 Government Fees. As defined in Section 1.1 of this Exhibit A.

2.1.8 Other Adjustments. If the FRANCHISEE obtains grant funds or subsidies from the CITY or other agency that are used to offset costs associated with provision of service, the annual amount of funds FRANCHISEE received or is calculated to receive through these other sources will be reflected as an adjustment. In such case, the adjustment would be a reduction to the Maximum Service Rates since FRANCHISEE's has secured funds from other sources to cover a portion of the costs.

2.1.9 Franchisee's Revenue Requirement in Cost-Based Years. FRANCHISEE's Revenue Requirement for cost-based adjustment Rate Years shall equal the sum of the Total Cost of Operations, Profit, Pass-Through Costs, NIRRP Processing Cost, Direct Disposal Costs, Organics Processing Fees, Government Fees, and Other Adjustments for the coming Rate Year.

2.2 Maximum Service Rate Adjustment Factor in Cost-Based Years. The Maximum Service Rate Adjustment Factor for cost-based adjustment Rate Years shall equal the FRANCHISEE's Revenue Requirement for the coming Rate Year divided by the Adjusted Revenues from Maximum Service Rates for the most-recently completed 12-month period ending October 31. The Adjusted Revenues from Maximum Service Rates for this 12-month period shall be calculated as follows:

1. Multiply the sum of the Revenues from Maximum Service Rates for November through June by the most recent Maximum Service Rate Adjustment Factor.
2. Add the Adjusted Revenues from Maximum Service Rates for November through June from step 1 to the Revenues from Maximum Service Rates for July through October to produce the Adjusted Revenues from Maximum Service Rates for the most-recently completed 12-month period ending October 31.

The Maximum Service Rate Adjustment Factor shall be rounded to the nearest ten thousandth (e.g. 0.0001) and capped at 1.0600, net any Government Fees, Organics Processing Fees, Changes in Law, or CITY-directed changes in FRANCHISEE's scope of work.

2.3 Adjustment of Maximum Service Rates. Each then-current Maximum Service Rate shall be multiplied by the Maximum Service Rate Adjustment Factor to calculate the effective Maximum Service Rate for the coming Rate Year. The adjustment to each fee shall be rounded to the nearest cent.

2.4 Index-Based Rate Adjustment Method. In any year that an index-based adjustment is appropriate in accordance with Section 10.4, FRANCHISEE shall calculate the index-based adjustments to Maximum Service Rates. The adjustments shall be calculated separately for Direct Costs related to each Line of Business and for each category of indirect costs; and then totaled for calculation of the FRANCHISEE's Revenue Requirement. The cost categories of the main components of FRANCHISEE's Revenue Requirement are presented in detail in Table 2. Adjustments to these components shall be calculated as follows:

2.4.1 Total Annual Cost of Operations.

- a) Labor-Related Costs for the coming Rate Year shall be calculated by multiplying the Labor-Related Costs component of FRANCHISEE's Revenue Requirement for the then-current Rate Year by one plus the Annual Percentage Change in the CPI-W.
- b) Vehicle-Related Costs (excluding Fuel) for the coming Rate Year shall be calculated by multiplying the Vehicle-Related Costs component of FRANCHISEE's Revenue Requirement for the then-current Rate Year by one plus the Annual Percentage Change in the CPI-W.
- c) Fuel Costs for the Coming Rate Year shall be calculated by multiplying the Fuel Cost component of FRANCHISEE's Revenue Requirement for the then-current Rate Year by one plus the Annual Percentage Change in the Natural Gas Index.
- d) Transport Costs for the coming Rate Year shall be calculated by multiplying the Transport Cost component of the FRANCHISEE's Revenue Requirement for the then-current Rate Year by one plus the Annual Percentage Change in the CPI-W.
- e) Other Costs for the coming Rate Year shall be calculated by multiplying the Other Costs component of the Franchisee's Revenue Requirement for the then-current Rate Year by one plus a pre-determined percentage of the Annual Percentage Change in the CPI-W.
- f) Direct Depreciation expense shall be the amount of \$2,001,164.
- g) Allocated General and Administrative Labor, Vehicle, Fuel, and Other Costs for the coming Rate Year shall be calculated by multiplying the Allocated Costs (Labor, Vehicle, Fuel, and Other Costs) component for the then-current Rate Year by one plus the Annual Percentage Change in the CPI-W.

- h) Allocated Vehicle Maintenance Labor, Vehicle, Fuel, and Other Costs for the coming Rate Year shall be calculated by multiplying the Allocated Vehicle Maintenance Costs (Labor, Vehicle, Fuel, and Other Costs) component for the then-current Rate Year by one plus the Annual Percentage Change in the CPI-W.
- i) Allocated Container Maintenance Labor, Vehicle, Fuel, and Other Costs for the coming Rate Year shall be calculated by multiplying the Allocated Container Maintenance Costs (Labor, Vehicle, Fuel, and Other Costs) component for the then-current Rate Year by one plus the Annual Percentage Change in the CPI-W.
- j) Allocated Depreciation and Start-Up Costs shall be the amount of the Rate Year One Allocated depreciation expense and start-up costs.
- k) Total Annual Cost of Operations. The Total Annual Cost of Operations for the coming Rate Year equals the sum of the costs calculated in (a) through (j) above.

2.4.2 Profit. Profit for the coming Rate Year will be calculated by dividing the Total Annual Cost of Operations for the coming Rate Year by an operating ratio of 0.8529 and subtracting from the result the Total Annual Cost of Operations for the coming Rate Year.

$$\text{Profit} = \frac{\text{Total Annual Cost of Operations for Coming Rate Year}}{0.8529} - \text{Total Annual Cost of Operations for Coming Rate Year}$$

2.4.3 Pass-Through Costs. Pass-Through Costs (which includes interest), shall equal the amount of the Rate Year One Pass Through Costs plus any adjustments for processing, as well as newly enacted, or increases to existing Government Fees or costs associated with Changes in Law.

2.4.4 NIRRP Processing Costs. As defined in Section 1.1 of this Exhibit A.

2.4.5 Direct Disposal Costs. As defined in Section 1.1. of this Exhibit A.

2.4.6 Organics Processing Fee. As defined in Section 1.1 of this Exhibit A.

2.4.7 Government Fees. As defined in Section 1.1 of this Exhibit A.

2.4.8 Other Adjustments. If the FRANCHISEE obtains grant funds or subsidies from the CITY or other agency that are used to offset costs associated with provision of service, the annual amount of funds FRANCHISEE received or is calculated to receive through these other sources will be reflected as an adjustment. In such case, the adjustment would be a reduction to the Maximum Service Rates since FRANCHISEE has secured funds from other sources to cover a portion of the costs.

2.4.9 Franchisee's Revenue Requirement in Index-Based Years. FRANCHISEE'S Revenue Requirement for index-based adjustment Rate Years shall equal the sum of the Total Annual Cost of Operations, Profit, Pass-Through Costs, NIRRP Processing Costs, Direct Disposal Costs, Organics Processing Fees, , Government Fees, Other Adjustments, Changes in Law, or CITY-directed changes in FRANCHISEE'S scope of work for the coming Rate Year.

2.5 Maximum Service Rate Adjustment Factor in Index-Based Years. The Maximum Service Rate Adjustment Factor for Index-based adjustment Rate Years shall equal to the FRANCHISEE'S Revenue Requirement for the coming Rate Year divided by the FRANCHISEE'S Revenue Requirement for the then-current Rate Year.

The Maximum Service Rate Adjustment Factor shall be rounded to the nearest ten thousandth (e.g. 0.0001) and capped at 1.0600, which is a six percent (6%) increase, net of any Government Fees (Franchise Fees and Source Reduction and Recycling Fees), Organics Processing Fees, Changes in Law, or City-directed changes in FRANCHISEE's scope of work.

2.6 Adjustment of Maximum Service Rates. Each then-current Maximum Service Rate shall be multiplied by the Maximum Service Rate Adjustment Factor to calculate the Maximum Service Rate for the coming Rate Year. The adjustment to each fee shall be rounded to the nearest cent.

2.7 Examples.

TABLE 1: Example Organics Processing Facility Residue Disposal Costs

	Tons Delivered	% of Total Tons Delivered	Municipal Solid Waste (MSW) Rate	Total Cost
Total Tons Delivered to Organics Processing Facility	105,000.00	100%		
Total Tons Organics Processing Facility Residue Disposed	52,000.00	49%	\$47.20	\$2,454,400.00
≤ 41.43% of Total Tons Delivered*	43,501.50	41.43%	\$47.20	\$2,053,270.80
≥41.43% of Total Tons Delivered** (Paid for by Organics Processing Contractor)	8,498.50	8%	\$47.20	\$401,129.20

*With the exception of the portion of the Residue Disposal Allotment that CITY has agreed to fund (\$350,000), FRANCHISEE will not be compensated by the CITY or the Organics Processing Contractor for disposal up to the forty-one point forty three percent (41.43%) of the total tons delivered to the Organics Processing Facility by FRANCHISEE, consistent with Section 8.1.2.

** Residue deliveries above forty-one point forty-three (41.43%) of the total tons delivered to the Organics Processing Facility: FRANCHISEE will be solely compensated by the Organics Processing Contractor for disposal above the forty-one point forty three percent (41.43%), up to a Residue cap of fifty-two thousand (52,000) tons, at the then-current City MSW Unit Rate for Solid Waste at the Disposal Facility, consistent with Section 8.1.3.

TABLE 2: Example Calculation of Franchisee’s Revenue Requirement for Rate Year Eleven

Table 2 illustrates the index-based adjustment method for determining Maximum Service Rates for Rate Year Eleven. The Rate Year Ten and Eleven values and changes in applicable index presented in this table are hypothetical and used for illustrative purposes only. Assumptions for Example Adjustment to FRANCHISEE’S Revenue Requirement and Maximum Service Rates:

- Most-Recently Completed Rate Year = Rate Year Nine (July 1, 2020 through June 30, 2021)
- Rate Year = Rate Twelve (July 1, 2023 through June 30, 2024)
- Rate Year = Rate Year Thirteen (July 1, 2024 through June 30, 2025)

	Rate Year Twelve	Change in Applicable Index (Nov. 1, 2022 to Oct. 31 2023)	Rate Year Thirteen
Annual Cost of Operations			
Labor-Related Costs	\$10,684,911	\$333,369	\$11,018,280.61
Vehicle-Related Costs	\$2,893,721	\$90,284	\$2,984,005.39
Fuel Costs	\$1,870,090	\$89,764	\$1,959,854.22
Transfer and Transport Costs (if applicable)	\$515,123	\$16,072	\$531,194.38
Other Costs	\$763,312	\$23,815	\$787,127.11
Direct Depreciation	\$2,001,164	\$ fixed	\$ 2,001,164.00
G&A Costs - Labor, Vehicle, Fuel & Other	\$5,744,937	\$179,242	\$5,924,178.71
G&A Costs - Depreciation & Start-Up	\$131,586	\$4,105	\$135,691.57
Vehicle Maintenance Costs - Labor, Vehicle, Fuel & Other	\$1,164,677	\$36,338	\$1,201,014.69
Vehicle Maintenance Costs - Depreciation & Start-Up	\$ -	\$ -	\$ -
Container Maintenance Costs - Labor, Vehicle, Fuel & Other	\$1,588,196	\$49,552	\$1,637,747.80
Container Maintenance Costs - Depreciation & Start-Up	\$ -	\$ -	\$ -
Total Annual Cost of Operations	\$27,378,673	\$854,215	\$28,232,887.36
Profit	\$4,722,011	\$147,327	\$4,869,337.52
Pass-Through Costs			
Interest Expense	\$ 1,801,048.00	fixed	\$ 1,801,048.00
Direct Lease Costs	\$ -	\$ -	\$ -
G&A Lease Costs	\$ -	\$ -	\$ -
Vehicle Maintenance Lease Costs	\$ -	\$ -	\$ -
Container Maintenance Lease Costs	\$ -	\$ -	\$ -
Total Pass-Through Costs	\$ 1,801,048.00	\$ -	\$ 1,801,048.00
Franchisee Revenue Requirement before NIRRP Processing Costs, Direct Disposal Costs, Organics Processing Fees and City Fees	\$34,015,870	\$1,061,295	\$35,077,165.31
NIRRP Processing Costs	\$10,373,104.81	\$323,641	\$10,696,745.68
Organics Processing Fee*	\$16,622,760	\$465,437	\$17,088,197.3

Direct Disposal Costs**	\$ 1,080,800.00	\$ 1,512,000.00	\$ 2,592,000.00
Government Fees			
Franchise Fee (General Fund)	\$12,892,296	\$219,169	\$13,111,464.7
Source Reduction & Recycling Fee (SRR/AB939/IWM Fund)	\$ 2,900,000.00	\$ -	\$ 2,900,000.00
Total Government Fees	\$15,792,296	\$492,720	\$16,285,015.30
Total Franchisee Revenue Requirement	\$79,396,031	\$2,477,156	\$81,873,186.80

* The adjustment in the Organics Processing Fee will be governed by the adjustment method set forth in the Organics Processing Agreement with the Organics Processing Contractor.

**The change in the Direct Disposal Costs will be based on the then-current City MSW Unit Rate for Solid Waste at the Disposal Facility.

EXHIBIT A-1

Exhibit A-1

Attachment B, Exhibit B-3
Form 1 - Equipment and Facility Information

Equipment and Facility Information
Proposer Name: Allied Waste Services - Santa Clara County

San Jose : Alternative System

North District	X
South District	X

A. Method of Collection (e.g. manual, semi-automatic, fully automated, split body, etc.)		
1. Proposed Service #1		
2. Proposed Service #2		
3. Proposed Service #3		
4. Proposed Service #4		
5. Commercial One Bin Service		Proposed one cart service. All material types, solid waste, recycling, and organics will be disposed into one container. Container and all of its contents will be processed at the
6. Proposed Service #6		
7. Proposed Service #7		
8. Commercial Roll Off Wet Materials		Comprehensive assessment of the condition of all commercial Roll Off debris/compactor containers will be conducted to determine immediate and ongoing replacement
9. Commercial Roll Off Dry Materials		Comprehensive assessment of the condition of all commercial Roll Off debris/compactor containers will be conducted to determine immediate and ongoing replacement
B. Collection Vehicle Manufacturer , Model #, and Year (for each vehicle to be used in the City)		
1. Proposed Service #1		
2. Proposed Service #2		
3. Proposed Service #3		
4. Proposed Service #4		
5. Commercial One Bin Service		Purchasing 18 new Commercial Front Load CNG powered vehicles. Placing orders March 2011 for delivery March 2012 - providing enough time to train drivers and mechanics.
6. Proposed Service #6		
7. Proposed Service #7		
8. Commercial Roll Off Wet Materials		Purchasing 10 new Roll Off CNG powered vehicles. Placing orders March 2011 for delivery March 2012 - providing enough time to train drivers and mechanics. 10 new CNG
9. Commercial Roll Off Dry Materials		Purchasing 10 new Roll Off CNG powered vehicles. Placing orders March 2011 for delivery March 2012 - providing enough time to train drivers and mechanics. 10 new CNG

Attachment B, Exhibit B-3
Form 1 - Equipment and Facility Information

Equipment and Facility Information
Proposer Name: Allied Waste Services - Santa Clara County

San Jose : Alternative System

North District	X
South District	X

C. Container Manufacturer and Specifications (volume, dimensions, material composition, etc.)		
1. Proposed Service #1		
2. Proposed Service #2		
3. Proposed Service #3		
4. Proposed Service #4		
5. Commercial One Bin Service		An assessment of the condition of all commercial bins will be conducted to determine immediate and ongoing replacement needs, based on verification and determination of service
6. Proposed Service #6		
7. Proposed Service #7		
8. Commercial Roll Off Wet Materials		Comprehensive assessment of the condition of all Roll Off debris boxes and compactors will be conducted to determine immediate and ongoing replacement needs, based on
9. Commercial Roll Off Dry Materials		Comprehensive assessment of the condition of all Roll Off debris boxes and compactors will be conducted to determine immediate and ongoing replacement needs, based on
D. Solid Waste Disposal Site		
1. Name of processing site and California SWIS list identification number		International Disposal Corporation (aka Newby Island Landfill). SWIS No. 43-AN-0003
2. Owner's name		International Disposal Corporation (aka Newby Island Landfill).
3. Operator's name		International Disposal Corporation (aka Newby Island Landfill).
4. Address of processing site		1601 Dixon Landing Road, Bldg 2, Milpitas, CA 95035
5. Hauling method (e.g. direct haul, transfer haul)		Direct Haul
6. Address of transfer location (if applicable)		Not Applicable - assumption is solid waste material and residual being disposed at Newby Landfill.
7. Address of location for residual disposal (if applicable)		Allied Waste Services - Newby Island Landfill, 1601 Dixon Landing Road, Bldg 1, Milpitas, CA 95035
E. Recyclable Material Processing Site		
1. Name of processing site and California SWIS list identification number		Browning Ferris Industris Inc. (aka Newby Island Recyclery). SWIS No. 43-AN-0014
2. Owner's name		Browning Ferris Industris Inc. (aka Newby Island Recyclery).
3. Operator's name		Browning Ferris Industris Inc. (aka Newby Island Recyclery).
4. Address of processing site		1601 Dixon Landing Road, Bldg 2, Milpitas, CA 95035
5. Hauling method (e.g. direct haul, transfer haul)		Direct Haul
6. Address of transfer location (if applicable)		Not Applicable - assumption is solid waste material and residual being disposed at Newby Landfill.
7. Address of location for residual disposal (if applicable)		Allied Waste Services - Newby Island Landfill, 1601 Dixon Landing Road, Bldg 1, Milpitas, CA 95035

Attachment B, Exhibit B-3
Form 1 - Equipment and Facility Information

Equipment and Facility Information
Proposer Name: Allied Waste Services - Santa Clara County

San Jose : Alternative System

North District	X
South District	X

F. Other Processing Site (please specify)		
1. Name of processing site and California SWIS list identification number		Not Applicable - assumption is solid waste material and residuals from recyclery being disposed at Newby Landfill. Recyclables and Organics being disposed at Newby Island
2. Owner's name		Not Applicable - assumption is solid waste material and residuals from recyclery being disposed at Newby Landfill. Recyclables and Organics being disposed at Newby Island
3. Operator's name		Not Applicable - assumption is solid waste material and residuals from recyclery being disposed at Newby Landfill. Recyclables and Organics being disposed at Newby Island
4. Address of processing site		Not Applicable - assumption is solid waste material and residuals from recyclery being disposed at Newby Landfill. Recyclables and Organics being disposed at Newby Island
5. Hauling method (e.g. direct haul, transfer haul)		Not Applicable - assumption is solid waste material and residuals from recyclery being disposed at Newby Landfill. Recyclables and Organics being disposed at Newby Island
6. Address of transfer location (if applicable)		Not Applicable - assumption is solid waste material and residuals from recyclery being disposed at Newby Landfill. Recyclables and Organics being disposed at Newby Island
7. Address of location for residual disposal (if applicable)		Not Applicable - assumption is solid waste material and residuals from recyclery being disposed at Newby Landfill. Recyclables and Organics being disposed at Newby Island
G. Transfer Station For Organics (if applicable)		
1. Name of processing site and California SWIS list identification number		Not Applicable - assumption is solid waste material and residuals from recyclery being disposed at Newby Landfill. Recyclables and Organics being disposed at Newby Island
2. Owner's name		Not Applicable - assumption is solid waste material and residuals from recyclery being disposed at Newby Landfill. Recyclables and Organics being disposed at Newby Island
3. Operator's name		Not Applicable - assumption is solid waste material and residuals from recyclery being disposed at Newby Landfill. Recyclables and Organics being disposed at Newby Island
4. Address of processing site		Not Applicable - assumption is solid waste material and residuals from recyclery being disposed at Newby Landfill. Recyclables and Organics being disposed at Newby Island
5. Hauling method (e.g. direct haul, transfer haul)		Not Applicable - assumption is solid waste material and residuals from recyclery being disposed at Newby Landfill. Recyclables and Organics being disposed at Newby Island
H. Support Facilities		
1. Address of collection vehicle parking, maintenance, washing, and route staff parking facilities		Allied Waste Services - Santa Clara County, 1601 Dixon Landing Road, Bldg 1, Milpitas, CA 95035
2. Address of administrative office		Allied Waste Services - Santa Clara County, 1601 Dixon Landing Road, Bldg 1, Milpitas, CA 95035
3. Address of billing office		Allied Waste Services - Santa Clara County, 1601 Dixon Landing Road, Bldg 1, Milpitas, CA 95035
4. Address of customer service office		Allied Waste Services - Santa Clara County, 1601 Dixon Landing Road, Bldg 1, Milpitas, CA 95035

Operating Statistics
Proposer Name: Allied Waste Services - Santa Clara County

San Jose - Alternative System	
North District	X
South District	X

- Line 3 - Identify number of hours per day each regular route employee will work each day (including breaks, pre- and post-route checks, etc.; excludes casual/pool personnel).
- Line 4 - Should equal Line 2 * Line 3 * 260 days
- Lines 5, 6, and 7 - Information is to be reported for collection routes only and does not include any support (e.g., container delivery routes, cleanup routes, missed pickup routes etc.)
- Lines 8, 9, and 10 - Data to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.
- Lines 11, 12, and 13 - Identify the average number of hours per day each route will take to complete (including collection time and hauling time to transfer station, landfill, or processing site).
- Line 14 - Should equal Line 5 * Line 11 * 260 days
- Line 15 - Should equal Line 6 * Line 12 * 52 weeks
- Line 16 - Should equal Line 7 * Line 13 * 52 weeks
- Line 17 - Should equal Line 14 + Line 15 + Line 16
- Line 18 - Should equal Line 17 / 2,080 hours
- Line 19 - Data to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.
- Line 20 - Data to be input by proposer and should equal Line 19 * 52 weeks. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.
- Line 21 - Should equal Line 20 / Line 17
- Line 22 - Data to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.
- Line 23 - Data should equal Line 22 * 52 weeks. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.
- Line 24 - Should equal Line 23 / Line 17
- Line 25 - No input needed by proposer, data linked to Form 4 - Capital. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.
- Line 26 - No input needed by proposer, data linked to Form 4 - Capital. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.
- Line 27 - Should equal Line 25 + Line 26
- Line 28 - Data to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.
- Line 29 - Data to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.
- Line 30 - Data to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.
- Line 31 - Data to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.
- Line 32 - Data to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.
- Line 33 - Data to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.
- Line 34 - Data to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.
- Line 35 - Data to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.
- Line 36 - Should equal the sum of Line 29 through 35
- Line 37 - Data to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.
- Line 38 - Data to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.
- Line 39 - Data to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.
- Line 40 - Data to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.
- Line 41 - Data to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.
- Line 42 - Data to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.
- Line 43 - Should equal the sum of Lines 37 through 42
- Line 44 - Should equal Lines 36 - Line 43 - Line 29

Pulls = pull and return etc.
Full Time Equivalent (FTE) = 40 hours per week, 2,080 hours per year

**Attachment B, Exhibit B-1
Form 3 - Labor Requirements**

Proposed Labor Requirements
Proposer Name: Allied Waste Services - Santa Clara County

San Jose : Alternative System

North District	X
South District	X

2010 Hrly rate **\$34.60**

Route Personnel Headcount (include fraction of employee)	Drivers			Helpers			Weighted Avg. Hourly Wage Rate ²	Weighted Avg. Hourly Benefit Rate ²
	Proposed FTE	Hourly Wage Rate	Hourly Benefit Rate ¹	Proposed FTE	Hourly Wage Rate	Hourly Benefit Rate ¹		
Proposed Service #1								
Proposed Service #2								
Proposed Service #3								
FEL: Single Stream	32	\$34.60	\$17.65				\$34.60	\$17.65
Proposed Service #5								
Proposed Service #6								
Roll-Off: Single Stream	17.25	\$34.60	\$17.65				\$34.60	\$17.65
Proposed Service #8								
Proposed Service #9								
Casual/Pool Personnel								
Subtotal Route Personnel	49.25							
Other Personnel Headcount (include fraction of employee)							Indicate below the Form # and Category where employee wages and benefits are allocated (i.e. # 6D - Container Maintenance). Also indicate if part of Corporate Overhead charge.	# of Employees
Chief Executive Officer/Chief Financial Officer								
General Manager							6D- General & Adminstaration	0.6
Operations Manager							6D- General & Adminstaration	1.2
Route Supervisor							6D- General & Adminstaration	2
Dispatcher							6D- General & Adminstaration	2
Container Distribution								
Maintenance Supervisor							6D - Vehicle Maintenance	0.6
Shop Foreman								
Maintenance Mechanic							6D - Vehicle Maintenance	7
Yard Personnel / Container Maintenance / Welder							6D - Container Maintenance	3
Controller							6D- General & Adminstaration	0.5
Accounting Clerks/Staff Accountants							6D- General & Adminstaration	3.5
Customer Service Supervisor							6G - Customer Service Billing Labor	0.5
Customer Service Representatives							6G - Customer Service Billing Labor	4
Recycling Facility Manager								
Recycling Facility Personnel								
Public Education Manager/Community Relations Manager							6D- General & Adminstaration	0.5
Outreach & Technical Assistance Field Staff (minimum 2 FTE)							6D- General & Adminstaration	4
Other (specify): ADC							6D- General & Adminstaration	1
Other (specify): Ops Clerk							6D- General & Adminstaration	1
Other (specify): _____								
Other (specify): _____								
Other (specify): _____								
Other (specify): _____								
Other (specify): _____								
Other (specify): _____								
Other (specify): _____								
Other (specify): _____								
Subtotal Other Personnel								31.4
Total ALL Personnel								80.65

¹ Hourly benefit rate should include only those benefit expenses provided through the current collective bargaining agreement (i.e., health and welfare, pension, retirement security plan, etc.). Expenses quoted as monthly or annual basis shall be converted to an hourly rate assuming by dividing the annual cost by 2,080 hours.
² Weighted average hourly wage/benefit rates = [(Proposed FTE Drivers x Hourly Rate) + (Proposed FTE Helpers x Hourly Rate)] / (Proposed FTE Drivers + Proposed FTE Helpers)

Note: It is not necessary to fill out personnel in every category, just those actively working on the contract at least 25% of the time.

Attachment B, Exhibit B-3
Form 4 - Capital Requirements

Capital Requirements
Proposer Name: Allied Waste Services - Santa

San Jose : Alternative System
North District X
South District X

Collection Vehicles	Quantity									Proposed Cost During Contract Term (in 2010 \$)
	New			Used			Total			
	Actual	Spare	Total	Actual	Spare	Total	Actual	Spare	Total	
Proposed Service #1										
Proposed Service #2										
Proposed Service #3										
Single Stream - Commercial Trucks	32	1	33				32	1	33	\$ 9,570,000
Proposed Service #5										
Proposed Service #6										
Single Stream - Rolloff Trucks	17	3	20				17	3	20	\$ 5,200,000
Proposed Service #8										
Proposed Service #9										
Subtotal	49	4	53				49	4	53	\$ 14,770,000
Other Vehicles										
Pickup Trucks	1	1	2	2	2	4	3	3	6	\$ 282,825
Container Distribution	1	1	2	1	1	2	2	2	4	\$ 308,349
Mobile Service Truck	1	1	2	1	1	2	2	2	4	\$ 317,888
Other (specify): _____										
Other (specify): _____										
Subtotal	3	3	6	4	4	8	7	7	14	\$ 909,062
Total Vehicle Cost \$ 15,679,062										
Containers										
Commercial cart service										
32-gallon (or similar size)										
64-gallon (or similar size)	400	100	500				400	100	500	\$ 37,500
96-gallon (or similar size)										
Subtotal	400	100	500				400	100	500	\$ 37,500
Commercial bin service										
1 cubic yard										
2 cubic yards	604	630	1234	298		298	902	630	1532	\$ 573,094
3 cubic yards	1384	1104	2488	682		682	2066	1104	3170	\$ 1,420,160
4 cubic yards	2534	1500	4034	1250		1250	3784	1500	5284	\$ 2,594,444
5 cubic yards										
6 cubic yards	1514	704	2218	746		746	2260	704	2964	\$ 2,000,700
8 cubic yard	522	468	990	512		512	1034	468	1502	\$ 1,486,022
Subtotal	6558	4406	10964	3488		3488	10046	4406	14452	\$ 8,074,420
Commercial roll off service										
10 cubic yards										
15 cubic yards	58	16	74	118		118	176	16	192	\$ 229,400
20 cubic yards	12	4	16	16		16	28	4	32	\$ 52,800
25 cubic yards	88	28	116	168		168	256	28	284	\$ 394,400
30 cubic yards	82	26	108	158		158	240	26	266	\$ 442,800
40 cubic yards	6	8	14	30		30	36	8	44	\$ 50,400
Replacement Containers	7399.4		7399.4				7399.4		7399.4	\$ 5,453,918
Other (specify): _____										
Subtotal	7645.4	82	7727.4	490		490	8135.4	82	8217.4	\$ 6,623,718
Total Container Cost \$ 14,735,638										
Other	Description (i.e., location, rent/own, potential site, purchase in process, etc.; please provide as much information known at the time of proposal)									Proposed Cost During Contract Term (in 2010 \$)
Offices										
Processing Site(s)										
Transfer Station										
Corporation Yard/Maintenance										
Container Storage Yard										
Shop Equipment										
Fueling Equipment	CNG Fueling Station									\$ 2,450,000
Computer and Office Equipment										
Other (specify): _____	Paving/infrastructure for additional trucks parking (from CNG Fuel)									\$ 550,000
Other (specify): _____										
Total Other Cost \$ 3,000,000										
Total Cost \$ 33,414,700										

Summary of Franchisee Revenue Requirement

Allied Waste Services - Santa Clara County

100% of PG&E % change	4.82%
95% of CPI-W % change	3.12%

	Rate Year Eight Revenue Requirement	Change in Applicable Index	Rate Year Nine Revenue Requirement
Annual Cost of Operations			
Labor-Related Costs	\$9,449,293	\$294,818	\$9,744,111
Vehicle-Related Costs	\$2,518,063	\$78,564	\$2,596,627
Fuel Costs	\$1,575,202	\$75,987	\$1,651,189
Transfer and Transport Costs (if applicable)	\$455,553	\$14,213	\$469,766
Other Costs	\$675,042	\$21,061	\$696,103
Direct Depreciation	\$2,001,164	\$0	\$2,001,164
G&A Costs - Labor, Vehicle, Fuel & Other	\$5,080,584	\$158,514	\$5,239,098
G&A Costs - Depreciation & Start-Up	\$120,000	\$0	\$120,000
Vehicle Maintenance Costs - Labor, Vehicle, Fuel & Other	\$1,029,992	\$32,136	\$1,062,128
Container Maintenance Costs - Labor, Vehicle, Fuel & Other	\$1,404,535	\$43,821	\$1,448,356
Total Annual Cost of Operations	\$24,309,428	\$719,114	\$25,028,542
Profit	0.8529 \$4,192,657	\$124,026	\$4,316,683
Pass-Through Costs			
Interest Expense	\$1,801,048	fixed	\$1,801,048
Direct Lease Costs	\$0	\$0	\$0
G&A Lease Costs	\$0	\$0	\$0
Vehicle Maintenance Lease Costs	\$0	\$0	\$0
Container Maintenance Lease Costs	\$0	\$0	\$0
Total Pass-Through Costs	\$1,801,048	\$0	\$1,801,048
Franchisee Revenue Requirement before Disposal Costs, Organics Processing Costs and City Fees	\$30,303,132	\$843,140	\$31,146,273
NIRRP Processing Costs	\$10,868,714	\$339,104	\$11,207,818
Organics Processing Residue Disposal Cost	\$0	\$334,096	\$334,096
Organics Processing Fee	\$7,207,736	\$1,348,566	\$8,556,302
Direct Disposal Cost			
Government Fees	\$14,730,347	\$215,343	\$14,945,690
Franchise Fee			
Source Reduction & Recycle Fee			
Total Franchisee Revenue Requirement	\$63,109,929	\$3,080,250	\$66,190,179
Required Price Increase %			4.88%

Summary of Franchisee Revenue Requirement
Proposer Name: Allied Waste Services - Santa Clara County

San Jose : Alternative System
North District
South District

Proposed Year One Cost (in 2010 \$)	Proposed Service (Form 6A)		PEL		Roll-Off		TOTAL (if applicable)
	Proposed Service #1	Proposed Service #2	Proposed Service #3	Proposed Service #5	Proposed Service #6	Proposed Service #8	
Annual Cost of Operations							
Labor-Related Costs	\$0	\$0	\$0	\$5,048,487	\$0	\$2,471,000	\$7,519,487
Vehicle-Related Costs	\$0	\$0	\$0	\$1,549,397	\$0	\$664,050	\$2,013,647
Fuel Costs	\$0	\$0	\$0	\$702,519	\$0	\$329,862	\$1,032,381
Net Processing Costs (Recyclables)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer and Transport Costs (if applicable)	\$0	\$0	\$0	\$253,763	\$0	\$108,753	\$362,516
Organics Pre-Processing Costs (if applicable)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Costs	\$0	\$0	\$0	\$345,329	\$0	\$191,851	\$537,180
Direct Depreciation	\$0	\$0	\$0	\$1,495,950	\$0	\$406,380	\$1,902,330
G&A Costs - Labor, Vehicle, Fuel & Other	\$0	\$0	\$0	\$2,635,916	\$0	\$1,416,072	\$4,042,988
G&A Costs - Depreciation & Start-Up	\$0	\$0	\$0	\$105,718	\$0	\$7,419	\$114,133
Vehicle Maintenance Costs - Labor, Vehicle, Fuel & Other	\$0	\$0	\$0	\$332,558	\$0	\$287,082	\$619,639
Vehicle Maintenance Costs - Depreciation & Start-Up	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Container Maintenance Costs - Labor, Vehicle, Fuel & Other	\$0	\$0	\$0	\$725,215	\$0	\$391,476	\$1,117,691
Container Maintenance Costs - Depreciation & Start-Up	\$0	\$0	\$0	\$13,189,049	\$0	\$6,273,945	\$19,462,993
Total Annual Cost of Operations	\$0	\$0	\$0	\$2,274,720	\$0	\$1,082,070	\$3,356,790
Profit	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pass-Through Costs							
Interest Expense	\$0	\$0	\$0	\$1,347,255	\$0	\$365,742	\$1,712,997
Direct Lease Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
G&A Lease Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vehicle Maintenance Lease Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Container Maintenance Lease Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Pass-Through Costs	\$0	\$0	\$0	\$1,347,255	\$0	\$365,742	\$1,712,997
Franchisee Revenue Requirement before Disposal Costs, Organics Processing Costs and City Fees	\$0	\$0	\$0	\$16,811,024	\$0	\$7,721,756	\$24,532,780
Disposal Costs	\$0	\$0	\$0	\$4,782,415	\$0	\$2,050,233	\$6,832,650
Organics Processing Costs	\$0	\$0	\$0	\$4,200,033	\$0	\$1,799,965	\$6,000,000
City Fees*	\$0	\$0	\$0	\$11,617,040	\$0	\$5,582,960	\$17,200,000
Total Franchisee Revenue Requirement	\$0	\$0	\$0	\$37,410,514	\$0	\$15,154,916	\$52,565,430

Note: Detailed cost information is to be provided on Forms 6A through 6C; therefore, the amounts shown on this Form 5 must tie to amounts on Forms 6A through 6C.

\$32,330,238
\$20,235,192
62%

Attachment B, Exhibit B-3
Form 6A

Detailed Collection Cost Proposal Information
Proposer Name: Allied Waste Services - Santa Clara County

San Jose : Alternative System
North District
South District

	Proposed Year One Cost (in 2010 \$)			Total (if applicable)
	Proposed Service #1	Proposed Service #2	Proposed Service #3	
Labor-Related Costs (include regular & pool personnel)				\$0
Regular Wages				\$0
Overtime Wages				\$0
Holiday Wages				\$0
Vacation Wages				\$0
Sick Leave Wages				\$0
Workers Compensation Insurance Premiums				\$0
Workers Compensation Claims				\$0
Health & Welfare				\$0
Pension/ Retirement Benefits				\$0
Payroll Taxes				\$0
Other (Please List)				\$0
Total Labor Related-Costs	\$0	\$0	\$0	\$0
Vehicle-Related Costs (do not include depreciation)				\$0
Tires & Tubes				\$0
Parts & Supplies (fluid, oil, etc.)				\$0
Taxes & Licenses				\$0
Other (Please List)				\$0
Total Vehicle-Related Costs	\$0	\$0	\$0	\$0
Fuel Costs				\$0
Assumed \$ per Gallon <input type="text"/>	\$0	\$0	\$0	\$0
Net Processing (or net Revenues) Costs				\$0
Net Processing Costs (or net Revenues) for _____ (specify)				\$0
Net Processing Costs (or net Revenues) for _____ (specify)				\$0
Total Net Processing Costs	\$0	\$0	\$0	\$0
Transfer and Transport Costs (if applicable)	\$0	\$0	\$0	\$0
Organics Pre-Processing Costs (if applicable)	\$0	\$0	\$0	\$0
Other Costs				\$0
Liability & Property Damage Insurance				\$0
Equipment Insurance				\$0
Training & Safety Programs				\$0
Uniforms				\$0
Other (Please List)				\$0
Total Other Costs	\$0	\$0	\$0	\$0
Direct Depreciation				\$0
Container Depreciation				\$0
Route Vehicle Depreciation				\$0
Other Depreciation				\$0
Total Direct Depreciation	\$0	\$0	\$0	\$0
Allocated Costs - Labor, Vehicle, Fuel & Other Costs				\$0
From General and Administrative (6D)	\$0	\$0	\$0	\$0
From Vehicle Maintenance (6D)	\$0	\$0	\$0	\$0
From Container Maintenance (6D)	\$0	\$0	\$0	\$0
Total Allocated Costs - Labor, Vehicle, Fuel & Other Costs	\$0	\$0	\$0	\$0

Attachment B, Exhibit B-3
Form 6A

Detailed Collection Cost Proposal Information
Proposer Name: Allied Waste Services - Santa Clara County

San Jose : Alternative System
North District X
South District X

	Proposed Year One Cost (in 2010 \$)			Total (if applicable)
	Proposed Service #1	Proposed Service #2	Proposed Service #3	
Allocated Costs - Depreciation and Start-Up Costs				
From General and Administrative (6D)	\$0	\$0	\$0	\$0
From Vehicle Maintenance (6D)	\$0	\$0	\$0	\$0
From Container Maintenance (6D)	\$0	\$0	\$0	\$0
Total Allocated Costs - Depreciation and Start-Up Costs	\$0	\$0	\$0	\$0
Total Annual Cost of Operations	\$0	\$0	\$0	\$0
Profit (Enter % Operating Ratio; i.e. 95%): <input type="text"/> %	\$0	\$0	\$0	\$0
Pass-Through Costs				
Interest Expense				\$0
Direct Lease Costs				
Route Vehicles				\$0
Other (Please List)				\$0
Total Direct Lease Costs	\$0	\$0	\$0	\$0
Allocated Lease Costs				
From General and Administrative (6D)	\$0	\$0	\$0	\$0
From Vehicle Maintenance (6D)	\$0	\$0	\$0	\$0
From Container Maintenance (6D)	\$0	\$0	\$0	\$0
Total Allocated Lease Costs	\$0	\$0	\$0	\$0
Total Pass-Through Costs	\$0	\$0	\$0	\$0
Franchisee Revenue Requirement before Disposal Costs, Organics Processing Costs and City Fees	\$0	\$0	\$0	\$0
Disposal Cost <input type="text"/> /ton	\$0	\$0	\$0	\$0
Organics Processing Costs				
Organics Processing (Reserved) <input type="text"/> /ton	\$0	\$0	\$0	\$0
Organics Processing (Reserved) <input type="text"/> /ton	\$0	\$0	\$0	\$0
Organics Processing (Reserved) <input type="text"/> /ton	\$0	\$0	\$0	\$0
Organics Processing (Reserved) <input type="text"/> /ton	\$0	\$0	\$0	\$0
Total Organics Processing Costs	\$0	\$0	\$0	\$0
Total Franchisee Revenue Requirement	\$0	\$0	\$0	\$0

**Attachment B, Exhibit B-3
Form 6B - Front-End Load (FEL) Service**

Detailed Collection Cost Proposal Information
Proposer Name: Allied Waste Services - Santa Clara County

San Jose : Alternative System	
North District	X
South District	X

(Includes compactor serviced by front-end loading vehicles)

	Proposed Year One Cost (in 2010 \$)			Total (if applicable)
	Single Stream	Proposed Service #4	Proposed Service #5	
Labor-Related Costs (include regular & pool personnel)				\$2,963,284
Regular Wages	\$2,963,284			\$330,025
Overtime Wages	\$330,025			\$119,577
Holiday Wages	\$119,577			\$199,296
Vacation Wages	\$199,296			\$119,577
Sick Leave Wages	\$119,577			\$125,146
Workers Compensation Insurance Premiums	\$125,146			\$84,967
Workers Compensation Claims	\$84,967			\$566,292
Health & Welfare	\$566,292			\$282,624
Pension/ Retirement Benefits	\$282,624			\$257,698
Payroll Taxes	\$257,698			\$0
Other (Please List)				\$5,048,487
Total Labor Related-Costs	\$5,048,487	\$0	\$0	\$5,048,487
Vehicle-Related Costs (do not include depreciation)				\$0
Tires & Tubes				\$1,113,251
Parts & Supplies (fluid, oil, etc.)	\$1,113,251			\$236,346
Taxes & Licenses	\$236,346			\$0
Other (Please List)				\$1,349,597
Total Vehicle-Related Costs	\$1,349,597	\$0	\$0	\$1,349,597
Fuel Costs	Assumed \$ per Gallon \$ 2.50			\$702,519
	\$702,519	\$0	\$0	\$702,519
Net Processing (or net Revenues) Costs				\$0
Net Processing Costs (or net Revenues) for _____ (specify)				\$0
Net Processing Costs (or net Revenues) for _____ (specify)	\$0	\$0	\$0	\$0
Total Net Processing Costs	\$0	\$0	\$0	\$0
Transfer and Transport Costs (if applicable)	\$6,911	\$0	\$0	\$253,763
	\$253,763	\$0	\$0	\$253,763
Organics Pre-Processing Costs (if applicable)		\$0	\$0	\$0
		\$0	\$0	\$0
Other Costs				\$79,039
Liability & Property Damage Insurance	\$79,039			\$202,290
Equipment Insurance	\$202,290			\$32,000
Training & Safety Programs	\$32,000			\$32,000
Uniforms	\$32,000			\$0
Other (Please List)	\$0			\$345,329
Total Other Costs	\$345,329	\$0	\$0	\$345,329
Direct Depreciation				\$617,230
Container Depreciation	\$617,230			\$638,000
Route Vehicle Depreciation	\$638,000			\$241,720
Other Depreciation	\$241,720			\$1,496,950
Total Direct Depreciation	\$1,496,950	\$0	\$0	\$1,496,950
Allocated Costs - Labor, Vehicle, Fuel & Other Costs				\$2,626,916
From General and Administrative (6D)	\$2,626,916	\$0	\$0	\$532,558
From Vehicle Maintenance (6D)	\$532,558	\$0	\$0	\$726,215
From Container Maintenance (6D)	\$726,215	\$0	\$0	\$3,885,689
Total Allocated Costs - Labor, Vehicle, Fuel & Other Costs	\$3,885,689	\$0	\$0	\$3,885,689

**Attachment B, Exhibit B-3
Form 6B - Front-End Load (FEL) Service**

Detailed Collection Cost Proposal Information
Proposer Name: Allied Waste Services - Santa Clara County

San Jose : Alternative System
 North District

X

 South District

X

(Includes compactor serviced by front-end loading vehicles)

	Proposed Year One Cost (in 2010 \$)			Total (if applicable)	
	Single Stream	Proposed Service #4	Proposed Service #5		
Allocated Costs - Depreciation and Start-Up Costs					
From General and Administrative (6D)	\$106,715	\$0	\$0	\$106,715	
From Vehicle Maintenance (6D)	\$0	\$0	\$0	\$0	
From Container Maintenance (6D)	\$0	\$0	\$0	\$0	
Total Allocated Costs - Depreciation and Start-Up Costs	\$106,715	\$0	\$0	\$106,715	
Total Annual Cost of Operations	\$13,189,049	\$0	\$0	\$13,189,049	
Profit (Enter % Operating Ratio; i.e. 95%):	<table border="1" style="display: inline-table;"><tr><td align="center">85.29</td></tr></table> %	85.29	\$2,274,720	\$0	\$2,274,720
85.29					
Pass-Through Costs					
Interest Expense	\$1,347,255			\$1,347,255	
Direct Lease Costs					
Route Vehicles	\$0			\$0	
Other (Please List)	\$0			\$0	
Total Direct Lease Costs	\$0	\$0	\$0	\$0	
Allocated Lease Costs					
From General and Administrative (6D)	\$0	\$0	\$0	\$0	
From Vehicle Maintenance (6D)	\$0	\$0	\$0	\$0	
From Container Maintenance (6D)	\$0	\$0	\$0	\$0	
Total Allocated Lease Costs	\$0	\$0	\$0	\$0	
Total Pass-Through Costs	\$1,347,255	\$0	\$0	\$1,347,255	
Franchisee Revenue Requirement before Disposal Costs, Organics Processing Costs and City Fees	\$16,811,024	\$0	\$0	\$16,811,024	
NIRRP Processing Costs	\$30.34 /ton	\$4,782,415	\$0	\$4,782,415	
ZWED Organics Processing Costs/Residue Disposal					
AD Tier #1 - 0%-5% Contamination	\$ 67.43 /ton	\$152,193	\$0	\$152,193	
AD Tier #2 - 6%-10% Contamination	\$ 70.96 /ton	\$2,766,659	\$0	\$2,766,659	
AD Tier #3 - 11%-20% Contamination	\$ 70.96 /ton	\$1,281,183	\$0	\$1,281,183	
ZWED Residue Disposal	\$ - /ton	\$0	\$0	\$0	
Total Organics Processing Costs		\$4,200,035	\$0	\$4,200,035	
Total Franchisee Revenue Requirement		\$25,793,474	\$0	\$25,793,474	

Attachment B, Exhibit B-3
Form 6C Roll-Off Service

Detailed Collection Cost Proposal Information
Proposer Name: Allied Waste Services - Santa Clara County

San Jose : Alternative System
North District
South District

(Includes compactors serviced by roll-off vehicles)

Labor-Related Costs (include regular & pool personnel)

	Proposed Year One Cost (in 2010 \$)		Total (if applicable)
	Single Stream	Proposed Service #8	
Regular Wages	\$1,450,989		\$1,450,989
Overtime Wages	\$101,132		\$101,132
Holiday Wages	\$64,833		\$64,833
Vacation Wages	\$108,056		\$108,056
Sick Leave Wages	\$64,833		\$64,833
Workers Compensation Insurance Premiums	\$58,981		\$58,981
Workers Compensation Claims	\$40,045		\$40,045
Health & Welfare	\$307,037		\$307,037
Pension/ Retirement Benefits	\$153,235		\$153,235
Payroll Taxes	\$121,860		\$121,860
Other (Please List)			\$0
Total Labor Related-Costs	\$2,471,000	\$0	\$0

Vehicle-Related Costs (do not include depreciation)

Tires & Tubes			\$0
Parts & Supplies (fluid, oil, etc.)	\$526,810		\$526,810
Taxes & Licenses	\$137,240		\$137,240
Other (Please List)			\$0
Total Vehicle-Related Costs	\$664,050	\$0	\$0

Fuel Costs Assumed \$ per Gallon \$329,862 \$0 \$0 \$329,862

Net Processing (or net Revenues) Costs

Net Processing Costs (or net Revenues) for _____ (specify)				\$0
Net Processing Costs (or net Revenues) for _____ (specify)				\$0
Total Net Processing Costs	\$0	\$0	\$0	\$0

Transfer and Transport Costs (if applicable) \$6.91 \$108,753 \$0 \$0 \$108,753

Organics Pre-Processing Costs (if applicable) \$0 \$0 \$0 \$0

Other Costs

Liability & Property Damage Insurance	\$37,251			\$37,251
Equipment Insurance	\$122,600			\$122,600
Training & Safety Programs	\$16,000			\$16,000
Uniforms	\$16,000			\$16,000
Other (Please List)				\$0
Total Other Costs	\$191,851	\$0	\$0	\$191,851

Direct Depreciation

Container Depreciation	\$42,909			\$42,909
Route Vehicle Depreciation	\$346,667			\$346,667
Other Depreciation	\$16,804			\$16,804
Total Direct Depreciation	\$406,380	\$0	\$0	\$406,380

Allocated Costs - Labor, Vehicle, Fuel & Other Costs

From General and Administrative (6D)	\$1,416,072	\$0	\$0	\$1,416,072
From Vehicle Maintenance (6D)	\$287,082	\$0	\$0	\$287,082
From Container Maintenance (6D)	\$391,476	\$0	\$0	\$391,476
Total Allocated Costs - Labor, Vehicle, Fuel & Other Costs	\$2,094,629	\$0	\$0	\$2,094,629

Attachment B, Exhibit B-3
Form 6C Roll-Off Service

Detailed Collection Cost Proposal Information

Proposer Name: Allied Waste Services - Santa Clara County

San Jose : Alternative System

North District	X
South District	X

(Includes compactors serviced by roll-off vehicles)

		Proposed Year One Cost (in 2010 \$)			Total (if applicable)
		Single Stream	Proposed Service #8	Proposed Service #9	
Allocated Costs - Depreciation and Start-Up Costs					
From General and Administrative (6D)		\$7,419	\$0	\$0	\$7,419
From Vehicle Maintenance (6D)		\$0	\$0	\$0	\$0
From Container Maintenance (6D)		\$0	\$0	\$0	\$0
Total Allocated Costs - Depreciation and Start-Up Costs		\$7,419	\$0	\$0	\$7,419
Total Annual Cost of Operations		\$6,273,945	\$0	\$0	\$6,273,945
Profit (Enter % Operating Ratio; i.e. 95%):	85.29 %	\$1,082,070	\$0	\$0	\$1,082,070
Pass-Through Costs					
Interest Expense		\$365,742			\$365,742
Direct Lease Costs					
Route Vehicles					\$0
Other (Please List)					\$0
Total Direct Lease Costs		\$0	\$0	\$0	\$0
Allocated Lease Costs					
From General and Administrative (6D)		\$0	\$0	\$0	\$0
From Vehicle Maintenance (6D)		\$0	\$0	\$0	\$0
From Container Maintenance (6D)		\$0	\$0	\$0	\$0
Total Allocated Lease Costs		\$0	\$0	\$0	\$0
Total Pass-Through Costs		\$365,742	\$0	\$0	\$365,742
Franchisee Revenue Requirement before Disposal Costs, Organics Processing Costs and City Fees		\$7,721,756	\$0	\$0	\$7,721,756
NIRRP Processing Costs	\$30.34 /ton	\$2,050,235	\$0	\$0	\$2,050,235
ZWED Organics Processing Costs					
AD Tier #1 - 0%-5% Contamination	\$ 67.43 /ton	\$65,206	\$0	\$0	\$65,206
AD Tier #2 - 6%-10% Contamination	\$ 70.96 /ton	\$1,185,671	\$0	\$0	\$1,185,671
AD Tier #3 - 11%-20% Contamination	\$ 70.96 /ton	\$549,088	\$0	\$0	\$549,088
Organics Processing (Reserved)		\$0	\$0	\$0	\$0
Total Organics Processing Costs		\$1,799,965	\$0	\$0	\$1,799,965
Total Franchisee Revenue Requirement		\$11,571,956	\$0	\$0	\$11,571,956

Attachment B, Exhibit B-3
Form 6D - Allocated Costs

Detailed Collection Cost Proposal Information

Proposer Name: Allied Waste Services - Santa Clara County

San Jose : Alternative System

North District	X
South District	X

PROPOSED ALLOCATED COST

		Proposed Year One Cost (in 2010 \$)		
		GENERAL AND ADMINISTRATIVE	VEHICLE MAINTENANCE	CONTAINER MAINTENANCE
Labor-Related Costs (include regular & pool personnel)				
Regular Wages	973,062	\$973,062	\$365,233	\$310,960
Overtime Wages	-	\$0	\$33,460	\$58,082
Holiday Wages	20,284	\$20,284	\$18,684	\$18,684
Vacation Wages	53,202	\$53,202	\$34,876	\$31,140
Sick Leave Wages	43,313	\$43,313	\$18,684	\$18,684
Workers Compensation Insurance Premiums	36,976	\$36,976	\$15,150	\$14,024
Workers Compensation Claims	25,105	\$25,105	\$10,286	\$9,521
Pension/ Retirement Benefits	44,335	\$44,335	\$48,960	\$47,160
Payroll Taxes	74,439	\$74,439	\$30,484	\$26,348
Other (Please List) Health & Welfare & MIP	348,306	\$348,306	\$105,613	\$88,483
Total Labor Related-Costs		\$1,619,022	\$681,429	\$623,085
Vehicle-Related Costs				
Tires & Tubes (included with Parts)		\$0	\$0	\$0
Parts		\$2,832	\$2,832	\$8,472
Parts & Supplies (fluid, oil, etc.)		\$0	\$0	\$426,110
Other (Please list)		\$2,906	\$2,440	\$2,864
Total Vehicle-Related Costs		\$5,738	\$5,272	\$437,446
Fuel Costs	Assumed \$ per Gallon \$ 2.50	\$8,808	\$6,624	\$17,640
Other Costs				
Liability & Property Damage Insurance		\$36,780	\$24,520	\$24,520
Equipment Insurance		\$0	\$0	\$0
Rent		\$170,048	\$66,794	\$0
Utilities		\$17,900	\$0	\$0
Telephone		\$33,675	\$0	\$0
Non-vehicle Related Supplies		\$220,053	\$0	\$0
Non-vehicle Related Taxes & Licenses		\$91,704	\$0	\$0
Training & Safety Programs		\$32,064	\$35,000	\$15,000
Continuing Public Education & Outreach	from Form 6F	\$150,000	n/a	n/a
Customer Service and Billing	from Form 6G	\$514,656	n/a	n/a
Uniforms		\$57,600	\$0	\$0
Performance Bond		\$9,500	n/a	n/a
Corporate Overhead Charge (Please List)		\$624,000	n/a	n/a
Bad Debt (not to exceed 0.5%)		\$267,111	n/a	n/a
Other (Please List) T& E, professional fees, Repairs of facility & Equipm		\$184,329	\$0	\$0
Total Other Costs		\$2,409,420	\$126,314	\$39,520
Total Labor, Vehicle, Fuel, and Other Costs		\$4,042,988	\$819,639	\$1,117,691
Depreciation (non-route specific) and Start-Up Costs				
Vehicle Depreciation		\$0	\$0	\$0
Other Depreciation		\$0	\$0	\$0
Start-up Costs (from Form 6E)	from Form 6E	\$114,133	n/a	n/a
Total Depreciation and Start-Up Costs		\$114,133	\$0	\$0
Lease Costs				
Facility Costs (Please List)		\$0	\$0	\$0
Lease Costs (Please List)		\$0	\$0	\$0
Total Lease Costs		\$0	\$0	\$0
Total Costs to be Allocated		\$4,157,122	\$819,639	\$1,117,691

Attachment B, Exhibit B-3
Form 6D - Allocated Costs

Detailed Collection Cost Proposal Information

Proposer Name: Allied Waste Services - Santa Clara County

San Jose : Alternative System

North District

X
X

South District

PROPOSED ALLOCATED COST

Proposed Year One Cost (in 2010 \$)

	G&A Alloc Percentage	GENERAL AND ADMINISTRATIVE	VEHICLE MAINTENANCE	CONTAINER MAINTENANCE	Veh Alloc Percentage	Cont Alloc Percentage
Labor, Vehicle, Fuel, & Other Costs Allocated Out						
To Proposed Service #1 (6A)	0.00%	\$0	\$0	\$0	0.00%	0.00%
To Proposed Service #2 (6A)	0.00%	\$0	\$0	\$0	0.00%	0.00%
To Proposed Service #3 (6A)	0.00%	\$0	\$0	\$0	0.00%	0.00%
To Proposed Service #4 (6B)	64.97%	\$2,626,916	\$532,558	\$726,215	64.97%	64.97%
To Proposed Service #5 (6B)	0.00%	\$0	\$0	\$0	0.00%	0.00%
To Proposed Service #6 (6B)	0.00%	\$0	\$0	\$0	0.00%	0.00%
To Proposed Service #7 (6C)	35.03%	\$1,416,072	\$287,082	\$391,476	35.03%	35.03%
To Proposed Service #8 (6C)	0.00%	\$0	\$0	\$0	0.00%	0.00%
To Proposed Service #9 (6C)	0.00%	\$0	\$0	\$0	0.00%	0.00%
Total Labor, Vehicle, Fuel & Other Costs Allocated Out	100.00%	\$4,042,988	\$819,639	\$1,117,691	100.00%	100.00%
Depreciation and Start-Up Costs Allocated Out						
To Proposed Service #1 (6A)	0.00%	\$0	\$0	\$0	0.00%	0.00%
To Proposed Service #2 (6A)	0.00%	\$0	\$0	\$0	0.00%	0.00%
To Proposed Service #3 (6A)	0.00%	\$0	\$0	\$0	0.00%	0.00%
To Proposed Service #4 (6B)	93.50%	\$106,715	\$0	\$0	93.50%	93.50%
To Proposed Service #5 (6B)	0.00%	\$0	\$0	\$0	0.00%	0.00%
To Proposed Service #6 (6B)	0.00%	\$0	\$0	\$0	0.00%	0.00%
To Proposed Service #7 (6C)	6.50%	\$7,419	\$0	\$0	6.50%	6.50%
To Proposed Service #8 (6C)	0.00%	\$0	\$0	\$0	0.00%	0.00%
To Proposed Service #9 (6C)	0.00%	\$0	\$0	\$0	0.00%	0.00%
Total Depreciation and Start-Up Costs Allocated Out	100.00%	\$114,133	\$0	\$0	100.00%	100.00%
Lease Costs Allocated Out						
To Proposed Service #1 (6A)	0.00%	\$0	\$0	\$0	0.00%	0.00%
To Proposed Service #2 (6A)	0.00%	\$0	\$0	\$0	0.00%	0.00%
To Proposed Service #3 (6A)	0.00%	\$0	\$0	\$0	0.00%	0.00%
To Proposed Service #4 (6B)	93.50%	\$0	\$0	\$0	93.50%	93.50%
To Proposed Service #5 (6B)	0.00%	\$0	\$0	\$0	0.00%	0.00%
To Proposed Service #6 (6B)	0.00%	\$0	\$0	\$0	0.00%	0.00%
To Proposed Service #7 (6C)	6.50%	\$0	\$0	\$0	6.50%	6.50%
To Proposed Service #8 (6C)	0.00%	\$0	\$0	\$0	0.00%	0.00%
To Proposed Service #9 (6C)	0.00%	\$0	\$0	\$0	0.00%	0.00%
Total Lease Costs Allocated Out	100.00%	\$0	\$0	\$0	100.00%	100.00%
Total Allocated Out		\$4,157,122	\$819,639	\$1,117,691		

Please describe allocation method used (e.g. tonnage, routes, etc.)

Attachment B, Exhibit B-3
Form 6G - Customer Service and Billings

Customer Service and Billing
Proposer Name: Allied Waste Services - Santa Clara County

San Jose : Alternative System
North District
South District

	Start-Up Costs* (One-Time Costs in 2010 \$)	Rate Year 1 Costs** (in 2010 \$)
Labor-Related Costs		
1 Customer Service Reps Labor costs including fringes and taxes		\$334,120
2		
3		
4		
5		
6		
7		
Subtotal Labor-Related Costs	\$0	\$334,120
Customer Service and Billing System Set-Up Costs		
1 Data Processing		\$108,812
2 Postage & Delivery		\$22,754
3 Invoice Printing and Admin fee		\$48,970
4		
5		
6		
7		
Subtotal System Costs	\$0	\$180,536
Other Costs		
1		
2		
3		
4		
5		
6		
7		
Subtotal Other Costs	\$0	\$0
Total Costs	\$0	\$514,656

* Start-up costs entered here will be transferred and reflected on Form 6E.
** Annual costs entered here will be transferred and reflected on Form 6D.

Note: Start-up costs shall include all one-time costs associated with preparing for and implementing customer service and billing services required by the Agreement. It shall not include regular, on-going costs associated with the provision of the customer service and billing services. The on-going costs shall be reflected in the Rate Year 1 costs.

Attachment B, Exhibit B-3
Form 6E - Start-up Costs

Start-up Costs

Proposer Name: Allied Waste Services - Santa Clara County

San Jose : Alternative System

North District	X
South District	X

Rate Year One (in 2010 \$)		TOTAL
<u>Labor-Related Costs</u>		
1	Technical assistance (from Form 6F)	\$1,022,000
2	Customer service and billing services (Form 6G)	\$0
3		
4		
5		
6		
7		
Subtotal Labor-Related Costs		\$1,022,000
<u>Vehicle-Related Costs</u>		
1		
2		
3		
4		
5		
6		
Subtotal Vehicle-Related Costs		\$0
<u>Other Costs</u>		
1	Public-Education Materials Preparation and Distribution Costs (from Form 6F)	\$600,000
2	Other Costs related to Technical Assistance (from Form 6F)	\$90,000
3	Customer Service and Billing System Set-up (from Form 6G)	\$0
4	Other Costs related to Customer Service and Billing Services (from Form 6G)	\$0
5		
6		
7		
Subtotal Other Costs		\$690,000
Total Start-up Costs		\$1,712,000

Term of Contract	15
Annual Amortization - Start-up Cost (this amount is linked to Form 6D)	\$114,133

Note: Start-up costs shall include all one-time costs associated with preparing for and implementing collection services and all other services required by the Agreement. It shall not include regular, on-going costs associated with the provision of obligations required by the Agreement.

Attachment B, Exhibit B-3
Form 6F - Technical Assistance Costs

Technical Assistance Costs
Proposer Name: Allied Waste Services - Santa Clara County

San Jose : Alternative System
North District X
South District X

	Start-Up Costs* (One-Time Costs in 2010 \$)	Rate Year 1 Costs** (in 2010 \$)
Labor-Related Costs		
1 New Driver Training and Physicals	\$850,000	
2 Container delivery	\$132,000	
3 Startup Labor	\$40,000	
4		
5		
6		
7		
Subtotal Labor-Related Costs	\$1,022,000	\$0
Public Education Materials Preparation and Distribution Costs		
1 Introductory Flyer	\$100,000	
2 Cascadia Consulting - Public Education	\$500,000	\$150,000
3 On-going Flyers/communciation		
4		
5		
6		
7		
Subtotal Public Education Costs	\$600,000	\$150,000
Other Costs		
1 Routing	\$10,000	
2 Engineering/PR/Consulting	\$80,000	
3		
4		
5		
6		
7		
Subtotal Other Costs	\$90,000	\$0
Total Costs	\$1,712,000	\$150,000

* Start-up costs entered here will be transferred and reflected on Form 6E.
** Annual costs entered here will be transferred and reflected on Form 6D.

Note: Start-up costs shall include all one-time costs associated with preparing for and implementing technical assistance services required by the Agreement. It shall not include regular, on-going costs associated with the provision of the technical assistance services. The on-going costs shall be reflected in the Rate Year 1 costs.

**Attachment B, Exhibit B-3
Form 7 - Disposal and Processing Costs**

Disposal and Processing Cost Proposal

Proposer Name: Allied Waste Services - Santa Clara County

San Jose : Alternative System

North District	X
South District	X

Costs as \$/Ton in 2010 dollars

Part 1: Processing Fees			
	Single Stream	Other	Other
Base Component			
Disposal and/or Processing	\$29.05	\$0.00	\$0.00
CRV Revenues from the Sale of Material*	n.a	\$0.00	\$0.00
Non CRV Revenues from the Sale of Material*	n.a	\$0.00	\$0.00
Residue Transport to landfill	n.a	\$0.00	\$0.00
Residue Disposal at landfill	n.a	\$0.00	\$0.00
Total Base Component	\$29.05	\$0.00	\$0.00
Government Fee Component (List all regulatory fees and taxes separately)			
_____	\$0.00	\$0.00	\$0.00
_____	\$0.00	\$0.00	\$0.00
_____	\$0.00	\$0.00	\$0.00
Lea Fee	\$1.29	\$0.00	\$0.00
Total Government Fee Component	\$1.29	\$0.00	\$0.00
Total Fee (Base + Government Fee Components)	\$30.34	\$0.00	\$0.00

* Revenue amounts must be entered as negative values

Part 2: Transfer and Transport Fee to Landfill or Processing Facility - If Applicable			
	Processed Organics	Recyclable Materials	Other
Base Component for Transfer and Transport Fee			
Transfer station costs	\$0.00	\$0.00	\$0.00
Transport costs from NIRRP to ZWED processing facility	\$6.91	\$0.00	\$0.00
Total Base Component	\$6.91	\$0.00	\$0.00
Government Fee Component (List all regulatory fees and taxes separately)			
_____	\$0.00	\$0.00	\$0.00
_____	\$0.00	\$0.00	\$0.00
_____	\$0.00	\$0.00	\$0.00
Total Government Fee Component	\$0.00	\$0.00	\$0.00
Total Transfer and Transport Fee (Base + Government Fees)	\$6.91	\$0.00	\$0.00

San Jose: Alternative System
North District
South District

Depreciation Expenses for Vehicles, Containers, and Other Capital Costs
Proposer Name: Allied Waste Services - Santa Clara County

		ANNUAL DEPRECIATION														
		Rate Year 1	Rate Year 2	Rate Year 3	Rate Year 4	Rate Year 5	Rate Year 6	Rate Year 7	Rate Year 8	Rate Year 9	Rate Year 10	Rate Year 11	Rate Year 12	Rate Year 13	Rate Year 14	Rate Year 15
Quantity	Life (in years)	Assumed Capital Costs *														
VEHICLES																
33	12	\$ 9,570,000	\$ 797,500	\$ 797,500	\$ 797,500	\$ 797,500	\$ 797,500	\$ 797,500	\$ 797,500	\$ 797,500	\$ 797,500	\$ 797,500	\$ 797,500	\$ 797,500	\$ 797,500	\$ 797,500
20	12	\$ 5,200,000	\$ 433,333	\$ 433,333	\$ 433,333	\$ 433,333	\$ 433,333	\$ 433,333	\$ 433,333	\$ 433,333	\$ 433,333	\$ 433,333	\$ 433,333	\$ 433,333	\$ 433,333	\$ 433,333
53		\$ 14,770,000	\$ 1,230,833	\$ 1,230,833	\$ 1,230,833	\$ 1,230,833	\$ 1,230,833	\$ 1,230,833	\$ 1,230,833	\$ 1,230,833	\$ 1,230,833	\$ 1,230,833	\$ 1,230,833	\$ 1,230,833	\$ 1,230,833	\$ 1,230,833
Subtotal Vehicles																
CONTAINERS																
3,978	5	\$ 163,244	\$ 32,649	\$ 32,649	\$ 32,649	\$ 32,649	\$ 32,649	\$ 32,649	\$ 32,649	\$ 32,649	\$ 32,649	\$ 32,649	\$ 32,649	\$ 32,649	\$ 32,649	\$ 32,649
7,598	15	\$ 6,683,130	\$ 445,542	\$ 445,542	\$ 445,542	\$ 445,542	\$ 445,542	\$ 445,542	\$ 445,542	\$ 445,542	\$ 445,542	\$ 445,542	\$ 445,542	\$ 445,542	\$ 445,542	\$ 445,542
94	15	\$ 144,814	\$ 9,654	\$ 9,654	\$ 9,654	\$ 9,654	\$ 9,654	\$ 9,654	\$ 9,654	\$ 9,654	\$ 9,654	\$ 9,654	\$ 9,654	\$ 9,654	\$ 9,654	\$ 9,654
94	15	\$ 149,156	\$ 9,944	\$ 9,944	\$ 9,944	\$ 9,944	\$ 9,944	\$ 9,944	\$ 9,944	\$ 9,944	\$ 9,944	\$ 9,944	\$ 9,944	\$ 9,944	\$ 9,944	\$ 9,944
94	15	\$ 150,632	\$ 10,242	\$ 10,242	\$ 10,242	\$ 10,242	\$ 10,242	\$ 10,242	\$ 10,242	\$ 10,242	\$ 10,242	\$ 10,242	\$ 10,242	\$ 10,242	\$ 10,242	\$ 10,242
94	15	\$ 158,176	\$ 10,545	\$ 10,545	\$ 10,545	\$ 10,545	\$ 10,545	\$ 10,545	\$ 10,545	\$ 10,545	\$ 10,545	\$ 10,545	\$ 10,545	\$ 10,545	\$ 10,545	\$ 10,545
824	15	\$ 635,242	\$ 42,356	\$ 42,356	\$ 42,356	\$ 42,356	\$ 42,356	\$ 42,356	\$ 42,356	\$ 42,356	\$ 42,356	\$ 42,356	\$ 42,356	\$ 42,356	\$ 42,356	\$ 42,356
824	15	\$ 654,400	\$ 43,627	\$ 43,627	\$ 43,627	\$ 43,627	\$ 43,627	\$ 43,627	\$ 43,627	\$ 43,627	\$ 43,627	\$ 43,627	\$ 43,627	\$ 43,627	\$ 43,627	\$ 43,627
824	15	\$ 674,004	\$ 44,936	\$ 44,936	\$ 44,936	\$ 44,936	\$ 44,936	\$ 44,936	\$ 44,936	\$ 44,936	\$ 44,936	\$ 44,936	\$ 44,936	\$ 44,936	\$ 44,936	\$ 44,936
824	15	\$ 694,256	\$ 46,294	\$ 46,294	\$ 46,294	\$ 46,294	\$ 46,294	\$ 46,294	\$ 46,294	\$ 46,294	\$ 46,294	\$ 46,294	\$ 46,294	\$ 46,294	\$ 46,294	\$ 46,294
824	15	\$ 715,084	\$ 47,672	\$ 47,672	\$ 47,672	\$ 47,672	\$ 47,672	\$ 47,672	\$ 47,672	\$ 47,672	\$ 47,672	\$ 47,672	\$ 47,672	\$ 47,672	\$ 47,672	\$ 47,672
824	15	\$ 736,536	\$ 49,050	\$ 49,050	\$ 49,050	\$ 49,050	\$ 49,050	\$ 49,050	\$ 49,050	\$ 49,050	\$ 49,050	\$ 49,050	\$ 49,050	\$ 49,050	\$ 49,050	\$ 49,050
824	15	\$ 758,632	\$ 50,428	\$ 50,428	\$ 50,428	\$ 50,428	\$ 50,428	\$ 50,428	\$ 50,428	\$ 50,428	\$ 50,428	\$ 50,428	\$ 50,428	\$ 50,428	\$ 50,428	\$ 50,428
824	15	\$ 781,391	\$ 51,806	\$ 51,806	\$ 51,806	\$ 51,806	\$ 51,806	\$ 51,806	\$ 51,806	\$ 51,806	\$ 51,806	\$ 51,806	\$ 51,806	\$ 51,806	\$ 51,806	\$ 51,806
824	15	\$ 804,833	\$ 53,184	\$ 53,184	\$ 53,184	\$ 53,184	\$ 53,184	\$ 53,184	\$ 53,184	\$ 53,184	\$ 53,184	\$ 53,184	\$ 53,184	\$ 53,184	\$ 53,184	\$ 53,184
824	15	\$ 828,978	\$ 54,562	\$ 54,562	\$ 54,562	\$ 54,562	\$ 54,562	\$ 54,562	\$ 54,562	\$ 54,562	\$ 54,562	\$ 54,562	\$ 54,562	\$ 54,562	\$ 54,562	\$ 54,562
19,992		\$ 14,735,638	\$ 478,191	\$ 478,191	\$ 478,191	\$ 478,191	\$ 478,191	\$ 478,191	\$ 478,191	\$ 478,191	\$ 478,191	\$ 478,191	\$ 478,191	\$ 478,191	\$ 478,191	\$ 478,191
Subtotal Containers																
OTHER CAPITAL EQUIPMENT																
2	10	\$ 3,000,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
2	5	\$ 71,000	\$ 14,200	\$ 14,200	\$ 14,200	\$ 14,200	\$ 14,200	\$ 14,200	\$ 14,200	\$ 14,200	\$ 14,200	\$ 14,200	\$ 14,200	\$ 14,200	\$ 14,200	\$ 14,200
2	8	\$ 97,000	\$ 12,125	\$ 12,125	\$ 12,125	\$ 12,125	\$ 12,125	\$ 12,125	\$ 12,125	\$ 12,125	\$ 12,125	\$ 12,125	\$ 12,125	\$ 12,125	\$ 12,125	\$ 12,125
2	8	\$ 100,000	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500
6	5	\$ 309,200	\$ 61,840	\$ 61,840	\$ 61,840	\$ 61,840	\$ 61,840	\$ 61,840	\$ 61,840	\$ 61,840	\$ 61,840	\$ 61,840	\$ 61,840	\$ 61,840	\$ 61,840	\$ 61,840
2	5	\$ 82,308	\$ 16,462	\$ 16,462	\$ 16,462	\$ 16,462	\$ 16,462	\$ 16,462	\$ 16,462	\$ 16,462	\$ 16,462	\$ 16,462	\$ 16,462	\$ 16,462	\$ 16,462	\$ 16,462
2	8	\$ 122,876	\$ 24,575	\$ 24,575	\$ 24,575	\$ 24,575	\$ 24,575	\$ 24,575	\$ 24,575	\$ 24,575	\$ 24,575	\$ 24,575	\$ 24,575	\$ 24,575	\$ 24,575	\$ 24,575
2	8	\$ 126,678	\$ 25,336	\$ 25,336	\$ 25,336	\$ 25,336	\$ 25,336	\$ 25,336	\$ 25,336	\$ 25,336	\$ 25,336	\$ 25,336	\$ 25,336	\$ 25,336	\$ 25,336	\$ 25,336
20		\$ 3,909,082	\$ 400,665	\$ 400,665	\$ 400,665	\$ 400,665	\$ 400,665	\$ 400,665	\$ 400,665	\$ 400,665	\$ 400,665	\$ 400,665	\$ 400,665	\$ 400,665	\$ 400,665	\$ 400,665
Subtotal Other																
Total Assumed Capital Cost & Depreciation		\$ 33,411,700	\$ 2,109,689	\$ 2,109,689	\$ 2,109,689	\$ 2,109,689	\$ 2,109,689	\$ 2,109,689	\$ 2,109,689	\$ 2,109,689	\$ 2,109,689	\$ 2,109,689	\$ 2,109,689	\$ 2,109,689	\$ 2,109,689	\$ 2,109,689
Total Direct Allowable Annual Vehicle Depreciation		\$ 984,667	\$ 984,667	\$ 984,667	\$ 984,667	\$ 984,667	\$ 984,667	\$ 984,667	\$ 984,667	\$ 984,667	\$ 984,667	\$ 984,667	\$ 984,667	\$ 984,667	\$ 984,667	\$ 984,667
Total Direct Allowable Annual Container Depreciation		\$ 660,139	\$ 660,139	\$ 660,139	\$ 660,139	\$ 660,139	\$ 660,139	\$ 660,139	\$ 660,139	\$ 660,139	\$ 660,139	\$ 660,139	\$ 660,139	\$ 660,139	\$ 660,139	\$ 660,139
Total Allocated Allowable Other Annual Depreciation		\$ 258,525	\$ 258,525	\$ 258,525	\$ 258,525	\$ 258,525	\$ 258,525	\$ 258,525	\$ 258,525	\$ 258,525	\$ 258,525	\$ 258,525	\$ 258,525	\$ 258,525	\$ 258,525	\$ 258,525
Total Allocated Allowable Annual Depreciation		\$ 1,903,330	\$ 1,903,330	\$ 1,903,330	\$ 1,903,330	\$ 1,903,330	\$ 1,903,330	\$ 1,903,330	\$ 1,903,330	\$ 1,903,330	\$ 1,903,330	\$ 1,903,330	\$ 1,903,330	\$ 1,903,330	\$ 1,903,330	\$ 1,903,330

* Assumed Capital Costs (column should tie to Form 4).
** Total Direct Fixed Allowable Annual Depreciation (should tie to Forms 6A through 6C).
*** Total Allocated Fixed Allowable Annual Depreciation (should tie to Form Through 6D).

Franchisee Benchmark Statistics
Proposer Name: Allied Waste Services - Santa Clara County

San Jose : Alternative System
- North District X
South District X

Note to Proposer: No input is required on this sheet. Data is pulled from other sheets.

Benchmark Description	Operational Statistics					Fuel Statistics			Other Statistics							
	Proposed Service #1	Proposed Service #2	Proposed Service #3	Proposed Service #5	Proposed Service #6	Proposed Service #8	Proposed Service #9	Fuel Cost / Gallon	Gallons / Route Hour	Fuel Cost / Route Hour	Direct Labor Cost as a % of Total Operating Expense	Direct Operating Costs as a % of Total Operating Expense	G&A Costs as a % of Total Operating Expense	Vehicle Maint. & Container Maint. Cost as a % of Total Operating Expense	Disposal as a % of Total Base Compensation	
Lifts / Route Hour																
Pulls / Route Hour																
Pulls / Year																
Minutes / Pull																
Tons / Lift																
Tons / Pull																
Direct Labor Costs / Lift																
Direct Labor Costs / Pull																
Direct Labor Costs / Route Hour																
Direct Labor Costs / Direct Employee																
Vehicle Costs / Lift																
Vehicle Costs / Pull																
Vehicle Costs / Route Hour																
Vehicle Costs / Route Vehicle																
Total Operating Expense 1 / Route Hour																
Total Operating Expense 1 / FTE Route																
Fuel Cost / Gallon																
Gallons / Route Hour																
Fuel Cost / Route Hour																
Direct Labor Cost as a % of Total Operating Expense	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Direct Operating Costs as a % of Total Operating Expense	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
G&A Costs as a % of Total Operating Expense	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Vehicle Maint. & Container Maint. Cost as a % of Total Operating Expense	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Disposal as a % of Total Base Compensation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Total Operating Expense for Form 6A - 6C (Rate Year 1)											\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expense = Total Base Compensation less Profit, Net Processing Costs, Organic Processing Costs and Disposal Costs											\$0	\$0	\$0	\$0	\$0	\$0

Attachment B, Exhibit B-3
Form 10 - Incremental Cost for Alternative Fuel Vehicles

San Jose : Alternative System
North District
South District

Incremental Cost for Alternative Fuel Vehicles
Proposer Name: Allied Waste Services - Santa Clara County

Note to Proposer: Costs on this Form should reflect incremental costs when compared to base services.

	(Form 6A)			(Form 6B)			(Form 6C)			TOTAL
	Proposed Service #1	Proposed Service #2	Proposed Service #3	Single Stream	Proposed Service #5	Proposed Service #6	Single Stream	Proposed Service #8	Proposed Service #9	
Proposed Year One Cost (in 2010 \$)										
Annual Cost of Operations										
Labor-Related Costs										\$0
Vehicle-Related Costs										\$0
Fuel Costs										\$0
Other Costs										\$0
Direct Depreciation										\$0
Total Allocated Costs - Labor, Vehicle, Fuel & Other										\$0
Total Allocated Costs - Depreciation & Start-Up										\$0
Total Annual Cost of Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Profit										\$0
Pass-Through Costs										\$0
Interest Expense										\$0
Direct Lease Costs										\$0
Total Allocated Costs - Lease										\$0
Total Pass-Through Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Franchisee Revenue Requirement before Disposal, Organics Processing, and City Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposal Costs										\$0
Organic Processing Costs										\$0
City Fees										\$0
Franchisee Revenue Requirement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Note to proposers: The City will specify fees at a later date, prior to execution of the Agreement.

Attachment B, Exhibit B-3
Form 11 - Cart/Bin Fees

Instructions to Proposer: In the cells shaded grey, enter Customer Rates for all services, and estimated number of accounts. The estimated annual revenues will be calculated based on those input rates and account assumptions.

Proposer Name: Allied Waste Services - Santa Clara County

Regularly Scheduled Cart Services (Monthly Rate)

		Rate Year One		
Receptacle	Service Frequency (Pick-Ups/Week)	Proposed		
		Customer Rate (in 2010 \$)	Estimated Number of Accounts	Estimated Annual Revenues
Single Stream (w/o Organics)				
32-gallon cart	1	\$ 42.34	0	\$ -
	2	\$ 83.62	0	\$ -
	3	\$ 124.89	0	\$ -
	4	\$ 166.16	0	\$ -
	5	\$ 207.43	0	\$ -
	6	\$ 248.70	0	\$ -
64-gallon cart	1	\$ 50.39	164	\$ 99,159.43
	2	\$ 99.50	68	\$ 81,193.95
	3	\$ 148.62	49	\$ 87,387.90
	4	\$ 197.73	0	\$ -
	5	\$ 246.84	0	\$ -
	6	\$ 295.96	0	\$ -
96-gallon cart	1	\$ 62.98	0	\$ -
	2	\$ 124.38	0	\$ -
	3	\$ 185.77	0	\$ -
	4	\$ 247.16	0	\$ -
	5	\$ 308.55	0	\$ -
	6	\$ 369.95	0	\$ -
Single Stream (w/ Organics & No Glass)				
32-gallon cart	1	\$ 52.93	0	\$ -
	2	\$ 104.52	0	\$ -
	3	\$ 156.11	0	\$ -
	4	\$ 207.69	0	\$ -
	5	\$ 259.29	0	\$ -
	6	\$ 310.88	0	\$ -
64-gallon cart	1	\$ 62.98	54	\$ 40,811.04
	2	\$ 124.38	22	\$ 32,836.32
	3	\$ 185.77	16	\$ 35,667.84
	4	\$ 247.16	0	\$ -
	5	\$ 308.55	0	\$ -
	6	\$ 369.95	0	\$ -
96-gallon cart	1	\$ 78.73	0	\$ -
	2	\$ 155.47	0	\$ -
	3	\$ 232.22	0	\$ -
	4	\$ 308.95	0	\$ -
	5	\$ 385.69	0	\$ -
	6	\$ 462.43	0	\$ -

**Attachment B, Exhibit B-3
Form 11 - Cart/Bin Fees**

Proposer Name: Allied Waste Services - Santa Clara County

Regularly Scheduled Bin Services (Monthly Rate)

Receptacle	Service Frequency (Pick-Ups/Week)	Rate Year One		
		Proposed		
		Customer Rate (in 2010 \$)	Estimated Number of Accounts	Estimated Annual Revenues
Single Stream (w/o Organics)				
1 cubic yard container	1	\$ 97.16	0	\$ -
	2	\$ 188.15	0	\$ -
	3	\$ 278.23	0	\$ -
	4	\$ 369.45	0	\$ -
	5	\$ 460.66	0	\$ -
	6	\$ 550.75	0	\$ -
2 cubic yard container	1	\$ 115.62	351	\$ 487,011.12
	2	\$ 223.89	125	\$ 335,839.29
	3	\$ 331.09	29	\$ 115,219.86
	4	\$ 439.64	7	\$ 36,929.73
	5	\$ 548.19	5	\$ 32,891.26
	6	\$ 655.40	3	\$ 23,594.27
3 cubic yard container	1	\$ 135.69	629	\$ 1,024,150.92
	2	\$ 261.88	251	\$ 788,796.66
	3	\$ 388.08	71	\$ 330,647.82
	4	\$ 516.99	11	\$ 68,243.02
	5	\$ 641.82	8	\$ 61,615.00
	6	\$ 769.37	5	\$ 46,162.31
4 cubic yard container	1	\$ 155.76	1198	\$ 2,239,140.60
	2	\$ 300.62	569	\$ 2,052,607.06
	3	\$ 445.47	110	\$ 588,016.22
	4	\$ 590.32	38	\$ 269,184.79
	5	\$ 735.19	37	\$ 326,423.56
	6	\$ 880.04	16	\$ 168,967.47
6 cubic yard container	1	\$ 194.94	1880	\$ 4,397,772.37
	2	\$ 376.23	984	\$ 4,442,523.44
	3	\$ 557.53	480	\$ 3,211,391.28
	4	\$ 740.77	170	\$ 1,511,161.68
	5	\$ 922.06	133	\$ 1,471,605.81
	6	\$ 1,105.30	61	\$ 809,080.40
8 cubic yard container	1	\$ 236.03	0	\$ -
	2	\$ 455.52	0	\$ -
	3	\$ 675.05	0	\$ -
	4	\$ 892.19	0	\$ -
	5	\$ 1,111.69	0	\$ -
	6	\$ 1,331.19	0	\$ -

Attachment B, Exhibit B-3
Form 11 - Cart/Bin Fees

Proposer Name: Allied Waste Services - Santa Clara County

Receptacle	Service Frequency (Pick-Ups/Week)	Rate Year One		
		Proposed Customer Rate (in 2010 \$)	Estimated Number of Accounts	Estimated Annual Revenues
<u>Single Stream (w/ Organics & No Glass)</u>				
1 cubic yard container	1	\$ 121.45	0	\$ -
	2	\$ 235.18	0	\$ -
	3	\$ 347.79	0	\$ -
	4	\$ 461.81	0	\$ -
	5	\$ 575.83	0	\$ -
	6	\$ 688.44	0	\$ -
2 cubic yard container	1	\$ 144.53	117	\$ 202,920.12
	2	\$ 279.87	41	\$ 137,696.04
	3	\$ 413.86	9	\$ 44,696.88
	4	\$ 549.55	2	\$ 13,189.20
	5	\$ 685.23	2	\$ 16,445.52
	6	\$ 819.25	1	\$ 9,831.00
3 cubic yard container	1	\$ 169.61	209	\$ 425,381.88
	2	\$ 327.36	84	\$ 329,978.88
	3	\$ 485.11	23	\$ 133,890.36
	4	\$ 646.24	4	\$ 31,019.52
	5	\$ 802.28	3	\$ 28,882.08
	6	\$ 961.71	1	\$ 11,540.52
4 cubic yard container	1	\$ 194.69	399	\$ 932,175.72
	2	\$ 375.77	189	\$ 852,246.36
	3	\$ 556.83	37	\$ 247,232.52
	4	\$ 737.90	12	\$ 106,257.60
	5	\$ 918.99	12	\$ 132,334.56
	6	\$ 1,100.05	5	\$ 66,003.00
6 cubic yard container	1	\$ 243.67	626.5	\$ 1,831,911.06
	2	\$ 470.29	328	\$ 1,851,061.44
	3	\$ 696.92	160	\$ 1,338,086.40
	4	\$ 925.96	57	\$ 633,356.64
	5	\$ 1,152.57	44	\$ 608,556.96
	6	\$ 1,381.63	20	\$ 331,591.20
8 cubic yard container	1	\$ 295.03	0	\$ -
	2	\$ 569.40	0	\$ -
	3	\$ 843.81	0	\$ -
	4	\$ 1,115.24	0	\$ -
	5	\$ 1,389.61	0	\$ -
	6	\$ 1,663.99	0	\$ -

**Attachment B, Exhibit B-3
Form 11 - Cart/Bin Fees**

Proposer Name: Allied Waste Services - Santa Clara County

Type of Service	Receptacle	Rate Information		Rate Year One		
				Proposed Customer Rate (in 2010 \$)	Estimated Number of Pick-Ups per Week	Estimated Annual Revenues
Single Stream (w/o Organics)						
Compacted rate per yard	1 cubic yard container	Per-Occurrence, Per-Cubic-Yard Rate*	1.00	\$ 17.54	0	\$ -
Compacted rate per yard	2 cubic yard container	Per-Occurrence, Per-Cubic-Yard Rate*	1.00	\$ 17.54	0	\$ -
Compacted rate per yard	3 cubic yard container	Per-Occurrence, Per-Cubic-Yard Rate*	1.00	\$ 17.54	117	\$ 319,831.96
Compacted rate per yard	4 cubic yard container	Per-Occurrence, Per-Cubic-Yard Rate*	1.00	\$ 17.54	276	\$ 1,005,967.20
Compacted rate per yard	5 cubic yard container	Per-Occurrence, Per-Cubic-Yard Rate*	1.00	\$ 17.54	0	\$ -
Compacted rate per yard	6 cubic yard container	Per-Occurrence, Per-Cubic-Yard Rate*	1.00	\$ 17.54	0	\$ -
Compacted rate per yard	Other container size (not specified above)	Per-Occurrence, Per-Cubic-Yard Rate*	1.00	\$ 17.54	0	\$ -
Single Stream (w/ Organics & No Glass)						
Compacted rate per yard	1 cubic yard container	Per-Occurrence, Per-Cubic-Yard Rate*	1.00	\$ 21.92	0	\$ -
Compacted rate per yard	2 cubic yard container	Per-Occurrence, Per-Cubic-Yard Rate*	1.00	\$ 21.92	0	\$ -
Compacted rate per yard	3 cubic yard container	Per-Occurrence, Per-Cubic-Yard Rate*	1.00	\$ 21.92	39	\$ 133,258.69
Compacted rate per yard	4 cubic yard container	Per-Occurrence, Per-Cubic-Yard Rate*	1.00	\$ 21.92	92	\$ 419,138.46
Compacted rate per yard	5 cubic yard container	Per-Occurrence, Per-Cubic-Yard Rate*	1.00	\$ 21.92	0	\$ -
Compacted rate per yard	6 cubic yard container	Per-Occurrence, Per-Cubic-Yard Rate*	1.00	\$ 21.92	0	\$ -
Compacted rate per yard	Other container size (not specified above)	Per-Occurrence, Per-Cubic-Yard Rate*	1.00	\$ 21.92	0	\$ -

**Attachment B, Exhibit B-3
Form 11 - Cart/Bin Fees**

Proposer Name: Allied Waste Services - Santa Clara County

Type of Service	Receptacle	Rate Information		Rate Year One		
				Proposed Customer Rate (in 2010 \$)	Est. # of Occurrences per Month	Estimated Annual Revenues
Additional Pick-Ups/On-Call Collection (Per Occurrence)						
<u>Single Stream (w/o Organics)</u>						
Additional bin collected on customer's regularly scheduled collection day	1 cubic yard container	Per-Occurrence Rate	1.00	\$ 29.15	0	\$ -
	2 cubic yard container	Per-Occurrence Rate	1.19	\$ 34.69	0	\$ -
	3 cubic yard container	Per-Occurrence Rate	1.40	\$ 40.71	0	\$ -
	4 cubic yard container	Per-Occurrence Rate	1.60	\$ 46.73	0	\$ -
	6 cubic yard container	Per-Occurrence Rate	2.01	\$ 58.49	0	\$ -
	8 cubic yard container	Per-Occurrence Rate	2.43	\$ 70.81	0	\$ -
	Compacted rate per yard	Per-Occurrence Rate		\$ 22.80	0	\$ -
<u>Single Stream (w/o Organics)</u>						
Additional Solid Waste bin collected on a day other than the customer's regularly scheduled collection day	1 cubic yard container	Per-Occurrence Rate	1.00	\$ 79.15	0	\$ -
	2 cubic yard container	Per-Occurrence Rate	1.07	\$ 84.69	0	\$ -
	3 cubic yard container	Per-Occurrence Rate	1.15	\$ 90.71	0	\$ -
	4 cubic yard container	Per-Occurrence Rate	1.22	\$ 96.73	0	\$ -
	6 cubic yard container	Per-Occurrence Rate	1.37	\$ 108.49	0	\$ -
	8 cubic yard container	Per-Occurrence Rate	1.53	\$ 120.81	0	\$ -
	Compacted rate per yard	Per-Occurrence Rate		\$ 32.88	0	\$ -
<u>Single Stream (w/o Organics)</u>						
Extra can or bag collected on customer's regularly scheduled collection day	32-gal can or bag	Per-Occurrence Rate	1.00	\$ 14.66	0	\$ -
	64-gal can or bag	Per-Occurrence Rate	1.19	\$ 17.44	0	\$ -
	96-gal can or bag	Per-Occurrence Rate	1.49	\$ 21.80	0	\$ -
<u>Single Stream (w/o Organics)</u>						
Extra can or bag collected on a day other than the customer's regularly scheduled collection day	32-gal can or bag	Per-Occurrence Rate	1.00	\$ 64.66	0	\$ -
	64-gal can or bag	Per-Occurrence Rate	1.04	\$ 67.44	0	\$ -
	96-gal can or bag	Per-Occurrence Rate	1.11	\$ 71.80	0	\$ -

**Attachment B, Exhibit B-3
Form 11 - Cur/Bin Fees**

Proposer Name: Allied Waste Services - Santa Clara County

Type of Service	Receptacle	Rate Information	Rate Year One			
			Proposed Customer Rate (in 2010 \$)	Est. # of Occurrences per Month	Estimated Annual Revenues	
Additional Pick-Ups/On-Call Collection (Per Occurrence)						
<u>Single Stream (w/ Organics & No Glass)</u>						
Additional bin collected on customer's regularly scheduled collection day	1 cubic yard container	Per- Occurrence Rate	1.25	\$ 36.44	0	\$ -
	2 cubic yard container	Per- Occurrence Rate	1.49	\$ 43.36	0	\$ -
	3 cubic yard container	Per- Occurrence Rate	1.75	\$ 50.89	0	\$ -
	4 cubic yard container	Per- Occurrence Rate	2.00	\$ 58.41	0	\$ -
	6 cubic yard container	Per- Occurrence Rate	2.51	\$ 73.11	0	\$ -
	8 cubic yard container	Per- Occurrence Rate	3.04	\$ 88.52	0	\$ -
	Compacted rate per yard	Per- Occurrence Rate		\$ 28.50	0	\$ -
<u>Single Stream (w/ Organics & No Glass)</u>						
Additional Solid Waste bin collected on a day other than the customer's regularly scheduled collection day	1 cubic yard container	Per- Occurrence Rate	1.25	\$ 98.94	0	\$ -
	2 cubic yard container	Per- Occurrence Rate	1.34	\$ 105.86	0	\$ -
	3 cubic yard container	Per- Occurrence Rate	1.43	\$ 113.39	0	\$ -
	4 cubic yard container	Per- Occurrence Rate	1.53	\$ 120.91	0	\$ -
	6 cubic yard container	Per- Occurrence Rate	1.71	\$ 135.61	0	\$ -
	8 cubic yard container	Per- Occurrence Rate	1.91	\$ 151.02	0	\$ -
	Compacted rate per yard	Per- Occurrence Rate		\$ 41.10	0	\$ -
<u>Single Stream (w/ Organics & No Glass)</u>						
Extra can or bag collected on customer's regularly scheduled collection day	32-gal can or bag	Per- Occurrence Rate	1.25	\$ 18.32	0	\$ -
	64-gal can or bag	Per- Occurrence Rate	1.49	\$ 21.80	0	\$ -
	96-gal can or bag	Per- Occurrence Rate	1.86	\$ 27.25	0	\$ -
<u>Single Stream (w/ Organics & No Glass)</u>						
Extra can or bag collected on a day other than the customer's regularly scheduled collection day	32-gal can or bag	Per- Occurrence Rate	1.25	\$ 80.82	0	\$ -
	64-gal can or bag	Per- Occurrence Rate	1.30	\$ 84.30	0	\$ -
	96-gal can or bag	Per- Occurrence Rate	1.39	\$ 89.75	0	\$ -

**Attachment B, Exhibit B-3
Form 11 - Cart/Bin Fees**

Proposer Name: Allied Waste Services - Santa Clara County

Type of Service	Receptacle	Rate Information	Rate Year One		Estimated Annual Revenues
			Proposed Customer Rate (in 2010 \$)	Est. # of Occurrences per Month	
Miscellaneous Charges					
Hasp & lock for cart/bin, one time charge	Not Applicable	Per- Occurrence Rate	\$ 15.00	0	\$ -
Replace lock	Not Applicable	Per- Occurrence Rate	\$ 35.00	0	\$ -
Steam cleaning	Not Applicable	Per- Occurrence Rate	\$ 50.00	0	\$ -
Push/pull charge (per increment of 50 ft.)	Not Applicable	Per- Month, Per-Increment of 50 Ft, Per - Bin Rate	\$ 20.00	0	\$ -
Lock/unlock charge	Not Applicable	Per- Month Rate	\$ 20.00	0	\$ -
Cart/Bin delivery/pick-up	Not Applicable	Extra Rate paid if customer requests a change in Cart/Bin size more than once/year	\$ 35.00	0	\$ -
Cart/Bin Exchange/Replacement (in the event of damage, service level change, or other)	Not Applicable	Extra Rate paid if customer requires Cart/Bin replacement (one replacement per year at no cost)	\$ 35.00	0	\$ -
Return Rate	Not Applicable	Extra rate paid if customer container is blocked or unserviceable and franchisee has to return to provide service	\$ 50.00	0	\$ -
Organics Contaminated w/ Glass		1st Occurrence	10% of Mo. Bill	0	\$ -
Organics Contaminated w/ Glass		2nd Occurrence	20% of Mo. Bill	0	\$ -
Organics Contaminated w/ Glass		3rd Occurrence	30% of Mo. Bill	0	\$ -
Organics Contaminated w/ Glass		4th Occurrence	40% of Mo. Bill	0	\$ -
Organics Contaminated w/ Glass		Beyond	50% of Mo. Bill	0	\$ -
Service Interrupt Fee		Per- Occurrence Rate	\$ 30.00	0	\$ -
Late Fee		After 60-days past due	1.50%	0	\$ -
Insufficient Funds Fee		Per- Occurrence Rate	\$ 30.00	0	\$ -
Estimated Annual Commercial Cart and Bin Revenues					\$ 37,410,514.20

Instructions to Proposer: Enter rates for all regularly scheduled roll off and compactor service and on-call service, daily rental, and delivery service and estimated number of pulls per week, which are shaded below. Estimated annual revenues will be calculated based on the input data.

Proposer Name: Allied Waste Services - Santa Clara County

Type of Service	Receptacle	Rate Information	Tonnage Limit (Compactors Per Yard)	Year One		Estimated Annual Service Revenue
				Proposed Customer Rate (in 2010 \$)	Estimated # of Pulls/ Yards/Week	
Regularly Scheduled Roll Off Collection Service (Per Pull/Return Rate not including initial delivery Rate which is charged separately-excludes compactors)						
North - Single Stream (w/o Organics)						
	10 cubic yard roll off	Per Pull/Return Rate	2	\$ 330.00	0	\$ -
	20 cubic yard roll off	Per Pull/Return Rate	3	\$ 395.00	14	\$ 287,560.00
	30 cubic yard roll off	Per Pull/Return Rate	4	\$ 460.00	6	\$ 143,520.00
	40 cubic yard roll off	Per Pull/Return Rate	5	\$ 525.00	2	\$ 54,600.00
	Customer Owned Compactors	Per Yard/Pull/Return Rate	0.20	\$ 19.69	5,471	\$ 5,602,416.68
North - Single Stream (w/ Organics & No Glass)						
	10 cubic yard roll off	Per Pull/Return Rate	2	\$ 350.00	0	\$ -
	20 cubic yard roll off	Per Pull/Return Rate	3	\$ 425.00	2	\$ 44,200.00
	30 cubic yard roll off	Per Pull/Return Rate	4	\$ 500.00	1	\$ 26,000.00
	40 cubic yard roll off	Per Pull/Return Rate	5	\$ 575.00	0	\$ -
	Customer Owned Compactors	Per Yard/Pull/Return Rate	0.20	\$ 22.71	608	\$ 718,111.86
North - Landscape Greenwaste Only						
	20 cubic yard roll off	Per Pull/Return Rate	3	\$ 335.00	1	\$ 17,420.00
	30 cubic yard roll off	Per Pull/Return Rate	4	\$ 380.00	1	\$ 19,760.00
	40 cubic yard roll off	Per Pull/Return Rate	5	\$ 425.00	0	\$ -
On-Call Roll Off Collection Service (Per Pull/Return Rate not including initial delivery Rate which is charged separately-excludes compactors)						
North - Single Stream (w/o Organics)						
	10 cubic yard roll off	Per Pull/Return Rate	2	\$ 350.00	0	\$ -
	20 cubic yard roll off	Per Pull/Return Rate	3	\$ 415.00	0	\$ -
	30 cubic yard roll off	Per Pull/Return Rate	4	\$ 480.00	0	\$ -
	40 cubic yard roll off	Per Pull/Return Rate	5	\$ 545.00	0	\$ -
	Customer Owned Compactors	Per Yard/Pull/Return Rate	0.20	\$ 20.68	0	\$ -
North - Single Stream (w/ Organics & No Glass)						
	10 cubic yard roll off	Per Pull/Return Rate	2	\$ 370.00	0	\$ -
	20 cubic yard roll off	Per Pull/Return Rate	3	\$ 445.00	0	\$ -
	30 cubic yard roll off	Per Pull/Return Rate	4	\$ 520.00	0	\$ -
	40 cubic yard roll off	Per Pull/Return Rate	5	\$ 595.00	0	\$ -
	Customer Owned Compactors	Per Yard/Pull/Return Rate	0.20	\$ 23.85	0	\$ -
North - Landscape Greenwaste Only						
	20 cubic yard roll off	Per Pull/Return Rate	3	\$ 355.00	0	\$ -
	30 cubic yard roll off	Per Pull/Return Rate	4	\$ 400.00	0	\$ -
	40 cubic yard roll off	Per Pull/Return Rate	5	\$ 445.00	0	\$ -

**Attachment B, Exhibit B-3
Form 12 - Drop Box Fees**

Type of Service	Receptacle	Rate Information	Tonnage Limit (Compactors Per Yard)	Year One		Estimated Annual Service Revenue
				Proposed Customer Rate (in 2010 \$)	Estimated # of Pulls/ Yards/Week	
Regularly Scheduled Roll Off Collection Service (Per Pull/Return Rate not including initial delivery Rate which is charged separately-excludes compactors)						
South - Single Stream (w/o Organics)						
	10 cubic yard roll off	Per Pull/Return Rate	2	\$ 380.00	0	\$ -
	20 cubic yard roll off	Per Pull/Return Rate	3	\$ 445.00	15	\$ 347,100.00
	30 cubic yard roll off	Per Pull/Return Rate	4	\$ 510.00	6	\$ 159,120.00
	40 cubic yard roll off	Per Pull/Return Rate	5	\$ 575.00	2	\$ 59,800.00
	Customer Owned Compactors	Per Yard/Pull/Return Rate	0.20	\$ 20.76	6,166	\$ 6,657,261.83
South - Single Stream (w/ Organics & No Glass)						
	10 cubic yard roll off	Per Pull/Return Rate	2	\$ 400.00	0	\$ -
	20 cubic yard roll off	Per Pull/Return Rate	3	\$ 475.00	2	\$ 49,400.00
	30 cubic yard roll off	Per Pull/Return Rate	4	\$ 550.00	1	\$ 28,600.00
	40 cubic yard roll off	Per Pull/Return Rate	5	\$ 625.00	0	\$ -
	Customer Owned Compactors	Per Yard/Pull/Return Rate	0.20	\$ 23.95	685	\$ 852,945.77
South - Landscape Greenwaste Only						
	20 cubic yard roll off	Per Pull/Return Rate	3	\$ 385.00	2	\$ 40,040.00
	30 cubic yard roll off	Per Pull/Return Rate	4	\$ 430.00	1	\$ 22,360.00
	40 cubic yard roll off	Per Pull/Return Rate	5	\$ 475.00	1	\$ 24,700.00
On-Call Roll Off Collection Service (Per Pull/Return Rate not including initial delivery Rate which is charged separately-excludes compactors)						
North - Single Stream (w/o Organics)						
	10 cubic yard roll off	Per Pull/Return Rate	2	\$ 405.00	0	\$ -
	20 cubic yard roll off	Per Pull/Return Rate	3	\$ 470.00	0	\$ -
	30 cubic yard roll off	Per Pull/Return Rate	4	\$ 535.00	0	\$ -
	40 cubic yard roll off	Per Pull/Return Rate	5	\$ 600.00	0	\$ -
	Customer Owned Compactors	Per Yard/Pull/Return Rate	0.20	\$ 21.80	0	\$ -
North - Single Stream (w/ Organics & No Glass)						
	10 cubic yard roll off	Per Pull/Return Rate	2	\$ 425.00	0	\$ -
	20 cubic yard roll off	Per Pull/Return Rate	3	\$ 500.00	0	\$ -
	30 cubic yard roll off	Per Pull/Return Rate	4	\$ 575.00	0	\$ -
	40 cubic yard roll off	Per Pull/Return Rate	5	\$ 650.00	0	\$ -
	Customer Owned Compactors	Per Yard/Pull/Return Rate	0.20	\$ 25.14	0	\$ -
North - Landscape Greenwaste Only						
	20 cubic yard roll off	Per Pull/Return Rate	3	\$ 410.00	0	\$ -
	30 cubic yard roll off	Per Pull/Return Rate	4	\$ 455.00	0	\$ -
	40 cubic yard roll off	Per Pull/Return Rate	5	\$ 500.00	0	\$ -

Attachment B, Exhibit B-3
Form 12 - Drop Box Fees

Type of Service	Receptacle	Rate Information	Tonnage Limit (Compactors Per Yard)	Year One		Estimated Annual Service Revenue
				Proposed Customer Rate (in 2010 \$)	Estimated # of Pulls/ Yards/Week	
Other Miscellaneous Charges						
Demurrage Charge (e.g., rental charge)	All roll off box sizes	Weekly Rate*		\$ 165.00	0	\$ -
Delivery service	All roll off box sizes	Per-Occurrence Rate for delivery to collection site		\$ 65.00	0	\$ -
Overage charge - Single Stream (w/o Organics)	All roll off & Compactors Sizes	Per-Ton Rate For Each Ton In Excess of Limits		\$ 65.00	0	\$ -
Overage charge - Single Stream (w/ Organics & No Glass)	All roll off & Compactors Sizes	Per-Ton Rate For Each Ton In Excess of Limits		\$ 75.00	0	\$ -
Overage charge - Landscape Greenwaste Only	All roll off & Compactors Sizes	Per-Ton Rate For Each Ton In Excess of Limits		\$ 45.00	0	\$ -
Hasp & lock for Roll Off, one time charge	Not Applicable	Per- Occurrence Rate		\$ 15.00	0	\$ -
Return Rate	Not Applicable	Extra rate paid if customer container is blocked or unservicable and franchisee has to return to provide service		\$ 50.00	0	\$ -
Relocation Charge	All roll off box sizes	Per-Relocation Rate		\$ 75.00	0	\$ -
Steam Cleaning or Compactor Repairs	All roll off box sizes	Per Hour Rate (parts billed separately)		\$ 150.00	0	\$ -
Organics Contaminated w/ Glass		1st Occurrence		10% of Mo. Bill	0	\$ -
Organics Contaminated w/ Glass		2nd Occurrence		20% of Mo. Bill	0	\$ -
Organics Contaminated w/ Glass		3rd Occurrence		30% of Mo. Bill	0	\$ -
Organics Contaminated w/ Glass		4th Occurrence		40% of Mo. Bill	0	\$ -
Organics Contaminated w/ Glass		Beyond		50% of Mo. Bill	0	\$ -
Service Interrupt Fee		Per- Occurrence Rate		\$ 30.00	0	\$ -
Late Fee		After 60-days past due		1.50%	0	\$ -
Insufficient Funds Fee		Per- Occurrence Rate		\$ 30.00	0	\$ -

*Extra charge if a customer subscribing to temporary service keeps the box longer than 7 days without pickup or return.

Estimated Annual Roll Off Revenue **\$16,164,916**

Estimated Total Annual Revenue for Carts, Bins, and Roll Off Boxes** **\$52,565,430**

**Estimated Total Annual Revenue should equal Total Revenue Requirement on Form 5.

\$0

**City of San Jose
Commercial Cart and Bin Rates
July 1, 2020 - June 30, 2021**

Receptacle	Frequency (Pick-Ups/Week)	Rate Information	Maximum RY6 Rates 7/1/2017	Maximum RY7 Rates 7/1/2018	Maximum RY8 Rates 7/1/2019	CPI Adjustment at 0.0488	Maximum RY9 Rates 7/1/2020
Regularly Scheduled Cart Services (Monthly Rate)							
Single Stream (w/o Organics)							
32-gallon cart	1	Per Month Rate	\$60.93	\$62.63	\$63.78	\$3.11	\$66.89
	2	Per Month Rate	\$120.32	\$123.67	\$125.96	\$6.15	\$132.11
	3	Per Month Rate	\$179.69	\$184.70	\$188.12	\$9.18	\$197.30
	4	Per Month Rate	\$239.06	\$245.73	\$250.28	\$12.21	\$262.49
	5	Per Month Rate	\$298.44	\$306.77	\$312.44	\$15.25	\$327.69
	6	Per Month Rate	\$357.81	\$367.79	\$374.59	\$18.28	\$392.87
64-gallon cart	1	Per Month Rate	\$72.49	\$74.51	\$75.89	\$3.70	\$79.59
	2	Per Month Rate	\$143.16	\$147.15	\$149.88	\$7.31	\$157.19
	3	Per Month Rate	\$213.84	\$219.80	\$223.87	\$10.92	\$234.79
	4	Per Month Rate	\$284.48	\$292.42	\$297.83	\$14.53	\$312.36
	5	Per Month Rate	\$355.16	\$365.06	\$371.81	\$18.14	\$389.95
	6	Per Month Rate	\$425.82	\$437.70	\$445.80	\$21.76	\$467.56
96-gallon cart	1	Per Month Rate	\$90.61	\$93.14	\$94.86	\$4.63	\$99.49
	2	Per Month Rate	\$178.96	\$183.95	\$187.35	\$9.14	\$196.49
	3	Per Month Rate	\$267.27	\$274.73	\$279.81	\$13.65	\$293.46
	4	Per Month Rate	\$355.61	\$365.53	\$372.29	\$18.17	\$390.46
	5	Per Month Rate	\$443.93	\$456.31	\$464.75	\$22.68	\$487.43
	6	Per Month Rate	\$532.26	\$547.11	\$557.23	\$27.19	\$584.42
Single Stream (w/ Organics & No Glass)							
32-gallon cart	1	Per Month Rate	\$76.15	\$78.27	\$79.72	\$3.89	\$83.61
	2	Per Month Rate	\$150.36	\$154.56	\$157.42	\$7.68	\$165.10
	3	Per Month Rate	\$224.62	\$230.88	\$235.15	\$11.48	\$246.63
	4	Per Month Rate	\$298.82	\$307.16	\$312.84	\$15.27	\$328.11
	5	Per Month Rate	\$373.05	\$383.46	\$390.55	\$19.06	\$409.61
	6	Per Month Rate	\$447.28	\$459.76	\$468.26	\$22.85	\$491.11
64-gallon cart	1	Per Month Rate	\$90.61	\$93.14	\$94.86	\$4.63	\$99.49
	2	Per Month Rate	\$178.96	\$183.95	\$187.35	\$9.14	\$196.49
	3	Per Month Rate	\$267.27	\$274.73	\$279.81	\$13.65	\$293.46
	4	Per Month Rate	\$355.61	\$365.53	\$372.29	\$18.17	\$390.46
	5	Per Month Rate	\$443.93	\$456.31	\$464.75	\$22.68	\$487.43
	6	Per Month Rate	\$532.26	\$547.11	\$557.23	\$27.19	\$584.42
96-gallon cart	1	Per Month Rate	\$113.27	\$116.43	\$118.58	\$5.79	\$124.37
	2	Per Month Rate	\$223.68	\$229.93	\$234.18	\$11.43	\$245.61
	3	Per Month Rate	\$334.10	\$343.42	\$349.77	\$17.07	\$366.84
	4	Per Month Rate	\$444.51	\$456.91	\$465.36	\$22.71	\$488.07
	5	Per Month Rate	\$554.91	\$570.39	\$580.95	\$28.35	\$609.30
	6	Per Month Rate	\$665.32	\$683.88	\$696.54	\$33.99	\$730.53

Regularly Scheduled Bin Services (Monthly Rate)

Single Stream (w/o Organics)

1 cubic yard container	1	Per Month Rate	\$139.79	\$143.68	\$146.34	\$7.14	\$153.48
	2	Per Month Rate	\$270.69	\$278.24	\$283.39	\$13.83	\$297.22
	3	Per Month Rate	\$400.30	\$411.47	\$419.08	\$20.45	\$439.53
	4	Per Month Rate	\$531.56	\$546.38	\$556.49	\$27.16	\$583.65
	5	Per Month Rate	\$662.78	\$681.27	\$693.87	\$33.86	\$727.73
	6	Per Month Rate	\$792.39	\$814.50	\$829.57	\$40.48	\$870.05
1.5 cubic yard container	1	Per Month Rate	\$153.06	\$157.33	\$160.25	\$7.82	\$168.07
	2	Per Month Rate	\$296.42	\$304.69	\$310.33	\$15.14	\$325.47
	3	Per Month Rate	\$438.34	\$450.56	\$458.90	\$22.39	\$481.29
	4	Per Month Rate	\$582.04	\$598.28	\$609.35	\$29.74	\$639.09
	5	Per Month Rate	\$725.73	\$745.98	\$759.78	\$37.08	\$796.86
	6	Per Month Rate	\$867.68	\$891.89	\$908.39	\$44.33	\$952.72
2 cubic yard container	1	Per Month Rate	\$166.36	\$171.00	\$174.16	\$8.50	\$182.66
	2	Per Month Rate	\$322.12	\$331.11	\$337.24	\$16.46	\$353.70
	3	Per Month Rate	\$476.35	\$489.64	\$498.70	\$24.34	\$523.04
	4	Per Month Rate	\$632.53	\$650.18	\$662.21	\$32.32	\$694.53
	5	Per Month Rate	\$788.70	\$810.71	\$825.71	\$40.29	\$866.00
	6	Per Month Rate	\$942.96	\$969.27	\$987.20	\$48.18	\$1,035.38
3 cubic yard container	1	Per Month Rate	\$195.23	\$200.68	\$204.39	\$9.97	\$214.36
	2	Per Month Rate	\$376.79	\$387.30	\$394.46	\$19.25	\$413.71
	3	Per Month Rate	\$558.34	\$573.92	\$584.54	\$28.53	\$613.07
	4	Per Month Rate	\$743.82	\$764.57	\$778.72	\$38.00	\$816.72
	5	Per Month Rate	\$923.42	\$949.18	\$966.74	\$47.18	\$1,013.92
	6	Per Month Rate	\$1,106.94	\$1,137.81	\$1,158.86	\$56.55	\$1,215.41
4 cubic yard container	1	Per Month Rate	\$224.10	\$230.36	\$234.62	\$11.45	\$246.07
	2	Per Month Rate	\$432.52	\$444.58	\$452.81	\$22.10	\$474.91
	3	Per Month Rate	\$640.91	\$658.79	\$670.98	\$32.74	\$703.72
	4	Per Month Rate	\$849.32	\$873.01	\$889.16	\$43.39	\$932.55
	5	Per Month Rate	\$1,057.75	\$1,087.27	\$1,107.38	\$54.04	\$1,161.42
	6	Per Month Rate	\$1,266.16	\$1,301.48	\$1,325.56	\$64.69	\$1,390.25
6 cubic yard container	1	Per Month Rate	\$280.46	\$288.29	\$293.62	\$14.33	\$307.95
	2	Per Month Rate	\$541.31	\$556.41	\$566.70	\$27.65	\$594.35
	3	Per Month Rate	\$802.15	\$824.53	\$839.78	\$40.98	\$880.76
	4	Per Month Rate	\$1,065.78	\$1,095.52	\$1,115.78	\$54.45	\$1,170.23
	5	Per Month Rate	\$1,326.62	\$1,363.64	\$1,388.86	\$67.78	\$1,456.64
	6	Per Month Rate	\$1,590.25	\$1,634.63	\$1,664.87	\$81.25	\$1,746.12
8 cubic yard container	1	Per Month Rate	\$339.59	\$349.06	\$355.52	\$17.35	\$372.87
	2	Per Month Rate	\$655.37	\$673.66	\$686.12	\$33.48	\$719.60
	3	Per Month Rate	\$971.23	\$998.33	\$1,016.80	\$49.62	\$1,066.42
	4	Per Month Rate	\$1,283.65	\$1,319.46	\$1,343.87	\$65.58	\$1,409.45
	5	Per Month Rate	\$1,599.46	\$1,644.08	\$1,674.49	\$81.72	\$1,756.21
	6	Per Month Rate	\$1,915.26	\$1,968.69	\$2,005.11	\$97.85	\$2,102.96

Single Stream (w/ Organics & No Glass)

1 cubic yard container	1	Per Month Rate	\$174.74	\$179.62	\$182.94	\$8.93	\$191.87
	2	Per Month Rate	\$338.38	\$347.82	\$354.25	\$17.29	\$371.54
	3	Per Month Rate	\$500.39	\$514.35	\$523.86	\$25.56	\$549.42
	4	Per Month Rate	\$664.43	\$682.97	\$695.61	\$33.95	\$729.56
	5	Per Month Rate	\$828.49	\$851.60	\$867.36	\$42.33	\$909.69
	6	Per Month Rate	\$990.50	\$1,018.13	\$1,036.97	\$50.60	\$1,087.57
1.5 cubic yard container	1	Per Month Rate	\$191.33	\$196.67	\$200.31	\$9.78	\$210.09
	2	Per Month Rate	\$370.52	\$380.85	\$387.90	\$18.93	\$406.83
	3	Per Month Rate	\$547.92	\$563.20	\$573.62	\$27.99	\$601.61
	4	Per Month Rate	\$727.54	\$747.85	\$761.68	\$37.17	\$798.85
	5	Per Month Rate	\$907.18	\$932.49	\$949.74	\$46.35	\$996.09
	6	Per Month Rate	\$1,084.60	\$1,114.86	\$1,135.48	\$55.41	\$1,190.89
2 cubic yard container	1	Per Month Rate	\$207.94	\$213.74	\$217.70	\$10.62	\$228.32
	2	Per Month Rate	\$402.66	\$413.89	\$421.55	\$20.57	\$442.12
	3	Per Month Rate	\$595.45	\$612.06	\$623.39	\$30.42	\$653.81
	4	Per Month Rate	\$790.66	\$812.73	\$827.76	\$40.41	\$868.17
	5	Per Month Rate	\$985.87	\$1,013.37	\$1,032.12	\$50.37	\$1,082.49
	6	Per Month Rate	\$1,178.70	\$1,211.59	\$1,234.00	\$60.22	\$1,294.22
3 cubic yard container	1	Per Month Rate	\$244.02	\$250.83	\$255.47	\$12.47	\$267.94
	2	Per Month Rate	\$470.98	\$484.13	\$493.08	\$24.06	\$517.14
	3	Per Month Rate	\$697.96	\$717.44	\$730.71	\$35.66	\$766.37
	4	Per Month Rate	\$929.79	\$955.73	\$973.41	\$47.50	\$1,020.91
	5	Per Month Rate	\$1,154.29	\$1,186.49	\$1,208.44	\$58.97	\$1,267.41
	6	Per Month Rate	\$1,383.66	\$1,422.27	\$1,448.58	\$70.69	\$1,519.27
4 cubic yard container	1	Per Month Rate	\$280.12	\$287.93	\$293.26	\$14.31	\$307.57
	2	Per Month Rate	\$540.63	\$555.71	\$565.99	\$27.62	\$593.61
	3	Per Month Rate	\$801.14	\$823.49	\$838.73	\$40.93	\$879.66
	4	Per Month Rate	\$1,061.67	\$1,091.29	\$1,111.47	\$54.24	\$1,165.71
	5	Per Month Rate	\$1,322.19	\$1,359.08	\$1,384.22	\$67.55	\$1,451.77
	6	Per Month Rate	\$1,582.70	\$1,626.86	\$1,656.96	\$80.86	\$1,737.82
6 cubic yard container	1	Per Month Rate	\$350.59	\$360.37	\$367.03	\$17.91	\$384.94
	2	Per Month Rate	\$676.64	\$695.51	\$708.38	\$34.57	\$742.95
	3	Per Month Rate	\$1,002.69	\$1,030.67	\$1,049.74	\$51.23	\$1,100.97
	4	Per Month Rate	\$1,332.23	\$1,369.39	\$1,394.73	\$68.06	\$1,462.79
	5	Per Month Rate	\$1,658.26	\$1,704.53	\$1,736.06	\$84.72	\$1,820.78
	6	Per Month Rate	\$1,987.83	\$2,043.29	\$2,081.09	\$101.56	\$2,182.65
8 cubic yard container	1	Per Month Rate	\$424.47	\$436.32	\$444.39	\$21.69	\$466.08
	2	Per Month Rate	\$819.24	\$842.09	\$857.67	\$41.85	\$899.52
	3	Per Month Rate	\$1,214.03	\$1,247.90	\$1,270.99	\$62.02	\$1,333.01
	4	Per Month Rate	\$1,604.56	\$1,649.32	\$1,679.83	\$81.98	\$1,761.81
	5	Per Month Rate	\$1,999.31	\$2,055.08	\$2,093.10	\$102.14	\$2,195.24
	6	Per Month Rate	\$2,394.06	\$2,460.86	\$2,506.39	\$122.31	\$2,628.70

Single Stream (w/o Organics)

Compacted rate per yard	1.5 CY container	Per-Occurrence, Per-Cubic-Yard	\$25.23	\$25.94	\$26.42	\$1.29	\$27.71
Compacted rate per yard	2 CY container	Per-Occurrence, Per-Cubic-Yard	\$25.23	\$25.94	\$26.42	\$1.29	\$27.71
Compacted rate per yard	3 CY container	Per-Occurrence, Per-Cubic-Yard	\$25.23	\$25.94	\$26.42	\$1.29	\$27.71
Compacted rate per yard	4 CY container	Per-Occurrence, Per-Cubic-Yard	\$25.23	\$25.94	\$26.42	\$1.29	\$27.71
Compacted rate per yard	6 CY container	Per-Occurrence, Per-Cubic-Yard	\$25.23	\$25.94	\$26.42	\$1.29	\$27.71
Compacted rate per yard	8 CY container	Per-Occurrence, Per-Cubic-Yard	\$25.23	\$25.94	\$26.42	\$1.29	\$27.71
Compacted rate per yard	Other container size	Per-Occurrence, Per-Cubic-Yard	\$25.23	\$25.94	\$26.42	\$1.29	\$27.71

Single Stream (w/ Organics & No Glass)

Compacted rate per yard	1.5 CY container	Per-Occurrence, Per-Cubic-Yard	\$31.54	\$32.42	\$33.02	\$1.61	\$34.63
Compacted rate per yard	2 CY container	Per-Occurrence, Per-Cubic-Yard	\$31.54	\$32.42	\$33.02	\$1.61	\$34.63
Compacted rate per yard	3 CY container	Per-Occurrence, Per-Cubic-Yard	\$31.54	\$32.42	\$33.02	\$1.61	\$34.63
Compacted rate per yard	4 CY container	Per-Occurrence, Per-Cubic-Yard	\$31.54	\$32.42	\$33.02	\$1.61	\$34.63
Compacted rate per yard	6 CY container	Per-Occurrence, Per-Cubic-Yard	\$31.54	\$32.42	\$33.02	\$1.61	\$34.63
Compacted rate per yard	8 CY container	Per-Occurrence, Per-Cubic-Yard	\$31.54	\$32.42	\$33.02	\$1.61	\$34.63
Compacted rate per yard	Other container size	Per-Occurrence, Per-Cubic-Yard	\$31.54	\$32.42	\$33.02	\$1.61	\$34.63

Additional Pick-Ups/On-Call Collection (Per Occurrence)

Single Stream (w/o Organics)

Additional bin collected on customer's regularly scheduled collection day	1 CY container	Per- Occurrence	\$41.94	\$43.11	\$43.90	\$2.14	\$46.04
	1.5 CY container	Per- Occurrence	\$45.91	\$47.19	\$48.06	\$2.35	\$50.41
	2 CY container	Per- Occurrence	\$49.91	\$51.30	\$52.25	\$2.55	\$54.80
	3 CY container	Per- Occurrence	\$58.57	\$60.20	\$61.32	\$2.99	\$64.31
	4 CY container	Per- Occurrence	\$67.22	\$69.10	\$70.38	\$3.43	\$73.81
	6 CY container	Per- Occurrence	\$84.15	\$86.50	\$88.10	\$4.30	\$92.40
	8 CY container	Per- Occurrence	\$101.88	\$104.72	\$106.66	\$5.21	\$111.87
	Compacted rate per yard	Per- Occurrence	\$32.80	\$33.71	\$34.33	\$1.68	\$36.01

Single Stream (w/o Organics)

Additional Solid Waste bin collected on a day other than the customer's regularly scheduled collection day	1 CY container	Per- Occurrence	\$113.88	\$117.06	\$119.22	\$5.82	\$125.04
	1.5 CY container	Per- Occurrence	\$117.87	\$121.16	\$123.40	\$6.02	\$129.42
	2 CY container	Per- Occurrence	\$121.84	\$125.24	\$127.56	\$6.22	\$133.78
	3 CY container	Per- Occurrence	\$130.52	\$134.18	\$136.66	\$6.67	\$143.33
	4 CY container	Per- Occurrence	\$139.18	\$143.06	\$145.70	\$7.11	\$152.81
	6 CY container	Per- Occurrence	\$156.09	\$160.44	\$163.41	\$7.97	\$171.38
	8 CY container	Per- Occurrence	\$173.82	\$178.66	\$181.97	\$8.89	\$190.86
	Compacted rate per yard	Per- Occurrence	\$47.29	\$48.62	\$49.52	\$2.42	\$51.94

Single Stream (w/o Organics)

Extra can or bag collected on customer's regularly scheduled collection day	32-gal can or bag	Per- Occurrence	\$21.08	\$21.68	\$22.08	\$1.08	\$23.16
	64-gal can or bag	Per- Occurrence	\$25.10	\$25.80	\$26.27	\$1.28	\$27.55
	96-gal can or bag	Per- Occurrence	\$31.35	\$32.23	\$32.82	\$1.61	\$34.43

Single Stream (w/o Organics)

Extra can or bag collected on a day other than the customer's regularly scheduled collection	32-gal can or bag	Per- Occurrence	\$93.03	\$95.62	\$97.39	\$4.76	\$102.15
	64-gal can or bag	Per- Occurrence	\$97.02	\$99.73	\$101.57	\$4.96	\$106.53
	96-gal can or bag	Per- Occurrence	\$103.31	\$106.19	\$108.16	\$5.28	\$113.44

Additional Pick-Ups/On-Call Collection (Per Occurrence)

Single Stream (w/ Organics & No Glass)

Additional bin collected on customer's regularly scheduled collection day	1 CY container	Per- Occurrence	\$52.43	\$53.89	\$54.89	\$2.68	\$57.57
	1.5 CY container	Per- Occurrence	\$57.40	\$59.00	\$60.09	\$2.93	\$63.02
	2 CY container	Per- Occurrence	\$62.40	\$64.13	\$65.32	\$3.19	\$68.51
	3 CY container	Per- Occurrence	\$73.21	\$75.25	\$76.65	\$3.74	\$80.39
	4 CY container	Per- Occurrence	\$84.04	\$86.38	\$87.98	\$4.29	\$92.27
	6 CY container	Per- Occurrence	\$105.20	\$108.13	\$110.13	\$5.38	\$115.51
	8 CY container	Per- Occurrence	\$127.35	\$130.91	\$133.33	\$6.51	\$139.84
	Compacted rate per yard	Per- Occurrence	\$41.00	\$42.15	\$42.93	\$2.10	\$45.03

Single Stream (w/ Organics & No Glass)

Additional Solid Waste bin collected on a day other than the customer's regularly scheduled collection day	1 CY container	Per- Occurrence	\$142.33	\$146.31	\$149.02	\$7.28	\$156.30
	1.5 CY container	Per- Occurrence	\$147.33	\$151.44	\$154.24	\$7.53	\$161.77
	2 CY container	Per- Occurrence	\$152.31	\$156.56	\$159.46	\$7.78	\$167.24
	3 CY container	Per- Occurrence	\$163.15	\$167.70	\$170.80	\$8.34	\$179.14
	4 CY container	Per- Occurrence	\$173.97	\$178.82	\$182.13	\$8.89	\$191.02
	6 CY container	Per- Occurrence	\$195.10	\$200.54	\$204.25	\$9.97	\$214.22
	8 CY container	Per- Occurrence	\$217.28	\$223.34	\$227.47	\$11.10	\$238.57
	Compacted rate per yard	Per- Occurrence	\$59.14	\$60.79	\$61.91	\$3.02	\$64.93

Single Stream (w/ Organics & No Glass)

Extra can or bag collected on customer's regularly scheduled collection	32-gal can or bag	Per- Occurrence	\$26.37	\$27.11	\$27.61	\$1.35	\$28.96
	64-gal can or bag	Per- Occurrence	\$31.35	\$32.23	\$32.82	\$1.61	\$34.43
	96-gal can or bag	Per- Occurrence	\$39.21	\$40.30	\$41.04	\$2.00	\$43.04

Single Stream (w/ Organics & No Glass)

Extra can or bag collected on a day other than the customer's regularly	32-gal can or bag	Per- Occurrence	\$116.27	\$119.52	\$121.73	\$5.95	\$127.68
	64-gal can or bag	Per- Occurrence	\$121.28	\$124.67	\$126.98	\$6.20	\$133.18
	96-gal can or bag	Per- Occurrence	\$129.13	\$132.73	\$138.18	\$6.74	\$144.92

Miscellaneous Charges

Hasp & lock for cart/bin, one time charge	Not Applicable	Per- Occurrence Rate	\$21.58	\$22.18	\$22.59	\$1.10	\$23.69
Replace lock	Not Applicable	Per- Occurrence Rate	\$50.36	\$51.76	\$52.72	\$2.57	\$55.29
Steam cleaning	Not Applicable	Per- Occurrence Rate	\$71.91	\$73.93	\$75.30	\$3.67	\$78.97
Push/pull charge (per increment of 50 ft.)	Not Applicable	Per- Month, Per-Increment of 50 Ft, Per - Bin Rate, Per PU	\$28.78	\$29.58	\$30.13	\$1.47	\$31.60
Lock/unlock charge	Not Applicable	Per- Month Rate, Per PU	\$28.78	\$29.58	\$30.13	\$1.47	\$31.60
Cart/Bin delivery/pick-up	Not Applicable	Extra Rate paid if customer requests a change in Cart/Bin size	\$50.36	\$51.76	\$52.72	\$2.57	\$55.29
Cart/Bin Exchange/Replacement (in the event of damage, service level	Not Applicable	Extra Rate paid if customer requires Cart/Bin replacement (one	\$50.36	\$51.76	\$52.72	\$2.57	\$55.29
Return Rate	Not Applicable	Extra rate paid if customer container is blocked or unserviceable and franchisee has to return to provide service	\$71.91	\$73.93	\$75.30	\$3.67	\$78.97
Organics Contaminated w/ Glass	Not Applicable	1st Occurrence	10% of Mo. Bill	10% of Mo. Bill	10% of Mo. Bill	n/a	10% of Mo. Bill
Organics Contaminated w/ Glass	Not Applicable	2nd Occurrence	20% of Mo. Bill	20% of Mo. Bill	20% of Mo. Bill	n/a	20% of Mo. Bill
Organics Contaminated w/ Glass	Not Applicable	3rd Occurrence	30% of Mo. Bill	30% of Mo. Bill	30% of Mo. Bill	n/a	30% of Mo. Bill
Organics Contaminated w/ Glass	Not Applicable	4th Occurrence	40% of Mo. Bill	40% of Mo. Bill	40% of Mo. Bill	n/a	40% of Mo. Bill
Organics Contaminated w/ Glass	Not Applicable	Beyond	50% of Mo. Bill	50% of Mo. Bill	50% of Mo. Bill	n/a	50% of Mo. Bill
Service Interrupt Fee	Not Applicable	Per- Occurrence Rate	\$43.16	\$44.36	\$45.18	\$2.20	\$47.38
Late Fee	Not Applicable	After 60-days past due	1.5%	1.5%	1.5%	n/a	1.5%
Insufficient Funds Fee	Not Applicable	Per- Occurrence Rate	\$43.16	\$44.36	\$45.18	\$2.20	\$47.38

Type of Service	Receptacle	Rate Information	Tonnage Limit (Compactors Per Yard)	Maximum RY6 Rates 7/1/2017	Maximum RY7 Rates 7/1/2018	Maximum RY8 Rates 7/1/2019	CPI Adjustment at 0.0488	Maximum RY9 Rates 7/1/2020
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Regularly Scheduled Roll Off Collection Service (Per Pull/Return Rate not including initial delivery Rate which is charged separately-excludes compactors)

North - Single Stream (w/o Organics)

10 cubic yard roll off	Per Pull/Return Rate	2	\$474.79	\$488.03	\$497.06	\$24.26	\$521.32
20 cubic yard roll off	Per Pull/Return Rate	3	\$568.31	\$584.17	\$594.98	\$29.04	\$624.02
30 cubic yard roll off	Per Pull/Return Rate	4	\$661.83	\$680.29	\$692.88	\$33.81	\$726.69
40 cubic yard roll off	Per Pull/Return Rate	5	\$755.35	\$776.43	\$790.79	\$38.59	\$829.38
Customer Owned Compactors	Per Yard/Pull/Return Rate	0.20	\$28.33	\$29.12	\$29.66	\$1.45	\$31.11

North - Single Stream (w/ Organics & No Glass)

10 cubic yard roll off	Per Pull/Return Rate	2	\$503.56	\$517.61	\$527.19	\$25.73	\$552.92
20 cubic yard roll off	Per Pull/Return Rate	3	\$611.47	\$628.53	\$640.16	\$31.24	\$671.40
30 cubic yard roll off	Per Pull/Return Rate	4	\$719.38	\$739.45	\$753.13	\$36.75	\$789.88
40 cubic yard roll off	Per Pull/Return Rate	5	\$827.29	\$850.37	\$866.10	\$42.27	\$908.37
Customer Owned Compactors	Per Yard/Pull/Return Rate	0.20	\$32.67	\$33.59	\$34.21	\$1.67	\$35.88

North - Landscape Greenwaste Only

20 cubic yard roll off	Per Pull/Return Rate	3	\$481.99	\$495.44	\$504.61	\$24.62	\$529.23
30 cubic yard roll off	Per Pull/Return Rate	4	\$546.72	\$561.98	\$572.38	\$27.93	\$600.31
40 cubic yard roll off	Per Pull/Return Rate	5	\$611.47	\$628.53	\$640.16	\$31.24	\$671.40

On-Call Roll Off Collection Service (Per Pull/Return Rate not including initial delivery Rate which is charged separately-excludes compactors)

North - Single Stream (w/o Organics)

10 cubic yard roll off	Per Pull/Return Rate	2	\$503.56	\$517.61	\$527.19	\$25.73	\$552.92
20 cubic yard roll off	Per Pull/Return Rate	3	\$597.08	\$613.74	\$625.09	\$30.50	\$655.59
30 cubic yard roll off	Per Pull/Return Rate	4	\$690.60	\$709.87	\$723.00	\$35.28	\$758.28
40 cubic yard roll off	Per Pull/Return Rate	5	\$784.12	\$805.99	\$820.90	\$40.06	\$860.96
Customer Owned Compactors	Per Yard/Pull/Return Rate	0.20	\$29.75	\$30.58	\$31.14	\$1.52	\$32.66

North - Single Stream (w/ Organics & No Glass)

10 cubic yard roll off	Per Pull/Return Rate	2	\$532.34	\$547.19	\$557.31	\$27.20	\$584.51
20 cubic yard roll off	Per Pull/Return Rate	3	\$640.25	\$658.11	\$670.28	\$32.71	\$702.99
30 cubic yard roll off	Per Pull/Return Rate	4	\$748.15	\$769.03	\$783.25	\$38.22	\$821.47
40 cubic yard roll off	Per Pull/Return Rate	5	\$856.06	\$879.95	\$896.22	\$43.74	\$939.96
Customer Owned Compactors	Per Yard/Pull/Return Rate	0.20	\$34.32	\$35.28	\$35.93	\$1.75	\$37.68

North - Landscape Greenwaste Only

20 cubic yard roll off	Per Pull/Return Rate	3	\$510.76	\$525.01	\$534.72	\$26.09	\$560.81
30 cubic yard roll off	Per Pull/Return Rate	4	\$575.50	\$591.55	\$602.50	\$29.40	\$631.90
40 cubic yard roll off	Per Pull/Return Rate	5	\$640.25	\$658.11	\$670.29	\$32.71	\$703.00

Regularly Scheduled Roll Off Collection Service (Per Pull/Return Rate not including initial delivery Rate which is charged separately-excludes compactors)**South - Single Stream (w/o Organics)**

10 cubic yard roll off	Per Pull/Return Rate	2	\$546.72	\$561.98	\$572.37	\$27.94	\$600.31
20 cubic yard roll off	Per Pull/Return Rate	3	\$640.25	\$658.11	\$670.28	\$32.71	\$702.99
30 cubic yard roll off	Per Pull/Return Rate	4	\$733.75	\$754.22	\$768.17	\$37.49	\$805.66
40 cubic yard roll off	Per Pull/Return Rate	5	\$827.29	\$850.37	\$866.10	\$42.27	\$908.37
Customer Owned Compactors	Per Yard/Pull/Return Rate	0.20	\$29.87	\$30.70	\$31.27	\$1.53	\$32.80

South - Single Stream (w/ Organics & No Glass)

10 cubic yard roll off	Per Pull/Return Rate	2	\$575.50	\$591.55	\$602.50	\$29.40	\$631.90
20 cubic yard roll off	Per Pull/Return Rate	3	\$683.41	\$702.47	\$715.47	\$34.91	\$750.38
30 cubic yard roll off	Per Pull/Return Rate	4	\$791.31	\$813.39	\$828.44	\$40.43	\$868.87
40 cubic yard roll off	Per Pull/Return Rate	5	\$899.22	\$924.31	\$941.41	\$45.94	\$987.35
Customer Owned Compactors	Per Yard/Pull/Return Rate	0.20	\$34.47	\$35.43	\$36.08	\$1.76	\$37.84

South - Landscape Greenwaste Only

20 cubic yard roll off	Per Pull/Return Rate	3	\$553.92	\$569.37	\$579.91	\$28.30	\$608.21
30 cubic yard roll off	Per Pull/Return Rate	4	\$618.67	\$635.93	\$647.69	\$31.61	\$679.30
40 cubic yard roll off	Per Pull/Return Rate	5	\$683.41	\$702.47	\$715.47	\$34.91	\$750.38

On-Call Roll Off Collection Service (Per Pull/Return Rate not including initial delivery Rate which is charged separately-excludes compactors)**South - Single Stream (w/o Organics)**

10 cubic yard roll off	Per Pull/Return Rate	2	\$582.70	\$598.95	\$610.03	\$29.77	\$639.80
20 cubic yard roll off	Per Pull/Return Rate	3	\$676.21	\$695.07	\$707.93	\$34.55	\$742.48
30 cubic yard roll off	Per Pull/Return Rate	4	\$769.74	\$791.22	\$805.86	\$39.33	\$845.19
40 cubic yard roll off	Per Pull/Return Rate	5	\$863.25	\$887.33	\$903.75	\$44.10	\$947.85
Customer Owned Compactors	Per Yard/Pull/Return Rate	0.20	\$31.35	\$32.23	\$32.82	\$1.60	\$34.42

South - Single Stream (w/ Organics & No Glass)

10 cubic yard roll off	Per Pull/Return Rate	2	\$611.47	\$628.53	\$640.16	\$31.24	\$671.40
20 cubic yard roll off	Per Pull/Return Rate	3	\$719.38	\$739.45	\$753.13	\$36.75	\$789.88
30 cubic yard roll off	Per Pull/Return Rate	4	\$827.29	\$850.37	\$866.10	\$42.27	\$908.37
40 cubic yard roll off	Per Pull/Return Rate	5	\$935.18	\$961.27	\$979.06	\$47.78	\$1,026.84
Customer Owned Compactors	Per Yard/Pull/Return Rate	0.20	\$36.19	\$37.19	\$37.88	\$1.85	\$39.73

South - Landscape Greenwaste Only

20 cubic yard roll off	Per Pull/Return Rate	3	\$589.88	\$606.34	\$617.56	\$30.14	\$647.70
30 cubic yard roll off	Per Pull/Return Rate	4	\$654.64	\$672.90	\$685.35	\$33.45	\$718.80
40 cubic yard roll off	Per Pull/Return Rate	5	\$719.38	\$739.45	\$753.13	\$36.75	\$789.88

Other Miscellaneous Charges

Demurrage Charge (e.g., rental charge)	All roll off box sizes	Weekly Rate*	\$237.39	\$244.02	\$248.53	\$12.13	\$260.66
Delivery service	All roll off box sizes	Per-Occurrence Rate for delivery to collection site	\$93.52	\$96.13	\$97.91	\$4.78	\$102.69
Overage charge - Single Stream (w/o)	All roll off & Compactors Sizes	Per-Ton Rate For Each Ton In Excess of Limits	\$93.52	\$96.13	\$97.91	\$4.78	\$102.69
Overage charge - Single Stream (w/)	All roll off & Compactors Sizes	Per-Ton Rate For Each Ton In Excess of Limits	\$107.91	\$110.92	\$112.97	\$5.51	\$118.48
Overage charge - Landscape	All roll off & Compactors Sizes	Per-Ton Rate For Each Ton In Excess of Limits	\$64.75	\$66.56	\$67.79	\$3.31	\$71.10
Hasp & lock for Roll Off, one time	Not Applicable	Per- Occurrence Rate	\$21.58	\$22.18	\$22.59	\$1.10	\$23.69
Return Rate	Not Applicable	Extra rate paid if customer container is blocked or unserviceable and franchisee has to return to provide service	\$71.91	\$73.93	\$75.30	\$3.67	\$78.97
Relocation Charge	All roll off box sizes	Per-Relocation Rate	\$107.91	\$110.92	\$112.97	\$5.51	\$118.48
Steam Cleaning or Compactor	All roll off box sizes	Per Hour Rate (parts billed separately)	\$215.80	\$221.84	\$225.94	\$11.03	\$236.97
Organics Contaminated w/ Glass	Not Applicable	1st Occurrence	10% of Mo. Bill	10% of Mo. Bill	10% of Mo. Bill	n/a	10% of Mo. Bill
Organics Contaminated w/ Glass	Not Applicable	2nd Occurrence	20% of Mo. Bill	20% of Mo. Bill	20% of Mo. Bill	n/a	20% of Mo. Bill
Organics Contaminated w/ Glass	Not Applicable	3rd Occurrence	30% of Mo. Bill	30% of Mo. Bill	30% of Mo. Bill	n/a	30% of Mo. Bill
Organics Contaminated w/ Glass	Not Applicable	4th Occurrence	40% of Mo. Bill	40% of Mo. Bill	40% of Mo. Bill	n/a	40% of Mo. Bill
Organics Contaminated w/ Glass	Not Applicable	Beyond	50% of Mo. Bill	50% of Mo. Bill	50% of Mo. Bill	n/a	50% of Mo. Bill
Service Interrupt Fee	Not Applicable	Per- Occurrence Rate	\$43.16	\$44.36	\$45.18	\$2.20	\$47.38
Late Fee	Not Applicable	After 60-days past due	1.50%	1.50%	1.50%	n/a	1.50%
Insufficient Funds Fee	Not Applicable	Per- Occurrence Rate	\$43.16	\$44.36	\$45.18	\$2.20	\$47.38

*Extra charge if a customer subscribing to temporary service keeps the box longer than 7 days without pickup or return.

**Attachment B, Exhibit B-3
Form 13 - City-Wide Cost Proposal**

San Jose : Alternate System

City-Wide Cost Proposal Summary

North District

N.A

South District

N.A

Proposer Name: Allied Waste Services - Santa Clara County

	<table border="1"> <tr><td>Total Franchisee Revenue Requirement</td></tr> <tr><td align="center">(in 2010 \$)</td></tr> </table>	Total Franchisee Revenue Requirement	(in 2010 \$)
Total Franchisee Revenue Requirement			
(in 2010 \$)			
North District*	_____		
South District*	_____		
Subtotal	_____ \$0		
City-Wide Discount**	<table border="1"> <tr><td align="center">4.00%</td></tr> </table> (percentage)	4.00%	
4.00%			
Total City-Wide Cost	_____ \$0		

* Total Franchisee Revenue Requirement per Form 5 of cost proposal for each district.

** The City-Wide Discount will be applied to costs and proposed customer rates.

Form 14 - Transport Cost from NIRRP to ZWED AD Facility

	<u>Service Rd</u>		<u>HWY 237</u>
Labor	51.20		51.20
Fuel	9.38		9.38
Operating	1.43		1.43
R&M	11.76		11.76
Insurance	4.33		4.33
Depreciation	9.86		9.86
SG&A/OH	8.75		8.75
Sub-Totals:	\$ 96.71		\$ 96.71
Profit	16.68	85.29%	16.68
Total Hourly Costs:	\$ 113.39		\$ 113.39
Hours per Transfer Load	1.00		1.50
Cost per Transfer Load	\$ 113.39		\$ 170.08
Tons per Load	21		21
Cost per Ton	\$ 5.40		\$ 8.10
Total Tons	52,474		52,474
Annual Expense	\$ 283,360		\$ 425,039
Difference:			\$ 141,680

EXHIBIT B

LIQUIDATED DAMAGES

It shall be the duty of FRANCHISEE to perform services under this Agreement in such a manner as to implement practices, policies, and procedures designed to achieve the goals set forth in Section 14.2.

FRANCHISEE agrees its failure to perform the services as set forth in this Agreement would cause CITY damage, CITY and FRANCHISEE mutually agree that making a precise determination of the amount of CITY's damage as a result of FRANCHISEE's failure would be impractical and/or extremely difficult. Therefore, the parties agree that, in the event of such a failure, FRANCHISEE shall pay to CITY as liquidated damages the amounts listed below.

1.	Failure to comply with the provisions of the plans, unless failure is noted in a charge below, in Exhibit C.	\$1,000 first incident; \$2,500 each subsequent incident.
2.	Failure to meet timeline milestones set forth in Exhibit C except as defined in Section 20.3.	\$5,000 per milestone per Work Day, subject to a maximum of \$25,000 per milestone.
3.	Failure to keep collected material separated prior to weighing.	\$5,000 per incident.
4.	Failure to Process Recyclable Material Delivered to the Recyclable Material Processing Facility.	\$5,000 per incident.
5.	Failure to Deliver any collected material to the designated Disposal Facility, Transfer Facility, Recyclable Material Processing Facility or Organics Processing Facility.	\$5,000 first incident; \$25,000 each subsequent incident.
6.	Failure to provide adequate primary and alternate capacity to Process Recyclable Material.	\$1,000 per Work Day.
7.	Failure to provide CITY access to real-time, read-only customer information system.	\$500 per incident.
8.	Failure to maintain customer service during office hours.	\$300 per incident.
9.	Failure to meet the first two Call Center Metrics (measured on a monthly average basis) as outlined in Exhibit C-8.	\$2,500 per performance metric per month
10.	Failure to achieve minimum acceptable score for call center service level quality (3 rd Call Center Metric if implemented by CITY).	\$1,000 for not meeting minimum score of third-party quarterly assessment report; minimum score ≥ 80% average score per assessment.
11.	Failure or neglect to reasonably resolve any complaint within the requisite time.	\$100 per incident per Work Day.
12.	Failure to clean up spillage or litter during the course of FRANCHISEE's Collection operation.	\$500 per incident.
13.	Failure to remove graffiti from any Container.	\$100 per incident.
14.	Failure to equip collection vehicles with Global Positioning Systems (GPS) or similar technology that allows for confirmation of vehicles whereabouts by time and date.	\$500 per incident.

15.	Failure to properly cover material in collection vehicles.	\$500 per incident.
16.	Failure to display FRANCHISEE's name and customer service phone number on collection vehicles.	\$500 per incident.
17.	Failure of FRANCHISEE's field personnel to carry photographic identification or wear uniform shirts.	\$100 per incident.
18.	Failure to maintain or timely submit to CITY all documents and reports.	\$300 per incident.
19.	Failure to submit report corrections within CITY-approved timeframe.	\$300 per incident.
20.	Failure to deliver all Wet Material to the Organics Processing Facility prior to exceeding daily maximum limit.	\$25 per ton
21.	Failure to meet Minimum Diversion Standards as measured on a facility-wide basis as reported to the Department of Resources Recycling and Recovery (CalRecycle).	\$25,000 per each one (1) percent diversion not reached up to 60%.
22.	Failure of FRANCHISEE to pay the compensation due to the Organics Processing Contractor consistent with the terms of this Agreement.	Either \$10,000 or 10% of the compensation due, whichever is less

EXHIBIT C

PLANS

- C-1 Collection Plan
- C-2 Delivery Plan
- C-3 Processing Enhancement Plan
- C-4 Recyclable Material Marketing Plan
- C-5 Contingency Plan
- C-6 Diversion Plan
- C-7 Outreach and Technical Assistance Plan
- C-8 Customer Service and Reporting Plan
- C-9 Interim Material Delivery and Processing Agreement and Cover Sheet
- C-10 Illegally Dumped Materials Plan

C-1 COLLECTION PLAN

FRANCHISEE will service all San José commercial Customers with front load collection trucks for Bin service, side load or similar collection trucks for Cart service and Roll-Off collection trucks for Compacters and Roll-Off Containers. The collection vehicles will normally be staffed by one driver except in those areas where size, physical set-up and space constraints, (narrow streets, alleys, courts) may cause collection challenges and require a two-person co-collection vehicle to be used.

All FRANCHISEE collection vehicles will be model year 2012 or later Clean Natural Gas vehicles and will be equipped with *Fleetmind*, Allied's state-of-the-art on board computer system, or equivalent computer, tablet or GPS based system subject to approval by CITY. All collection vehicles will have back-up alarms and the front and side load collection vehicles will also have a rear view camera in place. All collection trucks will be fitted with two-way direct connect radios. Each vehicle will remain within radio or computer contact with the dispatch center or the local supervisor on the routes.

Shared Containers (Section 5.20)

FRANCHISEE shall give Customers the opportunity to share a Container, provided such activity is allowed by CITY of San José Municipal Code. If Customers elect to share Container(s) then FRANCHISEE shall have the ability to outline specifics of Customer responsibility for Billing and collection in a service level agreement with the Customer so that FRANCHISEE does not take on undue burden. If Customers cannot agree to terms of the service level agreement FRANCHISEE shall not offer shared Container service to the specific Customer.

Collection Standards for Customers (Section 5.22)

Through the use of routing software, such as Route Editor or equivalent, in tandem with Allied's customer database, InfoPro or equivalent up to date technology, such as Recyclist. Allied will ensure that collection vehicle routes are optimized to enhance worker/public safety, create efficiency, and reduce carbon inventories and street wear and tear.

Commingling of Material (Section 5.3)

FRANCHISEE may commingle material from the Valley Transportation Authority ("VTA"), public schools, and Santa Clara County government facilities with material from Customers in San José, in order to maintain efficient routing and a lower carbon footprint. FRANCHISEE understands the need for the CITY to verify waste diversion of material that is exclusive to the Franchise. At the CITY's request, FRANCHISEE will conduct annual waste audits for the length of the agreement.

As the plan for the audits FRANCHISEE will perform a weight allocation audit. The weight allocation audit takes the total tons in the load and allocates them based on how many Container yards are in each jurisdiction. For example: Route A picks up 10 tons from Santa Clara County facilities and CITY of San José. Santa Clara County facilities have sixty percent

60% and CITY of San José has forty percent (40%) of the Container yards. Therefore, Santa Clara's allocation is six (6) tons and San José's allocation is four (4) tons.

Diversion (Section 7.2.1)

In order to determine the diversion and Residue that is attributed to this Agreement, FRANCHISEE shall allocate Residue on an inbound ton prorated basis per reports submitted to the Department of Resources Recycling and Recovery. The annual residue allocation and methodology is provided in Section 7.2.1 and the disposal reporting requirement is provided in Section 8.2.5.

Equipment Maintenance (Section 6.2)

FRANCHISEE will meet or exceed all maintenance requirements as referenced in the Republic Services *Fleet Maintenance Standards and Procedures* dated January 2014. If the document is revised, FRANCHISEE will notify CITY Representative and provide a revised version. If the CITY determines that the revised standards or procedures represent a significant degradation in equipment maintenance requirements, the FRANCHISEE will conform with the maintenance requirements previously approved by the CITY.

Vehicle Signage and Painting (Section 6.7)

All new vehicles will be painted before first use and repainted as needed to maintain a clean, professional appearance. Graphics will meet or exceed the provisions in this Agreement and the standards in Republic Services *Fleet Graphics Standards* dated 2016. If there is a change to the document, FRANCHISEE will notify CITY Representative and provide a revised version. If the CITY determines that revised standards represent a significant degradation in signage and painting requirements, the FRANCHISEE will conform with the signage and painting requirements previously approved by the CITY.

Container Specifications (Section 6.9)

To allow for improvements in collection and customer service, Container specifications may be modified from time to time by mutual written agreement of FRANCHISEE and CITY Representative. Container specifications are as follows:

Bins

Metal Bin specifications:

Description	Floor	Sides	D	W	H	Weight	Lids
1 yd SLT	12 ga	14 ga	28	72	26	275	74x30
1.5 yd SLT	12 ga	14 ga	27	71	34	325	37x34
2 yd SLT	12 ga	14 ga	34	71	46	366	37x41
3 yd SLT	12 ga	14 ga	42	71	46	432	37x48
4 yd SLT	12 ga	14 ga	50	71	58	513	37x58
6 yd SLT	12 ga	14 ga	68	72	70	700	37x58
8 yd SLT	12 ga	14 ga	82	72	75	854	37x58

BIN COLORS

Contents	Color
Source Separated Recyclables, "Customized"	White Bin
One-Bin Plus, "Dry"	Blue Bin
Organics, "Wet"	Green Bin

Carts

Carts will have a one-piece mold-in handle and an attached lid that seals the Cart interior. The carts will contain at least thirty percent (30%) post consumer materials and have a manufacturers' warranty of at least ten (10) years. The FRANCHISEE will keep an adequate inventory of all carts on hand as replacement units. Each Cart will be labeled or hot-stamped with information regarding proper materials, use, and unacceptable materials.

CART COLORS

Contents	Color
Source Separated Recyclables, "Customized"	Blue Cart, gray lid
One-Bin Plus, "Dry"	Blue Cart, blue lid
Organics, "Wet"	Blue Cart, green lid

Roll-Off

Roll-off Container Bin specifications are:

	Standard
Fronts & Sides	14 gauge
Floor	12 gauge
Cross Members	3" channel on 24" centers
Posts	12 gauge formed steel on 24" centers
Angle headers	n/a

Product No.	Length "A" in ft.	Height "B" in ft.	Volume (cu. yd.)
RO12 x 3	12	3	10
RO18 x 3	18	3	15
RO16 x 4.5	16	4.5	20
RO18 x 6	18	6	30
RO18 x 8	18	8	40

ROLL-OFF COLORS

Contents	Color
All	Blue

Personnel Requirements (Section 6.17)

All FRANCHISEE field personnel will maintain constant radio contact with dispatch. Each driver will contact dispatch, from the field, after they've completed their assigned route. At this time, the dispatcher will relay any orders the driver needs to complete and will also advise the driver if their assistance is needed in the event of a breakdown on other routes.

C-2 DELIVERY PLAN

In accordance with Section 5.7 of the Agreement, all Wet Materials and a portion of the Dry Material will be directly hauled to the Organics Processing Facility for processing. In accordance with Section 5.6 of the Agreement, Dry Material will be delivered and Processed at the Newby Island Resource Recovery Park ("NIRRP"). NIRRP is fully permitted and has the capacity to accept Dry Material during this time period.

Any Residue remaining from the Processing of materials collected under this Agreement will be disposed of at the Disposal Facility.

C-3 PROCESSING ENHANCEMENT PLAN

All Processing will be done in accordance with Article 5 of this Agreement. The specifics of the current proposed plan of operation are outlined below. FRANCHISEE may modify the facility layout, equipment and/or plan of operations to meet the needs of the waste stream received by FRANCHISEE under this Agreement and to reflect the availability of equipment and technologies to most effectively and efficiently meet the performance standards under this Agreement. If such a change takes place FRANCHISEE shall notify CITY and submit a revised processing plan. .

Overview

Browning-Ferris Industries of California, Inc., an Affiliate of FRANCHISEE, operates the Newby Island Resource Recovery Park (NIRRP) Recyclery, a recycling facility capable of Processing, renewing or re-using material onsite. The collection options require that all Wet Material be delivered directly to the Organics Processing Contractor

All the facilities at the NIRRP, located at 1601 Dixon Landing Road, San José, California are owned and operated by Browning-Ferris Industries of California, Inc., an Affiliate of FRANCHISEE, with the exception of the Newby Island Landfill which is owned and operated by International Disposal Corp. of California, an Affiliate of FRANCHISEE.

NIRRP is a 340+ acre site that includes:

- The Recyclery at Newby Island: A large material recovery and recyclables processing facility (commercial and residential).
- The Newby Island Compost Facility: With a seven hundred (700) peak-ton capacity per day.
- A Construction and Demolition recycling site.

The key elements are:

- Building to accommodate a new traffic flow and increased processing area inside the Recyclery building.
- Commercial processing line with a “dry” processing line.
- Single-stream processing line to allow for the Processing of commercial recyclables as a back-up to the dry line.
- Processing system capable of handling inputs from all other processing lines simultaneously.

Operations

NIRRP's permit allows it to operate twenty-four hours per day, seven-days per week. Current operating hours are 3:00 am to 11:00 pm Monday through Friday. The facility is closed on the following holidays: New Year's Day, Thanksgiving Day, and Christmas Day. No changes to the operating hours or holiday schedule are currently being contemplated.

LOW RECYCLABLE CONTENT DRY MATERIAL DIVERSION PLAN

Initial Scope

The CITY in coordination with FRANCHISEE shall develop a plan to address the low recyclable content Dry Material (currently ~54,000 tons/year) that is anticipated to be direct hauled to the Disposal Facility. ("Plan") Through this Plan, FRANCHISEE, in conjunction with CITY, will ensure that all commercial accounts are compliant with current State regulations (i.e., AB 939, AB 341, AB 1826, and AB 1594) for recycling and diversion.

FRANCHISEE shall engage one, or more if necessary, third-party consultant(s) ("Consultant(s)") to develop the Plan and subsequent recommendations. CITY shall have final approval of the Consultant(s) selected by FRANCHISEE. FRANCHISEE shall be responsible for any costs it incurs as a result of the Consultant(s)' work. FRANCHISEE shall work with the Consultant(s) and CITY to develop, report, and implement the Plan, as described below. The timeline below may be adjusted and plan implemented sooner upon mutual agreement and CITY approval.

FRANCHISEE and CITY shall meet a minimum of once per month specifically to discuss progress on the Plan. FRANCHISEE and CITY agree to work on opportunities to identify specific Commercial Customers and encourage customers to modify their services including, but not limited to, service offering and frequency. FRANCHISEE shall create and implement an outreach plan, as approved by the CITY, specifically targeted at Commercial Customers identified as low recyclable content Dry Material generators.

Apr 2021	FRANCHISEE will document, grade, and record data of inbound Dry Material loads to the Newby Island Recyclery and provide information to the CITY no later than April 30, 2020.
Apr 2021	FRANCHISEE shall hire a Consultant(s) as approved by the City.
May 2021	FRANCHISEE to meet with CITY and Consultant(s) to develop a scope of work which will include the development of an action plan and recommendations for improving diversion of the low recyclable content Dry Materials that will be initially delivered directly to landfill. This will include, but not limited to, on-site customer waste characterizations prioritized by existing service level and type of business.
May – July 2021	FRANCHISEE, Consultant(s), and CITY shall review specific Dry Material accounts (i.e., select County facilities, school facilities, and VTA facilities) and explore the option of modifying select Dry Material routes that are processed to prioritize processing capacity for low recyclable content City of San José Dry Materials. The CITY and FRANCHISEE agree that route modifications will

	be at the sole discretion of the FRANCHISEE and that commingling of materials will continue to be acceptable as outlined in Exhibit C-1 Collection Plan of the Franchises Agreement.
June 2021	CITY provides final approval to FRANCHISEE regarding scope of work.
June – Nov 2021	FRANCHISEE’s Public Outreach Team (which includes recycling coordinators and other Republic Services staff, as needed), CITY and Consultant(s) to review and audit current single container service customers within low recyclable content Dry Material loads, prioritizing audit of customers by non-compliance with State regulations (i.e., AB 341 and AB 1826). Begin implementing additional services to non-compliant customers.
July 2021 – Jan 2022	Consultant(s) will implement field waste characterizations of low recyclable content Dry Material customers. FRANCHISEE to continue to evaluate high recyclable content Dry Material delivered to Newby Island Recyclery for an opportunity to move accounts from low recyclable content Dry Material to the appropriate stream.
Jun – Dec 2021	FRANCHISEE to explore potential processing options for the 54,000 tons per year of low recyclable content Dry Material that is anticipated to be direct hauled to the landfill. Such exploration may include initiating discussions with local and regional regulatory agencies discussions with alternative processing facilities in the region (i.e., Sunnyvale Material and Recovery Transfer (SMaRT) Station, South Bay Waste Management Authority (SBWMA), etc.) for processing capacity, and exploring the potential for sorting this portion of material via alternative means (i.e., manual sorting, C&D processing, etc.). City and FRANCHISEE agree that if alternative processing options are identified, commercially viable, and could result in additional cost for service, the CITY and FRANCHISEE shall meet and confer on timing of implementation of said alternative processing option(s) and cost recovery of any additional costs.
Oct 2021 – Dec 2022	FRANCHISEE shall prioritize customers with highest potential of increased diversion (as identified by Consultant(s) review of accounts on low recyclable content routes) through implementation of additional service(s). FRANCHISEE shall conduct additional public education to these customers.
Nov 2021	FRANCHISEE shall develop, produce and distribute, upon CITY approval, targeted outreach materials directed at accounts that generate low recyclable content Dry Materials in an effort improve diversion at those accounts. The targeted accounts shall be revisited and reviewed at a minimum of every six (6) months, or, if needed, more frequently as the Plan evolves. Consultant(s) and FRANCHISEE shall produce a report for CITY’s review and present the Plan and accomplishments to CITY’s Transportation & Environment (T&E) Committee for input and approval. CITY and FRANCHISEE agree that the date of this presentation may change.

Nov 2021 – Apr 2023	FRANCHISEE shall continue to perform the steps above on a reoccurring basis through April 2022, or until such time that FRANCHISEE and CITY agree that the efforts will not result in a significant increase in diversion of low recyclable content Dry Materials.
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Compliance

All material collected will be hauled directly to the appropriate facility and all staff including drivers, dispatchers, and scale operators will be fully trained. In addition to thorough and ongoing training, all materials entering and leaving the NIRRP Recyclery generate a certified weight ticket including date, time, vehicle identification, gross weight, net weight, tare weight, and material type. All material entering the site also receives an origin designation. This information will be used as source information to document the disposition for all materials in a Report of Materials Management, Inputs, and Destinations.

C-4 RECYCLABLE MATERIAL MARKETING PLAN

All material marketing will be done in accordance with Article 5 of this Agreement, specifics are outlined below:

FRANCHISEE will work with local and global partners to market the recovered materials for use in making new products. While we do this as an independent, local business, the NIRRP is a key member of FRANCHISEE's National Materials Marketing Group. NIRRP shall follow best practices for recycling, materials recovery, and transfer.

The FRANCHISEE will maintain rigorous quality control and monitoring of incoming and outgoing materials to ensure that the impact of market fluctuations is minimized.

Materials to be recovered and marketed may include:

Fiber	High-grade Mixed Waste Paper
Commercial Plastic Film	Dirty Plastic Film
Carpet and Carpet Padding	PETE
Mixed HDPE	Other Rigid Plastics
Mixed Container Glass	Glass
Ferrous Metals	Clean Expanded Polystyrene

The FRANCHISEE's National Materials Marketing Group, a regional staff positioned throughout the country, is a group of highly experienced professionals who provide individual processing facilities, landfills, and transfer stations with assistance in the identification of material recovery opportunities and the best markets and marketing opportunities for those materials.

The regional focus is invaluable in identifying local markets for as many materials as possible and takes advantage of preferable spot market opportunities. The result of this approach is that the FRANCHISEE markets materials to 150 domestic and international mills.

Some commodity customers for recyclables include:

- America Chung Nam
- Potential Industries
- Yao Yang Enterprises
- Ralison International
- Pacific/West Recycling
- Belmont Fibers
- Strategic Materials
- Longview Fiber
- Recycled Fibers
- Anheuser-Busch Recycling
- Sims Metals

Schnitzer Steel
Timbron

FRANCHISEE has established and maintained relationships with all of the major consumers of recyclable commodities. Volumes are offered monthly and prices are evaluated continually to assure maximum value and consistent demand for our products. The FRANCHISEE will perform ongoing audits of incoming and outgoing materials to ensure the highest quality of outgoing commodities at all times.

FRANCHISEE will not engage in “stockpiling” for the purpose of seeking a potential price windfall. FRANCHISEE will Process the inbound material as efficiently and timely as possible. This has proven to be the best long-term method to ensure the management of material flow and revenue optimization. The tactics to achieve this strategy include:

- Evaluating changes in composition optimize “upgrading” of material and removing materials that cause the value to be “downgraded.”
- Choosing the optimum composition of outbound commodities to assure the highest net market value and by selling mixed materials (like “Other rigid plastics”).
- Continually re-evaluating markets to assure an optimal product fit as quantities and composition changes.
- Investing in upgraded equipment and changing processes to minimize waste (like the densifier to Process and Recycle expanded polystyrene).

FRANCHISEE will ensure Recyclable Material is effectively marketed by following these procedures:

- Process Management –conduct frequent sampling and characterizations of both inbound and outbound materials to ensure consistency of product and maintain a reputation of excellence in quality control.
- Long-Term Relationships - Maintain relationships with large consumers of recyclable commodities worldwide.

In the unlikely event that buyers or outlets for recovered materials are not found, storage space adequate to meet the needs of San José’s commercial recycling will be available at NIRRP Recyclery and FRANCHISEE’s other seven major facilities in the Bay Area.

FRANCHISEE always seeks the highest and best use for all collected materials. The FRANCHISEE will provide to the CITY in the annual report that highlights our Marketing efforts for material sales.

With the assistance of our National Materials Marketing Group we will seek to optimize the following objectives:

Obtain Maximum Value for our Materials

Assure Reliable and Consistent Sales of Materials

Minimize Our Carbon Footprint Impact by:

- Seeking to replace lost domestic fiber markets by offering a price preference to local consumers
- Working with local market development representatives to encourage local consumption.

C-5 CONTINGENCY PLAN

In the event that the FRANCHISEE is unable to Process materials for a period no longer than 3 days and FRANCHISEE finds it necessary to Process at another facility, the CITY and FRANCHISEE agree that FRANCHISEE may redirect materials to Republic Services' Richmond and Vasco Road facilities. FRANCHISEE shall ensure that all the terms and conditions of this Agreement are met. FRANCHISEE is 100% responsible for any additional expense that is incurred.

In the event that the FRANCHISEE is unable to dispose of Residue at the Newby Island Landfill for a period no longer than 3 days and FRANCHISEE finds it necessary to dispose at another facility. The CITY and FRANCHISEE agree that FRANCHISEE may redirect materials to Republic Services' Forward and Vasco Road Landfills. FRANCHISEE shall ensure that all the terms and conditions of this Agreement are met. FRANCHISEE is 100% responsible for any additional expense that is incurred. In addition, FRANCHISEE shall pay to CITY, the current amount of the Disposal Facility Tax for every ton disposed if not at Newby Island Landfill. This payment shall be remitted monthly with other Government Fees.

In the event the FRANCHISEE is unable to Process materials or dispose of Residue for periods longer than 3 days, FRANCHISEE shall submit a written request to the CITY for use of an alternate facility. FRANCHISEE is 100% responsible for any additional expense that is incurred. The request should thoroughly address how FRANCHISEE intends to mitigate any issues at the unavailable facility and how the alternate facility will meet the terms and conditions of this Agreement. Approval of the request is the sole decision of the CITY.

In the event that the FRANCHISEE's vehicle fleet is not sufficient to provide for the services outlined in the Agreement, at start-up date or at any point during the term, FRANCHISEE shall work with affiliated companies to provide sufficient vehicles. FRANCHISEE is 100% responsible for any additional expense that is incurred.

In the event that FRANCHISEE staffing is not sufficient enough to provide for the services outlined in this Agreement during start-up or at any point during the term, FRANCHISEE shall leverage personnel from affiliated companies. This includes providing communications to Customers for delays in collection of one day or longer. FRANCHISEE is 100% responsible for any additional expense that is incurred.

In the event that an unanticipated contingency occurs that precludes the Organics Processing Facility from accepting material, then FRANCHISEE vehicles will be redirected to the Disposal Facility for disposal.

In the event of an unanticipated contingency at the Organics Processing Facility or the Recyclable Material Processing Facility; FRANCHISEE shall not be responsible for Direct Disposal cost, upon CITY approval.

Upon the conclusion of the contingency event, FRANCHISEE, in conjunction with the CITY, will work with the Organics Processing Contractor to temporarily increase daily maximum deliveries to meet the Organics Processing Contractor's 105,000 tons per year commitment. Example 1, below, describes such an event:

EXAMPLE 1

A contingency event precludes the Organics Processing Contractor from being able to Accept material for 1.5 days in April, and FRANCHISEE delivers 1,500 tons the week of the contingency event. FRANCHISEE and Organics Processing Contractor make arrangements to Deliver and Accept, respectively, tonnages in excess of the daily tonnage limit set forth in Section 4.1.

In the circumstance described above, FRANCHISEE may Deliver up to 450 tons on Monday and/or one extra load Tuesday through Friday.

If the Organics Processing Contractor is unable to Accept the required 105,000 tons in a calendar year as a result of an unanticipated contingency, the payment to the Organics Processing Contractor will be adjusted by deducting the tons redirected for disposal on a pro-rated basis. Example 2, below, describes such an event:

EXAMPLE 2

A contingency event precludes Organics Processing Contractor from being able to accept material for two weekdays in mid-December, leaving insufficient time for Organics Processing Contractor to accept tonnage required to reach 105,000 tons in that calendar year. FRANCHISEE has Delivered 104,500 tons for the calendar year. In this case, Organics Processing Contractor has fallen 500 tons short of the 105,000 tons-per-year obligation. FRANCHISEE will deduct from the December payment to Organics Processing Contractor the pro-rated per-ton processing rate, based on the annual Processing Service Fee and adjusted by CPI-U.

Pro-rated per-ton processing rate: $\$16,170,000 / 105,000 \text{ tons} = \154 per ton
FRANCHISEE deduction from monthly payment to Organics Processing Contractor: $\$154 \text{ per ton} \times 500 \text{ tons} = \$77,000 \text{ deduction}$.

In the general case, the pro-rated per-ton processing rate will be the pro-rated per-ton processing rate in effect at the time of the contingency event. If the contingency event spans multiple Rate Years, a deduction will be calculated separately using the applicable per-ton processing rate for the portion of calendar days the contingency event precludes the Organics Processing Contractor from accepting material during each rate year applied to the tonnage shortfall and added together to obtain the total deduction. Example 3 below demonstrates this calculation:

EXAMPLE 3

An unanticipated contingency event occurs for two days in June (total of 200 tons) and three days in July (total of 300 tons), causing the Organics Processing Contractor to fall 500 tons short of 105,000 tons for the calendar year. For the purpose of this example, assume there was insufficient time for the Organics Processing Contractor to accept the tonnage required to reach 105,000 tons by the end of the calendar year. The total deduction will be calculated as follows:

Tonnage shortfall = 500 tons
Annual compensation 1: \$16,170,000
Annual compensation 2: \$16,735,950

Deduction 1 Calculation:

Pro-rated per-ton processing rate 1 = $\$16,170,000 / 105,000 \text{ tons} = \154
per ton

Pro-rated tonnage shortfall = $(2 / 5) \times 500 \text{ tons} = 200 \text{ tons}$

Deduction 1 = $\$154 \text{ per ton} \times 200 \text{ tons} = \$30,800$

Deduction 2 Calculation:

Pro-rated per-ton processing rate 1 = $\$16,735,950 / 105,000 \text{ tons} =$
 $\$159.39 \text{ per ton}$

Pro-rated tonnage shortfall = $(3 / 5) \times 500 \text{ tons} = 300 \text{ tons}$

Deduction 1 = $\$159.39 \text{ per ton} \times 300 \text{ tons} = \$47,817$

Total Deduction = $\$30,800 + \$47,817 = \$78,617$

C-6 DIVERSION PLAN

All diversion services will be done in accordance with Section 5.14 of this Agreement. Specifics are outlined below:

FRANCHISEE will deliver materials to the facilities outlined in C-2 (“Delivery Plan”) of this Exhibit to ensure that specified collected materials are Processed to maximize the quality and quantity of the recovered materials.

FRANCHISEE will meet the Minimum Diversion Standards set forth in this Agreement by providing outreach and technical assistance as outlined in C-7 (“Outreach and Technical Assistance Plan”) of this Exhibit and by recovering materials outlined in C-3 (“Processing Enhancement Plan”) of this Exhibit and marketing them as outlined in C-4 (“Recyclable Material Marketing Plan”) of this Exhibit.

C-7 OUTREACH AND TECHNICAL ASSISTANCE PLAN

All outreach and technical assistance will be done in accordance with Article 5 of this Agreement. Activities will be designed, implemented and monitored in accordance with Section 5.15.

At the CITY's request, FRANCHISEE will:

1. Conduct research
 - Focus groups – 6 focus groups, two of each of 3 audiences (English, Spanish, Vietnamese). Recruit 12 participants for each group, provide monetary incentive for participants, develop moderator guide, facilitate meetings, analyze data, and prepare summary report.
 - Phone survey – automated phone survey to representative sample of business contacts; assess attitudes toward service, rate changes, and clarity of communications about changes; develop questions for 10-12 minute survey; pre-test; use CITY or FRANCHISEE customer lists for contacts; assure anonymity; field surveys to a random sample; make four attempts at contact; analyze data; provide top-line report and detailed results.
2. Provide direct outreach services
 - All materials will be offered in English, Spanish, and Vietnamese
 - Service calendar and recycling guidelines with images of acceptable/unacceptable materials.
 - Recycling toolkit with brochure, posters, indoor container decals, and important information and links to additional resources
3. Conduct community outreach
 - CITY and FRANCHISEE staff training for outreach and presentation delivery
 - i. Conduct up to 3 training sessions for FRANCHISEE and any CITY staff who will be involved in delivering outreach at booths, tables, and presentations at business events. Provide events checklist, display materials, interactive educational activities, take-away sheets, volunteer list and schedule, supply box, and question pad to collect names and contact information for visitors with questions or who request additional information.
 - Business group speaking engagements
 - i. Use speaker toolkit including PowerPoint presentation template, display boards, speaking points, customizable materials for audience, supply box, schedule of presentations, articles for newsletters, websites, blogs, and posters. Schedule up to 30 speaking engagements in year 1 and up to 10 in subsequent years.

4. Evaluate effectiveness

- Benchmarks:
 - Research: Focus group attendance and results
 - Direct outreach: Number of documents mailed
 - Advertising campaign: Reach and frequency of advertisements
 - Community outreach: Speaker debriefs, attendance levels at events, number of outreach activities
 - Media relations: Number of media hits, reach and frequency, value of placements.

5. Outreach Activities

- Quarterly Newsletters: FRANCHISEE shall deliver quarterly newsletter to Customers on or before the last day of the quarter. Franchisee shall submit a draft version of the newsletter to the City representative at the start of the quarter. Distribution of posters, waste and recycling prevention guides and other educational materials as needed by recycling coordinators
- Ongoing waste audits to right-size service
- Ongoing account maintenance based on recycle coordinator and driver observations.
- Assistance to purchasing staff at individual businesses in order to reduce packaging and other wastes, reuse materials where possible, and ensure the remainder is recyclable under the CITY's program.
- To maximize reuse, FRANCHISEE will refer customers to organizations or websites offering refurbished goods for donation or sale.
- Technical assistance staff will be equipped with electronic tools to facilitate paperless and efficient outreach and customer service on a real time basis. These tools will be designed to interface with account management software systems.
- FRANCHISEE will invite public affairs representatives from businesses in its service area to tour the Recyclery and find out more about what happens to the materials they discard and Recycle.
- FRANCHISEE will continue to distribute reusable bags and other green prizes to employees at high participating businesses.
- FRANCHISEE will offer a video of NIRRP Recyclery and Organics Processing Facility to help the business community understand the importance of minimizing contamination and where their recycling goes.
- FRANCHISEE will produce and make available on website three case studies on an annual basis that inspire other businesses to take action. Case studies to include small, medium or large businesses.
- FRANCHISEE will keep website up to date with electronic versions of print materials, various resources, diversion calculators, and on-line bill pay.

C-8 CUSTOMER SERVICE AND REPORTING PLAN

All Customer Service will be done in accordance with this Agreement. Specifics of the plan are outlined below:

Access to Information

The CITY will receive read-only, real-time access to InfoPro Customer database) via a Virtual Private Network (VPN) system which will be coordinated between FRANCHISEE personnel and CITY personnel. Basic Customer account screens will be available for the purpose of execution of queries or reports or on-line viewing of current and historical data. CITY's access to the InfoPro using the VPN shall include the ability to:

- View all financial information on Customer bills and payments to InfoPro
- Use InfoPro to view Customer address, contact information, service level, driver and customer service notes, and rates
- Use InfoPro to create customized queries and generate customized reports

FRANCHISEE shall provide:

- Technical support to the CITY necessary to access InfoPro and perform the functions listed above at no additional cost to the CITY
- Support for the addition and maintenance of CITY users of the InfoPro
- New CITY user accounts within two (2) business days and reset passwords within one (1) Work Day of the CITY's request

Any data not available on a real-time basis will be provided to CITY staff within 24 business hours.

Customer Service Staffing Levels

FRANCHISEE will employ at least four full-time permanent Customer Service Representatives (CSR) to handle normal phone call volumes. During implementation, FRANCHISEE will add a minimum of two CSRs and additional CSRs as needed. If customer service standards are not met, additional CSRs will be utilized.

All permanent and temporary staff will receive ongoing training that will enable them to resolve issues on the spot. Before a CSR handles the phones alone, the CSR undergoes an extensive training course that orients them to the general business, to the specific services FRANCHISEE provides, and to their roles and responsibilities.

FRANCHISEE will employ Operations Supervisors who will be responsible for checking and resolving field problems while maintaining contact with CSRs and responding to complaints by Customers in person or by telephone. Operations Supervisors have access to customer complaints entered by CSRs.

To ensure that the average speed of answer is maintained during peak call volume intervals:

- No CSR vacations will be scheduled during the five days of each month that represent the highest call volume.
- Office staff will take calls during peak intervals.
- Allied's advanced phone system will have the capability to route overflow calls to any additional trained staff.
- Temporary associates will be trained at least two weeks in advance to cover for scheduled summer vacations and program implementation/enhancements.
- In case of power outages, calls will be routed to the FRANCHISEE Alameda County division, located in Fremont. System compatibility will be maintained, to ensure calls can be routed to the contingency location.

Customer Service Approach

FRANCHISEE's customer service department and response system is divided into two functional categories—administrative and operational. CSRs will handle both functional categories. CSR administrative responsibilities include handling Customer questions and inquiries and providing collection schedule information. CSRs handle service-related and complaint visits and calls.

FRANCHISEE representatives are trained in customer service techniques, know how to navigate the required phone systems, follow the required protocols for customer call-backs, understand FRANCHISEE's protocol and policies for responding to any service-related calls, use InfoPro, or equivalent up to date technology, such as Recyclist, to log all calls made and received as necessary, and process and close all work orders produced through InfoPro. The customer service manager or lead associate will be available at all times to handle unusual or difficult situations.

The CSR's operational responsibilities include communication with dispatch to facilitate the resolution of general operational issues including missed pick-ups, spillage, Container exchanges, or other operational issues requiring immediate action in the field by drivers and/or supervisors. CSRs also have the ability to make such decisions as granting payment credits for missed collection and courtesy Container exchanges without supervisor approval.

Customer Service Standards

All new Customers have the option of receiving literature (including billing materials and informational releases) in hard copy or electronically (paperless)

CSRs will process and accurately enter in InfoPro, customer related documentation, route sheets, equipment work orders and other paperwork on a same-day basis to provide invoices.

FRANCHISEE will make commercially reasonable efforts to resolve all Customer complaints to the Customer's satisfaction, (or a complaint resolution plan established to the Customer's satisfaction), within eight business hours of the receipt of the Customer complaint.

Commercial/roll-off on-call service will be provided on the date requested by the Customer. Roll-off on-call service will generally be provided within 24 hours and never more than 48 hours after the call is received.

Clean, decayed Containers will be delivered and/or placed on time and exactly to Customer requirements.

Customer site will be left in a clean, orderly fashion – litter picked up, lids and gates closed and locked, cans and carts left neatly on the curb/enclosure.

All dispatched services will be completed on the day assigned.

CSR's will answer each Customer phone call within 25 seconds of the system reaching FRANCHISEE's operator or automated attendant.

Conformance to these Call Center Metrics will be evaluated on a regular basis. The Customer Service Manager will report by the end of day Wednesday on the previous week's misses, Container management progress, unscheduled requests and the speed of answer and abandon rate for the customer service department. The data will then be entered into a weekly summary so that trends can be evaluated. When a goal is not met, an explanation or a course of action to resolve the issue will be provided. Weekly summaries will be provided to the CITY within one week of request.

Customer Service Center

FRANCHISEE's office hours will be from 8:00 a.m. to 5:00 p.m. Monday through Friday. Customers will be able to obtain customer service support by coming directly to the service counter at the center or by calling the customer service number. Customers will also have the option of using a website to contact customer service, view bills, make payments and find educational literature on all services.

FRANCHISEE will ensure that, during office hours, a live person will answer each phone call within five rings. CSRs will be trained to use Telecommunications Device for the Deaf ("TDD") services to communicate with hearing-impaired Customers.

FRANCHISEE will integrate Language Line Services, a product that provides over-the-phone - Interpretation ("OPI") service into the Customer Service System. With Language Line Services, FRANCHISEE is able to offer its multi-lingual Customers the highest quality, most reliable and fastest interpreter connect time available. Language Line provides written translation services if needed, covering a wide range of routine customer service materials, including forms, letters, brochures, announcements, surveys, emails, account information, etc. With Language Line Services, CSRs can handle multi-lingual calls even more quickly and efficiently.

FRANCHISEE's phone system will have the capacity to handle up to 15 calls at any given time. In the rare event a Customer is placed on hold for more than 1.5 minutes, s/he will be given an option at regular intervals to remain on hold or leave a service-related message.

During office hours, no Customer will be required to wait to speak to a customer service representative. For all messages left before 3:00 p.m., FRANCHISEE shall attempt all "call backs" at least one time prior to 5:00 p.m. on the day of the call. For messages left after 3:00 p.m., FRANCHISEE shall attempt all "call backs" at least one time prior to noon the next Work

Day. In all instances, FRANCHISEE shall make a minimum of three (3) attempts to call back within twenty-four (24) hours of the receipt of the call.

After office hours, there will be an answering machine to receive service-related messages from Customers. Customer service/dispatch personnel will field all messages for immediate follow-up the next business day. FRANCHISEE will provide all CITY departments with its management team's cell phone numbers for emergency contact. At all times FRANCHISEE will have an on-call Operations Supervisor available to handle any emergency calls received.

Call Center Metrics

Call Center Metrics as measured on an average monthly basis are as follows:

- Answer inbound Customer calls presented in the queue within an average of 25 seconds or less.
- Achieve a call abandon rate at or below two percent (2%). Call abandon rate is determined by dividing the total number of calls abandoned by the total number of inbound calls presented in the queue.
- To evaluate FRANCHISEE's call center, a third-party consultant, procured independently by the CITY, may conduct anonymous, "secret shopper" assessments of FRANCHISEE's call center. Before each assessment, CITY shall notify FRANCHISEE in writing of the criteria and methodology used in the assessment. FRANCHISEE shall achieve an average monitoring score of 80 percent or greater. To the extent possible, information regarding any such "secret shopper" calls (including but not limited to, any recordings of such calls, summaries of the calls, the date/time of the call, the names of FRANCHISEE employees who were spoken with and results and assessments of FRANCHISEE's performance on the calls) will be shared with FRANCHISEE as soon as reasonably possible following each such call to assist FRANCHISEE in its quality control efforts for its call center.

Data Collection and Management

The data collection and management system will be equal or superior to the InfoPro system described herein.

InfoPro is a fully integrated system that provides the information base in order to operate the hauling division on a day-to-day basis. This system is programmed entirely in house, with a platform of the IBM I-Series, and the programming language of RPG.

The system is divided into several modules. The majority of the modules within InfoPro are driven by the information within the Customer Maintenance module. There is a high level of data flow and interaction between the different modules thus eliminating duplicate keying in any area. At the end of the day the information that has been keyed into InfoPro by the various users of the system is processed. At that point history files are updated, charges are generated for Customers, production values are updated, Container inventory is updated, preventative vehicle maintenance values are calculated.

The primary modules are as follows:

- **Customer Maintenance**

This is the main Customer database. Billing information, service location, Container specification and rate information are the primary components of this module. Accounting controls as well as collection event information is displayed. A direct link to Account Receivable is available. Sales management information including territory, representative, contract information, SIC, and key contacts are stored in the service location section. The Container's routing, disposal and billing schedule is defined. The rate logic allows for multiple rate variations to be applied to the single Container group such as; monthly rates, lift rates, volume rates, excess weight disposal, minimum lifts, multiple additional rates and supplemental service rates. Historical rate information is also retained.

Each Customer account is specific to service type and each line of business is assigned a contract number.

This information is driven by the hardcopy service contract created by CSRs or recycling coordinators. A recycling coordinator or customer service representative keys this information into the system. This is the only area where the information is required to be keyed in. From the customer maintenance module, information is driven to the remaining main modules within the system such as routing, dispatch, sales management, Container inventory, customer service and accounts receivable. There is a separate maintenance program for commercial, industrial and portable service accounts. Audit reports are received by a second person to ensure accuracy of keyed information.

- **Customer Service**

This module is used by CSRs to allow easy access to the InfoPro system so that they can answer Customer inquiries without forwarding calls, detaining the Customer, or interrupting other staff members. Access to the Customer's service history, billing history, next service date, requested services already entered, charges to be invoices, the entire customer maintenance module and accounts receivable is available. Call-in service requests are entered here and automatically forwarded to the dispatching system. System issues are entered and permanently recorded against that Customer's record, which are the foundation of multiple different customer service reports.

- **Routing**

From the information keyed into customer maintenance, a routing record is created within the routing system for permanent routing. The routing system has been developed to maximize efficiency through automated grid routing. Major and minor days of service, depending on the Customers service address GPS, are highlighted for ease of routing. Route maintenance is also made easy by the search capabilities, which are included in order to locate a service location. Transferring stops from one route to another, moving and inserting stops are all done with a few keystrokes.

The route maintenance allows for standard service times, distances, weights, lifts, yards, trips, and operating hours to be entered, to produce a baseline in which the daily route may be measured against for productivity results.

Creation of route sheets is flexible enough to allow for route sheets to be created for today, tomorrow, or next week. Single routes, same lines of business routes, or all routes may be

created independent of one another. Route sheets may be created and sent to a truck's onboard computer system.

Collection schedule changes are either communicated by postcard notification or direct phone contact by customer service team.

- **Dispatch**

The dispatch module allows for the real time daily dispatching of permanent routes and Container delivery routes to take place. After a route is created within routing, the dispatcher can access this route to proceed with that day's dispatching activities. The same capability of transferring, moving and inserting stops exists here as in the route maintenance. Within dispatch, stops can be flagged as no service or blocked, additional lifts added for a stop, call-ins added to a route, or supplemental services can be flagged as well. Once entered, this information for regular lifts, additional lifts, supplemental services, blocks and no service is automatically sent to the billing system for accurate Billing.

Multiple system edits are in place to ensure that correct service times and weights are keyed in by dispatchers, in order to produce accurate invoicing. These values are also the basis of several of the productivity reports.

All landfill weights and times keyed by driver and verified by dispatch then automatically moved to the Disposal production reports and to the disposal reconciliation area.

All vehicle times and mileages are entered into the onboard computer system and verified by dispatch.

Dispatch information is easily accessible by the customer service function to allow for real time information.

- **Route Model**

The route model allows for a re-route to be done on any scale within a model without affecting the production routes. Re-routing of one, several or all routes can be done using the model. Moving, transferring, splitting, inserting, and grid maintenance can all be accomplished within the model. Any route activity that occurs within the production system will be mirrored within the model. Once the routes within the model have been modified in order to meet the requirements, they can be moved back into the production area with no inconvenience to the route supervisors, dispatchers or operators.

Divisional Management Reports

This section is made up of numerous reports that aid in the overall management of the division. They include:

- Revenue Analysis by Service Period
- Revenue Analysis by General Ledger
- Customer Count Report
- Customer Profitability for accounts on routes with on board computers
- Manual Invoice Report
- Service History Report
- Revenue Forecast Report
- Municipal Contract Payments Report

- Franchise Commercial Billing Report
- Multiple Audit Reports
- Container Inventory

The inventory is broken down into Container type and size, number of Containers ready for use, required, in repair, unusable, at a remote site, Customer owned, on order, being transferred in or out to another facility, and the number currently at the Customers' sites. The Container inventory system is automatically updated by the dispatching system when Container delivery / removal routes are updated in that system. The system inventory can be reconciled to the on yard inventory at any point in time. All of the Divisional Management Reports will be made available to the CITY upon request.

Record Keeping

FRANCHISEE will provide and maintain all required records and reports in accordance this Agreement. Daily logs of all complaints and inquiries will be retained for a minimum of 36 months. FRANCHISEE will maintain and retain customer service center records which, at a minimum, include the following customer service center statistics:

- Number of calls received and answered on a daily and monthly basis
- Number of abandoned (dropped) calls on a daily and monthly basis as well as the
- Average abandoned time (i.e., hold time before abandoning call)
- Percentage of calls answered by a person within twenty-five (25) seconds on a daily and monthly basis
- Number of complaints and inquiries received on a daily and monthly basis
- Number of responses sent from the customer service department to Customers on a monthly basis, including the number and percentage of complaint and inquiry emails or submissions through the website that received responses either: before close of business on the day received or by the close of business on the following day

All of the above records will be provided to the CITY on a monthly basis.

Missed Pick-Ups, Late Setouts, Spills, and Litter Resulting from Collection

After processing a work order for a missed pick-up, late setout, or spills and litter resulting from collection, the CSR will notify dispatch with specific information regarding the workorder. This information, also communicated to the route supervisor, is maintained as an open work order until the route supervisor and/or driver radios back to the CSR that the task has been completed.

FRANCHISEE will collect late set-outs upon notification by the Customer on the first instance of violation as a courtesy without any additional charge. After a second violation, the driver will radio the Customer Service Department and a CSR enters the information in the Customer file to maintain a record of late setouts and actions taken by drivers.

To provide an efficient and effective mechanism to monitor the work orders, the administrative assistant will print a summary report of all open work orders daily and distribute such to the entire management team. The report includes name and account number, service location, reason for call, time of call, and actions being taken. Operations information will be sorted by route supervisor area and distributed to the appropriate route supervisor for review. Customer

service notes are reviewed by an assigned CSR and all notes are closed within two business days.

Containers in Need of Repair, Replacement, or Exchange

Drivers are charged with reporting all Containers in need of repair. Once reported, either by Customer or driver, a work order is entered into InfoPro and forwarded online to the Container delivery department. Then either a supervisor vehicle or a Container delivery vehicle will be directed to the Customer address for Container delivery. Upon delivery of the Container, the supervisor and/or Container delivery driver will note that the Container has been delivered. The work order is then closed by the operations clerk, pending sign off by the driver and supervisor.

Improperly Prepared Setouts

If the Customer sets out Containers that include non-conforming materials, FRANCHISEE will leave a non-collection notice. As an enhancement and to mitigate frustration on the part of the Customer, FRANCHISEE will collect non-conforming materials on the first instance of violation and leave a courtesy notice provided the non-conforming materials do not contain hazardous materials/substances, or pose physical risk to the driver. The courtesy notice will describe the type of violation and will warn the Customer that in the future the Container will not be collected if it contains non-conforming materials. In the event of subsequent violations, the material will not be collected and a notice will be left on the Container identifying the reason(s) for non-collection. After leaving the notice on the Container, the driver will make a note for the Customer service department and explain the action taken, which will be entered nightly by the operations clerk. The CSR fielding the call will enter this information in the Customer file to maintain a record of non-conforming setouts and the actions taken by the driver.

Noise complaints

CSR will note any received noise complaint from Customers and informs Operations. Route Supervisors will immediately contact driver and take appropriate action to ensure drivers are operating within authorized collection times. Within one business day of receipt of noise complaint from the Customer, CSR will contact Customer and report action taken.

Traffic and Sidewalk Obstruction During Collection

In the event that there is a traffic and sidewalk obstruction that prevents collection vehicles from serving the Customer, the following steps will be taken:

The driver will immediately report the situation to the route supervisor and the Customer Service Department, identifying the problem and the affected service addresses. The driver will then proceed safely around the obstruction on an alternative route to continue collection on the remainder of the route.

The driver will determine whether the obstruction is temporary and enter this information into the onboard computer system. The driver will also indicate whether s/he will return at the end of the route, whether collection will take place that day, or whether a double-collection should be scheduled for the following scheduled collection day at no additional charge. The dispatcher will communicate the driver's determination to the customer service department via InfoPro. This information will be recorded in the affected Customers' files on the onboard computer system.

- 1) Customer service will attempt to contact all Customers to advise them of any service change.
- 2) The CSR will attempt to contact every affected service address as well as the CITY to inform them of the situation, the method of resolution, and estimated time of collection.

Safety

FRANCHISEE will conduct all facility and collection operations in a safe manner and in accordance with applicable law, requirements of insurance carried and standard industry practices in the collection, Composting, transfer, materials recovery and disposal industry.

The safety metric that FRANCHISEE will use is the Incident Rate as calculated by the North American Industry Classification System (NAICS), which was developed by the U.S. Bureau of Labor Statistics, Department of Labor. This metric is an effective means of measuring the effectiveness as it provides a gauge of the number of incidents to occur for every 100 employees.

Graffiti

Drivers are required to report instances of graffiti immediately via InfoPro. Dispatch notifies customer service and a work order is placed for maintenance staff to visit the Customer site to remove graffiti or remove and replace the marked Container. Reports of graffiti on enclosures or buildings are noted on the Customer account and the CITY will be notified the same day.

Collection outside of the times authorized in the Municipal Code

CSR notes any received noise complaint from Customers and informs Operations. Route Supervisors immediately contact driver and take appropriate action to ensure drivers are operating within authorized collection times. CSR contacts customers and reports action taken.

Service tags – type and size of tag, date received, how issue was resolved and date of resolution

Service tags are entered electronically through InfoPro and sent to the driver's OnBoard Computer System (OBC). When service is completed, the driver indicates on OBC and a date and time stamp is created on the electronic tag. All service information is available in real time to all InfoPro users.

Miscellaneous service requests, including requests for extra pick-ups

Extra service requests are generated through customer service for the date requested by Customer. Same day requests are available until noon, Monday through Friday and next day or future requests for miscellaneous service requests. The requests are submitted electronically through InfoPro and, once completed transfer to Dispatch. Dispatch sends same day requests to appropriate route. Future requests are keyed in InfoPro to the appropriate future route.

How data errors will be minimized

Three staff members, at a minimum, will review all customer service data at the close of each day to correct any possible errors. Additionally, the accounting department receives and reviews

all data as well. Quarterly audits are also performed on all Customer accounts to minimize data errors.

Locations of, and contact information for, each instance of shared services (e.g. billed to “X address”, but service actually located at “Y address” and shares with “addresses A & B”)

Services shared by multiple customers are consolidated under one account and flagged as shared. InfoPro allows FRANCHISEE to show which customers share accounts.

**C-9 INTERIM MATERIAL DELIVERY AND PROCESSING AGREEMENT AND
COVER SHEET**

Terms of Cover Sheet:

- The attached Interim Agreement modifies the Amended and Restated Agreements for the Interim Period of May 1, 2020 through June 30, 2021 (the “Interim Period”) and is incorporated into this Amended and Restated Agreement as though fully set forth herein. The monthly payments owed by Franchisee to the Organics Processing Contractor and maximum monthly tonnage to be delivered by Franchisee to the Organics Processing Contractor during the Interim Period shall be as set forth in the Interim Agreement and shall supersede Franchisee’s payment and delivery requirements in the Amended and Restated Franchises Agreement for the Interim Period. All other terms and conditions of the Interim Agreement that are in conflict with the Amended and Restated Agreement shall prevail in the event of any conflict between them.
- Upon the expiration of the Interim Period, the Interim Agreement shall be of no further force and effect.
- During the Interim Period, the Franchisee shall process an average of 600 tons per day of Dry Material, and any excess Wet Material should the total tons of such material ever exceed the tonnage limits to the Organic Processing Contractor as set forth in the Interim Agreement (averaged on a calendar month basis for each month during the Interim Period) less the tons of Wet and Dry Material delivered by Franchisee to the Organics Processing Contractor during the month in question. Should the Organics Processing Contractor refuse to or be unable to accept deliveries of Wet and Dry Material from Franchisee up to the maximum monthly delivery total for the month in question during the Interim Period, the number of tons that the Franchisee could have delivered to the Organics Processing Contractor shall be subtracted from Franchisee’s 600 ton per day processing obligation. Per the Amended and Restated Agreement, tons that are unable to be processed by the Organics Processing Contractor, up to their obligations as outlined in the Interim Agreement, shall be sent directly to landfill for disposal and Franchisee shall process the balance up to the 600 TPD.
- Should Franchisee breach its monthly payment obligation to the Organics Processing Contractor as required in the Interim Agreement, and fail to cure such breach after notice and the opportunity to cure as provided below, then the City may declare Franchisee in default of the Interim Agreement and terminate such agreement, in which case the provisions of this Amended and Restated Franchises Agreement regarding the monthly payments and required tonnage deliveries by Franchisee to the Organics Processing Contractor shall become operative for all periods following the date of termination of the Interim Agreement. This paragraph shall only apply to the Franchisee’s default in its monthly payment obligations owed to the Organics Processing Contractor, and shall not be applicable to any other alleged or actual claim, breach or default by Franchisee of the Interim Agreement. The Interim Agreement may not be terminated by the City or the Organics Processing Contractor for any claim, breach or default of the Interim Agreement other than Franchisee’s default, after notice and cure, in its monthly payment obligation to the Organics Processing Contractor.

- Should the Franchisee not timely remit in full any monthly payment to the Organics Processing Contractor as required under the Interim Agreement, the Organics Processing Contractor and City shall each give Franchisee notice of such non-payment and opportunity to cure by both certified mail, return receipt requested, and email addressed as follows:

Michael Caprio
Area Vice President
Republic Services
3260 Blume Drive, Suite 200
Richmond, CA 94806
E-mail: mcaprio@republicservices.com

With a copy sent to:

Thomas M. Bruen
Law Offices of Thomas M. Bruen
1990 North California Blvd., Suite 608
Walnut Creek, California 94596
Tel: (925) 295-3137
E-mail: tbruen@tbsglaw.com

Franchisee shall have thirty (30) days to cure said non-payment in full. Should Franchisee fail to cure said non-payment in full within the thirty-day notice and cure period, then the City may declare Franchisee in default of the Interim Agreement and terminate the Interim Agreement prior to the expiration of the Interim Period.

INTERIM MATERIAL DELIVERY AND PROCESSING AGREEMENT

This Interim Material Delivery and Processing Agreement ("Interim Agreement") is made and entered into by and between Allied Waste Services of North America, LLC. ("Allied") and Zero Waste Energy Development Company LLC ("ZWED"), and with the consent of the City of San José ("City") as a party to the agreements described below (hereinafter referred to collectively as "the Parties"). Subject to the consent to this Interim Agreement by the City, this Interim Agreement, in accordance with the terms described herein, shall become effective as of May 1, 2020 (the "Effective Date").

RECITALS

WHEREAS, Allied Waste Services of North America, LLC. ("Allied") and Zero Waste Energy Development Company LLC ("ZWED") and the City of San José ("City") shall, concurrent with the execution of this Agreement and the execution of the Amended and Restated Agreements (as defined below) by all applicable parties thereto, execute the Confidential Settlement Agreement and Mutual Release of Claims ("Settlement"); and

WHEREAS, Allied on the one hand and the City on the other hand shall, concurrent with the execution of this Agreement, execute an Amended and Restated Commercial Solid Waste and Recyclable Materials Collection Franchises Agreement (the "Franchises Agreement"); and

WHEREAS, ZWED, on the one hand, and the City of San José, on the other hand, shall, concurrent with the execution of this Agreement, execute an Amended and Restated Organics Processing Services Agreement (the "Organics Processing Agreement") and together with the Franchises Agreement referred to as the "Amended and Restated Agreements"); and

WHEREAS, the Settlement Agreement has been signed by Allied and ZWED, but will not be signed by the City nor become effective until the Amended and Restated Agreement are concurrently executed; and

WHEREAS, due to unforeseen circumstances related to the severe acute respiratory syndrome coronavirus 2 (*SARS-CoV-2*) virus strain that causes coronavirus disease 2019 ("COVID-19"), the Secretary of Health and Human Services declared a public health emergency on January 31, 2020 under section 319 of the Public Health Service Act (42 U.S.C. 247d); and

WHEREAS, in response to the COVID-19 outbreak in the United States the President of the United States declared a National Emergency on March 1, 2020 pursuant to the Constitution of the United States including sections 201 and 301 of the National Emergencies Act (50 U.S.C. 1601 *et seq.*) and consistent with section 1135 of the Social Security Act, as amended (42 U.S.C 1320b-5); and

WHEREAS, California Governor Newsom also declared a State of Emergency to help the State of California better prepare for the broader spread of COVID-19 pursuant to the State Constitution and statutes, including the California Emergency Services Act and Government Code Section 8625; and

WHEREAS, the Santa Clara County Public Health Official, together with six other Bay Area jurisdictions subsequently announced a “Shelter-in-Place” order pursuant to California Health and Safety Code §§101040, 101085, 120175 and 120295, et seq. that began at 12:00am on March 17, 2020; and

WHEREAS, California Governor Newsom issued a statewide “Stay-at-Home” Executive Order (N-33-20) on March 19, 2020 pursuant to California Government Code §§ 8567, 8627, and 8665 that began on March 20, 2020 (the National Emergency, California State of Emergency, Countywide “Shelter-in-Place” Order and statewide “Stay-at-Home” order are collectively hereinafter referred to as the “Orders”); and

WHEREAS, under the Orders, only Essential Businesses providing Essential Services and supporting Essential Infrastructure were permitted to remain open, and failure to comply with the Orders is a misdemeanor punishable by fine, imprisonment, or both. (California Health and Safety Code § 120295, et seq.); and

WHEREAS, Allied asserts the prospective economic impact from COVID-19, as indicated by decreasing customer subscription levels and corresponding tonnage collected under their current franchisees agreement, preclude their execution of their Amended and Restated Franchises Agreement that would in turn prevent the execution of the Settlement and the Processing Agreement; and

WHEREAS, the City, Allied and ZWED negotiated the term of this Interim Agreement specifically to address the unique and unanticipated economic consequences resulting from COVID-19 and the Orders.

WHEREAS, the parties are advised and believe the City of San Jose agrees that the execution of this Interim Agreement between Allied and ZWED, if performed as described below, shall in no way constitute a breach of the Settlement Agreement or of the Amended and Restated Agreements. The Parties acknowledge the City and Allied will incorporate this Interim Agreement as an exhibit to each Amended and Restated Agreement to be executed concurrent with the execution hereof;

INTERIM AGREEMENT

NOW THEREFORE, in consideration of the agreements and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

- 1) **Material Delivery and Compensation.** During the period of May 1, 2020 through June 30, 2021 (the “Interim Period”), the Parties agree:
 - a. Allied may deliver and ZWED shall accept up to a maximum of 81,900 tons of combined Wet and Dry Material (as defined in the Amended and Restated Franchises Agreement and defined as "Applicable Material" in the Amended and Restated Organics Processing Agreement) collected from Commercial Customers subject to the monthly maximums provided in the table below and in accordance with the daily maximums described in Section 4.1.i of the Organics Processing Agreement and Section 5.7.2 of the Franchises Agreement.

- b. On a monthly basis, ZWED may deliver and Allied shall accept up to forty-one point forty-three percent (41.43%) of the monthly tonnage limit as Residue (“Residue Disposal Allotment”) subject to the 250 tons per day limit as described in Section 8.2.1 of the Organics Processing Agreement and ZWED shall not be responsible for Residue disposal costs associated with the Residue Disposal Allotment so long as the Residue delivered for disposal does not exceed 33,931 tons during the Interim Period. If, at the end of the Interim Period ZWED has delivered more than 33,931 tons of Residue, then Allied shall invoice ZWED in July 2021 at the then-current City-contracted disposal rate for all tons delivered in excess of 33,931 tons of Residue.
- c. Allied shall remit the monthly Processing Service Fee to ZWED as provided below and in accordance with processes and timelines set forth in Sections 9.6 and 9.7 of the Organics Processing Agreement and Section 19.3 of the Franchises Agreement.

For Materials Delivered During the Interim Period:	Monthly Processing Service Fee	Monthly Tonnage Limit	Monthly Residue Allotment
May 1, 2020 - May 31, 2020	\$ 500,000	3,900	1,616
June 1, 2020 - June 30, 2020	\$ 500,000	3,900	1,616
July 1, 2020 - July 31, 2020	\$ 700,000	4,800	1,989
Aug. 1, 2020 - Aug. 31, 2020	\$ 700,000	4,800	1,989
Sept. 1, 2020 - Sept. 30, 2020	\$ 700,000	4,800	1,989
Oct. 1, 2020 - Oct. 31, 2020	\$ 850,000	5,600	2,320
Nov. 1, 2020 - Nov. 30, 2020	\$ 850,000	5,600	2,320
Dec. 1, 2020 - Dec. 31, 2020	\$ 850,000	5,600	2,320
Jan. 1 2021 - Jan. 31, 2021	\$ 1,050,000	6,800	2,817
Feb. 1, 2021 - Feb. 28, 2021	\$ 1,050,000	6,800	2,817
Mar. 1, 2021 - Mar. 31, 2021	\$ 1,050,000	6,800	2,817
Apr. 1, 2021 - Apr. 30, 2021	\$ 1,250,000	7,500	3,107
May 1, 2021 - May 31, 2021	\$ 1,250,000	7,500	3,107
June 1, 2021 - June 30, 2021	\$ 1,250,000	7,500	3,107
TOTALS	\$12,550,000	81,900	33,931

- d. On June 30, 2021 this Interim Processing Agreement shall expire and beginning July 1, 2021, Allied shall fully and completely abide by terms of the Amended and Restated Franchises Agreement and ZWED shall fully and completely abide by the terms of the Organics Processing Agreement and as follows:
- i. ZWED’s monthly Processing Service Fee shall be adjusted for the July 1, 2020 and July 1, 2021 CPI increases as described in Exhibit A and Article 9 of the Organics Processing Agreement and Section 19.3 of the Amended and Restated Franchises Agreement.

- e. All terms and conditions of the Amended and Restated Agreements not temporarily altered by this Interim Agreement shall be given full force and effect during the Term of this Interim Agreement and thereafter, and except as expressly temporarily altered in this Interim Agreement any inconsistencies, including defined terms, shall be resolved in favor of the Amended and Restated Agreements.
- 2) **Settlement Agreement and Amended and Restated Agreements.** Concurrent with the execution of this Interim Agreement, the following shall occur and no one action shall be deemed effective until all such actions have been executed:
- a. Allied, ZWED and the City shall execute the Confidential Settlement Agreement and Mutual Release of All Claims to be effective as of the Effective Date of this Interim Agreement.
 - b. The City and Allied shall execute the Amended and Restated Franchises Agreement to be effective as of the Effective Date of this Agreement.
 - c. The City of San José and ZWED shall execute the Organics Processing Agreement to be effective as of the Effective Date of this Agreement.
- 3) **Term.** This Interim Agreement shall become effective on May 1, 2020, and as described in Section 2 above, and shall terminate June 30, 2021.
- 4) **Release of Claims.** Allied and ZWED shall fully, completely, and forever waive and release each other from any and all claims, demands, liabilities, controversies, causes of action, damages, costs, expenses, and attorneys' fees of any kind or nature, whether legal or equitable, in tort or in contract, actual or contingent, latent or patent, known or unknown, asserted or unasserted, or related to any amounts owed or claimed to be owed to and/or any actions performed or not performed that have arisen or may later arise under or relate in any way to: (a) Allied's not making the full payments to ZWED as required under the Amended and Restated Agreements as those agreements were drafted as of April 16, 2020 and prior to the execution of this Interim Agreement during the Term of this Agreement, subject to Section 5 below, and excepting payments owed by Allied to ZWED for services rendered as of the Effective Date of this Agreement; (b) any differences between the Parties' obligations to each other under this Interim Agreement and the Amended and Restated Agreements during the Term of this Agreement and subject to Section 5 below; and/or (c) the negotiation and/or execution of this Interim Agreement. The provisions of this paragraph shall remain in effect and survive termination of this Interim Agreement.
- 5) **Termination.** This Interim Agreement may only be terminated by ZWED due to Allied's failure to remit in full any monthly payment to ZWED as required in paragraph 1(c) above ("Non Payment"), and then only after ZWED's delivery to Allied of a notice of breach due to NonPayment and Allied's failure thereafter to cure said breach as provided below, provided however that such opportunity to cure shall be limited to three (3) instances of Non-Payment and a fourth occurrence of Non-Payment shall permit ZWED the option to immediately terminate this Interim

Agreement.. ZWED shall send any such notice of breach for non-payment by certified mail, return receipt requested, and by email to Allied addressed as follows:

Michael Caprio
Area Vice President
Republic Services
3260 Blume Drive, Suite 200
Richmond, CA 94806
E-mail: mcaprio@republicservices.com

With a copy sent to:

Thomas M. Bruen
Law Offices of Thomas M. Bruen
1990 North California Blvd., Suite 608
Walnut Creek, California 94596
Tel: (925) 295-3137
E-mail: tbruen@tbsglaw.com

ZWED's notice shall be deemed received by Allied one (1) day after the day when: (a) all emails described above have been sent using an email address customarily used by ZWED for communications with Allied ; and (b) the deposit of both certified letters in the United States mail. Should Allied fail to cure said non-payment in full within thirty (30) days following the receipt of the notices as defined above, then ZWED may declare Contractor in default of the Interim Agreement and may then terminate the Interim Agreement prior to the expiration of the Interim Period.

- 6) **Sole Remedy for Breach, Default and Termination.** ZWED's sole basis for claiming any possible breach and/or default by Allied of this Interim Agreement will be if Allied does not make the monthly payments to ZWED as required in Paragraph 1(c) above. Further, ZWED's sole remedy for any such alleged breach or default due to non-payment by Allied under this Interim Agreement will be to terminate this Interim Agreement. In the event this Interim Agreement is terminated due to Allied's non-payment default as provided herein, then ZWED's sole remedy following such termination will be to require Allied to make the payments that Allied would be obligated to make to ZWED pursuant to the Amended and Restated Franchises Agreement in the absence of this Interim Agreement, from and after the date of termination of this Interim Agreement. In the event of termination of this Interim Agreement, ZWED will also perform its obligations under the Amended and Restated Processing Agreement from and after said date of termination.
- 7) **Independent Advice of Counsel.** The Parties respectively represent and certify that they secured independent legal advice and consultation in connection with this Interim Agreement and any rights they may be relinquishing hereby and that they have not relied upon any representations or statements made by any other Party or

by any other Party's counsel or representatives in executing this Agreement other than as stated herein expressly.

- 8) **Voluntary Agreement and Execution.** This Interim Agreement is executed voluntarily and without any duress or undue influence on the part or behalf of the Parties hereto. Each undersigned acknowledges that: (i) he/she has read this Interim Agreement; (ii) he/she understands the terms and consequences of this Interim Agreement and the relationship of this Interim Agreement to the Settlement Agreement and the Amended and Restated Agreements; (iii) he/she is fully aware of the legal and binding effect of this Interim Agreement; and (iv) he/she signs the same freely, voluntarily and as their own free act.
- 9) **Benefit and Burden.** This Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective heirs, executors, administrators, representatives, successors, and assigns.
- 10) **Non-Assignment.** The Parties represent, warrant, and certify that there has been no transfer or assignment, or attempted transfer or assignment, of any right, title, or interest in or to any obligation imposed by this Interim Agreement. The Parties hereby acknowledge that the rights and obligations set forth in this Interim Agreement are in addition to the rights and obligations set forth in the Settlement Agreement and the Amended and Restated Agreements.
- 11) **Breach of Interim Agreement.** The Parties agree that a material breach and default of this Interim Agreement by either Party, subject to the applicable notice and cure provisions in the Amended and Restated Agreements, shall constitute a breach of that Party's Amended and Restated Agreement with the City, and shall result in the immediate termination of this Interim Agreement.
- 12) **Attorneys' Fees and Costs.** The Parties hereby agree that in any future proceeding or action to enforce or interpret this Agreement, the Settlement Agreement, the Amended and Restated Agreements, or the relationship of these agreements, the prevailing party shall be entitled to their reasonable attorney's fees and costs. The Parties further agree that this provision is limited to the parties subject to this Interim Agreement and the City of San Jose shall not be responsible to pay or otherwise be held liable to pay any party herein or to the Settlement Agreement for any attorneys' fees and costs incurred in any future proceeding or action to enforce or interpret this Agreement, the Settlement Agreement, the Amended and Restated Agreements, or the relationship of these agreements. The provisions of this paragraph shall remain in effect and survive termination of this Interim Agreement.
- 13) **Entire Agreement.** All agreements, covenants, representations and warranties, expressed and implied, oral and written, of the Parties concerning the subject matter hereof are contained herein. Other than the Settlement Agreement and the Amended and Restated Agreements, no other agreements, covenants, representations or warranties, express or implied, oral or written, have been made by any Party hereto to any other Party concerning the subject matter hereof. All prior and contemporaneous conversations, negotiations, possible and alleged agreements, representations, covenants and warranties concerning the subject matter hereof are merged herein. This is an integrated Agreement. The terms of

this Interim Agreement may not be modified except by written instrument duly signed by all Parties.

- 14) **Waiver and Amendment.** No breach of any provision hereof can be waived unless in writing. Waiver of any one breach shall not be deemed to be a waiver of any other breach of the same or any other provision hereof.
- 15) **Construction.** Each Party hereto and his, her, or its respective counsel or representatives have had an opportunity to review and revise this Interim Agreement and agree that the normal rules of construction to the effect that any ambiguities in this Interim Agreement are to be resolved against the drafting Party shall not be employed in the interpretation of this Interim Agreement.
- 16) **Captions.** Paragraphs, titles, or captions contained in this interim Agreement are used for convenience or reference only and are not intended to and shall not in any way enlarge, define, limit, extend or describe the rights or obligations of the Parties or affect the meaning or construction of this Interim Agreement or any provision hereof.
- 17) **Provisions Severable.** This Interim Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provisions of this Interim Agreement, or the application thereof to any person or circumstances, shall for any reason and to any extent be invalid or unenforceable, the remainder of this Interim Agreement, or the application of such provision to the unaffected persons or circumstances, shall not be affected thereby but rather shall be enforced to the greatest extent permitted by law.
- 18) **Counterparts.** This Interim Agreement may be executed in counterparts, each of which shall be deemed an original. Such counterparts, when taken together, shall constitute but one Agreement. Facsimile and PDF signatures shall be binding and effective and shall have the same force and effect as original signatures.
- 19) **Warranty of Authority.** Each signatory to this Interim Agreement expressly warrants to the other Parties that he, she or it has the authority to execute this Interim Agreement on behalf of the Party or Parties to be bound by his, her, or its signature, and on behalf of each and every principal or other owner of a legal, equitable, or beneficial interest in such Party or Parties.
- 20) **Governing Law.** This Interim Agreement shall be governed by the laws of the State of California applicable to agreements made, and to be performed, therein and without resort to that State's conflict of law provisions or rules. The Parties agree that the forum for any action arising out of or relating to this Interim Agreement shall be Santa Clara County Superior Court, and hereby consent to the jurisdiction of the Court.

***[Remainder of page intentionally left blank;
Signature page follows.]***

IN WITNESS THE EXECUTION HEREOF, each of the Parties hereto has executed this Interim Material Delivery and Processing Agreement on the date written below each Party's signature.

APPROVED AS TO FORM & SUBSTANCE:
LAW OFFICES OF THOMAS M. BRUEN, P.C.

By: Thomas M. Bruen
Thomas M. Bruen, President

Date: 5/2/20

"ALLIED"

ALLIED WASTE SERVICES OF NORTH AMERICA, INC., a Delaware limited liability company

By: Michael Caprio - Vice President
[TYPE NAME, TITLE]

Date: 5/1/20

APPROVED AS TO FORM & SUBSTANCE:
HOGE FENTON JONES AND APPEL

By: _____
EUGENE ASHLEY, SHAREHOLDER

Date: _____

"ZWED"

ZERO WASTE ENERGY DEVELOPMENT COMPANY LLC, a California Limited Liability Company

By: _____
FRANK C. WEIGEL, DIRECTOR

Date: _____

IN WITNESS THE EXECUTION HEREOF, each of the Parties hereto has executed this Interim Material Delivery and Processing Agreement on the date written below each Party's signature.

APPROVED AS TO FORM & SUBSTANCE:
LAW OFFICES OF THOMAS M. BRUEN, P.C.

By: _____
Thomas M. Bruen, President

Date: _____

"ALLIED"

ALLIED WASTE SERVICES OF NORTH AMERICA, INC, a Delaware limited liability company

By: _____
[TYPE NAME, TITLE]

Date: _____

APPROVED AS TO FORM & SUBSTANCE:
HOGE FENTON JONES AND APPEL

By:  _____
EUGENE ASHLEY, SHAREHOLDER

Date: 5/1/20

"ZWED"

ZERO WASTE ENERGY DEVELOPMENT COMPANY LLC, a California Limited Liability Company

By:  _____
FRANK C. WEIGEL, DIRECTOR

Date: 5/1/20

IN WITNESS THE EXECUTION HEREOF, each of the Parties hereto has executed this Interim Material Delivery and Processing Agreement on the date written below each Party's signature.

APPROVED AS TO FORM & SUBSTANCE:
LAW OFFICES OF THOMAS M. BRUEN, P.C.

By: _____
Thomas M. Bruen, President

Date: _____

"ALLIED"

ALLIED WASTE SERVICES OF NORTH AMERICA, INC, a Delaware limited liability company

By: _____
[TYPE NAME, TITLE]

Date: _____

APPROVED AS TO FORM & SUBSTANCE:
HOGE FENTON JONES AND APPEL

By: _____
EUGENE ASHLEY, SHAREHOLDER

Date: _____

"ZWED"

ZERO WASTE ENERGY DEVELOPMENT COMPANY LLC, a California Limited Liability Company

By:  _____
FRANK C. WEIGEL, DIRECTOR

Date: 5/1/20

C-10 ILLEGALLY DUMPED MATERIALS PLAN

All Illegally Dumped Material services will be done in accordance with Section 5.31 and Section 8.2.4 of this Agreement. FRANCHISEE must prepare and submit an Illegally Dumped Materials Plan to the City within 60 days of the execution of this Agreement. At a minimum, the Illegally Dumped Material Plan must include a methodology for determining routes, dispatch, coordinating collection with the City, and disposal reporting. The Illegally Dumped Material Plan must be acceptable to the City. FRANCHISEE must comply with this plan upon approval of Illegally Dumped Material Plan

The FRANCHISEE, in coordination and consultation with the City, may modify this plan to meet the needs of the illegally dumped material waste stream and ensure the most effective and efficient route possible. If such a change takes place the FRANCHISEE will submit a revised illegally dumped material plan for approval.

EXHIBIT D

APPROVED SUBCONTRACTORS AND AFFILIATES

The subcontractor(s) and Affiliate(s) listed below are hereby approved by CITY as to the scope of work specified for each listed subcontractor and Affiliate. FRANCHISEE may employ additional subcontractor and Affiliate only with the prior written approval of the CITY's Director of Environmental Services as to the subcontractor(s) and Affiliate(s) and the scope of work to be performed by the subcontractor(s) and Affiliate(s).

If Subcontractor(s) or Affiliate(s) are added or deleted from this list, FRANCHISEE agrees to update this Exhibit D on an annual basis on or before December 30th of each year to maintain a correct and accurate list of all Subcontractors and Affiliates.

Name of Company/Firm	Address	Area of Responsibility
Browning-Ferris Industries of California, Inc. ("BFI")	1601 Dixon Landing Road Milpitas, CA	Operation of Newby Island Recyclery
Leadpoint Business Services	5310 E. High Street Phoenix, AZ 85054	Supervision of contract labor sorting personnel

EXHIBIT E

WAGE AND LABOR POLICY

Pursuant to the City of San José Living Wage Policy and except as specified in this Exhibit for the Recyclery Workers, Franchisee and any subcontractor(s) shall be obligated to pay not less than the living wage in accordance with the and the Wage Determination as indicated in Contract Scope included in this Exhibit.

I. CITY COUNCIL WAGE POLICY

A. LIVING WAGE POLICY

Under City Council Resolution No. 68900, contractors who are awarded certain City service and labor contracts are required to pay a minimum level of compensation to covered employees who work on these projects.

Living wages shall mean the wages paid under a collective bargaining agreement between the Franchisee and a recognized union representing employees who will perform services pursuant to the Agreement.

If the wage rates set forth in the collective bargaining agreement fall below the then current Living Wage Rate set by the City of San José, the required rate of pay shall be the City's Living Wage Rate unless the collective bargaining agreement expressly provides that the agreement shall supersede the requirements of the Living Wage Policy.

If there is no collective bargaining agreement as described above, not less than the following Living Wage Rate must be paid to covered employees performing work identified in the applicable wage determination issued by the City of San José's Office of Equality Assurance (in 2011 rates).

1. If health insurance benefits are provided, a wage of not less than **Thirteen Dollars and Fifty-Nine Cents (\$13.59)** per hour.
2. If health insurance benefits are not provided, a wage of not less than **Fourteen Dollars and Eighty Four Cents (\$14.84)** per hour.

Please see Contract Scope for Living Wage Determination (in 2011 rates).

B. REPORTS

The Office of Equality Assurance will monitor the payment of prevailing and living wages by requiring the awarded Franchisee and all subcontractors to file a LABOR COMPLIANCE WORKFORCE STATEMENT and LABOR COMPLIANCE FRINGE BENEFIT STATEMENT with supporting documentation.

The awarded Franchisee and subcontractors shall also report such other additional information, including certified payrolls, as requested by the Director of Equality Assurance to ensure adherence to the Policies.

Labor compliance statements must be filed in the Office of Equality Assurance within 10 days of execution of this Agreement at the address below.

City of San José
Office of Equality Assurance
200 East Santa Clara Street
Fifth Floor
San José, CA 95113
Phone: 408-535-8430

II. LIVING WAGE POLICY PROVISIONS

On November 17, 1989, by Resolution No. 68554 and amended on June 8, 1999 by Resolution No. 68900, the San José City Council adopted its Living Wage Policy to meet the employment and economic development needs of low wage workers by mandating:

1. A minimum level of compensation for workers employed by contractors and subcontractors who are awarded certain City of San José service and labor contracts with an expenditure in excess of \$20,000 and recipients who receive direct monetary financial assistance from the City in the amount of \$100,000 or more in any twelve month period, excluding non-profit corporations;
2. The provision of health insurance benefits or the ability to afford health insurance;
3. Retention of employees when certain new contractors take over a continuing City service;
4. An environment of labor peace; and
5. Employee Work Environment Evaluation (Third Tier Review)

A. WAGE REQUIREMENTS

1. Covered Employees Defined:

For the purpose of this provision, Covered Employees means any person employed by the Franchisee or Subcontractor who meets the following conditions:

- a) The person does not provide volunteer services that are uncompensated except for reimbursement of expenses such as meals, parking or transportation;
- b) The person expends at least half of his/her time on work for the City;
- c) The person is at least eighteen (18) years of age; and

- d) The person is not in training for the period of training specified under training standards approved by the City of San José.

B. RECYCLERY WORKERS WAGE REQUIREMENTS

CITY and FRANCHISEE entered into a Cooperative Agreement and Fourth Amendment to the Franchises Agreement on the second day of August 2017. The CITY acknowledges that FRANCHISEE is in compliance with the terms and conditions of the Cooperative Agreement and Fourth Amendment (“Cooperative Agreement”) to the Franchises Agreement and this Amended and Restated Agreement shall not be interpreted to amend or supersede the provisions of that agreement as they relate to the settlement of prior disputes between the parties and the CONTRACTOR’s ongoing requirements to compensate Recyclery Workers in accordance with the Cooperative Agreement, which provisions of the Cooperative Agreement shall survive execution of this Agreement and shall remain in full force and effect as it applies to the group of workers referenced in the Cooperative Agreement. As set forth in the Cooperative Agreement, Recyclery Workers refers to housekeepers, maintenance support (screen cleaners) and sorters.

For the purposes of this Amended and Restated Agreement the applicable Recyclery Workers compensation terms and conditions of the Cooperative Agreement are set forth below and shall establish the obligations of FRANCHISEE and its Subcontractors and Affiliates for the Term of this Amended and Restated Agreement. Furthermore, Attachment 1 and Attachment 2 to the Cooperative Agreement are incorporated herein by reference and made part of this Amended and Restated Agreement with the same force and effect as though fully set forth herein.

The following wage requirements will apply to Recyclery Workers:

- a. Recyclery Workers must be paid a “Recyclery Workers’ Wage.” This “Recyclery Workers’ Wage” will be paid to all Recyclery Workers, regardless of whether they are working exclusively on waste or recyclables from the CITY. The base “Recyclery Workers’ Wage” will be the average of the CITY’s standard Living Wage rate on July 1, 2017, without Health Benefits (“City’s Living Wage”) and the applicable City of San José Minimum Wage on July 1, 2017, which is calculated to be Seventeen Dollars and Twenty-Nine Cents (\$17.29) per hour. The base “Recyclery Workers’ Wage” with the Allied’s staffing agency mark up of 55% is \$26.80, as of August 2017 (“Fully Loaded Recyclery Workers’ Wage”).
- b. In the event that FRANCHISEE, or through its any of its subcontractors, increases the number of Recyclery Workers, FRANCHISEE agrees that all Recyclery Workers will be paid the Recyclery Workers’ Wage and that FRANCHISEE will be solely obligated to pay the cost for Recyclery Worker’s Wage for any additional Recyclery Workers.

- c. The obligations of the parties in this Article regarding Recyclery Workers' Wages shall remain fixed and in effect irrespective of the number of Recyclery Workers working at the Recyclery over the term of the Agreement.
- d. Future Wage Increases shall be effective July 1, 2018 and each year thereafter, the "Recyclery Workers' Wage" will increase by the CPI-W, U.S Bureau of Labor Statistics U.S. City Average Water and Sewer and Trash Collection Services Index..
- e. FRANCHISEE must take all other actions necessary to ensure that the "Recyclery Workers' Wages", minus all applicable federal, state and local payroll tax and other governmental imposed deductions, will be paid to all Recyclery Workers, for hours worked at the Recyclery on July 1, 2017, or thereafter, and continuing throughout the term of the Agreement.
- f. The City of San José minimum wage increased to \$15.00 an hour in 2019 and thereafter will be adjusted for inflation. This section is intended to address all issues related to wage increases related to Recyclery Workers and compensation to Allied therefore throughout the remainder of the Term of the Agreement. Accordingly, FRANCHISEE agrees that it will not attempt to separately seek recovery of any increases in the City of San José minimum wage under the Change in Law provision in Section 20.2, of the Agreement, unless the City of San José minimum wage exceeds the Recyclery Workers' Wage.

C. EMPLOYEE RETENTION REQUIREMENTS

One of the provisions of the Living Wage Policy is a requirement that on certain agreements over \$50,000, the new Contractor must retain the workers who have been performing the services under the previous contractor. Employee retention is applicable to the Contractor and all Subcontractors under the Agreement in two respects: (1) the Contractor will be obligated to adhere to these requirements in hiring; and (2) the Contractor will also be obligated to cooperate with the City in transitioning to a new contractor at the end of the term of the Agreement.

The following provisions are applicable to this Agreement:

1. Qualified Retention Employee Defined

Qualified Retention Employee means any person employed by the predecessor contractor or any subcontractor to the predecessor contractor who meets the following requirements:

- a) The person provides direct labor or service on the Agreement;
- b) The person is not an "exempt" employee under the Fair Labor Standards Act (FSLA); and

- c) The person has been employed on the City contract by the predecessor service contractor or subcontractor for at least six months prior to the date of the new Agreement.

2. Current Eligible Retention Employee Defined

Current Eligible Retention Employee means a current employee of the new Contractor who meets the following requirements:

- a) The person has been employed by the Contractor for at least six months prior to the date of the new service or labor agreement;
- b) The person would otherwise need to be terminated as a result of the implementation of the City of San José Living Wage Policy; and
- c) The Contractor chooses to designate the person as a Current Eligible Retention Employee.

The Contractor must establish requirements i. and ii. above by submitting payroll records or other reliable evidence satisfactory to the Director of Equality Assurance. If the Contractor cannot submit such evidence, the employee cannot be designated a Current Eligible Retention Employee.

3. Employment Of Qualified Retention Employees

The new Contractor shall offer continued employment to all Qualified Retention Employees who are interested in such continued employment.

The City's Office of Equality Assurance will provide the new Contractor with information regarding which employees of the predecessor contractor are Qualified Retention Employees to the extent such information is available to the City of San José.

Notwithstanding anything to the contrary in this provision, the new Contractor may deem an employee not to be a Qualified Retention Employee if, and only if:

- The employee has been convicted of a crime that is related to the job or to his/her job performance; or
- The Contractor can demonstrate to the City that the employee presents a significant danger to customers, co-workers or City staff.

In the event that the new Contractor does not have enough positions available to hire all Qualified Retention Employees desiring continued employment and to retain its Current Eligible Retention Employees, the new Contractor shall hire Qualified Retention Employees and retain Current Eligible Retention Employees by seniority within each employment classification. For any positions that become available during the initial ninety (90) day period of the contract, the new Contractor shall hire Qualified Retention Employees and rehire its Current Eligible Retention Employees by seniority within each employment classification.

1. Retention Requirements

- a) Qualified Retention Employees hired by the new Contractor may not be discharged without cause during the initial ninety (90) day period of their employment.
- b) The new Contractor shall offer continued employment to each Qualified Retention Employee who received a satisfactory performance evaluation at the end of the initial ninety (90) day period of employment. Such employment shall be offered under the same terms and conditions established by the new Contractor for all of its employees.

2. Third Part Beneficiary

Qualified Retention Employees are third party beneficiaries of this Agreement which means that the employee has the right to enforce the provisions of the Agreement independent of the City's right to enforce the provisions of the Agreement. The third party rights will become effective only when the Agreement becomes effective. No third party rights are intended to apply to any employee regarding the RFP process.

3. Obligations Upon Termination

Upon termination of this Agreement, Contractor shall fully cooperate with all City requests regarding contacts with Contractor's employees to enable a transition in the workforce to a new Contractor.

D. EMPLOYEE WORK ENVIRONMENT EVALUATION (Third Tier Review)

All service or labor agreements are required to undergo an Employee Work Environment Evaluation, commonly referred to as "Third Tier Review." This Review looks into a proposer's history as an employer and work condition commitments. Each proposer is required to complete an Employee Work Environment Questionnaire and return it with the proposal.

If the Questionnaire is not returned, the proposal will be deemed to be non-responsive. All proposals are required to address: employee health benefits; compensated days off; employee complaint procedures; compliance with state and federal workplace standards; Employee Retention requirements, if applicable.

E. ENFORCEMENT

1. General

Franchisee acknowledges it has read and understands that, pursuant to the terms and conditions of this Contract, it is required to pay workers a living wage (as modified by the Cooperative Agreement) ("Wage Provision") and to submit certain documentation to the City establishing its compliance with such requirement. ("Documentation Provision.") Franchisee further acknowledges the

City has determined that the Wage Provision promotes each of the following (collectively "Goals"):

- a) It protects City job opportunities and stimulates the City's economy by reducing the incentive to recruit and pay a substandard wage to labor from distant, cheap-labor areas.
- b) It benefits the public through the superior efficiency of well-paid employees, whereas the payment of inadequate compensation tends to negatively affect the quality of services to the City by fostering high turnover and instability in the workplace.
- c) Paying workers a wage that enables them not to live in poverty is beneficial to the health and welfare of all citizens of San José because it increases the ability of such workers to attain sustenance, decreases the amount of poverty and reduces the amount of taxpayer funded social services in San José.
- d) It increases competition by promoting a more level playing field among contractors with regard to the wages paid to workers.

2. Remedies for Franchisee's Breach of Living Wage Provisions

- a) **Restitution:** Franchisee agrees that in the event of a breach of its obligations it will pay any amounts underpaid in violation of the required payments and City's administrative costs and liquidated damages and, in the case of financial assistance, to refund any sums disbursed by the City.
- b) **Liquidated Damages For Breach Of Wage Provision:** Franchisee agrees its breach of the Wage Requirement would cause the City damage by undermining the Goals, and City's damage would not be remedied by Franchisee's payment of restitution to the workers who were paid a substandard wage. Franchisee further agrees that such damage would increase the greater the number of employees not paid the applicable prevailing/living wage and the longer the amount of time over which such wages were not paid. The City and Franchisee mutually agree that making a precise determination of the amount of City's damages as a result of Franchisee's breach of the Wage Requirement would be impractical and/or extremely difficult. Therefore, the parties agree that, in the event of such a breach, Franchisee shall pay to the City as liquidated damages the sum of three (3) times the difference between the actual amount of wages paid and the amount of wages that should have been paid.
- c) **Additional Remedies:** Franchisee agrees that in addition to the remedies set forth above City retains the right to suspend or terminate the Franchise Agreement for cause and to debar Franchisee or subcontractors from future City contracts and/or deem the recipient ineligible for future financial assistance.

F. AUDIT RIGHTS

All records or documents required to be kept pursuant to this Contract to verify compliance with the Wage Provision shall be made available for audit at no cost to City, at any time during regular business hours, upon written request by the City Attorney, City Auditor, City Manager, or a designated representative of any of these officers. Copies of such records or documents shall be provided to City for audit at City Hall when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the records or documents shall be available at Franchisee's address indicated for receipt of notices in this Contract.

G. COEXISTENCE WITH ANY OTHER EMPLOYEE RIGHTS

These provisions shall not be construed to limit an employee's ability to bring any legal action for violation of any rights of the employee.



Living Wage Determination

CONTRACT SCOPE: COMMERCIAL SOLID WASTE FRANCHISE SERVICES
DATE: September 2011

Contracts governed by both the City of San José’s Living Wage Policy (Resolution No. 68900) and its Prevailing Wage Policy (Resolution No. 61144) are subject to the Policy with the higher wage requirements, except as otherwise specified in this Exhibit E.

LIVING WAGE RATES

All employees of the Commercial Garbage Franchisee and any subcontractors (excepting therefrom Recyclery Workers) are to be paid not less than the following (in 2011 rates).

LIVING WAGE WITH HEALTH BENEFITS	LIVING WAGE WITHOUT HEALTH BENEFITS
\$13.59	\$14.84

Living Wage rates will be adjusted annually with an effective date of July 1 each year.

Hours and Days of Work

(Industrial Welfare Commission Order No. 16-2001)

City of San José agreements subject to City prevailing wage or living wage policies will use the same guidelines for all covered classifications/employees.

Employees shall not be employed more than eight (8) hours in any workday or more than 40 hours in any workweek unless the employee receives one and one-half (1 ½) times such employee’s regular rate of pay for all hours worked over 40 hours in the workweek. Employment beyond eight (8) hours in any workday or more than six (6) days in any workweek is permissible provided the employee is compensated for such overtime at not less than:

- (a) One and one-half (1 ½) times the employee’s regular rate of pay for all hours worked in excess of eight (8) hours up to and including 12 hours in any workday, and for the first eight (8) hours worked on the seventh (7th) consecutive day of work in a workweek; and
- (b) Double the employee’s regular rate of pay for all hours worked in excess of 12 hours in any workday and for all hours worked in excess of eight (8) on the seventh (7th) consecutive day of work in a workweek.

Page ___ of ___



LABOR COMPLIANCE FRINGE BENEFIT STATEMENT

CONTRACTOR NAME: _____

CONTRACT: _____

I certify under penalty of perjury that fringe benefits are paid to the approved plans, funds, or programs as listed below:

Classification	Fringe Benefit Hourly Amount	Name of the Plan or Fund (Attach Premium Transmittal)
<p>1. _____</p> <div style="background-color: #d3d3d3; padding: 5px; margin: 5px 0;"> <p>Documentation of Plan contribution <u>must</u> be returned with this statement</p> <p>Please attach a copy of your most recent transmission into each medical, pension, or profit sharing plan account indicating worker name and amount of contribution.</p> </div>	<p>Vacation \$ _____</p> <p>Health & Welfare \$ _____</p> <p>Pension \$ _____</p> <p>Apprentice \$ _____</p> <p>Other (specify) \$ _____</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>
<p>2. _____</p>	<p>Vacation \$ _____</p> <p>Health & Welfare \$ _____</p> <p>Pension \$ _____</p> <p>Apprentice \$ _____</p> <p>Other (specify) \$ _____</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>
<p>3. _____</p>	<p>Vacation \$ _____</p> <p>Health & Welfare \$ _____</p> <p>Pension \$ _____</p> <p>Apprentice \$ _____</p> <p>Other (specify) \$ _____</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>

All (or some) fringes are paid in cash by adding the amount to the employee's basic hourly rate.

Company Name (Please Print)

Name and Title (Please Print)

Date

Signature

EMPLOYEE WORK ENVIRONMENT

SECTION I: CONTRACTOR INFORMATION

Franchisee Name: Allied Waste Services of Santa Clara County Date:

Address: 1601 Dixon Landing Rd. Bldg 1 Milpitas, Ca. 95035

Phone: 408-432-1234

FAX: 408-635-1487

Prepared by:

Title:

SECTION II: EMPLOYEE HEALTH BENEFITS

1. Does your company provide a health insurance plan or program for employees?

NO, we do not provide a health insurance plan or program for employees.

YES, we do provide a health insurance plan or program for employees.

If the answer is no, does your company provide benefits in lieu of a health insurance Plan? (Be specific. Describe on a separate sheet and attach.)

2. If the answer to Question 1 above is yes, please provide the following information:

2a. Please list the health insurance plans(s) or program(s) offered to your employees. (Use additional sheets if necessary.) Medical, Dental, Vision,

2b. What is the contribution by the employee per pay period to this plan?

\$ 0 for single coverage, no dependents

\$ 0 for family coverage, with dependents

Pay period is (check one):

Weekly Bi-weekly Semi-monthly Monthly

2c. What is the contribution by the company, per employee, per pay period, to this Plan?

\$298 for single coverage, no dependents

\$792 for family coverage, with dependents

2d. How long the employee must be employed by your company before they are eligible for health insurance coverage?

____90 Days Month Year

2e. What job classifications of your employees are covered by the insurance program outlined above? (Use additional sheets as necessary.)
All Classifications

2f. Does your health insurance coverage pertain to part-time and full-time employees?

YES

NO – If no, please explain. Employees must work over 30 hours to qualify which means they are full time

SECTION III: EMPLOYEE BASIC BENEFITS

1. Indicate the basic benefits your workers receive.

Years of Service	# of Vacation Days	# of Sick Days	# of Personal Days
After 1 year	5	8	3
After 5 years	15	8	3
After 10 years	20	8	3x

Other: (Explain.)

2. Indicate the paid holidays your workers receive by placing check mark to the left of each.

<input checked="" type="checkbox"/>	New Year's Day	<input checked="" type="checkbox"/>	Independence Day	<input checked="" type="checkbox"/>	Christmas
	Martin Luther King Jr. Day	<input checked="" type="checkbox"/>	Labor Day	<input checked="" type="checkbox"/>	Floating Holiday
	Washington's Birthday		Veteran's Day		Other: Presidents Day
<input checked="" type="checkbox"/>	Memorial Day	<input checked="" type="checkbox"/>	Thanksgiving Day		Other: Day after Thanksgiving

3. Do you allow for unpaid leave?

- YES, please explain policy. FMLA/Non-FMLA –Policy # HRS-104
- NO

SECTION IV: EMPLOYEE COMPLAINT PROCEDURE

1. Does your company have an employee complaint resolution procedure?

- YES (Attach a copy of our company's employee complaint resolution procedure.
- NO, our company does not have an employee complaint resolution procedure.

SECTION IV: COMPLIANCE WITH STATE AND FEDERAL WORKPLACE STANDARDS

Have any of the following State or Federal Regulatory agencies obtained final orders or final judgments finding a violation by your company or State or Federal law relating to the treatment of your employees? If your answer is yes to any of the questions below, please provide the date of entry of the final judgment or order, the agency which obtained the order, and a brief description of the nature of the violation on a separate sheet of paper.

1. California Department of Fair Employment and Housing Department

- NO, our company has not had any final judgment or administrative order(s).
- YES, our company has had a final judgment(s) or administrative orders.

2. California Department of Industrial Relations (Cal OSHA).

- NO, our company has not had any final judgment or administrative order(s).
- YES, our company has had a final judgment(s) or administrative orders.

3. California Department of Industrial Relations (Minimum Wage, hours or working Condition) Labor Board.

- NO, our company has not had any final judgment or administrative order(s).
- YES, our company has had a final judgment(s) or administrative orders.

SECTION V: WARRANTY AND REPRESENTATION

By signing below, proposer warrants and represents that if proposer is successful, the above listed benefits and complaint procedure will be maintained for the term of the agreement, and proposer declares that, to the best of its ability, it intends to ensure that essential services and labor for which it has been contracted will be provided efficiently and without interruption.

Company: Allied Waste Services of Santa Clara County

Signature: _____

Name:

Title:

Date: _____

EXHIBIT F

INSURANCE

FRANCHISEE shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from, or in connection with, the performance of the work hereunder by the Franchisee, his agents, representatives, employees or subcontractors.

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. The coverage provided by Insurance Services Office Commercial General Liability coverage ("occurrence") Form Number CG 0001; and
2. The coverage provided by Insurance Services Office Form Number CA 0001 covering automobile Liability. Coverage shall be included for all owned, non-owned and hired automobiles; and
3. Workers' Compensation insurance as required by the California Labor Code and Employers Liability insurance, and any other applicable law, providing full coverage required by law for all employees engaged in work on the Project; and
4. Pollution Liability Insurance, including coverage for all operations, completed operations and professional services (without exclusion for asbestos or lead); and
5. Cyber Liability insurance covering liabilities for financial loss resulting or arising from acts, errors, or omissions, including damages associated with any data security breach; and
6. There shall be no endorsement reducing the scope of coverage required above unless approved by the CITY's Risk Manager.

B. Minimum Limits of Insurance

Franchisee shall maintain limits be no less than:

1. Commercial General Liability: \$5,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit; and
2. Automobile Liability: \$1,000,000 combined single limit each accident; and

3. Workers' Compensation and Employers' Liability: Workers' Compensation limits as required by the California Labor Code and Employers Liability limits and any other applicable law, which shall be at least \$1,000,000 per accident; and
4. Pollution Liability: \$2,000,000 each occurrence/aggregate limit; and
5. Cyber Liability: \$1,000,000 per claim/\$1,000,000 aggregate limit.

C. Deductibles and Self-Insured Retentions

Any deductibles must be declared to, and reasonably approved by CITY's Risk Managers. At the option of the CITY either the insurer shall reduce or eliminate such deductibles as respects the CITY, or it's officials, employees, agents, and contractors; or CITY shall require the construction contractor to procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses in an amount specified by the CITY's Risk Manager.

D. Other Insurance Provisions

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

1. Commercial General Liability and Automobile Liability Coverages
 - a. The CITY, its officials employees, agents, and contractors are to be covered as additional insureds as respects: liability arising out of activities performed by or on behalf of contractor; products and completed operations of contractor; premises owned, leased or used by contractor; and automobiles owned, leased, hired or borrowed by contractor. The coverage shall contain no special limitations on the scope of protection afforded to the Insures. The Additional Insured Endorsement included on all such insurance policies shall state that coverage is afforded the additional insured with respect to claims arising out of operations performed by or on behalf of the insured.
 - b. The contractor's insurance coverage shall be primary insurance as respects the Insures. Any insurance or self-insurance maintained by the Insures shall be excess of contractor's insurance and shall not contribute with it.
 - c. Any failure to comply with reporting provisions of the policies by contractor shall not affect coverage provided to the Insures.
 - d. Coverage shall state that contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 - e. Coverage shall contain a waiver of subrogation in favor of the CITY, its officials, employees, agents, and contractors

2. Workers' Compensation and Employers' Liability

Coverage shall contain waiver of subrogation in favor of the City of San José, its officers, employees, agents and contractors

3. All Coverages

Each insurance policy required by this Agreement shall be endorsed to state that coverage shall not be voided or canceled except after thirty (30) days' prior written notice has been given to the CITY, except that ten (10) days' prior written notice shall apply in the event of cancellation for non-payment of premium.

E. Duration

1. Commercial General Liability, Pollution Liability coverages shall be maintained continuously for a minimum of five (5) years after completion of work under this Agreement.

2. If any of such coverages are written on a claims-made basis, the following requirements apply:

a. The policy retroactive date must precede the date work commenced under this Agreement.

b. If the policy is cancelled or non-renewed and coverage cannot be procured with the original retroactive date, FRANCHISEE must purchase an extended reporting period equal to or greater than five (5) years after completion of work under this Agreement.

F. Acceptability of Insurers

Insurance is to be placed with insurers reasonably acceptable to Parties' Risk Managers.

G. Verification of Coverage

The Franchisee shall furnish the CITY with certificates of insurance and with original endorsements affecting coverage required by this Agreement. The certificates and endorsements for each insurance policy are to be signed by a Person authorized by that insurer to bind coverage on its behalf.

Proof of insurance shall be either emailed in pdf format to: Riskmgmt@sanjoseca.gov, or mailed to the following postal address (or any subsequent email or postal address as may be directed in writing by the Risk Manager):

CITY OF SAN JOSE – Finance
Risk Management
200 East Santa Clara Street, 13th Floor Tower
San José, California 95113-1905

H. Franchisee's Insurance Requirements

Franchisee shall include all subcontractors as insureds under its policies or shall obtain separate certificates and endorsements for each subcontractor.

I. Proof of Coverage

Franchisee or consultant shall not commence work under this Agreement until all required insurance, certificates, and an Additional Insured Endorsement have been obtained and delivered to the CITY for approval subject the conditions listed above.

EXHIBIT G

FORM OF PERFORMANCE BOND

_____ SERVICES
FOR THE
CITY OF SAN JOSE, CALIFORNIA

KNOW ALL MEN BY THESE PRESENTS: that

(here insert full name and address or legal title of franchisee)

as Principal, hereinafter called Franchisee, and, _____
(Name of Insurer)

as Surety, hereinafter called Surety, are held firmly bound unto the CITY OF SAN JOSE, CALIFORNIA as Obligee, hereinafter called the CITY, in the amount of not less than Six Million Two Hundred and Fifty Thousand Dollars (\$6,250,000) for the payment whereof Franchisee and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Franchisee has been granted a franchise by the CITY which is memorialized in a written agreement dated _____, 20__ to provide Commercial Solid Waste and Recyclable Material Collection Services in accordance with the San José Municipal Code, RFP specifications and Agreement of the CITY OF SAN JOSE, CALIFORNIA, which Agreement is by reference made a part hereof, and is hereinafter referred to as the Agreement.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if Franchisee shall promptly and faithfully perform said Agreement, then this obligation shall be null and void; otherwise it shall remain in full force and effect.

The Surety hereby waives notice of any alteration or extension of time made by the CITY.

Any suit under this bond must be instituted before the expiration date of the Agreement or if extended for an additional term by the CITY, the expiration of the extended term.

No right of action shall accrue on this bond to or for the use of any Person or corporation other than the CITY named herein or the executor, administrator or successors of the City of San José, California.

Signed and sealed this ____ day of _____, 20__.

(Principal) (Seal)

(Witness)

(Title)

Surety (Seal)

(Name of Insurer)

(Witness)

By:

(Attorney-in-Fact)

EXHIBIT H
CORPORATE GUARANTY

The executed Corporate Guaranty will be attached as this Exhibit H.



GUARANTY

THIS GUARANTY is made and entered into effective as of September 16, 2011, by REPUBLIC SERVICES, INC., a Delaware corporation, (hereinafter "Guarantor") in favor of the CITY OF SAN JOSE, a municipal corporation (hereinafter "City").

Recitals

- A. Allied Waste Services of North America, LLC dba Allied Waste Services of Santa Clara County (hereinafter "Franchisee") is a limited liability company organized under the laws of the State of Delaware. Franchisee is a subsidiary of Republic Services, Inc. a Delaware corporation.
- B. Franchisee and City have entered into that certain Agreement between the City of San Jose and Allied Waste Services of North America, LLC dba Allied Waste Services of Santa Clara County, dated September 16, 2011, (the "Agreement") pursuant to which the Franchisee has agreed to provide commercial solid waste and recyclables materials collection, processing and disposal services to the City.
- C. It is a requirement of the Agreement with Franchisee that Guarantor guarantees Franchisee's performance of the Agreement.

In consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor agrees as follows:

Agreement

1. Definitions.

Capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Agreement.

2. Guaranty.

Guarantor irrevocably and unconditionally guarantees to the City the complete and timely performance, satisfaction and observation by Franchisee of each and every term and condition of the Agreement which Franchisee is required to perform, satisfy or observe (hereinafter "the obligations"). In the event that Franchisee fails to perform, satisfy or observe any of the terms or conditions of the Agreement, Guarantor will promptly and fully perform, satisfy or observe the obligations as if it were primarily liable for such performance.

Guarantor guarantees payment to the City of any damage, costs or expenses which might become recoverable by the City from Franchisee due to Franchisee's breach of the Agreement.

Guarantor agrees that the obligations of Guarantor pursuant to this Guaranty shall remain in full force and effect without regard to, and shall not be released, discharged or affected in any way by any circumstances or condition (whether or not Guarantor shall have any knowledge thereof), including without limitation,

- (a) any lack of validity or enforceability of the obligations of the Agreement;
- (b) any termination, amendment, modification or other change in the Agreement;
- (c) any assignment of the Agreement which is effected and does not require the City's approval;
- (d) any failure, omission or delay on the part of Franchisee, Guarantor, or City to conform or comply with any material term of the Agreement or any failure of the City to give notice of any event of default by Franchisee under the Agreement;

- (e) any waiver, compromise, release, settlement or extension of time of performance or observance of any of the obligations or agreements contained in the Agreement;
- (f) any action or inaction by the City under or in respect of the Agreement, any failure, lack of diligence, omission or delay on the part of the City to enforce, assert or exercise any right, power or remedy conferred on it in the Agreement, or any other action or inaction by the City;
- (g) any change in the relationship between Franchisee and Guarantor or any termination of any such relationship;
- (h) any release or discharge by operation of law of Franchisee or Guarantor from any obligation or agreement contained in the Agreement or any agreement executed in connection therewith;
- (i) any failure of title with respect to all or any part of the respective interests of any person in the Recyclery or the Newby Island Landfill;
- (j) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, moratorium, arrangement, composition with creditors or readjustment of, or other similar proceedings against Franchisee or the Guarantor, or any of the property of any of it, or any allegation or contest of the validity of this Guaranty in any such proceeding; and
- (k) any and all rights which Guarantor may have or which at any time hereafter may be conferred upon it by statute, regulation or otherwise, to avoid any of its obligations hereunder or to terminate, cancel, quit or surrender this Guaranty.

3. Waivers by Guarantor.

Guarantor hereby unconditionally and irrevocably waives:

- (a) all rights and defenses to the Guaranty which might accrue to it by reach of any such proceeding under Section 2(j) above;
- (b) the requirement of, or notice of, the filing of claims by the City in the event

- of the receivership or bankruptcy of Franchisee;
- (c) any rights Guarantor may have to be indemnified for performance of its obligations under this Guaranty by the Franchisee, including rights and benefits under California Civil Code Section 2819, as may be amended;
 - (d) any right to require the City to proceed against Franchisee, or proceed against or exhaust any security or collateral the City may now or hereafter hold, including any and all benefits and defenses under California Civil Code Sections 2845, 2849 and 2850, as may be amended; and any other right or remedy for Guarantor's benefit;
 - (e) any diligence, presentment, demand for payment or performance, protest and all notices whatsoever, including but not limited to notices of non-payment or non-performance, notices of protest, notices of any breach or default, and notices of acceptance of this Guaranty; and
 - (f) any statute of limitations defense based on a statute of limitations period which may be applicable to Guarantor (or parties, in similar relationship) which would be shorter than the applicable statute of limitation period for the underlying claim.

Guarantor understands, consents and agrees that this Guaranty shall remain and continue in full force and effect and shall be enforceable against the Guarantor to the same extent and with the same force and effect as if any proceedings under Section 2(j) above had not been instituted.

Guarantor agrees that the City may proceed against Guarantor for the obligations guaranteed herein without taking any action against Franchisee or any other guarantor or pledgor and without proceeding against or exhausting any security or collateral the City may now or hereafter hold. Guarantor agrees that the City may unqualifiedly exercise in its sole discretion as to any and all rights and remedies available to it against Franchisee or any other guarantor or pledgor without impairing the City's rights and remedies in enforcing this Guaranty.

If all or any portion of the obligations guaranteed hereunder are paid or performed and then subsequently avoided or recovered directly or indirectly from the City as a preference, fraudulent transfer or otherwise, Guarantor's obligations

hereunder shall continue and remain in full force and effect, irrespective of (a) any notice of revocation given by Guarantor, or by Franchisee prior to such avoidance or recovery, and (b) payment in full of any obligations then outstanding.

4. Maintenance of Corporate Existence.

(a) Consolidation, Merger, Sale or Transfer.

Guarantor covenants that during the term of this Guaranty it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets, and will not consolidate with or merge into another entity or permit one or more entities to consolidate with or merge into it unless the successor is the Guarantor; provided, however, that Guarantor may consolidate with or merge into, or sell or otherwise transfer to another entity all or substantially all of its assets as an entirety and thereafter dissolve if the successor entity (if other than any of the Guarantor) (i) assumes in writing all the obligations of the Guarantor hereunder and, if required by law, is duly qualified to do business in the State of California, and (ii) the net worth of the successor entity upon such consolidation, merger, sale or other transfer calculated in accordance with generally accepted accounting principles, is not less than the net worth of Guarantor immediately prior to such consolidation, merger, sale or other transfer.

(b) Continuance of Obligations.

If a consolidation, merger, sale or other transfer is made as permitted by Subsection (a), the provisions of Subsection (a) shall continue in full force and effect and no further consolidation, merger, sale or other transfer shall be made except in compliance with the provisions of Subsection (a). No such consolidation, merger, sale or other transfer shall have the effect of releasing the initial Guarantor from its liability hereunder unless a successor has assumed responsibility for this Guaranty as provided in this Subsection (a).

5. Guarantor's Obligations are Absolute.

The obligations of Guarantor are direct, immediate, absolute, continuing, unconditional and unlimited, and with respect to any payment obligation of Franchisee under the Agreement, shall constitute a guarantee of payment and not of collection. Should any money due or owing under this Guaranty not be recoverable from the Guarantor due to any of the circumstances or conditions specified in Section 2 above, such money, together with all additional sums due hereunder, shall nevertheless be recoverable from the Guarantor as though Guarantor were principal obligor in place of Franchisee pursuant to the terms of the Agreement and not merely a guarantor and shall be paid by the Guarantor.

6. No Waivers.

No delay on the part of the City in exercising any rights under this Guaranty or failure to exercise such rights shall operate as a waiver of such rights. No notice to or demand on Guarantor shall be a waiver of any obligation of Guarantor or the right of the City to take other or further action without notice or demand. No modification or waiver of any of the provisions of this Guaranty shall be effective unless in writing and signed by the City and Guarantor, nor shall any waiver be effective except in the specific instance or matter for which it is given.

7. Term.

This Guaranty is not limited to any period of time, but shall continue in full force and effect until all of the terms and conditions of the Agreement have been fully performed by Franchisee, and Guarantor shall remain fully responsible under this Guaranty without regard to the acceptance by the City of any performance bond or other collateral to assure the performance of Franchisee's obligations under the Agreement. Guarantor shall not be released of its obligations hereunder as long as there is any claim by the City against Franchisee arising out of the Agreement based on Franchisee's failure to perform which has not been settled or discharged.

8. Amendment or Modification of Agreement; Guarantor's Contract Defenses.

In the event the Agreement is modified or amended in a writing executed by Franchisee, Guarantor's obligation under this Guaranty shall be no greater and no lesser than those of Franchisee under such modification or amendment. Notwithstanding any other provision of this Guaranty, Guarantor shall have available to it the same defenses based on the terms and conditions of the Agreement as does Franchisee.

9. Payment of Costs and Expenses.

Guarantor agree to pay the City on demand all reasonable costs and expenses, legal or otherwise (including counsel fees), to the extent incurred by or on behalf of the City in successfully enforcing by any legal action, suit or proceeding, observance of the covenants, agreements and obligations contained in this Guaranty against Guarantor.

10. Miscellaneous.

- (a) Consent to Jurisdiction. Guarantor irrevocably agrees that any legal action arising out of or relating to this Guaranty shall be instituted exclusively in the state or federal courts in Santa Clara County, California; consent to personal jurisdiction over it by such courts; and waives its right to a trial by jury in any legal action in any of such courts.
- (b) Governing Law. This Guaranty shall be governed by and construed in accordance with the laws of the State of California for all purposes.
- (c) Binding on Successors. This Guaranty shall inure to the benefit of the City and its successors and assigns shall be binding upon Guarantor and its successors and assigns, provided, however, that Guarantor may not assign its rights or delegate its obligations under this Guaranty without the express written consent of the City.
- (d) Authority. Guarantor represent and warrant that it has the corporate power and authority to give this Guaranty, that its execution of this Guaranty has been authorized by all necessary action under its Articles of Incorporation and By-Laws, and that the persons signing this Guaranty on behalf of Guarantor have the authority to do so.

- (e) Subordination. Any claims Guarantor may have against Franchisee are hereby subordinated to any and all claims of the City against Franchisee until such time as the obligation of Franchisee to the City are fully satisfied and discharged.
- (f) Severability. If any portion of this Guaranty is held to be invalid or unenforceable, such invalidity shall have no effect upon the remaining portions of this Guaranty, which shall be severable and continue in full force and effect.
- (g) Notices. All notices and other communications to Guarantor hereunder shall be sufficiently given for all purposes hereunder in writing and delivered personally; sent by documented delivery service; or sent by facsimile (with confirmation of receipt), in each case, to the following:

Republic Services, Inc
C/O General Counsel
18500 North Allied Way
Phoenix, Az 85054

or to such other address and/or to the attention of such other person as Guarantor may designate by written notice to the City.

WITNESS THE EXECUTION HEREOF, Guarantor has executed this Guaranty as of the date first written above.

REPUBLIC SERVICES, INC.

a Delaware corporation

By:

Marsha A. Lacy

Title: Assistant Treasurer

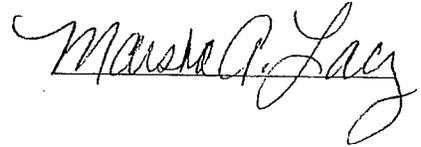
REPUBLIC SERVICES, INC.

CERTIFICATE OF ASSISTANT SECRETARY

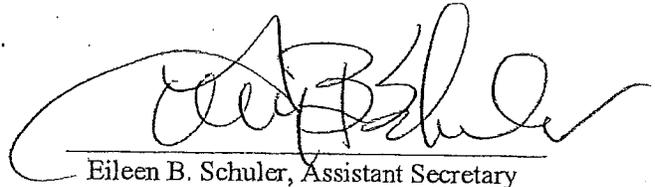
The undersigned, as the Assistant Secretary of Republic Services, Inc., a Delaware corporation (the "Company"), do hereby certify that the below named person has been duly elected, has duly qualified, and this day is an officer of the Company, holding the office set opposite her name, and that the signature below is the officer's genuine signature, and further that pursuant to levels of authority on behalf of the Company and its subsidiaries, the following officer is authorized and delegated to approve and execute that certain Guaranty Agreement in connection with the agreement for commercial solid waste and recyclables materials collection, processing and disposal services between Allied Waste Services of North America, LLC d/b/a Allied Waste Services of Santa Clara County and the City of San Jose, California.

Marsha A. Lacy

Assistant Treasurer



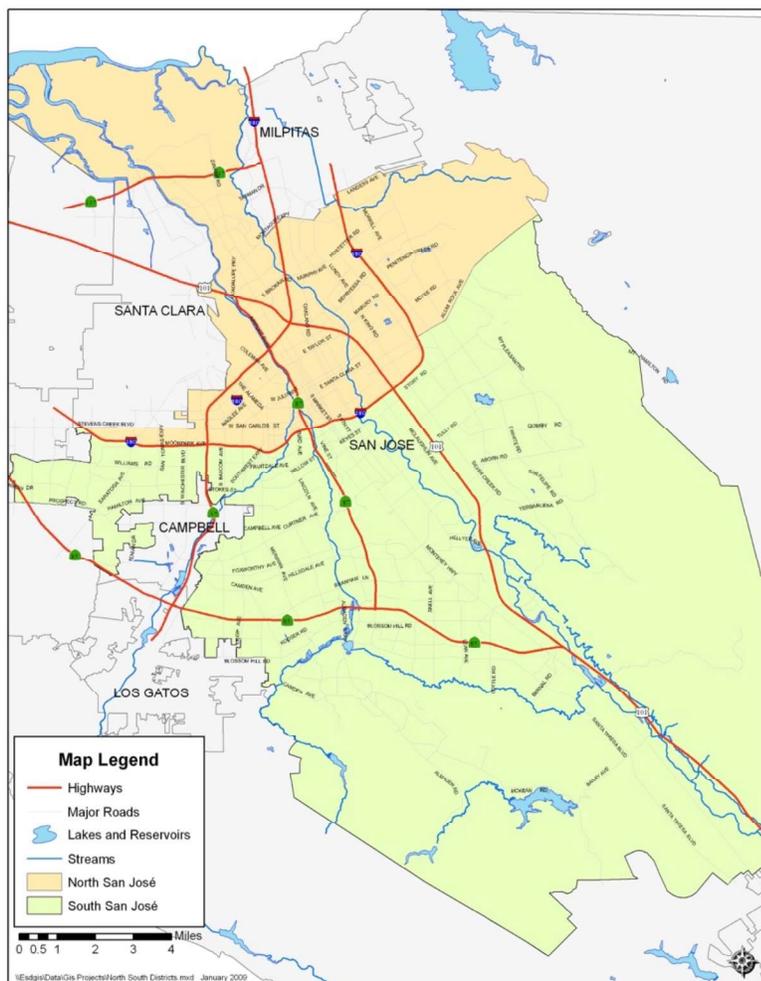
WITNESS my hand this 27th day of October, 2011.



Eileen B. Schuler, Assistant Secretary

EXHIBIT I

SERVICE DISTRICT MAP



Service District Map Description

The City will be serviced in two districts, North and South. Unincorporated areas of the City will not be serviced under these Franchises.

In general, if a street runs North to South and is a Service District boundary line, the east side of the street shall be in the South District and the west side of the street shall be in the North District. If a street runs East to West and is a Service District boundary line, the south side of the street shall be in the South District and the north side of the street shall be in the North District.

The South Service District's northernmost boundary line is Highway 280 from the City of Santa Clara border running east to California State Road 130/Alum Rock Avenue. The border

continues east along California State Road 130/Alum Rock Avenue where it terminates at Miguelita Road. The western boundary is the city limits with the City of Campbell and Town of Los Gatos while the southern boundary terminates at City of Morgan Hill city limits.

The North Service District's northern most boundary line is the City of San José city limits with the San Francisco Bay. The western boundary is bordered by the City of Santa Clara and the eastern boundary terminates at City of Milpitas city limits.

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USI Insurance Services
 601 Union Street
 Suite 1000
 Seattle, WA 98101
 www.usi.com
 Tel: 206.441.6300

FedEx Priority Overnight

Rich Lanser
 Republic Services
 1601 Dixon Landing Rd.
 Milpitas, CA 95035
 408-586-2299

RE: Consent of Surety for Re-Stated Franchise Agreement

Dear Rich:

Please find enclosed your Consent of Surety for the following bond(s). ***You will need to send these original documents to the respective Obligee at your earliest convenience:***

Bond Number	Principal Name	Obligee	Bond Description	Bond Amount
9034496	Allied Waste Services of North America, LLC DBA Allied Waste Services of Santa Clara County	City of San Jose	Commercial Solid Waste and Recyclables Material collection	\$6,250,000.00

Should you require further assistance or if you have any questions, please do not hesitate to contact me at 206-731-1200 or at amber.engel@usi.com.

Sincerely,

Amber

Amber Engel
 Surety Account Manager
 Surety Services

Consent of Surety

5/12/2020

City of San Jose
200 East Santa Clara Street
San Jose, CA 95113

RE: Allied Waste Services of North America, LLC dba Allied Waste Services of Santa Clara County
For Commercial Solid waste and Recyclables Material Collections
F&D Bond #9034496

To Whom it May Concern:

We are writing to you at the request Allied Waste Services of North America, LLC dba Allied Waste Services of Santa Clara County. This principal has or is about to agree to an amendment to their current contract with you in the amount of \$6,250,000.

This is to confirm that should this amendment be put into place that Fidelity & Deposit Company of Maryland, as Surety, agrees to continue to provide a bond in it's current form in the sum of \$6,250,000.00 for the faithful performance of the contract as well as agreeing to the 5 year extension through June 30, 2032 on an annual basis.

Please let us know if you need anything further in this regard.

Sincerely,



Amber Engel

Attorney-in-Fact

Fidelity & Deposit Company of Maryland

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

Civil Code § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

State of Washington

County of King

On May 5, 2020, Date before me, Debbie Lindstrom, Notary Public, Name and Title of Notary

personally appeared Amber Engel, Name and or Names of Signer(s)

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

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

Witness my hand and official seal.

Signature Debbie Lindstrom
Notary Public Signature



Place Notary Public Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to the persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document _____

Document Date _____ Number of Pages: _____

Signer's Name: _____

- Individual
 - Corporate Officer – Title(s): _____
 - Partner - Limited General
 - Guardian or Conservator
 - Attorney-in-Fact
 - Trustee
 - Other: _____
- Signer is representing _____
- _____
- _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb



- Individual
 - Corporate Officer – Title(s): _____
 - Partner - Limited General
 - Guardian or Conservator
 - Attorney-in-Fact
 - Trustee
 - Other: _____
- Signer is representing _____
- _____
- _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb



**ZURICH AMERICAN INSURANCE COMPANY
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND
POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS: That the ZURICH AMERICAN INSURANCE COMPANY, a corporation of the State of New York, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, a corporation of the State of Illinois, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND a corporation of the State of Illinois (herein collectively called the "Companies"), by **Robert D. Murray, Vice President**, in pursuance of authority granted by Article V, Section 8, of the By-Laws of said Companies, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, do hereby nominate, constitute, and appoint, **Holly E. ULFERS, Roxana PALACIOS, Kathleen M. MITCHELL, Jamie ARMFIELD, Debbie LINDSTROM, Scott C. ALDERMAN, Timothy S. BUHITE, Amber ENGEL, Peggy A. FIRTH, Brandi HEINBAUGH, all of Seattle, Washington, EACH**, its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: any and all bonds and undertakings, and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the ZURICH AMERICAN INSURANCE COMPANY at its office in New York, New York., the regularly elected officers of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at its office in Owings Mills, Maryland., and the regularly elected officers of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at its office in Owings Mills, Maryland., in their own proper persons.

The said Vice President does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article V, Section 8, of the By-Laws of said Companies and is now in force.

IN WITNESS WHEREOF, the said Vice-President has hereunto subscribed his/her names and affixed the Corporate Seals of the said **ZURICH AMERICAN INSURANCE COMPANY, COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and FIDELITY AND DEPOSIT COMPANY OF MARYLAND**, this 27th day of February, A.D. 2020.



**ATTEST:
ZURICH AMERICAN INSURANCE COMPANY
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND**

By: *Robert D. Murray*
Vice President

By: *Dawn E. Brown*
Secretary

**State of Maryland
County of Baltimore**

On this 27th day of February, A.D. 2020, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, **Robert D. Murray, Vice President and Dawn E. Brown, Secretary** of the Companies, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and acknowledged the execution of same, and being by me duly sworn, depose and saith, that he/she is the said officer of the Company aforesaid, and that the seals affixed to the preceding instrument are the Corporate Seals of said Companies, and that the said Corporate Seals and the signature as such officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.



Constance A. Dunn, Notary Public
My Commission Expires: July 9, 2023

EXTRACT FROM BY-LAWS OF THE COMPANIES

"Article V, Section 8, Attorneys-in-Fact. The Chief Executive Officer, the President, or any Executive Vice President or Vice President may, by written instrument under the attested corporate seal, appoint attorneys-in-fact with authority to execute bonds, policies, recognizances, stipulations, undertakings, or other like instruments on behalf of the Company, and may authorize any officer or any such attorney-in-fact to affix the corporate seal thereto; and may with or without cause modify or revoke any such appointment or authority at any time."

CERTIFICATE

I, the undersigned, Vice President of the ZURICH AMERICAN INSURANCE COMPANY, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that Article V, Section 8, of the By- Laws of the Companies is still in force.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the ZURICH AMERICAN INSURANCE COMPANY at a meeting duly called and held on the 15th day of December 1998.

RESOLVED: "That the signature of the President or a Vice President and the attesting signature of a Secretary or an Assistant Secretary and the Seal of the Company may be affixed by facsimile on any Power of Attorney...Any such Power or any certificate thereof bearing such facsimile signature and seal shall be valid and binding on the Company."

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at a meeting duly called and held on the 5th day of May, 1994, and the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seals of the said Companies, this 12th day of May, 2020.



Brian M. Hodges

By: Brian M. Hodges
Vice President

TO REPORT A CLAIM WITH REGARD TO A SURETY BOND, PLEASE SUBMIT A COMPLETE DESCRIPTION OF THE CLAIM INCLUDING THE PRINCIPAL ON THE BOND, THE BOND NUMBER, AND YOUR CONTACT INFORMATION TO:

Zurich Surety Claims
1299 Zurich Way
Schaumburg, IL 60196-1056
www.reportsfclaims@zurichna.com
800-626-4577



CERTIFICATE OF LIABILITY INSURANCE

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER CANNON COCHRAN MANAGEMENT SERVICES, INC. 17015 N. SCOTTSDALE RD SCOTTSDALE, AZ 85255	CONTACT NAME:		
	PHONE (A/C No.Ext):	FAX (A/C No.Ext):	
E-MAIL ADDRESS:certificateteam@ccmsi.com			
INSURED REPUBLIC SERVICES, INC. 18500 N. ALLIED WAY PHOENIX, AZ 85054	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: ACE American Insurance Co.		22667
	INSURER B: Indemnity Insurance Company of NA		43575
	INSURER C: ACE Fire Underwriters		20702
	INSURER D: Illinois Union Insurance Company		27960
	INSURER E: ACE Property and Casualty Insurance Co		20699
INSURER F:			

COVERAGES

CERTIFICATE NUMBER: 1575666

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:			HDO G71570848	06/30/2019	06/30/2020	EACH OCCURRENCE \$ 5,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 5,000,000 MED EXP (Any one person) PERSONAL & ADV INJURY \$ 5,000,000 GENERAL AGGREGATE \$ 5,000,000 PRODUCTS -COMP/OP AGG \$ 5,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED ONLY <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED ONLY			ISA H25297635	06/30/2019	06/30/2020	COMBINED SINGLE LIMIT (Ea accident) \$ 5,000,000 BODILY INJURY(Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
E	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$			G46782148 003	06/30/2019	06/30/2020	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
B A C A D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WLR C66040380-AOS WLR C66040343-CA/MA/OR SCF C66040422 -VI WCU C6604046A - OH XS TNS C65221159 TX NSXS	06/30/2019 06/30/2019 06/30/2019 06/30/2019	06/30/2020 06/30/2020 06/30/2020 06/30/2020	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 3,000,000 E.L. DISEASE -EA EMPLOYEE \$ 3,000,000 E.L. DISEASE -POLICY LIMIT \$ 3,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Division Number: 4915 - Named Insured Includes: Allied Waste Services of North America, LLC - Dba: Allied Waste Services of Santa Clara County - Republic Services of Santa Clara County

CERTIFICATE HOLDER

CITY OF SAN JOSE
FINANCE DEPT RISK & INSURANCE
200 EAST SANTA CLARA ST., 14TH FLOOR
SAN JOSE, CA 95113
United States

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



ADDITIONAL REMARKS SCHEDULE

AGENCY		NAMED INSURED	
POLICY NUMBER See First Page		REPUBLIC SERVICES, INC. 18500 N. ALLIED WAY PHOENIX, AZ 85054	
CARRIER See First Page	NAIC CODE	EFFECTIVE DATE:	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM.
 FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE

The following provisions apply when required by written contract. As used below, the term certificate holder also includes any person or organization that the insured has become obligated to include as a result of an executed contract or agreement.

GENERAL LIABILITY:

Certificate holder is Additional Insured including on-going and completed operations when required by written contract.
 Coverage is primary and non-contributory when required by written contract.
 Waiver of Subrogation in favor of the certificate holder is included when required by written contract.

AUTO LIABILITY:

Certificate holder is Additional Insured when required by written contract.
 Coverage is primary and non-contributory when required by written contract.
 Waiver of Subrogation in favor of the certificate holder is included when required by written contract.

WORKERS COMPENSATION AND EMPLOYERS LIABILITY:

Waiver of Subrogation in favor of the certificate holder is included when required by written contract where allowed by state law.

Stop gap coverage for ND, WA and WY is covered under policy no. WLR C66040380 and stop gap coverage for OH is covered under policy no. WCU C6604046A, as noted on page 1 of this certificate.

TEXAS EXCESS INDEMNITY AND EMPLOYERS LIABILITY:

Insured is a registered non-subscriber to the Texas Workers Compensation Act. Insured has filed an approved Indemnity Plan with the Texas Department of Insurance which offers an alternative in benefits to employees rather than the traditional Workers Compensation Insurance in Texas. The excess policy (#TNS C65221159) shown on this certificate provides excess Indemnity and Employers Liability coverage for the approved Indemnity Plan.

Contractual Liability is included in the General Liability and Automobile Liability coverage forms. The General Liability and Automobile Liability policies do not contain endorsements excluding Contractual Liability.

Separation of Insured (Cross Liability) coverage is provided to the Additional Insured, when required by written contract, per the Conditions of the Commercial General Liability Coverage form and the Automobile Liability Coverage form.

The Umbrella/Excess Liability policy is follow form over the General Liability, Automobile Liability and Employer's Liability policies shown on this certificate.

Additional Insured includes: City of San Jose, its officers, employees, agents and contractors, when required by written contract.

NOTICE: THESE POLICY FORMS AND THE APPLICABLE RATES ARE EXEMPT FROM THE FILING REQUIREMENTS OF THE NEW YORK INSURANCE LAW AND REGULATIONS. HOWEVER, THE FORMS AND RATES MUST MEET THE MINIMUM STANDARDS OF THE NEW YORK INSURANCE LAW AND REGULATIONS.

POLICY NUMBER: HDO G71570848

Endorsement Number: 43
COMMERCIAL GENERAL LIABILITY
 CG 20 10 07 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):	Location(s) Of Covered Operations
Any Owner, Lessee or Contractor whom you have agreed to include as an additional insured under a written contract, provided such contract was executed prior to the date of loss.	All locations where you are performing operations for such additional insured pursuant to any written contract.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or

2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

NOTICE: THESE POLICY FORMS AND THE APPLICABLE RATES ARE EXEMPT FROM THE FILING REQUIREMENTS OF THE NEW YORK INSURANCE LAW AND REGULATIONS. HOWEVER, THE FORMS AND RATES MUST MEET THE MINIMUM STANDARDS OF THE NEW YORK INSURANCE LAW AND REGULATIONS.

POLICY NUMBER: HDO G71570848

Endorsement Number: 64
COMMERCIAL GENERAL LIABILITY
CG 20 37 07 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):	Location And Description Of Completed Operations
Any Owner, Lessee or Contractor whom you have agreed to include as an additional insured under a written contract, provided such contract was executed prior to the date of loss	All locations where you perform work for such additional insured pursuant to any such written contract.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

POLICY NUMBER: HDO G71570848

8
Endorsement Number: 296

COMMERCIAL GENERAL LIABILITY
CG 24 04 05 09

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

<p>Name Of Person Or Organization: Any person or organization against whom you have agreed to waive your right of recovery in a written contract, provided such contract was executed prior to the date of loss.</p>

<p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>

The following is added to Paragraph 8. **Transfer Of Rights Of Recovery Against Others To Us** of Section IV – Conditions:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

NON-CONTRIBUTORY ENDORSEMENT FOR ADDITIONAL INSURED

Named Insured Republic Services, Inc.			Endorsement Number 27
Policy Symbol HDO	Policy Number G71570848	Policy Period 06/30/2019 to 06/30/2020	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY. COMMERCIAL GENERAL LIABILITY COVERAGE

Schedule

Organization

Any additional insured with whom you have agreed to provide such non-contributory insurance, pursuant to and as required under a written contract executed prior to the date of loss.

Additional Insured Endorsement

CG2026; CG2010; CG2037

(If no information is filled in, the schedule shall read: "All persons or entities added as additional insureds through an endorsement with the term "Additional Insured" in the title)

For organizations that are listed in the Schedule above that are also an Additional Insured under an endorsement attached to this policy, the following is added to Section IV.4.a:

If other insurance is available to an insured we cover under any of the endorsements listed or described above (the "Additional Insured") for a loss we cover under this policy, this insurance will apply to such loss on a primary basis and we will not seek contribution from the other insurance available to the Additional Insured.



Authorized Agent

**ADDITIONAL INSURED –
DESIGNATED PERSONS OR ORGANIZATIONS**

Named Insured Republic Services, Inc.			Endorsement Number 22
Policy Symbol ISA	Policy Number H25297635	Policy Period 06/30/2019 TO 06/30/2020	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM
AUTO DEALERS COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
EXCESS BUSINESS AUTO COVERAGE FORM**

Additional Insured(s): Any person or organization whom you have agreed to include as an additional insured under written contract, provided such contract was executed prior to the date of loss.

- A. For a covered "auto," Who Is Insured is amended to include as an "insured," the persons or organizations named in this endorsement. However, these persons or organizations are an "insured" only for "bodily injury" or "property damage" resulting from acts or omissions of:
1. You.
 2. Any of your "employees" or agents.
 3. Any person operating a covered "auto" with permission from you, any of your "employees" or agents.
- B. The persons or organizations named in this endorsement are not liable for payment of your premium.



Authorized Representative

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS

Named Insured Republic Services, Inc.			Endorsement Number 146
Policy Symbol ISA	Policy Number H25297635	Policy Period 06/30/2019 TO 06/30/2020	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This Endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM
MOTOR CARRIERS COVERAGE FORM
AUTO DEALERS COVERAGE FORM**

We waive any right of recovery we may have against the person or organization shown in the Schedule below because of payments we make for injury or damage arising out of the use of a covered auto. The waiver applies only to the person or organization shown in the SCHEDULE.

SCHEDULE

Any person or organization against whom you have agreed to waive your right of recovery in a written contract, provided such contract was executed prior to the date of loss.



Authorized Representative

NON-CONTRIBUTORY ENDORSEMENT FOR ADDITIONAL INSURED

Named Insured Republic Services, Inc.			Endorsement Number: 113
Policy Symbol ISA	Policy Number H25297635	Policy Period 06/30/2019 TO 06/30/2020	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
AUTO DEALERS COVERAGE FORM**

ScheduleOrganization

Any additional insured with whom you have agreed to provide such non-contributory insurance, pursuant to and as required under written contract executed prior to the date of loss.

Additional Insured Endorsement

DA9U74b

(If no information is filed in, the schedule shall read: "All persons or entities added as additional insureds through an endorsement with the term "Additional Insured" in the title)

For organizations that are listed in the Schedule above that are also an Additional Insured under an endorsement attached to this policy, the following is added to the Other Insurance Condition under General Conditions:

If other insurance is available to an insured we cover under any of the endorsements listed or described above (the "Additional Insured") for a loss we cover under this policy, this insurance will apply to such loss on a primary basis and we will not seek contribution from the other insurance available to the Additional Insured.

 Authorized Representative

Workers' Compensation and Employers' Liability Policy

Named Insured REPUBLIC SERVICES, INC. 18500 N ALLIED WAY PHOENIX AZ 85054	Endorsement Number
	Policy Number Symbol: WLR Number: C66040343
Policy Period 06-30-2019 TO 06-30-2020	Effective Date of Endorsement 06-30-2019
Issued By (Name of Insurance Company) ACE AMERICAN INSURANCE COMPANY	
Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.	

CALIFORNIA WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because California is shown in Item 3.A. of the Information Page.

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule, but this waiver applies only with respect to bodily injury arising out of the operations described in the Schedule, where you are required by a written contract to obtain this waiver from us.

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

Schedule

1. () Specific Waiver
Name of person or organization:

(X) Blanket Waiver
Any person or organization for whom the Named Insured has agreed by written contract to furnish this waiver.
2. Operations:
ALL OPERATIONS CONDUCTED BY AN INSURED PURSUANT TO SUCH WRITTEN CONTRACT
3. Premium:
The premium charge for this endorsement shall be 2.0 percent of the California premium developed on payroll in connection with work performed for the above person(s) or organization(s) arising out of the operations described.
4. Minimum Premium: \$0



Authorized Representative



1601 Dixon Landing Road Milpitas, CA 95035
Office: 408-586-2281 Cell: (408) 386-5641

May 15, 2020
City of San Jose Office of the City Clerk
200 E Santa Clara Street, 14th Floor
San Jose, CA 95113

SUBJECT: DOCUMENTATION OF CONSENT OF SURETY

To Whom it may concern,

In May of 2020, the City of San Jose and Allied Waste Services of North America, LLC (Allied Waste) entered into an Amended and Restated Commercial Solid Waste and Recyclable Materials Collection Franchises Agreement (The Agreement). Section 15.1 of The Agreement requires that Allied Waste maintain a performance bond in the amount of Six Million Two Hundred and Fifty Thousand Dollars (\$6,250,00) from ten calendar days from the Effective Date of The Agreement through sixty days after the term of The Agreement, the term being June 30, 2032.

Allied Waste continues to maintain a performance bond in the same amount (\$6,250,000) as a condition of the prior Franchise Agreement, dated 2011. Enclosed is a Consent of Surety which states that the Surety agrees to provide the existing bond through the term of The Agreement.

We believe that the Consent of Surety included in this correspondence satisfies the conditions of section 15.1 in The Agreement. Should you have any questions please reach out to me at your convenience.

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. North', written over a white background.

Daniel North
General Manager
(408) 386-5641
dnorth@republicservices.com



USI Insurance Services
 601 Union Street
 Suite 1000
 Seattle, WA 98101
 www.usi.com
 Tel: 206.441.6300

FedEx Priority Overnight

Rich Lanser
 Republic Services
 1601 Dixon Landing Rd.
 Milpitas, CA 95035
 408-586-2299

RE: Consent of Surety for Re-Stated Franchise Agreement

Dear Rich:

Please find enclosed your Consent of Surety for the following bond(s). ***You will need to send these original documents to the respective Obligee at your earliest convenience:***

Bond Number	Principal Name	Obligee	Bond Description	Bond Amount
9034496	Allied Waste Services of North America, LLC DBA Allied Waste Services of Santa Clara County	City of San Jose	Commercial Solid Waste and Recyclables Material collection	\$6,250,000.00

Should you require further assistance or if you have any questions, please do not hesitate to contact me at 206-731-1200 or at amber.engel@usi.com.

Sincerely,

Amber

Amber Engel
 Surety Account Manager
 Surety Services

Consent of Surety

5/12/2020

City of San Jose
200 East Santa Clara Street
San Jose, CA 95113

RE: Allied Waste Services of North America, LLC dba Allied Waste Services of Santa Clara County
For Commercial Solid waste and Recyclables Material Collections
F&D Bond #9034496

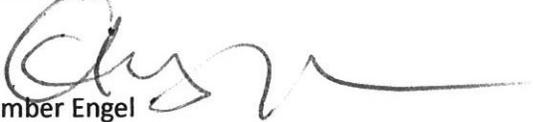
To Whom it May Concern:

We are writing to you at the request Allied Waste Services of North America, LLC dba Allied Waste Services of Santa Clara County. This principal has or is about to agree to an amendment to their current contract with you in the amount of \$6,250,000.

This is to confirm that should this amendment be put into place that Fidelity & Deposit Company of Maryland, as Surety, agrees to continue to provide a bond in it's current form in the sum of \$6,250,000.00 for the faithful performance of the contract as well as agreeing to the 5 year extension through June 30, 2032 on an annual basis.

Please let us know if you need anything further in this regard.

Sincerely,



Amber Engel

Attorney-in-Fact

Fidelity & Deposit Company of Maryland

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

Civil Code § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

State of Washington

County of King

On May 5, 2020, Date before me, Debbie Lindstrom, Notary Public, Name and Title of Notary

personally appeared Amber Engel, Name and or Names of Signer(s)

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

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

Witness my hand and official seal.

Signature Debbie Lindstrom
Notary Public Signature



Place Notary Public Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to the persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document _____

Document Date _____ Number of Pages: _____

Signer's Name: _____

Individual
 Corporate Officer – Title(s): _____
 Partner - Limited General
 Guardian or Conservator
 Attorney-in-Fact
 Trustee
 Other: _____
 Signer is representing _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb

Individual
 Corporate Officer – Title(s): _____
 Partner - Limited General
 Guardian or Conservator
 Attorney-in-Fact
 Trustee
 Other: _____
 Signer is representing _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb

**ZURICH AMERICAN INSURANCE COMPANY
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND
POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS: That the ZURICH AMERICAN INSURANCE COMPANY, a corporation of the State of New York, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, a corporation of the State of Illinois, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND a corporation of the State of Illinois (herein collectively called the "Companies"), by **Robert D. Murray, Vice President**, in pursuance of authority granted by Article V, Section 8, of the By-Laws of said Companies, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, do hereby nominate, constitute, and appoint, **Holly E. ULFERS, Roxana PALACIOS, Kathleen M. MITCHELL, Jamie ARMFIELD, Debbie LINDSTROM, Scott C. ALDERMAN, Timothy S. BUHITE, Amber ENGEL, Peggy A. FIRTH, Brandi HEINBAUGH, all of Seattle, Washington, EACH**, its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: any and all bonds and undertakings, and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the ZURICH AMERICAN INSURANCE COMPANY at its office in New York, New York., the regularly elected officers of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at its office in Owings Mills, Maryland., and the regularly elected officers of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at its office in Owings Mills, Maryland., in their own proper persons.

The said Vice President does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article V, Section 8, of the By-Laws of said Companies and is now in force.

IN WITNESS WHEREOF, the said Vice-President has hereunto subscribed his/her names and affixed the Corporate Seals of the said **ZURICH AMERICAN INSURANCE COMPANY, COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and FIDELITY AND DEPOSIT COMPANY OF MARYLAND**, this 27th day of February, A.D. 2020.



**ATTEST:
ZURICH AMERICAN INSURANCE COMPANY
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND**

By: *Robert D. Murray*
Vice President

By: *Dawn E. Brown*
Secretary

**State of Maryland
County of Baltimore**

On this 27th day of February, A.D. 2020, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, **Robert D. Murray, Vice President and Dawn E. Brown, Secretary** of the Companies, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and acknowledged the execution of same, and being by me duly sworn, depose and saith, that he/she is the said officer of the Company aforesaid, and that the seals affixed to the preceding instrument are the Corporate Seals of said Companies, and that the said Corporate Seals and the signature as such officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.



Constance A. Dunn, Notary Public
My Commission Expires: July 9, 2023

EXTRACT FROM BY-LAWS OF THE COMPANIES

"Article V, Section 8, Attorneys-in-Fact. The Chief Executive Officer, the President, or any Executive Vice President or Vice President may, by written instrument under the attested corporate seal, appoint attorneys-in-fact with authority to execute bonds, policies, recognizances, stipulations, undertakings, or other like instruments on behalf of the Company, and may authorize any officer or any such attorney-in-fact to affix the corporate seal thereto; and may with or without cause modify or revoke any such appointment or authority at any time."

CERTIFICATE

I, the undersigned, Vice President of the ZURICH AMERICAN INSURANCE COMPANY, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that Article V, Section 8, of the By- Laws of the Companies is still in force.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the ZURICH AMERICAN INSURANCE COMPANY at a meeting duly called and held on the 15th day of December 1998.

RESOLVED: "That the signature of the President or a Vice President and the attesting signature of a Secretary or an Assistant Secretary and the Seal of the Company may be affixed by facsimile on any Power of Attorney...Any such Power or any certificate thereof bearing such facsimile signature and seal shall be valid and binding on the Company."

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at a meeting duly called and held on the 5th day of May, 1994, and the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seals of the said Companies, this 12th day of May, 2020.



Brian M. Hodges

By: Brian M. Hodges
Vice President

TO REPORT A CLAIM WITH REGARD TO A SURETY BOND, PLEASE SUBMIT A COMPLETE DESCRIPTION OF THE CLAIM INCLUDING THE PRINCIPAL ON THE BOND, THE BOND NUMBER, AND YOUR CONTACT INFORMATION TO:

Zurich Surety Claims
1299 Zurich Way
Schaumburg, IL 60196-1056
www.reportsfclaims@zurichna.com
800-626-4577



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/27/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER CANNON COCHRAN MANAGEMENT SERVICES, INC. 17015 N. SCOTTSDALE RD SCOTTSDALE, AZ 85255	CONTACT NAME:		
	PHONE (A/C No.Ext):	FAX (A/C No.Ext):	
E-MAIL ADDRESS: certificateteam@ccmsi.com			
INSURED REPUBLIC SERVICES, INC. 18500 N. ALLIED WAY PHOENIX, AZ 85054	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: ACE American Insurance Co.		22667
	INSURER B: Indemnity Insurance Company of NA		43575
	INSURER C: ACE Fire Underwriters		20702
	INSURER D: Illinois Union Insurance Company		27960
	INSURER E: ACE Property and Casualty Insurance Co		20699
INSURER F:			

COVERAGES**CERTIFICATE NUMBER: 1575666****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:			HDO G71570848	06/30/2019	06/30/2020	EACH OCCURRENCE \$ 5,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 5,000,000 MED EXP (Any one person) PERSONAL & ADV INJURY \$ 5,000,000 GENERAL AGGREGATE \$ 5,000,000 PRODUCTS -COMP/OP AGG \$ 5,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED ONLY <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED ONLY			ISA H25297635	06/30/2019	06/30/2020	COMBINED SINGLE LIMIT (Ea accident) \$ 5,000,000 BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
E	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$			G46782148 003	06/30/2019	06/30/2020	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
B A C A D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WLR C66040380-AOS WLR C66040343-CA/MA/OR SCF C66040422 -VI WCU C6604046A - OH XS TNS C65221159 TX NSXS	06/30/2019 06/30/2019 06/30/2019 06/30/2019	06/30/2020 06/30/2020 06/30/2020 06/30/2020	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 3,000,000 E.L. DISEASE -EA EMPLOYEE \$ 3,000,000 E.L. DISEASE -POLICY LIMIT \$ 3,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Division Number: 4915 - Named Insured Includes: Allied Waste Services of North America, LLC - Dba: Allied Waste Services of Santa Clara County - Republic Services of Santa Clara County

CERTIFICATE HOLDER

CITY OF SAN JOSE
FINANCE DEPT RISK & INSURANCE
200 EAST SANTA CLARA ST., 14TH FLOOR
SAN JOSE, CA 95113
United States

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



ADDITIONAL REMARKS SCHEDULE

AGENCY POLICY NUMBER See First Page CARRIER See First Page	NAMED INSURED REPUBLIC SERVICES, INC. 18500 N. ALLIED WAY PHOENIX, AZ 85054 EFFECTIVE DATE:
NAIC CODE	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM.
FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE

The following provisions apply when required by written contract. As used below, the term certificate holder also includes any person or organization that the insured has become obligated to include as a result of an executed contract or agreement.

GENERAL LIABILITY:

Certificate holder is Additional Insured including on-going and completed operations when required by written contract.
 Coverage is primary and non-contributory when required by written contract.
 Waiver of Subrogation in favor of the certificate holder is included when required by written contract.

AUTO LIABILITY:

Certificate holder is Additional Insured when required by written contract.
 Coverage is primary and non-contributory when required by written contract.
 Waiver of Subrogation in favor of the certificate holder is included when required by written contract.

WORKERS COMPENSATION AND EMPLOYERS LIABILITY:

Waiver of Subrogation in favor of the certificate holder is included when required by written contract where allowed by state law.

Stop gap coverage for ND, WA and WY is covered under policy no. WLR C66040380 and stop gap coverage for OH is covered under policy no. WCU C6604046A, as noted on page 1 of this certificate.

TEXAS EXCESS INDEMNITY AND EMPLOYERS LIABILITY:

Insured is a registered non-subscriber to the Texas Workers Compensation Act. Insured has filed an approved Indemnity Plan with the Texas Department of Insurance which offers an alternative in benefits to employees rather than the traditional Workers Compensation Insurance in Texas. The excess policy (#TNS C65221159) shown on this certificate provides excess Indemnity and Employers Liability coverage for the approved Indemnity Plan.

Contractual Liability is included in the General Liability and Automobile Liability coverage forms. The General Liability and Automobile Liability policies do not contain endorsements excluding Contractual Liability.

Separation of Insured (Cross Liability) coverage is provided to the Additional Insured, when required by written contract, per the Conditions of the Commercial General Liability Coverage form and the Automobile Liability Coverage form.

The Umbrella/Excess Liability policy is follow form over the General Liability, Automobile Liability and Employer's Liability policies shown on this certificate.

Additional Insured includes: City of San Jose, its officers, employees, agents and contractors, when required by written contract.

NOTICE: THESE POLICY FORMS AND THE APPLICABLE RATES ARE EXEMPT FROM THE FILING REQUIREMENTS OF THE NEW YORK INSURANCE LAW AND REGULATIONS. HOWEVER, THE FORMS AND RATES MUST MEET THE MINIMUM STANDARDS OF THE NEW YORK INSURANCE LAW AND REGULATIONS.

POLICY NUMBER: HDO G71570848

Endorsement Number: 43
COMMERCIAL GENERAL LIABILITY
 CG 20 10 07 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):	Location(s) Of Covered Operations
Any Owner, Lessee or Contractor whom you have agreed to include as an additional insured under a written contract, provided such contract was executed prior to the date of loss.	All locations where you are performing operations for such additional insured pursuant to any written contract.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or

2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

NOTICE: THESE POLICY FORMS AND THE APPLICABLE RATES ARE EXEMPT FROM THE FILING REQUIREMENTS OF THE NEW YORK INSURANCE LAW AND REGULATIONS. HOWEVER, THE FORMS AND RATES MUST MEET THE MINIMUM STANDARDS OF THE NEW YORK INSURANCE LAW AND REGULATIONS.

POLICY NUMBER: HDO G71570848

Endorsement Number: 64
COMMERCIAL GENERAL LIABILITY
CG 20 37 07 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):	Location And Description Of Completed Operations
Any Owner, Lessee or Contractor whom you have agreed to include as an additional insured under a written contract, provided such contract was executed prior to the date of loss	All locations where you perform work for such additional insured pursuant to any such written contract.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

POLICY NUMBER: HDO G71570848

8
Endorsement Number: 296

COMMERCIAL GENERAL LIABILITY
CG 24 04 05 09

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

<p>Name Of Person Or Organization: Any person or organization against whom you have agreed to waive your right of recovery in a written contract, provided such contract was executed prior to the date of loss.</p>

<p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>

The following is added to Paragraph 8. **Transfer Of Rights Of Recovery Against Others To Us** of Section IV – Conditions:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

NON-CONTRIBUTORY ENDORSEMENT FOR ADDITIONAL INSURED

Named Insured Republic Services, Inc.			Endorsement Number 27
Policy Symbol HDO	Policy Number G71570848	Policy Period 06/30/2019 to 06/30/2020	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY. COMMERCIAL GENERAL LIABILITY COVERAGE

Schedule

Organization

Any additional insured with whom you have agreed to provide such non-contributory insurance, pursuant to and as required under a written contract executed prior to the date of loss.

Additional Insured Endorsement

CG2026; CG2010; CG2037

(If no information is filled in, the schedule shall read: "All persons or entities added as additional insureds through an endorsement with the term "Additional Insured" in the title)

For organizations that are listed in the Schedule above that are also an Additional Insured under an endorsement attached to this policy, the following is added to Section IV.4.a:

If other insurance is available to an insured we cover under any of the endorsements listed or described above (the "Additional Insured") for a loss we cover under this policy, this insurance will apply to such loss on a primary basis and we will not seek contribution from the other insurance available to the Additional Insured.



Authorized Agent

**ADDITIONAL INSURED –
DESIGNATED PERSONS OR ORGANIZATIONS**

Named Insured Republic Services, Inc.			Endorsement Number 22
Policy Symbol ISA	Policy Number H25297635	Policy Period 06/30/2019 TO 06/30/2020	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM
AUTO DEALERS COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
EXCESS BUSINESS AUTO COVERAGE FORM**

Additional Insured(s): Any person or organization whom you have agreed to include as an additional insured under written contract, provided such contract was executed prior to the date of loss.

- A. For a covered "auto," Who Is Insured is amended to include as an "insured," the persons or organizations named in this endorsement. However, these persons or organizations are an "insured" only for "bodily injury" or "property damage" resulting from acts or omissions of:
1. You.
 2. Any of your "employees" or agents.
 3. Any person operating a covered "auto" with permission from you, any of your "employees" or agents.
- B. The persons or organizations named in this endorsement are not liable for payment of your premium.



Authorized Representative

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS

Named Insured Republic Services, Inc.			Endorsement Number 146
Policy Symbol ISA	Policy Number H25297635	Policy Period 06/30/2019 TO 06/30/2020	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This Endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM
MOTOR CARRIERS COVERAGE FORM
AUTO DEALERS COVERAGE FORM**

We waive any right of recovery we may have against the person or organization shown in the Schedule below because of payments we make for injury or damage arising out of the use of a covered auto. The waiver applies only to the person or organization shown in the SCHEDULE.

SCHEDULE

Any person or organization against whom you have agreed to waive your right of recovery in a written contract, provided such contract was executed prior to the date of loss.



Authorized Representative

NON-CONTRIBUTORY ENDORSEMENT FOR ADDITIONAL INSURED

Named Insured Republic Services, Inc.			Endorsement Number: 113
Policy Symbol ISA	Policy Number H25297635	Policy Period 06/30/2019 TO 06/30/2020	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
AUTO DEALERS COVERAGE FORM**

ScheduleOrganization

Any additional insured with whom you have agreed to provide such non-contributory insurance, pursuant to and as required under written contract executed prior to the date of loss.

Additional Insured Endorsement

DA9U74b

(If no information is filed in, the schedule shall read: "All persons or entities added as additional insureds through an endorsement with the term "Additional Insured" in the title)

For organizations that are listed in the Schedule above that are also an Additional Insured under an endorsement attached to this policy, the following is added to the Other Insurance Condition under General Conditions:

If other insurance is available to an insured we cover under any of the endorsements listed or described above (the "Additional Insured") for a loss we cover under this policy, this insurance will apply to such loss on a primary basis and we will not seek contribution from the other insurance available to the Additional Insured.

 Authorized Representative

Workers' Compensation and Employers' Liability Policy

Named Insured REPUBLIC SERVICES, INC. 18500 N ALLIED WAY PHOENIX AZ 85054	Endorsement Number
	Policy Number Symbol: WLR Number: C66040343
Policy Period 06-30-2019 TO 06-30-2020	Effective Date of Endorsement 06-30-2019
Issued By (Name of Insurance Company) ACE AMERICAN INSURANCE COMPANY	
Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.	

CALIFORNIA WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because California is shown in Item 3.A. of the Information Page.

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule, but this waiver applies only with respect to bodily injury arising out of the operations described in the Schedule, where you are required by a written contract to obtain this waiver from us.

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

Schedule

1. () Specific Waiver
Name of person or organization:

(X) Blanket Waiver
Any person or organization for whom the Named Insured has agreed by written contract to furnish this waiver.
2. Operations:
ALL OPERATIONS CONDUCTED BY AN INSURED PURSUANT TO SUCH WRITTEN CONTRACT
3. Premium:
The premium charge for this endorsement shall be 2.0 percent of the California premium developed on payroll in connection with work performed for the above person(s) or organization(s) arising out of the operations described.
4. Minimum Premium: \$0



Authorized Representative



- FOR YOUR ELECTRONIC SIGNATURE
- FULLY EXECUTED COPY TO FOLLOW

CITY STAFF: _____
STAFF EMAIL: _____

SCANNED SIGNATURE AUTHORIZATION

DATE: May 12, 2020 TOTAL PAGES: 1
(INCLUDING THIS PAGE)

CONSULTANT NAME: Michael Caprio
EMAIL: mcaprio@republicservices.com
PHONE: ~~408~~ - 209-482-7966

I agree to use electronic signatures

SIGNATURE OF CONSULTANT: Michael Caprio

DIRECTIONS:

REVIEW THE ENCLOSED DOCUMENT, IF IT IS ACCEPTABLE:

1. SIGN THE DOCUMENT
2. CHECK THE BOX BELOW YOUR NAME AND SIGN AGREEING TO THE USE OF ELECTRONIC SIGNATURES
3. SCAN YOUR EXECUTED DOCUMENT TOGETHER WITH THIS COVER PAGE IN **BLUE INK**
4. EMAIL THE ENTIRE DOCUMENT TO (CITY STAFF EMAIL ADDRESS):

To BE COMPLETED BY CITY STAFF:

ALTERNATIVE METHODS OF VERIFICATION:

- USE OF A PASSWORD PROTECTED WEBSITE
- CONFIRMED BY A KNOWN TELEPHONE NUMBER
- PERSONALLY KNOWN TO CITY STAFF



- FOR YOUR ELECTRONIC SIGNATURE
- FULLY EXECUTED COPY TO FOLLOW

CITY STAFF: _____
STAFF EMAIL: _____

SCANNED SIGNATURE AUTHORIZATION

DATE: MAY 11, 2020 TOTAL PAGES: (INCLUDING THIS PAGE) 1
CONSULTANT NAME: THOMAS M. BRUEN
EMAIL: TBRUEN@TRSGLAW.COM
PHONE: 925-708-4149

I agree to use electronic signatures

SIGNATURE OF CONSULTANT: Thomas M. Bruen

DIRECTIONS:

REVIEW THE ENCLOSED DOCUMENT, IF IT IS ACCEPTABLE:

1. SIGN THE DOCUMENT
2. CHECK THE BOX BELOW YOUR NAME AND SIGN AGREEING TO THE USE OF ELECTRONIC SIGNATURES
3. SCAN YOUR EXECUTED DOCUMENT TOGETHER WITH THIS COVER PAGE IN **BLUE INK**
4. EMAIL THE ENTIRE DOCUMENT TO (CITY STAFF EMAIL ADDRESS):

TO BE COMPLETED BY CITY STAFF:

ALTERNATIVE METHODS OF VERIFICATION:

- USE OF A PASSWORD PROTECTED WEBSITE
- CONFIRMED BY A KNOWN TELEPHONE NUMBER
- PERSONALLY KNOWN TO CITY STAFF

Agreement that are not contained in this document. Accordingly, it is agreed that no deviation from the terms of this Agreement shall be predicated upon any prior representations or agreements, whether oral or written.

20.24 Execution in Counterparts.

This Agreement may be executed in any number of counterparts and by each party in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

WITNESS THE EXECUTION HEREOF on the date written below each party's signature.
"CITY"

APPROVED AS TO FORM:

CITY OF SAN JOSE, a municipal corporation

By: _____
MARK VANNI
Deputy City Attorney

By: _____
LELAND WILCOX
Chief of Staff, Office of the City Manager

Date: _____

Date: _____

"FRANCHISEE"

ALLIED WASTE SERVICES OF NORTH AMERICA, LLC, a Delaware limited liability company

By: Michael A. Caprio
MICHAEL A. CAPRIO
Vice President

Date: 5/12/20



1601 Dixon Landing Road Milpitas, CA 95035
Office: 408-586-2281 Cell: (408) 386-5641

May 15, 2020
City of San Jose Office of the City Clerk
200 E Santa Clara Street, 14th Floor
San Jose, CA 95113

SUBJECT: DOCUMENTATION OF CONSENT OF SURETY

To Whom it may concern,

In May of 2020, the City of San Jose and Allied Waste Services of North America, LLC (Allied Waste) entered into an Amended and Restated Commercial Solid Waste and Recyclable Materials Collection Franchises Agreement (The Agreement). Section 15.1 of The Agreement requires that Allied Waste maintain a performance bond in the amount of Six Million Two Hundred and Fifty Thousand Dollars (\$6,250,00) from ten calendar days from the Effective Date of The Agreement through sixty days after the term of The Agreement, the term being June 30, 2032.

Allied Waste continues to maintain a performance bond in the same amount (\$6,250,000) as a condition of the prior Franchise Agreement, dated 2011. Enclosed is a Consent of Surety which states that the Surety agrees to provide the existing bond through the term of The Agreement.

We believe that the Consent of Surety included in this correspondence satisfies the conditions of section 15.1 in The Agreement. Should you have any questions please reach out to me at your convenience.

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. North', written over a light blue horizontal line.

Daniel North
General Manager
(408) 386-5641
dnorth@republicservices.com

City of San José Contract/Agreement Transmittal Form

Route Order

Attached / Completed

Electronically Signed

TO: City Attorney
 City Manager
 City Clerk **OR** Return to
Dept. (circle one)

Insurance Certificates / Waivers Electronically Signed: No
 Business Tax Certificate Audit Trail Attached (if applicable)
 Contacted Clerk re: Form 700 Scanned Signature Authorization
 Supplemental Memorandums (if applicable): Select One

Type of Document: Existing Contract

Type of Contract: Professional Services

REQUIRED INFORMATION FOR ALL CONTRACTS:

Existing GILES # 636950-005

Contractor: Allied Waste Services of North America, LLC, DBA Allied Waste Services of SC County

Address: 1601 Dixon Landing Road, San José, CA 95035

Phone: (408) 262-1401

Email: DNorth@republicservices.com

Contract Description: Amending and Restating agreement with Allied Waste Services of Santa Clara County to modify the terms for collecting and processing commercial solid waste recyclables and organic materials and to extend services through 6-30-2032

Term Start Date: 9-16-2011 Term End Date: 6-30-2032 Extension: Yes

Method of Procurement: RFP RFB, RFP or RFQ No.: 09-10-27 Date Conducted: 04-16-2010

Agenda Date (if applicable): 2-25-2020

Agenda Item No.: 6.2

Resolution No.: 79415

Ordinance No.: N/A

Original Contract Amount: N/A

Amount of Increase/Decrease: N/A

Option #: N/A of N/A Option Amount: N/A

NTE/Updated Contract Amount: N/A

Fund/Appropriation: N/A

Form 700 Required (Selection mandatory for processing): Select one Revenue Agreement: No

Tax Certificate No.: 0405702210

Expiration Date: 1-15-21

Department: ESD (76)

Department Contact: Rosene Salmo/(408) 975-2511

Customer (Finance Only): _____

Notes:

Department Director Signature: _____

Date

Office of the City Manager Signature: _____

Jessica Lowry

5/22/2020

Date