

FRANCHISE AGREEMENT

BETWEEN

THE CITY OF FRESNO

AND

MID-VALLEY DISPOSAL

FOR

**MULTI-FAMILY AND COMMERCIAL SOLID WASTE,
RECYCLABLE MATERIALS, AND
ORGANIC MATERIALS SERVICES
IN SERVICE AREA NO. 2**

September 8, 2011

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List of Exhibits

- A Secretary's Certification
- B Notary's Certification
- C Contractor's Proposal
- D Implementation Plan
- E City-Approved Subcontractors
- F City Service Locations
- G Public Education and Community Outreach Programs
- H Schedule of Liquidated Damages
- I Intentionally Deleted
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- K Sample Reporting Forms
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- M Form of Contractor's Faithful Performance Bond
- N City-Owned Equipment to be Acquired by Contractor
- O Intentionally Deleted
- P Cost-Based Rate Adjustment Methodology

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THIS FRANCHISE AGREEMENT is made and entered into as of October 23, 2011, by and between the City of Fresno, a municipal corporation ("City"), and Mid-Valley Disposal, a California corporation ("Contractor").

RECITALS

This Agreement is entered into with reference to the following facts and circumstances:

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

WHEREAS; the Legislature has found and declared that the amount of Solid Waste generated in the State, coupled with diminishing landfill space and potential adverse environmental impacts from landfilling and the need to conserve natural resources, have created an urgent need for State and local agencies to enact and implement an aggressive integrated waste management program. The State has, through enactment of the Act, directed the responsible State agency, and all local agencies, to promote diversion of materials from landfill Disposal and to maximize the use of feasible waste reduction, re-use, Recycling, and Composting options in order to reduce the amount of Solid Waste that must be Disposed; and,

WHEREAS; pursuant to the powers granted the City as a charter city by Article XI, Section 5(a) of the California Constitution and Article XIII of the Fresno City Charter, the City has determined that the public health, safety, and well-being require that an exclusive right be awarded to a qualified contractor to provide for the Collection of Solid Waste, Recyclable Materials, and Organic Materials generated by Multi-Family and Commercial Premises, except for Collection of materials excluded in the City's Municipal Code, and other services related to meeting the Act's fifty percent (50%) diversion goal and other requirements of the Act; and,

WHEREAS; pursuant to Article XIII of the Fresno City Charter, as implemented by Article 2 of Chapter 6 of the City's Municipal Code, the City has the authority to provide for the Collection and Disposal of Solid Waste through a franchise agreement with a Solid Waste Collection provider; and

WHEREAS; the City has established two (2) Multi-Family and Commercial Collection service areas, each of which shall be serviced by a separate franchised hauler granted exclusive Collection rights; and

WHEREAS; the two (2) service areas were established to encourage competition and ensure the City is not dependent on one company to provide Collection services; and

WHEREAS; the City Council has determined, based on its investigation of the Contractor's past performance, that Contractor, by demonstrated experience, reputation and capacity, is qualified to perform Collection of Solid Waste, Recyclable Materials, and Organic Materials within the corporate limits of the City, and the Transportation of such material to appropriate places of Processing, Recycling, Composting, and/or Disposal; and City Council desires that Contractor be engaged to perform such services on the basis set forth in this Agreement; and

WHEREAS, this Agreement has been developed by and is satisfactory to the Parties,

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

ARTICLE 1. DEFINITIONS

For purposes of this Agreement, unless a different meaning is clearly required, the following words and phrases shall have the following meanings respectively ascribed to them by this Article and shall be capitalized throughout this Agreement. When not inconsistent with the context, words and phrases used in the present tense include the future, and words and phrases used in the singular number include the plural number.

“Act” means the California Integrated Waste Management Act of 1989 (Division 30 of the California Public Resources Code), as amended, supplemented, superseded, and replaced from time to time.

“Affiliate” means all businesses (including corporations, limited and general partnerships and sole proprietorships) which are directly or indirectly related to Contractor by virtue of direct or indirect Ownership interest or common management. An Affiliate shall include a business in which Contractor has a direct or indirect Ownership interest, a business that has a direct or indirect Ownership interest in Contractor, and/or a business that is also Owned, controlled or managed by any business or individual, which has a direct or indirect Ownership interest in Contractor. For the purposes of this definition, “Ownership” means ownership as defined in the constructive ownership provisions of Section 318(a) of the Internal Revenue Code of 1986, as in effect on the date here, provided that 10 percent shall be substituted for 50 percent in Section 318(a)(2)(C) and in Section 318(a)(3)(C) thereof; and Section 318(a)(5)(C) shall be disregarded. For purposes of determining Ownership under this paragraph and constructive or indirect ownership under Section 318(a), Ownership interest of less than ten percent (10%) shall be

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

“Agreement” means this Agreement between the City and Mid-Valley Disposal for Multi-Family and Commercial Solid Waste, Recyclable Materials, and Organic Materials Services in Service Area No. 2, including all exhibits, and any future amendments hereto.

“Alternative Daily Cover” or “ADC” means cover material used to cover compacted Solid Wastes in a Disposal Site other than Organic Materials and other than at least six (6) inches of earthen material, placed on the surface of the active face of the refuse fill area at the end of each operating day to control vectors, fires, odors, blowing litter, and scavenging, as defined in California Code of Regulations Title 27, Section 20690.

“Applicable Law” means all Federal, State, and local laws, regulations, rules, orders, judgments, degrees, permits, approvals, or other requirement of any governmental agency having jurisdiction over the Collection, Transportation, Processing, and Disposal of Solid Waste, Recyclable Materials, and Organic Materials that are in force on the Effective Date and as they may be enacted, issued or amended during the Term of this Agreement.

“Approved Organic Materials Processing Site” means the Mid Valley Disposal Transfer Station located at 15300 W. Jensen Avenue, Kerman, California or the Kochergen Farms Compost Facility located at 33915 Avenal Cut-Off Road, Avenal, California, which were approved by the City Contract Manager.

“Approved Recyclable Materials Processing Site” means the Mid Valley Disposal Material Recovery Facility located at 15300 W. Jensen Avenue, Kerman, California, which was approved by the City Contract Manager.

“Billings” means any and all statements of charges for services rendered, howsoever made, described or designated by Contractor, or made by other for City or Contractor, presented to Customers served by Contractor for the Collection of Solid Waste, Recyclable Materials, and Organic Materials in the City.

“Bin” means a Container with capacity of approximately one (1) to six (6) cubic yards, with a hinged lid, and with wheels, that is serviced by a front end-loading Collection vehicle.

“Bulky Items” means large discarded items including, but not limited to, major appliances, furniture, unmounted tires, carpets, mattresses, and other oversize materials whose large size precludes or complicates their handling by normal Collection, Processing, or Disposal methods, but can be Collected without the assistance of special loading equipment (such as forklifts or cranes) and without violating Collection vehicle legal load limits. Bulky Items do not include abandoned automobiles, large auto parts, or trees.

“Business Days” mean days during which City offices are open to do business with the public.

“Cart” means a rigid plastic Container with a hinged lid and wheels with capacity of up to ninety-six (96) gallons.

“**CERCLA**” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC §9601 et seq.

“**Change in Law**” means any of the following events or conditions which has a material and adverse effect on the performance by the Parties of their respective obligations under this Agreement (except for payment obligations):

- a. The enactment, adoption, promulgation, issuance, modification, or written change in administrative or judicial interpretation on or after the effective date of any Applicable Law; or
- b. The order or judgment of any governmental body, on or after the Effective Date, to the extent such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of the City or of the Contractor, whichever is asserting the occurrence of a Change in Law/ The contesting in good faith or the failure in good faith to contest any such order or judgment shall not constitute or be construed as such a willful or negligent action, error or omission or lack of reasonable diligence.

“**City**” means the City of Fresno, a municipal corporation, and all the territory lying within the municipal boundaries of the City as presently existing or as such, boundaries may be modified during the Term.

“**City Contract Manager**” means the City’s Solid Waste Manager or their designee. The Solid Waste Manager may designate certain individuals or agents of the City as the City Contract Manager for specific issues, projects, or requirements. In the event of a dispute between a designee and Contractor, the Solid Waste Manager’s determination shall be final. In the event that the “Solid Waste Manager” position is eliminated or reclassified, City Manager or their designee shall notify Contractor of the appropriate replacement title or individual.

“**City’s Municipal Code**” means the City of Fresno Municipal Code.

“**Collection**” (or variation thereof) means the act of collecting Solid Waste, Recyclable Materials, Organic Materials, and other material at the place of generation in Service Area No.2.

“**Commencement Date**” means the date specified in Section 3.1.

“**Commercial**” shall mean of, from, or pertaining to non-Residential Premises where business activity is conducted, including, but not limited to, retail sales, services, wholesale operations, manufacturing, charity, and Industrial operations, but excluding businesses conducted upon Residential property which are permitted under applicable zoning regulations and are not the primary use of the property.

“**Commingled**” means a mix of Recyclable Materials.

“Compactor” means a mechanical apparatus that compresses materials and/or the Container that holds the compressed materials. Compactors include one (1) to six (6) cubic yard Bin Compactors serviced by front-end loader Collection vehicles and ten (10) to forty (40) cubic yard Roll-Off Box Compactors serviced by roll-off Collection vehicles.

“Complaint” means written or orally communicated statements made by members of the public, Customers, Owners, or Occupants of properties served by Contractor, or officers, employees or agents of City alleging non-performance or deficiencies in Contractor’s performance, or otherwise alleging a violation by Contractor of the provisions of this Agreement.

“Composting” or **“Compost”** includes a controlled biological decomposition of Organic Materials yielding a safe and nuisance free Compost Product.

“Compost Product” means the product resulting from the controlled biological decomposition of Organic Materials that are Source Separated from the Solid Waste stream, or which are separated at a centralized facility.

“Contract Management and Enforcement Fee” means the fee paid by the Contractor to the City to reimburse the City’s costs of monitoring and enforcing the provisions of this Agreement, both relating to Contractor’s obligations and Customers’ activities.

“Construction and Demolition Debris or **“C&D”** includes discarded building materials, packaging, and rubble resulting from construction, remodeling, repair or demolition operations on any pavements, houses, Commercial buildings, or other structures.

“Container” means a Cart, Bin, Compactor, and/or Roll-Off Box.

“Contaminants” means those chemicals, waste, or other materials that render normally Recyclable Materials and/or Organic Materials unusable or cause them to lose their market value.

“Contractor” means Mid-Valley Disposal, a corporation organized and operating under the laws of the State and its officers, directors, employees, agents, companies, and Subcontractors.

“Contractor’s Compensation” means the monetary compensation received by Contractor in return for providing services in accordance with this Agreement as described in Article 11.

“Contractor Party” shall mean Contractor, officers, directors, or management or fiscal employees (where “management employee” means any employee with direct or indirect responsibility for direction and control over the Contractor’s activities under this Agreement and “fiscal” employee means an employee with direct or indirect responsibility and control duties relating to financial matters under this Agreement).

“Contractor’s Proposal” means the proposal submitted by Contractor and received on August 20, 2010 by the City in response to the City’s request for proposals for Multi-Family and Commercial Solid Waste, Recyclable Materials, and Organic Materials Collection Services and certain supplemental written materials, which are included as Exhibit C and are incorporated by

reference. Should any conflict arise between the Contractor's Proposal and this Agreement, the Agreement shall control.

"Criminal Activity" means those activities described in Section 14.11.1.

"Customer" means the Person to whom Contractor submits billing invoices and from whom Contractor collects payment for Collection services provided to a Premises. The Customer may be the Occupant or Owner of the Premises, provided that the Owner of the Premises shall be responsible for payment of Collection services if an Occupant of a Premises, which is identified as the Customer of Owner's Premises, fails to make such payment.

"Delivery" means placement of Solid Waste, Recyclable Materials, or Organic Materials by a Generator in a receptacle and/or at a location that is designated for Collection pursuant to the City's Municipal Code.

"Designated Disposal Location" means the Orange Avenue Disposal Company, Inc. Cedar Avenue Recycling and Transfer Station ("CARTS") located at 3457 South Cedar Avenue, Fresno, California. The City may, at its sole discretion at any time during the Term of this Agreement, specify a different Designated Disposal Location, in accordance with Section 4.5. All Solid Waste shall be Transported to the Designated Disposal Location except for the residue from the Processing of Recyclable Materials or Organic Materials, which may be delivered to a Disposal Site selected by Contractor.

"Designated Landfill Site" means the County of Fresno American Avenue Landfill located at 18950 W. American Avenue, Kerman, California which shall be the Designated Landfill Site until the termination or earlier expiration of the City's disposal agreement with the County of Fresno dated August 24, 1993 and terminating June 30, 2014. Upon the termination or earlier expiration of the City's disposal agreement with the County of Fresno, the City may, in its sole discretion and subject to the requirements of Section 6.3, designate an alternate Designated Landfill Site or may approve a landfill site proposed by Contractor.

"Designated Waste" means non-Hazardous Waste which may pose special Disposal problems because of its potential to contaminate the environment and which may be Disposed of only in Class II Disposal Sites or Class III Disposal Sites pursuant to a variance issued by the California Department of Health Services.

"Discarded Materials" means Solid Waste, Recyclable Materials, or Organic Materials placed by a Generator in a receptacle and/or at a location that is designated for Collection pursuant to the City's Municipal Code.

"Disposal" or "Dispose" (or variation thereof) means the final disposition of Solid Waste at a Disposal Site.

"Disposal Component" means the portion of each Rate required to recover the Contractor's costs associated with Disposing of Solid Waste at a Disposal Site. The initial Disposal Component of each Rate is listed in Exhibit J. The Disposal Component shall be adjusted in accordance with Section 11.3.C for Rate Periods using the index-based adjustment to Rates. The

Disposal Component shall be adjusted in accordance with Exhibit P for Rate Periods using the cost-based adjustment to Rates.

“Disposal Site” means a facility for ultimate Disposal of Solid Waste.

“Effective Date” has the meaning ascribed in Section 3.1.

“Federal” means belonging to or pertaining to the national general government of the United States; or founded on or organized under the constitution of the United States.

“Fee Component” means the portion of each Rate required to recover the Contractor’s costs associated with payment of City Fees, as described in Article 10. The initial Fee Component of each Rate is listed in Exhibit J. The Fee Component shall be adjusted in accordance with Section 11.3.E for Rate Periods using the index-based adjustment to Rates. The Fee Component shall be adjusted in accordance with Exhibit P for Rate Periods using the cost-based adjustment to Rates.

“Food Scraps” means food scraps such as those Discarded Organic Materials that will decompose and/or putrefy including: (i) all kitchen and table food waste, and animal or vegetable waste that attends or results from the storage, preparation, cooking or handling of food stuffs, and (ii) paper waste contaminated with food (such as, but not limited to, paper plates, napkins, pizza boxes, and paper towels contaminated with food). Food Scraps is a subset of Organic Materials.

“Franchise” is the exclusive right and privilege of Contractor to Collect, Transport, Process, and Dispose Solid Waste, Recyclable Materials, and Organic Materials in Service Area No. 2 in accordance with the terms and conditions of this Agreement.

“Franchise Fee” means the fee paid by Contractor to City for the privilege to hold the exclusive rights granted by this Agreement.

“Generator” means any Person as defined by the Public Resources Code, whose act or process produces Solid Waste, Recyclable Materials, or Organic Materials as defined in the Public Resources Code, or whose act first causes Solid Waste to become subject to regulation.

“Green Waste” means those Discarded Materials that will decompose and/or putrefy, including but not limited to, green trimmings, grass, weeds, leaves, prunings, branches, dead plants, brush, tree trimmings, dead trees, small pieces of unpainted and untreated wood, and other types of organic waste. Green Waste is a subset of Organic Materials. Green Waste placed in a Container for Collection shall not exceed six (6) inches in diameter and five (5) feet in length.

“Hazardous Substance” means any of the following: (a) any substances defined, regulated or listed (directly or by reference) as "Hazardous Substances", "hazardous materials", "Hazardous Wastes", "toxic waste", "pollutant" or "toxic substances" or similarly identified as hazardous to human health or the environment, in or pursuant to (i) CERCLA; (ii) the Hazardous Materials Transportation Act, 49 USC §1802, et seq.; (iii) the Resource Conservation and Recovery Act, 42 USC §6901 et seq.; (iv) the Clean Water Act, 33 USC §1251 et seq.; (v) California Health and Safety Code §§25110 et seq., 25281, and 25316; (vi) the Clean Air Act, 42 USC §7401

et seq.; and (vii) California Water Code §13050; (b) any amendments, rules or regulations promulgated thereunder to such enumerated statutes or acts currently existing or hereafter enacted; and (c) any other hazardous or toxic substance, material, chemical, waste or pollutant identified as hazardous or toxic or regulated under any other Applicable Law currently existing or hereinafter enacted, including, without limitation, friable asbestos, polychlorinated biphenyl's ("PCBs"), petroleum, natural gas and synthetic fuel products, and by-products.

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

"Holidays" are defined as New Year's Day, Labor Day, Thanksgiving Day, and Christmas Day.

"Industrial" means manufacturing, marine-related, or technical productive enterprises.

"Infectious Waste" means biomedical waste generated at hospitals, public or private medical clinics, dental offices, research laboratories, pharmaceutical industries, blood banks, mortuaries, veterinary facilities and other similar establishments, as described in Health and Safety Code Section 25117.5.

"Liquidated Damages" means the amounts due by Contractor for failure to meet specific quantifiable standards of performance as described in Section 13.5 and Exhibit H.

"Mandatory Commercial Recycling Requirements" means any rules, regulations and/or protocols of the Mandatory Commercial Recycling Measure (RW-3), which Measure was adopted with the California Air Resources Board Scoping Plan by the California Air Resources Board pursuant to the California Global Warming Solutions Act of 2006 (California Health and Safety Code Sections 38500-38598) ("AB 32"), as implemented by the California Air Resources Board or another appointed agency after the Commencement Date of this Agreement.

"Maximum Permissible Rates" means the maximum Rates Contractor is permitted to charge pursuant to this Agreement.

"Mixed Waste" means materials placed in Containers for Collection and including both Recyclable Materials and non-Recyclable Materials.

"Multi-Family" means any Residential Premises with five (5) or more units.

"Occupant" means the Person who occupies a Premises.

"Operating Component" means the portion of each Rate required to recover the Contractor's operating costs associated with providing services under this Agreement.

“Organic Materials” means those Discarded Materials that will decompose and/or putrefy and that the City’s Municipal Code permits, directs, and/or requires Generators to separate from Solid Waste and Recyclable Materials for Collection in specially designated Containers for Organic Materials Collection. Organic Materials include Green Waste and Food Scraps such as, but are not limited to, green trimmings, grass, weeds, leaves, prunings, branches, dead plants, brush, tree trimmings, dead trees, small wood pieces, other types of organic yard waste, vegetable waste, fruit waste, grain waste, dairy waste, meat waste, fish waste, paper contaminated with Food Scraps, pieces of unpainted and untreated wood, and pieces of unpainted and untreated wallboard. No Discarded Material shall be considered Organic Materials, however, unless such material is separated from Solid Waste and Recyclable Material.

“Owner” means the Person holding legal title to the land or building.

“Parent Company” refers to a company owning more than fifty percent (50%) of the shares of another company (subsidiary) or a company that has management control over such subsidiary.

“Party” or **“Parties”** refers to the City and Contractor, individually or together.

“Person” means any individual, firm, association, organization, partnership, corporation, business trust, joint venture, the United States, the State, the County of Fresno, and special purpose districts.

“Premises” means any land or building in the City where Solid Waste, Recyclable Materials, or Organic Materials are generated or accumulated.

“Processing” (or variation thereof) means to prepare, treat, or convert through some special method.

“Processing Component” means the portion of each Rate required to recover the Contractor’s costs associated with Processing of Recyclable Materials and Organic Materials at a Processing Site.

“Processing Site” means any plant or site used for sorting, cleansing, treating or reconstituting Recyclable Materials or Organic Materials to make such material available for beneficial use.

“Rate(s)” means the service charges and Special Charges for services under this Agreement that Contractor bills and collects from each Customer receiving service under this Agreement.

“Rate Period” means a 12-month period, commencing January 1 and concluding December 31, except that Rate Period 1 shall commence on the Commencement Date and conclude December 31, 2012.

“Recyclable Materials” means those Discarded Materials that the City Code permits, directs and/or requires Generators to set out in Recyclables Materials Container for Collection for the purpose of Recycling. No Discarded Materials shall be considered Recyclable Materials unless such material is separated from Solid Waste and Organic Materials. Recyclable Materials shall include, but not be limited to: newspaper (including inserts, coupons, and store advertisements);

mixed paper (including office paper, computer paper, magazines, junk mail, catalogs, brown paper bags, brown paper, paperboard, paper egg cartons, telephone books, grocery bags, colored paper, construction paper, envelopes, legal pad backings, shoe boxes, soap boxes, cereal and other similar food boxes); chipboard; cardboard; paper milk cartons; glass containers of any color (including glass bottles and jars all colors); aluminum cans; fabric softener containers; steel, tin or bi-metal cans; plastic containers (clear or green plastic soda and water bottles, plastic containers and bottles and plastic bags with no. 1, 2 or 3 on the bottom); and food containers from potato salad, pasta salad, whipped cream, etc.

“Recycle” or “Recycling” means the process of sorting, cleansing, treating and reconstituting of Discarded Materials at a Recyclable Materials Processing Site for the purpose of returning such materials to the economy in the form of raw materials for new, reused or reconstituted products.

“Related-Party Entity” means any Affiliate that has financial transactions with Contractor pertaining to this Agreement that has been approved by the City.

“Residential” shall mean a Premises designed or used for residence or dwelling, whether permanent or temporary in nature.

“Roll-Off Box” means an open-top Container with a capacity of ten (10) to forty (40) cubic yards that is serviced by a roll-off Collection vehicle.

“Salvageable Material” means those Discarded Materials that may be reused in their existing form or may be reused after some form of Processing including, but not limited to, Organic Materials and Recyclable Materials.

“Service Area No. 2” refers to the incorporated area of the City south of the centerline of Ashlan Avenue, not including the area north of the centerline of Dakota Avenue from the centerline of Santa Fe Avenue to the centerline of 1st Street.

“Service Type” refers separately to the following types of Solid Waste, Recyclable Materials, and Organic Materials Collection services: Multi-Family Bin service, Commercial Cart service, Commercial Bin service, and Roll-Off Box service.

“Solid Waste” means Source Separated Solid Waste as defined in California Public Resources Code, Division 30, Part 1, Chapter 2, §40191 and regulations promulgated thereunder and those Discarded Materials that the City Code requires Generators within the City to set out for Collection. Excluded from the definition of Solid Waste are Construction and Demolition Debris (C&D), Hazardous Waste, Infectious Waste, Designated Waste, Source Separated Recyclable Materials, Source Separated Organic Materials, and radioactive waste.

Solid Waste includes Salvageable Materials only when such materials are included for Collection in a Solid Waste Container.

“Source Separated” means the segregation, by the Generator, of materials designated for separate Collection from other materials. For example, recyclables may be Source Separated from Solid Waste.

“Source Separated Recyclable Materials” means Recyclable Materials that have been Source Separated and include no more than ten percent (10%) by weight or volume of other materials that cannot be Recycled.

“Special Charges” means the specific service-related charges provided in Exhibit J, and that Contractor shall bill Customers if appropriate.

“Specialty Recyclable Material” means material that can be or will be Collected for purposes of Recycling by any Person other than the Contractor. Such Specialty Recyclable Material may include, but is not limited to, scrap metal, high-grade paper (including office mixed paper), pallets, mattresses, textiles, industrial plastics, precious metals, and plastic film.

“State” means the State of California.

“Subcontractor” means a party who has entered into a contract, express or implied, with the Contractor for the performance of an act that is necessary for the Contractor’s fulfillment of its obligations under this Agreement.

“Term” means the Term of this Agreement, including extension periods if granted, as provided for in Article 3.

“Ton” or **“Tonnage”** means a unit of measure for weight equivalent to two thousand (2,000) standard pounds where each pound contains sixteen (16) ounces.

“Transfer Station” means a permitted facility utilized to receive Solid Waste and Organic Materials, to temporarily store, separate, Recover, convert or otherwise process the materials comprising the Solid Waste, and to load Solid Waste and Organic Materials into Transfer Vehicles for Transport to the Disposal Site or an Approved Processing Site.

“Transportation” (or variation thereof) means the act of transporting or state of being transported.

ARTICLE 2. REPRESENTATIONS AND WARRANTIES OF THE CONTRACTOR

The Contractor, by acceptance of this Agreement, represents and warrants the conditions presented in this Article.

2.1 CORPORATE STATUS

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

2.2 CORPORATE AUTHORIZATION

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

2.3 AGREEMENT WILL NOT CAUSE BREACH

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

2.4 NO LITIGATION

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

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

2.5 NO ADVERSE JUDICIAL DECISIONS

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

2.6 NO LEGAL PROHIBITION

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

2.7 CONTRACTOR'S STATEMENTS

The Contractor's Proposal in Exhibit C and any other supplementary information submitted to the City, which the City has relied on in awarding and entering this Agreement, do not: (i) contain any untrue statement of a material fact, or (ii) omit to state a material fact that is necessary in order to make the statements made, in light of the circumstances in which they were made, not misleading.

2.8 CONTRACTOR'S INVESTIGATION

Contractor has made an independent investigation (satisfactory to it) of the conditions and circumstances surrounding the Agreement and the work to be performed hereunder. Contractor has considered such matters in entering this Agreement to provide services in exchange for the compensation provided for under the terms of this Agreement.

2.9 ABILITY TO PERFORM

Contractor possesses the business, professional, and technical expertise to provide the services described in this Agreement in Service Area No. 2. Contractor possesses the equipment, facility(ies), and employee resources required to perform its obligations under this Agreement.

2.10 VOLUNTARY USE OF DESIGNATED FACILITIES

The Contractor, without constraint and as a free-market business decision in accepting this Agreement, agrees to use the Designated Disposal Location for the purposes of Disposing of all Solid Waste Collected in Service Area No. 2. Such decision by Contractor in no way constitutes a restraint of trade notwithstanding any Change in Law regarding flow control limitations or any definition thereof.

ARTICLE 3. TERM OF AGREEMENT

3.1 EFFECTIVE DATE AND COMMENCEMENT DATE

This Agreement shall become effective on the date set forth in the preamble to this Agreement (the "Effective Date").

The Commencement Date shall be December 1, 2011. Contractor shall commence provision of the Collection, Transportation, Processing, and Disposal services required by this Agreement on the Commencement Date.

Between the Effective Date and Commencement Date, Contractor shall perform all activities necessary to prepare itself to start all services required by this Agreement on the Commencement Date. Such activities shall allow Contractor to transition Customers and services, which are provided by the City prior to the Commencement Date, to Contractor on the Commencement Date.

3.2 CONDITIONS TO EFFECTIVENESS OF AGREEMENT

The obligation of City to permit this Agreement to become effective and to perform its undertakings provided for in this Agreement is subject to the satisfaction of all the conditions below, each of which may be waived, in written form, in whole or in part by City.

- A. **Accuracy of Representations.** The representations and warranties made in Article 2 of this Agreement are true and correct on and as of the Effective Date.
- B. **Absence of Litigation.** There is no litigation pending on the Effective Date in any court challenging the award or execution of this Agreement or seeking to restrain or enjoin its performance.
- C. **Furnishings of Insurance and Performance Bond.** Contractor has furnished evidence of the insurance and performance bond required by Article 12 that is satisfactory to the City.
- D. **Effectiveness of City Council Action.** The City Council shall have taken action approving this Agreement and all Parties shall have signed the Agreement pursuant to Applicable Law prior to or on the Effective Date, provided that no restraining order of any kind has been issued.

3.3 TERM

The Term of this Agreement shall continue in full force for a period of ten (10) years from 12:01 a.m. on the Commencement Date to midnight of November 30, 2021 unless the Agreement is extended by City Council pursuant to Section 3.4 or terminated in accordance with Section 13.2.

3.4 OPTION TO EXTEND TERM

At the City Council's sole discretion, the City shall have the option to extend this Agreement for up to two (2) periods ranging from one to five years each. The total of all extension periods shall equal no more than ten (10) years. If the City extends the Agreement, it shall give written notice to Contractor one hundred eighty (180) calendar days prior to the initial expiration date or extended expiration date of this Agreement. The City's written notice shall specify the number of years by which it elects to extend the Term of this Agreement and the revised expiration date of the Agreement.

ARTICLE 4.
SCOPE OF AGREEMENT

4.1 SCOPE OF AGREEMENT

This Franchise granted to Contractor shall be exclusive with regards to Collection, Transporting, Processing, and Disposal of Multi-Family and Commercial Solid Waste, Recyclable Materials, Mixed Waste, Source Separated Recyclable Materials, and Organic Materials generated in Service Area No. 2, except as described in Section 4.2 or except where otherwise precluded by Applicable Law.

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

- A. Collecting all Solid Waste generated by Multi-Family Premises in Service Area No. 2 that use Contractor-provided Carts or Bins for Collection.
- B. Collecting all Solid Waste generated by Commercial Premises in Service Area No. 2 and placed by Generator for Collection in Contractor-provided Carts or Bins for Collection.
- C. Collecting all Recyclable Materials, Mixed Waste, Source Separated Recyclable Materials, and Organic Materials generated by Multi-Family and Commercial Premises in Service Area No. 2 and placed by Generator for Collection in Contractor-provided Containers.
- D. Transporting all Solid Waste Collected in accordance with this Agreement to the Designated Disposal Location.
- E. Transporting, Processing, and marketing all Recyclable Materials, Mixed Waste, and Source Separated Recyclable Materials Collected in Service Area No. 2 by Contractor.
- F. Transporting, Processing, and marketing all Organic Materials Collected in Service Area No. 2 by Contractor.
- G. Furnishing all labor, supervision, vehicles, Containers, other equipment, materials, supplies, and all other items and services necessary to perform its obligations under this Agreement.
- H. Paying all expenses related to provision of services required by this Agreement including, but not limited to, taxes, regulatory fees, Disposal and Processing fees, utilities, etc.
- I. Providing all services required by this Agreement in a thorough and professional manner so that Multi-Family residents, businesses, and the City are provided timely, reliable, courteous, and high-quality service at all times.
- J. Performing all services in full accordance with the Contractor's Proposal and this Agreement at all times using best industry practice for comparable operations. If the Contractor's Proposal and this Agreement conflict, this Agreement shall prevail.

- K. Implementing all services in accordance with the implementation plan in Exhibit D.
- L. Complying with Applicable Law.
- M. Performing or providing all other services necessary to fulfill its obligations under this Agreement.

The enumeration and specification of particular aspects of service, labor, or equipment requirements shall not relieve Contractor of the duty of accomplishing all other aspects necessary to fulfill its obligations under this Agreement whether such requirements are enumerated elsewhere in the Agreement or not.

4.2 LIMITATIONS TO SCOPE

The materials listed below in this section may be collected and transported by other Persons. Except as set forth in paragraph "C" below, Contractor is not authorized by this Agreement to Collect or Transport any of the following:

- A. **Residential Materials.** Solid Waste, Recyclable Materials, and Organic Materials Generated by Residential Premises, where Residential Premises include Residential Premises of four (4) or less dwelling units that use Cart service for Collection.
- B. **Materials Generated at City Facilities.** Solid Waste, Recyclable Materials, and Organic Materials generated by City personnel or City operations and hauled by City to a Disposal Site or Processing Site.
- C. **Construction and Demolition Debris.** Construction and Demolition Debris removed from Premises by a company licensed by the City to provide such Collection services in Service Area No. 2. Contractor shall be deemed under the provisions of this Agreement as a company licensed by the City to provide C&D Collection services, which services shall be provided in compliance with the City's Municipal Code.
- D. **Commodities.** Recyclable Materials, Organic Materials, and Specialty Recyclable Materials which Owner or Occupant: (1) separates from Solid Waste, (2) places in a Container which is not provided by Contractor, and (3) sells, donates, or is otherwise compensated for by a collector;
- E. **Materials Hauled by Owner or Occupant, or its Contractor.** Solid Waste, Recyclable Materials, Organic Materials, C&D, and Specialty Recyclable Materials that are removed from any Premises by the Owner or Occupant and are Transported to a Disposal Site or Processing Site by (i) the Owner or Occupant of such Premises, by a full-time employee of Owner or Occupant that uses the Owner's or Occupant's equipment to transport materials; or (ii) by a contractor whose removal of the Solid Waste, Recyclable Materials, Organic Materials, C&D, and/or Specialty Recyclable Materials are incidental to the service being performed and such contractor removes materials at no additional or separate fee;

- F. **Donated Materials.** Source Separated Recyclable Materials, Organic Materials, and Specialty Recyclable Materials generated in the City that are donated by the Generator to youth, civic, neighborhood, charitable, or other nonprofit organizations;
- G. **Containers Recycled.** Beverage containers delivered for Recycling under the California Beverage Container Recycling and Litter Reduction Act, Section 14500, et seq. California Public Resources Code;
- H. **Animal and Grease Waste.** Animal waste and remains from slaughterhouse or butcher shops, or grease waste for use as tallow;
- I. **Sewage Treatment By-Product.** By-products of sewage treatment including sludge, sludge ash, grit, and screenings;
- J. **Hazardous Wastes.** Hazardous Waste and Designated Waste regardless of its source;
- K. **State, Federal, and Public School Wastes.** Materials generated by State and Federal agencies and public schools located in the City.
- L. **Non-Exclusive Roll-Off Franchisees.** Materials which are included in the scope of the City's non-exclusive roll-off franchise agreements which are Collected by a Person holding such a franchise.

Contractor acknowledges and agrees that the City may allow other Persons besides the Contractor to Collect any and all types of materials excluded from the scope of this Franchise, as set forth above, without seeking or obtaining approval of Contractor. If other Persons are servicing Collection Containers or are Collecting and Transporting Solid Waste, Recyclable Materials, and/or Organic Materials in Service Area No. 2 in a manner that is not consistent with the City's Municipal Code, Contractor shall report the location and the name of the Person or company to the City Contract Manager along with Contractor's evidence of the violation of the exclusivity of this Franchise. Contractor's reporting is not in lieu of any other rights it has, or may have, to enforce its legal rights.

This Agreement and scope of this Franchise shall be interpreted to be consistent with Applicable Law, now and during the Term of the Agreement. If future judicial interpretations of current law or new laws, regulations, or judicial interpretations limit the ability of the City to lawfully provide for the scope of services as specifically set forth herein, Contractor agrees that the scope of the Agreement will be limited to those services and materials which may be lawfully provided and that the City shall not be responsible for any lost profits or losses claimed by Contractor to arise out of limitations of the scope of the Agreement set forth herein. In such an event, it shall be the responsibility of Contractor to minimize the financial impact of such future judicial interpretations or new laws.

4.3 SUBCONTRACTING

Contractor shall not engage any Subcontractors for Collection, Transportation, Processing, or Disposal of Solid Waste, Recyclable Materials, or Organic Materials without the prior written consent of the City Contract Manager. As of the Effective Date of this Agreement, the City has approved Contractor's use of the Subcontractors listed in Exhibit E. Contractor's use of Subcontractor(s) does not in any way limit the Contractor's obligations under this Agreement. The City reserves the right to require Contractor to replace a Subcontractor in the event of a regulatory or criminal judgment against a Subcontractor and a legal judgment against a Subcontractor that is related to performance under this Agreement.

4.4 OWNERSHIP OF MATERIALS

Once Solid Waste, Recyclable Materials, and Organic Materials are placed in Containers at the Collection location, ownership and the right to possession of such materials shall transfer directly from the Generator to Contractor. Once Solid Waste, Recyclable Materials, or Organic Materials is deposited by Contractor at a Disposal Site, Transfer Station, or Processing Site, such materials shall become the property of the Owner or operator of the facility.

Subject to Section 4.5 and City's contractual obligations pursuant to any contract between Contractor and City for the Processing or Disposal of Solid Waste, Recyclable Materials, or Organic Materials, City may obtain ownership or possession of Solid Waste, Recyclable Materials, or Organic Materials placed for Collection upon written notice to Contractor of its intent to do so. However, nothing in this Agreement shall be construed as giving rise to any inference that City has such ownership or possession unless such written notice has been given to Contractor.

4.5 CITY-DIRECTED CHANGES TO SCOPE

A. Types of Changes. City Contract Manager may direct Contractor to perform additional services or modify the manner in which existing services are performed, provided that the City-directed changes do not substantially eliminate the Contractor's right, as described in and limited by this Agreement, to Collect Solid Waste, Recyclable Materials, and Organic Materials in Service Area No. 2. For example, and without limitation, the City Contract Manager may request the following:

1. Collection of certain materials, which were originally Solid Waste, but during the Term can, in the reasonable opinion of the City Contract Manager, be economically Recycled, Composted, or beneficially used including, but not limited to, energy or fuel production;
2. Inclusion of new diversion programs, which necessarily reduce the amount of Solid Waste Collected;
3. Expansion of public education activities;
4. Elimination of programs;
5. Modification of the manner in which Contractor performs existing services;

6. Performance of pilot programs;
7. Implementation of innovative services, which may entail new Collection methods, targeted routing, different kinds of services, different types of Collection vehicles, and/or new requirements for Generators;
8. Use of a Disposal Site that is different from the Designated Disposal Location in accordance with Section 6.3.
9. Use of a Recyclables Processing Site that is different from the Approved Recyclable Materials Processing Site in accordance with Section 6.1.
10. Use of an Organic Materials Processing Site that is different from the Approved Processing Site(s) in accordance with Section 6.2.E.

B. Procedure for Making Changes in Scope. Contractor shall present, within thirty (30) calendar days of the City Contract Manager's written request, a written proposal for the change in scope of services in a format and at a level of detail specified by the City Contract Manager. At a minimum, the proposal shall contain a complete description of the following:

1. Collection methodology to be employed, or modifications to current Collections methods (equipment, manpower, etc.).
2. Equipment to be utilized, modified, or eliminated (vehicle number, types, capacity, age, etc.).
3. Labor requirements (number of employees by classification).
4. Type of materials and Containers to be utilized.
5. Change in Transportation, Processing, and/or Disposal costs.
6. Provision for program publicity, education, and/or marketing.
7. Five-year projection of the financial results of the program's operations in a balance sheet and operating statement format including documentation of the key assumptions underlying the projections and the support for those assumptions, giving full effect to the savings or costs to existing services.
8. Plans for implementing the service change in a format and at a level of detail specified by the City Contract Manager.
9. Proposed Rates that reflect the service change with supporting documentation of the calculation and justification for the change in Rates.

The City Contract Manager shall review the Contractor's proposal for the change in scope of services. If the Contractor's proposal is desirable to the City, the City Contract Manager may negotiate with the Contractor to amend the Agreement to reflect the change in scope. If the Contractor's proposal is not desirable to the City, the City Contract Manager shall provide a written response to the Contractor identifying the City's reasons for not wanting to negotiate with the Contractor.

If the City elects to negotiate with the Contractor and the Contractor and City Contract Manager cannot agree on terms and conditions of such services in 180 calendar days from the date when City Contract Manager first requests a proposal from Contractor to perform such services, Contractor shall forfeit its exclusive right to Collect such material from Generators or provide the services under consideration. Thereafter, the City may, but is not required to, provide the service with its own forces or solicit proposals from one or more other parties for such service and Contractor may be invited to submit a proposal during the process. If the City elects to solicit proposals from one or more other parties, City shall not enter into a separate agreement with any other party unless they provide a better value to the City than was offered by Contractor's proposal.

If the City and Contractor reach an agreement on the change in scope, the City and Contractor shall also agree to performance standards and expected results of such change in scope, as well as the basis for termination of the program. Any change in scope shall be memorialized in an amendment to this Agreement. In the event the Contractor does not provide the services in a manner materially consistent with or better than the agreed upon performance standards and expected results, the City shall have the right to terminate the new program or service and provide the service with its own forces or retain a third party to provide the service. Performance standards and expected results may focus on program costs, the cost per Ton of materials diverted, level of participation in the program, comparison of costs to other similar programs, volume of material diverted, and other factors.

- C. **Adjustment to Contractor's Compensation.** If the City Contract Manager directs a change in scope, Contractor shall be entitled to an adjustment in its compensation as agreed to by City and as described in Section 11.6. Contractor shall not be compensated for proposal preparation costs or additional costs incurred related to the negotiation of its proposal for the City-requested change in scope.
- D. **Implementation of New Services.** The Contractor's implementation of the new or modified services shall be managed by Contractor in such a manner as to ensure a timely, smooth, and seamless transition such that Customers and/or Generators do not experience disruption in Collection services. Contractor shall be responsible for managing implementation of Collection service changes, or changes in the Designated Disposal Location, Designated Recyclable Materials Processing Site, Approved Transfer Station, Approved Processing Site(s), and/or other related services and shall do so in accordance with a City Contract Manager-approved implementation plan.
- E. **Monitoring and Evaluation of Changes in Scope.** Contractor shall document its compliance with the agreed-upon performance standards and the program results of the

service changes on a monthly basis, including, for example, the Tonnage diverted by material type, the end use or processor of the diverted materials, and the cost per Ton for Transporting and Processing each type of material and other such information requested by the Contractor and/or City Contract Manager necessary to evaluate the performance of the change in scope.

If the City Contract Manager requests, the Contractor shall meet with the City to describe the progress of the implementation of the change in scope. At each meeting, the City and Contractor shall have the opportunity to revise the services or program based on mutually agreed terms in accordance with provisions of this Section. The City shall have the right to terminate a program if, in its reasonable judgment, the Contractor is not achieving the program's mutually agreed-upon performance standards and expected results. Before such termination, the City Contract Manager shall meet and confer with the Contractor for a period not to exceed one hundred eighty (180) calendar days to resolve the City's concerns. Thereafter, the City may provide the service with its own forces or utilize a third party to perform these services, if the City reasonably believes the third party can improve on Contractor's performance and/or cost. Notwithstanding these changes, Contractor shall continue the program during the meet and confer period and, thereafter, until the third party takes over the program.

4.6 CITY'S RIGHT TO PERFORM SERVICES AND POSSESS EQUIPMENT

4.6.1 General

The City, in its reasonable judgment, may determine a period of emergency if both of the following conditions occur: (i) Contractor, for any reason whatsoever, fails, refuses, or is unable to perform its Collection obligations, at the time and in the manner provided in this Agreement, for a period of more than forty-eight (48) hours, and (ii) the City finds that such failure, refusal, or inability endangers or menaces the public health, safety, or welfare. If the City determines a period of emergency, then the City shall have the right during the period of such emergency, and no longer, to (i) perform, or cause to be performed, such services with its own or other personnel without liability to Contractor; and/or (ii) take temporary possession of and use any or all of Contractor's equipment used to provide Collection, Transportation, Processing, and Disposal services under this Agreement. If the City chooses to exercise such rights, the City shall provide written notice to the Contractor twenty-four (24) hours prior to its plans to exercise its rights. Such notice shall describe the Contractor's failure, refusal, or inability to perform its Collection obligations detailing the obligations the City contends Contractor did not perform and of the City's intent to perform Collection services and/or possess Contractor's equipment. The City agrees that it assumes complete responsibility for the proper and normal use of such equipment and facilities while in its possession.

Contractor agrees that in such event:

- A. It shall take direction from the City Contract Manager to affect the transfer of possession of equipment to the City for City's use.

- B. It shall, if able to and City Contract Manager so requests, keep in good repair and condition all of such equipment, provide all motor vehicles with fuel, oil and other service, and provide such other service as may be necessary to maintain said equipment in satisfactory operational condition subject to compensation as provided in this Section 4.6.1.
- C. Subject to provisions of any labor agreements then in effect, if able to, Contractor shall provide the services of all or any personnel necessary for the Collection, Transportation, Processing, and Disposal operations including, if City so desires, employees then employed by Contractor. Contractor further agrees, if it is able to and City Contract Manager so requests, to furnish City the services of any or all management or office personnel employed by Contractor whose services are necessary for Collection, Transportation, Processing, and Disposal operations and for the Billing and collection of fees for these services.

If the interruption or discontinuance of service is caused by any of the reasons listed in this Section 4.6.1 or in Section 13.7, and where the City can perform services and the Contractor cannot, the City shall pay to Contractor two hundred dollars (\$200) per day for use of each Collection vehicle and the reasonable rental value of other equipment and facilities, possession of which is taken by the City, for the period of the City's possession, if any, which extends beyond the period of time for which Contractor has rendered bills to Customers in advance of service. The City shall be responsible for the fueling and preventative maintenance activities during such a period. Should Contractor's equipment require repair beyond fueling and preventative maintenance, City shall deduct from any rental payment to Contractor the actual cost of such repairs performed by City or its selected third-party vendor.

Except as otherwise expressly provided in the previous paragraph, the City's exercise of its rights under this Article: (i) does not constitute a taking of private property for which compensation must be paid; (ii) will not create any liability on the part of City to Contractor except for City's intentional wrongful acts or negligence; and (iii) does not exempt Contractor from the indemnity provisions of Article 12, which are meant to extend to circumstances arising under this Section.

4.6.2 Duration of City's Possession

City has no obligation to maintain possession of Contractor's equipment and/or continue its use in Collection, Transportation, Processing, and Disposal for any period of time and may, at any time, in its sole discretion, relinquish possession to the Contractor.

The City's right to retain temporary possession of Contractor's equipment, and to provide Collection services, shall continue until Contractor can demonstrate to the City's satisfaction that it is ready, willing and able to resume such services or for one hundred eighty (180) calendar days, whichever occurs first.

4.7 TRANSITION TO NEXT CONTRACTOR AT END OF AGREEMENT

If applicable, before expiration or earlier termination of this Agreement, Contractor will take direction from the City Contract Manager and/or subsequent contractor to assist in an orderly transition of services from Contractor to City or subsequent contractor. In response to the City

Contract Manager's direction, Contractor shall provide route lists (which identify each Customer on the route, its service level and scheduled Collection day, and any special Collection notes) and detailed Customer account and Billing information. Contractor may, but shall not be obliged to, sell Collection vehicles, equipment, or facilities to the next contractor. Failure to cooperate with and/or provide information during the transition period may result in Liquidated Damages in accordance with Section 13.5 and Exhibit H.

4.8 CITY FREE TO NEGOTIATE WITH THIRD PARTIES

The City may investigate all options for Collection, Transportation, Processing, and Disposal services that will be scheduled to commence after the expiration of the Term or earlier termination of this Agreement. Without limiting the generality of the foregoing, the City may solicit proposals from Contractor and from third parties for the provision of Collection, Transportation, Processing, or Disposal of Solid Waste, Recyclable Materials, and Organic Materials, and any combination thereof. The City may negotiate and execute agreements for such services that will take effect upon the expiration or earlier termination of this Agreement.

ARTICLE 5. COLLECTION SERVICES

5.1 SOLID WASTE COLLECTION

5.1.1 General

Contractor acknowledges that the City is committed to diverting materials from Disposal through the implementation of source reduction, reuse, Recycling, Composting, education, and other programs. The City may implement, in accordance with Section 4.5 or through the City's efforts, new programs that may impact the overall quantity or composition of Solid Waste to be Collected by Contractor. Such changes may result in the substantial reduction or elimination of Solid Waste Collected for Disposal.

5.1.2 Multi-Family Premises

Contractor shall Collect Solid Waste from Multi-Family Premises as frequently as scheduled by Customer, but not less than once per week. Contractor shall Collect Solid Waste from Carts, Bins and Compactors at a location selected by the Customer and approved by the Contractor.

Contractor shall allow Owners or Occupants of Multi-Family dwelling units at one Premises to share Carts, Bins, or Compactors for Solid Waste Collection. Contractor shall provide one or more Carts, Bins, or Compactors as requested by Customer(s) provided that no less than 0.5 cubic yards of Container capacity is provided for every four dwelling units. Contractor shall provide each Customer with a choice of one or more Carts with capacity ranging from sixty-four (64) to ninety-six (96) gallons (or similar sizes), Bins with capacity ranging from one (1) to six (6) cubic yards (or similar sizes), or Compactors with capacity ranging from ten (10) to forty (40) cubic yards (or similar sizes).

5.1.3 Commercial Premises

Contractor shall Collect Solid Waste from all Commercial Premises as frequently as scheduled by the Customer, but not less than once per week. Contractor shall Collect Solid Waste from Carts and Bins at a location selected by the Customer and approved by the Contractor.

Contractor shall allow Commercial Customers to select one or more of the following Collection service methods that best suits the needs of its Premises:

- A. **Individual Cart or Bin service.** Contractor shall allow each Commercial Premises to use Carts or Bins for Solid Waste Collection. Contractor shall provide each Customer with a choice of one or more Carts with capacities ranging from sixty-four (64) to ninety-six (96) gallons (or similar sizes) or Bins with capacity ranging from one (1) to six (6) cubic yards (or similar sizes).
- B. **Centralized Cart or Bin service.** Contractor shall allow each Commercial Premises to use Carts or Bins for Solid Waste Collection that are shared by the Occupants of two or more adjacent Commercial Premises subject to the shared billing requirements described in Section 7.2.B. In such case, Contractor shall provide one or more Carts or Bins as requested by Customer(s) provided that no less than ninety-six (96) gallons (or similar sizes) of Container capacity is provided for every four Commercial Premises. Contractor shall provide each Customer with a choice of one or more Carts with capacities ranging from sixty-four (64) to ninety-six (96) gallons (or similar sizes) or Bins with capacity ranging from one (1) to six (6) cubic yards (or similar sizes).

5.2 RECYCLABLE MATERIALS COLLECTION

5.2.1 General

Contractor shall Collect Recyclable Materials that are Commingled in the Customer's Recyclable Materials Collection Container provided that the Customer has Source Separated the Recyclable Materials from Solid Waste. The Contractor may also Collect individual Source Separated Recyclable Materials including, but not necessarily limited to, cardboard, beverage containers, office paper, or scrap metal to reduce either (i) the cost to the Customer of receiving the service; or, (ii) the level of contamination in Commingled Recyclable Materials. Collection of individual Source Separated Recyclable Materials shall not excuse Contractor from offering and providing Commingled Source Separated Recyclable Materials Collection services to all Customers.

The City's Municipal Code requires all Commercial Customers to participate in a Recycling program. In the event that a Customer refuses Recyclable Materials Collection services or Containers provided by Contractor, Contractor shall notify the City Contract Manager of such refusal for reporting purposes.

In accordance with Section 4.5, the City Contract Manager may request Contractor to modify its scope of service to include Collection of Recyclable Materials in addition to those defined in Article 1. If the City Contract Manager requests Collection of additional Recyclable Materials,

the Contractor shall not receive additional compensation for such service if the Recyclable Materials are placed by Generator in the existing Recyclable Materials Container.

5.2.2 Multi-Family Premises

Contractor shall Collect Recyclable Materials from all Multi-Family Premises as frequently as scheduled by Customer, but not less than once per week.

Contractor shall provide each Customer with Containers for Recyclable Materials Collection. At a minimum, Contractor shall provide no less than ninety-six (96) gallons of Container capacity for Recyclable Materials Collection for every two dwelling units at the Premises. Contractor shall offer each Customer with a choice of one or more Carts with capacities ranging from sixty-four (64) to ninety-six (96) gallons (or similar sizes) or Bins with capacities ranging from one (1) to six (6) cubic yards (or similar sizes). Carts and Bins may be shared by the Occupants of the Multi-Family Premises.

5.2.3 Commercial Premises

Contractor shall Collect Recyclable Materials from all Commercial Premises as frequently as scheduled by Customer, but not less than once per week.

Contractor shall allow Commercial Customers to select one or more of the following Collection service methods that best suits the needs of its Premises:

- A. Individual Cart or Bin service.** Contractor shall allow Commercial Customers to use Carts or Bins for Recyclable Materials Collection. Contractor shall provide each Customer with a choice of one or more Carts with capacities ranging from sixty-four (64) to ninety-six (96) gallons or Bins with capacities ranging from one (1) to six (6) cubic yards (or similar sizes).
- B. Centralized Cart or Bin service.** Contractor shall allow Commercial Customers to use Carts or Bins for Recyclable Materials Collection that are shared by the Occupants of two (2) or more Commercial Premises with a minimum sixty-four (64) gallons per business subject to the shared billing requirements described in Section 7.2.B. In such case, Contractor shall provide one or more Carts or Bins to such Premises as requested by Customer(s) provided that a minimum of sixty-four (64) gallons (or similar volume) of Container capacity for Recyclable Materials is provided for every Commercial Premises.

5.3 ORGANIC MATERIALS COLLECTION

5.3.1 General

Contractor shall Collect Organic Materials that are placed in the Customer's Organic Materials Collection Container provided that the Customer has Source Separated the Organic Materials from Solid Waste and Recyclable Materials.

5.3.2 Multi-Family Premises

Contractor shall Collect Source Separated Green Waste from Multi-Family Premises from Customers voluntarily subscribing to service as frequently as scheduled by Customer, but not

less than once per week. Contractor shall provide each Customer with a choice of one or more Carts with capacities ranging from sixty-four (64) to ninety-six (96) gallons (or similar sizes), or Bins with capacity ranging from one (1) to six (6) cubic yards (or similar sizes). Contractor shall Collect Green Waste at the designated location agreed upon by Contractor and Customer.

If Customer requests Green Waste Collection services, Contractor shall provide requested service and shall charge Customer for service at City-approved Rates.

In accordance with Section 4.5, the City Contract Manager may request Contractor to include Food Scraps in Multi-Family Collection during the Term.

5.3.3 Commercial Premises

Contractor shall Collect Organic Materials from Commercial Premises from Customers voluntarily subscribing to service as frequently as scheduled by Customer, but not less than once per week. If Customer requests Organic Materials Collection services, Contractor shall provide the requested service and shall charge Customer for such service at City-approved Rates.

Contractor shall allow Commercial Customers to select one or more of the following Collection service methods that best suits the needs of its Premises:

- A. Individual Cart or Bin service.** Contractor shall allow Commercial Premises to use Carts or Bins for Organic Materials Collection. Contractor shall provide each Customer with a choice of one or more Carts with capacities ranging from sixty-four (64) to ninety-six (96) gallons (or similar sizes), or Bins with capacity ranging from one (1) to six (6) cubic yards (or similar sizes).
- B. Centralized Cart or Bin service.** Contractor shall allow for Commercial Premises to use Carts or Bins for Organic Materials Collection, which are shared by the Occupants of two (2) or more Commercial Premises with a minimum sixty-four (64) gallons per business subject to the shared billing requirements described in Section 7.2.B. In such case, Contractor shall provide one or more Carts or Bins to such Premises as requested by Customer(s) provided that no less than sixty-four (64) gallons (or similar volume) of Container capacity for Organic Materials is provided for every Commercial Premises.

5.4 COLLECTION FROM CITY FACILITIES

As specified in Section 4.2, the City has the right to Collect and Transport Solid Waste, Recyclable Materials, and Organic Materials from City facilities to a Disposal Location or Processing Site; however, at the commencement of this Agreement the City chooses to have the Contractor provide Collection services for City facilities. If during the Term of the Agreement, the City exercises its rights to Collect and Transport Solid Waste, Recyclable Materials, and Organic Materials from City facilities, the change in scope shall be handled in accordance with provisions of Section 4.5.

Contractor shall Collect Solid Waste, Recyclable Materials, and Organic Materials from City locations at the service levels and Collection frequency identified in Exhibit F, at no charge to

the City. City reserves the right to increase the service levels provided to City facilities and to add City facilities in Service Area No. 2, provided that the services shall only be provided at no charge to City-owned and operated facilities. Such Collection shall occur at least once per week or more frequently as requested by the City. Contractor shall provide and maintain Collection Containers for the City's use.

Contractor may integrate Collection of Solid Waste, Recyclable Materials, and Organic Materials from City facilities with other Collection services, provided that Contractor attributes estimated Tonnage Collected from City facilities separately from other Customers.

5.5 COLLECTION FROM SPECIAL EVENTS

Upon request from the City, Contractor shall Collect Solid Waste and Recyclable Materials at special events held within Service Area No. 2. Contractor shall provide an adequate number and type of Collection Containers for the special events and shall coordinate its Collection services with the City. Contractor shall prepare and distribute information to the public during such events describing the Collection options available and promoting Recycling. The Contractor shall provide a report in a City Contract Manager-approved format including, at a minimum, the number of Containers provided for use by the public at the event, the Contractor's public education and outreach activities at the event, and the Tonnage of material collected, Disposed, and Recycled to the City Contract Manager within ten (10) Business Days of the end of each event.

Contractor shall provide this service at no additional charge for any and all City-sponsored or operated events within Service Area No. 2. Contractor shall provide services to private event sponsors and/or operators at a rate to be negotiated with the event operator, however, in no case shall that rate exceed half of the monthly Maximum Permissible Rate for comparable service levels.

5.6 ABANDONED WASTE COLLECTION

Contractor shall direct its Collection vehicle drivers to note (i) the addresses of any Premises at which the driver observes that Solid Waste, Recyclable Materials, and/or Organic Materials is accumulating; and (ii) the address, or other location description, at which Solid Waste, Recyclable Materials, and/or Organic Materials has been dumped in an apparently unauthorized manner. Contractor shall deliver the address or description to City Contract Manager within five (5) Business Days of such observation.

Contractor shall Collect Solid Waste and Bulky Items abandoned by Generators in Service Area No. 2 upon direction from the City Contract Manager. Contractor shall dispatch a truck to Collect abandoned materials at locations in Service Area No. 2 identified by Contractor or at locations identified by the City Contract Manager. When the Contractor has received a verbal request from the City Contract Manager to Collect abandoned materials at a specific location, Contractor shall Collect such materials within forty-eight (48) hours of receiving the request unless special circumstances warrant a longer period. In this case, Contractor shall notify the City Contract Manager of such circumstances and the need for additional time to Collect such materials within twenty-four (24) hours of the City Contract Manager's verbal notice to Collect abandoned waste.

Contractor shall not be required to collect more than fifty (50) tons of abandoned waste per year, nor shall Contractor be required to collect any material that would require the use of equipment not already utilized to provide service under this Agreement.

Contractor shall be responsible for costs associated with the Collection, Transportation, and Disposal of such material. Contractor shall record the date, time, location, and description of material Collected including the volume of such material; location where such material was Disposed; and cost of Disposal. Copies of receipts from Disposal Site for Disposal of abandoned Solid Waste shall be made available by Contractor upon request by the City Contract Manager. Tonnage or volume of material Collected shall be reported to the City Contract Manager on a quarterly basis.

ARTICLE 6.

PROCESSING AND DISPOSAL

6.1 RECYCLABLE MATERIALS PROCESSING

- A. Processing.** Contractor has selected the Approved Recyclable Materials Processing Site and secured sufficient capacity there to Process Recyclable Materials Collected under this Agreement. Contractor shall provide the City Contract Manager, upon request, with documentation demonstrating availability of such capacity. Contractor shall pay all costs associated with Transporting Recyclable Materials to the Approved Recyclable Materials Processing Sites as well as any Processing costs.

Contractor agrees to Transport and deliver all Recyclable Materials it Collects in Service Area No. 2 to the Approved Recyclable Materials Processing Site. Residue from the Recyclable Materials shall be Disposed of by Contractor at the Designated Disposal Site or a Disposal Site selected by Contractor. Notwithstanding any other contract or agreement between Contractor and City, Contractor shall pay all costs associated with disposal of residue from the Recyclable Materials it Collects.

Contractor, or its Subcontractor, shall cause the Approved Recyclable Materials Processing Site(s) to be in full regulatory compliance at all times, including but not limited to compliance with all required permits. Contractor shall provide copies of notices of violation or permit modifications to the City Contract Manager within five (5) Business Days of receipt.

If Contractor elects to use a Processing Site that is different from the Approved Recyclable Materials Processing Site, it shall secure prior written approval from the City Contract Manager, which approval must be obtained at least ninety (90) days prior to use of such site(s) and will not be unreasonably withheld by the City. The City shall not compensate the Contractor for any increased Transportation and Processing costs associated with the use of Processing Site(s) different than the Approved Recyclable Materials Processing Site(s). In the event that Contractor elects to use a new Processing

Site, Contractor shall be obligated to compensate the City for any lost revenues resulting from said election including, but not necessarily limited to, per ton payments from the Contractor or Approved Recyclable Materials Processing Site for the Recyclable Materials delivered there and/or increases in tipping fees resulting from the reduction in the volume of material handled at such facility.

- B. Transfer.** If Contractor uses a Transfer Station for Recyclable Materials, Contractor shall select the Transfer Station and secure sufficient capacity to transfer Recyclable Materials Collected under this Agreement. Contractor shall provide the City Contract Manager, upon request, with documentation demonstrating availability of such capacity. All costs associated with Transporting Recyclable Materials to the Transfer Station as well as any transfer costs shall be paid by Contractor. Contractor shall not use any Transfer Station unless it has first obtained written approval of the Transfer Station from the City Contract Manager at least ninety (90) days prior to use of the Transfer Station. Said approval shall not be unreasonably withheld by the City.

If the Contractor (i) Transports Recyclable Materials to a Transfer Station where the materials will be unloaded from Collection vehicles and loaded into large-capacity vehicles and Transported to the Processing Site(s), or (ii) pulls two or more Collection trailers in tandem with one truck, and the Contractor is unable to do so, then the Contractor shall be responsible for making other Transportation arrangements. In such event, Contractor shall not be compensated for any additional costs. If the Contractor plans to change its transfer method, Contractor shall obtain written approval from the City Contract Manager prior to making the change. The City Contract Manager's approval shall authorize the transfer method and the facility(ies) Contractor proposes to use.

- C. Marketing.** The Contractor or Subcontractor shall be responsible for the marketing of Recyclable Materials it Collects in Service Area No. 2. Contractor shall prepare Recyclable Materials for market or develop end uses for materials that maximize diversion credits according to the regulations established by the Act. Contractor shall not use any Recyclable Materials for the purposes of ADC or any other on-site landfill utilization or for transformation fuel, unless prior written approval is obtained from the City Contract Manager.

Contractor shall prepare and maintain a City Contract Manager-approved marketing plan for all Recyclable Materials it Collects in Service Area No. 2. The plan shall be in place on or before the Commencement Date of this Agreement. The marketing plan shall fully describe the Contractor's marketing methods and approach, targeted primary and contingent markets, pricing policy and assumed salvage value for Recyclable Materials products, and contingency plans if market conditions are severe.

Contractor shall provide proof to the City Contract Manager that all Recyclable Materials Collected are marketed for use in such a manner that materials shall be considered as diverted in accordance with the State regulations established by the Act. All residual material from the Processing activities that is not marketed for use shall be accounted for as Disposal Tonnage at a permitted Disposal Site.

- D. Disposal of Recyclable Materials Prohibited.** Recyclable Materials may not be Disposed of in lieu of Processing and Marketing the material, without the prior written approval of the City Contract Manager. If Contractor believes that it cannot divert the Recyclable Materials from Disposal, then it shall prepare a written request for approval to Dispose of such material. Such request shall contain the basis for its belief, describe the Contractor's efforts to arrange for the diversion from Disposal of such material, the period required for such Disposal, the incremental costs or cost savings resulting from such Disposal, and any additional information supporting the Contractor's request. The City Contract Manager shall consider the Contractor's request and inform Contractor in writing of its decision within 30 calendar days.
- E. City Right to Select Processing Site.** The City reserves the right to direct Contractor to Recyclable Materials Processing Site(s) other than that selected by Contractor in the event that the Contractor and/or the Approved Recyclable Materials Processing Site is not operating in accordance with this Agreement and/or Applicable Law. In such case, Contractor shall have no indemnification obligations pursuant to Section 12.1 for actions or negligence of the owner or operator of the City-selected Processing Site(s). City Contract Manager shall provide written notice to Contractor not less than ninety (90) days before effective date of the change and Contractor shall have ninety (90) days following such notice to either bring the Approved Recyclable Materials Processing Site into compliance with the requirements of this Agreement and/or Applicable Law. Should the Contractor be unsuccessful in their attempts to do so, only then will the Contractor be required to use the City-selected Processing Site(s).

6.2 ORGANIC MATERIALS PROCESSING

- A. Processing.** Contractor shall select Processing Site(s) and secure sufficient capacity to Process Organic Materials Collected under this Agreement. Contractor shall provide the City Contract Manager, upon request, with documentation demonstrating availability of such capacity. Contractor shall pay all costs associated with Transporting Organic Materials to the Processing Sites as well as any Processing costs. The Processing Site(s) selected by Contractor shall be approved in writing by the City Contract Manager at least ninety (90) days prior to use of such site(s).

Contractor agrees to Transport and deliver all Source Separated Organic Materials it Collects in Service Area No. 2 to the Approved Processing Site(s). Residue from the Organic Materials shall be Disposed of by Contractor at the Designated Disposal Site or a Disposal Site selected by the Approved Organic Materials Processing Site.

Contractor, or its Subcontractor, shall cause the Approved Processing Site(s) to be in full regulatory compliance at all times, including but not limited to compliance with all required permits. Contractor shall provide copies of notices of violation or permit modifications to the City Contract Manager within five (5) Business Days of receipt.

If Contractor elects to use a Processing Site that is different from the Approved Processing Site agreed-upon at the Execution Date, it shall secure prior written approval from the City Contract Manager and such approval will not be unreasonably withheld. The City shall not compensate the Contractor for any increased Transportation and Processing costs associated with the use of Processing Site(s) different from the Approved Processing Site(s).

- B. Transfer.** If Contractor uses a Transfer Station for Organic Materials, Contractor shall select the Transfer Station and secure sufficient capacity to transfer Organic Materials Collected under this Agreement. Contractor shall provide the City Contract Manager, upon request, with documentation demonstrating availability of such capacity. All costs associated with Transporting Organic Materials to the Transfer Station as well as any transfer costs shall be paid by Contractor. Contractor agrees to use Approved Transfer Station and such site approval shall be obtained from the City Contract Manager at least ninety (90) days prior to use of such site.

If the Contractor (i) Transports Organic Materials to a Transfer Station where the materials will be unloaded from Collection vehicles and loaded into large-capacity vehicles and Transported to the Processing Site(s), or (ii) pulls two or more Collection trailers in tandem with one truck, and the Contractor is unable to do so, then the Contractor shall be responsible for making other Transportation arrangements. In such event, Contractor shall not be compensated for any additional costs. If the Contractor plans to change its transfer method, Contractor shall obtain written approval from the City Contract Manager prior to making the change. The City Contract Manager's approval shall authorize the transfer method and the facility(ies) Contractor proposes to use.

- C. Marketing.** The Contractor or Subcontractor shall be responsible for the marketing of Organic Materials it Collects in Service Area No. 2. Contractor shall make end products (Compost or mulch) or develop end uses for materials that maximize diversion credits according to the regulations established by the Act. Contractor shall not use any Organic Materials for the purposes of ADC or any other on-site landfill utilization or for transformation fuel, unless prior written approval is obtained from the City Contract Manager.

Contractor shall prepare and maintain a City Contract Manager-approved marketing plan for all Organic Materials it Collects in Service Area No. 2. The plan shall be in place on or before the Commencement Date of this Agreement. The marketing plan shall fully describe the Contractor's marketing methods and approach, targeted primary and contingent markets, pricing policy and assumed salvage value for Organic Materials products, and contingency plans if market conditions are severe.

Contractor shall provide proof to the City Contract Manager that all Organic Materials Collected is marketed for use in such a manner that materials shall be considered as diverted in accordance with the State regulations established by the Act. All residual material from the Processing activities that is not marketed for use shall be accounted for as Disposal Tonnage at a permitted Disposal Site. No Organic Materials shall be

transported to a domestic or foreign location if Disposal of such material is its intended use.

- D. Disposal of Organic Materials Prohibited.** Source Separated Organic Materials may not be Disposed of in lieu of Composting the material, without the expressed written approval of the City Contract Manager. If Contractor believes that it cannot divert the Organic Materials from Disposal, then it shall prepare a written request for approval to Dispose of such material. Such request shall contain the basis for its belief, describe the Contractor's efforts to arrange for the diversion from Disposal of such material, the period required for such Disposal, the incremental costs or cost savings resulting from such Disposal, and any additional information supporting the Contractor's request. The City Contract Manager shall consider the Contractor's request and inform Contractor in writing of its decision within 30 calendar days. If the City Contract Manager approves such request and the difference in the cost of such Disposal compared to the diversion is greater than \$10,000, then the Contractor's Compensation shall be adjusted in accordance with Section 11.6.
- E. City Right to Select Processing Site.** The City reserves the right to direct Contractor to Processing Site(s) other than that selected by Contractor. In such case, the Contractor shall be released from its indemnification obligation in Section 12.1 as it relates to actions or negligence of the Owner and operator of the City-selected Processing Site(s), and the City shall adjust Contractor's Compensation in accordance with procedures for a City-directed change in scope in accordance with Section 4.5. City Contract Manager shall provide written notice to Contractor not less than ninety (90) days before effective date of the change.

6.3 SOLID WASTE DISPOSAL

Contractor shall Transport to and Dispose of all Solid Waste Collected in Service Area No. 2 at the Designated Disposal Location. Contractor shall pay all costs associated with the Transporting and Disposing of Solid Waste. Contractor shall maintain accurate records of the quantities of Solid Waste Transported to the Designated Disposal Location and will cooperate with the City Contract Manager in any audits or investigation of such quantities or their composition. The Parties acknowledge that the Designated Disposal Location is responsible for delivering all Solid Waste which remains after Processing at the Designated Disposal Location to the Designated Landfill Site, pursuant to the Services Agreement between Orange Avenue Disposal Company, Inc. and the City dated February 25, 2004.

Contractor shall cooperate with the operator of the Designated Disposal Location with regard to operations therein, including for example, complying with directions from the operator to unload Collection vehicles in designated areas, accommodating to maintenance and operations and construction of new facilities, cooperating with Hazardous Waste exclusion and load checking programs, and so forth. Furthermore, Contractor shall comply with Sections 4 through 14 of the Disposal Agreement in Exhibit O.

Subject to City's contractual obligations pursuant to any contract between Contractor and City for the Disposal of Solid Waste, City reserves the right to designate a Designated Disposal

Location or allow the Contractor to select a Disposal Site other than that specified on the Effective Date or during the Term. In either case, Contractor's Compensation shall be adjusted in accordance with Sections 4.5 and 11.6. For the purposes of adjusting costs related to Collection vehicles driving to and from the Designated Disposal Location and the new site the incremental change in mileage between the Designated Disposal Location shall be measured from Service Area No. 2's geographic centroid at Belmont Avenue and 1st Street.

Contractor may Dispose of residue from Organic Materials at any Disposal Site selected by the Contractor.

Any Disposal Site used by Contractor must be designed and constructed in accordance with 23 California Code of Regulations Section 2510 et seq. ("Subchapter 15"). Contractor shall ensure that any such landfill (other than the Designated Disposal Location) has been issued all permits from federal, state, regional, county and municipal agencies necessary for it to operate as a Class III Sanitary Landfill and is in full compliance with those permits at all times. Contractor shall provide copies of notices of violation or permit modifications to the City Contract Manager within five (5) Business Days of receipt.

ARTICLE 7.

OTHER SERVICES

7.1 PUBLIC EDUCATION

Contractor shall work with Commercial Customers to improve the Recyclable Materials and Organic Materials Collection programs. On the second anniversary of the Commencement Date of this Agreement, Contractor shall have made reasonable efforts including, but not limited to, all plans described in Contractor's Proposal to increase the volume of Recyclable Materials and Organic Materials Collection services relative to Solid Waste Collection service provided to businesses.

At a minimum, Contractor's efforts to increase the volume of Recyclable Materials Collection service provided to businesses shall include contacting each Commercial Customer once per year and each Multi-Family Customer twice per year to: (i) promote Recyclable Materials and Organic Materials Collection services; (ii) present potential cost savings associated with increased Recyclable Materials and Organic Materials Collection service and reduced Solid Waste Collection services; (iii) perform a visual waste characterization assessment and present recommendations for Recycling activities; (iv) learn about the potential barriers (e.g., space constraints) to Recyclable Materials and Organic Materials Collection service and identify solutions for overcoming such barriers; and, (v) providing signage, training brochures, videos, and/or other media for distribution to tenants and/or employees to educate them on how to properly participate in source reduction, Recycling, and Composting programs.

In conjunction with the City, Contractor shall develop, implement, and maintain a public education program to educate the community and promote source reduction, reuse, Recycling, Composting, and other services required by this Agreement. Contractor's public education program shall focus on providing information to Customers in accordance with the specific requirements described in Exhibit G. Educational media shall include, but not be limited, to

newsletters, bill inserts, flyers, door hangers, notification tags, and direct contact. Information shall be provided for initial start of new services, to solicit feedback about the service and suggested improvement/change, and to educate Customers about source reduction, reuse, and Recycling opportunities. Materials shall be printed on paper containing the highest levels of recycled content material as is reasonably practical with a minimum requirement of thirty percent (30%) post-consumer content based on Federal standards.

All public education materials required in this Section and Exhibit G shall be printed in English, Spanish, Hmong, and any other language(s) requested by the City Contract Manager, provided that such languages are used in City-produced public education and outreach materials.

Contractor shall obtain the City Contract Manager's approval of all public education materials prior to printing, distribution, advertising, posting, or mailing. The City Contract Manager may, in their sole discretion, provide Contractor with educational media developed to create a consistent message throughout the City. Contractor shall be responsible for all reproduction and distribution costs associated with materials provided by City Contract Manager.

If Contractor fails to perform some or all of the requirements of the public education program described in this Section and in Exhibit G, the Contractor shall pay the City Liquidated Damages as described in Section 13.5 and Exhibit H.

7.2 BILLING

A. General. Contractor shall bill all Customers and collect Billings in accordance with this Section 7.2.

The Contractor shall prepare, distribute, and collect bills (or shall issue written receipts for cash payments) for Collection services provided by Contractor. The City shall have the right to review, and approve the Billing format.

Contractor shall arrange to allow its Customers to pay bills through the following means: check; cash; credit card; internet payment service; or, automatic withdrawal from banking account.

Contractor shall maintain copies of all Billings and receipts, each in chronological order, for three years for inspection and verification by City, its employees, officers or agents at any reasonable time upon request. The Contractor may, at its option, maintain those records in computer form, on microfiche, or in any other manner, provided that the records can be preserved and retrieved for inspection and verification in a timely manner.

Contractor shall be responsible for collection of payment from Customers with past due accounts ("bad debt"). Contractor shall make reasonable efforts to obtain payment from delinquent accounts through issuance of late payment notices, telephone requests for payments, and assistance from collection agencies.

In the event that any account becomes more than 45 days past due, Contractor shall notify such Customer of the delinquency via written correspondence and telephone contact.

Should any account become more than 90 days past due, Contractor shall provide notice to the Customer via written correspondence, with a copy to the City Contract Manager, that service may be discontinued if the account becomes more than 120 days past due. Should any account become more than 120 days past due, Contractor may discontinue providing service to the Customer including, at the sole option of the Contractor, removing the Container from the Customer's service location. In the event that Contractor removes a Container from the Customer's service location, Contractor may charge the Customer a container replacement fee, in accordance with the Maximum Permissible Rates established by this Agreement. No less than three (3) Business Days prior to discontinuing service to a Customer, Contractor shall notify the City Contract Manager of the address, service level, service frequency, and delinquent billing amount. Contractor may withhold service from a delinquent account until past delinquencies are paid in full. Upon restoring service to a previously delinquent account, Contractor may charge the Customer a container replacement fee, in accordance with the Maximum Permissible Rates established by this Agreement and may require a deposit from the Customer not to exceed one month's billings at the Customer's service level.

Billing shall be performed on the basis of services rendered and this Agreement shall create no obligation on the part of any Person on the sole basis of the ownership of property. Nothing in this Section 7.2 shall be interpreted in such a way that would allow Contractor to bill for, or require an Owner to pay for, services without regard to the use of those services or the occupancy of the Owner's Premises.

Contractor may request, subject to the approval of the City Contract Manager, a change in the timing of billings (e.g. changing from monthly to quarterly).

B. Customer-Specific Billing Instructions

1. **Multi-Family Billing.** Bills for Multi-Family service shall be mailed to Customers monthly in advance of the provision of service. Contractor shall bill Owner or property manager of the Multi-Family Premises.
2. **Commercial Billing.** Bills for Commercial service (including Bin, Roll-Off Box, and Compactor services) shall be mailed to Customers monthly in advance of the provision of service. If Commercial Customers have centralized service (in which Containers are shared by more than one Commercial Premises), Contractor shall bill one Customer for centralized services or, at the request of the Commercial Customers sharing the Containers, Contractor shall treat each Commercial Premises as a separate Customer and shall bill each Customer for service costs equal to the service Rate divided by the number of Commercial Premises sharing the service provided that the Owner or Occupant of one of the Commercial Premises sharing services takes sole responsibility for paying the Contractor for services in the event the other parties fail to do so.

- C. Bill Inserts.** City Contract Manager may direct Contractor to produce and insert mailers (which shall be a single sheet of paper no larger than 8.5 inches by 11 inches) relating to service with the bills. The mailers shall be printed on double-sided, post-consumer-

content paper and shall fit in standard envelopes. Contractor also agrees to insert with the Billings, mailers describing activities of the City government. City Contract Manager will provide not less than thirty (30) calendar days' notice to Contractor before the mailing date of any proposed mailing to permit Contractor to make appropriate arrangements for inclusion of the City's materials. City Contract Manager will provide Contractor the mailers at least fifteen (15) calendar days before the mailing date. The cost of such inserts and any additional postage shall either be paid for by the City or included in the costs upon which Rates are based.

- D. Review of Billings.** Contractor shall review its Billings to Customers to determine (i) if the amount the Contractor is Billing each Customer is correct in terms of the level of service (i.e., frequency of Collection, size of Container, location of Container) Contractor is providing such Customer, and (ii) that all parties receiving service are invoiced for service. Contractor shall review Customer accounts at least every other year, unless City Contract Manager directs Contractor to do otherwise. Contractor shall submit to City Contract Manager every year, a written report of the billing review thirty (30) days after the end of each Rate Period. The scope of the review, the Contractor's work plan, and the format of the report (including supporting exhibits) shall be submitted to the City Contract Manager for approval no later than sixty (60) days prior to commencement of the Billing review process. The City may perform this review itself or through use of an agent. Should City or its agent perform this review and identify billing errors valued at one percent (1%) or more of gross annual Rate revenues, Contractor shall, in addition to compensating City for lost fees, reimburse the City's cost of the review, up to fifty thousand dollars (\$50,000) for Service Area No. 2.

7.3 CUSTOMER SERVICE PROGRAM

7.3.1 Program Requirements

- A. Availability of Representatives.** A representative of the Contractor shall be available from 8 a.m. to 5 p.m. Monday through Friday to communicate with the public in person and by telephone. A message machine or voicemail service shall be available for Customers to leave messages during non-business hours. Calls received during non-business hours shall be returned no later than noon of the following Business Day. Contractor shall also maintain an after-hours telephone number allowing 24-hour per day access to Contractor management by City in the event of an emergency involving Contractor's equipment or services including, but not necessarily limited to, fires, blocked access, or property damage.
- B. Telephone.** Contractor shall maintain a telephone system in operation at its office from 8 a.m. to 5 p.m. and shall have staff available to answer calls. Contractor shall install telephone equipment sufficient to handle the volume of calls experienced on the busiest days and such telephone equipment shall be capable of recording the responsiveness to calls. Recording of Contractor's responsiveness to calls shall include, at a minimum, all items included in the Customer service standards listed in Exhibit H and Liquidated Damages identified in Section 13.5 and Exhibit H. If Persons are unable with reasonable

effort to reach Contractor's office by phone, or are subject to waiting time "on hold" of more than three (3) minutes prior to reaching a Customer service representative, City Contract Manager may require that Contractor install additional telephone lines or hire additional Customer service representatives. An answering machine or voicemail service shall record Customer calls and voice messages between 5:00 p.m. and 8:00 a.m. Liquidated Damages may be levied for Contractor's failure to meet Customer service standards provided in Exhibit H in accordance with Section 13.5.

- C. **Web Site.** Contractor shall develop and maintain a web site that is accessible by the public and that describes services provided in Service Area No. 2. The site shall include answers to frequently asked questions, service Rates, Recyclable Materials and Organic Materials program specifications, and other related topics. Contractor's web site shall provide the public the ability to e-mail Contractor questions, service requests, or Complaints. Contractor's web site shall provide the Customers with the ability to pay their bills through an electronic check or credit card and include the ability for Customer Billings to be automatically charged to payment mechanism on a recurring basis.
- D. **Customer Satisfaction Survey.** The City may conduct a Customer satisfaction survey as frequently as once each year.
- E. **Training.** Customer service representatives shall receive training during each quarter of the calendar year on City-specific service requirements. During the training, a City-specific Collection service and fee information sheet, training agenda, and associated documentation shall be provided to employees. A copy of all training materials and sign-in sheet documenting all employees attending the training shall be provided to the City Contract Manager within five (5) Business Days of each training event.
- F. **Local Office.** Throughout the Term of this Agreement Contractor shall maintain a local office within a 25-mile radius of City Hall, that may be located in either the City or County of Fresno, where all Customer service personnel and operations shall be housed for Customers served under this Agreement.

7.3.2 Service Complaints

Contractor shall be responsible for the prompt and courteous attention to, and prompt and reasonable resolution of, all Complaints. Contractor shall record in a separate log, approved as to form in writing by City Contract Manager, all Complaints, noting the name and address of complainant, date and time of Complaint, nature of Complaint, and nature and date of resolution. The Contractor shall retain this Complaint log for the Term. In addition, Contractor shall compile a summary statistical table of the Complaint log, satisfactory to the City Contract Manager, and submit the table to City Contract Manager each month.

Contractor shall respond to all Complaints received within twenty-four (24) hours, weekends and Holidays excluded. In particular, if a Complaint involves a failure to Collect Solid Waste, Recyclable Materials or Organic Materials from a Premises in the City, Contractor shall Collect the material in question within twenty-four (24) hours of receipt of the Complaint, provided that Generator has properly placed materials for Collection in accordance with the City's Municipal Code. Liquidated Damages may be levied for Contractor's failure to meet the service Complaint

standard and additional Customer service standards provided in Exhibit H in accordance with Section 13.5.

7.4 PROVISION OF EMERGENCY SERVICES

Contractor shall provide emergency services at the City Contract Manager's request in the event of major accidents, disruptions, or natural calamities. Emergency services may include, but are not limited to, assistance handling salvaged materials, Processing, Composting, or Recycling materials, or Disposing of Solid Waste following a major accident, disruption, or natural calamity. Contractor shall be capable of providing emergency services within twenty-four (24) hours of notification by the City Contract Manager or as soon thereafter as is reasonably practical in light of the circumstances. Emergency services, which exceed the Contractor's obligations, shall be compensated in accordance with Section 11.6. If Contractor cannot provide the requested emergency services, the City shall have the right to take possession of the Contractor's equipment for the purposes of providing emergency services.

ARTICLE 8. STANDARDS AND REQUIREMENTS FOR SERVICES, EQUIPMENT, AND PERSONNEL

8.1 COLLECTION HOURS AND SCHEDULES

- A. Hours of Collection.** Collection shall only occur between the hours of 5:30 a.m. and 9:00 p.m., Sunday through Saturday. The City Contract Manager may require modifications to hours for Collection to resolve noise Complaints, and, in such case, the City Contract Manager may change the allowable Collection hours.
- B. Collection Route Schedules.** Contractor shall provide City Contract Manager with route maps and daily Collection schedules for each Collection service. Such maps and schedules shall be reviewed and approved by the City Contract Manager. Contractor shall not permit any Customer's service to lapse more than seven (7) calendars days during a Collection schedule change.
- C. Holiday Collection Schedule.** Contractor, at its sole discretion, may choose not to provide Collection services on a Holiday. In such event, Contractor shall provide Collection services on the day following the Holiday. The Contractor shall provide Customers notice of Holiday-related changes in Collection schedules at least two weeks prior to the change; but in no case, shall Contractor notice Customers three weeks prior to the change.
- D. Contingency Plan.** Contractor shall submit to City Contract Manager, on or before the Commencement Date, a written contingency plan demonstrating Contractor's arrangements to provide vehicles and personnel and to maintain uninterrupted service during mechanical breakdowns, and in case of natural disaster or other emergencies.

8.2 COLLECTION STANDARDS

8.2.1 Implementation of Services

The Contractor's implementation of the new services required under this Agreement shall occur in a smooth and seamless manner so that Customers and/or Generators do not experience disruption in Collection services. Contractor shall be responsible for managing implementation of new Collection services and other related services and shall do so in accordance with the implementation plan in Exhibit D.

8.2.2 Servicing Containers

Contractor shall pick up and return each Container to the location where the Generator properly placed the Container for Collection. Contractor shall place the Containers upright with lids properly secured or closed. The City may levy Liquidated Damages for repeat occurrences of Container misplacement in accordance with Section 13.5 of this Agreement.

Contractor shall use due care when handling Containers. Containers shall not be thrown from trucks, roughly handled, damaged, or, broken.

Contractor, at the request of Customers, shall provide special services including: unlocking Containers; accessing Container enclosures with a key or remote; or pulling or pushing Containers to the Collection vehicle. Contractor may charge Customers for extra services in accordance with City-approved Maximum Permissible Rates.

8.2.3 Weighing Materials Separately from Other Jurisdiction

Unless otherwise approved by the City Contract Manager, Solid Waste, Recyclable Materials, and Organic Materials Collected in the City shall not be mixed with other materials collected from other jurisdictions before the City's material has been accurately weighed and recorded.

8.2.4 Instructions to Customer

Contractor shall instruct Customers as to any requirements for the proper separation of materials or placement of Containers for Solid Waste, Recyclable Materials, and Organic Materials. If Customers are not adhering to Contractor's instructions, Contractor shall notify such Customers. In cases of extreme or repeated failure to comply with the instructions, Contractor may decline to pick-up the Solid Waste, Recyclable Materials, or Organic Materials provided that Contractor leaves a tag at least two inches by six inches (2" x 6") in size on the Container indicating the reason for refusing to Collect the material and identifying the steps Customer and/or Generator must take to recommence Collection service. If Recyclable Materials or Organic Materials set out for Collection contain 25% or 5%, respectively, or greater by volume of Solid Waste, Contractor shall Collect materials and leave a warning notice for the Customer. Contractor shall report to the City Contract Manager any warning notices issued to Customers within one (1) Business Day of issuance. Contractor shall provide direct person-to-person education and outreach to Customers with repeated contamination notices. The Contractor shall assist such Customers in developing employee and/or tenant training and Collection strategies which reduce contamination levels.

8.2.5 Overages

Contractor shall direct its employees not to Collect Solid Waste beyond each Customer's subscription level of service unless the business office of Contractor has granted prior authorization to make such Collection.

8.2.6 Care of Private Property

Contractor shall not damage private or City-owned property. Contractor shall ensure that its employees: (i) close all gates opened in making Collections, unless otherwise directed by the Generator; (ii) do not cross landscaped areas; (iii) do not climb or jump over hedges and fences; and, (iv) check for obstructions or impediments including, but not limited to, lighting, plumbing, wiring, or signage prior to operating Collection equipment.

City shall refer Complaints about private property damage to Contractor. Contractor shall repair all damage to private or City-owned property caused by its employees. In the event of repeat occurrences of property damage, the Contractor shall pay Liquidated Damages in accordance with Section 13.5.

8.2.7 Litter Abatement

A. Minimization of Spills. Contractor shall use due care to prevent Solid Waste, Recyclable Materials, Organic Materials, vehicle oil, and vehicle fuel from being spilled or scattered during the Collection or Transportation process. If any materials are spilled or scattered during Collection, the Contractor shall promptly clean-up all spilled and scattered materials.

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

B. Clean-Up. During Collection, the Contractor shall clean-up litter in the immediate vicinity of any Container storage area (including the areas where Containers are delivered for Collection) whether or not Contractor has caused the litter. Each Collection vehicle shall carry protective gloves, a broom, and shovel at all times for the purpose of cleaning up litter. Cat-litter or similar absorbent material shall be used by Contractor for cleaning up liquid spills. The Contractor shall discuss instances of repeated spillage not caused by it with the Customer of the Premise where spillage occurs, and Contractor shall report such instances to City Contract Manager.

C. Covering of Loads. Contractor shall cover all open Roll-Off Boxes, with an approved cover, at the Collection location before Transporting materials to the Designated Disposal Location, Designated Recyclable Materials Processing Site, or Approved Processing Sites.

8.2.8 Noise

All Collection operations shall be conducted as quietly as possible and shall conform to applicable Federal, State, county, and City noise level regulations. Contractor will promptly

resolve any Complaints of noise during the morning or evening hours of the day to the satisfaction of the City Contract Manager. In the event of repeat occurrences of noise levels in excess of fifty (50) dbA, the Contractor shall pay Liquidated Damages in accordance with Section 13.5.

8.3 VEHICLE REQUIREMENTS

8.3.1 General

On the Commencement Date of this Agreement, Contractor shall take possession of Collection vehicles previously owned by the City and designated for Service Area No. 2 and Contractor shall pay the City the sales price specified in Exhibit N. Prior to Contractor taking possession of the Collection Vehicles, City shall ensure that each vehicle is in such a condition that it would pass California Highway Patrol BIT inspection criteria. Although the Contractor is required to take ownership of and possession of the Collection vehicles previously owned by the City, the Contractor is not obligated to use such Collection vehicles to provide the Collection services required by this Agreement. The Contractor may sell the Collection vehicles previously owned by the City or use such vehicles to provide services in the City or other jurisdictions. If Collection vehicles previously owned by the City are to be used in the City to provide services under this Agreement, all City-specific paint schemes, logos, phone numbers, advertising, or other identification shall be removed from the vehicles within ninety (90) Business Days of the Commencement Date. If Collection vehicles previously owned by the City are to be sold or transferred to operations in another jurisdiction, all City-specific paint schemes, logos, phone numbers, advertising, or other identification shall be removed from the vehicles prior to sale or transfer.

At all times during the Term of the Agreement, Contractor shall provide a fleet of Collection vehicles sufficient in number and capacity to efficiently perform the work required by the Agreement in strict accordance with its terms. Contractor shall have available sufficient back-up vehicles for each type of Collection vehicle used (e.g., side loader, front loader, and roll-off vehicles) to respond to Complaints and emergencies. Vehicles shall be owned or leased by Contractor.

8.3.2 Specifications

All vehicles used by Contractor in providing Collection services shall be registered with the California Department of Motor Vehicles. All such vehicles shall have watertight bodies designed to prevent leakage, spillage or overflow. All such vehicles shall comply with U.S. Environmental Protection Agency (EPA) noise emission regulations and other applicable noise control regulations. Any vehicle that does not comply with noise level requirements shall be prohibited from performing services under this Agreement.

As required by law, Contractor shall comply with State and Federal regulations including, but not limited to: (i) the California Air Resources Board Heavy Duty Engine Standards, contained in CCR Title 13, Section 2020 et seq; and, (ii) the Federal Environmental Protection Agency's Highway Diesel Fuel Sulfur regulations (Section 209(b) of the Clean Air Act, as amended, 42 U.S.C. 7543(b)). In addition, Contractor shall comply with all San Joaquin Valley Air Pollution Control District, State, and Federal regulations related to emissions controls using engines,

vehicles, and/or control technologies that meet or exceed the 2011 or later model year vehicle and engine requirements. If Contractor needs to convert, retrofit, or replace its Collection vehicles to be in full compliance with local, State and Federal clean air requirements (including compliance with requirements for 2011 or later model year vehicles) in effect on the Commencement Date of the Agreement, the costs for such changes shall be the sole responsibility of the Contractor and shall not be reimbursed through a change in Contractor's Compensation or Rates. To the extent that clean air requirements become more or less stringent after the Commencement Date of the Agreement, Contractor Compensation or Rates may be adjusted upward or downward as specified in Section 11.5.

8.3.3 Vehicle Identification

Contractor's name, local telephone number, and a unique vehicle identification number for each vehicle shall be prominently displayed on all vehicles, in letters and numbers that are a minimum of four (4) inches high. Contractor shall not place the City's logo on its vehicles nor shall Contractor paint their vehicles in a way that, in the reasonable judgment of the City Contract Manager, would cause the public to mistake Contractor's vehicles with those that the City uses for Residential Collection or utility services operations. Should City Contract Manager determine that vehicle paint schemes are unacceptable, Contractor shall repaint or cause offending vehicles to be repainted within ten (10) Business Days or be removed from service until the City Contract Manager's concern is resolved.

8.3.4 Inventory

Contractor shall furnish sufficient equipment to provide all service required by this Agreement in a timely fashion. Contractor shall furnish the City Contract Manager a written inventory of all vehicles used in providing service, and shall update the inventory report annually. The inventory shall list all vehicles by manufacturer, ID number, date of acquisition, type, capacity, decibel rating, average weight of load, and average loaded axle weights.

8.3.5 Cleaning and Maintenance

- A. General.** Contractor shall maintain all of its properties, facilities, and equipment in a safe, neat, clean and operable condition at all times.
- B. Cleaning.** Collection vehicles shall be thoroughly washed and thoroughly steam cleaned to present a clean appearance of the exterior and interior compartment of the vehicle. City Contract Manager may inspect vehicles at any time to determine compliance with cleanliness requirements. Contractor shall make vehicles available to City Contract Manager for inspection, in the event that City Contract Manager requests such an inspection.
- C. Maintenance.** Contractor shall inspect each vehicle daily to ensure that all equipment is operating properly. Vehicles that are not operating properly shall be taken out of service until they are repaired and operate properly. Contractor shall perform all scheduled maintenance functions in accordance with the manufacturer's specifications and schedule or in accordance with California Highway Patrol standards, whichever are more stringent. Contractor shall keep accurate records of all vehicle maintenance, recorded according to date and mileage, and shall make such records available to the City Contract Manager

upon request to the extent necessary to perform the inspections described in Sections 8.8 and 9.1.3.

- D. **Repairs.** Contractor shall repair, or arrange for the repair of, all of its vehicles and equipment for which repairs are needed because of accident, breakdown or any other cause so as to maintain all equipment in a safe and operable condition. Contractor shall maintain accurate records of repair, which shall include the date/mileage, nature of repair and the signature of a maintenance supervisor that the repair has been properly performed.
- E. **Storage.** Contractor shall arrange to store all vehicles and other equipment in safe and secure location(s) in accordance with City's applicable zoning regulations.

8.3.6 Operation

Vehicles shall be operated in compliance with the State Vehicle Code, and all applicable safety and local ordinances. Contractor shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by State or local weight restrictions for vehicles and roads. Contractor shall have each Collection vehicle weighed at the Designated Disposal Location, Designated Recyclable Materials Processing Site, Approved Transfer Station, or Approved Processing Sites to determine the unloaded weight ("tare weight") of the vehicle. Contractor vehicles shall be permitted on City streets only during the Collection hours described in Section 8.1.A.

8.4 CONTAINER REQUIREMENTS

- A. **General.** On the Commencement Date of this Agreement, all Containers used by the City to Collect Solid Waste, Recyclable Materials, and Organic Materials from Multi-Family and Commercial Customers in Service Area No. 2 shall become property of the Contractor; and the Contractor shall purchase such Containers from the City by paying the City the sales price specified in Exhibit N. The City shall leave such Containers at each Customer's service location for immediate use by Contractor and to minimize disruptions in service to Customers. Contractor may elect to use the Containers previously owned by the City or to replace such Containers. If Contractor elects to continue to utilize the Containers, Contractor shall be responsible for removing all City-specific identification from the Containers through repainting or the application of high-quality waterproof stickers within ninety (90) Business Days of acquiring such Containers from the City. If Contractor chooses to replace Containers, the Contractor shall remove the Container previously owned by the City and reuse or Recycle the Container. If Contractor chooses to sell or transfer Containers to another operation, Contractor must remove all City-specific identification prior to such sale or transfer.

Contractor shall provide Containers to all Customers at no additional charge as part of its services. Containers shall be designed and constructed to be watertight and prevent the leakage of liquids. All Containers shall meet applicable Federal, State, and local regulations for safety and be covered with industry-standard attached lids. The useful life

of Containers shall be equal to or longer than the Term of the Agreement. All Containers shall prominently display Contractor's name and telephone number.

B. Cleaning, Painting, and Maintenance. Contractor shall maintain Containers in a safe, serviceable, and functional condition. Contractor shall steam clean and repaint all Containers, except Carts, as needed to present a clean appearance. Customers using Carts shall be responsible for cleaning such Carts. If Contractor is notified by Customer that their Container is impacted by graffiti, Contractor shall remedy the situation within forty-eight (48) hours.

C. Repair and Replacement. Contractor shall repair or replace all Containers damaged by Collection operations within a one-week period. If the repair or replacement cannot be completed within one (1) week, the Contractor shall notify Customer and a Container of the same size or larger shall be made available until the proper Container can be replaced.

At no additional cost, Contractor shall replace Customer Carts that have been stolen or damaged. Contractor shall allow Customer to exchange Containers for a Container of a different size at no additional cost.

D. City's Rights to Containers. Upon expiration or early termination of this Agreement, all Carts, Bins, Compactors and Roll-Off Boxes (for permanent Customers) acquired by Contractor and put into service at Customer's Premises before the first (1st) anniversary of the Commencement Date shall become property of the City. All Carts, Bins, Containers, and Roll-Off Boxes (for permanent Customers) purchased or leased and put into service at Customers' Premises on or after the first (1st) anniversary of the Commencement Date that have not been fully depreciated shall be available to the City for purchase, at the City's option, at the Containers' net book value based on a 10-year useful life.

At its sole discretion, the City may elect not to exercise its rights with regard to this Section 8.4.D and, in such case, the Containers shall become the property of the Contractor upon the expiration date of this Agreement or date of its earlier termination of this Agreement. In such case, Contractor shall be responsible for removing all Containers in service from Premises in accordance with the City-approved plan for transitioning services from Contractor. Should Contractor fail to remove Containers within three (3) Business Days, City may assume ownership of them or sell them to a third party who would remove them from the Premises.

8.5 PERSONNEL

A. General. Contractor shall furnish such qualified drivers, mechanical, supervisory, Customer service, clerical and other personnel as may be necessary to provide the services required by this Agreement in a safe and efficient manner.

B. Hiring of City Employees. Forty five (45) calendar days prior to the Commencement Date, Contractor shall offer employment to City employees that filled thirty nine (39)

City Commercial solid waste positions allocated to Service Area No. 2. Any City employee offered a position must pass a physical, which physical shall not exceed the standards set by Contractor for all employees in similar positions. Contractor shall have no obligation to hire a City employee that fails the physical. In the Contractor's written employment offer, Contractor shall describe the wages and benefits Contractor will provide such City employees. On or before the Commencement Date, Contractor shall employ the City employees that accepted the Contractor's employment offer and shall guarantee employment of such Persons for a period of twelve (12) months, except that Contractor may terminate any employee for cause. In the event that a City employee fails a California Department of Motor Vehicles background check or pre-employment drug and alcohol screening or that any employee is terminated for cause, Contractor shall be relieved of the obligation to employ that specific City employee. In such a case, Contractor shall be required to extend an offer of employment to another City employee within that job classification.

- C. Approval of Management.** Contractor recognizes the importance of establishing a successful relationship between its management and City Contract Manager. Therefore, the Contractor will allow the City Contract Manager the right to approve the selection of the Contractor's field representative and the Contractor's responsible officer as designated by the Contractor, provided that the City Contract Manager's approval is not unreasonably withheld. The City Contract Manager shall have the right to request the Contractor to replace the Person that serves as the City's main contact with Contractor (e.g., field representative and the Contractor's responsible officer as designated by the Contractor pursuant to Section 14.10), if Liquidated Damages levied for events listed in Exhibit H, with the exception of damages levied for Collection reliability and Collection quality events items 1, 3, and 8 of Exhibit H, in any three-month period exceed two thousand dollars (\$2,000) or if Liquidated Damages levied for Collection reliability and Collection quality events items 1, 3, and 8 of Exhibit H in any three-month period exceed forty-five thousand dollars (\$45,000). If replacement of the field representative and the Contractor's responsible officer as designated by the Contractor pursuant to Section 14.10 is requested by the City Contract Manager, the Contractor shall have ninety (90) calendar days to replace the field representative or responsible officer and shall seek the City Contract Manager's approval of the replacement manager prior to hiring such Person. The provisions of this paragraph "C" shall not apply to any field representative and Contractor responsible officer that owns at least five percent (5%) of Contractor.
- D. Provision of Field Supervision.** Contractor shall designate at least two (2) qualified full time equivalent employees as supervisor of field operations and such Person shall devote at least 70% of his or her time in the field checking on Collection operations, including responding to Complaints.
- E. Driver Qualifications.** All drivers shall be trained and qualified in the operation of Collection vehicles and must have in effect a valid license, of the appropriate class, issued by the State Department of Motor Vehicles. Contractor shall use the Class B California Department of Motor Vehicles employer "Pull Notice Program" to monitor its drivers for safety.

- F. **Customer Service Representative Training.** Customer service representatives shall be trained on specific City service requirements, a minimum of once per quarter. A City information sheet shall be provided to each Customer service representative for easy reference of City requirements and general Customer needs, and specific Service Area No. 2 services. The information sheet, training agenda, employee sign-in sheet, and associated documentation shall be forwarded to the City each quarter after the training.
- G. **Safety Training.** Contractor shall provide suitable operational and safety training for all of its employees who operate Collection vehicles or equipment or who are otherwise directly involved in such Collection. Contractor shall train its employees involved in Collection to identify, and not to collect, Hazardous Waste or Infectious Waste.
- H. **No Gratuities.** Contractor shall not permit its employees to accept, demand, or solicit, directly or indirectly, any additional compensation, or gratuity from Customers or members of the public for Collection. If any Contractor employee is found to have accepted compensation in exchange for providing services at no charge or for a reduced charge, such employee shall, at a minimum, be reassigned to a position which prevents them from providing service directly to Customers.
- I. **Employee Conduct and Courtesy.** Contractor shall use its best efforts to assure that all employees present a neat appearance and conduct themselves in a courteous manner. Contractor shall regularly train its employees in Customer courtesy, shall prohibit the use of loud or profane language, and shall instruct Collection employees to perform the work as quietly as possible. If any employee is found not to be courteous or not to be performing services in the manner required by this Agreement, Contractor shall take all appropriate corrective measures. The City Contract Manager may require Contractor to reassign an employee, if the employee has conducted himself or herself inconsistently with the terms of this Agreement.
- J. **Uniforms.** While performing services under this Agreement, all of the Contractor's employees performing field service shall be dressed in clean uniforms that include the employee's name and/or employee number, and Contractor's name, as approved by the City Contract Manager. No portion of this uniform may be removed while working. No portion of the uniform shall contain advertising from the public sector.

8.6 HAZARDOUS WASTE INSPECTION AND HANDLING

- A. **Inspection Program and Training.** Contractor shall develop a load inspection program that includes the following components: (i) Personnel and training; (ii) Load checking activities; (iii) Management of wastes; and (iv) Record keeping and emergency procedures.

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

- B. Response to Hazardous Waste Identified During Collection.** If Contractor determines that material placed in any Container for Collection is Hazardous Waste, Designated Waste, or other material that may not legally be Disposed of at the Designated Disposal Location or handled at the Designated Recyclable Materials Processing Site, Approved Transfer Station, or Approved Processing Sites, or presents a hazard to Contractor's employees, the Contractor shall have the right to refuse to accept such material. The Contractor shall contact the Generator and request Generator to arrange proper Disposal. If the Generator cannot be reached immediately, the Contractor shall, before leaving the Premises, leave a tag at least two inches by six inches (2" x 6") in size, which indicates the reason for refusing to Collect the material and lists the phone number for the Fresno County Environmental Health Department.

Contractor's environmental technician shall be notified to handle the issue with the Generator. The Contractor's environmental technician shall be notified by the Contractor and shall guide the Generator to safely containerizing the Hazardous Waste and shall explain the Generator's options for proper disposition of such material. Under no circumstances shall Contractor's employees knowingly Collect Hazardous Waste or remove unsafe or poorly containerized Hazardous Waste from a Collection Container.

If Hazardous Waste is found in a Collection Container or Collection area that could possibly result in imminent danger to people or property, the Contractor shall immediately notify the City's Fire Department using the 911 emergency number. The Contractor shall notify the City of any Hazardous Waste identified in Containers or left at any Premises within 24 hours of identification of such material.

- C. Response to Hazardous Waste Identified at Disposal Site or Processing Site.** If materials Collected by Contractor are delivered to a facility owned by Contractor for purposes of transfer, Processing, or Disposal, load checkers and equipment operators at such facility shall conduct inspections in areas where Collection vehicles unload Solid Waste, Recyclable Materials, or Organic Materials to identify Hazardous Wastes. Facility personnel shall remove these materials for storage in approved on-site hazardous materials storage container(s). Contractor shall make reasonable efforts to identify and notify the Generator. Contractor shall arrange for removal of the Hazardous Wastes by permitted haulers in accordance with Applicable Laws and regulatory requirements.

If the unacceptable material is delivered to the Designated Disposal Location, Designated Recyclable Materials Processing Site, Approved Transfer Station, or Approved Processing Sites by Contractor before its presence is detected, and the Generator cannot be identified or fails to remove the material after being requested to do so, the Contractor shall arrange for its proper Disposal and pay for costs of such Disposal. The Contractor shall make a good faith effort to recover the cost of Disposal from the Generator, and the cost of this effort, as well as the cost of Disposal shall be chargeable to the Generator.

- D. Regulations and Record Keeping.** Contractor shall comply with emergency notification procedures required by Applicable Laws and regulatory requirements. All records required by regulations shall be maintained at the Contractor's facility. These

records shall include: waste manifests, waste inventories, waste characterization records, inspection records, incident reports, and training records.

8.7 NON-DISCRIMINATION

Contractor shall not discriminate in the provision of service or the employment of Persons engaged in performance of this Agreement because of race, color, religion, sex, age, physical handicap, or medical condition in violation of any Applicable Law.

8.8 COMMUNICATION AND COOPERATION WITH CITY

- A. Communications.** If requested, the Contractor shall meet with the City Contract Manager at least once each month to discuss service issues. The Contractor's field representative and the Contractor's responsible officer as designated by the Contractor shall have e-mail and cellular telephone capabilities to enable the City Contract Manager and the Contractor's field representative and the Contractor's responsible officer to communicate via e-mail and/or cellular telephone.
- B. Inspection by City.** The City or their designated representatives shall have the right to observe and review Contractor operations and enter Premises for the purposes of such observation and review during business hours upon twenty-four (24) hours notice.
- C. Cooperate with City-Initiated Studies.** Contractor shall cooperate with and assist the City or its agent with performance of City-initiated studies of Solid Waste, Recyclable Materials, and Organic Materials such as, but not limited to, waste generation, characterization, and composition studies.

8.9 YEAR 5 CONTRACTOR PERFORMANCE REVIEW

Within one hundred eighty (180) days following the end of Rate Period 4, the City shall undertake a review of the Contractor's performance under this Agreement. Contractor shall cooperate fully with the performance review and provide, within thirty (30) days of request, all operational, financial and other information deemed reasonably necessary or convenient by the City Contract Manager for purposes of conducting the performance review. The Contractor's failure to cooperate or provide all requested information shall be considered an event of default as provided in Section 13.1.A. The performance review shall be performed by a qualified independent third party consultant with expertise in the solid waste and recycling industry in California. Such consultant shall be selected by the City in its sole discretion. Contractor shall reimburse City up to fifty thousand dollars (\$50,000) for the actual and reasonable costs incurred in conducting the review.

- A. Scope of Performance Review.** The performance review shall evaluate Contractor's performance under this Agreement within six major areas, each of which formed a basis for the City's selection of Contractor for the award of this Agreement. The scope of the performance review shall include all or any portion of the following:

- 1) **Fee Audit.** City's consultant shall audit the fees paid by Contractor to City, as required under Article 10 for, at least, the most recently concluded Rate Period to determine the accuracy and completeness of Contractor's payments to the City. This audit will review Contractors Billings to and receipts from Customers to determine: (i) if the amount the Contractor is Billing each Customer is correct in terms of the level of service (i.e., frequency of Collection, size of Container, location of Container) Contractor is providing such Customer; (ii) that the Customers receiving service are invoiced for the level of service they receive; and (iii) that the Contractor has accurately calculated the amount of the fees paid to the City including all Customers served and receipts under this Agreement.
- 2) **Rate Increase Review.** For each Rate category, City's consultant shall compare the Rate charged by Contractor during Rate Period 5 with the Rate charged by Contractor during Rate Period 1 of this Agreement to determine the percentage increase in each Rate during the first five Rate Periods of the Agreement.
- 3) **Customer Satisfaction Survey.** City's consultant shall mail, with return postage pre-paid, a customer satisfaction survey to all of Contractor's Customers served under this Agreement. At a minimum, the survey shall include the question, "Considering your experience with Contractor over the past four years, are you generally satisfied with the services provided by Contractor?" and respondents shall only be allowed to answer "yes" or "no". At the request of the City Contract Manager or the Contractor, the customer satisfaction survey may also include questions which request feedback regarding various services provided by contractor and the Customers' level of satisfaction with those.
- 4) **Complaint Review.** City's consultant shall review Contractor's customer service systems, reports, and Complaint logs maintained by Contractor as required under Section 7.3.2 of this Agreement for, at least, the Rate Period immediately preceding the performance review. Additionally, City's consultant shall determine the total number of service opportunities requested by Customers under this Agreement for the same time period. A service opportunity includes: 1) any time that a Customer has a regularly scheduled Collection of any individual container on a given day; and, 2) when Customers receive service of multiple Containers or Service Types, each Container shall also be counted as a separate service opportunity. For example, a Customer subscribing to three times per week Collection of Solid Waste and three times per week Collection of Recyclable Materials shall be determined to have six service opportunities per week. The purpose of this review is to determine the level of total complaints relative to the number of total service opportunities during the review period.
- 5) **Employee Review.** City's consultant shall review Contractor's employment litigation history, California Department of Industrial Relations complaint history, Occupational Safety and Health Administration complaint history, and/or the records of any other applicable employee-related regulatory agency to establish Contractor's record of handling employee grievances, claims, or other formal complaints. City's

consultant shall review Contractor's personnel records to determine compliance with the requirements of Section 8.5.B (Hiring of City Employees).

- 6) **Diversion Program Review.** City's consultant shall review Contractor's implementation, promotion, and operation of programs required by Article 5 of this Agreement as well as the public education and outreach requirements of Section 7.1 and Exhibit G. The City's consultant shall also solicit input from Department of Resources, Recycling, and Recovery (CalRecycle) staff responsible for overseeing the City's implementation of programs under AB 939 and AB 32 to determine their level of satisfaction with Contractor's implementation of diversion and education programs.
- 7) **Default and Liquidated Damages Review.** City's consultant shall review any and all notices of breach or default resulting from this Agreement as well as any and all liquidated damages assessed upon Contractor since the Commencement Date.

B. Minimum Standards of Performance. The minimum standards of performance, for the purposes of this performance review, are as follows for each area under review:

- 1) **Fee Audit.** Contractor's payments to the City shall not be more than five percent (5%) less than the fees due to City as calculated during the fee audit.
- 2) **Rate Increase Review.** No Rate charged by Contractor shall have increased by more than fifteen percent (15%) from Rate Period 1 to Rate Period 5.
- 3) **Customer Satisfaction Survey.** At least seventy five percent (75%) of responding Customers shall have responded "yes" to the question, "Considering your experience with Contractor over the past four years, are you generally satisfied with the services provided by Contractor?"
- 4) **Complaint Review.** The total number of Complaints received by Contractor shall not exceed one percent (1%) of the total service opportunities during the review period.
- 5) **Employee Review.** The Contractor shall have maintained full compliance with the requirements of Section 8.5.B of this Agreement and shall have no adverse judgment, settlement, determination, or ruling in any employee law suit, grievance, complaint, or claim related to operations under this Agreement.
- 6) **Diversion Program Review.** The Contractor shall have: 1) fully implemented all Collection, public education, and outreach programs within six (6) months of the Commencement Date; 2) continued to consistently perform such services as required by this Agreement; and, 3) there shall be no fine(s), compliance order, or local assistance plan issued or pending from any State agency regulating AB 939 or AB 32 compliance. Contractor shall not be held responsible for any such fine, order, or plan that was the result of a program or programs which are not the responsibility of Contractor as described in this Agreement.

7) **Default and Liquidated Damages Review.** The Contractor shall have no more than one notice of default and/or no more than twenty thousand dollars (\$20,000) of liquidated damages assessed during the period between the Effective Date and the commencement of the performance review.

C. **Remedies.** In the event that Contractor fails to meet any of the minimum performance standards established in Section 8.9.B above, Contractor shall be determined to be in breach of this Agreement as defined in Section 13.1.A. The City Contract Manager shall notify the Contractor in writing of the City's determination that the Contractor has failed to meet the minimum performance standards established including each of the specific contractual requirements for which the City finds the Contractor in breach.

Contractor shall be entitled to the opportunity to cure a breach resulting from Section 8.9.B.1 by remitting payment in full to the City within thirty (30) days of receipt of a notice of breach. The payment shall include the amount determined to be underpaid plus any late fees as described in Section 10.4. In addition, Contractor shall, within (30) days of receipt of a notice of breach demonstrate, to the satisfaction of the City Contract Manager, that any systematic issues in Contractor's operations or information systems which caused the underpayment have been resolved.

Contractor shall be entitled to the opportunity to cure a breach resulting from Section 8.9.B.2 by: 1) reducing its Rates for Rate Period 5 such that no Rate is more than fifteen percent (15%) higher than that same Rate in Rate Period 1, and 2) waiving Contractor's right to rate increases as allowed under Section 11.2 for Rate Periods 6 and 7.

Contractor shall not be entitled to the opportunity to cure a breach resulting from Sections 8.9.B.3 through 8.9.B.7 as no remedy can be reasonably made on a retroactive basis for failures to perform under those requirements.

D. **Determination of Default.** The City Council shall review the results of the performance review and consider any evidence presented by the Contractor in connection therewith. In the event that a breach of contract has been identified in two (2) or more of the seven (7) areas of the review defined in Section 8.9.A, and such breach has not been remedied as described in Section 8.9.C, the City Council may determine that a significant event of default has occurred and may, in their sole discretion, terminate this Agreement by giving written notice of termination to the Contractor, either by mail or personal service. Any termination of this Agreement by the City, resulting solely from the performance review contemplated by this Section 8.9, shall be effective as of a date set by the City but may not become effective less than seven hundred thirty (730) days from Contractor's receipt of such notice of termination.

8.10 YEAR 8 FRANCHISE SYSTEM REVIEW

Within one hundred eighty (180) days following the end of Rate Period 7, the City may undertake a review of the efficacy of the exclusive franchise system for providing service to Commercial and Multi-Family Customers within the City. Contractor shall cooperate fully with

the review and provide, within thirty (30) days of request, all operational, financial and other information deemed reasonably necessary or convenient by the City Contract Manager for purposes of conducting the review of the franchise system. The City Council shall have the sole discretion in determining if such a review is warranted and in determining the scope of such a review.

ARTICLE 9.

RECORD KEEPING AND REPORTING

9.1 GENERAL

9.1.1 Maintenance of Records

Contractor shall maintain accounting, operational, statistical, and other records related to its performance as shall be necessary to develop reports required by this Agreement, to support any claim by Contractor under Section 11.5, and to respond to any reasonable request of the City under Sections 4.5 or 11.5. Also, Contractor agrees to conduct data collection, information and record keeping, and reporting activities needed to comply with and to meet the reporting and Solid Waste program management needs of City, the Act, and other Applicable Laws, and the requirements of this Agreement.

Because it is not possible to accurately anticipate all of the conditions giving rise to the need for information, to the extent, such requirements are set out in this and other Articles of this Agreement, they shall not be considered limiting or necessarily complete. In particular, this Article is intended to only highlight the general nature of records and reports and their minimum content and is not meant to comprehensively define what the records and reports are to be and their content. Further, with the written direction by or approval of City Contract Manager, the records and reports to be maintained and provided by Contractor in accordance with this and other Articles of the Agreement shall be adjusted in number, format, or frequency, even if such adjustment results in significant additional costs to the Contractor.

To adjust Contractor's Compensation in the event of City-directed changes (in accordance with Section 4.5) or in the event of special Rate review (in accordance with Section 11.5) and support its obligations under Section 11.6, Contractor must maintain accurate, detailed, financial and operational information in a consistent format, and must make such information available to the City Contract Manager in a timely fashion.

9.1.2 Retention of Records

Unless otherwise required in this Article, Contractor shall retain all records and data required to be maintained by this Agreement for the Term of this Agreement plus five (5) years after its expiration or earlier termination. Records and data shall be in chronological and organized form and readily and easily accessible. At the City Contract Manager's request, records and data required to be maintained that are specifically directed to be retained shall be retrieved in a timely manner by Contractor and made available to the City Contract Manager.

Records and data required to be maintained that are not specifically directed to be retained and that are not material to a special Rate review or required for the determination of the Contractor's

performance, need not be retrieved by Contractor. In such a case and when such records and data are required to but are not retained by the Contractor, the City may make reasonable assumptions regarding what information is contained in such records and data, and such assumption(s) shall be conclusive in whatever action the City takes.

9.1.3 Inspection of Records

The City, its auditors and other agents, shall have the right, during regular business hours, and with twenty-four (24) hours written notice identifying the information desired and the types of records that may contain that information, to conduct on-site inspections of accounting systems, payroll tax reports, specific documents or records required by this Agreement, or any other similar records or reports of the Contractor and all companies conducting operations addressed in this Agreement, that the City shall deem, at its sole discretion, necessary to evaluate annual reports, Rate review applications, and the Contractor's performance provided for in this Agreement. The City may make copies of any documents it deems relevant to this Agreement.

9.1.4 Record Security

Contractor shall maintain adequate record security to preserve records from events that can be reasonably anticipated such as a fire, theft, water-intrusion, or an earthquake. Electronically-maintained data and records shall be protected, backed-up (i.e., tape or other digital media copies of the electronic records), and stored in an off-site location. In no case should less than two copies of digital records be maintained and each copy must be maintained in separate locations.

9.2 RECORDS

9.2.1 Financial and Operational Records

Contractor 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. The accounting records shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP) consistently applied. Financial and operational records shall be maintained in sufficient detail to support the review of Contractor's Rate application requests under Section 11.3 and Exhibit P. Should City Contract Manager determine that records were not maintained in sufficient detail to clearly support Contractor's request, City shall have no obligation to approve an adjustment to Rates.

9.2.2 Collection Service Records

Records shall be maintained by Contractor for City relating to:

- A. Customer services and Billing;
- B. Weight and volume of material Collected by type (e.g., Solid Waste, Recyclable Materials, and Organic Material). Where possible, information is to be separated by Service Type;
- C. Routes;
- D. Facilities, equipment and personnel used;

- E. Facilities and equipment operations, maintenance and repair;
- F. Tonnage of Solid Waste, Recyclable Materials, and Organic Materials listed by Processing Site or Disposal Site where such materials were delivered; and
- G. Recyclable Materials and Organic Materials Collection participation.
- H. End use and markets for processed Organic Materials.

9.2.3 Transfer, Processing, and Disposal Records

Contractor shall maintain records of transfer, Disposal, and Processing of all Solid Waste, Recyclable Materials, and Organic Materials Collected by Contractor.

9.2.4 Other Programs Records.

Records for other programs including, but not limited to, public education and outreach activities, event and venue Recycling programs, and abandoned waste collection shall be tailored to specific needs. In general, the records shall include:

- A. Plans, tasks, and milestones; and
- B. Accomplishments in terms such as dates, activities conducted, quantities of products used, produced or distributed, and numbers of participants and responses.

9.2.5 Customer Service Records

In order to facilitate the City's determination of Contractor's performance, records shall be maintained by Contractor for City detailing, at a minimum:

- A. Number of calls, e-mails, web site originated contacts, faxes, and letters received;
- B. Average hold time for calls; percentage of calls answered in 30 seconds; percentage of calls answered in 3 minutes;
- C. Categories of calls, e-mails, web site originated contacts, faxes, and letters (i.e., compliments, Complaints, missed pickups, damage, etc.);
- D. Customer service representative training materials and record of training;
- E. Complaint log noting the name and address of complainant, date and time of Complaint, nature of Complaint, and nature and date of resolution;
- F. Log of new Customers.

9.2.6 CERCLA Defense Records

City views its ability to defend itself against CERCLA and related litigation as a matter of great importance. For this reason, the City regards its ability to prove where Solid Waste Collected in the City was taken for transfer or Disposal, as well as where it was not taken, to be matters of

concern. Contractor shall maintain, retain and preserve records which can establish where Solid Waste Collected in the City was Transferred and/or Disposed (and therefore establish where it was not). Contractor shall provide these records to the City Contract Manager at the expiration or early termination of this Agreement, in an organized and indexed manner rather than destroying or disposing of them.

9.3 GENERAL REPORTING REQUIREMENTS

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

- A. Approve Rates;
- B. Evaluate the financial efficacy of operations;
- C. Evaluate past and expected progress towards achieving the Contractor's diversion goals and objectives;
- D. Determine needs for adjustment to programs; and,
- E. Evaluate Customer service and Complaints.

Contractor may propose report formats that are responsive to the objectives and audiences for each report. The format of each report shall be approved by City Contract Manager. Contractor agrees to mail a copy of all reports and submit all reports on computer discs or by e-mail in a format compatible with City's software and computers, in the event it may do so at no significant additional cost. Contractor will provide a certification statement, under penalty of perjury, by the responsible Contractor official, that the report being submitted is true and correct to the best knowledge of such official after their reasonable inquiry.

Monthly reports shall be submitted within thirty (30) calendar days after the end of the reporting month. Quarterly reports shall be submitted within forty-five (45) calendar days after the end of the report quarter. Annual reports shall be submitted no later than forty-five (45) calendar days after the end of the each Rate Period.

All reports shall be submitted to:

Solid Waste Manager
City of Fresno
1325 E. El Dorado
Fresno, CA 93706

9.4 MONTHLY REPORTS

Reports shall present the following information electronically in a Microsoft Excel-compatible format. Exhibit K includes sample data reporting forms. The City Contract Manager may review and approve Contractor's report formats and content and may change the frequency of

reporting (e.g. from monthly to quarterly, quarterly to monthly, etc.) for items listed in this Section 9.4.

- A. **Solid Waste Services.** Total Tonnage Collected and Disposed by Service Type.
- B. **Recyclable Materials Services.** Tonnage Collected and Delivered to Designated Recyclable Materials Processing Site by Service Type.
- C. **Organic Materials Services.** Tonnage Collected, Delivered to Approved Processing Site, and Processed by Service Type. If the Processing Site handles Organic Materials Collected in Service Area No. 2 and from other parties, provide a description of how the quantities of Organic Materials are tracked and allocated to Service Area No. 2.
- D. **Customer Service**
 - 1. Number of Customer, Generator, or other Person calls, emails, faxes, web site originated contacts, and letters by category (e.g., missed pickups, scheduled clean-ups, Billing concerns, damage claims, etc.)
 - 2. Number of Complaints and number of Complaints for which problem was not corrected or Customer was not satisfied within five (5) Business Days of receiving the Complaint. Provide explanations on Complaints for which corrective action did not occur within five (5) Business Days.
 - 3. Number of new Commercial and Multi-Family Recyclable Materials and Organic Materials Customers listed by Cart, Bin, and Roll-Off Box services.
 - 4. Customer service summary that provides monthly and year-to-date Customer service performance statistics corresponding to the performance standards set for Liquidated Damages items 1 through 22 in Exhibit H. Significant trends and variances from the standards should be noted and explained.
- E. **Account Information.** In table format, the number of Customers and service levels for all Service Types (including billing codes for each service level).
- F. **AB 939 County Surcharge – Collection And Reporting.** Contractor acknowledges that City is a party to that certain AB 939 Memorandum of Understanding with the County of Fresno and various other jurisdictions dated January 6, 2008 (the “AB 939 MOU”), and further acknowledges having received and reviewed a copy of the AB 939 MOU. The Parties agree that Contractor is a “Jurisdiction’s Hauler”, as that term is used in Part IV, Section H of the AB 939 MOU. Contractor shall comply with all requirements of Part IV, Section H of the AB 939 MOU that are applicable to a Jurisdiction’s Hauler, including but not limited to submittal of specified reports and, to the extent applicable, payment of the AB 939 Surcharge (as that term is defined in the AB 939 MOU).

9.5 QUARTERLY REPORTS

Reports shall present the following information by each month’s data in the reported quarter and include a quarterly average. In addition, each quarterly report shall show the past four (4)

quarters average for data comparison (the first three (3) quarters of the Agreement shall only include the available quarterly information.) Refer to Exhibit K for sample reporting forms.

A. Solid Waste Services

1. Quarterly summary of monthly report required in Section 9.4.A.
2. Accounts collected by Service Type. Include number of accounts, as well as number of total yards for Bin service; and number of pulls, deliveries, and pickups for Roll-Off Box and Compactor Service.

B. Recyclable Materials Services

1. Quarterly summary of monthly report required in Section 9.4.B.
2. Accounts collected by Service Type. Include number of accounts, number of total yards for Bin service; and number of pulls, deliveries, and pickups for Roll-Off Box and Compactor Service.

C. Organic Materials Service

1. Quarterly summary of monthly report required in Section 9.4.C.
2. Accounts collected by Service Type. Include number of accounts, number of total yards for Bin service; and number of pulls, deliveries, and pickups for Roll-Off Box and Compactor Service.

D. Customer Service

1. Quarterly summary of monthly report required in Section 9.4.D.
2. Customer Service overview sheet, training agenda, and other training supplements provided at the quarterly Customer service meeting.
3. Call center reports documenting the number of calls received per month (or quarter), the percentage of calls answered within thirty (30) seconds, and the percentage of calls answered within three (3) minutes.

E. Abandoned Waste Collection. Quarterly report in accordance with Section 5.6.

F. Education Activities

1. Public education materials produced and total number of each distributed.
2. Dates, times, and group names of meetings attended to educate Customers on the Recyclable Materials and Organic Materials Collection programs, in accordance with Exhibit G.
3. Account address, Customer name, service levels, and service changes (if any) for each waste audit performed as a requirement of Section 7.1.

G. Pilot and New Programs. For each pilot and/or new program, activity-related and narrative reports on goals and milestones and accomplishments; description of problems

encountered, actions taken, and any recommendations to facilitate progress; and description of vehicles, personnel, and equipment utilized for each program.

H. Summary Assessment

1. Summary assessment of the overall Solid Waste, Recyclable Materials, and Organic Materials program from Contractor's perspective relative to financial and physical status of program. Description of the status is to relate to how well the program is operating for efficiency, economy, and effectiveness relative to meeting all the goals and objectives of this Agreement including particularly the Contractor's diversion goals.
2. Recommendations and plans to improve.
3. Highlights of significant accomplishments and problems.

I. Other Reports. Provide a summary, including number of events or incidents and Tonnage Collected (if applicable) for the following:

1. Special events (Section 5.5)
2. Instructions to Customers (Section 8.2.4)
3. Hazardous Waste incidents (Section 8.6.B)

9.6 ANNUAL REPORTS

9.6.1 Annual Report Requirements

The annual report shall be in the form of the quarterly reports and shall provide the same type of information as required pursuant to Section 9.5, summarized for the preceding four (4) quarters. The annual report shall also include a complete inventory of equipment used to provide all service.

9.6.2 Contractor Officers and Board Members

Provide a list of Contractor's officers and members of its board of directors with the annual report.

9.6.3 Related-Party Entities

Contractor agrees that all financial transactions with all Related-Party Entities shall be approved by the City Contract Manager in advance in writing. Related-Party Entities approved on the Effective Date of this Agreement are identified in the definition of Related-Party Entities in Article 1. If the Contractor proposes to amend the list of approved Related-Party Entities, the Contractor shall submit a letter to the City Contract Manager identifying any additional Related-Party Entities and the nature of the relationship Contractor intends to have with such party(ies), and requesting approval of the Related-Party Entity(ies). Annually, the Contractor shall submit a letter to the City Contract Manager disclosing the Related-Party Entities with which the Contractor has had financial transactions.

9.6.4 Operational Information

In addition to requirements stated elsewhere in this Agreement, the annual report shall include the following information:

A. Routes by Service Type

1. Number of routes per each day of the week
2. Type of vehicle used on each route
3. Crew size per route
4. Number of full-time equivalent (FTE) routes
5. Number of accounts per route
6. Total hours per Service Type per day and per year

B. Personnel

1. Organization chart
2. Job classifications and number of employees (e.g. administrative, Customer service representatives, drivers, route supervisors, Customer education staff, Recycling outreach staff)
3. Number of full-time equivalent (FTE) positions for each job classification
4. Number of hours per job classification per day and per year

C. Productivity Statistics

1. Number of accounts per Service Type
2. Tons per route per day

D. Operational Changes (from prior-year report)

1. Number of routes
2. Staffing
3. Supervision
4. Collection services.

E. Billing and Account Information

1. Billing review report in accordance with Section 7.2.D.
2. Account information listing each Customer, Customer address and contact information, service level (Container size and Collection frequency), and day(s) of Collection.

9.6.5 Financial Information

The financial information in this Section 9.6.5 shall be provided by Contractor on July 1 of Rate Periods 2 and 9, and Rate Periods 14 (if the Term is extended beyond 10 years) and 19 (if the Term is extended beyond 15 years), with its application for a cost-based Rate adjustment pursuant to Section 11.4. At such time, Contractor shall deliver to the City Contract Manager Contractor's financial statements and profit and loss statements for the most-recently completed

Rate Period. If Contractor keeps separate financial statements and profit and loss statements relating solely to this Agreement, only those statements need be disclosed. Financial statements shall show Contractor's results of operations, including the specific revenues and expenses in connection with the operations provided for in this Agreement. The financial statements shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP) consistently applied and fairly reflecting the results of operations and Contractor's financial condition. City shall use its best efforts to maintain the confidentiality of Contractor's financial information.

9.7 EVENT-SPECIFIC REPORTING

- A. **Special Event Collection.** As required by Section 5.5, the Contractor shall submit to the City Contract Manager a written report identifying the Tonnage of Solid Waste and Recyclable Materials Collected and any suggestions Contractor proposes for the next event. The report shall be submitted no later than ten (10) Business Days following each event.
- B. **Report of Unauthorized Dumping.** As required by Section 5.6, Contractor shall report: (i) the addresses of any Premises at which the driver observes Solid Waste, Recyclable Materials, and/or Organic Materials accumulating; and (ii) the address, or other location description, at which Solid Waste, Recyclable Materials, and/or Organic Materials have been dumped in an apparently unauthorized manner. The report shall be delivered to the City Contract Manager within five (5) Business Days of such observation.
- C. **Hazardous Waste.** As required by and subject to the limitations of Section 8.6, the Contractor shall notify the County of Fresno Fire Department Hazardous Materials response team of any Hazardous Waste identified in Containers or left at any Premises within twenty-four (24) hours of identification of such material.
- D. **Warning Notices for High Level of Contaminants.** As required by Section 8.2.4, Contractor shall report to the City Contract Manager any warning notices issued to Customers for high levels of Contaminants found in the Recyclable Materials or Organic Materials Containers. The report shall be delivered to the City Contract Manager within one (1) Business Day of issuance of the warning notice. City shall have no obligation to respond to such notices, nor shall it be obligated to interact with Customer in any way.

ARTICLE 10. FRANCHISE FEES AND OTHER FEES

10.1 FRANCHISE FEE

In consideration of the exclusive rights provided Contractor herein, Contractor shall pay Franchise Fees to the City each month equal to 14.1% of actual gross receipts remitted by Customers for Collection services provided in Service Area No. 2.

10.2 OTHER FEES AND PAYMENTS

- A. **Contract Management and Enforcement Fee.** The Contractor shall pay the City a Contract Management and Enforcement Fee each month equal to 0.50% of actual gross receipts remitted by Customers for Collection services provided in Service Area No. 2. The City shall use the fee to offset expenses related to contract management, compliance, monitoring, and enforcement. The City shall retain the sole right to set priorities for its contract monitoring and enforcement among City personnel and/or contractors. Unless otherwise adjusted by City subject to Section 10.3, this fee shall be adjusted annually in accordance with Section 11.3.E.
- B. **Recyclable Materials Payment.** The Contractor shall pay the City a Recyclable Materials Payment each quarter equal to eight dollars (\$8) for each ton of Recyclable Materials Collected by Contractor in Service Area No. 2 and delivered to the Approved Recyclable Materials Processing Site during the preceding quarter.
- C. **Signing Fee.** The Contractor shall pay the City a signing fee equal to one hundred thousand dollars (\$100,000) within ten (10) Business Days of the City's execution of this Agreement.
- D. **Other Fees.** The City may set or adjust other fees as it deems necessary. The amount, time, and method of payment and adjustment process will be set in a manner similar to that for other fees described in this Article, and Rates shall be adjusted in accordance with Section 11.5 to reflect new fees.
- E. **Procurement Reimbursement Payment.** The Contractor shall reimburse the City for its costs related to the procurement and negotiation of this Agreement in the amount of one hundred fifty thousand dollars (\$150,000) within ten (10) Business Days of the City's execution of this Agreement.

10.3 ADJUSTMENT TO FEES

City reserves the right to unilaterally adjust the fees established in this Article at any time during the Term of this Agreement, subject to City obligation to adjust Rates in accordance with Section 11.5.

10.4 PAYMENT SCHEDULE AND LATE FEES

On or before the twentieth (20th) day of each month during the Term of this Agreement, Contractor shall remit to City Franchise Fees and other fees as described in this Article. If such remittance is not paid to the City on or before the twentieth (20th) day of any month, Contractor shall pay the fees due plus interest compounded daily, where interest shall be calculated using the annual yield rate for the California Local Agency Investment Fund (LAIF) most-recently published by the California State Treasurer's office.

Each monthly remittance to City shall be accompanied by a statement itemizing each fee paid; detailing calculation of all fees; and stating actual gross revenues, by Service Type, for the

monthly period collected from all operations conducted or permitted by this Agreement. Each remittance including all supporting documentation shall be provided to:

Attn: City Controller
Finance Department
City of Fresno
2600 Fresno Street
Fresno, CA 93706

ARTICLE 11. CONTRACTOR'S COMPENSATION AND RATES

11.1 CONTRACTOR'S COMPENSATION

The Contractor's Compensation for performance of all its obligations under this Agreement shall be the actual gross Rate revenues remitted to Contractor by Customers less fees due to the City in accordance with Article 10. Contractor's Compensation provided for in this Article shall be the full, entire, and complete compensation due to Contractor pursuant to this Agreement for all labor, equipment, materials and supplies, Processing and Disposal fees, taxes, insurance, bonds, overhead, operations, profit and all other things necessary to perform all the services in the manner required by this Agreement.

If Contractor's costs are more than actual gross Rate revenues retained by Contractor, Contractor shall not be compensated for the difference in costs and revenues. If Contractor's costs are less than the actual gross Rate revenues retained by the Contractor, Contractor shall retain the difference. In addition, calculations of Rates shall not be adjusted for variances of actual costs or revenues during prior periods of time.

The Rates for Rate Period 1 was set by Contractor. Contractor's proposed costs for Rate Period 1 and operating assumptions are presented in Exhibit C. Rates for subsequent Rate Periods shall be adjusted in accordance with this Article 11.

Under this Agreement, Contractor shall have the right and obligation to charge and collect from Customers the Rates set by Contractor, which Rates shall not exceed the City approved Maximum Permissible Rates, which are contained in Exhibit J. The Contractor shall bill Customers and collect payments in accordance with Section 7.2.

11.2 RATE ADJUSTMENT PROCESS

- A. General.** The City shall be responsible for adjusting the Maximum Permissible Rates as described in this Article. If at any time during the Term of the Agreement, the Contractor determines the need for a Rate that does not appear on the City-approved Maximum Permissible Rate schedule, Contractor shall immediately notify the City Contract Manager and request establishment of such Rate. For example, if a Customer requires Collection of a 15-cubic-yard Compactor five (5) times per week and the City-approved

Maximum Permissible Rate schedule does not include this level of service, the Contractor must request that the City approve a Maximum Permissible Rate for this level of service.

- B. Rates Determined On or Before Execution of the Agreement.** Maximum Permissible Rates for Rate Period 1, which are presented in Exhibit J, were determined by Contractor and were approved by City Council resolution on or before the execution of the Agreement. The Rates for Rate Period 1 are effective December 1, 2011 through December 31, 2012. The Operating Component portion of Rates for Rate Period 1, as per Exhibit J, shall be not be adjusted to reflect either increases or decreases in costs from those anticipated by Contractor.
- C. Annual Adjustment Process.** The Maximum Permissible Rates shall be adjusted annually, commencing with Rate Period 2 through the remaining Term of this Agreement including any extension periods. The adjustments to the Maximum Permissible Rates shall be determined using one of two methodologies: (1) an index-based adjustment, or (2) cost-based adjustment. The index-based adjustment, which is described in Section 11.3, involves use of various cost adjustment factors (such as the percentage change in the consumer price index and the current Disposal Site tipping fee) to calculate adjusted Rates. The cost-based adjustment, which is described in Exhibit P, involves a detailed review of the Contractor’s actual costs of service and determination of adjusted Rates to reflect Contractor’s actual costs; provided however, the Operating Component portion of the Rate adjustment does not exceed three percent (3%) for the Rate Period 3 adjustment and six percent (6%) for any other Rate Period. Below is a table that specifies when the two Rate adjustment methods shall be used. In the event that the City elects to extend the Term of this Agreement for less than five (5) years per extension, City may require a cost-based review during each extension regardless of the dates described in the table below.

Rate Period	Commencement Date of Rate Period	Adjustment Method Used to Determine Rates for the Rate Period	Rate Adjustment Application Submittal Date
1	December 1, 2011	Not Applicable	Not Applicable
2	January 1, 2013	Index-Based	October 1, 2012
3	January 1, 2014	Cost-Based	July 1, 2013
4	January 1, 2015	Index-Based	October 1, 2014
5	January 1, 2016	Index-Based	October 1, 2015
6	January 1, 2017	Index-Based	October 1, 2016
7	January 1, 2018	Index-Based	October 1, 2017
8	January 1, 2019	Cost-Based	July 1, 2018
9	January 1, 2020	Index-Based	October 1, 2019
10	January 1, 2021	Index-Based	October 1, 2020
11*	January 1, 2022	Index-Based	October 1, 2021
12*	January 1, 2023	Index-Based	October 1, 2022
13*	January 1, 2024	Cost-Based	July 1, 2023
14*	January 1, 2025	Index-Based	October 1, 2024
15*	January 1, 2026	Index-Based	October 1, 2025

Rate Period	Commencement Date of Rate Period	Adjustment Method Used to Determine Rates for the Rate Period	Rate Adjustment Application Submittal Date
16*	January 1, 2027	Index-Based	October 1, 2026
17*	January 1, 2028	Index-Based	October 1, 2027
18*	January 1, 2029	Cost-Based	July 1, 2028
19*	January 1, 2030	Index-Based	October 1, 2029

*Applicable only if the Term is extended pursuant to Section 3.4.

11.3 INDEX-BASED ADJUSTMENT OF RATES

A. Annual Adjustment. Subject to the terms herein, the Contractor shall be entitled to an annual adjustment of all Rates. Each Rate, excluding Special Charges, includes an Operating Component, Disposal Component, Processing Component, and Fee Component, which are annually adjusted. The City Council shall make a good faith effort to approve Maximum Permissible Rates by November 1 of each year, and such Rates shall be effective on each subsequent January 1. If Rates are not adjusted by November 1, then prior Rates remain in effect until such adjustment is made.

The first adjustment is scheduled to take effect January 1, 2012 subject to City Council approval. Each Rate is annually adjusted as specified in Section 11.3.B through 11.3.F, with the exception of Special Charges adjusted in accordance with Section 11.3.G.

B. Adjustment of the Operating Component. The Operating Component of each Rate shall be adjusted annually by the Operating Cost Factor (the “OCF”) using the following methodology. The OCF shall not exceed two and one half percent (2.5%) during Rate Periods 1 through 4. The OCF shall not exceed five percent (5%) during any Rate Period after Rate Period 4.

Step 1. Calculate the Labor-Related Factor of the OCF by calculating the 12-month percentage change in the most-recently published Employment Cost Index (“ECI”) compiled and published by the U.S. Department of Labor, Bureau of Labor Statistics (the “DOL”) or its successor agency, using the following Bureau of Labor Statistics’ parameters:

- Compensation – Total Compensation
- Ownership – Private Industry
- Periodicity – Index Number
- Group – 210 - Service-Producing Industries
- Seasonally Adjusted

For example, assuming:

1. Most-recently published ECI (third quarter 2011) = 163.5
2. ECI published 12 months prior (third quarter 2010) = 158.6

$$\text{Labor-Related Factor} = ((163.5-158.6)/158.6) = 0.0309 = 3.1\%$$

The factor shall be rounded to the nearest tenth (10th) percent.

Step 2. Calculate the Fuel Factor of the OCF by calculating the percentage change in the average annual per gallon fuel cost. The average annual per gallon fuel cost shall be calculated by dividing the total fuel cost for the preceding twelve months by the number of gallons purchased during the preceding twelve months. The most recent average annual per gallon fuel cost shall be compared to the prior twelve month's average annual per gallon fuel cost to determine the percentage change. For the purposes of this calculation, only liquefied natural gas (LNG) purchased at the City-owned LNG fueling station shall be considered. For the purposes of the first rate adjustment, the initial per gallon fuel cost shall be one dollar and fifteen cents (\$1.15). Neither the initial per gallon fuel cost nor the average annual per gallon fuel cost shall include state or federal fuel sales taxes for the purposes of this calculation.

For example,

1. Most-recent twelve month average annual per gallon fuel cost = \$135,000 (total fuel cost for preceding twelve months) / 100,000 (total gallons of fuel purchased during preceding twelve months) = \$1.35
2. Prior twelve month average annual per gallon fuel cost = \$1.15

$$\text{Fuel Factor} = ((1.35-1.15)/1.15) = 0.1739 = 17.4\%$$

The factor shall be rounded to the nearest tenth (10th) percent.

In the event that the average annual per gallon fuel cost increases by more than twenty cents per gallon in any adjustment calculation, the City shall permit the adjustment of the Fuel Factor to result in an increase of the OCF to exceed the 2.5% (Rate Periods 1 through 4) and 5.0% (Rate Periods 5 and beyond) limits described in Section 11.3.B. For the purposes of such an adjustment resulting from the increase in the Fuel Factor, the actual calculated Fuel Factor shall be used and the Labor-Related Factor and Other Factor of the OCF shall be set to the lesser of: 1) the 2.5% or 5.0% limit, as determined by the Rate Period; and, 2) the calculated percentage change.

For example, assuming:

1. Prior Rate Period average annual per gallon fuel cost = \$1.15
2. Most-recent twelve month average annual per gallon fuel cost = \$145,000 (total fuel cost for preceding twelve months) / 100,000 (total gallons of fuel purchased during preceding twelve months) = \$1.45
3. Labor-Related Factor (from Step 1) = 3.1% (not to exceed 2.5% as described in Section 11.3.B.)
4. Other Factor (from Step 3) = 1.4%

$$\text{Fuel Factor} = ((1.45-1.15)/1.15) = 0.2609 = 26.1\%$$

$$\text{OCF (as calculated in Step 4 below)} = (28.4\% \times 2.5\%) + (13.3\% \times 26.1\%) + (58.3\% \times 1.4\%) = 0.0500 = 5.0\%$$

Step 3. Calculate the Other Factor of the OCF by calculating the 12-month percentage change in the most-recently published Consumer Price Index – All Urban Consumers (CPI-U) compiled and published by the DOL or its successor agency, using the following Bureau of Labor Statistics’ parameters:

- Not Seasonally Adjusted
- Area – Los Angeles-Riverside-Orange County, CA
- Item – All Items
- Base Period – 1982-84=100

For example, assuming:

1. Most-recently published CPI-U (November 2011) = 193.2
2. CPI-U published 12 months prior (November 2010) = 190.6

$$\text{Other Factor} = ((193.2-190.6)/190.6) = 0.0136 = 1.4\%$$

The factor shall be rounded to the nearest tenth (10th) percent.

Step 4. Calculate the OCF as follows:

$$\text{OCF} = (28.4\% \times \text{Labor-Related Factor calculated in Step 1 above}) + (13.3\% \times \text{Fuel Factor calculated in Step 2 above}) + (58.3\% \times \text{Other Factor calculated in Step 3 above})$$

For example, assuming:

1. Proposed labor-related costs are 28.4% of proposed total annual operating costs.
2. Proposed fuel costs are 13.3% of proposed total annual operating costs.
3. Proposed other costs are 58.3% of proposed total annual operating costs.
4. Labor-Related Factor = 3.1% (as calculated in the example in Step 1)
5. Fuel Factor = 17.4% (as calculated in the example in Step 2)
6. Other Factor = 1.4% (as calculated in the example in Step 3)

$$\text{OCF} = (28.4\% \times 3.1\%) + (13.3\% \times 17.4\%) + (58.3\% \times 1.4\%) = 0.0401 = 4.0\%$$

The OCF shall be rounded to the nearest tenth (10th) percent.

Step 5. Calculate Adjusted Operating Component for each Rate as follows:

If OCF calculated in Step 5 is **less** than two and one half percent (2.50%) in Rate Periods 2 and 4 or five percent (5.00%) in any other Rate Period:

Adjusted
Operating Cost
Component = Then-current Operating Component x (1 + OCF)

If OCF calculated in Step 5 is **greater** than two and one half percent (2.50%) in Rate Periods 2 and 4 or five percent (5.00%) in any other Rate Period:

Rate Periods 2
and 4 Adjusted
Operating
Component = Then-current Operating Component x (1 + 0.025)

Rate Periods 5
and Later Adjusted
Operating
Component = Then-current Operating Component x (1 + 0.05)

For example, assuming:

1. Then-current Operating Component = \$50.00
2. Operating Cost Factor = 4.0% (as calculated in Step 5 above)

Adjusted Operating Component = \$50.00 x (1 + 0.040) = \$52.00

The Adjusted Operating Component shall be rounded to the nearest cent.

C. Adjustment of the Disposal Component. The Disposal Component of each Rate will be adjusted to reflect any percentage change in the per-Ton tipping fee charge at the Designated Disposal Location. The adjustment shall equal:

Adjusted Disposal
Component = Then-current Disposal Component x
(Current Designated Disposal Location Disposal Fee /
Prior Designated Disposal Location Disposal Fee)

For example, assuming:

1. Then-current Disposal Component = \$20.00
2. Current Designated Disposal Location Disposal Fee = \$30.00 per Ton
3. Prior Designated Disposal Location Disposal Fee = \$28.80 per Ton

Adjusted Disposal Component = \$20.00 x (\$30.00 / \$28.80) = \$20.83

The Adjusted Disposal Component shall be rounded to the nearest cent.

The Prior Designated Disposal Location Disposal Fee is the fee last used to set Rates. The initial Designated Disposal Location Disposal Fee in this Agreement is \$29.27 per Ton; this fee shall be used as the prior Designated Disposal Location Disposal Fee for the first adjustment of the Disposal Component. The Parties acknowledge that the timing of changes to the Designated Disposal Location Disposal Fee may not align with the review and adjustment of Maximum Permissible Rates under this Agreement. In the event that the Contractor begins to pay a new Disposal Fee at the Designated Disposal Location prior to the adjustment of Maximum Permissible Rates under this Agreement, the adjustment to the Disposal Component shall consider that period. Alternatively, the City reserves the right to adjust Maximum Permissible Rates at any time during the year in order to address the Disposal Component alone without adjusting any other component of rates.

D. Adjustment of the Processing Component. The Processing Component of each Rate shall be adjusted as follows:

1. **Solid Waste Collection Rates.** For Solid Waste Collection Rates, the Processing Component shall equal \$0.00; therefore, no adjustment to the Processing Component shall be made.
2. **Recyclable Materials Collection Rates.** For Recyclable Materials Collection Rates, the Processing Component shall equal \$0.00; therefore, no adjustment to the Processing Component shall be made.
3. **Organic Materials Collection Rates.** If adjusting Organic Materials Collection Rates, the Processing Component shall be adjusted by the 12-month percentage change in the most-recently published Consumer Price Index – All Urban Consumers (CPI-U) compiled and published by the DOL or its successor agency, using the following Bureau of Labor Statistics’ parameters:

- Not Seasonally Adjusted
- Area – Los Angeles-Riverside-Orange County, CA
- Item – All Items
- Base Period – 1982-84=100

The adjustment shall be as follows:

$$\text{Adjusted Processing Component} = \text{Current Processing Component} \times (1 + \text{percent change in CPI-U})$$

For example, assuming:

1. Current Processing Component = \$2.00
2. Most-recently published CPI-U (November 2011) = 193.2
3. CPI-U published 12 months prior to most-recently published CPI index (November 2010) = 190.6

$$\text{Adjusted Processing Component} = \$2.00 \times [1 + ((193.2 - 190.6) / 190.6)] = \$2.03$$

The Adjusted Processing Component shall be rounded to the nearest cent.

E. Adjustment of the Fee Component. The adjusted Fee Component of each Rate shall be calculated as follows:

$$\begin{aligned} \text{Adjusted Fee Component} &= ((\text{Adjusted Operating Component} + \text{Adjusted Disposal Component} + \text{Adjusted Processing Component}) / (1 - 14.6\%)) - \\ &(\text{Adjusted Operating Component} + \text{Adjusted Disposal Component} + \text{Adjusted Processing Component}) \end{aligned}$$

For example, assuming:

1. The Rate being adjusted is a Solid Waste Collection Rate
2. Adjusted Operating Component = \$52.00 (as calculated in Step 5 of Section 11.3.B)
3. Adjusted Disposal Component = \$20.83 (as calculated in Section 11.3.C)
4. Adjusted Processing Component = \$0.00 (as calculated in Section 11.3.D.1)

$$\begin{aligned} \text{Adjusted Fee Component} &= ((\$52.00 + \$20.83 + \$0.00) / (1 - 0.146)) - \\ &(\$52.00 + \$20.83 + \$0.00) = \$12.45 \end{aligned}$$

The Adjusted Fee Component shall be rounded to the nearest cent.

F. Calculation of Adjusted Rate. Adjusted Rates shall be calculated as follows:

$$\begin{aligned} \text{Adjusted Rate} &= \text{Adjusted Operating Component} + \text{Adjusted Disposal Component} + \\ &\text{Adjusted Processing Component} + \text{Adjusted Fee Component} \end{aligned}$$

For example, assuming:

1. The Rate being adjusted is a Solid Waste Collection Rate
2. Adjusted Operating Component = \$52.00 (as calculated in Step 5 of Section 11.3.B)
3. Adjusted Disposal Component = \$20.83 (as calculated in Section 11.3.C)
4. Adjusted Processing Component = \$0.00 (as calculated in Section 11.3.D.1)
5. Adjusted Fee Component = \$12.45 (as calculated in Section 11.3.E)

$$\text{Adjusted Collection Rate} = \$52.00 + \$20.83 + \$0.00 + \$12.45 = \$85.28$$

G. Adjustment of Special Charges. Special Charges shall be adjusted annually on the first day of the Rate Period by the same amount as calculated in accordance with Step 5 of Section 11.3.B.

For example:

1. Then-Current Special Charge Amount = \$50.00
2. Operating Cost Factor = 4.0% (as calculated in Step 5 of Section 11.3.B)

Adjusted Special Charge Amount = \$50.00 x (1 + 0.040) = \$52.00

The adjustment shall be rounded to the nearest cent.

- H. Change in the ECI, PPI, or CPI-U.** If the ECI, PPI, or CPI-U is discontinued or revised during the Term by the DOL, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the ECI, PPI, or CPI-U had not been discontinued or revised.

11.4 ANNUAL RATE APPLICATION PROCESS

A. Application Date and Content

1. **Index-Based Rate Adjustment Methodology.** On October 1, prior to the commencement of the Rate Period for which Rates are to be determined using the index-based Rate adjustment method, Contractor shall submit at least three (3) copies of its application requesting the Rate adjustment for the coming Rate Period along with all supporting documentation used to justify Contractor's request. For example, on October 1, 2012, the Contractor shall submit three (3) copies of its application for the Rate Adjustment to be effective for Rate Period 2. The application shall present the calculations, as described in Section 11.3, and all supporting documentation for the calculations and adjusted Rates. The application shall also present the Rates for the then-current Rate Period (e.g., Rate Period 1) and the proposed Rates for the coming Rate Period (e.g., Rate Period 2). The City Contract Manager shall review all calculations provided by Contractor to verify their accuracy and conformance to this Agreement.
2. **Cost-Based Adjustment Methodology.** On July 1, prior to the commencement of the Rate Period for which Rates are to be determined using the cost-based Rate adjustment method, Contractor shall submit three (3) copies of its application requesting the Rate adjustment for the coming Rate Period. For example, on July 1, 2012, the Contractor shall submit its application for the Rate Adjustment to be effective for Rate Period 3.

The application shall present the Contractor's actual total annual cost of operations, profit, pass-through costs, City fees, the total Contractor's Compensation for the most-recently completed Rate Period and forecast of the same cost items for the coming Rate Period in accordance with the procedures described in Exhibit P. Contractor shall assemble, provide, and submit such information that is necessary to support the actual costs presented and the calculation of the assumptions made by Contractor with regard to forecasting the total annual cost of operations, profit, pass-through costs, City fees, and the total Contractor's Compensation for the coming Rate Period. The actual costs shall be based on the financial statements for the most-

recently-completed Rate Period, which shall be submitted in accordance with the requirements of Section 9.6.5. In addition, the application shall present the Contractor's calculation of the Rate adjustment factor, present each Rate for the then-current Rate Period, and each proposed Rate for the coming Rate Period. Lastly, the application shall include operational data listed in Section 9.6.4

If the City Contract Manager requests additional information beyond that provided by the Contractor in its application, the Contractor shall provide all information requested by the City Contract Manager during its review of the application, including, but not limited to, all information from related parties requested by the City Contract Manager regarding any transactions between Contractor and any Related-Party Entity pertaining to Contractor's performance under this Agreement.

- B. City Review of Application.** The Contractor's Rate application shall be reviewed by the City Contract Manager. The City Council shall approve Maximum Permissible Rates to reflect the adjustments made in accordance with Exhibit P, for the Rate Periods during which that process is used. The City Council shall act in good faith to approve such Maximum Permissible Rates by the commencement date of the Rate Period. The adjusted Rates shall not take effect until the City Council has approved such Rates.
- C. Failure to Adjust Rates by January 1.** If the Contractor submits its Rate application on or before the Rate application date identified in Section 11.2, and the City does not adjust Rates to be effective on or before January 1 of a Rate Period, the City shall include a surcharge on the Rates that shall be effective for the remainder of the Rate Period to recover revenues lost by the Contractor, if any. To determine the amount of lost revenues, if any, the City and Contractor shall meet and confer to determine the effect the delay in adjusting Rates has on the Contractor's revenue. The assessment of the revenue impact shall consider the Contractor's billing cycle (e.g., impact to Customers billed in advance and to Customers billed in arrears), the ability of Contractor to delay issuance of bills, the payment cycle of Customers, and other variables.

If the Contractor does not submit the application on or before the Rate application date identified in Section 11.2, Rates may not be adjusted by January 1. In such case, all Rates shall be adjusted as soon as practical following approval by the City Council. If the Contractor does not submit the application by the Rate application date identified in Section 11.2, no retroactive adjustment will be made to allow the Contractor to recover revenues that it would have collected, had the Rate adjustment been implemented in accordance with the prescribed schedule.

11.5 SPECIAL RATE REVIEW

- A. Eligible Items.** The Contractor is entitled to apply to the City Contract Manager for consideration of a special Rate review, or the City Contract Manager may initiate such a review, should one or more of the following occur and should such occurrence have a material effect on the Contractor's cost of service:

1. Documented significant changes in the cost to provide services required in this Agreement as a result of an agreed-upon, City-directed change in scope, as provided for under Section 4.5.
2. Flood, earthquake, other acts of nature, war, civil insurrection, riots, or other similar catastrophic events beyond the control of Contractor.
3. Change in Law that: (1) was not reasonably known to the Contractor before the Effective Date, (2) the Contractor substantiates, and (3) results in a direct increase or decrease of more than five (5%) in Contractor's cost of providing services required by this Agreement.
4. City-initiated changes to the amount of Franchise Fees or other fees in accordance with Article 10.
5. Actual costs directly incurred for the provision of legal defense to the City as required under Section 12.2 of this Agreement, if not prohibited by law.

B. Ineligible Items. The Contractor will not be compensated over the Term for:

1. Increases in the cost of Solid Waste, Recyclable Materials, or Organic Materials Collection, Transportation, Processing, or Disposal costs that may be impacted by change in Approved Transfer Station or Approved Processing Site operating conditions, unless such change is initiated by or at the direction of the City.
2. Decreases in Revenues from the sale of Organic Materials.
3. Growth or decline in the number of Customers or their subscription levels.
4. Changes in the number of accounts related to Container sizes or frequency of Collection.
5. Change in the composition of Solid Waste, Recyclable Materials, or Organic Materials.

C. Review of Costs. If the Contractor or the City requests a special Rate review, the City shall have the right to review any or all financial and operating records of Contractor and Related-Party Entities. Contractor shall pay the City for costs associated with the review incurred by the City and its agents unless the review is initiated by the City. Regardless of Contractor's payment of costs associated with the review, City shall retain full and unimpeded discretion in selection of its agents to ensure, at a minimum, that no conflict of interest arises in the review of Contractor's request. City retains the right to select its agents on the basis of their qualifications and experience and without regard to cost.

D. Submittal of Request. The Contractor must submit its request for a special review of Rates, and reasonable cost and operational data, in a form and manner specified by the

City Contract Manager at least six (6) months before the proposed effective date of any Rate adjustment.

If City is requesting a special Rate review, the City Contract Manager shall notify the Contractor at least seven (7) months before the proposed effective date of any Rate adjustment. Upon such notification, Contractor shall, within thirty (30) calendar days, submit reasonable cost and operational data as requested by the City Contract Manager, in a form and manner specified by the City Contract Manager.

- E. Burden of Justification.** Contractor shall bear the burden of justifying to the City by substantial evidence any entitlement to current, as well as increased, Maximum Permissible Rates pursuant to this Section 11.5. If the City Contract Manager determines that the Contractor has not met its burden, the Contractor may request one hearing with the City Manager, or their designee, to produce additional evidence. Upon such request, the City Manager, or their designee, shall conduct the hearing. The City shall bear the burden of justifying, by substantial evidence, any entitlement to decreased Maximum Permissible Rates pursuant to this Section 11.5.
- F. Approval of Request.** Based on evidence the Contractor and/or the City submit, the City Council may approve some, all or none of the requested increase or decrease in the Maximum Permissible Rates. In the event the City denies Contractor's request, or grant's the City's request for a decrease in the Maximum Permissible Rates, and Contractor disputes that the decision is supported by substantial evidence, Contractor shall have the right to present its claim in a court of competent jurisdiction.
- G. Compensation.** Each Party shall bear their own costs for participating in such review and such costs shall not be reimbursed through Rates charged Customers.

11.6 RATES FOR CHANGES IN SCOPE

In the event either the City or Contractor requests a change in scope in accordance with Section 4.5, the Contractor shall furnish the City Contract Manager with projected operational and cost data for the change in scope to support any adjustment to Rates. For the purposes of analyzing cost impacts of changes in scope, the Contractor's profit shall be calculated using an operating ratio of ninety-two percent (92%). The City reserves the right to require that the Contractor supply any additional cost data or other information it may reasonably need to ascertain the appropriate Rate adjustment, if any, for the change in scope. The City Contract Manager shall review this operational and cost data, and the City Council shall establish Rates for the change in scope, if warranted.

The granting of any change in scope shall be contingent upon City approval and establishment of new Rates. The City shall adjust Rates, in good faith, coincident with any adjustment made pursuant to this Section so that the change in scope and the corresponding Rates become effective on the same date.

11.7 NOTICE OF RATE ADJUSTMENTS

The Contractor shall provide all Customers with advance written notice of approved Rate changes, in the form of a bill insert at least thirty (30) days before the effective date of such changes.

ARTICLE 12. INDEMNITY, INSURANCE, AND PERFORMANCE BOND

12.1 GENERAL INDEMNIFICATION

Contractor shall indemnify, defend with counsel acceptable to the City, protect and hold harmless the City and each of its officers, officials, employees, volunteers, and agents (collectively, indemnitees) from and against all claims, damages (including but not limited to special, consequential, natural resources and punitive damages), injuries, costs, (including without limit any and all response, remediation and removal costs), losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties, and expenses (including without limit attorneys' expert witness fees and costs incurred in connection with defending against any of the foregoing or in enforcing this indemnity), (collectively, "Damages") of any kind whatsoever paid, incurred or suffered by, or asserted against, indemnitees arising from or attributable to the acts or omissions of Contractor whether or not negligent or otherwise culpable, in connection with or related to the performance of this Agreement, including without limit damages arising from or attributable to any operations, repair, clean-up or detoxification, or other plan (regardless of whether undertaken due to governmental action) concerning any Hazardous Substance or Hazardous Waste Collected in the City. Notwithstanding the foregoing, however, Contractor shall not be required to indemnify the City for the costs for any claims arising from the Disposal of Solid Waste at the Designated Disposal Location, or from Processing of Recyclable Materials at the Designated Recyclable Materials Processing Site, including, but not limited to, claims arising under CERCLA unless the claim is a direct result of Contractor's actions or negligence. This indemnity afforded indemnitees, shall only be limited to exclude coverage for intentional wrongful acts and negligence of indemnitees, and as provided below. The foregoing indemnity is intended to operate as an Agreement pursuant to Section 42 USC §9607(e) of CERCLA and California Health and Safety Code §25364, to defend, protect, hold harmless, and indemnify City from liability.

If Contractor should subcontract any portion of the work to be performed under this Agreement, Contractor shall require each subcontractor to indemnify, hold harmless, and defend the indemnitees in accordance with the terms of the preceding paragraph.

This provision is in addition to all other provisions in this Agreement and is intended to survive the expiration or earlier termination of this Agreement. Nothing in this paragraph shall prevent City from seeking indemnification or contribution from Persons or entities other than indemnitees, for any liabilities incurred by City or the indemnitees.

12.2 ARTICLE XIII INDEMNIFICATION

Contractor shall indemnify, defend (with counsel reasonably acceptable to the City) and hold harmless the City and each of its officers, officials, employees, volunteers, and agents (collectively, indemnitees) from and against all claims, damages, injuries, costs, including demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest fines, charges, penalties and expenses (including reasonable attorneys' and expert witness fees, expenditures for investigation and administration) and costs of any kind whatsoever paid, imposed upon, endured or suffered by or assessed against any of the indemnitees resulting in any form from the City's setting or approval of Maximum Permissible Rates for service under this Agreement or in connection with the application of Article XIIC and/or Article XIID of the California Constitution to the imposition, approval of, payment or collection of Rates and fees for services provided by Contractor under this Agreement, or to the agreement upon, payment or collection of the fees agreed upon in Article 10 of this Agreement. This Section 12.2 shall survive the termination or expiration of this Agreement.

In the event of a claim, law suit, or other action requiring Contractor to indemnify the City under this Section 12.2, the Parties shall meet and confer regarding the most appropriate response, however, nothing in this Agreement shall modify the rights of either Party otherwise provided in this Agreement.

In the event: 1) that the City chooses not to tender a defense; or, 2) of a decision of the California Supreme Court issued after the Effective Date, or of a decision of the Fifth District Court of Appeal issued after the Effective Date that is final (all appeal periods having expired with no appeal being filed, or if an appeal is filed, the California Supreme Court has rejected review), which decision can reasonably be interpreted to apply to and invalidate the franchise fee established in Section 10.1 of this Agreement, the Contractor may elect, upon 90 days written notice, to discontinue providing Article XIII indemnification to the City for events occurring more than 90 days after receipt by the City Contract Manager of such notice from Contractor. If Contractor elects not to provide Article XIII indemnification, City may, without limitation and notwithstanding any other provision of this Agreement, terminate this Agreement, no sooner than 90 days after receipt of such notice from Contractor, at the City's sole discretion.

In the event that Contractor incurs legal costs on behalf of defending the City associated with providing indemnification under this Section 12.2, all actual reasonable legal costs associated with providing such indemnity shall be recoverable by the Contractor through the Rates. Such adjustment to Rates shall be made in accordance with Section 11.5 of this Agreement; approval of such request for an adjustment shall not be unreasonably withheld by the City.

12.3 INDEMNIFICATION RELATED TO PERSONNEL

Contractor shall defend, hold harmless, and indemnify the City and each of its officers, officials, employees, volunteers, and agents, for all loss, damages, liability, claims, suits, costs or expenses whatsoever, including reasonable attorneys' fees, regardless of the merits or outcome of any such claim or suit arising from or in any manner related to the City's request to remove or reassign any employee pursuant to Section 8.5. This Section 12.3 shall survive the termination or expiration of this Agreement.

City shall defend, hold harmless, and indemnify the Contractor and each of its officers for all claims, suits, costs or expenses including reasonable attorneys' fees, regardless of the merits or outcome of any such claim or suit, arising from compensation, pension, or other benefit due an employee by the City solely as a direct result of his or her prior employment with the City.

12.4 INSURANCE

12.4.1 Minimum Scope of Insurance

Coverage shall be at least as broad as:

- A. The most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01, which shall include insurance for "bodily injury," "property damage" and "personal and advertising injury" with coverage for premises and operations, products and completed operations, and contractual liability.
- B. Insurance Services Office form number CA 0001 covering Automobile Liability, code 1 "any auto", and endorsement CA 0025.
- C. Workers' Compensation insurance as required by the State Labor Code and Employers Liability insurance.
- D. Either: Employee Blanket Fidelity Bond; or, Commercial Crime Insurance which shall be at least as broad as the most current version of Insurance Service Office (ISO) Crime and Fidelity Form CR 00 20.
- E. Pollution Legal Liability insurance.

12.4.2 Minimum Limits of Insurance

Contractor shall maintain limits no less than:

- A. Commercial General Liability: \$10,000,000 combined single limit per occurrence for bodily injury, personal injury, and property damage.
- B. Automobile Liability: \$10,000,000 combined single limit per accident for bodily injury and property damage.
- C. Workers' Compensation and Employers Liability: Workers' compensation limits as required by the State Labor Code and Employers Liability limits of \$1,000,000 per accident.
- D. Employee Blanket Fidelity Bond: \$500,000 per employee, covering dishonesty, forgery, alteration, theft, disappearance, destruction (inside or outside); or, Commercial Crime Insurance with limits of liability of not less than \$1,000,000 per occurrence.

- E. Pollution Legal Liability: \$5,000,000 for bodily injury, property damage, and remediation of contaminated site.

12.4.3 Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officials and employees; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

12.4.4 Other Insurance Provisions

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

- A. Commercial General Liability, Commercial Auto Liability and Pollution Legal Liability coverages:
 - 1. The City and each of its officers, officials, employees, agents and volunteers are to be covered as additional insureds as respects: liability arising out of activities performed by or on behalf of the Contractor; products and completed operations of the Contractor; premises owned, leased or used by the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officials, employees, or volunteers. The automobile liability is endorsed to contain MCA-90 coverage.
 - 2. The Contractor's insurance coverage shall be primary insurance as respects the City, its officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
 - 3. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its officials, employees, or volunteers.
 - 4. Coverage shall state that the 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.
- B. Workers' Compensation and Employers Liability Coverage. The insurer shall agree to waive all rights of subrogation against the City, its officers, employees, and volunteers for losses arising from work performed by the Contractor for the City.
- C. Employee Blanket Fidelity Bond or Commercial Crime Insurance should be endorsed to name the City as a loss payee.
- D. All Coverages. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either Party, reduced in

coverage or in limits except after thirty (30) calendar days' prior written notice by certified mail, return receipt requested, has been given to the City.

12.4.5 Acceptability of Insurers

The insurance policies required by this Section 12.4 shall be issued by an insurance company or companies authorized to do business in the State and with a rating in the most recent edition of Best's Insurance Reports of size category VII or larger and a rating classification of A- or better; or authorized by the City's Risk Manager.

12.4.6 Verification of Coverage

Contractor shall furnish Contractor's insurance agent a copy of these specifications, and direct the agent to provide the City with certificates of insurance and with original endorsements affecting coverage required by this clause. Issuance of documentation indicates the Contractor's insurance complies with these provisions. 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. The certificates and endorsements are to be received and approved by the City before work commences. Upon request of City, Contractor shall immediately furnish City with a complete copy of any insurance policy required under this Agreement, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy. This requirement shall survive expiration or termination of this Agreement.

12.4.7 Required Endorsements

- A. The Workers' Compensation policy shall contain an endorsement in substantially the following form:

"Thirty calendar days' prior written notice shall be given to the City of Fresno in the event of cancellation, reduction in coverage, or non-renewal of this policy. Such notice shall be sent to:

Solid Waste Manager
City of Fresno
1325 E. El Dorado
Fresno, CA 93706

- B. The Commercial General Liability, Commercial Auto Liability and Pollution Legal Liability insurance policies shall contain endorsements in substantially the following form:

- 1. "Thirty calendar days' prior written notice shall be given to the City of Fresno in the event of cancellation, reduction in coverage, or non-renewal of this policy. Such notice shall be sent to:

Solid Waste Manager
City of Fresno
1325 E. El Dorado
Fresno, CA 93706

2. "The City of Fresno, its officers, employees, and agents are additional insureds on this policy." The City requires form CG2010 1185.
3. "This policy shall be considered primary insurance as respects any other valid and collectible insurance maintained by the City of Fresno, including any self-insured retention or program of self-insurance, and any other such insurance shall be considered excess insurance only."
4. "Inclusion of the City of Fresno as an insured shall not affect the City's rights as respects any claim, demand, suit or judgment brought or recovered against the Contractor. This policy shall protect Contractor and the City in the same manner as though a separate policy had been issued to each, but this shall not operate to increase the Contractor's liability as set forth in the policy beyond the amount shown or to which the Contractor would have been liable if only one Party had been named as an insured."

12.4.8 Delivery of Proof of Coverage

Simultaneously with the execution of this Agreement, Contractor shall furnish the City certificates of each policy of insurance required hereunder, in form and substance satisfactory to City. Such certificates shall show the type and amount of coverage, effective dates and dates of expiration of policies and shall have all required endorsements. If the City Contract Manager requests, copies of each policy, together with all endorsements, shall also be promptly delivered to City Contract Manager.

Renewal certificates will be furnished periodically to City Contract Manager to demonstrate maintenance of the required coverages throughout the Term.

12.4.9 Other Insurance Requirements

- A. If Contractor should subcontract any portion of the services to be performed under this Agreement, Contractor shall require each subcontractor to provide insurance protection in favor of City and each of its officers, officials, employees, agents and volunteers in accordance with the terms of Section 12.4, except that any required certificates and applicable endorsements shall be on file with Contractor and City prior to the commencement of any services by the subcontractor.
- B. If at any time during the life of the Agreement or any extension, Contractor or any of its subcontractors fail to maintain any required insurance in full force and effect, Contractor shall be in breach of the Agreement until notice is received by City that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to City. Any failure to maintain the required insurance shall be sufficient cause for City to terminate this Agreement. No action taken by City pursuant to this section shall in any way relieve Contractor of its responsibilities under this Agreement.

If Contractor fails to procure and maintain any insurance required by this Agreement, the City may take out and maintain, at the Contractor's expense, such insurance as it may deem proper and deduct the cost thereof from any monies due the Contractor.

The Commercial General Liability, Commercial Auto Liability and Pollution Legal Liability insurance policies shall be written on an occurrence form. If Contractor is unable to purchase Pollution Legal Liability insurance on an occurrence form and must purchase such insurance on a claims made form:

1. The "Retro Date" must be shown, and must be before the effective date of the Agreement or the commencement of work by Contractor.
2. The policy shall be endorsed to provide not less than a 5-year discovery period. This requirement shall survive expiration or termination of the Agreement.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a "Retro Date" prior to the effective date of the Agreement, Contractor must purchase "extended reporting" coverage for a minimum of 5 years following the expiration or termination of the Agreement.
4. A copy of the claims reporting requirements must be submitted to City for review.
5. These requirements shall survive expiration or termination of this Agreement.

12.5 PERFORMANCE BOND

On or before the Effective Date of this Agreement, Contractor shall file with the City a bond, payable to the City, securing the Contractor's faithful performance of its obligations under this Agreement and such bond shall be renewed annually if necessary so that the performance bond is maintained at all times during the Term. The principal sum of the bond shall be two million eight hundred fifty two thousand two hundred eighty seven dollars (\$2,852,287). The bond shall be executed by a corporation authorized to issue surety bonds in the State, with a financial condition and record of service satisfactory to the City. The performance bond is included in Exhibit M.

ARTICLE 13. DEFAULT AND REMEDIES

13.1 EVENTS OF DEFAULT

Each of the following shall constitute an event of default ("Event of Default") hereunder:

- A. Contractor fails or refuses to perform its obligations under this Agreement, or future amendments to this Agreement, and: (i) if the failure or refusal has created an imminent threat to public health and is not cured within two (2) Business Days after receiving notice from the City specifying the breach; or (ii) in the case of any other breach of the

Agreement, the breach continues for more than thirty (30) calendar days after written notice from the City for the correction thereof. Where such breach cannot be cured within such thirty (30) day period, Contractor shall not be in default of this Agreement if Contractor shall have commenced such action required to cure the particular breach within ten (10) calendar days after such notice, and it continues such performance diligently until completed.

- B. Any representation, warranty, or disclosure made to City by Contractor in connection with or as an inducement to entering into this Agreement or any future amendment to this Agreement, which proves to be false or misleading in any material respect, as of the time such representation or disclosure is made;
- C. There is a seizure or attachment (other than a pre-judgment attachment) of, or levy affecting possession of, the operating equipment of Contractor, including without limit its vehicles, Containers, maintenance or office facilities, or any part thereof of such proportion as to substantially impair Contractor's ability to perform under this Agreement and which cannot be released, bonded, or otherwise lifted within forty-eight (48) hours excluding weekends and Holidays;
- D. Contractor files a voluntary petition for debt relief under any applicable bankruptcy, insolvency, debtor relief, or other similar law now or hereafter in effect, or shall consent to the appointment of or taking of possession by a receiver, liquidator, assignee (other than as a part of a transfer of equipment no longer useful to Contractor or necessary for this Agreement), trustee (other than as security for an obligation under a deed of trust), custodian, sequestrator (or similar official) of the Contractor for any part of Contractor's operating assets or any substantial part of Contractor's property, or shall make any general assignment for the benefit of Contractor's creditors, or shall fail generally to pay Contractor's debts as they become due or shall take any action in furtherance of any of the foregoing;
- E. A court having jurisdiction shall enter a decree or order for relief in respect of the Contractor, in any involuntary case brought under any bankruptcy, insolvency, debtor relief, or similar law now or hereafter in effect, or Contractor shall consent to or shall fail to oppose any such proceeding, or any such court shall enter a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Contractor or for any part of the Contractor's operating equipment or assets, or orders the winding up or liquidation of the affairs of Contractor;
- F. Contractor fails to provide reasonable assurances of performance as required under Section 13.8.

13.2 RIGHT TO TERMINATE UPON DEFAULT

Upon a default by Contractor, the City may terminate this Agreement within ten (10) Business Days of the default but no later than one hundred eighty (180) calendar days after the default. Such termination shall be effective ten (10) Business Days following the City Contract Manager's written notice to Contractor. Contractor may, within ten (10) Business Days of receipt

of such notice, file, in writing, via certified mail, to the City Manager's office, a request for a hearing of the City Council to appeal the decision of the City Contract Manager. If Contractor files such a request, the City Council shall hear the appeal within thirty (30) calendar days of receipt of Contractor's request. If the City Council upholds the City Contract Manager's recommendation for termination of this Agreement, such termination will become effective ten (10) Business Days from the date of the City Council's determination without the need for any further hearing, suit or legal action.

13.3 POSSESSION OF PROPERTY UPON TERMINATION

In the event of termination for default, the City shall have the right to take possession of any and all of Contractor's equipment used in the Collection, Transportation, Processing, and Disposal of Solid Waste, Recyclable Materials, or Organic Materials and the Billing and collection of fees for these services and to use such property. For a period of up to one hundred eighty (180) calendar days from termination, the City shall have the right to retain the possession of such property until other suitable arrangements can be made for the provision of Solid Waste, Recyclable Materials, or Organic Materials Collection services, which may include the award of an Agreement to another waste hauling company. If the City retains possession thereof after the period of time for which Contractor has already been paid by means of bills issued in advance of providing service for the class of service involved, the Contractor shall be entitled to the reasonable rental value, not to exceed two hundred dollars (\$200) per day for vehicles, of such property (which shall be offset against any damages due the City for the Contractor's default and any costs incurred by City to maintain such equipment).

In addition to any rights set forth in Section 8.4.D, City shall have the sole option, but not the obligation, to purchase Contractor's equipment (including but not limited to the vehicles acquired by Contractor from City pursuant to Section 8.3.1 of this Agreement) at its net book value, in the event of termination for default or termination pursuant to Section 12.2.

Contractor shall furnish the City with immediate access to all of its business records related to its Customers and Billing of accounts for Collection services.

13.4 CITY'S REMEDIES CUMULATIVE; SPECIFIC PERFORMANCE

The City's right to terminate the Agreement under Section 13.2 and to take possession of the Contractor's properties under Section 13.3 are not exclusive, and the City's termination of the Agreement and/or the imposition of Liquidated Damages shall not constitute an election of remedies. Instead, these rights shall be in addition to any and all other legal and equitable rights and remedies which the City may have.

By virtue of the nature of this Agreement, the urgency of timely, continuous and high quality service, the lead time required to effect alternative service, and the rights granted by City to the Contractor, the remedy of damages for a breach hereof by Contractor is inadequate and City shall be entitled to injunctive relief.

13.5 LIQUIDATED DAMAGES

- A. General.** The Parties find that as of the time of the execution of this Agreement, it is impractical, if not impossible, to reasonably ascertain the extent of damages which shall be incurred by City as a result of a breach by Contractor of its obligations under this Agreement. The factors relating to the impracticability of ascertaining damages include, but are not limited to, the fact that: (i) damage may result to members of the public who are denied services or denied quality or reliable service; (ii) such breaches cause inconvenience, anxiety, frustration, and deprivation of the benefits of the Agreement to individual members of the general public for whose benefit this Agreement exists, which are incapable of measurement in precise monetary terms; (iii) the monetary loss resulting from denial of services or denial of quality or reliable services is impossible to calculate in precise monetary terms; and (iv) the termination of this Agreement for such breaches, and other remedies are, at best, a means of future correction and not remedies which make the public whole for past breaches.
- B. Service Performance Standards; Liquidated Damages for Failure to Meet Standards.** The Parties further acknowledge that consistent, reliable Solid Waste, Recyclable Materials, and Organic Materials Collection service is of utmost importance to City and that City has considered and relied on Contractor's representations as to its quality of service commitment in awarding the Agreement to it. The Parties recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The Parties further recognize that if Contractor fails to achieve the performance standards, or fails to submit required documents in a timely manner, City and its Multi-Family residents and businesses will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages which City will suffer. Therefore, without prejudice to City's right to treat such non-performance as an event of default under this Section 13.5, the Parties agree that the Liquidated Damages amounts established in Exhibit H and the following Liquidated Damage amounts represent a reasonable estimate of the amount of such damages considering all of the circumstances existing on the Effective Date of this Agreement, including the relationship of the sums to the range of harm to City that reasonably could be anticipated and that proof of actual damages would be costly or impractical.

Contractor agrees to pay (as Liquidated Damages and not as a penalty) the amounts set forth in Exhibit H.

City may determine the occurrence of events giving rise to Liquidated Damages through the observation of its own employees or representative or investigation of Complaints by Customers, Occupants, and Generators.

Before assessing Liquidated Damages, City Contract Manager shall give Contractor notice of its intention to do so. The notice will include a brief description of the incident(s) and non-performance. The City Contract Manager may review (and make copies at its own expense) all information in the possession of Contractor relating to incident(s) and non-performance. City Contract Manager may, within ten (10) calendar days after issuing the notice, request a meeting with Contractor. City Contract Manager may present evidence of non-performance in writing and through testimony of its

employees and others relevant to the incident(s) and non-performance. City Contract Manager will provide Contractor with a written explanation of his or her determination on each incident(s) and non-performance prior to authorizing the assessment of Liquidated Damages under this Section 13.5. The decision of City Contract Manager shall be final and Contractor shall not be subject to, or required to exhaust, any further administrative remedies.

- C. **Amount.** City may assess Liquidated Damages for each calendar day or event, as appropriate, that Contractor is determined to be liable in accordance with this Agreement in the amounts specified in Exhibit H subject to annual adjustment described below. If the amount of Liquidated Damages for any three (3) month period exceeds the thresholds established in Section 8.5.C, the City Contract Manager shall have the right to request replacement of the Contractor's field representative and the Contractor's responsible officer as designated by the Contractor as described in Section 8.5.C.

The amount of Liquidated Damages specified in Exhibit H shall be adjusted annually on the first day of the Rate Period. Liquidated Damage amounts shall be adjusted by the OCF calculated in accordance with Step 4 of Section 11.3.B in an index-based adjustment Rate Period or with Exhibit P Section 4.A in a cost-based adjustment Rate Period, or five percent (5%), whichever is less. The adjustment shall equal:

If OCF is **less** than five percent (5.00%):

$$\text{Adjusted Liquidated Damage Amount} = \text{Then-current Liquidated Damage Amount} \times (1 + \text{OCF})$$

If OCF **greater** than five percent (5.00%):

$$\text{Adjusted Liquidated Damage Amount} = \text{Then-current Liquidated Damage Amount} \times (1 + 0.05)$$

For example:

1. Then-Current Liquidated Damage Amount = \$150.00
2. Operating Cost Factor = 4.0% (as calculated in Step 5 of Section 11.3.B)

$$\text{Adjusted Liquidated Damage Amount} = \$150.00 \times (1 + 0.040) = \$156.45$$

The adjustment shall be rounded to the nearest cent.

- D. **Timing of Payment.** Contractor shall pay any Liquidated Damages assessed by City within ten (10) calendar days of the date the Liquidated Damages are assessed. If they are not paid within the 10-day period, the Contractor shall pay the City the Liquidated Damage payment due plus interest compounded daily, where interest shall be calculated using the annual yield rate for the California Local Agency Investment Fund most-recently published by the State Treasurer's office. The City Contract Manager shall send written notice to the Contractor and the Contractor's performance bond company stating

Contractor's failure to pay Liquidated Damages and the City's right to terminate the Agreement and proceed against the performance bond if payment is not received within ninety (90) days of the date Liquidated Damages were assessed.

If the Liquidated Damages payment is thirty (30) days past due, the Contractor shall pay the City double the Liquidated Damages payment due plus interest compounded daily, where interest shall be calculated as described above. If the Liquidated Damages payment is sixty (60) days or more past due, the City Contract Manager shall notice the Contractor and the Contractor's performance bond company of the City's intent to terminate the Agreement and proceed against the performance bond if Liquidated Damages are not paid within ninety (90) days of the date of assessment. If the Liquidated Damages payment is ninety (90) days or more past due and the City provided Contractor with 30-day advance written notice of its intent to terminate the Agreement for failure to pay Liquidated Damages, the City may terminate the Agreement, in which case the provisions of Section 13.3 shall apply and the City may proceed against the performance bond required by the Agreement.

13.6 AB 939 AND AB 32-RELATED DAMAGES

Contractor shall pay its proportional share of all fines and/or penalties imposed by the State if the requirements of the Act are not met by the City.

Contractor shall pay its proportional share of all fines and/or penalties imposed by the State if the Mandatory Commercial Recycling Requirements are not met by the City.

If fines and/or penalties are imposed by the State, Contractor shall only be liable if: (i) Contractor failed to implement all programs required by this Agreement and described in Exhibit C; (ii) Contractor failed to perform public education and outreach responsibilities required under this Agreement including, but not limited to those described in Section 7.1; or, (iii) Contractor delayed in providing information that prevented Contractor or City from submitting reports required by the State in a timely manner.

If the damages considered by this Section 13.6 are to be assessed, the Contractor's proportional share shall be determined in relationship to performance of contractor(s) in the other City-designated service areas. Such proportional share shall be determined in the City's sole discretion and shall not be subject to appeal or litigation.

13.7 EXCUSE FROM PERFORMANCE

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

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

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

The partial or complete interruption or discontinuance of Contractor's services caused by one or more of the events described in this Article shall not constitute a default by Contractor under this Agreement. Notwithstanding the foregoing, however, (i) the existence of an excuse from performance will not affect the City's rights under Section 4.6; and (ii) if Contractor is excused from performing its obligations hereunder for any of the causes listed in this Section for a period of thirty (30) calendar days or more, the City shall nevertheless have the right, in its sole discretion, to terminate this Agreement by giving ten (10) calendar days notice to Contractor unless Contractor has demonstrated, by the thirtieth (30th) calendar day, to the satisfaction of the City that the Contractor will resume services no later than the sixtieth (60th) day following the date service was interrupted or discontinued by Contractor. If the City terminates the Agreement under this provision, the provisions of Section 13.3 shall apply.

13.8 RIGHT TO DEMAND ASSURANCES OF PERFORMANCE

If Contractor (i) is the subject of any labor unrest including work stoppage or slowdown, sick-out, picketing or other concerted job action; (ii) appears in the reasonable judgment of City to be unable to regularly pay its bills as they become due; or (iii) is the subject of a civil or criminal judgment or order entered by a Federal, State, regional or local agency for violation of an Applicable Law, and the City believes in good faith that Contractor's ability to perform under the Agreement has thereby been placed in substantial jeopardy, the City may, at its option and in addition to all other remedies it may have, demand from Contractor reasonable assurances of timely and proper performance of this Agreement, in such form and substance as the City Contract Manager believes in good faith is reasonably necessary in the circumstances to evidence continued ability to perform under the Agreement. If Contractor fails or refuses to provide satisfactory assurances of timely and proper performance in the form and by the date required by City Contract Manager, such failure or refusal shall be an event of default for purposes of Section 13.1.

ARTICLE 14. OTHER AGREEMENTS OF THE PARTIES

14.1 RELATIONSHIP OF PARTIES

The Parties intend that Contractor shall perform the services required by this Agreement as an independent Contractor engaged by City and not as an officer or employee of the City nor as a partner of or joint venturer with the City. No employee or agent of Contractor shall be, or shall be deemed, an employee or agent of the City. Except as expressly provided herein, Contractor shall have the exclusive control over the manner and means of conducting the Solid Waste,

Recyclable Materials, and Organic Materials Collection, Transportation, Processing, and Disposal services performed under this Agreement, and all Persons performing such services. Contractor shall be solely responsible for the acts and omissions of its officers, employees, Subcontractors, and agents. Neither Contractor nor its officers, employees, Subcontractors, and agents shall obtain any rights to retirement benefits, workers' compensation benefits, or any other benefits which accrue to City employees, by virtue of their employment with the City.

14.2 COMPLIANCE WITH LAW

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

14.3 GOVERNING LAW

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

14.4 JURISDICTION

Any lawsuits between the Parties arising out of this Agreement shall be brought and concluded in the courts of Fresno County in the State of California, which shall have exclusive jurisdiction over such lawsuits.

With respect to venue, the Parties agree that this Agreement is made in and will be performed in Fresno County.

14.5 BINDING ON SUCCESSORS

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

14.6 ASSIGNMENT

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

For purposes of this Section, "assignment" shall include, but not be limited to: (i) a sale, exchange or other transfer of substantially all of Contractor's local, regional, and/or corporate assets dedicated to service under this Agreement to a third party; (ii) a sale, exchange, or other transfer of ten percent (10%) or more of the local, regional, and/or corporate assets, stock, or ownership of Contractor to a Person (other than a transfer of shares in Contractor by the owner of such shares to a revocable trust for the benefit of his family or to another existing (as of the Effective Date) owner of shares in Contractor) except that no cumulative sale, exchange, or transfer of shares (other than a transfer of shares to another existing [as of the Effective Date of this Agreement] owner of shares in Contractor) may exceed twenty percent (20%) during the

Term of the Agreement; (iii) any reorganization, consolidation, merger, recapitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction to which Contractor or any of its shareholders is a party that results in a change of ownership or control of ten percent (10%) or more of the value or voting rights in the local, regional, and/or corporate stock of Contractor; (iv) divestiture of an Affiliate (e.g., trucking company, materials recovery facility, Transfer Station, Disposal Site, Compost Site, Recyclables Processing Site, etc.) used by Contractor to fulfill its obligations under this Agreement; and, (v) any combination of the foregoing (whether or not in related or contemporaneous transactions) that has the effect of any such transfer or change of local, regional, and/or corporate ownership and/or control of Contractor. For purposes of this Section, the term "proposed assignee" shall refer to the proposed transferee(s) or other successor(s) in interest pursuant to the assignment.

Contractor acknowledges that this Agreement involves rendering a vital service to City's residents and businesses, and that City has selected Contractor to perform the services specified herein based on: (1) Contractor's experience, skill, and reputation for conducting its Solid Waste, Recyclable Materials, and Organic Materials management operations in a safe, effective, and responsible fashion at all times in keeping with Applicable Laws, regulations, and good waste management practices; and, (2) Contractor's financial resources on a local, regional, and/or corporate level to maintain the required equipment and to support its indemnity obligations to the City under this Agreement. The City has relied on each of these factors, among others, in choosing Contractor to perform the services to be rendered by Contractor under this Agreement.

If Contractor requests City's consideration of and consent to an assignment, City may deny or approve such request in its complete discretion. No request by Contractor for consent to an assignment need be considered by City unless and until Contractor has met the following requirements. The City may, in its sole discretion, waive one or more of these requirements.

- A. On the date the Contractor submits a written request for the City's written consent of an assignment, Contractor shall pay the City a transfer fee in the amount of two hundred fifty thousand dollars (\$250,000).
- B. In addition to the transfer fee, Contractor shall pay City its expenses for attorney's fees and investigation costs necessary to investigate the suitability of any proposed assignee, and to review and finalize any documentation required as a condition for approving any such assignment.
- C. Contractor shall furnish City Contract Manager with audited financial statements of the proposed assignee's operations for the immediately preceding three (3) operating years.
- D. Contractor shall furnish City Contract Manager with satisfactory proof: (i) that the proposed assignee has at least ten (10) years of Solid Waste, Recyclable Materials, and Organic Materials management experience on a scale equal to or exceeding the scale of operations conducted by Contractor under this Agreement; (ii) that in the last five (5) years, the proposed assignee has not suffered any citations or other censure from any Federal, State, or local contractor having jurisdiction over its waste management operations due to any significant failure to

comply with State, Federal, or local waste management laws and that the assignee has provided the City Contract Manager with a complete list of such citations and censures; (iii) that the proposed assignee has at all times conducted its operations in an environmentally safe and conscientious fashion; (iv) that the proposed assignee conducts its Solid Waste, Recyclable Materials, and Organic Materials management practices in accordance with sound waste management practices in full compliance with all Federal, State, and local laws regulating the Collection, Transportation, Processing, and Disposal of Solid Waste, Recyclable Materials, and Organic Materials, including Hazardous Waste as identified in Chapter II of Division 4.5 of Title 22 of the California Code of Regulations; and, (v) that any other information required by City Contract Manager demonstrates that the proposed assignee can fulfill the terms of this Agreement in a timely, safe, and effective manner.

- E. Contractor shall provide the City Contract Manager with any and all additional records or documentation that, in the City Contract Manager's sole determination, would facilitate the review of the proposed assignment.

Under no circumstances shall the City consider or permit an assignment if the assignment would result in one Person including, but not limited to, Parent Companies, corporate affiliates, or Related-Party Entities holding franchises for more than two Commercial franchise service areas in the City.

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

14.7 PARTIES IN INTEREST

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

14.8 WAIVER

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

14.9 NOTICE PROCEDURES

All notices, demands, requests, proposals, approvals, consents, and other communications which this Agreement requires, authorizes or contemplates all, except as provided in Section 4.6.1, shall

be in writing and shall either be personally delivered to a representative of the Parties at the address below or deposited in the United States mail, first class postage prepaid, addressed as follows:

A. If to City:

Solid Waste Manager
City of Fresno
1325 E. El Dorado
Fresno, CA 93706

B. If to Contractor:

Joseph Kalpakoff
Mid Valley Disposal
15300 W. Jensen Ave.
Kerman, CA 93630

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

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

14.10 REPRESENTATIVES OF THE PARTIES

References in this Agreement to the "City" shall mean the City Council and all actions to be taken by the City shall be taken by the City Council except as provided below. The City Council may delegate, in writing, authority to the City Manager, the Director of Public Utilities Department, and/or to other City officials and may permit such officials, in turn, to delegate in writing some or all of such authority to subordinate officers. By approving this Agreement, the City Council has delegated to the City Contract Manager the specific authority granted the City Contract Manager by the terms of this Agreement. The Contractor may rely upon actions taken by such delegates if they are within the scope of the authority properly delegated to them.

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

14.11 CRIMINAL ACTIVITY OF CONTRACTOR

14.11.1 Criminal Activity

For purpose of this Section, Criminal Activity shall mean any of the following events or circumstances:

A. Convictions. The entry against any Contractor Party of a criminal conviction or a permanent mandatory or prohibitory injunction from a court, municipality or regulatory agency of competent jurisdiction based on acts taken in his or her official capacity on behalf of Contractor relating to:

1. Fraud or criminal offense in connection with obtaining, attempting to obtain, procuring or performing a public or private agreement related to municipal Solid Waste, Recyclable Materials, or Organic Materials services of any kind (including Collection, Transportation, transfer, Processing, Composting or Disposal), including this Agreement or any amendment thereto;
2. Bribery or attempting to bribe a public officer or employee of a local, State, or Federal agency;
3. Embezzlement, extortion, racketeering, false claims, false statements, forgery, falsification, or destruction of records, obstruction of justice, knowingly receiving stolen property, theft, or misprision (failure to disclose) of a felony;
4. Unlawful disposal of Hazardous Waste or Designated Waste the occurrence of which any of Contractor Party knew or should have known;
5. Violation of antitrust laws, including laws relating to price-fixing, bid-rigging and sales and market allocation, and of unfair and anti-competitive trade practices laws, including with respect to inflation of fees for Solid Waste, Recyclable Materials or Organic Materials Collection, Transportation, Processing, or Disposal;
6. Violation of securities laws;
7. Felonies.

B. Pleas. Entry of a plea of “guilty,” “nolo contendere,” or “no contest” by a Contracting Party based on acts taken in his, her, or its official capacity on behalf of Contractor with respect to the conduct described in preceding subdivision (1) of this Section.

14.11.2 Notice

Contractor shall notify City Contract Manager in writing within five (5) calendar days of occurrence of any Criminal Activity.

14.11.3 Contractor’s Cure

Upon occurrence of any Criminal Activity, Contractor shall immediately do or cause to be done all of the following:

- A.** Terminate from employment or remove from office any offending individual Contractor Party, unless otherwise directed or ordered by a court or regulatory agency of competent jurisdiction or authority, and unless that termination would constitute a breach of any labor agreement entered into by Contractor, and

- B. Eliminate participation by any individual offending Contractor Party in any management, supervision, or decision activity that affects or could affect, directly or indirectly, the performance of the Contractor under this Agreement.

14.11.4 Transfer and Hiring

Contractor shall not allow or cause to be allowed the hire or transfer of any individual from any Parent Company or subsidiary company or business entity of Contractor who has committed Criminal Activity as a Contractor representative, field supervisor, officer, or director who is directly or indirectly responsible for performance of this Agreement without obtaining prior written consent of City Contract Manager, following full disclosure to City Contract Manager of the facts and circumstances surrounding such Criminal Activity.

14.11.5 City's Remedy

In the event of any occurrence of Criminal Activity, the City, in its sole discretion, may terminate the Agreement within thirty (30) calendar days written notice to Contractor, or may impose other sanctions (which may include financial sanctions, temporary suspensions, or any other condition deemed appropriate short of termination) as it will deem proper, in the following events:

- A. Contractor fails to comply with the foregoing obligation of this Section 14.11, or
- B. The Criminal Activity concerns or relates directly or indirectly to this Agreement.

Contractor shall be given the opportunity to present evidence in mitigation during the 30-calendar day notice period.

14.12 PUBLIC HEARING ON CONTRACTOR'S PERFORMANCE

At any time, but no more than once annually, the City may hold a public hearing, at which Contractor may be required by City to respond to information requests related to, attend, and participate in, a review the Contractor's performance and to solicit feedback from the public regarding Contractor's performance of services under this Agreement. The purpose of the public hearing shall be to provide for discussion and review of technological, economic, and regulatory changes in order to achieve a continuing, state-of-the-art Collection, Transportation, Processing, and Disposal system and to ensure services are being provided with adequate quality, effectiveness, and economy. Input provided during the public hearing may be used by the City at its discretion.

ARTICLE 15.
MISCELLANEOUS AGREEMENTS

15.1 ENTIRE AGREEMENT

This Agreement, including the Exhibits, represents the full and entire Agreement between the Parties relating to the matters covered herein.

15.2 SECTION HEADINGS

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

15.3 REFERENCES TO LAWS

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

15.4 INTERPRETATION

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

15.5 AMENDMENT

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

15.6 SEVERABILITY

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

15.7 COUNTERPARTS

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

15.8 EXHIBITS

Each of the Exhibits identified as Exhibit "A" through "P" is attached hereto and incorporated herein and made a part hereof by this reference. In the event that requirements, obligations, privileges, or entitlements of the Exhibits conflict with those described in the Agreement, the Agreement shall control.

IN WITNESS WHEREOF, the Parties have caused the Agreement to be executed on the day and year first above written.

CITY OF FRESNO
A California Municipal Corporation

Mark Scott
Mark Scott
City Manager

CONTRACTOR
MID-VALLEY DISPOSAL,
A California Corporation

Joseph Karpankeff
Name Joseph Karpankeff
Title Vice President

APPROVED AS TO FORM:
JAMES C. SANCHEZ
City Attorney

By: David Hale
Chief Assistant City Attorney

ATTEST:
REBECCA E. KLISCH
City Clerk

Rebecca E. Klisch
11-1-11

EXHIBIT A

SECRETARY'S CERTIFICATION

EXHIBIT A

SECRETARY'S CERTIFICATION

The undersigned, being the Secretary of Mid Valley Disposal, a
California corporation ("the Company"), do hereby certify that the following resolution was adopted
by the Board of Directors of the Company and that such resolution has not been amended, modified
or rescinded and is in full force and effect as of the date hereof:

RESOLVED, that Joseph Kalpakoff be, and hereby is, authorized to
execute, by and on behalf of the Company, any and all agreements, instruments, documents or
papers, as he/she may deem appropriate or necessary, pertaining to or relating to the Franchise
Agreement between the City of Fresno and Company for Multi-Family and Commercial Solid
Waste, Recyclable Materials, and Organic Materials Services in Service Area No. ___ and that any
such action taken to date is hereby ratified and approved.

Dated: 11-1-11

Natalie Kalpakoff
Signature
Sec.
Title

EXHIBIT B

NOTARY'S CERTIFICATION

NOTARY'S CERTIFICATION

STATE OF CALIFORNIA

COUNTY OF Fresno

On 11-1-2011, _____, before me, the undersigned, a Notary Public in and for the State of California, personally appeared Joseph John Kalpakoff, known to me to be the Vice President of Contractor that executed the within instrument on behalf of the Contractor therein named, and acknowledged to me that such Contractor executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County of Fresno this 1 day of November, 2011.

Notary Public

My Commission Expires:

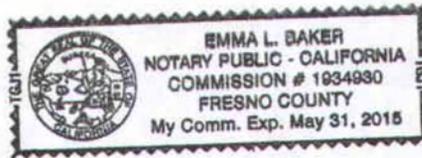
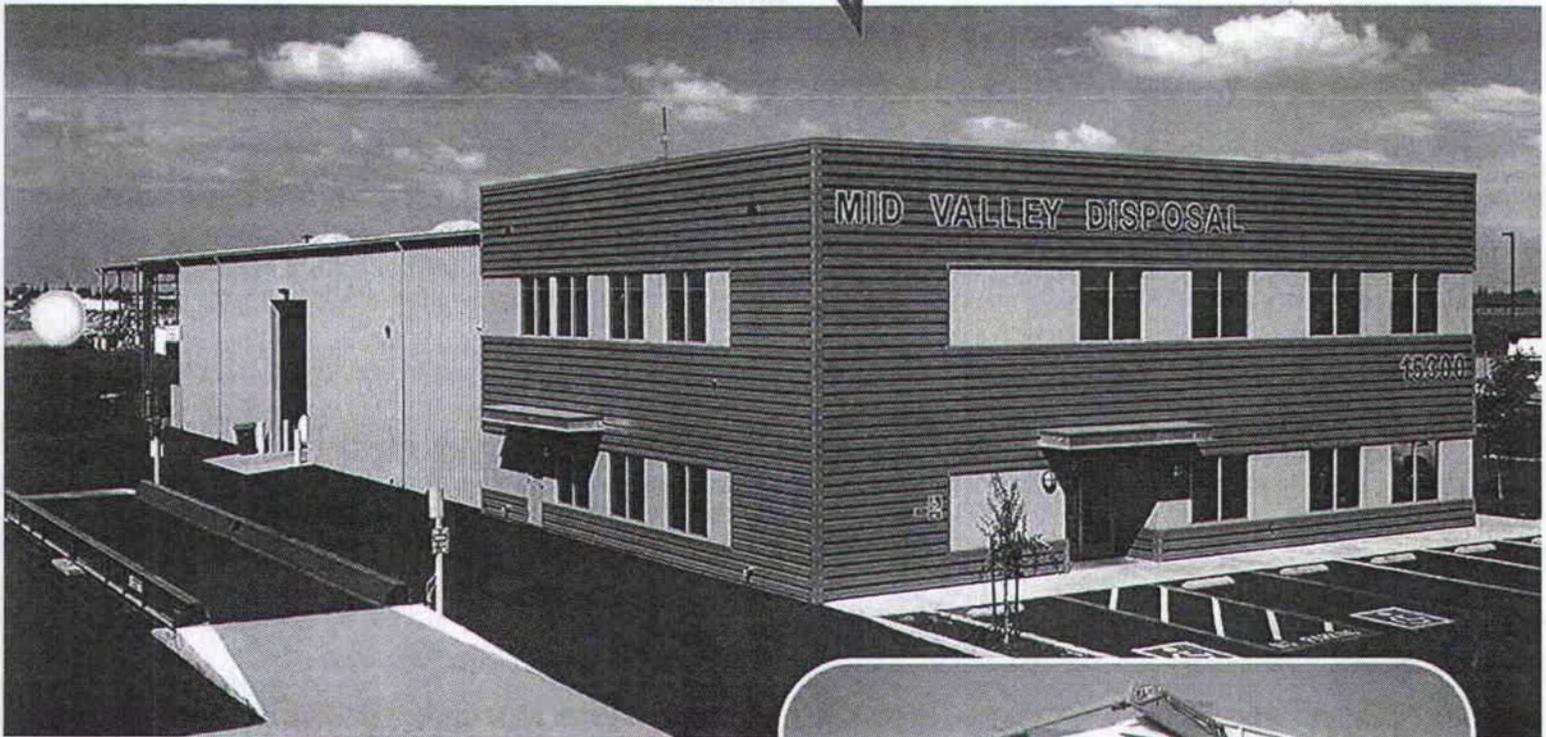


EXHIBIT C

CONTRACTOR'S PROPOSAL

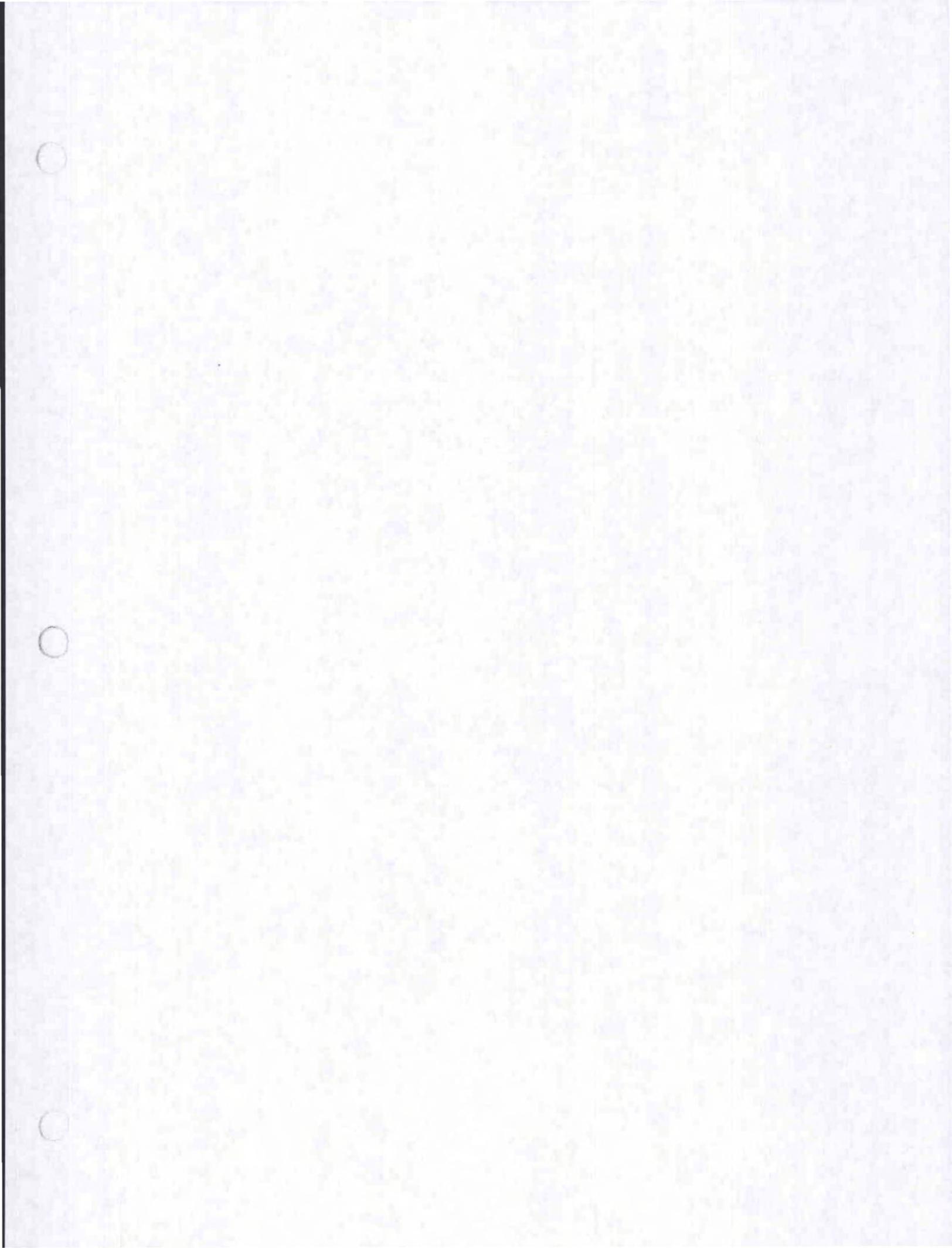
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Proposal for Multi-Family and Commercial Solid Waste, Recyclable Materials, and Organic Materials Services



Bid File # 9133
Mid Valley Disposal
15300 W. Jensen Ave.
Kerman, CA 93630
Joseph Kalpakoff
(559)843-2467 Ph
(559)842-9436 Fx
JosephK@midvalleydisposal.com







MID VALLEY DISPOSAL
RECYCLING & TRANSFER STATION

August 20, 2010

Jason MacDonald
Procurement Manager
2101 G Street, Building A
Fresno, California 93706

Request for Proposals: Multi-Family and Commercial Solid Waste, Recyclable Materials, and Ongoing Materials Services – Bid File #9133

Mr. MacDonald:

It is with considerable pride that Mid Valley Disposal hereby submits its proposal for the above referenced collection and processing services.

As per the Board of Directors and By-Laws of Mid Valley Disposal, I certify that I am the contact person in reference to this submittal, and you may contact me at the mailing address, telephone number, and/or fax number indicated on this letterhead.

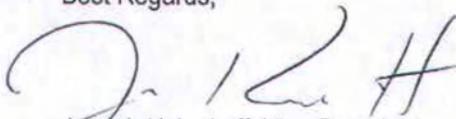
The name of the entity to execute an agreement with the City of Fresno is Mid Valley Disposal.

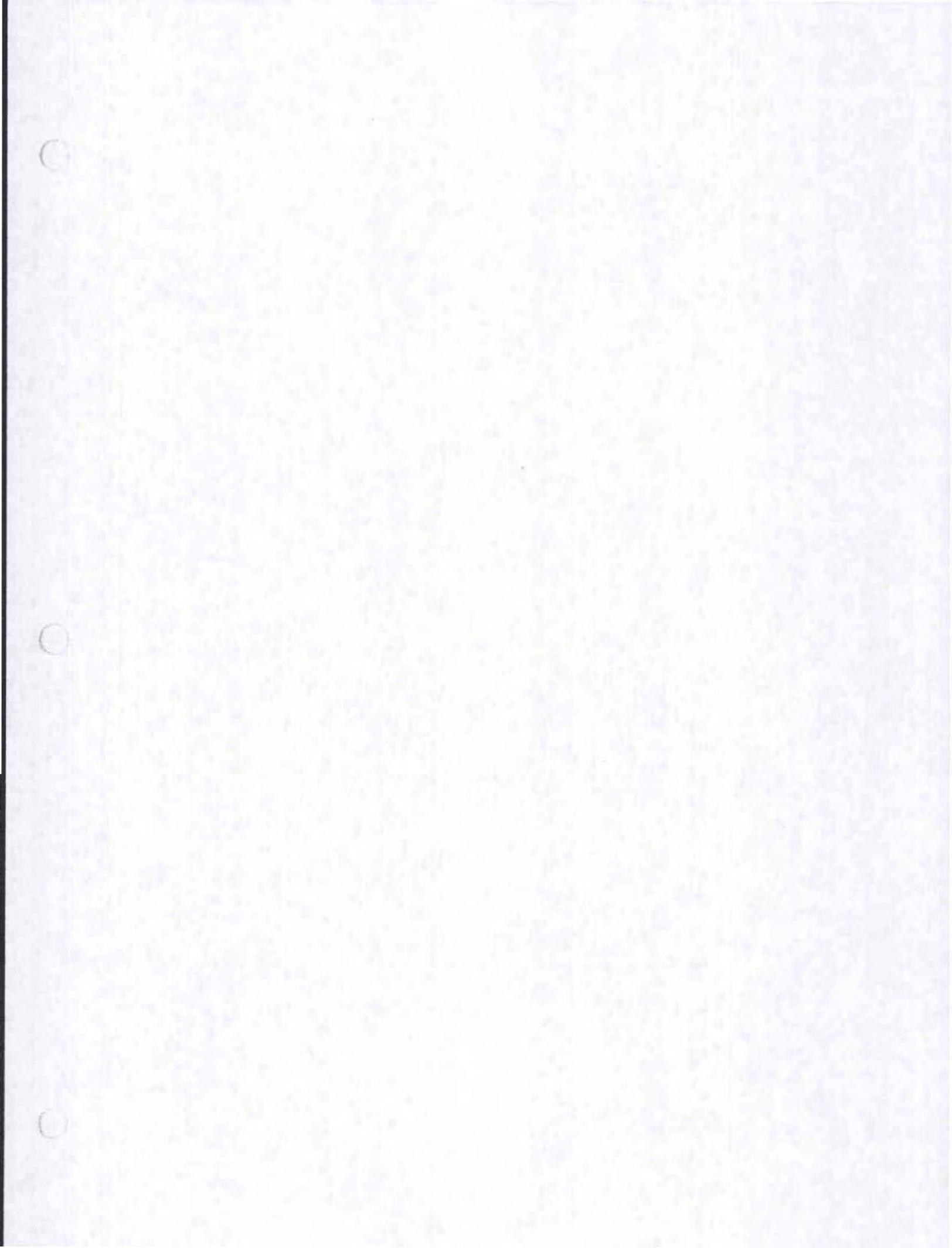
The requirements of the City's draft *Agreement* as provided and described in the above referenced *RFP* document, its *Attachments* and all addenda issued by the City have been thoroughly reviewed. Mid Valley Disposal has also conducted due diligence to confirm material facts upon which it bases its proposal.

Mid Valley Disposal guarantees the validity of its proposal including proposed rates, compensation, and pricing, for a period of 180 days from the official date of submittal. A cashier's check in the amount of \$25,000 accompanies this submittal (see envelope). There are separate folders containing one copy of alternative cost forms and financial statements.

I personally thank you for your consideration of this proposal and look forward to doing business with the City of Fresno.

Best Regards,


Joseph Kalpakoff, Vice President
Mid Valley Disposal





City of Avenal

919 Skyline Blvd.
Avenal, CA 93204
Phone (559) 386-5766
Fax (559) 386-0629

August 12, 2010

City of Fresno
Fresno, CA

RE: Letter of Recommendation

To Whom It May Concern:

On behalf of the City of Avenal, I am pleased to provide this Letter of Recommendation for Mid Valley Disposal. We selected Mid Valley as our exclusive solid waste, recycling, and greenwaste contractor in December 1999. Over the past eleven (11) years, the City's diversion rate has increased beyond the State wide average. Their innovative outreach programs, hands on customer service and community involvement have proven to be a successful business approach.

We have relied on Mid Valley Disposal's expertise in assisting the City to meet all State required recycling goals. Most recently, they implemented a highly successful multi-family/apartment complex recycling program. The success of the program was due impart to outreach staff that spent time at each complex educating residents on the importance of recycling.

For over a decade, Mid Valley Disposal has participated and assisted in sponsoring several notable community events such as the Avenal Sand Drags, Independence Day Celebration and our annual Old Timers Day Homecoming event each year. The Mayor's Citation Award was presented to Mid Valley Disposal and their owners, Jay and Joseph Kalpakoff, in 2003 and again in 2008 as "Outstanding Community Partners" for their service commitment and dedication to the City and Community at-large.

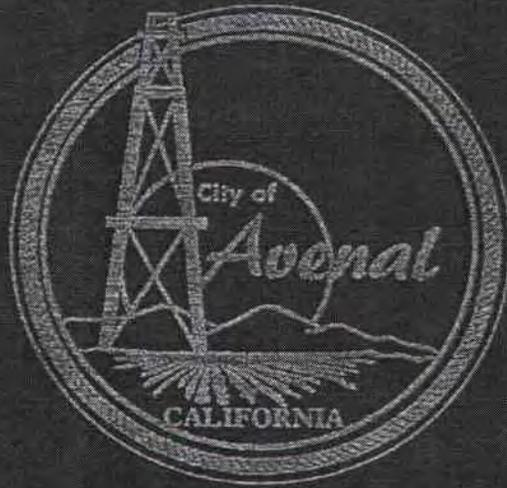
The City of Avenal appreciates the fine working relationship we have established with Mid Valley Disposal over the years. They are a well-established company with quality management and staff, as well as, great resources available to meet solid waste, recycling and greenwaste needs.

Sincerely,

CITY OF AVENAL

Melissa Whitten
City Manager

mgw/



**OUTSTANDING COMMUNITY PARTNER
AWARD**

PRESENTED TO:

**MID VALLEY DISPOSAL, INC.
WASTE DISPOSAL AND RECYCLING COMPANY**



IN RECOGNITION AND ACKNOWLEDGMENT OF YOUR
MANY YEARS OF DEDICATION AND SERVICE
TO THE CITY AS AN ACTIVE "COMMUNITY PARTNER."

YOUR SERVICE HAS BEEN
OUTSTANDING AND YOUR COMMITMENT
AND DEDICATION UNWAVERING.

WE HEREBY HONOR, COMMEND AND THANK YOU.



CITY OF AVENAL
MAYOR'S CITATION AWARD
APRIL 25, 2009



21900 Colorado Avenue • P.O. Box 758 • San Joaquin, CA 93660
[559] 693.4311 • [559] 693.2193 (fax) • www.cityofsanjoaquin.org

August 11, 2010

Honorable Ashley Swearengin, Mayor
CITY OF FRESNO
2600 Fresno Street, Room 2075
Fresno, CA 93721

Dear Mayor Swearengin:

This letter is written on behalf of Mid Valley Disposal (MVD) as they seek the opportunity to provide solid waste services to your constituents – residents of the City of Fresno. MVD is a family owned business that has worked hard to become a premier fully integrated solid waste company. In my present role as city manager, and in my former capacity in the solid waste/recycling industry as Municipal Services Director for Waste Management, I can attest first-hand to the fact that that MVD has the experience, capacity, and the concern for the environment to make them an ideal choice to serve the City of Fresno

MVD is the exclusive solid waste, green waste and recycling service provider for residential, multi-family, commercial and industrial services in the City of San Joaquin; services they have provided for the past nine years. The family business has flourished in large part due to their courteous and efficient employees and excellent services. With a well trained staff and reliable trucks and equipment they have expanded their services as well as their service areas.

Staying abreast of new laws and regulations, as well as the need for a comprehensive monitoring and reporting system are just a few of the areas where MVD excels. Their knowledge and competent staff conducts waste audits for commercial customers and they also provide new recycling program education. Some of the advantages of contracting with Mid Valley include but are not limited to full access to a state of the art recycling facility, timely responses to service requests and friendly customer service, fully trained and knowledgeable recycling coordinators, as well the owners who are readily available.

This sincere recommendation of Mid Valley Disposal is made without reservation. Please feel free to call or email me if should you have any questions regarding their services.

Sincerely,

CITY OF SAN JOAQUIN

Cruz W Ramos
City Manager

Cc: Blong Xiong, Councilmember District 1
Andreas Borgeas, Councilmember District 2
Cynthia Sterling, Councilmember District 3
Larry Westerlund, Councilmember District 4
Mike Dages, Councilmember District 5
Lee Brand, Councilmember District 6
Henry T. Perea, Councilmember District 7



155 W. Duran Avenue
Coalinga, CA 93210



Phone (559) 935-1533
FAX (559) 935-0912
www.coalinga.com

August 10, 2010

City of Fresno Officials,

It's with great pleasure to write a personal letter of recommendation on behalf of Mid Valley Disposal. In 2004, the City of Coalinga was faced with a tough decision whether to privatize our solid waste collection or to invest significantly to keep up with the changing state regulations. Once our RFP responses were received, the choice to select Mid Valley as our contractor was the right pick.

They assisted Coalinga in procuring all the collection vehicles, containers, as well as hiring our existing employees. The transition between service providers was flawless. Their team of professionals kept the City up to date as the progress continued. They implemented a new recycling program for our residents and our businesses. The pay for service program encouraged businesses to add recycling while reducing their need for large solid waste bins, while saving money at the same time. The City of Coalinga's state diversion rate has significantly increased since Mid Valley Disposal was chosen as our contractor.

The company has demonstrated through the years that the City of Coalinga is not a number but a customer whom they value. Their efforts and civic leadership as a family owned business speaks loudly in our community. I would personally recommend Mid Valley Disposal for any solid waste venture they pursue. Please contact my office at 935-1533 with any further questions.

A handwritten signature in black ink, appearing to read "Ron Lander".

Ron Lander

City of Coalinga-Mayor



City of Kerman

"Community Comes First"

RON MANFREDI, CITY MANAGER
850 S. Madera Ave.
Kerman, CA 93630-1741
rmanfredi@cityofkerman.org
Telephone: 559-846-9387
FAX: 559-846-6199

August 13, 2010

Mayor Swearingin and City Council
2600 Fresno Street, Room 2075
Fresno, CA 93721

RE: Mid Valley Disposal

I am writing this letter of recommendation for Mid Valley Disposal (MVD) on behalf of the City of Kerman. The City of Kerman issued an RFP in early 2008 for a solid waste service provider. The City had been with its past provider for over 20 years. While we were satisfied with the services of our past provider; we were exploring more competitive pricing and a comprehensive, commercial recycling program.

It was apparent during the RFP process that Mid Valley Disposal was a professional and well rounded solid waste company. Their team of expert personnel exceeded our requirements for customer service, recycling programs, and a decreased price for services to our community. MVD now provides the City with complete services (garbage, green waste, recycling) to residential and garbage/recycling to commercial customers.

Kerman was in need of a commercial recycling program; however in these economic times it was uncertain whether a program would hinder businesses in our community. Once their team of recycling coordinators provided on site waste audits, the business community jumped on board. The programs encouraged larger bins for recyclables while offering lower prices on smaller garbage, waste bins. This program has proven its success by the 95% participation we have. Their continued efforts in providing outreach and community awareness has pushed the City of Kerman over State a mandates which was one of our initial goals.

The owners, Joseph and Jay Kalpakoff, have many years of solid waste experience. Their and their staffs' involvement in local events and support in our community is complimentary to their service. Our community has benefited in many regards with Mid Valley Disposal as our service provider.

Sincerely,

A handwritten signature in cursive script that reads "Ron Manfredi".

Ron Manfredi
City Manager

cc: City Council



23300 W. Oakland Ave.
Coalinga, CA 93210
(559) 884-2477
FAX (559) 884-2267

August 11, 2010

Fresno Mayor and City Council,

Harris Farms, Inc. is proud to be one of the nation's largest, vertically integrated family owned agribusinesses. We are constantly looking at how to improve our products and at the same time contain costs. I was thus interested in the City's move to look at privatizing all or parts of your waste management. I am not aware of your total cost structure, but intuitively feel you may well be on the right track.

Mid Valley Disposal has been providing quality solid waste management at our various companies since 1999. Their dedication to providing environmentally friendly services has proven effective at our facilities. They recently conducted a waste audit at our restaurant and inn. They soon implemented a kitchen, bar, and restaurant recycling program which assisted us in reducing waste to our landfills while save us money. They are been responsive to a variety of our needs spread over much of the county and we value them as a good member of the community.

It is the leadership at Mid Valley Disposal who have the experience and integrity which makes them a successful family business. I am pleased to recommend Mid Valley for strong consideration as you look at this key cost area.

Best Regards,

A handwritten signature in black ink, appearing to read "John Harris", with a long, sweeping horizontal line extending to the right.

John Harris



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ES

Executive Summary

Mid Valley Disposal (MVD) is a privately held local recycling and solid waste management company that has been in business in Fresno County since 1997. Closely held, MVD partners play active roles in the management and execution of daily operations. These individuals embody generations of collection and processing experience; they have also acquired several contracts through the competitive bidding process. MVD's resultant successful start-ups have enabled to develop and refine an experienced, competent implementation team that will employ its hard-earned knowledge to launch and manage friendly, high-diversion collection programs for Fresno customers.

Unrivaled Experience

MVD owner-managers are entrepreneurial, inventive, and play active roles in shaping the solid waste and recycling industry, staying current on trends and markets. MVD operates in ten local jurisdictions, for which the Company has provided the City, in *Section 1*, collection details including accounts, tonnages, and collection systems by line of business. MVD has provided four extremely relevant *Experience Examples* which provide additional insight into MVD's capabilities.

This experience yields the following for the City of Fresno:

- ☑ The stability and know-how gleaned through managing successful long-term municipal relations in all jurisdictions serviced.

Section 1 – Qualifications

- ☑ Localized, expedient decision-making.

Section 1 - Qualifications

- ☑ The ability to assertively source, process, and market recyclable commodities materials through direct interaction with material buyers, allowing MVD to make an attractive offer for the processing of commercial recyclables.

Section 2.2 – Recyclable Materials Collection



Value

MVD's *Proposal* represents a tremendous value for the City and commercial rate payers of Fresno. For the rates proposed, the Company is including these following features at no additional cost:

☑ Commercial Recycling Technical Assistance

This will be supplied through MVD's own professional public education staff. MVD will perform initial and ongoing recycling opportunity assessments and on-site customer training, all geared toward assertively reaching the City's goal of 75 percent diversion.

See *Additional Information*, page 2-54.

- ☑ The ability to manage the commercial compostable/organic materials through three options based on the City's preference.
- ☑ The creation and management of a redistribution network to facilitate the reuse of reusable materials and items. This program will allow the City to track and account additional diversion.

Preparedness

MVD will take a very structured, thorough, and orderly approach to implementing services in Fresno. The Company has found that extensive employee training is key to a smooth transition, and MVD will take great care in educating drivers, customer service representatives, and managers about the new program. In meeting its own standards for implementation, the *Master Implementation Schedule* (see Section 3.3 – *Transition Plan*) for this project places a lot of weight on the training of all employees.

Summary

MVD believes the combination of its experience, the unique features presented in this proposal, as well as its highly competitive *Cost Proposal* present an excellent option for the City of Fresno's thoughtful consideration. MVD looks forward to the post proposal process and potential partnership with the City of Fresno to produce an excellent outcome for Fresno businesses and multi-family dwellings, while significantly and steadily increasing diversion.



One Company Description

1.0 Company Description | Overview

Mid Valley Disposal (MVD) is an independently owned and operated local business with generations of experience in providing residential, commercial, and industrial recyclable materials, organic materials, and solid waste collection and processing services.

Reviewers will note MVD's relevant experience, as relayed throughout this section, in the privatization of solid waste collection contracts, acquisition of collection contracts through both the competitive bid and procurement processes, implementation of recycling programs for all generators types, as well as the delivery of commercial/multi-family recycling technical assistance.

At four Public Education Specialists to 8,000 accounts, MVD has a high ratio of public education/outreach staff to customers. This is no doubt why MVD has achieved diversion success in the communities it serves. The *Jurisdiction Profiles* included in *Section 1.2* documents the programs and diversion rates in each jurisdiction MVD serves.

The Company's successes are continually solidified and built upon through dedication to educating customers about MVD recycling programs. Company owners pride themselves in finding markets for atypical materials and materials more common to the local area than perhaps in coastal jurisdictions, such as agricultural commodities (see *Section 2*). MVD sees its connection to the local community and local businesses as foundational to its own sustainability.



1.1 Company Description | Business Structure

Mid Valley Disposal, Inc. (MVD) is a California S-Corporation formed in 1997, is authorized to do business and does do business in California, and is the legal entity that will execute the *Agreement*.

MVD is comprised of three principals who are also managers: Jay Kalpakoff, Roy Mendrin, and Joseph Kalpakoff. MVD owners are identified below by name, interest, and board/officer positions held.

Owner Name	Ownership Interest	Board Position
Jay Kalpakoff	71%	President
Roy Mendrin	9%	Vice President – Operations
Joseph Kalpakoff	15%	Vice President – Secretary
Jonathan Kalpakoff	5%	N/A
Natalie Kalpakoff		Secretary

Together, these individuals possess over 60 years of resource recovery and solid waste management experience. The Company now has five local collection contracts and is permitted to provide collection services in rural Fresno County areas. MVD prides itself in being locally owned and operated.

No creditor is owed a debt greater than ten percent of the Company's total assets.



1.2 Company Description | Proposer Experience

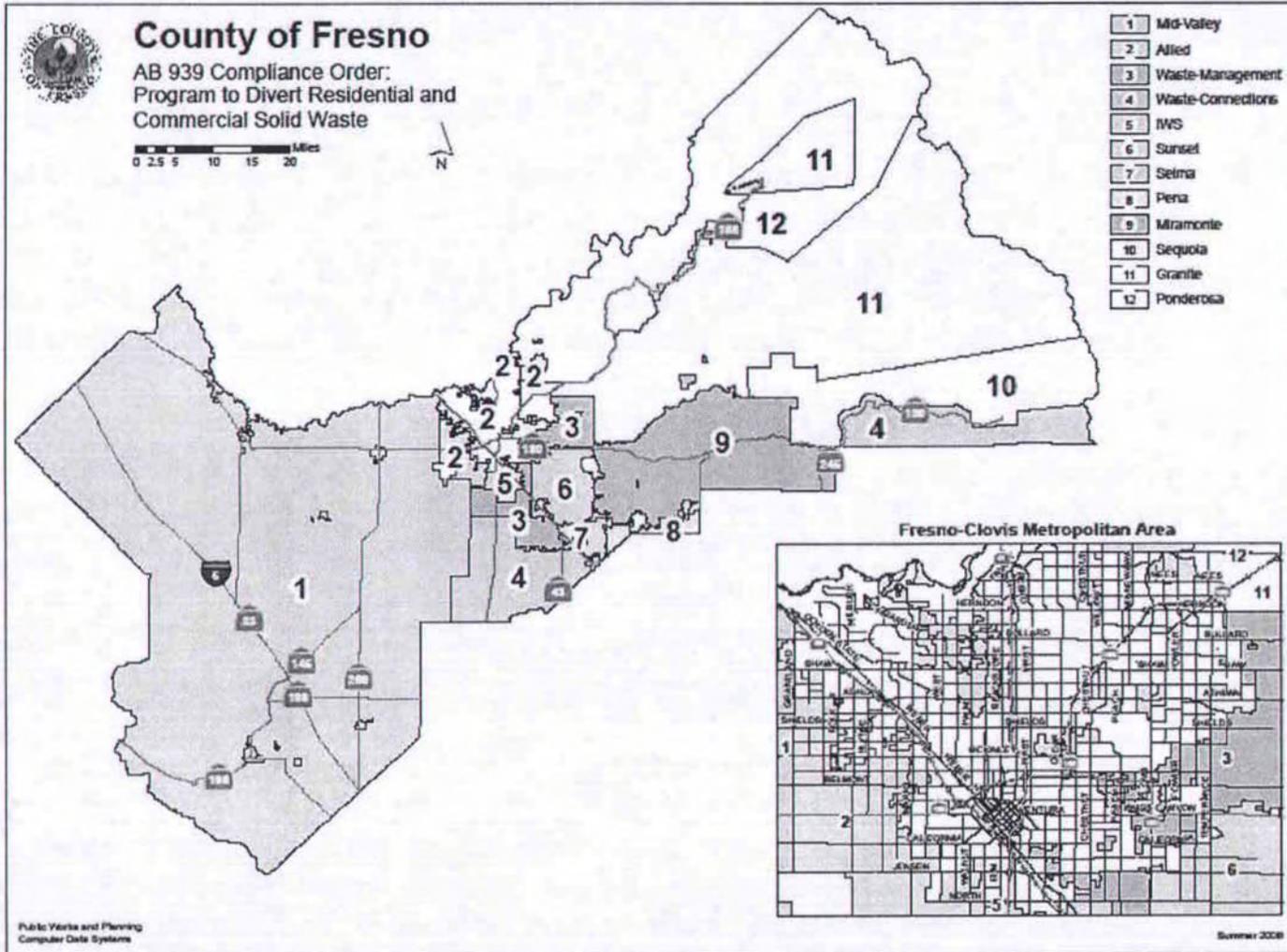
The objective of *Section 1.3* is to document MVD's experience in providing solid waste collection and management services similar to those the City of Fresno has requested in its *RFP*. This information is relayed through a series of charts located at the end of this subsection that document MVD's current collection contract statistics. Collection contracts and permits are listed below, as is contact information for each.

City of Avenal Since 2000 Current Recycling Rate: 61%	City Manager - Melissa Whitten avenalcm@cityofavenal.com Phone(559) 386-5766
City of Coalinga Since 2004 Current Recycling Rate: 55%	City Manager – Bill Skinner bskinner@coalinga.com Phone (559) 935-1533
City of Huron Since 2001 Current Recycling Rate: 53%	City Manager – Jerry Forde gforde415@yahoo.com Phone (559) 945-2241
City of San Joaquin Since 2001 Current Recycling Rate: 52%	City Manager – Cruz Ramos cruzramos@kermantel.net Phone (559) 693-4311
City of Mendota Since 2003 Current Recycling Rate: 32%	City Manager – Krystal Chojnacki kchojnacki@ci.mendota.ca.us Phone (559) 266-6456
City of Kerman Since 2008 Current Recycling Rate: 51%	City Manager – Ron Manfredi RManfredi@cityofkerman.org Phone (559) 846-9387
City of Firebaugh Since 2009 Current Recycling Rate: 54%	City Manager – Jose Antonio Ramirez citymanager@ci.firebaugh.ca.us Phone (559)659-2043

MVD operates by permit in the following rural areas:

- Armona Community Service District**
Since 2008
- Fresno County Unincorporated**
Since 2006
- Kettleman Community Service District**
Since 2006

MVD's current service area is shown on the map, following.





It is also important to note that each of the above contracts was obtained through dedication, vision, and hard work. In 2000 MVD strategized a five-, ten, and 15-year growth plan in which the Company achieved in just five years. Its goal: to establish long term contracts with each of the five cities in Western Fresno County and to secure a permit to operate in the rural areas. With that objective met, MVD developed a state-of-the-art material recovery facility and transfer station in Kerman.

MVD has made a thorough review of the *RFP* to ensure it meets the City of Fresno's stated qualifications and that the Company can assist the City in meeting its zero waste objectives. MVD believes that it is well-equipped to take on the scope of work conveyed in the *RFP*, and that the creative ideas outlined in this proposal will enable the City to reach its diversion goals as well.

The following is a list of services MVD currently provides to its customers:

- ☑ Residential recycling, organics collection and processing services.
- ☑ Residential solid waste collection services.
- ☑ Commercial recycling collection and processing services.
- ☑ Commercial solid waste collection services.
- ☑ Bulky item collection and reuse facilitation, recycling, or disposal.
- ☑ Community clean-up events (high diversion)
- ☑ Public education and outreach
- ☑ Construction and demolition recycling

Essential to the City of Fresno project, MVD will also supply commercial recycling technical assistance and training in order to facilitate the City's goal of 75 percent diversion. This is discussed in *Section 2.8 – Public Education and Outreach Plan*. MVD appreciates that the City has a mandatory commercial recycling ordinance in place to help encourage participation.

MVD has quantified its collection and processing experience as shown in the following charts.



City of Avenal

Sector/Program	Materials Collected	Units Served/ Annual Tons	Equipment Used/ Collection System	Processing/Transfer/ Disposal Site
RESIDENTIAL PROGRAM INFORMATION				
Residential Single-family Solid Waste Collection	MSW	1728/ 2008.70 tons	(1) Automated Side-loader vehicles; 96-gallon carts	Avenal Landfill
Residential Single-family Recycling Collection and Processing	Newspaper; mixed paper; OCC; glass bottles/jars; tin/ aluminum cans; plastics 1-7; scrap metal.	1728/ 624.25 tons	(1) Automated Side-loader vehicles; 96-gallon carts	Mid Valley MRF
Residential Multi-family Recycling Collection and Processing	Same as above.	24 complexes - 725 units/ Tons included in SFD figure	Shares SFD collection equipment, above.	Avenal Landfill
Residential Organics Collection	Clean yard waste mixed with food waste.	1728/ 806.54 tons	(1) Automated Side-loader vehicles; 96-gallon carts	Mid Valley MRF
COMMERCIAL PROGRAM INFORMATION				
Commercial/ Industrial Solid Waste Collection Front-loader	MSW	121/ 1533.30 tons	(1) Front-loader and bins	Avenal Landfill
Commercial/ Industrial Recycling Collection and Processing	Newspaper; mixed paper; OCC; glass bottles/jars; tin/ aluminum cans; plastics 1-7; scrap metal.	47/ 341.63 tons	(1) Front-loader and bins	Mid Valley MRF
Commercial/ Industrial Solid Waste Collection Roll-off	MSW	33/ 68.84 tons	(1) Roll-off vehicles.	Avenal Landfill/ Mid Valley MRF



MID VALLEY DISPOSAL
 4400 N. VALLEY BLVD. SUITE 100
 FRESNO, CA 93704

AVENAL

COLLECTION ROUTES WORKSHEET

Route Details	Monday			Tuesday			Wednesday			Thursday			Friday			Saturday			Totals	
	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Loads
<i>Include: Route #.</i>																				
<i>Truck type</i>																				
<i>Carrying Capacity</i>																				
C1A Side-loader 10 ton	10.81 3.36	T R	11:30am 15:00pm				12.36 3.84	T R	12:00pm 15:30pm	10.00 5.45 4.80	T T R	11:00 AM 14:00 PM 16:00pm	7.00 6.00 2.51	Y Y Y	10:00am 14:00pm 15:30pm				66.13	10
C1 Front-loader 10 ton	12.15	T	12:30pm	5.28	T	9:00am	3.57	T	8:30am	4.66	T	8:30am	3.83	T	8:30am				29.49	5
C1R Front-loader 10 ton	3.28	R	9:00am				1.64	R	9:00am				1.64	R	9:00am				6.56	3
OCC¹/Day →																				
<i>Route #.</i>																				
<i>Truck type</i>																				
Bulky/Day →																				
<i>Route #.</i>																				
<i>Truck type</i>																				
Totals	Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads
Refuse	22.96	2		5.28	1		15.93	2		20.11	3		3.83	1		68.11	9		68.11	9
Recyclables	6.64	2		0	0		5.48	2		4.8	1		1.64	1		18.56	6		18.56	6
Green Waste	0	0		0	0		0	0		0	0		15.51	3		15.51	3		15.51	3
Manure	0	0		0	0		0	0		0	0		0	0		0	0		0	0

¹ OCC: On-Call Collection



Collection Schedule for Avenal

Route #	Truck No.	Truck Type	Monday		Tuesday		Wednesday		Thursday		Friday		Saturday		Total Hours	Waste Stream ²
			Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads		
C1A	225	SIDE-LOADER	9	3			9.5	3	12	4	9.5	3			40	T-R-Y
C1	123	FRONT-LOADER	7.5	1	4	1	3.5	1	3.5	1	3.5	1			22	T
C1R	125	FRONT-LOADER	4	1			4	1			4	1			12	R
3 Total Routes	3 Total Trucks	Totals →	20.5	5	4	1	17	5	15.5	5	17	5			74	

² T = Trash/Refuse; R = Recyclables; G = Green Waste; M = Manure; OCC = On-Call; B = Bulky Item

Proposal to the City of Fresno

MFD and Commercial Solid Waste, Recyclable Materials, and Organics Materials Services



City of Coalinga

Sector/Program	Materials Collected	Units Served/ Annual Tons	Equipment Used/ Collection System	Processing/Transfer/ Disposal Site
RESIDENTIAL PROGRAM INFORMATION				
Residential Single-family Solid Waste Collection	MSW	3400/ 2631.86 tons	(1) Automated Side-loader vehicles - 96-gallon carts	Avenal Landfill
Residential Single-family Recycling Collection and Processing	Newspaper; mixed paper; OCC; glass bottles/jars; tin/ aluminum cans; plastics 1-7; scrap metal.	3400/ 1083.30 tons	(1) Automated Side-loader vehicles; 96-gallon carts	Mid Valley MRF
Residential Multi-family Recycling Collection and Processing	Same as above.	38 complexes - 850 units/ Tons included in SFD figure	Shares SFD collection equipment, above.	Avenal Landfill
Residential Organics Collection	Clean yard waste mixed with food waste.	3400/ 1731.83 tons	(2) Automated Side-loader vehicles	Mid Valley MRF
COMMERCIAL PROGRAM INFORMATION				
Commercial/ Industrial Solid Waste Collection Front-loader	MSW	294/ 3118.21 tons	(1) Front-loader and bins	Avenal Landfill
Commercial/ Industrial Recycling Collection and Processing	Newspaper; mixed paper; OCC; glass bottles/jars; tin/ aluminum cans; plastics 1-7; scrap metal.	124/ 403.89 tons	(1) Front-loader and bins	Mid Valley MRF
Commercial/ Industrial Solid Waste Collection Roll-off	MSW	828/ 1341.97 tons	(1) Roll-off vehicles.	Avenal Landfill/ Mid Valley MRF



COALINGA

COLLECTION ROUTES WORKSHEET

Route Details	Monday			Tuesday			Wednesday			Thursday			Friday			Saturday			Totals	
	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Loads
220 C6AT Side-loader 10 ton	10.12	T	12:00pm	10.88	T	12:00pm	8.60	T	11:30pm	12.45	T	12:30pm	8.55	T	11:30pm				50.60	5
C6AG Side-loader 10 ton	3.01	Y	14:30pm	3.04	Y	15:00pm	2.66	Y	15:00pm	3.69	Y	15:30pm	2.24	Y	14:00pm				14.64	5
C6AR Side-loader 10 ton	4.16	R	11:30am	4.47	R	12:00pm	3.54	R	11:30am	5.12	R	12:30pm	3.52	R	11:00am				20.81	5
C6AG Side-loader 10 ton	3.65	Y	14:30pm	4.12	Y	15:00pm	3.0	Y	15:00pm	4.50	Y	15:30pm	3.38	Y	14:00pm				18.65	5
C6 Front-loader 10 ton	10.55 3.50	T T	11:00am 14:30pm	8.74	T	14:30pm	9.10	T	14:15PM	7.54	T	13:30pm	10.39	T	14:30pm	2.87	T	7:00am	52.69	7
C6R Front-loader 10 ton	2.71	R	13:00pm	2.32	R	13:00pm				1.16	R	13:00pm	1.55	R	13:00pm				7.74	4
OCC³/Day →																				
Route #.																				
Truck type																				
Bulky/Day →																				
Route #.																				
Truck type																				
Totals	Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads
Refuse	24.17	3		19.62	2		17.7	2		19.99	2		18.94	2		2.87	1		103.29	12
Recyclables	6.87	2		6.79	2		3.54	1		6.28	2		5.07	2		0	0		28.55	9
Green Waste	6.66	2		7.16	2		5.66	2		8.19	2		5.62	2		0	0		33.29	10
Manure	0	0		0	0		0	0		0	0		0	0		0	0		0	0

³ OCC: On-Call Collection



Collection Schedule for Coalinga

Route #	Truck No.	Truck Type	Monday		Tuesday		Wednesday		Thursday		Friday		Saturday		Total Hours	Waste Stream ⁴
			Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads		
C6A	222	Side-loader	8.5	2	9	2	9	2	9.5	2	8	2			44	T - Y
C6A	220	Side-loader	8.5	2	9	2	9.5	2	10	2	8	2			45	R - Y
C6	115	Front-loader	10	2	10	1	9.75	1	9	1	10	1	6	1	54.75	T
C6R	107	Front-loader	8	1	8	1			8	1	8	1			32	R
4 Total Routes	4 Total Trucks	Totals →	35	7	36	6	28.25	5	36.5	6	34	6			175.75	

⁴ T = Trash/Refuse; R = Recyclables; G = Green Waste; M = Manure; OCC = On-Call; B = Bulky Item



City of Huron

Sector/Program	Materials Collected	Units Served/ Annual Tons	Equipment Used/ Collection System	Processing/Transfer/ Disposal Site
RESIDENTIAL PROGRAM INFORMATION				
Residential Single-family Solid Waste Collection	MSW	675/ 1103.70 tons	(2) Automated Side-loader vehicles –96-gallon carts	Avenal Landfill
Residential Single-family Recycling Collection and Processing	Newspaper; mixed paper; OCC; glass bottles/jars; tin/ aluminum cans; plastics 1-7; scrap metal.	675/ 250.17 tons	(2) Automated Side-loader vehicles; 96-gallon carts	Mid Valley MRF
Residential Multi-family Recycling Collection and Processing	Same as above.	21 complexes - 585 units/ Tons included in SFD figure	Shares SFD collection equipment, above.	Mid Valley MRF
Residential Organics Collection	Clean yard waste mixed with food waste.	675/ 341.27 tons	(2) Automated Side-loaders vehicles	Mid Valley MRF
COMMERCIAL PROGRAM INFORMATION				
Commercial/ Industrial Solid Waste Collection Front-loader	MSW	177/ 1906.06 tons	(1) Front-loader and bins	Avenal Landfill
Commercial/Industrial Recycling Collection and Processing	Newspaper; mixed paper; OCC; glass bottles/jars; tin/ aluminum cans; plastics 1-7; scrap metal.	53/ 185.68 tons	(1) Front-loader and bins	Mid Valley MRF
Commercial/ Industrial Solid Waste Collection Roll-off	MSW	224/ 901.76 tons	(1) Roll-off vehicles.	Avenal Landfill/ Mid Valley MRF



HURON

COLLECTION ROUTES WORKSHEET

Route Details	Monday			Tuesday			Wednesday			Thursday			Friday			Saturday			Totals	
	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Loads
C2AT Side-loader 10 ton				10.00 5.92	T T	11:00am 15:00pm							5.31	T	8:00am				21.23	3
C2AR Side-loader 10 ton				3.60	R	11:00am							1.20	R	11:00am				4.80	2
C2AG Side-loader 10 ton				4.92	Y	15:00pm							1.64	Y	14:00pm				6.56	2
C2 Front-loader 10 ton	10.00 8.69	T T	10:00am 3:30pm				6.23	T	15:45pm	2.93	T	11:00am	8.79	T	15:30pm				36.64	5
C2R Front-loader 10 ton	2.05	R	1:00pm							1.55	R	13:00pm							3.60	2
OCC⁵/Day →																				
Route #.																				
Truck type																				
Bulky/Day →																				
Route #.																				
Truck type																				
Totals	Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads
Refuse	18.69	2		15.92	2		6.23	1		2.93	1		14.10	2					57.89	8
Recyclables	2.05	1		3.60	1		0	0		1.55	1		1.2	1					8.40	4
Green Waste	0	0		4.92	1		0	0		0	0		1.64	1					6.56	2
Manure	0	0		0	0		0	0		0	0		0	0					0	0

⁵ OCC: On-Call Collection



Collection Schedule for Huron

Route #	Truck No.	Truck Type	Monday		Tuesday		Wednesday		Thursday		Friday		Total Hours	Waste Stream ⁶
			Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads		
C2A	225	Side-loader			9.5	2					8	3	17.5	T-R-Y
C2A	209	Side-loader			9.5	2							9.5	R-Y
C2	132	Front-loader	10	2			4	1	2.5	1	6	1	22.5	T
C2R	123	Front-loader	3	1					3	1			6.00	R
Totals →			13	3	19	4	4	1	5.5	2	14	4	55.50	-

⁶ T = Trash/Refuse; R = Recyclables; Y = Yard/Green Waste



City of San Joaquin

Sector/Program	Materials Collected	Units Served/ Annual Tons	Equipment Used/ Collection System	Processing/Transfer/ Disposal Site
RESIDENTIAL PROGRAM INFORMATION				
Residential Single-family Solid Waste Collection	MSW	620/ 792.54 tons	(1) Automated Side-loader vehicles – 20-, 32-, 64-, 96-gallon carts	American Ave
Residential Single-family Recycling Collection and Processing	Newspaper; mixed paper; OCC; glass bottles/jars; tin/ aluminum cans; plastics 1-7; scrap metal.	620/ 158.74 tons	(1) Automated Side-loader vehicles; 96-gallon carts	Mid Valley MRF
Residential Multi-family Recycling Collection and Processing	Same as above.	15 complexes - 350 units/ Tons included in SFD figure	Shares SFD collection equipment, above.	American Ave
Residential Organics Collection	Clean yard waste mixed with food waste.	620/ 375.65 tons	(1) Automated Side-loaders	Mid Valley MRF
COMMERCIAL PROGRAM INFORMATION				
Commercial/ Industrial Solid Waste Collection Front-loader	MSW	104/ 745.53 tons	(1) Front-loader and bins	American Ave
Commercial/Industrial Recycling Collection and Processing	Newspaper; mixed paper; OCC; glass bottles/jars; tin/ aluminum cans; plastics 1-7; scrap metal.	37/ 213.05 tons	(1) Front-loader and bins	Mid Valley MRF
Commercial/Industrial Solid Waste Collection Roll-off	MSW	63/ 141.07 tons	(1) Roll-off vehicles.	Mid Valley MRF



SAN JOAQUIN

COLLECTION ROUTES WORKSHEET																				
Route Details	Monday			Tuesday			Wednesday			Thursday			Friday			Saturday			Totals	
	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Loads
104 Front-loader 10 ton				8.78 6.90 1.92	T T R	9:30am 12:15p 15:30P													17.60	3
105 Front-loader 10 ton													8.21 2.20	T R	9:45am 15:30am				8.21	1
204 Side-loader 10 ton	9.00 6.89 3.27	T T R	9:45am 12:15pm 14:30pm																19.16	3
204G Side-loader 10 ton	8.18	G	14:00pm																8.18	1
OCC?/Day →																				
<i>Route #.</i>																				
<i>Truck type</i>																				
Bulky/Day →																				
<i>Route #.</i>																				
<i>Truck type</i>																				
Totals	Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads
Refuse	15.89	2		15.68	2								8.21	1					39.78	5
Recyclables	3.27	1		1.92	1								2.20	1					5.47	3
Green Waste	8.18	1		0	0								0	0					8.18	1
Manure	0	0		0	0								0	0					0	

7 OCC: On-Call Collection



Collection Schedule for San Joaquin

Route #	Truck No.	Truck Type	Monday		Tuesday		Wednesday		Thursday		Friday		Saturday		Total Hours	Waste Stream ⁸
			Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads		
104	127	Front-loader			8.50	3									8.50	T - R
105	129	Front-loader									9.75	1			9.75	T-R
204	224	Side-loader	9.25	3											9.25	T - R
204G	227	Side-loader	3:25	1											3.25	Y
Total Routes	Total Trucks	Totals →	12.50	4	8.50	3					9.75	2			30.75	

⁸ T = Trash/Refuse; R = Recyclables; G = Green Waste; M = Manure; OCC = On-Call; B = Bulky Item



Armona Community Service District

Sector/Program	Materials Collected	Units Served/ Annual Tons	Equipment Used/ Collection System	Processing/Transfer/ Disposal Site
RESIDENTIAL PROGRAM INFORMATION				
Residential Single-family Solid Waste Collection	MSW	1098/ 1195.91 tons	(1) Automated Side-loader vehicles; 96-gallon carts	Mid Valley MRF
Residential Single-family Recycling Collection and Processing	Newspaper; mixed paper; OCC; glass bottles/jars; tin/ aluminum cans; plastics 1-7; scrap metal.	1098/288.69 tons	(1) Automated Side-loader vehicles; 96-gallon carts	Mid Valley MRF
Residential Multi-family Recycling Collection and Processing	Same as above.	7 complexes - 125 units/ Tons included in SFD figure	Shares SFD collection equipment, above.	Mid Valley MRF
Residential Organics Collection	Clean yard waste mixed with food waste.	1098/ 595.49 tons	(1) Automated Side-loaders	Mid Valley MRF
COMMERCIAL PROGRAM INFORMATION				
Commercial/ Industrial Solid Waste Collection Front-loader	MSW	54/521.45 tons	(1) Front-loader and bins	Mid Valley MRF



ARMONA

COLLECTION ROUTES WORKSHEET

Route Details	Monday			Tuesday			Wednesday			Thursday			Friday			Saturday			Totals	
	Tons	Waste Stream	Offload Time	Tons	Loads															
106 Front-loader 10 ton				9.53	T	15:30pm							.50	T	8:00am				10.03	2
A4 Side-loader 10 ton				8.74	T	11:00am				9.89	T	11:00am	4.37	T	10:00am				34.44	6
				4.35	Y	15:00pm				4.92	Y	15:30pm	2.17	Y	14:00pm					
A4R Side-loader 10 ton				2.11	R	11:00am				2.39	R	11:00am	1.05	R	10:00am				5.55	3
OCC⁹/Day →																				
Route #.																				
Truck type																				
Bulky/Day →																				
Route #.																				
Truck type																				
Totals	Tons	Loads		Tons	Loads															
Refuse				18.27	2					9.89	1		4.87	2					33.03	5
Recyclables				2.11	1					2.39	1		1.05	1					5.55	3
Green Waste				4.35	1					4.92	1		2.17	1					11.44	3
Manure				0	0					0	0		0	0					0	0

⁹ OCC: On-Call Collection



Collection Schedule for Armona

Route #	Truck No.	Truck Type	Monday		Tuesday		Wednesday		Thursday		Friday		Saturday		Total Hours	Waste Stream ¹⁰
			Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads		
106	126	FRONT-LOADER			10	1					2	1			12	T
A4	223	SIDE-LOADER			9.5	2			10	2	8.5	2			28	T - Y
A4	219	SIDE-LOADER			4.5	1			5	1	4	1			13.5	R
Total Routes	Total Trucks	Totals →			24	4			15	3	14.50	4			53.50	

¹⁰ T = Trash/Refuse; R = Recyclables; G = Green Waste; M = Manure; OCC = On-Call; B = Bulky Item



Fresno County Unincorporated

Sector/Program	Materials Collected	Units Served/ Annual Tons	Equipment Used/ Collection System	Processing/Transfer/ Disposal Site
RESIDENTIAL PROGRAM INFORMATION				
Residential Single-family Solid Waste Collection	MSW	1793/ 2627.77 tons	(2) Automated Side-loader Split Body vehicles 96-gallon carts (1) Automated Side-loader vehicles 96-gallon carts	American Ave
Residential Single-family Recycling Collection and Processing	Newspaper; mixed paper; OCC; glass bottles/jars; tin/ aluminum cans; plastics 1-7; scrap metal.	1686/ 1393.51 tons	(2) Automated Side-loader Split Body vehicles 96-gallon carts (1) Automated Side-loader vehicles 96-gallon carts	Mid Valley MRF
Residential Multi-family Recycling Collection and Processing	Same as above.	115 complexes - 6000 units/ Tons included in SFD figure	Shares SFD collection equipment, above.	Mid Valley MRF
Residential Organics Collection	Clean yard waste mixed with food waste.	188/ 110.20 tons	(1) Automated Side-loader vehicles	Mid Valley MRF
COMMERCIAL PROGRAM INFORMATION				
Commercial/ Industrial Solid Waste Collection Front-loader	MSW	2444/ 14775.87 tons	(5) Front-loader and bins	American Ave
Commercial/ Industrial Recycling Collection and Processing Front-loader	Newspaper; mixed paper; OCC; glass bottles/jars; tin/ aluminum cans; plastics 1-7; scrap metal.	1786/ 817.28 tons	(3) Front-loader and bins	Mid Valley MRF



FRESNO COUNTY

COLLECTION ROUTES WORKSHEET

Route Details	Monday			Tuesday			Wednesday			Thursday			Friday			Saturday			Totals	
	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Loads									
201 Split Body Side-loader 10 ton	4.10 3.57	T R	15:30pm	5.38 2.13	T R	16:00pm	4.25 1.75	T R	15:30pm	4.85 1.86	T R	16:00	1.95 1.00	T R	12:00				30.84	5
202 Split Body Side-loader 10 ton	4.65 1.69	T R	16:00pm	7.45 2.82	T R	16:25pm	4.75 1.75	T R	16:00pm	3.75 1.95	T	16:00	3.25 1.75	T R	12:30				33.81	5
204 Side-loader 10 ton													4.75 1.10 2.25	T R Y	9:00 11:00 14:00				8.10	3
207R Side-loader 10 ton				3.44	R	14:00pm							2.25	R	16:00				5.69	2
OCC ¹¹ /Day →																				
Route #.																				
Truck type																				
Bulky/Day →																				
Route #.																				
Truck type																				
Totals	Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads									
Refuse	8.75	2		12.83	2		9.00	2		8.60	2		9.95	3		49.13	11			
Recyclables	5.26	2		8.39	3		3.50	2		1.86	1		6.10	4		25.11	12			
Green Waste	0	0		0	0		0	0		0	0		2.25	1		2.25	1			
Manure	0	0		0	0		0	0		0	0		0	0						

Collection Schedule for Fresno County

¹¹ OCC: On-Call Collection



Route #	Truck No.	Truck Type	Monday		Tuesday		Wednesday		Thursday		Friday		Saturday		Total Hours	Waste Stream ¹²
			Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads		
201	208	Side-loader-Split Body	10.50	1	11.00	1	10.50	1	11.00	1	7.00	1			50	T - R
202	215	Side-loader-Split Body	11.00	1	11.00	1	11.00	1	11.00	1	7.00	1			51	T - R
204	224	Side-loader									9.00	3			9	T - R - Y
207R	218	Side-loader			9.00	1					2.25	1			11.25	R
Total Routes	Total Trucks	Totals →	21.50	2	31.00	3	21.50	2	22	2	25.25	6			121.25	

Fresno County

¹² T = Trash/Refuse; R = Recyclables; G = Green Waste; M = Manure; OCC = On-Call; B = Bulky Item

Proposal to the City of Fresno

MFD and Commercial Solid Waste, Recyclable Materials, and Organics Materials Services



COLLECTION ROUTES WORKSHEET

Route Details	Monday			Tuesday			Wednesday			Thursday			Friday			Saturday			Totals	
	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Loads
101 Front-loader 10 ton	10.00 9.32	T T	15:00	10.50 6.00	T T	11:00am 15:00pm	11.65	T	15:30	7.26	T	13:00	11	T	14:45				65.84	8
102 Front-loader 10 ton	9.00 4.75	T T	10:15am 14:45am	10.00 5:45	T T	10:00am 15:15pm	10.00 5.75	T T	10:00am 15:15pm	10.00 6.50	T T	9:30am 16:00pm	10.00 6.50	T T	9:45am 15:45am				77.95	10
103 Front-loader 10 ton	8	T	13:00pm				10.00 4.00	T T	10:00am 14:30pm	9.43	T	15:30	2.75	R	14:15pm				31.48	5
104R Front-loader 10 ton										2.50	R	16:15							2.50	1
105 Front-loader 10 ton	5.82	T	16:00pm	8.26	T	15:15pm	10.21	T	14:30	4.10	R	15:00pm							28.39	4
107 Front-loader 10 ton				2.74	T	16:30pm				9.80	T	13:00	1.25	T	15:00					3
OCC¹³/Day →																				
Route #.																				
Truck type																				
Bulky/Day →																				
Route #.																				
Truck type																				
Totals	Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads
Refuse	46.89	6		42.95	6		51.61	6		42.99	5		28.75	4		213.19	27			
Recyclables	0	0		0	0		0	0		6.60	2		2.75	1		9.35	3			
Green Waste	0	0		0	0		0	0		0	0		0	0		0	0			
Manure	0	0		0	0		0	0		0	0		0	0		0	0			

¹³ OCC: On-Call Collection



Collection Schedule for Fresno County

Route #	Truck No.	Truck Type	Monday		Tuesday		Wednesday		Thursday		Friday		Saturday		Total Hours	Waste Stream ¹⁴
			Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads		
101	118	FRONTLOAD	10.00	2	10.50	2	10.50	2	8.00	1	10.25	2			49.25	T
102	130	FRONTLOAD	9.75	2	10.25	2	10.25	2	11.00	2	8.25	2			49.50	T
103	126	FRONTLOAD	10.00	2			10.00	2	10.50	1	10.00	1			40.50	T - R
104R	127	FRONTLOAD							5.25	1					5.25	R
105	129	FRONTLOAD	5.75	1	10.25	1	9.50	1	10.00	1					35.50	T - R
107	122	FRONTLOAD			4.00	1			8.00	1	1.25	1			13.25	T
Total Routes	Total Trucks	Totals →	35.50	7	35.00	6	40.25	7	52.75	7	29.75	6			193.25	

¹⁴ T = Trash/Refuse; R = Recyclables; G = Green Waste; M = Manure; OCC = On-Call; B = Bulky Item



City of Firebaugh

Sector/Program	Materials Collected	Units Served/ Annual Tons	Equipment Used/ Collection System	Processing/Transfer/ Disposal Site
RESIDENTIAL PROGRAM INFORMATION				
Residential Single-family Solid Waste Collection	MSW	1250/ 1474.12 tons	(1) Automated Side-loader vehicles , 96-gallon carts	American Ave
Residential Single-family Recycling Collection and Processing	Newspaper; mixed paper; OCC; glass bottles/jars; tin/ aluminum cans; plastics 1-7; scrap metal.	1250/ 418.61 tons	(1) Automated Side-loader vehicles; 96-gallon carts	Mid Valley MRF
Residential Multi-family Recycling Collection and Processing	Same as above.	25 complexes - 450 units/ Tons included in SFD figure	Shares SFD collection equipment, above.	American Ave
Residential Organics Collection	Clean yard waste mixed with food waste.	1250/ 684.68 tons	(1) Automated Side-loaders	Mid Valley MRF
COMMERCIAL PROGRAM INFORMATION				
Commercial/ Industrial Solid Waste Collection Front-loader	MSW	226/ 1879.55 tons	(1) Front-loader and bins	American Ave
Commercial/ Industrial Recycling Collection and Processing Front-loader	Newspaper; mixed paper; OCC; glass bottles/jars; tin/ aluminum cans; plastics 1-7; scrap metal.	152/ 79.63 tons	(1) Front-loader and bins	Mid Valley MRF
Commercial/Industrial Solid Waste Collection Roll-off	MSW	263/ 1214.90 tons	(1) Roll-off vehicles.	Mid Valley MRF



FIREBAUGH

COLLECTION ROUTES WORKSHEET

Route Details	Monday			Tuesday			Wednesday			Thursday			Friday			Saturday			Totals	
	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Loads
107 Front-loader 10 ton	10.00 3.50	T T	11:30am 16:30pm				6.40	T	15:30pm				10.00 5.50	T T	11:00am 16:00pm				35.40	5
104R Front-loader 10 ton	.70	R	15:30pm							1.20	R	16:00pm							1.90	2
207 Side-loader 10 ton	7.60 8.00 2.70	Y T T	9:30am 13:00pm 15:00pm				7.20 9.00 7.20	Y T T	10:30am 13:30am 16:00pm										41.70	6
207R Side-loader 10 ton	3.60	R	9.45am				4.60	R	10:00am										8.20	2
OCC ¹⁵ /Day →																				
Route #.																				
Truck type																				
Bulky/Day →																				
Route #.																				
Truck type																				
Totals	Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads
Refuse	24.20	4		0	0		22.60	3		0	0		15.50	2		62.30	9		62.30	9
Recyclables	4.30	2		0	0		4.60	1		1.20	1		0	0		10.10	4		10.10	4
Green Waste	7.60	1		0	0		7.20	1		0	0		0	0		14.80	2		14.80	2
Manure	0	0		0	0		0	0		0	0		0	0		0	0		0	0

¹⁵ OCC: On-Call Collection



Collection Schedule for Firebaugh

Route #	Truck No.	Truck Type	Monday		Tuesday		Wednesday		Thursday		Friday		Saturday		Total Hours	Waste Stream ¹⁶
			Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads		
107	122	Front-loader	10	2			9	2			10	2			29.00	T
104R	128	Front-loader	4	1					4.50	1					8.50	R
207	226	Side-loader	10	3			9	3							19.00	T - Y
207R	219	Side-loader	4	1			5	1							9.00	R
Total Routes	Total Trucks	Totals →	28	7			23	6	4.50	1	10	2			65.50	

¹⁶ T = Trash/Refuse; R = Recyclables; G = Green Waste; M = Manure; OCC = On-Call; B = Bulky Item



Kettleman Community Service District

Sector/Program	Materials Collected	Units Served/ Annual Tons	Equipment Used/ Collection System	Processing/Transfer/ Disposal Site
RESIDENTIAL PROGRAM INFORMATION				
Residential Single-family Solid Waste Collection	MSW	410/ 491.46 tons	(1) Automated Side-loader vehicles -96-gallon carts	Avenal Landfill
Residential Single-family Recycling Collection and Processing	Newspaper; mixed paper; OCC; glass bottles/jars; tin/ aluminum cans; plastics 1-7; scrap metal.	410/ 83.26 tons	(1) Automated Side-loader vehicles; 96-gallon carts	Mid Valley MRF
Residential Multi-family Recycling Collection and Processing	Same as above.	115 complexes - 6000 units/ Tons included in SFD figure	Shares SFD collection equipment, above.	Mid Valley MRF
COMMERCIAL PROGRAM INFORMATION				
Commercial/ Industrial Solid Waste Collection Front-loader	MSW	50/ 665.10 tons	(2) Front-loader and bins	Avenal Landfill
Commercial/ Industrial Recycling Collection and Processing Front-loader	Newspaper; mixed paper; OCC; glass bottles/jars; tin/ aluminum cans; plastics 1-7; scrap metal.	15/ 50.04 tons	(1) Front-loader	Mid Valley MRF
Commercial/Industrial Solid Waste Collection Roll-off	MSW	81/ 330.45 tons	(1) Roll-off vehicles.	Avenal Landfill/ Mid Valley MRF



MID VALLEY DISPOSAL
WASTE MANAGEMENT & RECYCLING SERVICES

KETTLEMAN

COLLECTION ROUTES WORKSHEET

Route Details	Monday			Tuesday			Wednesday			Thursday			Friday			Saturday			Totals	
	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Loads
<i>Include: Route #.</i>																				
<i>Truck type</i>																				
<i>Carrying Capacity</i>																				
C7A Side-loader 10 ton										9.45 1.60	T R	10:00am 15:00pm							11.05	2
C7 Front-loader 10 ton	7.41	T	10:00am				1.02	T	8:00am				4.34	T	10:00am				12.77	3
C7R Front-loader 10 ton	.48	R	8:00am							.48	R	8:00am							.96	2
OCC¹⁷/Day →																				
<i>Route #.</i>																				
<i>Truck type</i>																				
Bulky/Day →																				
<i>Route #.</i>																				
<i>Truck type</i>																				
Totals	Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads
Refuse	7.41	1		0	0		1.02	1		9.45	1		4.34	1		22.22	4		22.22	4
Recyclables	.48	1		0	0		0	0		2.08	2		0	0		2.56	3		2.56	3
Green Waste	0	0		0	0		0	0		0	0		0	0		0	0		0	0
Manure	0	0		0	0		0	0		0	0		0	0		0	0		0	0

¹⁷ OCC: On-Call Collection



Collection Schedule for Kettleman

Route #	Truck No.	Truck Type	Monday		Tuesday		Wednesday		Thursday		Friday		Saturday		Total Hours	Waste Stream ¹⁸
			Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads		
C7A	216	SIDE-LOADER							10	2					10	T - R
C7	119	FRONT-LOADER	4	1			2	1	0	0	4	1			10	T
C7R	123	FRONT-LOADER	2	1					2	1					4	R
Total Routes	Total Trucks	Totals →	6	2			2	1	12	3	4	1			24	

¹⁸ T = Trash/Refuse; R = Recyclables; G = Green Waste; M = Manure; OCC = On-Call; B = Bulky Item



City of Kerman

Sector/Program	Materials Collected	Units Served/ Annual Tons	Equipment Used/ Collection System	Processing/Transfer/ Disposal Site
RESIDENTIAL PROGRAM INFORMATION				
Residential Single-family Solid Waste Collection	MSW	2801/ 2897.07 tons	(1) Automated Side-loader vehicles –96-gallon carts	American Ave
Residential Single-family Recycling Collection and Processing	Newspaper; mixed paper; OCC; glass bottles/jars; tin/ aluminum cans; plastics 1-7; scrap metal.	2801/ 756.63 tons	(1) Automated Side-loader vehicles; 96-gallon carts	Mid Valley MRF
Residential Multi-family Recycling Collection and Processing	Same as above.	41 complexes - 815units/ Tons included in SFD figure	Shares SFD collection equipment, above.	American Ave
Residential Organics Collection	Clean yard waste mixed with food waste.	2801/ 2123.17 tons	(1) Automated Side-loaders	Mid Valley MRF
COMMERCIAL PROGRAM INFORMATION				
Commercial/ Industrial Solid Waste Collection Front-loader	MSW	329/ 2601.54 tons	(1) Front-loader and bins	American Ave
Commercial/Industrial Recycling Collection and Processing	Newspaper; mixed paper; OCC; glass bottles/jars; tin/ aluminum cans; plastics 1-7; scrap metal.	334/ 460.84 tons	(1) Front-loader and bins	Mid Valley MRF
Commercial/Industrial Solid Waste Collection Roll-off	MSW	371/ 1208.70 tons	(1) Roll-off vehicles.	Mid Valley MRF



KERMAN

COLLECTION ROUTES WORKSHEET

Route Details	Monday			Tuesday			Wednesday			Thursday			Friday			Saturday			Totals	
	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Loads
<i>Include: Route #. Truck type Carrying Capacity</i>																				
106 Front-loader 10 ton	9.89 9.47	T T	9:45am 15:30pm				10.23 5.18	T T	10:15am 15:30pm				10.01 6.26	T T	9:45am 15:00pm				51.04	6
106R Front-loader 10 ton	3.09	R	10:00am				1.78	R	8:00am	3.79	R	15:00pm	1.25	R	7:45am				9.91	4
206 Side-loader 10 ton				10.09 4.28	T T	10:30am 14:00pm	10.14 3.85	T T	9:50am 13:30pm	10.06 4.54	T T	9:45pm 13:45pm	10.11 8.77	T T	10:00am 14:00pm				61.84	8
206R Side-loader 10 ton				3.25 10.98	R Y	12:30pm 16:45pm	4.09 10.13	R Y	12:30pm 16:45pm	4.59 10.52	R Y	11:30am 16:45pm	5.13 12.26	R Y	13:30pm 16:45pm				60.95	8
*																				
OCC¹⁹/Day →																				
<i>Route #.</i>																				
<i>Truck type</i>																				
Bulky/Day →																				
<i>Route #.</i>																				
<i>Truck type</i>																				
Totals	Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads
Refuse	19.36	2		14.37	2		29.40	4		14.60	2		35.15	4					112.88	14
Recyclables	3.09	1		3.25	1		5.87	2		8.38	2		6.38	2					26.97	8
Green Waste	0	0		10.98	1		10.13	1		10.52	1		12.26	1					43.89	4
Manure	0	0		0	0		0	0		0	0		0	0					0	0

¹⁹ OCC: On-Call Collection



Collection Schedule for Kerman

Route #	Truck No.	Truck Type	Monday		Tuesday		Wednesday		Thursday		Friday		Saturday		Total Hours	Waste Stream ²⁰
			Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads		
106	124	Front-loader	10.25	2			10.00	2			10.00	2			30.25	T
106R	131	Front-loader	4.25	1			3.00	1	4.25	1	2.75	1			32.25	R
206	226	Side-loader			9.00	2	8.25	2	8.25	2	9.00	2			34.50	T
206R	227	Side-loader			11.50	2	11.25	2	11.25	2	12.50	2			46.50	R - Y
Total Routes	Total Trucks	Totals →	14.50	3	20.50	4	32.50	7	23.75	5	34.25	7			125.50	

²⁰ T = Trash/Refuse; R = Recyclables; G = Green Waste; M = Manure; OCC = On-Call; B = Bulky Item



City of Mendota

Sector/Program	Materials Collected	Units Served/ Annual Tons	Equipment Used/ Collection System	Processing/Transfer/ Disposal Site
RESIDENTIAL PROGRAM INFORMATION				
Residential Single-family Solid Waste Collection	MSW	1200/ 2479.18 tons	(1) Automated Side-loader vehicles 96-gallon carts	American Ave
Residential Single-family Recycling Collection and Processing	Newspaper; mixed paper; OCC; glass bottles/jars; tin/ aluminum cans; plastics 1-7; scrap metal.	1200/ 357.14 tons	(1) Automated Side-loader vehicles; 96-gallon carts	Mid Valley MRF
Residential Multi-family Recycling Collection and Processing	Same as above.	22 complexes – 500 units/ Tons included in SFD figure	Shares SFD collection equipment, above.	American Ave
Residential Organics Collection	Clean yard waste mixed with food waste.	1200/ 646.41 tons	(1) Automated Side-loaders	Mid Valley MRF
COMMERCIAL PROGRAM INFORMATION				
Commercial/ Industrial Solid Waste Collection Front-loader	MSW	223/ 2535.36 tons	(1) Front-loader and bins	American Ave
Commercial/Industrial Recycling Collection and Processing	Newspaper; mixed paper; OCC; glass bottles/jars; tin/ aluminum cans; plastics 1-7; scrap metal.	97/ 213.25 tons	(1) Front-loader and bins	Mid Valley MRF
Commercial/Industrial Solid Waste Collection Roll-off	MSW	208/ 1065.23 tons	(1) Roll-off vehicles.	Mid Valley MRF



Mendota

COLLECTION ROUTES WORKSHEET

Route Details	Monday			Tuesday			Wednesday			Thursday			Friday			Saturday			Totals	
	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Waste Stream	Offload Time	Tons	Loads
<i>Include: Route #.</i>																				
<i>Truck type</i>																				
<i>Carrying Capacity</i>																				
104 Front-loader 10 ton	10.11 4.48	T T	10:00am 15:30pm				10.25 7.12	T T	11:00am 15:30pm				10.35 10.00	T T	10:00am 15:00pm				52.31	6
104R Front-loader 10 ton	2.58	R	14:45pm							5.03	R	13:30pm							7.61	2
204 Side-loader 10 ton				10.06 3.31	T T	9:30am 13:30pm	10.75 8.30	T T	10:45am 14:00pm	12.04 11.15	T T	11:30am 14:30pm							55.61	6
204 Bi-Weekly Side-loader 10 ton				4.58	R	15:00pm	5.52	R	17:00pm	7.10	R	17:00pm							17.20	3
204 Bi-Weekly Side-loader 10 ton				7.22	Y	15:00pm	10.10	Y	17:00pm	10.49	Y	17:00pm							27.81	3
OCC²¹/Day →																				
<i>Route #.</i>																				
<i>Truck type</i>																				
Bulky/Day →																				
<i>Route #.</i>																				
<i>Truck type</i>																				
Totals	Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads		Tons	Loads
Refuse	14.59	2		13.37	2		36.42	4		23.19	2		20.35	2		107.92	12			
Recyclables	2.58	1		4.58	1		5.52	1		12.06	2		0	0		24.74	5			
Green Waste	0	0		7.22	1		10.10	1		10.49	1		0	0		27.81	3			
Manure	0	0		0	0		0	0		0	0		0	0		0	0			

²¹ OCC: On-Call Collection



Collection Schedule for Mendota

Route #	Truck No.	Truck Type	Monday		Tuesday		Wednesday		Thursday		Friday		Saturday		Total Hours	Waste Stream ²²
			Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads		
104	127	Front-Loader	10.50	2			9.50	1			10.00	2			30.00	T
104R	131	Front-Loader	4.75	1					8.25	2					13.00	R
204	227	Side-Loader			5.25	1	7.25	2	8.25	2					20.75	T
204R	227	Side-Loader-Bi Weekly Rte			4.25	1	5.00	1	5.00	1					14.25	R
204G	227	Side-Loader-Bi-Weekly Rte			3.25	1	4.00	1	3.25	1					10.50	Y
Total Routes	Total Trucks	Totals →	15.25	3	9.50 /8.50	2 2	21.75 /20.75	3 3	21.50 /19.75	5 5	10.00	2			78.00/ 74.25	

²² T = Trash/Refuse; R = Recyclables; G = Green Waste; M = Manure; OCC = On-Call; B = Bulky Item



County of Kings

Sector/Program	Materials Collected	Units Served/ Annual Tons	Equipment Used/ Collection System	Processing/Transfer/ Disposal Site
RESIDENTIAL PROGRAM INFORMATION				
Residential Single-family Solid Waste Collection	MSW	2182/ 2608.71 tons	(2) Automated Side-loader vehicles – 20-, 32-, 64-, 96-gallon carts	KWRA
COMMERCIAL PROGRAM INFORMATION				
Commercial/ Industrial Solid Waste Collection Front-loader	MSW	703/ 5792.64 tons	(3) Front-loader and bins	KWRA
Commercial/Industrial Solid Waste Collection Roll-off	MSW	169/ 622.80 tons	(1) Roll-off vehicles.	Mid Valley MRF



MID VALLEY DISPOSAL
SPECIALIZING IN TRANSFER STATIONS

Kings County

COLLECTION ROUTES WORKSHEET

Route Details	Monday			Tuesday			Wednesday			Thursday			Friday			Saturday			Totals	
	Tons	Waste Stream	Offload Time	Tons	Loads															
K1A Side-loader 10 TN							4.70	T	11:30am	9.60	T	14:30pm	8.30	T	15:30pm				22.6	3
C4 Side-loader 10 TN							7.50	T	11:00am										7.5	1
K2 Front-loader 10 TN				7.60	T	15:30pm	7.00	T	15:00pm										14.6	2
103 Front-loader 10 TN				11.60	T	15:45pm													11.6	1
106 Front-loader 10 TN				9.50	T	16:00pm													9.5	1
OCC²³/Day →																				
Route #.																				
Truck type																				
Bulky/Day →																				
Route #.																				
Truck type																				
Totals	Tons	Loads		Tons	Loads															
Refuse	0	0		28.7	3		19.2	3		9.6	1		8.3	1		0	0		65.80	8
Recyclables	0	0		0	0		0	0		0	0		0	0		0	0		0	0
Green Waste	0	0		0	0		0	0		0	0		0	0		0	0		0	0
Manure	0	0		0	0		0	0		0	0		0	0		0	0		0	0

²³ OCC: On-Call Collection



Collection Schedule for Kings County

Route #	Truck No.	Truck Type	Monday		Tuesday		Wednesday		Thursday		Friday		Saturday		Total Hours	Waste Stream ²⁴
			Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads	Hours	Loads		
K1A	228	Side-loader					6.00	1	10.00	1	10.50	1			26.50	T
C4	225	Side-loader					6.00	1							6.00	T
K2	125	Front-loader			9.00	1	9.00	1							18.00	T
103	123	Front-loader			10.00	1									10.00	T
106	124	Front-loader			7.00	1									7.00	T
Total Routes 5	Total Trucks 5	Totals →			26.00	3	21.00	3	10.00	1	10.50	1			67.50	

²⁴ T = Trash/Refuse; R = Recyclables; G = Green Waste; M = Manure; OCC = On-Call; B = Bulky Item



1.3 Company Description | Service Implementation Experience

The following *Service Initiation Experience* examples correspond to services the City of Fresno seeks. The examples appear in the following order.

Example	Jurisdiction	Descriptor
1	Coalinga	Privatization of Solid Waste Collection Services
2	Kerman	Implementation of City-Wide Recycling Program
3	Firebaugh	Implementation of Commercial Collection Services
4	Kerman, Mendota, San Joaquin, Firebaugh, Coalinga, Huron, Avenal	Implementation of Multi-Family Recycling



Service Initiation Experience: City of Coalinga

Example 1 | Coalinga Privatization – Solid Waste Services

Jurisdiction Name
Scope <ul style="list-style-type: none">✓ Procurement of City's collection vehicles, containers, and employees.✓ Implement SFD with 3-cart collection, commercial recycling, community education.✓ MFD technical assistance
Jurisdiction Contact Bill Skinner- City Manager Ron Landers – Mayor (559) 935-1533
Account Information 3,400 SFD Customer Accounts 850 MFD Units 300 Commercial Accounts
Background Summary <p>In 2004, when the City of Coalinga issued a <i>Request for Proposals</i> to privatize its solid waste, recycling, and yard waste collection contract, MVD was awarded the contract. At that time the City provided only solid waste collection (no recycling). MVD proposed services for all: residential and commercial solid waste and recyclable materials collection, residential and commercial yard waste collection services, and recyclable materials processing. Thus, as part of the contract, MVD was to conduct waste audits of all premises city wide and provide generation appropriate receptacles. We took an aggressive approach with the residential waste stream by offering only 64gl carts for solid waste. The commercial business were only charged for solid waste containers, recycling was unlimited at no cost.</p>

Continued on following page.



Example 1

Continued

Transition

The City's equipment and containers were procured by MVD, and the operation of their current solid waste system was transitioned in 30 days. The following 45 days MVD rolled out a 10,000 residential carts while implementing a 3-can system.

In addition to beginning solid waste collection, the terms of the contract also called for the changes listed below, all of which MVD successfully implemented.

- ✓ SFD solid waste collection went from a 96 gallon cart to a 64 gallon cart.
- ✓ SFD recyclable materials and yard waste collection is weekly with 96 gallon collection carts
- ✓ Commercial recycling at all businesses.
- ✓ Convenient location for residents to bring bulky items.
- ✓ Recycling collection and education at all government buildings.
- ✓ Partnered with local thrift stores for unwanted furniture and discarded items
- ✓ Implemented 2 annual clean up days at no additional charge to all residents
- ✓ Opened a CRV buy back center.



Service Initiation Experience

Example 2 | Implementation of Citywide Recycling Programs

<p>Jurisdiction Name</p> <p>City of Kerman</p>
<p>Scope</p> <ul style="list-style-type: none"> ✓ Transition between contractors: SFD solid waste, recyclable materials, and organic materials collection services. ✓ Simultaneous universal recycling roll-out for MFD and Commercial customers. ✓ MFD technical assistance
<p>Jurisdiction Contact</p> <p>City of Kerman, Ron Manfredi (559) 846-9387</p>
<p>Account Information</p> <p>2801 SFD Customer Accounts 41 complexes, 815 MFD Units 329 Commercial Accounts</p>
<p>Background Summary</p> <p>In August 2008, the City of Kerman awarded the contract for exclusive collection services to Mid Valley Disposal. It was a great accomplishment to gain the contract with the City of Kerman for a few reasons. First, MVD expanded operations by building a new Material Recovery Facility located in the City of Kerman. Second, the City of Kerman was located in the west region of Fresno County, which is the area MVD primarily served. Finally, the City of Kerman was in great need of implementing a commercial recycling program to meet state requirements, and MVD was confident it had the experience and dedication to assist the City meet it's goal successfully.</p>

Continued on following page.



Example 2 Continued

Transition

MVD promptly began to strategically plan the implementation of the City of Kerman's new "Pay As You Throw" commercial recycling program. The Company hired additional staff to assist with the initial education efforts. Three staff members conducted waste audits to target every business in the City of Kerman. Each auditor was responsible for targeting a section of the City and checked current services to determine the size recycling bin or cart to propose. Auditing staff had a route sheet with the services the business received and also a proposed waste audit form to complete after audit was conducted. Staff also provided each business with a recycling guide, which included photos and listed the acceptable materials to be placed in a recycling bin or cart.

The feedback was primarily positive and businesses seemed to be ready for a change. The City Manager also sent out a letter to businesses informing of the change and the importance of participating in the commercial recycling program. The support of the City Manager was very important to implement this new program.

Once the recycling services were determined through waste audits, delivery of bins and carts began the end of July 2008 and Mid Valley Disposal began collection services with businesses by August 4, 2008.

In addition to conducting a waste audit/site visit with each business during implementation, MVD Outreach Staff conducted a total of 51 site visits during 2009 and a total of 114 site visits this year. On a side note, there approximately over 165 commercial businesses, excluding multi-family and schools (these programs are tracked separately). The Company has monitored the commercial program each year and have increased recycling tonnage since implementation (please refer to tonnage report included at the conclusion of this *Example*).

The multi-family program is also crucial in increasing recycling efforts within the City of Kerman. MVD received grant funding from Cal Recycle to fully implement a multi-family recycling program in the City of Kerman and six additional cities served by MVD. The City of Kerman's multi-family recycling program start date was June 2, 2009. MVD staff continues to visit each complex and monitors progress. Results show that overall program is a success.



Example 2

Continued

MVD staff provides ongoing education by delivering new education materials for tenants. The education materials are available at the manager's office, where tenants can view them when paying their rent. Education flyers are also placed in application packets for new tenants. MVD also attends events coordinated by two complexes located in Kerman.

MVD has also fully implemented a construction and demolition recycling program with the City of Kerman Planning Department. MVD and City staff work closely to make sure contractors follow the City's C&D recycling ordinance. Contractors are required to rent a roll-off bin through MVD or must self haul to our transfer station in Kerman. MVD staff tracks diversion from each C&D project in Kerman and provides contractor with a diversion report at the end of each project. The program has shown success with projects diverting over 60-80 percent of materials from C&D projects.

The schools in the Kerman Unified School District have also improved recycling efforts with MVD school recycling program. MVD Outreach Staff is very active within each campus making sure that recycling containers are full of recyclables. Each campus has recycling containers located near cafeterias to capture cardboard. The schools in Kerman also have on campus recycling 96-gallon carts which are conveniently located near each hall way for classrooms to recycle. The Kerman School recycling program requires students to participate and move carts to the collection point and return them back to their appropriate location. Teachers and students have also formed recycle clubs that monitor programs and report back to MVD when technical assistance is needed.

MVD has reach over 1000 students by conducting classroom presentations and school assemblies. MVD has also donated education materials to school events and fund raisers.

This year MVD will also partner with the City of Kerman and six additional cities served by MVD to purchase a recycling robot that will be used for education purposes. This will be an exciting acquisition to our education program.

In addition to beginning solid waste collection, the terms of the contract also called for the changes listed below, all of which MVD successfully implemented.



Example 2

Continued

- ✓ New three-cart systems for each residential home (refuse, recycling, and green waste). Carts are gray with different color lids.
- ✓ SFD recyclable materials, yard waste, and refuse weekly collection.
- ✓ Fully implement a commercial recycling program.
- ✓ Provide each business with new refuse bins or carts.
- ✓ Fully implement multi-family recycling program (six complexes).
- ✓ Fully implement a school recycling program.
- ✓ Fully implement C&D program.
- ✓ Provide twice a year community cleanup events for collection of bulky material, green waste, and e-waste.
- ✓ Complete annual reports on behalf of the City to Cal Recycle.
- ✓ Contamination program (monitor residential program with tagging system).

In conclusion, MVD successfully implemented residential, commercial, and school recycling programs for the City of Kerman. These programs have by proven successful by the 2009 CalRecycle Annual Report City diversion calculator.



Service Initiation Experience

Example 3 | Implementation of Commercial Collection Services

<p>Jurisdiction Name City of Firebaugh</p>
<p>Scope</p> <ul style="list-style-type: none"> ✓ Transition between contractors: SFD solid waste, recyclable materials, and organic materials collection services. ✓ Simultaneous universal recycling roll-out for MFD and Commercial customers. ✓ MFD technical assistance
<p>Jurisdiction Contact Firebaugh</p>
<p>Account Information 1250 SFD Customer Accounts 450 MFD Units 226 Commercial Accounts</p>
<p>Background Summary</p> <p>Mid Valley Disposal began exclusive collection service with the City of Firebaugh February 1st 2009. The Company acquired Firebaugh Disposal Company which included the City of Firebaugh and a Fresno County Franchise. In addition to gaining two new contracts with the City of Firebaugh, MVD implemented new recycling programs to remove the City from a non-compliance order from Cal Recycle.</p>

Continued on following page.



Example 3

Continued

Transition

MVD was prepared to take on the challenge of fully implementing recycling programs within the City of Firebaugh and inherit the current non-compliance order and changing old habits of the community which did not include recycling.

Mid Valley Disposal began implementing the 3-cart single family program February 1, 2009, by implementing a residential education program. The education program began with showcasing the 3-carts that would soon be delivered to each residence in front of City Hall. The display also included posters for each cart showing pictures of the materials accepted. In addition, Mid Valley Disposal contacted the local Spanish television station for an interview through which it would inform residents of the new residential program. Mid Valley Disposal also created an education flyer that showed the three carts along with photos of the materials accepted in each cart. This educational flyer was mailed out with the utility bill and sent to each single family residential customer.

On February 9th Mid Valley Disposal began the 3-cart distribution to each home. Along with the 3-cart delivery, residents received a guideline flyer, calendar for collection day, and a letter from Mid Valley Disposal providing residents with information regarding new program and contact information for questions.

On June 10, 2009 Mid Valley Disposal staff also conducted a contamination analysis with the newly implemented residential program. This required staff to lift each cart lid and view the materials that were disposed. The program provided Mid Valley Disposal results of program implementation. Our staff was able to find specific information to improve the new program after four months of implementation.

Mid Valley Disposal continues to target the 3-cart residential program by providing information to residents during events, mailers, school presentations, and the contamination program. With regards to the contamination program, this program continues with drivers leaving a contamination tag on the cart where unacceptable materials were identified and the driver delivers a detachable portion of the tag to an Outreach Specialist, which then follows up with the customer by sending out a letter and residential education brochure.



Example 3

Continued

The commercial program began with 175 bins and carts switched out within two weeks of our contract beginning. The previous hauler supplied very outdated containers and no recycling bins or carts. Mid Valley Disposal delivered a new attractive refuse collection bin or cart to each business. Prior to delivery of refuse service a waste audit was conducted to make sure the customer received proper services.

Shortly after switching out the refuse bins, Mid Valley Disposal then began the implementation of recycling services with each business with door to door site visits and waste audits. Each business was informed of the importance of adding recycling services along with the City non-compliance order. After determining the size container appropriate for each business another site visit was conducted with each business to provide education materials for employees. Education materials included laminated posters with photos and bilingual text to post in areas visible for employees. We also made sure to speak to business owners and employees about the waste stream and materials that are acceptable.

MVD Outreach Staff continues education efforts with each business by conducting quarterly site visits to make sure that recycling guidelines are followed and also to provide technical assistance as needed. Some of the business share questions and concerns, request office recycling containers, and additional education materials during site visits.

The multi-family pilot program implementation began September 1, 2009. Mid Valley Disposal staff first met with apartment managers at two different complexes. They both agreed to participate with the multi-family recycling pilot program. MVD conducted a door to door distribution of education materials for each tenant during the same week the 3-yard recycling bins were delivered for each complex. Ongoing visits area conducted to monitor program on a quarterly basis.

Mid Valley Disposal also assisted the City to implement a Construction and Demolition recycling program that will require contractors requesting a permit from the City's Planning Department to follow the City's C&D ordinance.



Example 3

Continued

In addition to beginning solid waste collection, the terms of the contract also called for the changes listed below, all of which MVD successfully implemented.

- ✓ New 3-carts for each residential home (refuse, recycling, and green waste). Previous hauler provided residents with refuse service only.
- ✓ SFD recyclable materials, yard waste, and refuse weekly collection
- ✓ Fully implement a commercial recycling program
- ✓ Provide each business with new refuse bins or carts
- ✓ Implement a pilot program with multi-family complex
- ✓ Fully implement a school recycling program
- ✓ Fully implement C&D program
- ✓ Provide twice a year community cleanup events for collection of bulky material, green waste, and e-waste
- ✓ Complete annual reports on behalf of the City to Cal Recycle
- ✓ Complete quarterly reports to Cal Recycle as part of the requirement of the non-compliance order

In conclusion MVD successfully implemented a residential, commercial, and school recycling program for the City of Firebaugh. These programs have proven successful by calculations from the 2009 Cal Recycle Annual Report. As a result of the successful recycling programs the City of Firebaugh is expected to be taken off compliance at the end to the year.



Service Initiation Experience

Example 4 | Implementation of Multi-Family Recycling Program

<p>Jurisdiction Name</p> <p>Kerman, Mendota, San Joaquin, Firebaugh, Coalinga, Huron, Avenal</p>
<p>Scope</p> <ul style="list-style-type: none"> ✓ Implementation of new program for Multi-family residents ✓ Education efforts ✓ Multi-Family Recycling Program technical assistance
<p>Jurisdiction Contact</p> <p>City of Kerman, Mendota, San Joaquin, Firebaugh, Coalinga, Huron & Avenal</p>
<p>Account Information</p> <p>3,038 MFD Units</p>
<p>Background Summary</p> <p>On November 2008 the Department of Conservation granted Mid Valley Disposal a total of \$95,578 through the Multi-Family Grant. The project goal was to fully implement a recycling program within 27 multi-family communities located in the Westside rural area of Fresno and Kings County. The grant funding received, facilitated the implementation of successful multifamily programs, which are currently proving effective. Such implementations initiated in the beginning of the year of 2009 after receiving the grant amount. The financial assistance was equally dispersed throughout the given communities. Implementation consisted of properly educating the inhabitants regardless of age range. Guidance materials were supplied by MVD. Primarily, MVD found it essential to meet with the multifamily homes' managers and discuss various aspects of the program implementation. Two important factors were available space for containers and cooperation. We wanted to reach an agreement for proper placement of the bins and to amplify chances of program success. MVD informed managers of its ability to provide technical assistance, ongoing education, and personally deliver door-to-door guidance material along with packets of collateral materials.</p>

Continued on following page.



Example 4

Continued

Introductory packets and indoor six-gallon containers were distributed, to aide in the increase of residential participation. Visual guideline flyers which were translated in English/Spanish were helpful as well, as were refrigerator magnets with colorful pictures. These items helped to raise awareness and identification of household recyclable materials. Incentives were also included in the introductory package, such as reusable water bottles, which were made from recycled material. Because most tenants work during the day, MVD tried to find the most convenient time to schedule a formal presentation to provide verbal guidance and use this time to answer any pending questions on behalf of the residents. MVD strictly enforced the routine audits which are currently still a part of its program and provide additional assistance upon request. Since implementation, a total of 142 site visits have been conducted, along with four presentations. MVD also participated in two events held by the multi-family complexes.

MVD has found education to be a key factor in creating a sustainable recycling program. MVD faced the challenge to change the negative perception that a recycling program creates inconvenience in a multi-family community. Apartment managers seemed to think recycling bins could be used as an extra garbage bin. They were also concerned of the increase in scavenging created with placement of a recycling bin. Once apartment managers learned the program was free and MVD was going to provide customized bins to reduce contamination and scavenging, along with the ongoing free education and technical assistance the Company gained their support to begin implementation. The attractive recycling bin labels covered half of the space of the front bin, and showed tenants the acceptable recyclable materials before they disposed recyclables. The unit recycling container was also an incentive in that it provided participants with a container that was small enough to place on their kitchen counters to fill up with recyclables before disposing in the collection recycling bins.

The multi-family recycling program success continues with MVD staff readily available to managers in need of technical assistance. MVD staff visits each of the participants on a regular basis. Staff attends events held by apartments and also is working towards implementing a recycling club with children living in the multi-family communities. These efforts ensure the multi-family recycling program to reduce waste and increase recycling efforts annually in each of the participating communities.



1.4 Company Description | Past Performance, Legal

MVD has only one item to report per the *RFP* request in §1.4 – *Information Regarding Litigation, Regulatory Actions, and Payment of Liquidated Damages*. On November 10, 2008, a citation was issued to MVD by the Air Resources Board for failure to have the proper paperwork available pertaining the Agency's smoke test reporting on two of its forty-eight vehicles. Even though MVD was later able to locate the necessary documentation for the ARB, the Agency would not revoke its total fine of \$8,000. Hence, per the order, MVD paid \$6,000 to the ARB, \$1,000 to the Peralta Community College District, and \$1,000 to the California Pollution Control Financing Authority.



1.5

Company Description | Financial Information | Financial Statements

Please note that MVD's audited financial statements are included under separate cover. See the envelope marked *Financial Statements*.



1.6

Company Description | Financial Information | Financing Plan

The audited financial statements for Mid Valley Disposal are included with the submittal under separate cover. See the package marked *Financial Statement*.

MVD intends to contribute approximately \$ 200,000.00 in capital for start-up and operating of the collection operations, with additional funding for rolling stock, containers, and equipment, utilizing both CPCFA and traditional funding. In addition, the company has a line of credit for operating purposes/working capital. Referenced companies currently maintain positive banking relationships with Union bank; see the following letter relative to project financing.

Equipment	Costs	Funding Source	Operative date
Collection Vehicles	\$1,755,000.00	Union Bank	01/01/2011
Containers	\$1,600,000.00	Union Bank	01/01/2011
Bin Delivery Truck	\$50,000.00	Union Bank	12/15/2010
Carts	\$70,000.00	Union Bank	01/01/2011
Start Up Costs	\$150,000.00	MVD	11/15/2010
Pick Up	\$30,000.00	MVD	12/01/2010
Hybrid	\$20,000.00	MVD	12/01/2010



August 3, 2010

Mid-Valley Disposal
Mr. Joseph Kalpakoff,
Vice President & General Manager
15300 W. Jensen Ave
Kerman, CA 93630
Re.: City of Fresno – RFP for new contract

Dear Mr. Kalpakoff:

Based on the extensive information you have provided to Union Bank, N.A. ("Bank") including historical and projected financial statements for Mid-Valley Disposal along with our review of the Request for Proposal for the new City of Fresno contract, we would be interested in providing a long term credit facility sufficient to finance the acquisition of rolling stock, carts, containers and equipment required to service the City of Fresno contract. The amount of the credit facility is estimated not to exceed Seven Million Dollars (\$7,000,000.00) and would provide financing for two distinct Service Areas. Additionally, a credit facility will be made available for the issuance of a performance standby letter of credit in an amount sufficient to satisfy Section 12.5 of the City of Fresno Request For Proposal that requires a performance bond equal to one-quarter of the annual rate revenues collected in each Service Area.

It is our understanding that the City of Fresno contract will be for a minimum term of ten years commencing January 1, 2011. A final commitment and funding of the credit facility is subject to the Bank's receipt and satisfactory review of (i) projected financial statements based upon obtaining the City of Fresno Contract; (ii) the Bank reviewing the final City of Fresno contract agreement and insuring that the contract provides Mid-Valley Disposal with an adequate income stream over the contract term to service the debt under the Bank's credit facilities; and (iii) final Bank credit approval.

We look forward to working with you on the financing request for the new City of Fresno contract.

Very Truly Yours,

UNION BANK, N.A.

A handwritten signature in black ink, appearing to read "Steven Peterson".

Steven Peterson
Vice President



1.6

Company Description | Key Personnel

The objective of this section is to provide the City with extensive background information relative to those individuals who are MVD owners/managers/decision-makers, who will oversee the implementation of this contract and who will be directly involved in the ongoing management of it for continuity. These individuals set forth their credentials and reputable standing in their industry as human collateral in exchange for an opportunity to do in the City of Fresno what they have proven capable of accomplishing in other Fresno County jurisdictions: implementing excellent programs resulting in high diversion.

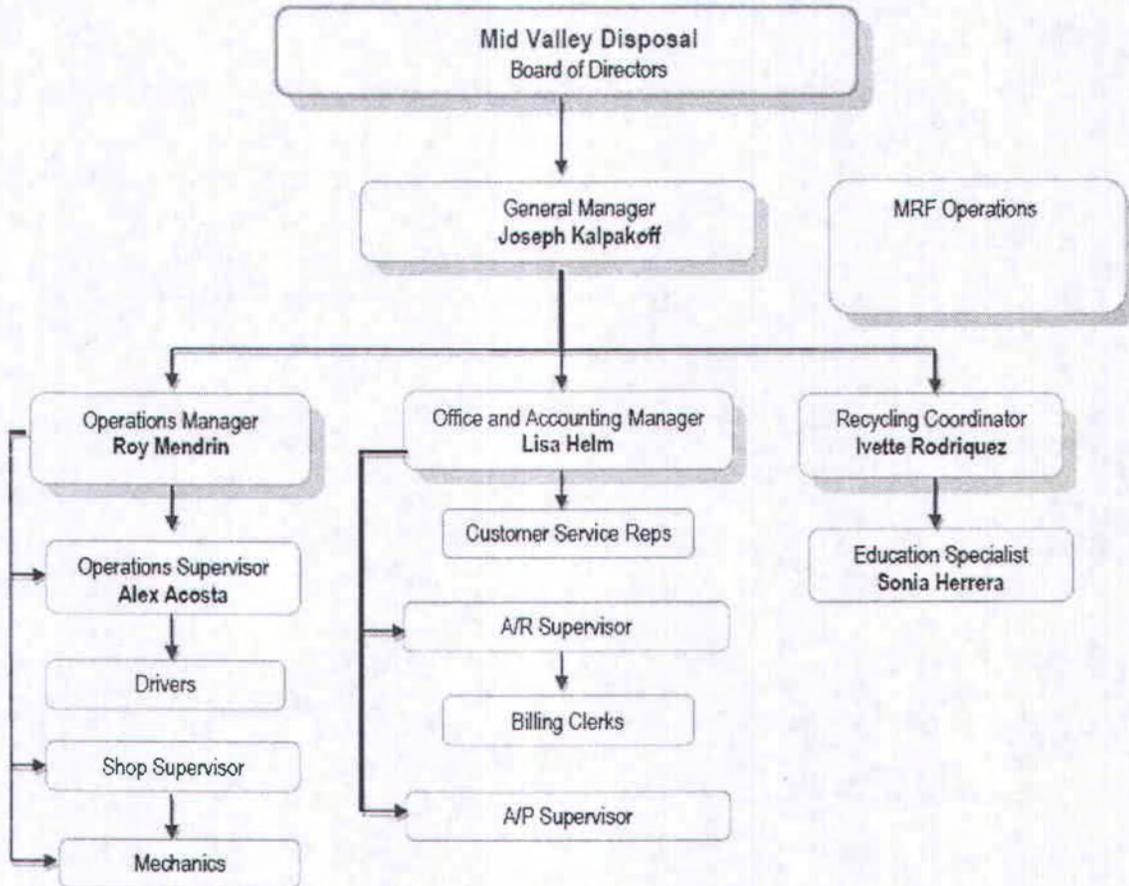
MVD recognizes that establishing a successful relationship between the City and MVD management is extremely important. Therefore MVD is committed to recruiting and retaining only the most highly qualified individuals for all positions.

In addition to the key personnel described throughout this section—those individuals responsible for transitioning services and systems from the existing contractor to MVD—the Company notes that existing drivers and helpers are hugely important to a smooth transition and commits to hiring current drivers.

As is demonstrated by the letters of acknowledgement from MVD's other jurisdictions, included with the *Cover Transmittal*, MVD has the ability to implement and manage operations that reflect operational excellence and outstanding customer service.



Organization Chart





Staff Profile

Position: President and CFO

Name: Jay Kalpkoff

Biography: Jay got his start in the recycling and solid waste industry in Los Angeles, 1972. He owned and managed a hauling company for over 20 years prior to relocating to the Central Valley and starting Mid Valley Disposal. His knowledge of the industry and dedication to staying in front of regulatory change has taken MVD from a one-truck operation (1997) to an over 30-truck operation.

Position	Time Period	Key Responsibilities
MVD <i>President and CFO</i>	1997 - Present	✓ Oversee all financial obligations including: CPCFA funding, banking covenants, loans and equipment leases. Manages day to day finances including: cash flow, investments, payroll obligations, billing, and accounts receivable.



Staff Profile

Position: Vice President and Director, Business Development

Name: Joseph Kalpakoff

Biography: Joseph manages all of MVD's municipal contracts and is responsible for implementing all municipal recycling programs. He plays a key role in recruiting and retaining the best employees, manages public relations, and ensures compliance with all regulating agencies. Joseph keeps current with changes in environmental law both locally and at the state level. He performs AB 939 reporting for the jurisdictions MVD serves.

Position	Time Period	Key Responsibilities
MVD <i>Vice President and Director, Business Development</i>	2006-Current	<ul style="list-style-type: none"> ✓ Designed and developed MRF, Transfer Station, and new corporate offices. ✓ Implemented Fresno County exclusive franchise, re-designed all routes to include use of the MRF and transfer stations. ✓ Procured the City of Kerman contract and acquired Firebaugh Disposal.
MVD Business Development, Municipal Contract Manager	2001-2006	<ul style="list-style-type: none"> ✓ Procured municipal contracts, strategized service territory, and implemented solid waste services. ✓ Successfully won 5 municipal contract RPF's. ✓ Negotiated all contracts, pricing, and managed all implementations.
MVD Operation Manager	1999-2001	<ul style="list-style-type: none"> ✓ Implement City of Avenal contract and assist in developing and implementing recycling programs as directed in a non-compliance order. ✓ Responsibilities included: Budgeting, human resources,

Education: Bachelor of Science, Arizona State University Mass Communications & Minor in Business Administration.



Staff Profile

Position: Vice President, Operations

Name: Roy Mendrin

Biography: Roy began in the solid waste industry in Fresno County in 1980. His market knowledge and experience in operations has been essential in developing MVD business. He oversees all daily operations, including commercial and residential routing, construction and demolition contracts, and personnel-related matters.

Position	Time Period	Key Responsibilities
MVD <i>President, Operations</i>	1997-Current	<ul style="list-style-type: none"> ✓ Manages all aspects of our fleet maintenance including: equipment acquisition, expenses, vehicle maintenance programs, and container maintenance. ✓ Oversees day to day operations in our shop including hiring and managing mechanics.
Golden State Disposal, Owner	1980-1992	<ul style="list-style-type: none"> ✓ Owned a small fleet of collection vehicles providing service in unincorporated Fresno County.



Staff Profile

Position: Recycling and Commercial Technical Assistance Coordinator

Name: Ivette Rodriquez

Biography: Ivette holds a Bachelor's Degree in Environmental Health Science from Fresno State. She has over seven years of experience in the recycling and solid waste industry, and began her career with the City of Fresno recycling program as an education specialist. In 2004 she came to work for MVD. Some of accomplishments include producing a successful grant proposal to the Department of Conservation for over \$1m for a state-of-the-art sort system in 2005. In 2006 she assisted MVD by writing a business plan that enabled the Company to receive a loan from the CIWMB RMDZ loan program.

Position	Time Period	Key Responsibilities
MVD <i>Recycling and Commercial Technical Assistance Coordinator</i>	2004 - Present	<ul style="list-style-type: none"> ✓ Manage two Outreach Specialist ✓ Manage recycling programs within 11 communities ✓ Grant Writer and Administrator ✓ Liaison between city and State agencies ✓ Certification Manager for Processor ID and Recycling Center ID and other certification required by Division of Recycling ✓ Process claims for processor and recycling center ✓ Coordinate and Present Safety Materials for office staff ✓ Complete Annual Reports for 7 jurisdictions ✓ Report landfill tonnage to Fresno County Avenal Landfill ✓ Write newsletter for Fresno County customers quarterly ✓ Write quarterly newsletter to City Managers ✓ Report to Council Members regarding city recycling programs

Education: Bachelor of Science, Environmental Health Science, Fresno State University



Staff Profile

Position: Customer Service and Accounting Manager

Name: Lisa Helm

Biography: Lisa has worked in the recycling and solid waste industry since 1987 in various positions, such as a Frontload and Roll-Off Dispatcher, Transfer Station Supervisor, Office Manager, Billing Manager, Customer Service Manager, and Corporate Level Trainer.

Position	Time Period	Key Responsibilities
MVD <i>Accounting and Office Manager</i>	2004 - Present	<ul style="list-style-type: none"> ✓ Billing: frontload and roll-off accounts. ✓ Customer credit maintenance ✓ Distribution of program information and other collateral materials. ✓ Manage, train, and support customer service representatives.
Waste Management Corporate Trainer Service Machine	2001 - 2003	<ul style="list-style-type: none"> ✓ Implement and train company process and standards to local districts from Alaska, Washington, California, and Arizona to deliver high levels of customer service.
Waste Management Billing Manager Customer Service Manager	1998-2001	<ul style="list-style-type: none"> ✓ Billing: frontload and roll-off accounts. ✓ Customer credit maintenance ✓ Distribution of program information and other collateral materials. ✓ Manage, train, and support customer service representatives. ✓ High level of success garnered position as corporate trainer
Western Waste-USA Waste Transfer Station Supervisor	1997 - 1998	<ul style="list-style-type: none"> ✓ Oversaw day to day Transfer Station Operation ✓ Fulfilled and prepared county and state reports ✓ Received and trained staff in Hazardous Waste response requirements ✓ Improved recycling diversion rates from 15% to 38% by recognizing new streams of diversion.
Western Waste-USA Waste Roll off Dispatcher	1987-1997	<ul style="list-style-type: none"> ✓ Routed 15 roll off trucks daily ✓ Took all roll-off calls for scheduling existing and new customers ✓ Billed roll-off customers ✓ Prepared all roll off productivity reports.
Western Waste-USA Waste Front-load Dispatcher	1987-1997	<ul style="list-style-type: none"> ✓ Dispatched 45 frontload trucks. ✓ Maintained frontload routes, weight tags and productivity reports through data entry. ✓ Fielded customer service complaint calls.

Education: Associate of Arts – Social Science



Staff Profile

Position: Operations Supervisor

Name: Alex Acosta

Biography: Alex began working in the recycling and solid waste industry in 1995 in the Central Valley. He is responsible for MVD daily hauling and transfer station operations.

Position	Time Period	Key Responsibilities
MVD Operations Supervisor	2007 - Present	<ul style="list-style-type: none"> ✓ Oversee hauling and transfer station operations. ✓ Conduct safety training. ✓ Conduct equipment training. ✓ Route Audits ✓ Dispatch Manager ✓ Driver Relations
Waste Management, Fresno Supervisor	1995-2003	

Education/Training: Equipment Trainer, Customer Service Training, Trained in Human Resource Education. Certified in D.O.T Regulations. Alcohol and Controlled Substance Reasonable Suspicion Training for Supervisors, Certified Fork Lift Trainer and CPR Certified



Transition Team and Communication with the City

During transition, the following individuals will commit the amount of time necessary to complete a successful transition.

The following individual is the key contact for all implementation matters and service initiation:

Joseph Kalpakoff

Management of financial planning, accounting operations and customer service training:

Lisa Helm

Oversight and development of equipment procurement, container delivery, route development and mapping, and collection crew training

Roy Mendrin

Oversight and implementation of commercial recycling technical assistance and outreach:

Ivette Rodriguez

During transition and implementation of these services, MVD will take a proactive role in collaborating with the City on a regular, weekly basis beginning with contract award extending through the operations start date, as needed. Depending upon the weekly agenda, all or some of MVD's transition team members will be present and prepared to work productively on implementation planning with City staff. MVD will track and report to the City MVD progress in executing implementation tasks and subtasks.



1.7 Company Description | Labor Agreements

None to report.





Two Technical Proposal

2.0 Technical Proposal | Overview

MVD's primary focus in formulating this proposal is the delivery of a measurable and sustainable shift toward greater diversion from the outset that steadily increases throughout the term of the *Agreement*. MVD takes the City's 75 percent diversion objective seriously. To address that objective, MVD will provide commercial recycling technical assistance to refresh, expand, and monitor MFD and commercial recyclables/organics collection programs.

In addition to implementing programs to recycle as much waste as possible, MVD will fully engage with the City of Fresno to promote waste reduction and reuse activities. Initial waste reduction and diversion enhancing initiatives are documented in this *Overview* (see subheads: *Waste Reduction and Reuse*).

MVD's primary office and operations base is located in Kerman; the Company owns a facility with an operations yard and office located at the address listed below. Should MVD be awarded a contract for service in Fresno, the facility below will accommodate customer service personnel, public education personnel, and the operations personnel and equipment associated with solid waste collection services, and possibly the operations personnel and equipment associated with recyclable material collection services.

Facility Address:
Mid Valley Disposal
15300 West Jensen Ave
Kerman, CA 93630

Operations personnel and equipment associated with organic material collection services will be run out of the Kerman site, as the Company's organic material processing operation is located there. Information pertaining to this site is included in *Exhibit 2.1*, including a copy of the Solid Waste Facility Permit and related information.



Proposal collection systems and assumptions are summarized in charts located at the beginning of each of the following subsections:

- 2.1: **Solid Waste Collection**
- 2.2: **Recyclable Material Collection**
- 2.3: **Organic Material Collection**

All collections will be made in a courteous, professional manner, and all property—public and private—will be respected at all times. Days/hours of collections will be as per the draft *Agreement*.

Information Pertaining to All Collection Activities

Because it is critical to the delivery of efficient collection operations, MVD's *Driver Training, Routing Approach, and Maintenance* are addressed in this *Overview*.



Driver Training

MVD only employs qualified personnel to perform collection services. In order to deliver superior performance, drivers are properly trained. Properly trained drivers increase the likelihood that services are performed correctly the first time, and that accidents and incidents will be avoided. The objective of this section is to provide the City with MVD's approach to recruiting/developing the optimal workforce.

MVD assigns the highest priority to workplace safety, as evidenced by the current safety program in place for operations personnel. More information about MVD's approach to driver/safety training may be found in the Company's *Driver Handbook*, included as *Exhibit 2.2*.

Workplace Hazards Evaluation

MVD conducts thorough workplace hazards evaluations of all collection operations job classifications, maintenance shop job classifications, and general office workers, as well as for all physical areas of its facility. For example, hazards will be identified by job task, and a specific training measure identified to prevent incidents and accidents that may occur as a result of that hazard. Those specific training components are incorporated into the required training program for that position.

Employee Orientation

New employees will be required to review the following documents, which currently include: the Company's *Employee Handbook*, *Driver Handbook* (referenced above), and *Injury and Illness Prevention Program (IIPP)*.

☒ Driver Handbook

This manual is comprehensive, covering all components of the Company's safety orientation, to emergency procedures, accident/loss reporting procedures, and so forth. It is the Company's observation that when employees are fully informed about the high safety standards of the Company from the first day on the job, a strong effort is made by new employees to match their performance to those high standards.

☒ Injury and Illness Prevention Program (IIPP)

As required by law, the Company has an *IIPP*. It is well organized, thorough, and OSHA compliant. The plan identifies hazards, as previously described, and identifies the various elements of the Company's overall safety program, such as safety practices, safety training, record keeping, and so forth.



Monitoring of Work Performance

During the first few days of being on the job with MVD, driver work habits are assessed by the supervisor to ensure good safety habits are strictly followed. Supervisors proactively address any problems observed, reminding the employee of what was learned in training. Safe work practices are continually monitored and addressed each time an incident or accident occurs.

Safety Meetings

Safety meetings are held once per month and are compliant with all safety regulations. OSHA topics are discussed in rotating order, and meetings are customized in that incidents—and how they could have been prevented—from the prior month are reviewed in an open, interactive format.

Facility Inspections

MVD conducts monthly site inspections of its facilities. Potential hazards are noted and corrected immediately.

Accident and Incident Management

MVD dispatches a supervisor to the scene immediately when an accident or incident occurs. A report is completed by both supervisor and employee. The day following the incident, the employee receives the appropriate retraining. First, a pretest on the incident type is used to assess the employee's knowledge of safe practices specific to the task being performed when the incident occurred. Proper procedure is reviewed. A post-test is then taken to check the employees understanding of safe practices that must be utilized in the execution of the task in question. The employee must pass the test with a score of 80 percent or better, or the entire process is repeated.

Required Postings and Signage

MVD maintains its employee bulletin board with all postings as is required together by law. MVD maintains this bulletin board regularly to ensure all such materials are neatly posted and easily readable. This is part of MVD's monthly site inspections, described above.



Driver Appearance, Conduct, Compliance

Drivers will wear a clean, company-issued uniform daily. They will have on their persons at all times a valid California Class B driver's license and medical card, will act in a professional and responsible manner, and will comply with all applicable local, state, and federal laws and regulations. Additionally, all drivers will wear photo-identification at all times during work hours.

Alcohol and Drug Testing

MVD will perform alcohol and drug testing per the Department of Transportation's testing procedures under the following circumstances:

- ☒ Pre-Employment Testing: MVD will require alcohol and drug testing after hiring and prior to commencement of work.
- ☒ Post-Accident Testing: Alcohol and drug testing is required as soon as possible after any accident involving any employee. The Company reserves the right to continue testing attempts up to 32 hours after the time the accident occurred.
- ☒ Random Testing: All employees who drive Company vehicles are subject to random alcohol and drug testing.
- ☒ Reasonable Suspicion Testing: MVD will require alcohol and drug testing based on a supervisor's personal observations of the employee's appearance, behavior, speech, performance, manner, and/or body odor. Likewise, MVD provides training for managers and supervisors on identification of symptoms and behaviors of alcohol and/or controlled substance use or abuse.
- ☒ Return-to-Work Testing: In the case where an employee has taken a leave of absence to participate in an approved drug or alcohol abuse rehabilitation program, the employee must submit to alcohol and drug testing prior to returning to work. Refusal to submit to alcohol and drug testing may result in immediate termination. Testing is contracted to and managed by an outside firm.



Routing Approach

Because it impacts the general public's health and safety, as well as the environment—by truck emissions, traffic, and wear and tear to streets—routing is especially important. Proper routing is a time-consuming and thoughtful planning process that MVD takes seriously. There are two components to routing: mapping and data confirmation, and route balancing. Analyzing initial account data and balancing routes require human focus and decision-making.

Mapping and Data Checking

MVD will utilize a map-based routing software as may be needed for this contract in order to keep routes efficient as the economy begins to spring back and return to a growth mode.

Existing/proposed routes will be checked during normal collection hours on assigned collection days in order to verify the following information:

- Number of service units per route;
- Number of solid waste carts set out per route (participation);
- Container size/corresponding service address;
- Number of container in need of repair or replacement/corresponding service address.

Route Balancing and Finalization

A route supervisor will drive routes and document travel paths within them. Routes will be timed based on productivity estimates provided by the truck and automated arm manufacturers. To increase safety and efficiency, managers will specify right hand turns in as many cases as possible. Special notice and treatment will be given to areas where children are frequently present: schools, playgrounds, parks, community centers, and libraries. Depending on where these facilities are situated, the Company will either route collection vehicles in a way that they are in and out of those areas prior to school starting, or during hours where children are in the classroom. In the end, routes will be balanced to ensure that tons collected are equalized, and that when all productivity assumptions and driver activities are factored in hours worked are equalized between drivers to the greatest possible extent.

Commercial/MFD route balancing is more effort intensive and complex due to service frequencies beyond one collection per week and the preferences of business managers. To achieve route balance for its new commercial customers, lifts per day are grouped by geographic area. To achieve better balance and greater efficiency, commercial customers may be encouraged to subscribe to a larger container serviced fewer



times per week or to shift service days. Service levels will always be right-sized and geared toward achieving a 75 percent diversion rate.

Routes will then be mapped and turned over to the City for review and approval. If MVD is fortunate and there are current City drivers who are interested in working in familiar territory, MVD will make every effort to grant their requests. This makes the transition easier for both the driver and those customers who notice and greet their drivers regularly.



2.1 Technical Proposal | Solid Waste Collection

Assumptions and Specifications

Generator Type/ Service Detail	Collection System	Productivity Assumptions	No. of Units by Service Area			
			1	2	3	4
MFD/Commercial Solid Waste – Cart Service ✓ Individual or centralized (shared) on-premises collection. ✓ 96-gallon capacity per (4) dwelling units.	Procure 1 Sideloader, Amrep <i>Service 1 - 6 Times Weekly – Not less than once/week</i>	270/route/day	1	1	1	2
MFD/Commercial Solid Waste – FEL Bin Service ✓ Centralized (shared) on-premises collection. ✓ 96-gallon capacity per (4) dwelling units. ✓ Push/pulls, locks – no charge. ✓ Approx. service location and time mutually agreed upon.	Frontloader collection vehicles procured from City <i>Service 1 - 6 Times Weekly – Not less than once/week</i>	325 yards/route/day	7	7	7	7
All Generators Drop Box/Compacter Solid Waste ✓ On-premises collection. ✓ Push/pulls, locks available for surcharge ✓ Service location designated by customer	Use existing Fleet 10-40 CY debris boxes 10-40 CY compactors <i>Service 1 – 6 Times Weekly; and/or On-Call</i>	6 pulls/route/day	Depends on need			
City Sponsored Events Solid Waste Collection as specified by City.	Collection is customizable to event. Any single collection system or combination of any/all systems described above may be utilized.	As requested by City.	From MVD fleet, as needed.			



MFD/Commercial – Solid Waste

Cart/Bin Collection Methodology, Equipment, and Personnel

All collection services will be performed in strict accordance with the service requirements outlined in the draft *Franchise Agreement* and to the high customer service standards outlined in this *Proposal*. MFD collection services are on-premise, meaning that it is not necessary for customers to place their containers at the curb for servicing. MVD will pull/push containers and other services for a surcharge.

There are two base collection systems for MFD/commercial solid waste collection: a) standard automated sideloader collection vehicles from MVD's fleet, 96-gallon wheeled carts, and a crew of one highly trained, professional driver, or b) frontloader collection vehicles, frontloader bins in sizes 1 to 7 cubic yards, and a crew of one highly trained, professional driver.

Collection systems are driven by container type chosen by property managers. Managers generally base their container selections based on the following criteria:

- ☒ Number of units and waste generation rates.
- ☒ Premise configuration.
- ☒ Access.

Standard Frontloader Collection Vehicles

The frontloader vehicles procured through the City be utilized for any collection system featuring frontloader bins.

Frontloader Bins

MVD intends to procure frontloader bins from the City as provisioned in the *RFP*, and has built the prescribed cost into its *Cost Proposal*. MVD will set up a refurbishing schedule for these bins, will exchange and repair/repaint the containers per the schedule, and will keep the City updated.



Solid Waste

MFD/Commercial Collection Services: Driver Protocol

Commercial/MFD Frontloader/Sideloader Collection Activity Sequence:

- 1) The driver arrives at the service address and checks the route sheet for any notes pertaining to that customer.
- 2) The driver checks for any possible obstructions to making the collection, such as overhead wires, and checks mirrors and cameras as a safety precaution.
- 3) The driver dismounts the collection vehicle, if necessary, to unlock/open entrance or enclosure gates.
- 4) The driver opens the container lid to perform a visual check for hazardous/unpermitted wastes.
- 5) The driver positions the truck or pushes/pulls the container to the truck such that the truck forks are aligned to the bin pockets (or the container is aligned to the automated arm/grabber if an automated sideloader is utilized), and, ensuring there is ample overhead clearance, empties the container. The driver then slowly drives forward to "stab" the container (if a frontloader bin).
- 6) The driver utilizes a control to lift, empty, and return the container to its previous position. During this process, the driver again checks the container contents, as they are being emptied into the truck hopper, for hazardous/unpermitted wastes.
- 7) The driver dismounts the vehicle, if necessary to return the container to its collection point and locks the bin/enclosure gate if necessary.
- 8) While out of the vehicle, the driver picks up and disposes of any litter that has fallen during collection. If the driver encounters an enclosure or collection point that is exceedingly/consistently messy due to overflow, the driver will call dispatch to place a call to the manager to ask for authorization for an extra dump. Should the manager refuse, MVD will report the matter to the City for resolution, along with service suggestions to remedy the situation long-term.
- 9) Once the truck has reached capacity or the driver has concluded the route, the driver drives directly to the transfer station, landfill, or processing facility.
- 10) If the driver is not finished making collections, she or he will return to the route to complete those.



MFD/Commercial Solid Waste

Roll-Off/Compactor Collection Methodology, Equipment, and Personnel

All collection services will be performed in strict accordance with the service requirements outlined in the draft *Franchise Agreement* and to MVD high customer service standards. MVD proposes the following collection system for drop box and compactor solid waste collection as indicated in the preceding chart located in the section *Overview*: a standard roll-off truck and one highly trained, professional driver. For purposes of this discussion MVD assumes these loads are not mixed or recyclable loads, but strictly solid waste or organic material. To maximize diversion, MVD customer service representatives will query customers, when setting up roll-off service, as to the type and amount of waste material customers intend to discard.

Standard Roll-Off Collection Vehicles

The roll-off collection vehicle specified in the chart located in this section's *Overview* will be utilized for roll-off collection services.

Drop Boxes and Compactors

Drop boxes will be made available to MVD customers of every generator type in the sizes notated in the draft *Franchise Agreement*. MVD customer service representatives will help customers right-size their containers to maximize diversion and mitigate weight. Hauling companies generally provide a link between customers who desire compactors and compactor manufacturers. MVD has well established compactor manufacturer connections that it will provide to the customer upon request. Customers generally either lease or purchase a compactor.



MFD/Commercial Solid Waste

Roll-Off /Compactor Collection Services: Driver Protocol

- 1) The driver arrives at the service address and checks the route sheet or work order for any notes pertaining to that customer, such as information pertaining to who to see, disconnecting coupling lines, and so forth.
- 2) The driver performs a safety check to ensure there is proper clearance and access to the container, and that site activity at the collection point is zero. If conditions are questionable, the driver will talk to a site manager or will call the route supervisor to the site to act as a spotter.
- 3) The driver carefully backs up to the container and raises the truck's hydraulic rail.
- 4) The driver dismounts the vehicle and locks the coupling device to the container, double checks it to ensure it is secure.
- 5) For compactors, the driver then disconnects the units' electrical/hydraulic couplings.
- 6) The driver remounts the vehicle and engages its control to pull the container onto the truck rail. When the rail reaches the locking stops, the driver lowers the rail.
- 7) All MVD roll-off trucks are equipped with automatic tarps. At this point, the tarp mechanism is engaged to cover the load if the box is not covered or enclosed.
- 8) The driver checks the area for any litter spilled during collection and cleans it up if found.
- 9) The driver transports solid waste drop-boxes and compactors to the landfill and obtains a weight ticket at the scale house. All information required by the draft *Agreement* will be collected at this time.
- 10) The driver signs off on the work order that the job is complete, and files it away with the weight ticket in the company-provided file/clipboard. (All paperwork is turned into dispatch during the check in procedure at the close of the day.)
- 11) The driver repeats the process for the next work order or route sheet until all work is complete for the day.



MFD/Commercial Solid Waste City-Sponsored Events Collection Methodology, Equipment, and Personnel

All collection services will be performed in strict accordance with the service requirements outlined in the draft *Franchise Agreement* and to MVD's high customer service standards. MVD will work with the City to provide the collection services provided in the *RFP* scope of work. Additionally, MVD will provide, at the City's request, a staffed booth with an educational display and public education material. As the letters from other jurisdictions where MVD provides service testify, MVD takes great pride in being part of the communities it serves and looks forward to being a part of and provide sponsorship to the following activities/organizations:

- ☑ Fiesta Day: Coordinated by City of Fresno Parks and Recreation
- ☑ Car Show: Tower District
- ☑ Zoo events: Sweet Treats Enrichment Day, Dia De Los Ninos, Safari Night, Producer Dairy ice-cream night, and Zoo Boo
- ☑ Downtown Events: Cinco De Mayo
- ☑ Hmong New Year
- ☑ Fresno Grizzly Events:

MVD will empty containers at these events as frequently as needed and will keep collection points tidy. MVD will coordinate with the City to meet collection services needs, but will provide other services, such as public education. Solid waste collected from City events will be direct-hauled to the transfer station. MVD will ensure, however, that there is a full complement of containers at each collection point of every event it services: solid waste, recyclable material, and organic material.

MVD will report tons collected by material stream type and collection details after each event. A sample *Event Report* is included in *Exhibit 2.4 – Sample Outreach Materials*.



2.2 Technical Proposal | Recyclable Materials Collection

Assumptions and Specifications

Generator Type/ Service Detail	Collection System	Productivity Assumptions	No. of Units by Service Area			
			1	2	3	4
MFD/Commercial Recycling – Cart Service ✓ Individual or centralized (shared) on-premises collection. ✓ 96-gallon capacity per (4) dwelling units.	Procure 1 sideloader, Amrep <i>Service 1 - 6 Times Weekly – Not less than once/week</i>	270 stops/route/day	1	1	1	1
MFD/Commercial Recycling – FEL Bin Service ✓ Centralized (shared) on-premises collection. ✓ 96-gallon capacity per (4) dwelling units. ✓ Push/pulls, locks – no charge. ✓ Approx. service location and time mutually agreed upon.	Frontloader collection vehicles procured from City. <i>Service 1 - 6 Times Weekly – Not less than once/week</i>	325 yards/route/day	4	4	4	4
All Generators Drop Box/Compacter Recycling ✓ On-premises collection. ✓ Push/pulls, locks available for surcharge ✓ Service location designated by customer	Use existing MVD fleet 10-40 CY debris boxes 10-40 CY compactors <i>Service 1 – 6 Times Weekly; and/or On-Call</i>	6 pulls/route/day	<i>Depends on need</i>			
City Sponsored Events Solid Waste Collection as specified by City.	Collection is customizable to event. Any single collection system or combination of any/all systems described above may be utilized.	As requested by City.	<i>From MVD fleet, as needed.</i>			



MFD/Commercial – Recyclable Materials Cart/Bin Collection Methodology, Equipment, and Personnel

Recyclable materials collection services are performed utilizing the same collection system and driver procedures as described in *Section 2.1 – Solid Waste Materials Collection*. Again, MVD proposes two base collection systems for recyclable materials collection as indicated in the preceding *Chart*: a) the standard automated sideloader and 96-gallon wheeled carts and a one highly trained, professional driver, or b) standard straight-frame frontloader collection vehicles procured from the City, and bins in sizes 1 to 7 cubic yards and one highly trained, professional driver. MVD will attempt to right size recyclable materials services such that collection occurs for each customer once per week to minimize carbon emissions and increase efficiency. However, space constraints and/or customer preference may require more frequent collection.

It is important to note that the draft *Franchise Agreement* indicates that the City's contractor is to make a good faith effort to provide recyclables collection to all MFD/Commercial customers, with target recycling capacity of 24 gallon per week per dwelling unit. MVD will utilize its staff of five public education/recycling technical assistance specialists to contact each account prior to start of service to perform recycling opportunity audits and inform customers of program options and service enhancements. MVD to make that initial effort really count with an objective to divert as much waste as possible from the outset, steadily mining the waste stream for increased diversion throughout the term of the agreement.

The information in this subsection pertaining to collection methodology, equipment, and personnel is identical to the information presented in *Section 2.1 – Solid Waste Collection*.

Contamination

Contamination detection will be easier since MVD will mount hopper cameras on all collection vehicles. Also, MVD drivers are required to check for contaminants in recyclable materials and organic materials container if and when they dismount the collection vehicle to position the container properly for emptying. During that time they are required to flip the lid of the container and check the contents. If contamination is visible the container may be tagged with a *Corrective Action Notice*. MVD recycling drivers will call the office to report the contamination, and a public education specialist will visit the customer to lend assistance and do training. All information will be logged into MVD's customer management database – ProWaste.



Service Enhancement: Recyclable Materials Processing Option

See also Section 3.

Finally, under the current arrangement, recyclable materials are to be hauled to Sunset's material recovery facility. However, MVD wishes to make the City aware of the availability of MVD's material recovery facility located at its operations base in Kerman. This 50,000 square foot building houses a state-of-the-art sort line developed by CP Manufacturing. There is ample processing capacity to process the City's materials. Should the City award a collection contract to MVD, the Company will be in the position of offering the City an attractive processing option, as revenues from the sale of recyclable materials generated in Fresno can offset collection costs. Additional information on the facility and a copy of its permit are included in *Exhibit 2.1*. The letter on the following page indicates the terms, including MVD's pricing strategy, of MVD's offer to the City.

A materials marketing plan for the City's review follows the letter. MVD generally markets its materials direct to buyers, without use of a broker.



MID VALLEY DISPOSAL
RECYCLING & TRANSFER STATION

City of Fresno
2600 Fresno St
Fresno, CA 93721

August 2010

Alternative Recyclables Processing

In the alternative proposal you will find completed cost forms for delivering mixed recyclables to our Material Recovery Facility located just West of Fresno. We have a state of the art processing line which was built in 2007 to deliver the highest recovery of end use commodities. Mid Valley Disposal Recycling and Transfer Station has a designed capacity of 1000 tons per day. Our current through put is at 210 tons per day. We have an additional capacity of 290 tons permit capacity and a design capacity of 790 tons per day.

We currently process mixed recyclables from 23,000 single family homes and 6,500 businesses. We guarantee to the City of Fresno will have ample processing capacity throughout the term of the Franchise agreement. There are many incentives to the City of Fresno for choosing Mid Valley Disposal MRF.

Currently City pays to have the recyclables processed at another facility, this would cease immediately. Fresno would no longer pay for the processing and residual. In the rate sheets you will find a \$5.00 per ton fee, this tipping fee will be paid by MVD to the City of Fresno. In Addition to the tipping fee, Mid Valley offering an additional \$5.00 per ton royalty fee; bringing the total to **\$10.00 per ton for mixed recyclables**. Also, we are confident at our ability to educate businesses on proper recycling that we will assume all responsibility for any residuals in the mixed recycling waste stream. The City will not be billed for any residuals remaining in the waste stream. We calculated the estimated additional annual revenue to the City of \$60,000.00 per quadrant.

Joseph Kalpakoff
Vice President
Mid Valley Disposal



Materials Markets for Fresno City/County/Region

Commodity	Primary Market	Secondary Market
METALS		
Aluminum Cans	Allen Company (Fresno, CA)	Berg mill supply (Beverly Hills, California)
Aluminum Foil		
Ferrous/Tin Cans (Household Source)	Western metal (Fresno, CA)	Levis Iron & metal (Fresno, CA)
Mixed/Ferrous-Based Scrap Metals	Same as above	Same as above
Mixed Non-Ferrous Scrap Metals	Same as above.	Same as above.
GLASS		
Glass Bottles and Jars	Strategic materials (Fresno, CA)	Allen Company (Fresno, CA)
PLASTICS		
Plastics 1 – 7: Containers (Excluding Styrofoam)	Envision Plastic (Chino, CA)	America Chung Nam (Export Markets)
Plastic Bags	Same as above.	Same as above.
PAPER		
Mixed Paper	American Chung Nam (Export Markets)	Potential Industries (Export Markets)
Corrugated	American Chung Nam (Export Markets)	Berg mill supply (Beverly Hills, California)
OTHER		
Household and Rechargeable Batteries	E-Recycling (Hayward, CA)	International Electronic Recycling (Fresno, CA)
Cell Phones	Same as above.	Same as above.



Recyclable Materials

MFD/Commercial Collection Services: Driver Protocol

The Recyclable Materials Collection Activity Sequence for bin customers is identical to the one described for solid waste collection, with the added step of the contamination check as indicated in the previous subsection.



**MFD/Commercial Recyclable Materials
Roll-Off/Compactor Collection Methodology, Equipment, and Personnel**

Please refer to *Solid Waste Collection – Roll-Off/Compactor*. The collection methodology, equipment, and personnel requirements for recyclable materials collection is identical to what is described therein, except it is assumed that loads are 100 percent recyclable. All franchised loads will be hauled to the City's designated processor.



**MFD/Commercial Recyclable Materials
Roll-Off /Compactor Collection Services: Driver Protocol**

This information is identical to that presented in *Solid Waste Collection*, with the exception that drivers will, again, make the extra effort to perform contamination checks and report contamination such that the Company can schedule a visit to the customer for education and training by a MVD public education/recycling technical assistance specialist.



MFD/Commercial Recyclable Materials

City-Sponsored Events Collection Methodology, Equipment, and Personnel

Please refer to *Solid Waste Collection*. Collection methodology, equipment, and personnel are the same as indicated therein, with the exception that recyclable materials will be hauled to the City's designated recyclable materials processor for sorting and marketing. Drivers will perform contamination checks as indicated for the other collection systems.



2.3.1 Technical Proposal | Organic Materials Collection

Assumptions and Specifications

Generator Type/ Service Detail	Collection System	Productivity Assumptions	No. of Units by Service Area			
			1	2	3	4
MFD/Commercial Organics Collection – Cart Service ✓ Individual or centralized (shared) on-premises collection. ✓ 96-gallon capacity per (4) dwelling units.	Use Existing MVD fleet <i>Service 1 - 6 Times Weekly – Not less than once/week</i>	250 stops/route/day	1	1	1	1
MFD/Commercial Organics Collection – FEL Bin Service ✓ Centralized (shared) on-premises collection. ✓ Tailored approach. ✓ Push/pulls, locks – no charge. ✓ Approx. service location and time mutually agreed upon.	Frontloader collection vehicles procured from City. <i>Service 1 - 6 Times Weekly – Not less than once/week</i>	200 yards/route/day	1	1	1	1
All Generators Roll-Off/Compacter Organics Collection ✓ On-premises collection. ✓ Push/pulls, locks available for surcharge ✓ Service location designated by customer	Use existing MVD fleet 10-40 CY debris boxes 10-40 CY compactors <i>Service 1 – 6 Times Weekly; and/or On-Call</i>	6 pulls/route/day	<i>Depends on need</i>			
City Sponsored Events Organics Collection Collection as specified by City.	Collection is customizable to event. Any single collection system or combination of any/all systems described above may be utilized.	As requested by City.	<i>From MVD fleet, as needed.</i>			



MFD/Commercial – Organic Materials Cart/Bin Collection Methodology, Equipment, and Personnel

Please refer to *Solid Waste Collection*. The collection methodology, equipment, and personnel requirements for organic materials collection is identical to what is described therein, except it is assumed that additional observation and reporting of contaminants will occur, as well as additional continual customer training. All franchised loads will be hauled to the City's designated processor.

MVD's public education and recycling technical assistance specialists will research and apply for grant money for containers, such as kitchen pails, and collateral materials. Tremendous effort will be put forth by MVD's public education/recycling technical assistance specialists to promote the availability of recycling technical assistance and the organics collection program, as well as the City's diversion goals.

Contamination

Contamination detection will be easier since MVD will mount hopper cameras on all collection vehicles. Also, MVD drivers are required to check for contaminants in recyclable materials and organic materials container if and when they dismount the collection vehicle to position the container properly for emptying. During that time they are required to flip the lid of the container and check the contents. If contamination is visible the container may be tagged with a *Corrective Action Notice*. MVD recycling drivers will call the office to report the contamination, and a public education specialist will visit the customer to lend assistance and do training. All information will be logged into MVD's customer management database – ProWaste.



Organic Materials

MFD/Commercial Collection Services: Driver Protocol

The Organic Materials Collection Activity Sequence for bin customers is identical to the one described for solid waste collection, with the added step of the contamination check as indicated in the previous subsection.



**MFD/Commercial Recyclable Materials
Roll-Off/Compactor Collection Methodology, Equipment, and Personnel**

Please refer to *Solid Waste Collection – Roll-Off/Compactor*. The collection methodology, equipment, and personnel requirements for organic materials collection is identical to what is described therein, except it is assumed that additional observation and reporting of contaminants will occur, as well as additional continual customer training. All franchised loads will be hauled to the City's designated processor.



MFD/Commercial Solid Waste

Roll-Off /Compactor Collection Services: Driver Protocol

This information is identical to that presented in *Solid Waste Collection*, with the exception that drivers will, again, make the extra effort to perform contamination checks and report contamination such that the Company can schedule a visit to the customer for education and training by a MVD public education/recycling technical assistance specialist.



Contamination

Contamination detection will be easier since MVD will mount hopper cameras on all collection vehicles. Also, MVD drivers are required to check for contaminants in recyclable materials and organic materials container if and when they dismount the collection vehicle to position the container properly for emptying. During that time they are required to flip the lid of the container and check the contents. If contamination is visible the container may be tagged with a *Corrective Action Notice*. MVD recycling drivers will call the office to report the contamination, and a public education specialist will visit the customer to lend assistance and do training. All information will be logged into MVD's customer management database – ProWaste.

Recyclable Materials Processing Option

Finally, under the current arrangement, recyclable materials are to be hauled to Sunset's material recovery facility. However, MVD wishes to make the City aware of the availability of MVD's material recovery facility located at its operations base in Kerman. This 50,000 square foot building houses a state-of-the-art sort line developed by CP Manufacturing. There is ample processing capacity to process the City's materials. Should the City award a collection contract to MVD, the Company will be in the position of offering the City an attractive processing option, as revenues from the sale of recyclable materials generated in Fresno can offset collection costs. Additional information on the facility and a copy of its permit are included in *Exhibit 2.1*.



2.3.2

Technical Proposal | Organic Materials Processing

Compostable materials collected in Fresno under the proposed *Franchise Agreement* will be direct-hauled to MVD's material recovery facility which includes an organics preprocessing operation. Information on the facility, including the Solid Waste Facility Permit, is included in *Exhibit 2.1*. Materials will be preprocessed on site and transferred to Kochergen Composting in Kings County or to City of Fresno's anaerobic digester..

After a careful review, MVD is decidedly interested in utilizing the City's available anaerobic digester capacity for a portion of the organic waste generated in Fresno. MVD would like to receive additional information about the ideal waste composition profile and tolerances for organic stream components acceptable for the process. MVD has the ability to sort, grind, screen, and transfer organic waste to the City's facility and to the City's specifications.

Additionally, as a second option, while the *RFP* designates ADC as a non-productive market for organic material, MVD notes that there is no permitted composting facility in Fresno County accepting food waste, and that even the City's composter West Coast Waste Composting, is not permitted to accept food waste; West Coast Waste Composting is permitted to accept green waste and wood waste. As there is not a permitted composting facility that accepts putrescible wastes in Fresno County, MVD asks the City to allow ADC as an acceptable marketing option, as the State still does allow the counting of ADC toward diversion credit.

The City should note that MVD is very interested in finding a viable option that meets all parties' objectives and parameters, but that allows organics collection to advance while processing facilities and markets evolve. The Company is open and willing to discuss this matter further with the City and is interested in doing whatever it can to find a viable solution. MVD also notes that a related party operates a fully-permitted composting facility in Kings County.

Name of Facility Location and Owner

Mid Valley Disposal
15300 W. Jensen Avenue
Kerman, California 93630
559-843-2467



Site Manager

Joseph Kalpakoff

Telephone: 559-843-2467

Types of Materials to Be Collected

See information which follows. There are some challenges in Fresno County relating to permitted organics processing capacity. Mid Valley is here to discuss next steps to achieve the capacity the City requires in order to support an organics collection and processing program that includes legitimate markets. This list will match available legitimate processing and marketing channels.

Processing Fee

MVD will charge a processing fee of \$6 per ton for organic materials processing.

Facility's Plan to Comply with Local APCD Regulations

Please see the solid waste facility permit and accompanying documentation included as *Exhibit 2.1*. MVD is in compliance with its permit for grinding of green waste processing in Fresno County. As objectives advance between Fresno and MVD, the Company will gain a clearer perspective of what the deliverables are in terms of marketing outcomes, versus the available processing capacity of legitimate markets. There are many emergent markets in California for organic materials, and MVD will continue to follow this information and to engage in piloting new markets for organic materials as they come on line.

Prospective Organics Tons

The following chart represents the tons of organic materials per one quadrant based on State waste composition information applied to City tonnage information. Based on the tonnage information given, the available markets, as well as MVD's confidence in forging markets, the availability of additional composting capacity in Fresno County, and the results of public education and recycling technical assistance efforts, MVD believes the organics stream will develop as per the following chart.

Year	Est. Organics Tons Collected
2011	400
2012	750
2013	1200
2014	2000
2015	2500



2.3.3

Technical Proposal | Organic Materials Marketing

Organic materials markets collected in Fresno is emergent, as it is with most of the state. The information presented in the text box on the following page is information MVD gleaned from CalRecycle's website with respect to market development for organic materials specifically in Fresno County.

MVD is willing to form a collaborative partnership with the City of Fresno, as it has with its other cities (see the *Letters of Reference* included with the transmittal letter) in order to develop and secure markets for organic materials. This is essential in the City's ability to achieve 75 percent diversion.



Selling Compost Products

Markets for compost products have changed dramatically during the past decade. In 2000, the CalRecycle concluded that another 9 million tons of organic materials needed to be recycled under anticipated scenarios for meeting LWMA goals. To accomplish that, new markets needed to be developed, particularly in the agricultural, landscaping, and horticultural industries.

Impacts of Electricity Deregulation

California's composting industry was partly built in the late 1980s on facilities selling biomass fuels produced from yard and wood wastes for electricity production. Biomass plants had been built throughout the state in response to government incentives adopted in the late 1970s and early 1980s to make California less dependent on foreign oil for its energy needs.

Biomass plants in the early 1990s bought wood chips from \$20 to \$40 per bone-dry ton. This enabled many composting facilities to amortize their investments in processing equipment and to accept yard and wood wastes at low enough costs to compete with landfills in their areas. By the mid-1990s, proposals were seriously circulating to deregulate the electricity generating industry in California. The proposals impacted the composting industry particularly hard.

The prices electric companies had paid for electricity produced from biomass-fueled generating plants were dropped dramatically. This was due to anticipation of legislation authorizing electric deregulation (Chapter 854, Statutes of 1996 [Brulte, AB 1890]). The average prices paid for biomass wood wastes dropped to \$0 to \$10 per bone-dry ton today (although some facilities may get up to \$20 per bone-dry ton for high quality material.)

As a result of this pressure, composters were forced to raise their tipping fees to obtain more revenue from the processing of materials and to diversify their markets. Although the diversification of markets proved beneficial in the long run, the higher tipping fees required for composters exacerbated the problems with ADC noted above.

Agricultural Markets

The CalRecycle recognized the need to diversify composting markets in partnership with California's agriculture industry. Since 1994, the CalRecycle has been actively involved in funding demonstration projects that field-test the uses of compost and mulch in various situations.

The CalRecycle has funded field projects that monitor the effects of compost on crop and soil productivity. Other CalRecycle projects have examined the use of compost as a soil erosion prevention tool. In addition, the CalRecycle has developed regional partnerships with various growers and communities to promote the use of compost and mulch through field days and demonstrations. Through all these efforts, compost has been shown to have a wide range of beneficial uses in both agriculture and pollution control activities.

Agricultural demonstrations have been completed in:

- Fresno County
- Monterey Bay region
- San Jose region
- Stanislaus County
- Tulare County
- Southern California

Compost and mulch are also currently being examined for their erosion control properties. The CalRecycle contracted with the California Department of Transportation (CalTrans) to conduct research on the use of mulch to control erosion on highway rights-of-way. Vineyards also have been interested in using mulch as a cost-effective alternative to straw and cover crops for hillside erosion control.

Growing operations continue to expand onto hillsides, and many jurisdictions are beginning to require mitigation measures for such erosion control. The CalRecycle has funded two hillside vineyard erosion control projects in Napa and Sonoma Counties, as well as research on the use of mulch in controlling erosion in citrus orchards in Ventura County.

Other potential markets for compost and mulch include:

- Horticulture
- Wetland restoration
- Bio-remediation of air and wastewater streams
- Mine reclamation

The CalRecycle is funding two new projects with the University of California-Davis this year to explore innovative uses of compost and mulch by end users. Specifically, UC Davis will be evaluating the use of compost to control phylloxera in vineyards and the use of compost on cover crops for vegetable production.



2.4 Technical Proposal | Implementation Plan

As indicated in *Section 1* of this *Proposal*, MVD has obtained some of its collection contracts through the competitive bidding process and has, in one instance implemented a contract and privatized collection at the same time. MVD has above average similar service initiation experience. The outcome of this experience is that MVD has learned that the following measures ensure success:

- ❑ Collaboration: A collaborative process between involved parties assures a smoother transition. Regular communication is essential, and MVD recommends regular coordination meetings beginning right after the contract are signed.
- ❑ Thoughtful, fluid planning: Utilizing the following draft transition plan as a starting point, the implementation team will continually define and/or adjust subtasks as the team moves closer toward the collection start date, as is necessary or optimal.
- ❑ Expert execution of tasks: MVD's team of seasoned industry professionals—all personally experienced in contract start-ups—will ensure that each task/subtask is completed within the specified timeframe and to City specifications.

The *Chart* on the following page represents the key activities and dates associated with them.



Implementation Schedule

ID	Task	Start Date	End Date
1	Contract Award/Negotiations City-Hauler Weekly Coordination Meetings Begin	10-01-10	11-01-11
2	Site Related Activities Reopen Fresno Office	11-01-11	11-15-10
3	Driver Hiring, Orientation, and Training	11-15-10	12-01-10
4	Customer Service Representatives Hiring, Orientation, and Training	11-15-10	12-01-10
5	Systems Development – Accounting and Customer Service/Database Management <i>Tracks with Routing/Mapping, and Auditing</i>	11-15-10	12-15-10
6	Systems Development – Routing/ Mapping Verify Service Addresses, Billing Addresses, Service Types, and Frequencies Turn Routes Over to City for Approval	"	"
7	Public Education and Outreach Planning – Including Website Updates	10-15-10	11-15-10
8	Notification to All Customers of Program Changes and Availability of Recycling Technical Assistance	12-15-10	-
9	Vehicle Procurement, Registration, Maintenance, Painting	11-15-10	12-15-10
10	Service Start Date	01-01-11	-
11	Recycling Opportunity Audits	11-15-10	Ongoing



2.5 Technical Proposal | Billing

MVD has reviewed the *RFP* and draft *Franchise Agreement* as to the City's billing and collection requirements. MVD currently performs billing services in the jurisdictions referenced in the following chart. Billing samples are included as *Exhibit 2.3*.

Jurisdiction	Generator Type	Cycle
County of Fresno	Commercial	Monthly in Advance
County of Fresno	Commercial	Monthly in Arrears
County of Fresno	Residential	Bi-Monthly in Advance
County of Kings	Commercial	Monthly in Advance
County of Kings	Residential	Bi-Monthly in Advance
County of Kings	Residential	Monthly in Arrears
Armona	Commercial	Monthly in Advance
Armona	Residential	Monthly in Arrears
Avenal	Commercial	Monthly in Arrears
Avenal	Residential	Monthly in Arrears
Coalinga	Commercial	Monthly in Arrears
Coalinga	Residential	Monthly in Arrears
Firebaugh	Commercial	Monthly in Advance
Firebaugh	Residential	Monthly in Arrears
Huron	Commercial	Monthly in Arrears
Huron	Residential	Monthly in Arrears
Kerman	Commercial	Monthly in Arrears
Kerman	Residential	Monthly in Arrears
Kettleman City	Commercial	Monthly in Arrears
Kettleman City	Residential	Monthly in Arrears
Laton	Commercial	Monthly in Arrears
Laton	Residential	Monthly in Arrears
Mendota	Commercial	Monthly in Arrears
Mendota	Residential	Monthly in Arrears
San Joaquin	Commercial	Monthly in Arrears
San Joaquin	Residential	Monthly in Arrears



Billing Procedures

The following schedule conveys MVD's billing procedures and process.

Step	Description
1	Customer service change requests are completed, and financial adjustments are posted.
2	Customer service change requests are verified by the accounting manager to find potential data entry errors.
3	Excel reports are run to verify customer accounts are coded with correct billing cycles, service codes, and division codes.
4	Aging reports for all lines of business are printed.
5	Recurring billing charges are assessed and posted.
6	Statements are printed by aging categories.
7	Summary billing reports are printed.
8	Aging reports for all lines of business are printed.
9	Charges are closed.
10	Aging category data is adjusted for new billing period.
11	Statements are taken to outsourcer for mailing.

As indicated in *Section 1*, MVD has implemented several city-wide collection contracts and has successfully created customer/billing databases in those processes. Because the City is the service provider at this time, and based on the excellent quality of the information provided by the City to proposers in this process, MVD anticipates having no problems transferring of data and initiating billing of Fresno commercial/MFD contracts.

Transmission of Billing Data and Sample Invoices

MVD utilizes ProWaste software. All account and activity information is easily downloaded into Microsoft Excel, where it can be easily manipulated into report formats that are agreeable to the City. The software is very versatile. Sample reports are included in *Exhibit 2.3*.

Accuracy of Information

Billing information will be verified prior to the start of service through the physical route auditing process, as well as through the response received from customers once notification of the new program has been sent out. Furthermore, MVD continually audits its routes. If ever there is a discrepancy, or a customer does not understand his/her bill or he/she believes there is an error, MVD sends a customer service representative to the site to check the premises and meet with the business or property manager, if need be, in order to correct any inaccuracies. Also, MVD is very proactive with contacting its customers by telephone.



Customer Service Relative to Billing Demands

MVD's customer service department responds to billing inquiries at the time of call. If research is required Customer service response time is responded to in less than 1 hour. If a site visit from a manager is required it is accomplished in a 24 hour period.

Bad Debt Experience

MVD has a very low percentage of delinquent accounts. The Company has an organized and proactive approach in place to minimize the accumulation or continuation of bad debt. Customers are called when accounts are 45 days past due. They are given the opportunity to make a payment by Visa, Master Card, Discover, or check by phone. If payment is not received by the following service day they are put on stop service. The service is interrupted for three weeks. If no payment has still been received a second phone call is made to advise the customer that the container will be removed if payment is not received. MVD will accept low good faith payments to prevent containers from being removed and using a third party collection agency.

Only 137 accounts have been sent to collections in the last five months totaling 1% of revenue that is due, which is a very low percentage of bad debts to service revenue due.



2.6 Technical Proposal | Customer Service

MVD is committed to providing services of the highest quality. Also, the Company intends to deliver those services with pride and professionalism. Furthermore, MVD understands and keeps in mind that service is all it has to offer. Not only that, but none of the affiliate companies would have been in business as long as they have if rendering excellent service weren't such a high priority.

MVD's key personnel, through their extensive personal histories as well as respective company histories, have learned that people generally do care about their garbage, which becomes quite evident if they ever happen to experience a missed collection—or even a perceived missed collection. People have come to rely on it, and because of that, the company is committed to deliver as promised.

The Company's commitment to quality service that when customers are disappointed or upset, the MVD approach is to avoid labeling as to who is right or wrong, but instead simply seek a solution that satisfies the customer. MVD customer service representatives are continuously reminded to think like a customer.

MVD's Customer Service Manager, Lisa Helm is committed to quality performance, which is evidenced by the longevity and success of her varied career in waste management. She knows how excellent customer service sustains contracts which translate into revenue and over time, with wise management make a company established and vital in the community. Lisa's decades experience as a customer service representative then manager in the solid waste and recycling field. She has a calm, organized demeanor and a can-do attitude, and will administer this customer service program with the Company's complete confidence in her. Please refer to *Section 3* to review the resumes of these individuals.

The Company is also fortunate to have on board a talented Operations Manager who relates well to drivers, the public, and can quickly find a resolution to challenging situations and when under pressure. His fairness garners driver respect; his ability to communicate with individuals at all levels and of all walks of life makes him approachable.

With these sorts of key people at the helm, MVD is confident that the people component of the Company will please the City and citizens of Fresno. MVD knows that it's the frontline people that make all the difference: drivers, customer service representatives, field service supervisors. The cleanliness and appearance of company equipment also makes a statement, as does the appearance and energy of the front office.



These are the core concepts of MVD's customer service program:

- ❑ **First impressions matter:** Whether the first impression that registers with a customer is a phone call with one of our customer service representatives, or the observation of MVD service performance or driver mannerisms, or the appearance of collection vehicles: friendliness, neatness, simplicity, appropriateness, reliability, caring, and concern are all attributes that either help or hinder ongoing customer relations. Milliseconds count. MVD will therefore always keep this in mind and try to make an excellent first impression.
- ❑ **Courtesy counts:** Most people are very decent. It is MVD's experience that even if a customer is angry, when they are allowed to vent their frustrations and feel as though they were treated with respect, they will usually become calm and offer a "thank you" at the end of a call. If this can be accomplished, the customer has been won over, and the employee feels relieved. MVD's goal will always be to make the best effort to have customer interactions begin and end on a positive note.
- ❑ **Doing the right thing is always most rewarding:** MVD encourages doing the right thing by reviewing problematic situations/posing hypothetical problem situations at training or coordination meetings and asking: First, if an employee knows issues will be constructively reviewed they will put more effort into managing customer interaction correctly because they will know their performance is monitored and does matter. Second, MVD believes that most people know what the right thing to do is, but often either do not feel empowered to do the right thing, or have had past experiences where their good decisions and actions were not acknowledged. The Company will make the effort to recognize good customer service and will always review challenging situations—even when they were perfectly managed—such that the entire customer service staff can benefit from the experience.



Customer Service Training

MVD customer service staffing is comprised of one receptionist and four customer service representatives (CSRs). Each CSR is provided with a resource manual that lists pertinent details about each jurisdiction, service and program requirements, and other general information to enable CSRs to promptly, professionally, and courteously respond to customer requests. A copy of the resource manual is included with this submittal in a separate binder.

New hires sit with a highly experienced CSR for five days for observation and training. They are then shadowed and coached by a CSR for three weeks. Each new CSR is placed at desk near the Office Manager so that calls can be monitored and we can continue to improve CSR skills. Formal training is conducted monthly with impromptu training daily and weekly depending on need.

Phone Call Metrics

All incoming telephone calls are answered in three rings or less by a human being. Standard protocol is that a live receptionist answers on the first ring and directs call to proper department. A CSR will answer the call directly on the second ring and assist the caller. In the rare instances when the telephone rings a third time, a manager will answer and assist the caller. MVD's average hold time is less than twenty seconds

MVD's receptionists answer an average of 4082 calls each month. The customer service department currently receives and responds to an average of 1230 phone calls a month. Additional phone call facts:

- ☐ 1% of calls are billing inquiries.
- ☐ 31% of calls are pay by phone requests.
- ☐ 38% of calls are service level changes
- ☐ 16% of calls are information requests
- ☐ 14% of calls are perceived missed collections.

Email and web response times are immediate. Management is equipped with mobile devices to receive emails.



2.7 Technical Proposal | Environmental Considerations

Abandoned Waste Collection

MVD will respond to observations of abandoned waste by the City or MVD personnel. Based on the description of material as reported by City staff or MVD personnel, the Operations Manager will generate a work order that day and dispatch the appropriate personnel to perform the clean-up. Every attempt will be made to collect the waste on the same day reported. For abandoned waste reported on Friday, the waste will be removed on Saturday. After removing the waste MVD will ensure that the area is clean of any spills as well. Abandoned waste material will be reported as specified in the *Agreement*.

Hazardous/Unpermitted Waste

If MVD personnel encounter hazardous or unpermitted waste during collection activities and prior to dumping, an attempt will be made to contact the generator immediately. If the generator proves unreachable, the material will be left, and a *Corrective Action Notice* will be applied to the container indicating the reason for non-collection and also directing the generator to the Alameda County Household Hazardous Waste program. This information will be recorded in MVD's customer database (see *Section 2M*). If the waste poses an eminent threat to people or property MVD will immediately contact the closest Fire Department. In the case where the hazardous material are discovered at the landfill or transfer station and an attempt will be made to identify the generator to request removal and proper disposal. If identification of the generator is not possible or the generator fails to claim and handle the material, MVD will arrange for proper disposal of it. The generator, if known, will be billed for proper disposal. Additionally, MVD's hazardous waste, spill response, and fire response protocol is included on the following pages. MVD will implement a Load Inspection Program to further address this issue as per the draft *Agreement*.



Hazardous/Waste Screening Protocol

The objective of MVD's *Hazardous/Unpermitted Waste Screening Protocol* is to prevent forbidden wastes from entering the waste stream through any of the weekly collection services or special services provided by MVD, and/or to manage forbidden wastes inadvertently collected through weekly collection or special services. Hazardous/unpermitted wastes include:

- 1) Materials that are not Solid Waste, including Universal Waste¹, household hazardous waste and other hazardous waste, medical waste, radioactive waste;
- 2) Waste tires in excess of the limitations prescribed in 14 CCR 17355(b) or reduced in volume as required in 14 CCR 17355(A);
- 3) Any other materials that cannot be disposed of in class II sanitary landfill described in 27 CCR 20250.

Fully-automated collection systems protect worker health and safety by creating a buffer between worker and waste. These systems make it more challenging to detect the entry of unpermitted wastes into the waste stream. The following components deter improper disposal of unpermitted wastes:

Customer Education

MVD will educate its customers about hazardous/unpermitted wastes through every outreach campaign element used.

Employee Education

All new employees will receive training regarding hazardous/unpermitted waste identification, safety, and notification procedures. Furthermore management, drivers, and customer service representatives will receive annual hazardous/unpermitted waste screening protocol training. Drivers will be reminded about the importance of unpermitted waste screening protocol at each monthly safety meeting, and will receive additional training as needed based on field incidents. MVD will include identification training of unpermitted wastes with special emphasis on hazardous wastes, flammable, combustible, and explosive material. Upon contract award, MVD will circulate its draft *Hazardous/Unpermitted Waste Screening Protocol* to the

¹ Universal Waste means "hazardous wastes that are universal waste (as defined and listed, respectively, in 22 CCR §66273.9, such as batteries thermostats, lamps, cathode ray tubes, computers, telephones, answering machines, radios, stereo equipment tape players/recorders, phonographs, video cassette players/recorders, compact disc players/recorders, calculators, some appliances, aerosol cans and certain mercury-containing devices) exempt from the hazardous waste management requirements of chapter 6.5 Division 20 of the California Health and Safety Code and subject to the universal waste management requirements of Chapter 23 of Division 20 of the California Health and Safety Code."



MVD/Fire Department for review and input such that the final document reflects local jurisdiction emergency response policy and procedure.

Detection

Because collection services are automated, MVD collection vehicles feature hopper cameras and drivers will be instructed in their use.



Spill Response Plan

In the event that any unpermitted waste or hazardous waste is disposed with the solid waste stream, immediate and appropriate action will be taken to contain and remove it. Operations personnel are trained both in unpermitted/hazardous waste identification and appropriate responses to unpermitted/hazardous waste incidents. MVD's inside risk management team maintains OSHA qualified on-site responders to hazardous material incidents in accordance with OSHA Standard 29CFR1910.120, Hazardous Waste Operations and Emergency Response. Periodic training is provided and recorded in order to ensure skill proficiency.

The following procedure is used for identifying and handling hazardous/unpermitted waste:

- 1) Notification of hazardous/unpermitted waste disposed of in the waste stream will be communicated from the driver in the field to dispatch.
- 2) Dispatch will notify an operations manager for determination of appropriate response level.
- 3) Simultaneous contact will be made with the maintenance department for the spill response team to assemble and disburse.
- 4) Coordinating instructions will be issued and executed.
- 5) Trained personnel will be assigned the task of inspecting any material suspected of containing hazardous/unpermitted waste. Inspection involves identification of both labeled and unlabeled hazardous/unpermitted waste containers and material.
- 6) Proper emergency response agencies for oversight and assistance to ensure public safety.
- 7) An appropriate course of action/customer education based on the seriousness of the waste involved will be decided upon and taken.



Should the driver determine without any question or doubt that the unpermitted waste is not hazardous, the following procedure is used:

- 1) The unpermitted/nonhazardous item will be removed, placed safely back onto the premises and tagged with a non-collection notice indicating the reason for non-collection.
- 2) The driver will immediately call the dispatch center and report the incident, including street address and time item was detected.
- 3) Dispatch will relay this information to customer service.
- 4) A customer service representative will phone the customer to inform them of the event, why the item was left, direct them to proper alternatives for reuse or disposal of the item, and respond to any questions the customer may have.
- 5) A follow up postcard with detailed information on unpermitted wastes will be sent to the customer.



Fire Reporting/Response Plan

These guidelines are to be followed in the event a truck fire breaks out in the body of a collection vehicle you are driving. These types of fires can be caused during compaction where hazardous or combustible materials are inadvertently and unknowingly collected.

Driver's Responsibilities

- 1) Identify origin of fire: whether it is related to the electrical system, the motor, or the hopper.
- 2) Immediately call dispatch, then 911 for Fire Department Response.
- 3) Continue sweeping the blade or using the packer if the fire is inside the truck body until you have found a safe place nearby to eject the load: such as an open parking lot or an open plowed field. DO NOT eject loads near schools or shopping center parking lots, near businesses, on the freeway, or near trees or overhead wires.
- 4) Keep your radio clear for emergency communications.
- 5) Stay calm: the Fire Department and your supervisor will be there shortly.

Note

The most important safety consideration is your own life and the lives of others. The Company's collection equipment can be replaced; a life cannot.



2.8

Technical Proposal | Public Education/Recycling Technical Assistance

The objective of this section is to a) convey MVD's competency in developing and managing public education programs; b) relay its proposed plan for outreach during the transition period and beyond; c) illustrate the Company's willingness to become involved in the community. A draft *Public Education Plan* to serve as the basis for the final plan for contract year one is included in this section.

MVD owners have been collecting solid waste and recyclable materials for decades; and during this time outreach efforts have had to flex with industry changes to ensure proper communication of them to customers. This resulting communications experience will positively affect a smooth transition between contractors for MVD customers.

MVD's approach to communicating with its customers is simple and creative. It respects the fact people are inundated with too much information. All materials convey solid reasons for cultivating new, green behaviors in order to motivate customers, and will also identify additional resources for customers who want to know more about environmental issues.

Although a consistent message repetitively delivered in an abbreviated, catchy way is most effective, once the desired behaviors are adopted by customers regular reinforcement is required to sustain them. Finally, emphasizing the difference an individual's recycling practices makes is helpful. MVD's public education program will continually remind customers of the importance of adhering to program guidelines and will report their progress and associated positive environmental impacts back to them.

This program incorporates a strong community relations element. Responsibility for community interface will be spread amongst the Company' middle and top management, assuring that pledges of human and financial resources to the community's benefit are made and kept.

The Company also proposes an interactive educational component for schools that is age-appropriate, engaging, and designed to reinforce good recycling behavior.

Excellent coordination between MVD and the City will contribute greatly toward program success. To facilitate communication, MVD will respectfully and actively participate in coordination meetings with the City during the ramp up period and throughout the term of the *Agreement*.



MVD will track all public education and community relations efforts meticulously and quantify results in accordance with the draft *Franchise Agreement*. The Company has considerable experience doing this in several other jurisdictions where it is required as part of periodic reporting.

Staffing

The biography of Ivette Rodriguez Public Relations Manager, is included in *Section 1*. Ivette is responsible for general oversight of the entire program and the following specific public education activities:

- ☐ Municipal and media relations
- ☐ Development and distribution of effective promotional and educational collateral materials, including all electronic components
- ☐ Development and delivery of presentations to business and civic groups
- ☐ Coordination of coverage of community activities
- ☐ Development and delivery of interactive school assemblies, classroom visits, and school group activities
- ☐ Collaboration with all MVD Public Education Specialists for development and distribution of effective collateral materials, including electronic components
- ☐ Update of website and all e-activities.

MVD's objective of gaining the maximum commercial/MFD recycling/organics collection program participation and diversion under any proposal.

Government, Community, and Media Relations

As noted in the draft *Franchise Agreement*, the Public Education Manager is responsible for **government relations**. As liaison, she will represent the Company to the City. In that capacity she will attend the following meetings and engage in the following activities:

- ☐ Attend City Council, City staff, and City strategy development meetings.
- ☐ Coordinate with the City to integrate municipal and contractor activities, as appropriate.
- ☐ Make requisite presentations and proposals.
- ☐ Function as a point of contact for contract compliance matters.



In the area of **community relations**, the Public Education Manager will be responsible for:

- ☐ Represent MVD in community activities.
- ☐ Support local community service organizations as enumerated in *Exhibit C* of the *Agreement*.
- ☐ Ensuring other mid- and top-tier managers are involved in community relations activities.

In her role as **media relations** interface, the Public Education Manager will:

- ☐ Proactively develop rapport with the all local media outlets: TV, radio, and print.
- ☐ Track media coverage of the Company, industry, and environmental issues and developments in general.

Although the Public Education Manager is responsible for the above tasks, she will engage other MVD employees to participate in certain activities as may be warranted or appropriate. For example, in monitoring contract compliance she may bring in the operations manager for discussions on matters relating to driver management for quick resolution.



Public Education Plan

This draft *Public Education Plan* first addresses items that apply to all programs. Following that is a chart based on the public education parameters given in the draft *Franchise Agreement*. Once the *Agreement* is finalized, MVD's first order of business with the City is to begin meeting regularly to coordinate all start-up activities, including these.

- ☒ Develop, produce and distribute, in close collaboration with the City, all public education materials listed in the proceeding plan. Each piece will be carefully considered in order to determine how the information is best conveyed to non-English speaking individuals. Also factor in the cultural context and/or business environment as necessary and appropriate.
- ☒ Customize materials to specific business types
- ☒ Design and place print ads and posters and distribute press releases that correspond to program milestones as determined to be a wise program complement.
- ☒ Hold workshops to correspond to program milestones or as otherwise needed in order to be accessible to customers.
- ☒ Create and maintain a user-friendly website that is both an effective customer service tool and that also organizes the community and helps move it toward its sustainability objectives.

The draft plan on the following page is provided as a starting point for discussions with the City relative to the Public Education component of the scope of work. Sample outreach materials, including reports, are included in *Exhibit 2.4*.



Public Education and Outreach | Commercial Education and Outreach Programs

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

Task	Description	Purpose	Distribution/Frequency
START- UP			
1	Available Services Flyer	Explains recycling services by business type, such as retail, business office, food service, manufacturing, and so forth. Special flyer focused on food waste/compostables generators.	All commercial businesses during initial site visits.
2	Training Meetings	Conduct training meetings by business type as referenced above. Answer questions. Schedule Recycling Opportunity Assessments.	Advertise and hold 30 days prior to contract start date.
3	Business Association Meetings	Attend/present at four business association meetings. MVD will introduce itself/services in writing to all business associations as well as community, civic, and charitable organizations in Fresno and volunteer to speak on relevant topics/answer questions.	Groups mentioned at left. 30 days prior to start up Schedule at group's convenience.
ONGOING			
4	Quarterly newsletter	Quarterly newsletters with relevant content. Formatted in way conducive to posting in lunch rooms and other employee areas.	All businesses. Quarterly. Direct mail.
5	Annual Information	Updated program information in format to be determined by City (newsletter or brochure for example).	All businesses. Annually. Direct mail.
6	Waste Audits/Recycling Opportunity Assessments	MVD will make contact with every business to set appointments. Distribution of how-to information, enclosure posters, and interior container posters and labels to occur during training process. Distribution of interior collection containers to occur during process. Assertive training, follow-up, and monitoring are featured. Major emphasis on substantially increasing diversion.	All businesses. Initial contact prior to contract start-up; ongoing as needed or per schedule to be developed jointly with City.
7	Employee Training	On-site training based on customer need.	All businesses subscribing to recycling/organics collection services by request.
8	Business Associations	MVD will seek to build rapport with and educate the Fresno business community. Public Education Manager will make herself available, through the mailing described in item 3 above, to give presentations.	All business groups.
8	Invoice Blurbs	Brief statements concerning relevant program features.	All businesses, quarterly.



Additional Information – Approach to MFD/Commercial Recycling: Commercial Recycling Technical Assistance

Summary of Technical Assistance Approach

MVD will provide education, outreach, training, follow-up, troubleshooting, monitoring, data collection, and program evaluation services for commercial, institutional, and multi-family customers. Providing such services on the premises of customers is referred to as recycling technical assistance.

Goals

MVD public education staff will focus on increasing the diversion of various reusable, recyclable, and compostable materials from these sectors, in accordance with the City's and county's waste diversion and resource conservation goals. MVD's aim is to maximize tons diverted and level of participation while minimizing materials contamination.

Summary of Approach

MVD will provide practical advice, encouragement, and positive reinforcement to customers in support of these goals. MVD will develop collaborative working relationships with the City of Fresno and customers.

Understanding of the Nature of Recycling Technical Assistance

MVD understands this work requires:

- ☒ Rapid response and assessment of customer needs, including during non-standard business hours.
- ☒ Collaborative interaction with various stakeholders, including the City, County health inspectors, customers of all types and their staff—ranging from top managers to custodians.
- ☒ Sensitivity to the varied cultures, languages, and organizational structures found within businesses, institutions, and multi-family dwellings.
- ☒ Close working relationships with the City of Fresno and customers.
- ☒ Strong knowledge of recyclable material specifications, and of reusable, recyclable, or compostable substitutes for commonly-disposed products.
- ☒ Attention to the special issues associated with food scraps recovery.
- ☒ Strong problem-solving, analytical, and communication skills.
- ☒ High ethical and professional service standards.



Summary of Tasks to be Undertaken

MVD will provide the following services to its Fresno customers:

- ☐ Implementation strategy development.
- ☐ Customer screening, targeting outreach.
- ☐ On-site Recycling Opportunity Assessments.
- ☐ Product substitution options.
- ☐ Review of outreach materials.
- ☐ Customer training.
- ☐ Customer monitoring, troubleshooting, and follow-up.
- ☐ Reinforcement for cross-program education and use.
- ☐ Assistance with customer recognition programs.
- ☐ Data collection and analysis.
- ☐ Program analysis and recommendations.

In subsequent years, MVD will reduce its intensity of effort as the program moves from an implementation stage to a maintenance level.

Services to be Provided

MVD will provide the following services:

- ☐ Coordinate with the City, local trade associations and management companies as appropriate to develop and implement strategies for targeted outreach and technical assistance to customers to implement waste diversion programs, including participation in composting and recycling collection programs and other waste prevention activities.
- ☐ Assist in identifying and screening customers for opportunities where a significant diversion potential is possible.
- ☐ Conduct or assist in on-site recycling opportunity assessments, off-site audits of compactor loads, program assessments, staff and/or tenant training, on-site implementation assistance, and follow-up monitoring of customer performance.
- ☐ Evaluate and present options for recovering or substituting difficult-to-recycle, compost, or reuse materials, such as identifying opportunities to use compostable or recyclable food service ware or packaging.
- ☐ Development of outreach materials about waste reduction, recycling, and composting; distribute such materials when meeting with customers.



- ❑ Assist in gaining management support and dedication of staff resources from customers for program implementation.
- ❑ Identify and promote other program or recognition opportunities such as potential Green Business certification, toxics reduction, green building, green purchasing, energy efficiency, water conservation, local and regional awards, and other programs if applicable and requested.
- ❑ Develop program tracking measures and prepare progress reports on impacts of program implementation, such as waste diversion, participation levels, contamination, cost savings, generator satisfaction, and recommendations.



Three Service Enhancements

MVD has conveyed its interest in other sections of this *Proposal* in establishing the following service enhancements:

1) Recyclable Materials Processing Option

As indicated in *Section 2.2*, MVD can offer the City of Fresno a simpler, more feasible option for recyclable materials processing. As per the terms MVD is extending the City (enumerated in the letter included in *Section 2.2*), MVD wishes reviewers to note that the Company will process the organic materials it collects in Fresno and pay the City a royalty fee of \$5 per ton regardless of market pricing, and MVD will also take responsibility for all residual waste in the recyclable materials stream. This creates a built-in incentive for MVD to continue doing an excellent job educating and providing technical assistance and training to MFDs and businesses about MVD recycling programs. MVD has ample capacity to process all of the City's commercial recyclables. See the *Cost Forms* included in *Section 4* of this proposal.

2) Redistribution of Reusable Items and Materials

MVD will team up with a local non-profit organization to develop a strategy, methods, and plans for the redistribution of reusable commercial materials and items such that they do not end up in the waste stream.

3) Organic Materials Processing Options

As indicated in *Section 2.3*, because MVD has a fully permitted solid waste facility and green waste processing operation, MVD can offer the City of Fresno three organic materials processing options:

- Preprocess organic material (including putrescible organic waste) for delivery to the City's anaerobic digester for conversion; or
- Preprocess compostable material (vegetative material, green waste, and wood waste) for use as ADC for a lower tipping rate.
- Preprocess organic materials and transport organic material (including putrescible organic waste) to Kings County for traditional composting.

4) Recycling Technical Assistance

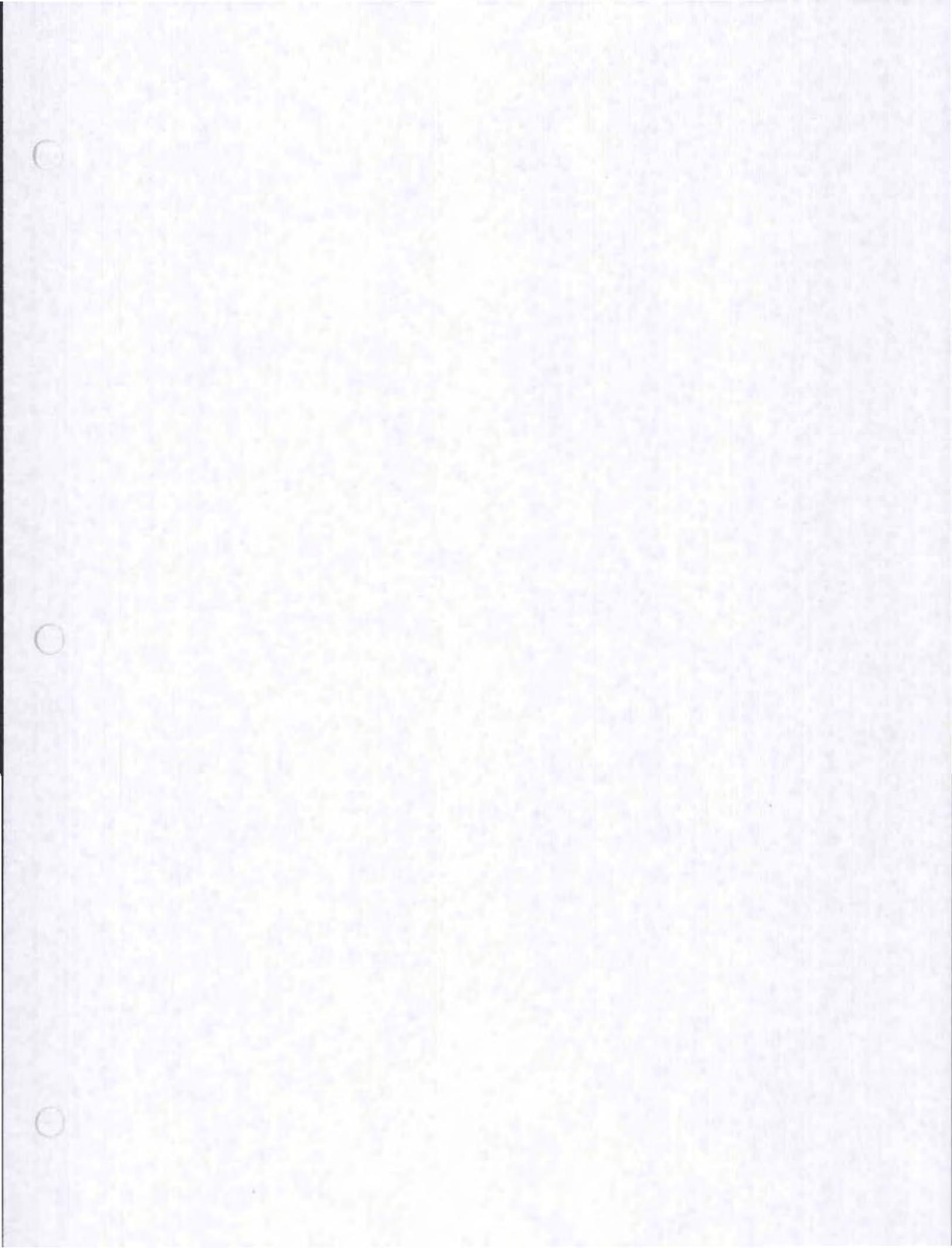


As indicated in *Section 2.8 – Public Education Plan*, MVD will supply commercial recycling technical assistance in a thorough and methodical manner such that all businesses in Fresno receive personal contact and recycling opportunity assessments initially and ongoing throughout the term of the *Agreement*. Also included is free on-site employee training. Reviewers should note that, even though a small company, MVD has a staff of four public education specialists. Clearly, MVD places a strong emphasis on outreach with the favorable ratio of outreach staff to customer accounts. Recycling Technical Assistance is included at no additional cost to the City or customers.

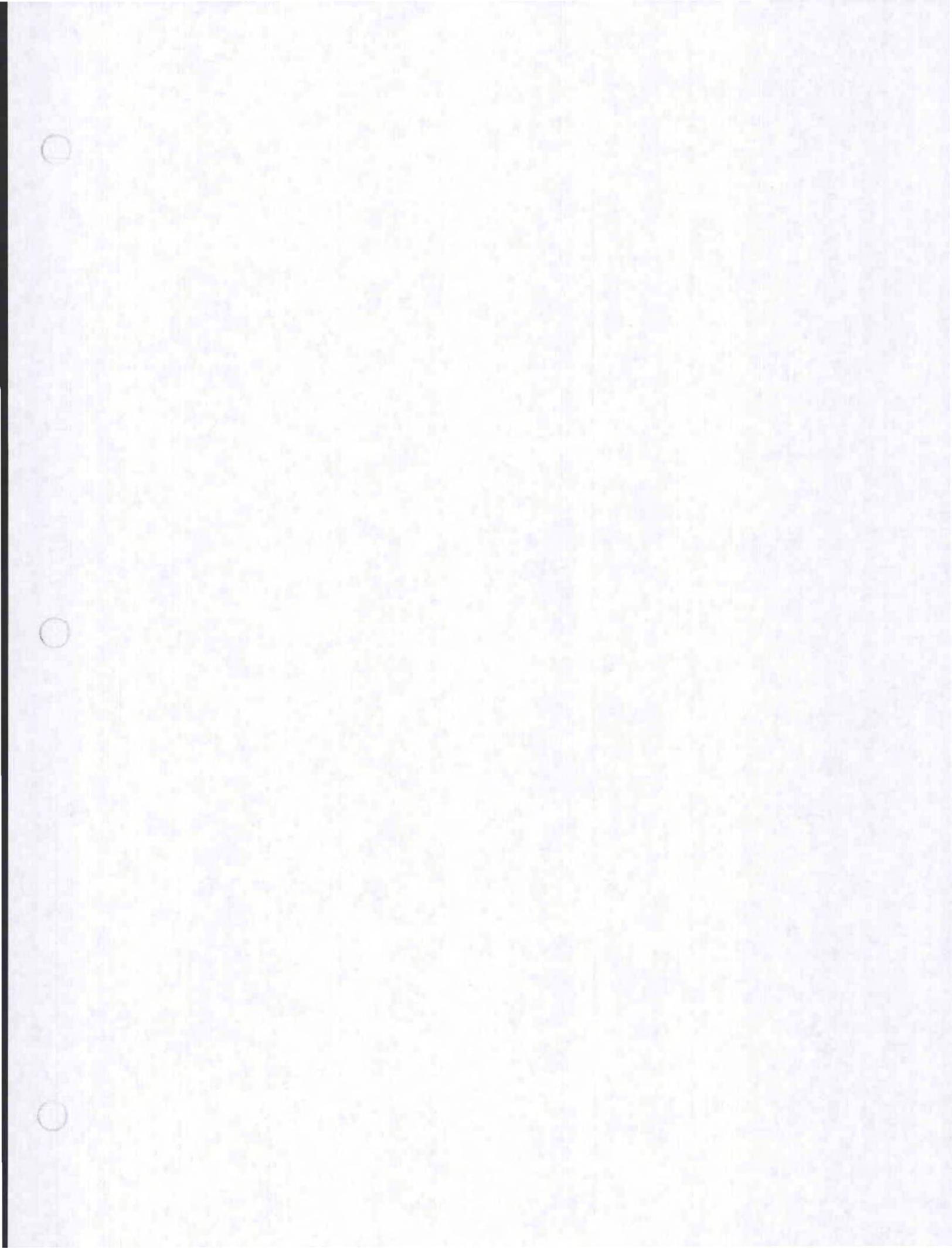


Five Exceptions to Agreement

Mid Valley Disposal, Inc. takes no exceptions to the draft *Franchise Agreement*. Suggested language enhancements—which are in no way to be construed as exceptions—are included on the redlined version of the draft *Franchise Agreement* saved to the accompanying disk. Also included on the disk is a page of *Notes* to explain the basis for Mid Valley Disposal's suggested language enhancements.



**Attachment 6.0-
Secretary's Certificate**



ATTACHMENT 8

SECRETARY'S CERTIFICATION

I, Natalie Kalpakoff, certify that I am the secretary
Name
of the corporation named herein; that Joseph Kalpakoff who signed this
Name
Proposal on behalf of the corporation, was then Vice-President of
Title
said corporation; that said Proposal is within the scope of its corporate powers and was duly signed for
and on behalf of said corporation by authority of its governing body, as evidenced by the attached true
and correct copy of the Corporate Action of Mid-Valley Disposal
Name of Corporate Document

By: Natalie Kalpakoff
Name: Natalie Kalpakoff
Title: Secretary
Date: 8.20.10

**UNANIMOUS WRITTEN CONSENT OF
SHAREHOLDERS AND DIRECTORS
TO CORPORATE ACTION OF
MID-VALLEY DISPOSAL, A CALIFORNIA CORPORATION**

December 30, 2008

We, the undersigned are all of the directors of **Mid-Valley Disposal, a California corporation**, and are all of the shareholders of **Mid-Valley Disposal, a California corporation**, and by this writing approve the following resolutions and consent to their adoption:

RESOLVED, that the following persons were elected to and accepted the offices indicated after their respective names to serve during the ensuing year and until such time as their successors have been duly elected and shall qualify:

John Kalpakoff - President
Roy Mendrin - Vice President
Joseph Kalpakoff - Vice President and Assistant Secretary
Natalie Kalpakoff - Secretary
John Kalpakoff - Chief Financial Officer

RESOLVED, that the following persons are elected to serve as directors for a term of one (1) year or until their successors shall be elected and shall qualify:

John Kalpakoff
Roy Mendrin
Joseph Kalpakoff

RESOLVED, that the shareholders and directors of the corporation are hereby authorized to amend Article VI of the Articles of Incorporation to read in full as follows:

"IV

This corporation is authorized to issue one class of shares of stock designated as "common stock" and the total number of shares of common stock that this corporation is authorized to issue is twenty thousand (20,000). The number of common shares shall be divided into two series to be designated "Series A Voting Common" and "Series B Non-voting Common." The number of Series A Voting Common shares authorized to be issued is ten thousand (10,000) and the number of Series B Non-Voting Common shares authorized to be issued is ten thousand (10,000). On the amendment of this article, each outstanding share of stock is converted into one (1) share of Series A Voting Common stock. The rights, preferences, privileges and restrictions of the Series A Voting Common and the

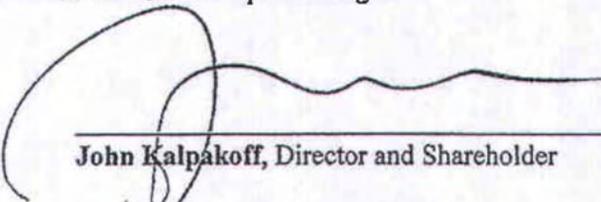
Series B Non-Voting Common shall be equal and identical in all respects except that, unless otherwise provided by law, the holders of the shares of Series A Voting Common shall have and possess voting rights and powers, including the right to notice of shareholders' meetings, and the holders of the shares of Series B Non-Voting Common shall not be entitled to notice of any shareholders' meetings or to vote upon the election of directors or upon any other matter."

RESOLVED, that John Kalpakoff be, and hereby is, reappointed agent for service of process for the corporation to serve during the ensuing year and until such time as a successor has been duly appointed.

RESOLVED, that all actions taken by the Board of Directors since the last annual shareholders' meeting or Unanimous Written Consent of Shareholders to Corporate Action, including the reinstatement by the Board of Directors of all outstanding resolutions or authorizations conferred upon its officers, are hereby approved. All actions taken by the officers on behalf of the corporation from the date of the last meeting or Unanimous Written Consent of Shareholders to Corporate Action, to the present time, are hereby ratified and approved.

This action is taken in lieu of the regular annual meeting scheduled by the Bylaws of the corporation to be held on April 15 of each year.

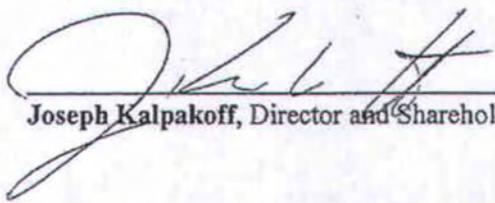
This consent is effective December 30, 2008, and is executed pursuant to subdivision (b) of Section 307 of the California Corporations Code and subdivision (a) of Section 603 of the California Corporations Code, and is to be filed with the minutes of Board proceedings.



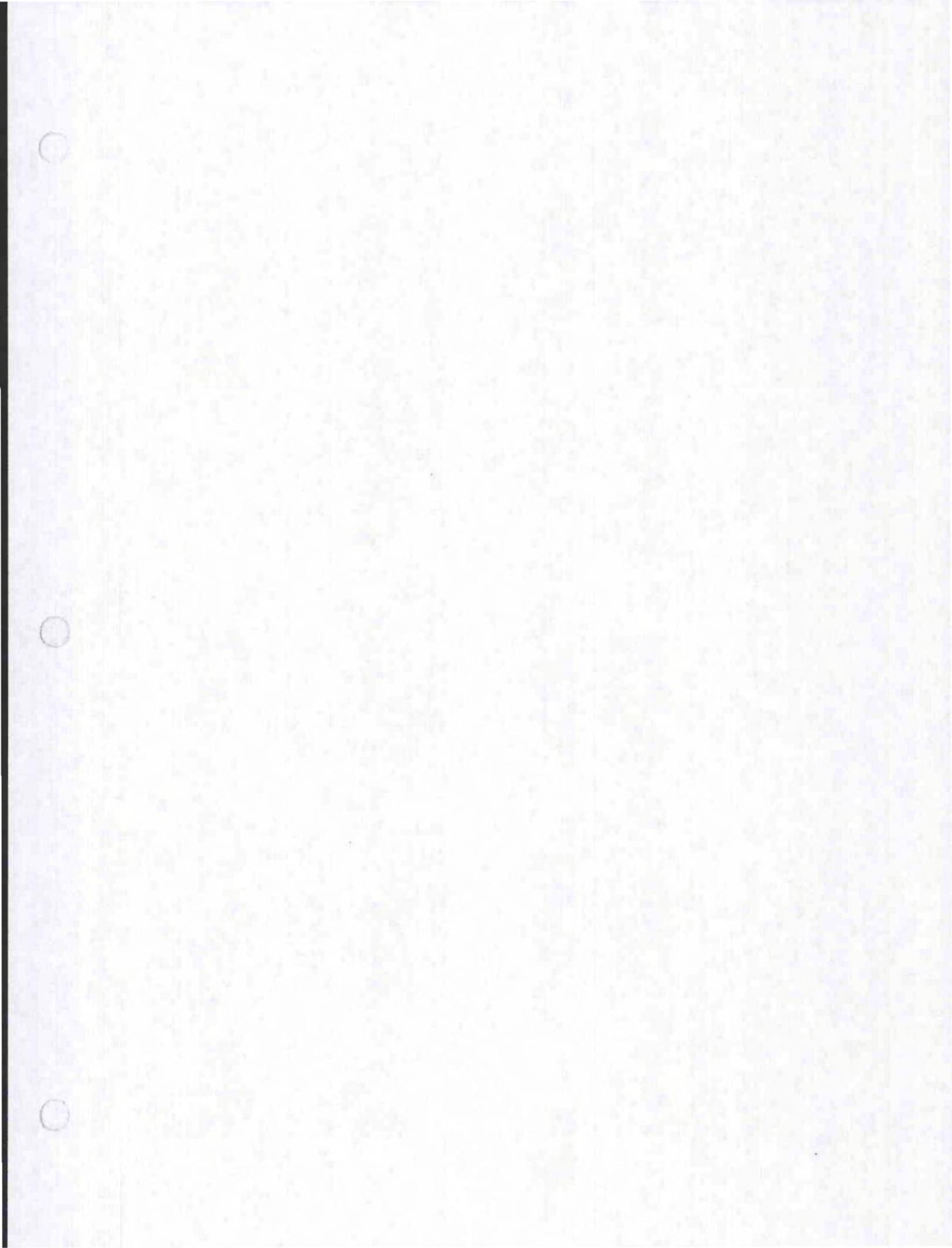
John Kalpakoff, Director and Shareholder



Roy Mendrin, Director and Shareholder



Joseph Kalpakoff, Director and Shareholder



ACKNOWLEDGMENT

State of California
County of Fresno

On August 20, 2010 before me, Ivette Rodriguez, Notary Public
(insert name and title of the officer)

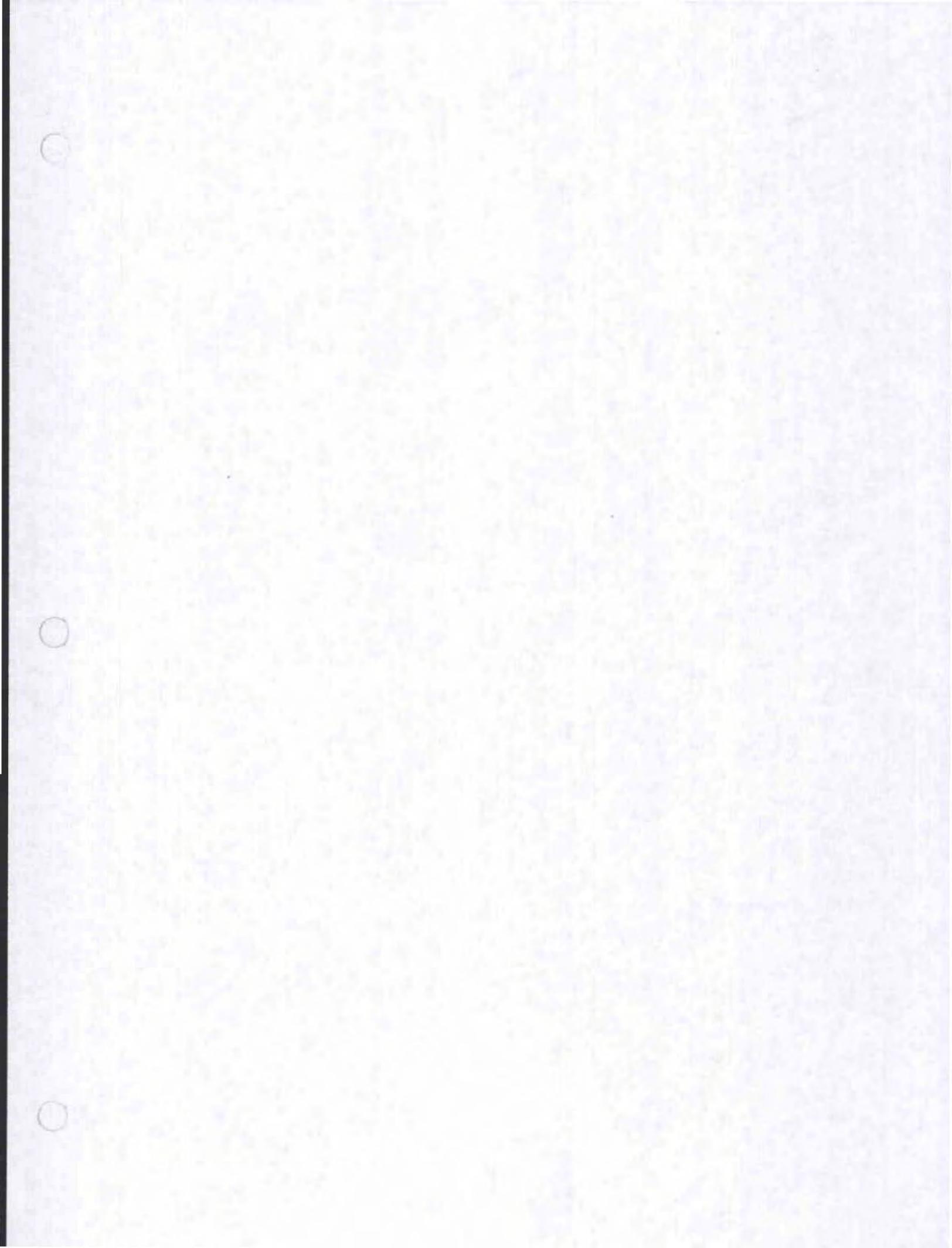
personally appeared Natalie Kalpakoff
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s)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

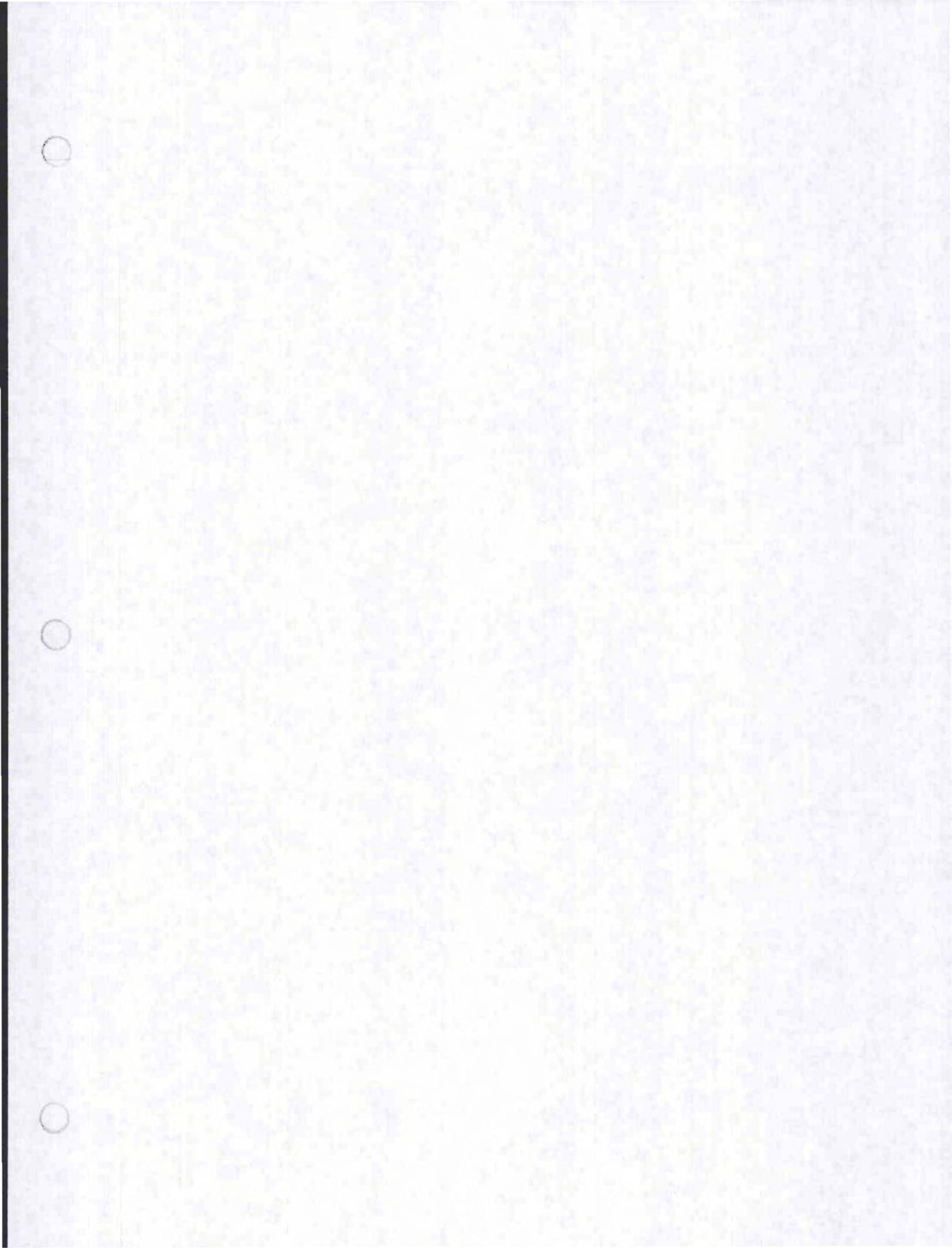
WITNESS my hand and official seal.

Signature Ivette Rodriguez (Seal)





**Attachment 7.0-
Anti-Collusion Affidavit**



ATTACHMENT 9
NON-COLLUSION AFFIDAVIT

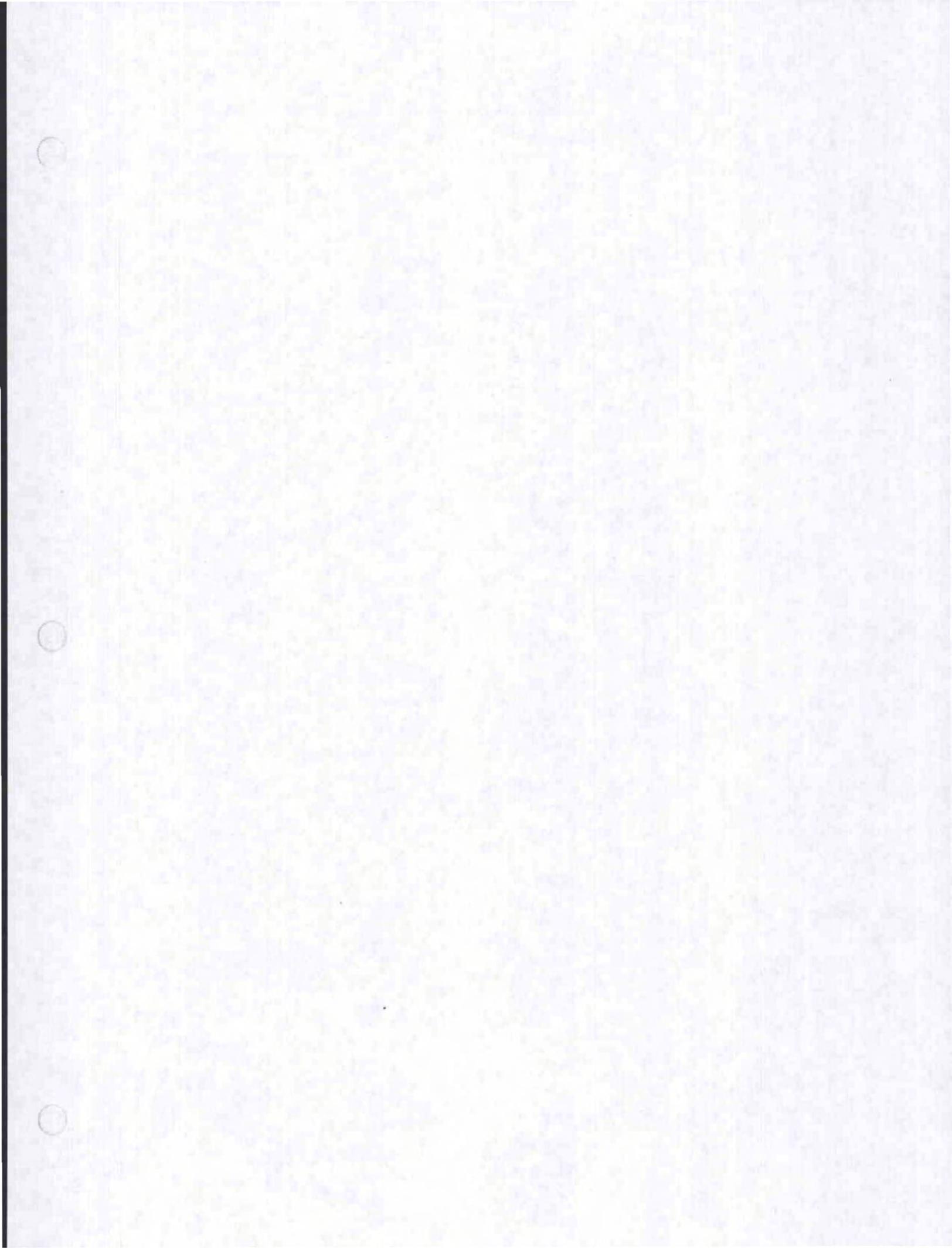
Proposer's Name Mid-Valley Disposal

FOR: MULTI-FAMILY AND COMMERCIAL SOLID WASTE, RECYCLABLE MATERIALS, AND ORGANIC MATERIALS SERVICES

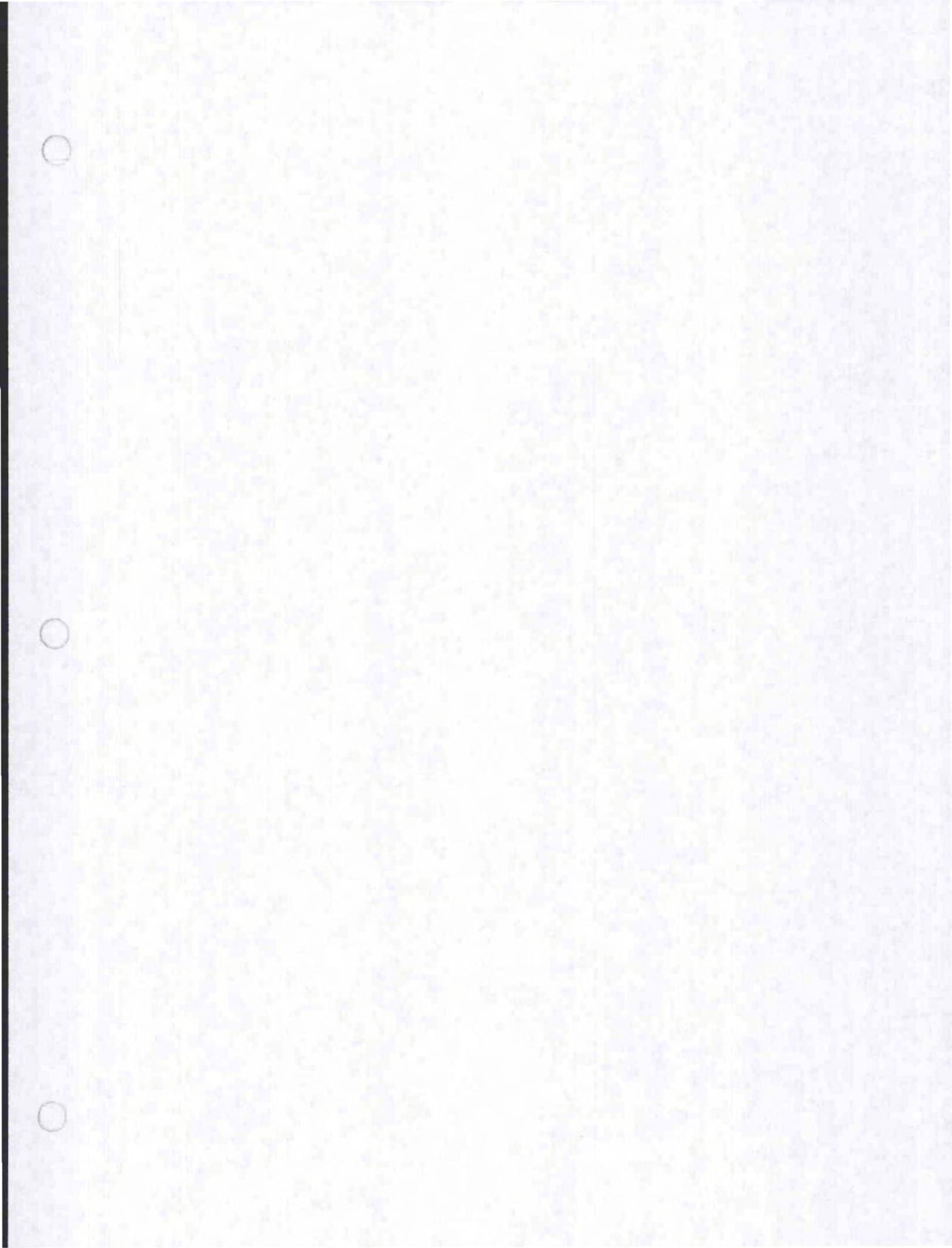
Proposer declares under penalty of perjury under the laws of the State of California that this proposal is not made in the interest of or on behalf of any undisclosed person, partnership, company, association, organization or corporation; that such proposal is genuine and not collusive or sham; that said Proposer has not directly or indirectly induced or solicited any other Proposer to put in a false or sham proposal and has not directly or indirectly colluded, conspired, connived, or agreed with any Proposer or anyone else to put in a sham proposal, or that anyone shall refrain from submitting a proposal; that said Proposer has not in any manner directly or indirectly sought by agreement, communication, or conference with anyone to fix the proposal price of said Proposer or of any other Proposer, or to fix any overhead, profit, or cost element of such proposal price, or of that of any other Proposer, or to secure any advantage against the public body awarding the Contract of anyone interested in the proposed Contract; that all statements contained in such proposal are true, and further, that said Proposer has not directly or indirectly submitted his proposal price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid and will not pay any fee in connection therewith, to any corporation, partnership, company, association, organization, proposal depository, or to any member or agent thereof, or to any other individual except to any person or persons as have a partnership or other financial interest with said Proposer in this general business.

The above Non-Collusion Affidavit is part of the proposal. Signing this proposal on the signature page thereof shall also constitute signature of this Non-Collusion Affidavit.

Proposers are cautioned that making a false certification may subject the certifier to criminal prosecution.



**Attachment 8.0-
Certification for Local Preference**



Proposer's Name Mid Valley Disposal

**ATTACHMENT 2
CERTIFICATION FOR LOCAL PREFERENCE FOR MULTI-FAMILY AND
COMMERCIAL SOLID WASTE, RECYCLABLE MATERIALS, AND ORGANIC
MATERIALS SERVICES**

We certify that we qualify as a local business pursuant to Fresno Municipal Code Section 3-109.1.

Location of Business:
(Please provide street address, no P.O. Box)

Primary Office
Branch Office
(Please mark as applicable)

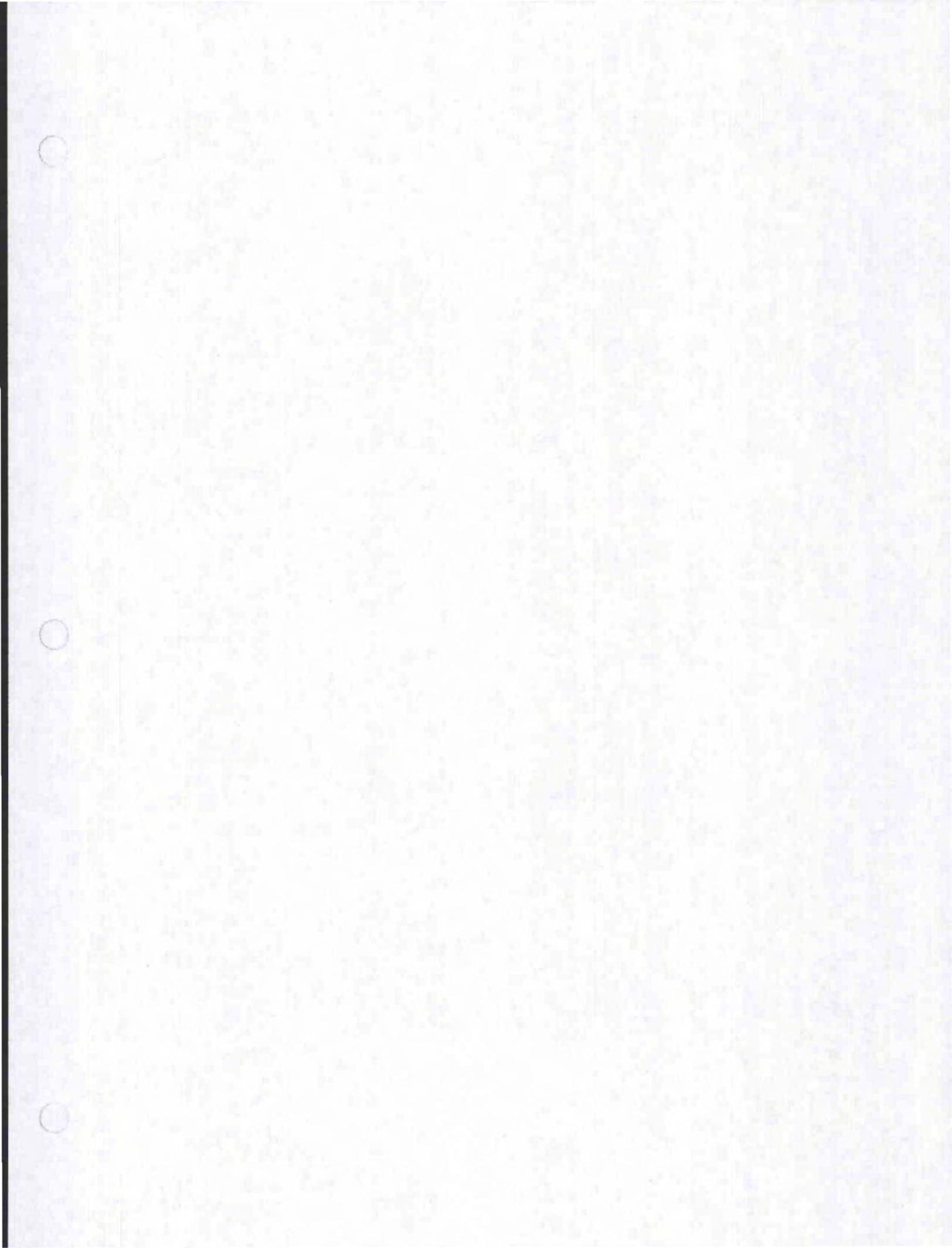
Address: 15300 West Jensen
Kerman, CA 93630
Phone: (559) 843-1467

The undersigned proposer hereby declares under penalty of perjury that the information contained on this Certification for Local Preference is correct and complete.

Dated: 8-20-2010

Jan 2 [Signature]
Signature
Vice President
Title

Proposers are cautioned that making a false certification may subject the certifying signatory to criminal prosecution.



**Attachment 9.0-
Letter of Commitment for a Performance Bond**



Mountain States Region
Bond Department
7670 South Chester Street, Suite 300
Englewood, CO 80112
T (303) 645 8500
F (866) 534 0254
www.hartfordbond.com



THE HARTFORD

August 19, 2010

Office of the Purchasing Manager
City of Fresno 2101 G Street, Building A
Fresno, CA 93706

RE: Mid Valley Disposal Inc. Collection, processing and disposal of multi-family and commercial solid waste, recyclable material, and organic materials.
Bid File #9133

To whom it may concern:

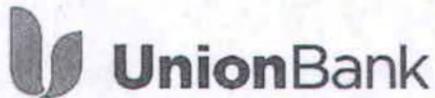
The Hartford will favorably consider a 100% Performance Bond and a 100% Payment Bond for the above captioned project, provided a contract is awarded to, and executed by Mid Valley Disposal, Inc.

Please understand that any arrangement for any bonds is a matter between Mid Valley Disposal, Inc. and Hartford Fire Insurance Company and we assume no liability to third parties or you if, for any reason, we do not issue requested bonds.

The Hartford expressly reserves the right to review the terms and conditions of the contract, contract amount and bond form, evaluate pertinent underwriting data, and verify the adequacy of project financing prior to the issuance of bonds for the referenced project. This letter will expire one hundred and eighty (180) days from the above date.

Very Truly Yours,

Shanon S. Dom
The Hartford



August 3, 2010

Mid-Valley Disposal
Mr. Joseph Kalpakoff,
Vice President & General Manager
15300 W. Jensen Ave
Kerman, CA 93630
Re.: City of Fresno – RFP for new contract

Dear Mr. Kalpakoff:

Based on the extensive information you have provided to Union Bank, N.A. ("Bank") including historical and projected financial statements for Mid-Valley Disposal along with our review of the Request for Proposal for the new City of Fresno contract, we would be interested in providing a long term credit facility sufficient to finance the acquisition of rolling stock, carts, containers and equipment required to service the City of Fresno contract. The amount of the credit facility is estimated not to exceed Seven Million Dollars (\$7,000,000.00) and would provide financing for two distinct Service Areas. Additionally, a credit facility will be made available for the issuance of a performance standby letter of credit in an amount sufficient to satisfy Section 12.5 of the City of Fresno Request For Proposal that requires a performance bond equal to one-quarter of the annual rate revenues collected in each Service Area.

It is our understanding that the City of Fresno contract will be for a minimum term of ten years commencing January 1, 2011. A final commitment and funding of the credit facility is subject to the Bank's receipt and satisfactory review of (i) projected financial statements based upon obtaining the City of Fresno Contract; (ii) the Bank reviewing the final City of Fresno contract agreement and insuring that the contract provides Mid-Valley Disposal with an adequate income stream over the contract term to service the debt under the Bank's credit facilities; and (iii) final Bank credit approval.

We look forward to working with you on the financing request for the new City of Fresno contract.

Very Truly Yours,

UNION BANK, N.A.

A handwritten signature in black ink, appearing to read 'Steven Peterson'.

Steven Peterson
Vice President

Central Valley South Commercial Banking
7108 North Fresno Street, Suite 200
Fresno, CA 93720

Tel 559 436 2728
Fax 559 436 2713

A member of NUFG, a global financial group

**Attachment 10.0-
Proposal Signature Page**



ATTACHMENT 3

PROPOSAL SIGNATURE PAGE

FOR MULTI-FAMILY AND COMMERCIAL SOLID WASTE, RECYCLABLE MATERIALS, AND ORGANIC MATERIALS SERVICES

By my signature on this proposal I certify, under penalty of perjury under the laws of the State of California, that the statements contained in this proposal are true and correct.

PROPOSAL SUBMITTED BY:

(Please follow the instructions for each line, as explained below.)

(1) Mid Valley Disposal (559) 843-2467 (559) 842-9436
Firm Phone Fax

(2) Corporation, CA
(Corp) (Individual) (Partner) (Other)

(3) 15300 West Jensen
Business Address

Keenan, CA 93630
City State Zip Code

(4) By: [Signature]
Signature of Authorized Person
Joseph Kalpakoff - Vice-President
Type or Print Name of Authorized Person and Title

Federal Tax I.D. No.: 77-0450019 Date: 8-20-2010

INSTRUCTIONS FOR SIGNATURE PAGE

CORPORATIONS: INCLUDE ACKNOWLEDGMENT OF SIGNATURE BY NOTARY IN CORPORATE FORM (See Line 4(a), of next page.)

INDIVIDUALS, PARTNERSHIPS OR JOINT VENTURES: INCLUDE ACKNOWLEDGMENT OF SIGNATURE BY NOTARY.

LINE 1: The name of the Proposer must be the same as that under which a license is issued, if a license is required. If the Proposer is a corporation, enter the exact name of the corporation under which it is incorporated; if Proposer is an individual, enter name; if Proposer is an individual operating under a trade name, enter name and dba (trade name in full); if a partnership, enter the correct trade style of the partnership; if a joint venture, enter exact names of entities joining in the venture.

ACKNOWLEDGMENT

State of California
County of Fresno

On August 20, 2010 before me, Ivette Rodriguez, Notary Public
(insert name and title of the officer)

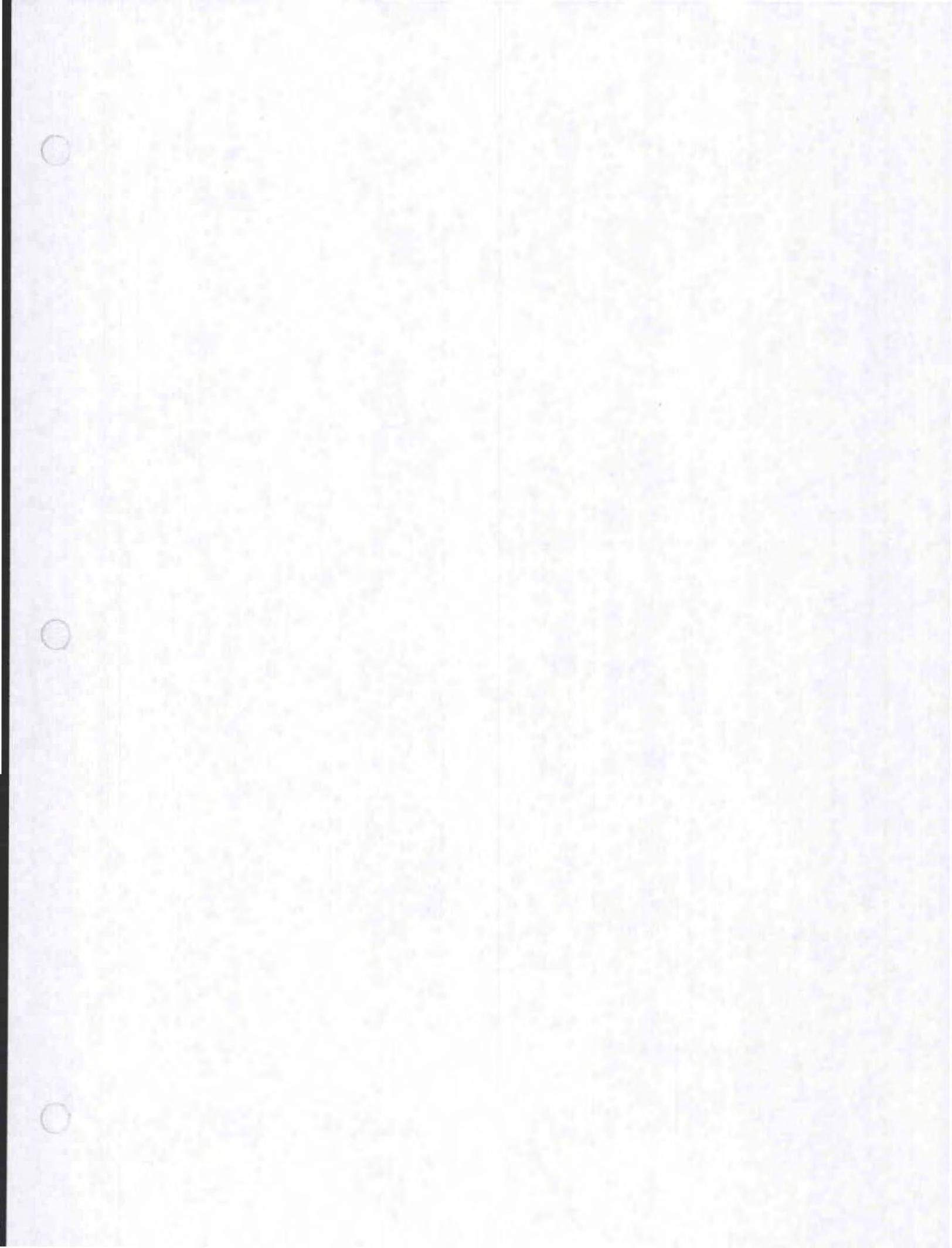
personally appeared Joseph Kalpakoff
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) 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 Ivette Rodriguez (Seal)





**Attachment 11.0-
Addenda Signature Pages**





Purchasing Division ♦ (559) 621-1332 ♦ FAX (559) 488-1069 ♦ www.ci.fresno.gov
2101 "G" Street, Bldg. A
Fresno, California 93706-1675

General Services Department
Kenneth A. Nerland
Director of General Services

ADDENDUM NO. 1

**RFP 9133
REQUEST FOR PROPOSALS
MULTI-FAMILY AND COMMERCIAL SOLID WASTE, RECYCLABLE MATERIALS, AND ORGANIC
MATERIALS SERVICES**

NOTICE TO ALL BIDDERS

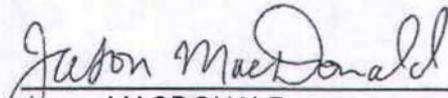
This Addendum is attached to and made a part of the above entitled specifications for the City of Fresno with an original scheduled bid opening of 3:00 P.M., August 20, 2010.

The pre-proposal conference remains as originally scheduled, on Thursday, July 22, 2010 at 10:00 AM. It will be held at the City of Fresno, Municipal Service Center at 2101 G Street, Building A,(downstairs) Fresno, CA 93706.

All changes will appear in **Bold** type.

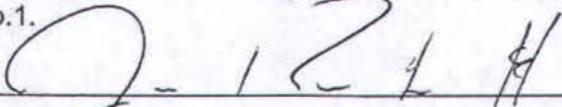
The pre-proposal meeting is NOT MANDATORY, however all interested proposers are highly encouraged to attend. The City may accept proposals received from proposers that do not attend the pre-proposal meeting; ~~however, the City reserves the right to determine that a proposal from a firm who did not attend this meeting is non-responsive solely on the basis of its lack of attendance~~

City of Fresno



Jason MACDONALD
Purchasing Manager

The bidder shall sign below indicating he/she has thoroughly read and understands the contents of this Addendum No.1.

Signed:  _____
Company: Mid Valley Disposal Date: 7/15/2010

This addendum is being distributed by BEING AVAILABLE FOR DOWNLOAD VIA POSTING ON CITY WEBSITE. The bidder shall submit a signed copy of this addendum with their bid.



Purchasing Division ♦ (559) 621-1332 ♦ FAX (559) 488-1069 ♦ www.ci.fresno.gov
2101 "G" Street, Bldg. A
Fresno, California 93706-1675

General Services Department
Kenneth A. Nerland
Director of General Services

ADDENDUM NO. 2

**RFP 9133
REQUEST FOR PROPOSALS
MULTI-FAMILY AND COMMERCIAL SOLID WASTE, RECYCLABLE MATERIALS, AND ORGANIC
MATERIALS SERVICES**

NOTICE TO ALL BIDDERS

This Addendum is attached to and made a part of the above entitled specifications for the City of Fresno with a scheduled bid opening of 3:00 P.M., August 20, 2010.

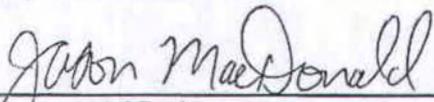
All clarifications will appear in **Underline** type with underline.

(from page 18)

Step One – Written Questions

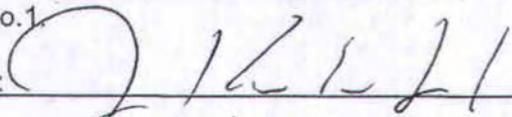
The City directs proposers to submit all questions and requests for information in writing to its consultant **the Purchasing Manager** and refrain from contacting **any other** City employees. Therefore, any questions, requests for clarification, or requests for additional information regarding the RFP should be submitted **electronically via email to purchasing@fresno.gov** via fax to the **attention of the Purchasing Manager** (see Section 1 for contact information) on or before **5:00 PM on Friday July 30, 2010.** **In the alternative, questions may be faxed to 559 488 1069.**

City of Fresno



Jason MACDONALD
Purchasing Manager

The bidder shall sign below indicating he/she has thoroughly read and understands the contents of this Addendum No. 1.

Signed:  _____
Company: Mid Valley Disposal Date: 7/22/2010

This addendum is being distributed by BEING AVAILABLE FOR DOWNLOAD VIA POSTING ON CITY WEBSITE. The bidder shall submit a signed copy of this addendum with their bid.



Purchasing Division ♦ (559) 621-1332 ♦ FAX (559) 488-1069 ♦ www.ci.fresno.gov
 2101 "G" Street, Bldg. A
 Fresno, California 93706-1675

General Services Department
 Kenneth A. Nerland
 Director of General Services

ADDENDUM NO. 3

RFP 9133
 REQUEST FOR PROPOSALS
 MULTI-FAMILY AND COMMERCIAL SOLID WASTE, RECYCLABLE MATERIALS, AND ORGANIC
 MATERIALS SERVICES

NOTICE TO ALL BIDDERS

This Addendum is attached to and made a part of the above entitled specifications for the City of Fresno with a scheduled bid opening of 3:00 P.M., August 20, 2010.

The attached 18 pages of clarifications are in response to the attached 9 pages of questions which were received prior to the pre-bid conference and are being responded to in advance of the Friday, July 30 deadline for all written questions. The City intends to address all previously submitted questions if not answered here, via additional addendum on Friday, August 6, 2010. Including the addendum, there are 29 total pages in Addendum No. 3.

Most answers here represent clarifications to existing specifications.

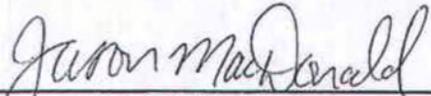
All changes will appear in **Bold** type with underline and are highlighted here:

1. "Franchise Agreement, Section 7.2.D. Please clarify this section. It talks about a billing review 'at least every other year' but then requires submittal of a report 'at the end of each Rate Period,' which would be yearly."
Answer: Section 7.2.D of the draft franchise agreement is hereby amended as follows:
"Review of Billings. Contractor shall review its Billings to Customers to determine (i) if the amount the Contractor is Billing each Customer is correct in terms of the level of service (i.e., frequency of Collection, size of Container, location of Container) Contractor is providing such Customer, and (ii) that all parties receiving service are invoiced for service. Contractor shall review Customer accounts at least every other year, unless City Contract Manager directs Contractor to do otherwise. Contractor shall submit to City Contract Manager every year, a written report of the billing review thirty (30) days after the end of each Rate Period. The scope of the review, the Contractor's work plan, and the format of the report (including supporting exhibits) shall be submitted to the City Contract Manager for approval no later than sixty (60) days prior to commencement of the Billing review process. The City may perform this review itself or through use of an agent. Should City or its agent perform this review and identify billing errors valued at one percent (1%) or more of gross annual Rate revenues, Contractor shall, in addition to compensating City for lost fees, reimburse the City's cost of the review, up to fifty thousand dollars (\$50,000)."

2. "Franchise Agreement, Section 8.1.C, last full line. Did the City intend to say, 'shall Contractor notice Customers more than three weeks prior?'"
Answer: Section 8.1.C of the draft franchise agreement is hereby amended as follows:
"Holiday Collection Schedule. Contractor, at its sole discretion, may choose not to provide Collection services on a Holiday. In such event, Contractor shall provide Collection services on the day following the Holiday. The Contractor shall provide Customers notice of Holiday-

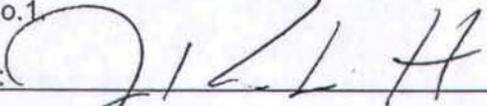
related changes in Collection schedules at least two weeks prior to the change; but in no case, shall Contractor notice Customers more than three weeks prior to the change."

City of Fresno



Jason MACDONALD
Purchasing Manager

The bidder shall sign below indicating he/she has thoroughly read and understands the contents of this Addendum No. 1.

Signed:  _____
Company: Mid Valley Disposal Date: 7/28/2010

This addendum is being distributed by BEING AVAILABLE FOR DOWNLOAD VIA POSTING ON CITY WEBSITE. The bidder shall submit a signed copy of this addendum with their bid.

Addenda to date: #1 July 28, 2010
#2 July 22, 2010



Purchasing Division ♦ (559) 621-1332 ♦ FAX (559) 488-1069 ♦ www.ci.fresno.gov
 2101 "G" Street, Bldg. A
 Fresno, California 93706-1675

General Services Department
 Kenneth A. Nerland
 Director of General Services

ADDENDUM NO. 4

RFP 9133
 REQUEST FOR PROPOSALS
 MULTI-FAMILY AND COMMERCIAL SOLID WASTE, RECYCLABLE MATERIALS, AND ORGANIC
 MATERIALS SERVICES

NOTICE TO ALL BIDDERS

This Addendum is attached to and made a part of the above entitled specifications for the City of Fresno with a scheduled bid opening of 3:00 P.M., August 20, 2010.

The following is provided as clarification:

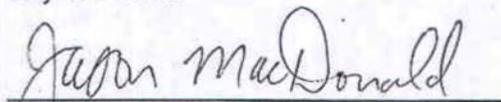
City staff has determined that bidders or bidders' representatives are researching existing City commercial routes and in doing so have approached City staff. **All proposers are reminded that the RFP document language includes a "no contact" with City staff clause.**

Additionally, for the protection of the safety of the public and City employees, the proposers and or their representatives, the following guidelines are requested to be observed:

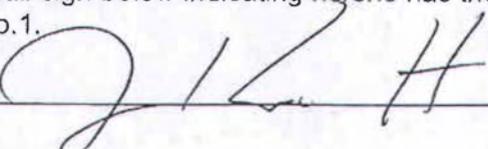
- Bidders or bidders' representatives are not to interfere with City employees while they are performing their job duties.
- Bidders or bidders' representatives are not to speak to City employees. Speaking to City employees will be interpreted as making contact with City employees or elected officials, and may disqualify the bidder from the RFP process see page 2 of the original RFP document.
- Bidders or bidders' representatives are to leave a minimum of 300 hundred feet in all directions between their vehicle and the City vehicle.
- Bidders or bidders' representatives are to notify Purchasing at least a day in advance if they wish to follow a City vehicle to make necessary notifications.

The above conditions are effective immediately as of Friday, August 6, 2010.

City of Fresno


 Jason MACDONALD
 Purchasing Manager

The bidder shall sign below indicating he/she has thoroughly read and understands the contents of this Addendum No.1.

Signed: 

Company: Mid Valley Disposal

Date: 8/6/2010

This addendum is being distributed by BEING AVAILABLE FOR DOWNLOAD VIA POSTING ON CITY WEBSITE. The bidder shall submit a signed copy of this addendum with their bid.

- Addenda to date:
- #1 August 6, 2010
 - #2 July 22, 2010
 - #3 July 28, 2010
 - #4 August 6, 2010
 - #5 August 6, 2010



Purchasing Division ♦ (559) 621-1332 ♦ FAX (559) 488-1069 ♦ www.ci.fresno.gov
2101 "G" Street, Bldg. A
Fresno, California 93706-1675

General Services Department
Kenneth A. Nerland
Director of General Services

ADDENDUM NO. 5
RFP 9133
REQUEST FOR PROPOSALS
MULTI-FAMILY AND COMMERCIAL SOLID WASTE, RECYCLABLE MATERIALS, AND ORGANIC MATERIALS SERVICES

NOTICE TO ALL BIDDERS

This Addendum is attached to and made a part of the above entitled specifications for the City of Fresno with a scheduled bid opening of 3:00 P.M., August 20, 2010.

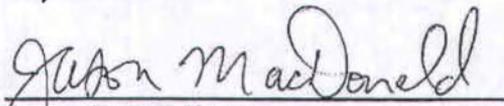
The attached 5 pages of clarifications are in response to the attached 3 pages of questions which were received following to the pre-bid conference and are being responded per the originally stated timeline of August 6, 2010. Including the addendum, there are 10 total pages in Addendum No. 5.

Most answers here represent clarifications to existing specifications.

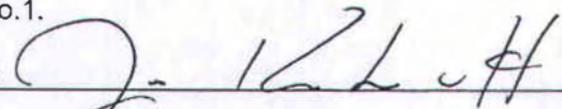
All changes will appear in **Bold** type with underline and are highlighted here:

1. Page 3 of the questions; #12 "Can the City provide us with Attachment 12 (City Service Locations) in Excel format?"
Answer: The City will provide this document as an informational item on the City's online bid management system. (this is being posted online as well as a separate document for download)
2. **The processing and disposal components of the rate (shown on forms 1a through 1h) should be multiplied by 4.33 to calculate a monthly rate. Currently, it is calculating the weekly processing or disposal cost, while the rate is for one month. Proposers should make the appropriate adjustment to the rate forms to reflect that 4.33 multiplier.**

City of Fresno


Jason MACDONALD
Purchasing Manager

The bidder shall sign below indicating he/she has thoroughly read and understands the contents of this Addendum No.1.

Signed: 
Company: Mid Valley Disposal Date: 8/10/2010

This addendum is being distributed by BEING AVAILABLE FOR DOWNLOAD VIA POSTING ON CITY



Purchasing Division ♦ (559) 621-1332 ♦ FAX (559) 488-1069 ♦ www.ci.fresno.gov
2101 "G" Street, Bldg. A
Fresno, California 93706-1675

General Services Department
Kenneth A. Nerland
Director of General Services

ADDENDUM NO. 6

**RFP 9133
REQUEST FOR PROPOSALS
MULTI-FAMILY AND COMMERCIAL SOLID WASTE, RECYCLABLE MATERIALS, AND ORGANIC
MATERIALS SERVICES**

NOTICE TO ALL BIDDERS

This Addendum is attached to and made a part of the above entitled specifications for the City of Fresno with a scheduled bid opening of 3:00 P.M., August 20, 2010.

The following is provided as clarification:

Proposers should adjust the "City Fees" section of Cost Form 8 to include the fees described in the RFP and may adjust the formula (Cell G86) to calculate the Agreement or Franchise Fee as \$500,000 per year if 10% of the Gross Receipts would generate less than \$500,000 in franchise fees. Franchise fees should be calculated as a percentage of gross receipts, including all City Fees. Therefore, the formula used in the provided cost forms, which includes those other City Fees in the calculation, is correct and should not be adjusted unless the resultant franchise fee is less than the \$500,000 per year per quadrant minimum. If proposers make changes to this section that the evaluators determine to be erroneous, the City will issue a request for clarification to the proposer(s) and such proposers will not be penalized.

Proposers using older versions of Microsoft Excel (prior to 2007) may see formula errors where "IFERROR" or other advanced features were used. Proposers may delete these advanced formulas, provided that the deletion of the formula does not impact the calculated costs.

City of Fresno

Jason MACDONALD
Purchasing Manager

The bidder shall sign below indicating he/she has thoroughly read and understands the contents of this Addendum No.1.

Signed: J. [Signature]
Company: Mid Valley Disposal Date: 8/17/2010

This addendum is being distributed by BEING AVAILABLE FOR DOWNLOAD VIA POSTING ON CITY WEBSITE. The bidder shall submit a signed copy of this addendum with their bid.

- Addenda to date:
- #1 August 17, 2010
 - #2 July 22, 2010
 - #3 July 28, 2010
 - #4 August 6, 2010
 - #5 August 6, 2010
 - #6 August 17, 2010



	Sterling, Amrep cable rolloff, 2008
	City of Fresno Commercial trucks
	Peterbuilt 320, Amrep side loader, 2008

Specifications (including depreciable life reflected in cost proposals on Form 8)

	Rotonics Manufacturing, CA
	Consolidated Manufacturing, CA
	Consolidated Manufacturing, CA
	Ace Compactor Sales, Clovis Ca

Handling

	Mid Valley Disposal Recycling and Transfer Station
	Mid Valley Disposal Recycling and Transfer Station
	Mid Valley Disposal Recycling and Transfer Station
	15300 W Jensen Ave Kerman CA 93630
	Direct Haul

Location

ing, Maintenance, Washing, etc.	3444 W. Whitesbridge Ave. Fresno, CA 93706 15300 W Jensen Ave Ker
--	--

Information								
Counts/customers	2375	576		2150	1414			
Information								
Time personnel	0.8	0.2		12	2			
\$/person	9.00	9.00		9.00	9.00			
Hours/year	1,872.0	468.0	0.0	28,080.0	4,680.0	0.0	0.0	0.0
Information								
Rate per								
Weekday	2.00	1.00		14.60	4.00			
Saturday	1.00	1.00		1.00	1.00			
Sunday								
Rate per								
Weekday	1.00	1.00		1.00	1.00			
Saturday	1.00	1.00		1.00	1.00			
Sunday								
\$/day/route per								
Weekday	6.00	9.00		8.00	8.00			
Saturday	4.00	9.00		8.00	8.00			
Sunday								
\$/year per								
Weekday	3,120.00	2,340.00	0.00	30,368.00	8,320.00	0.00	0.00	0.00
Saturday	208.00	468.00	0.00	416.00	416.00	0.00	0.00	0.00
Sunday	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	3,328.00	2,808.00	0.00	30,784.00	8,736.00	0.00	0.00	0.00
Per week for all routes	1.60	1.35	0.00	14.80	4.20	0.00	0.00	0.00
Per year for all routes	2,399	582		4,077	2,133			
Per route hour	124,748	30,264	0	212,004	110,916	0	0	0
Per route hour	37.48	10.78	0.00	6.89	12.70	0.00	0.00	0.00
Information (annual)								
Collected	3,727	0	0	34,185	0	0	0	0
Materials collected		236			5,109			
Assets collected			400					
Total	3,727	236	400	34,185	5,109	0	0	0
Value disposed								
Line 23+24-26)	0	236	400	0	5,109	0	0	0

equal Line 2 * Line 3 * 260 days

- 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 et
- Data to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.

13 - Identify number of hours per day each route will take to complete (including collection time and hauling time to transfer station, landfill, or processing site).

equal Line 5 * Line 11 * 260 days

equal Line 6 * Line 12 * 52 weeks

equal Line 7 * Line 13 * 52 weeks

equal Line 14 + Line 15 + Line 16

equal Line 17 / 2,080 hours

to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.

to be input by proposer and should equal Line 24 * 52 weeks. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.

equal Line 20/ Line 17

to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.

to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.

to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.

equal Line 22 + Line 23 + Line 24

to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.

equal Line 23 + Line 24 - Line 26

and return etc.

Equivalent (FTE) = 40 hours per week, 2,080 hours per year

Form 5 - Proposed Labor Requirements

Proposer Name: Mid Valley Disposal Alt Bid

Service Area No. 1

Service Area No. 3

Service Area No. 2

Service Area No. 4

Route Personnel (include casual/permanent pool)	Proposed FTE
Solid Waste Cart Service	0.8
Solid Waste Bin Service	11
Solid Waste Roll-Off Service	
Recyclable Materials Cart Service	0.2
Recyclable Materials Bin Service	3
Organic Materials Cart Service	
Organic Materials Bin Service	
Organic Materials Roll-Off Service	
Subtotal	15
Other Personnel	Proposed FTE
CEO/COO	*
General Manager	*
Controller	*
Office Manager	*
Operations Manager	1
Operations/Route Supervisor	1
Dispatcher	0.5
Container Distribution	1
Operations Clerk	*
Community Relations Manager	*
Recycling/Public Ed. Coordinator	1
Customer Service Supervisor	*
Customer Service Representatives	1
Inside Sales	*
Billing and Collections Manager	*
Accounting Clerk	*
Receptionist	*
Safety Manager	
Maintenance Supervisor	0.2
Shop Foreman	*
Yard Personnel	1
Maintenance Personnel	1.5
Recycling Manager	1
Other: _____	
Other: _____	
Other: _____	
Subtotal	9.2
Total	24.2

LABOR ASSUMPTIONS

Service Area No. 1 Service Area No. 3

Service Area No. 2 Service Area No. 4

Proposer Name: Mid Valley Disposal

Wages/ Salary	Driver Wages per Hour	\$ 18.00
	Container Delivery Wages per Hour	\$ 16.00
	Dispatcher Wages per Hour	\$ 18.00
	Supervisor Salary per Year	\$ 50,000
	Ops Manager Salary per Year	\$ 75,000
Bonus	Driver Annual Bonus (\$)	\$2,000.00
	Support Staff Annual Bonus (\$)	\$1,000.00
	Salaried Bonus (%)	3%
Benefits	401(k)/Pension Contribution (% of Regular Wages)	4%
	Health & Welfare Benefits (\$ per Employee/Yr.)	\$ 5,000
	Uniforms (\$ per Employee/Yr.)	\$ 125.00
Work Rules	Overtime Premium %	50%
	Driver Hours per Day	9
	Support Staff Hours per Day	8
	Collection Days per Year	260
	Paid Time Off Days per Year	14

Form 6 - Capital Requirements

Proposer Name: Mid Valley Disposal Alt Bid

Service Area No. 1

Service Area No. 3

Service Area No. 2

Service Area No. 4

Collection Vehicles	Quantity			Total Proposed \$
	Regular	Spare	Total	
Side/Rear-Loader	1		1	\$146,000
Front-End Loaders	10	1	11	\$1,755,000
Roll-Off				
Other Vehicles	Regular	Spare	Total	Total Proposed \$
Transfer Vehicles				
Pickup Trucks	1		1	\$30,000
Container Distribution	1		1	\$50,000
Mobile Service Truck				
Containers	Regular	Spare	Total	Total Proposed \$
Carts	1360	50	1410	\$1,512,000
Bins	1317	50	1367	\$60,000
Roll-Off Boxes				
Compactor Bins				
Compactor Roll-Off Boxes				
Other	Total Proposed \$			
Shop Equipment				
Fueling Equipment				
Computer and Office Equipment				
Start-up Capital				
Total				\$3,553,000

PRIMARY (Total Costs from Forms 8A through 8D)

	Year 1
Labor-Related Costs (include regular & pool personnel)	
Regular Wages	\$549,176
Overtime Wages	\$102,970
Holiday Wages	\$13,504
Vacation Wages	\$22,507
Sick Leave Wages	\$0
Workers Compensation Insurance Premiums	\$60,467
Workers Compensation Claims	\$2,218
Health & Welfare	\$73,620
Pension/ Retirement Benefits	\$28,542
Payroll Taxes	\$60,104
Other (Please List)	\$0
Total Labor Related-Costs	\$913,109
Vehicle-Related Costs (do not include depreciation)	
Tires & Tubes	\$47,840
Parts & Supplies (fluid, oil, etc.)	\$312,000
Taxes & Licenses	\$32,500
Other (Please List)	\$2,276
Total Vehicle-Related Costs	\$394,616
Costs	\$435,540
Other Costs	
Liability & Property Damage Insurance	\$0
Equipment Insurance	\$52,000
Training & Safety Programs	\$10,000
Uniforms	\$1,755
Other (Please List)	(\$100,000)
Total Other Costs	(\$36,245)
Direct Depreciation	
Container Depreciation	\$92,974
Route Vehicle Depreciation	\$144,784
Other Depreciation	\$0
Total Direct Depreciation	\$237,758
Allocated Costs - Labor, Vehicle, Fuel & Other Costs	
From General and Administrative (6D)	\$907,652
From Vehicle Maintenance (6D)	\$178,700
From Container Maintenance (6D)	\$181,398
Total Allocated Costs - Labor, Vehicle, Fuel & Other Costs	\$1,267,750

From General and Administrative (6D)		\$35,500
From Vehicle Maintenance (6D)		\$0
From Container Maintenance (6D)		\$0
Total Allocated Costs - Depreciation and Start-Up Costs		\$35,500
Total Annual Cost of Operations		\$3,248,027
Profit (% Operating Ratio; i.e. 95%):	0.92 %	\$300,468
Total Annual Cost	\$ 28.70 /ton	\$1,088,075
Processing Costs		
Recyclables Processing Costs	\$ - /ton	\$0
Organics Processing Costs	\$ 20.00 /ton	\$8,000
Total Net Processing Costs		\$8,000
Total Interest Expense		\$182,926
Total Direct Lease Costs		\$0
Route Vehicles		\$0
Other (Please List)		\$0
Total Allocated Lease Costs		\$0
Total Pass-Through Costs		\$1,279,001
Total Cost Before City Fees	0.2407	\$4,827,496
City Fees		
City fees 19.4% (Franchise, AB 939, Contract Mgt)		\$1,161,978
AB 939 Fee		\$0
Contract Management & Enforcement Fee		\$0
Shedding Fee		\$0
Landfill Maintenance Fee		\$0
Landfill Closure Fee		\$0
Landfill Debt Service Fee		\$0
Total City Fees		\$1,161,978
Total Proposed Annual Cost		\$5,989,474

Total Labor Related-Costs		\$33,544	\$26,991	\$339
Vehicle-Related Costs (do not include depreciation)				
Tires & Tubes		\$2,113	\$1,546	\$21
Parts & Supplies (fluid, oil, etc.)		\$13,781	\$10,080	\$139
Taxes & Licenses		\$1,436	\$1,050	\$15
Other (Please List)		\$101	\$74	\$1
Total Vehicle-Related Costs		\$17,430	\$12,750	\$176
Fuel		\$15,837	\$17,202	\$500
Other Costs				
Liability & Property Damage Insurance		\$0	\$0	
Equipment Insurance		\$2,297	\$1,680	\$23
Training & Safety Programs		\$1,148	\$840	\$12
Uniforms		\$67	\$49	\$1
City processing Fees			\$1,180	
City Royalty Fee			\$1,180	
Recycling Commodity Sales			(\$2,000)	
Total Other Costs		\$3,513	\$2,929	\$35
Direct Depreciation				
Container Depreciation		\$39,257	\$28,715	\$397
Route Vehicle Depreciation		\$8,502	\$6,219	\$86
Other Depreciation				
Total Direct Depreciation		\$47,760	\$34,934	\$482
Allocated Costs - Labor, Vehicle, Fuel & Other Costs				
From General and Administrative (6D)		\$45,383	\$33,583	\$0
From Vehicle Maintenance (6D)		\$8,935	\$6,612	\$0
From Container Maintenance (6D)		\$9,070	\$6,712	\$0
Total Allocated Costs - Labor, Vehicle, Fuel & Other		\$63,388	\$46,907	\$0
Allocated Costs - Depreciation and Start-Up Costs				
From General and Administrative (6D)		\$1,775	\$1,314	\$0
From Vehicle Maintenance (6D)		\$0	\$0	\$0
From Container Maintenance (6D)		\$0	\$0	\$0
Total Allocated Costs - Depreciation and Start-Up		\$1,775	\$1,314	\$0
Total Operating Costs		\$183,246	\$143,026	\$1,533
Profit (% Operating Ratio; i.e. 95%):	0.92 %	\$15,934	\$12,437	\$133
Disposal Costs	\$ 28.70 /ton	\$62,040	\$44,925	
Net Processing Costs				
Recyclables Processing Costs	/ton			
Organics Processing Costs	\$ 20.00 /ton			\$8,000
Total Net Processing Costs		\$0	\$0	\$8,000

Other (Please List)				
Total Labor Related-Costs		\$474,373	\$377,862	\$0
Vehicle-Related Costs (do not include depreciation)				
Tires & Tubes		\$25,613	\$18,547	
Parts & Supplies (fluid, oil, etc.)		\$167,040	\$120,960	
Taxes & Licenses		\$17,400	\$12,600	
Other (Please List)		\$1,218	\$882	
Total Vehicle-Related Costs		\$211,271	\$152,989	\$0
Fuel		\$192,695	\$209,306	
Other Costs				
Liability & Property Damage Insurance		\$0	\$0	
Equipment Insurance		\$27,840	\$20,160	
Training & Safety Programs		\$4,640	\$3,360	
Uniforms		\$950	\$688	
City processing Fees			\$25,545	
City Royalty Fee			\$25,545	
Recycling Commodity Sales			(\$98,000)	
Total Other Costs		\$33,430	(\$22,702)	\$0
Direct Depreciation				
Container Depreciation		\$75,868	\$54,939	
Route Vehicle Depreciation		\$103,053	\$74,624	
Other Depreciation				
Total Direct Depreciation		\$178,921	\$129,563	\$0
Allocated Costs - Labor, Vehicle, Fuel & Other Costs				
From General and Administrative (6D)		\$481,056	\$347,631	\$0
From Vehicle Maintenance (6D)		\$94,711	\$68,442	\$0
From Container Maintenance (6D)		\$96,141	\$69,475	\$0
Total Allocated Costs - Labor, Vehicle, Fuel & Other		\$671,908	\$485,548	\$0
Allocated Costs - Depreciation and Start-Up Costs				
From General and Administrative (6D)		\$18,815	\$13,597	\$0
From Vehicle Maintenance (6D)		\$0	\$0	\$0
From Container Maintenance (6D)		\$0	\$0	\$0
Total Allocated Costs - Depreciation and Start-Up		\$18,815	\$13,597	\$0
Total Operating Costs		\$1,781,413	\$1,346,162	\$0
Profit (% Operating Ratio; i.e. 95%):	0.92 %	\$154,905	\$117,058	\$0
Disposal Costs	\$ 28.70 /ton	\$981,110		
Net Processing Costs				
Recyclables Processing Costs	/ton			
Organics Processing Costs	\$ 20.00 /ton			

Other (Please List)			\$0
Total Labor Related-Costs		\$0	\$0
Vehicle-Related Costs (do not include depreciation)			
Tires & Tubes			\$0
Parts & Supplies (fluid, oil, etc.)			\$0
Taxes & Licenses			\$0
Other (Please List)			\$0
Total Vehicle-Related Costs		\$0	\$0
Fuel			\$0
Other Costs			
Liability & Property Damage Insurance			\$0
Equipment Insurance			\$0
Training & Safety Programs			\$0
Uniforms			\$0
Other (Please List)			\$0
Total Other Costs		\$0	\$0
Direct Depreciation			
Container Depreciation			\$0
Route Vehicle Depreciation			\$0
Other Depreciation			\$0
Total Direct Depreciation		\$0	\$0
Allocated Costs - Labor, Vehicle, Fuel & Other Costs			
From General and Administrative (6D)		\$0	\$0
From Vehicle Maintenance (6D)		\$0	\$0
From Container Maintenance (6D)		\$0	\$0
Total Allocated Costs - Labor, Vehicle, Fuel & Other		\$0	\$0
Allocated Costs - Depreciation and Start-Up Costs			
From General and Administrative (6D)		\$0	\$0
From Vehicle Maintenance (6D)		\$0	\$0
From Container Maintenance (6D)		\$0	\$0
Total Allocated Costs - Depreciation and Start-Up		\$0	\$0
Total Operating Costs		\$0	\$0
Profit (% Operating Ratio; i.e. 95%):	<u>1 %</u>	\$0	\$0
Disposal Costs	<u>\$ 28.70 /ton</u>		\$0
Net Processing Costs			
Recyclables Processing Costs	<u>\$ - /ton</u>		\$0
Organics Processing Costs	<u>\$ 20.00 /ton</u>		\$0
Total Net Processing Costs		\$0	\$0

Overtime Wages	\$0	\$13,725	\$31,842
Holiday Wages	\$4,272	\$2,280	\$576
Vacation Wages	\$7,120	\$3,800	\$960
Sick Leave Wages	\$0	\$0	\$0
Workers Compensation Insurance Premiums	\$16,266	\$9,887	\$2,579
Workers Compensation Claims	\$0	\$0	\$0
Pension/ Retirement Benefits	\$7,405	\$4,501	\$1,174
Payroll Taxes	\$16,661	\$10,127	\$2,642
Health & Welfare	\$23,200	\$8,160	\$4,800
Total Labor Related-Costs	\$248,652	\$145,200	\$67,997
Vehicle-Related Costs			
Tires & Tubes			
Parts			
Parts & Supplies (fluid, oil, etc.)			
Total Vehicle-Related Costs	\$0	\$0	\$0
Fuel Costs			
Other Costs			
Liability & Property Damage Insurance	\$150,000		
Equipment Insurance			
Rent	\$6,000	\$31,500	\$3,500
Utilities			
Telephone			
Non-vehicle Related Supplies	\$26,000		\$84,000
Non-vehicle Related Taxes & Licenses			\$23,901
Training & Safety Programs		\$2,000	\$2,000
Initial Public Education & Outreach	\$24,000		
Continuing Public Education & Outreach	\$26,000		
Uniforms			
Bad Debt	\$100,000		
Performance Bond	\$27,000		
Corporate Overhead Charge (Please List)	\$300,000		
Other (Please List)			
Total Other Costs	\$659,000	\$33,500	\$113,401
Total Labor, Vehicle, Fuel, and Other Costs	\$907,652	\$178,700	\$181,398
Depreciation (non-route specific) and Start-Up Costs			
Vehicle Depreciation			
Other Depreciation	\$28,000		
Procurement Cost Reimbursement	\$7,500		
Total Depreciation and Start-Up Costs	\$35,500	\$0	\$0
Lease Costs			

Total Labor, Vehicle, Fuel & Other Costs Allocated Out	100.00%	\$907,652	\$178,700	\$181,398
Depreciation and Start-Up Costs Allocated Out				
To Solid Waste Cart Service (6A)	5.00%	\$1,775	\$0	\$0
To Recyclable Materials Cart Service (6A)	3.70%	\$1,314	\$0	\$0
To Organic Materials Cart Service(6A)	0.00%	\$0	\$0	\$0
To Solid Waste Bin Service (6B)	53.00%	\$18,815	\$0	\$0
To Recyclable Materials Bin Service (6B)	38.30%	\$13,597	\$0	\$0
To Organic Materials Bin Service (6B)	0.00%	\$0	\$0	\$0
To Solid Waste Roll-Off Service (6C)	0.00%	\$0	\$0	\$0
To Organic Materials Roll-Off Service (6C)	0.00%	\$0	\$0	\$0
Total Depreciation and Start-Up Costs Allocated Out	100.00%	\$35,500	\$0	\$0
Lease Costs Allocated Out				
To Solid Waste Cart Service (6A)	0.00%	\$0	\$0	\$0
To Recyclable Materials Cart Service (6A)	0.00%	\$0	\$0	\$0
To Organic Materials Cart Service(6A)	0.00%	\$0	\$0	\$0
To Solid Waste Bin Service (6B)	0.00%	\$0	\$0	\$0
To Recyclable Materials Bin Service (6B)	0.00%	\$0	\$0	\$0
To Organic Materials Bin Service (6B)	0.00%	\$0	\$0	\$0
To Solid Waste Roll-Off Service (6C)	0.00%	\$0	\$0	\$0
To Organic Materials Roll-Off Service (6C)	0.00%	\$0	\$0	\$0
Total Lease Costs Allocated Out	0.00%	\$0	\$0	\$0
Total Allocated Out		\$943,152	\$178,700	\$181,398

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

	Sterling, Amrep calbe rolloff, 2008
	City of Fresno Commercial trucks
	Peterbuilt 320, Amrep side loader, 2008

Specifications (including depreciable life reflected in cost proposals on Form 8)

	Rotonices Manufacturing, CA
	Consolidated Manufacturing, CA
	Consolidated Manufacturing, CA
	Ace Compactor Sales, Clovis Ca

Handling

	Mid Valley Disposal Recycling and Transfer Station
	Mid Valley Disposal Recycling and Transfer Station
	Mid Valley Disposal Recycling and Transfer Station
	15300 W Jensen Ave Kerman CA 93630
	Direct Haul

Other

ing, Maintenance, Washing, etc.	3444 W. Whitesbridge Ave. Fresno, CA 93706 15300 W Jensen Ave Ker
--	--

Information								
counts/customers	1272	365		2163	1243			
Information								
costs/personnel	1	0.2		11	2			
\$/person	9.00	9.00		9.00	9.00			
\$/year	1,872.0	468.0	0.0	25,740.0	4,680.0	0.0	0.0	0.0
Information								
Rate per								
Weekday	2.00	1.00		16.60	3.60			
Saturday	1.00			2.00				
Sunday								
Rate per								
Weekday	1.00	1.00		1.00	1.00		1.00	
Saturday	1.00	1.00		1.00	1.00			
Sunday								
\$/day/route per								
Weekday	4.00	5.00		4.00	5.00			
Saturday	8.00			8.00				
Sunday								
\$/year per								
Weekday	2,080.00	1,300.00	0.00	17,264.00	4,680.00	0.00	0.00	0.00
Saturday	416.00	0.00	0.00	832.00	0.00	0.00	0.00	0.00
Sunday	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	2,496.00	1,300.00	0.00	18,096.00	4,680.00	0.00	0.00	0.00
Cost per week for all routes	1.20	0.63	0.00	8.70	2.25	0.00	0.00	0.00
Cost per year for all routes	1,868	369		4,199	1,868			
Cost per route hour	38.92	14.76	0.00	12.07	20.76	0.00	0.00	0.00
Information (annual)								
Materials collected	1,928	0	0	38,825	0	0	0	0
Materials collected		162			4,606			
Materials collected			425					
Total	1,928	162	425	38,825	4,606	0	0	0
Materials disposed								
Line 23+24-26)	0	162	425	0	4,606	0	0	0

equal Line 2 * Line 3 * 260 days

- 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 et
- Data to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.

13 - Identify number of hours per day each route will take to complete (including collection time and hauling time to transfer station, landfill, or processing site).

equal Line 5 * Line 11 * 260 days

equal Line 6 * Line 12 * 52 weeks

equal Line 7 * Line 13 * 52 weeks

equal Line 14 + Line 15 + Line 16

equal Line 17 / 2,080 hours

to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.

to be input by proposer and should equal Line 24 * 52 weeks. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.

equal Line 20 / Line 17

to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.

to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.

to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.

equal Line 22 + Line 23 + Line 24

to be input by proposer. Data should reflect the assumptions used for the basis of the costs proposed in Forms 6A - 6C.

equal Line 23 + Line 24 - Line 26

and return etc.

Equivalent (FTE) = 40 hours per week, 2,080 hours per year

Form 5 - Proposed Labor Requirements

Proposer Name: Mid Valley Disposal Alt Bid

Service Area No. 1

Service Area No. 3

Service Area No. 2

Service Area No. 4

Route Personnel (include casual/permanent pool)	Proposed FTE
Solid Waste Cart Service	0.8
Solid Waste Bin Service	10
Solid Waste Roll-Off Service	
Recyclable Materials Cart Service	0.2
Recyclable Materials Bin Service	3
Organic Materials Cart Service	
Organic Materials Bin Service	
Organic Materials Roll-Off Service	
Subtotal	14
Other Personnel	Proposed FTE
CEO/COO	*
General Manager	*
Controller	*
Office Manager	*
Operations Manager	1
Operations/Route Supervisor	1
Dispatcher	0.5
Container Distribution	1
Operations Clerk	*
Community Relations Manager	*
Recycling/Public Ed. Coordinator	1
Customer Service Supervisor	*
Customer Service Representatives	1
Inside Sales	*
Billing and Collections Manager	*
Accounting Clerk	*
Receptionist	*
Safety Manager	
Maintenance Supervisor	0.2
Shop Foreman	*
Yard Personnel	1
Maintenance Personnel	1.5
Recycling Manager	1
Other: _____	
Other: _____	
Other: _____	
Subtotal	9.2
Total	23.2

ASSUMPTIONS

Service Area No. 1 Service Area No. 3

Service Area No. 2 Service Area No. 4

Proposer Name: Mid Valley Disposal

Wages/ Salary	Driver Wages per Hour	\$ 18.00
	Container Delivery Wages per Hour	\$ 16.00
	Dispatcher Wages per Hour	\$ 18.00
	Supervisor Salary per Year	\$ 50,000
	Ops Manager Salary per Year	\$ 75,000
Bonus	Driver Annual Bonus (\$)	\$1,000.00
	Support Staff Annual Bonus (\$)	\$ 500.00
	Salaried Bonus (%)	3%
Benefits	401(k)/Pension Contribution (% of Regular Wages)	4%
	Health & Welfare Benefits (\$ per Employee/Yr.)	\$ 5,000
	Uniforms (\$ per Employee/Yr.)	\$ 125.00
Work Rules	Overtime Premium %	50%
	Driver Hours per Day	9
	Support Staff Hours per Day	8
	Collection Days per Year	260
	Paid Time Off Days per Year	14

Form 6 - Capital Requirements

Proposer Name: Mid Valley Disposal Alt Bid

Service Area No. 1

Service Area No. 3 [

Service Area No. 2

Service Area No. 4 [

Collection Vehicles	Quantity			Total Proposed \$
	Regular	Spare	Total	
Side/Rear-Loader	1		1	\$146,000
Front-End Loaders	10	1	11	\$1,755,000
Roll-Off				
Other Vehicles	Regular	Spare	Total	Total Proposed \$
Transfer Vehicles				
Pickup Trucks	1		1	\$30,000
Container Distribution	1		1	\$50,000
Mobile Service Truck				
Containers	Regular	Spare	Total	Total Proposed \$
Carts	1360	50	1410	\$1,512,000
Bins	1317	50	1367	\$60,000
Roll-Off Boxes				
Compactor Bins				
Compactor Roll-Off Boxes				
Other				Total Proposed \$
Shop Equipment				
Fueling Equipment				
Computer and Office Equipment				
Start-up Capital				
Total				\$3,553,000

PRIMARY (Total Costs from Forms 8A through 8D)

Year 1

Labor-Related Costs (include regular & pool personnel)

Regular Wages	\$549,176
Overtime Wages	\$102,970
Holiday Wages	\$13,504
Vacation Wages	\$22,507
Sick Leave Wages	\$0
Workers Compensation Insurance Premiums	\$60,467
Workers Compensation Claims	\$2,218
Health & Welfare	\$73,620
Pension/ Retirement Benefits	\$28,542
Payroll Taxes	\$60,104
Other (Please List)	\$0
Total Labor Related-Costs	\$913,109

Vehicle-Related Costs (do not include depreciation)

Tires & Tubes	\$47,840
Parts & Supplies (fluid, oil, etc.)	\$312,000
Taxes & Licenses	\$32,500
Other (Please List)	\$2,276
Total Vehicle-Related Costs	\$394,616

Subtotal Costs	\$419,519
-----------------------	------------------

Other Costs

Liability & Property Damage Insurance	\$0
Equipment Insurance	\$52,000
Training & Safety Programs	\$10,000
Uniforms	\$1,755
Other (Please List)	(\$100,000)
Total Other Costs	(\$36,245)

Direct Depreciation

Container Depreciation	\$85,387
Route Vehicle Depreciation	\$144,480
Other Depreciation	\$0
Total Direct Depreciation	\$229,867

Allocated Costs - Labor, Vehicle, Fuel & Other Costs

From General and Administrative (6D)	\$859,652
From Vehicle Maintenance (6D)	\$178,700
From Container Maintenance (6D)	\$180,119
Total Allocated Costs - Labor, Vehicle, Fuel & Other Costs	\$1,218,471

From General and Administrative (6D)		\$55,500
From Vehicle Maintenance (6D)		\$0
From Container Maintenance (6D)		\$0
Allocated Costs - Depreciation and Start-Up Costs		\$35,500
Annual Cost of Operations		\$3,174,837
Cost as a % of Operating Ratio; i.e. 95%:	0.92 %	\$293,361
Variable Cost	\$ 28.70 /ton	\$1,169,611
Processing Costs		
Recyclables Processing Costs	\$ - /ton	\$0
Organics Processing Costs	\$ 20.00 /ton	\$8,500
Net Processing Costs		\$8,500
Interest Expense		\$177,787
Direct Lease Costs		
Route Vehicles		\$0
Other (Please List)		\$0
Direct Lease Costs		\$0
Allocated Lease Costs		
From General and Administrative (6D)		\$0
From Vehicle Maintenance (6D)		\$0
From Container Maintenance (6D)		\$0
Allocated Lease Costs		\$0
Pass-Through Costs		\$1,355,898
Cost Before City Fees	0.2407	\$4,824,096
City Fees		
City fees 19.4% (Franchise, AB 939, Contract Mgt)		\$1,161,160
AB 939 Fee		\$0
Contract Management & Enforcement Fee		\$0
Shedding Fee		\$0
Landfill Maintenance Fee		\$0
Landfill Closure Fee		\$0
Landfill Debt Service Fee		\$0
Total City Fees		\$1,161,160
Proposed Annual Cost		\$5,985,256

Total Labor Related-Costs		\$33,544	\$26,991	\$339
Vehicle-Related Costs (do not include depreciation)				
Tires & Tubes		\$2,113	\$1,546	\$21
Parts & Supplies (fluid, oil, etc.)		\$13,781	\$10,080	\$139
Taxes & Licenses		\$1,436	\$1,050	\$15
Other (Please List)		\$101	\$74	\$1
Total Vehicle-Related Costs		\$17,430	\$12,750	\$176
Fuel		\$15,314	\$16,802	\$155
Other Costs				
Liability & Property Damage Insurance		\$0	\$0	
Equipment Insurance		\$2,297	\$1,680	\$23
Training & Safety Programs		\$1,148	\$840	\$12
Uniforms		\$67	\$49	\$1
City Processing Fees			\$810	
City Royalty fee			\$810	
Recycling Commodity Sales			(\$2,000)	
Total Other Costs		\$3,513	\$2,189	\$35
Direct Depreciation				
Container Depreciation		\$34,801	\$25,455	\$352
Route Vehicle Depreciation		\$8,502	\$6,219	\$86
Other Depreciation				
Total Direct Depreciation		\$43,304	\$31,674	\$437
Allocated Costs - Labor, Vehicle, Fuel & Other Costs				
From General and Administrative (6D)		\$22,351	\$15,474	\$0
From Vehicle Maintenance (6D)		\$4,646	\$3,217	\$0
From Container Maintenance (6D)		\$4,683	\$3,242	\$0
Total Allocated Costs - Labor, Vehicle, Fuel & Other		\$31,680	\$21,932	\$0
Allocated Costs - Depreciation and Start-Up Costs				
From General and Administrative (6D)		\$923	\$639	\$0
From Vehicle Maintenance (6D)		\$0	\$0	\$0
From Container Maintenance (6D)		\$0	\$0	\$0
Total Allocated Costs - Depreciation and Start-Up		\$923	\$639	\$0
Total Operating Costs		\$145,708	\$112,977	\$1,142
Profit (% Operating Ratio; i.e. 95%):	0.92 %	\$12,670	\$9,824	\$99
Disposal Costs	\$ 28.70 /ton	\$32,093	\$23,240	
Net Processing Costs				
Recyclables Processing Costs	/ton			
Organics Processing Costs	\$ 20.00 /ton			\$8,500
Total Net Processing Costs		\$0	\$0	\$8,500

Other (Please List)			
Total Labor Related-Costs	\$474,373	\$377,862	\$0
Vehicle-Related Costs (do not include depreciation)			
Tires & Tubes	\$25,613	\$18,547	
Parts & Supplies (fluid, oil, etc.)	\$167,040	\$120,960	
Taxes & Licenses	\$17,400	\$12,600	
Other (Please List)	\$1,218	\$882	
Total Vehicle-Related Costs	\$211,271	\$152,989	\$0
Fuel	\$185,623	\$201,626	
Other Costs			
Liability & Property Damage Insurance	\$0	\$0	
Equipment Insurance	\$27,840	\$20,160	
Training & Safety Programs	\$4,640	\$3,360	
Uniforms	\$950	\$688	
City Processing Fees		\$23,030	
City Royalty fee		\$23,030	
Recycling Commodity Sales		(\$98,000)	
Total Other Costs	\$33,430	(\$27,732)	\$0
Direct Depreciation			
Container Depreciation	\$74,188	\$53,722	
Route Vehicle Depreciation	\$103,053	\$74,624	
Other Depreciation			
Total Direct Depreciation	\$177,241	\$128,346	\$0
Allocated Costs - Labor, Vehicle, Fuel & Other Costs			
From General and Administrative (6D)	\$476,247	\$345,580	\$0
From Vehicle Maintenance (6D)	\$99,000	\$71,837	\$0
From Container Maintenance (6D)	\$99,786	\$72,408	\$0
Total Allocated Costs - Labor, Vehicle, Fuel & Other	\$675,033	\$489,825	\$0
Allocated Costs - Depreciation and Start-Up Costs			
From General and Administrative (6D)	\$19,667	\$14,271	\$0
From Vehicle Maintenance (6D)	\$0	\$0	\$0
From Container Maintenance (6D)	\$0	\$0	\$0
Total Allocated Costs - Depreciation and Start-Up	\$19,667	\$14,271	\$0
Total Operating Costs	\$1,776,638	\$1,337,187	\$0
Profit (% Operating Ratio; i.e. 95%):	0.92 %	\$154,490	\$116,277
Disposal Costs	\$ 28.70 /ton	\$1,114,278	
Net Processing Costs			
Recyclables Processing Costs			
Organics Processing Costs			

Other (Please List)			\$0
Total Labor Related-Costs		\$0	\$0
Vehicle-Related Costs (do not include depreciation)			
Tires & Tubes			\$0
Parts & Supplies (fluid, oil, etc.)			\$0
Taxes & Licenses			\$0
Other (Please List)			\$0
Total Vehicle-Related Costs		\$0	\$0
Fuel			\$0
Other Costs			
Liability & Property Damage Insurance			\$0
Equipment Insurance			\$0
Training & Safety Programs			\$0
Uniforms			\$0
Other (Please List)			\$0
Total Other Costs		\$0	\$0
Direct Depreciation			
Container Depreciation			\$0
Route Vehicle Depreciation			\$0
Other Depreciation			\$0
Total Direct Depreciation		\$0	\$0
Allocated Costs - Labor, Vehicle, Fuel & Other Costs			
From General and Administrative (6D)		\$0	\$0
From Vehicle Maintenance (6D)		\$0	\$0
From Container Maintenance (6D)		\$0	\$0
Total Allocated Costs - Labor, Vehicle, Fuel & Other		\$0	\$0
Allocated Costs - Depreciation and Start-Up Costs			
From General and Administrative (6D)		\$0	\$0
From Vehicle Maintenance (6D)		\$0	\$0
From Container Maintenance (6D)		\$0	\$0
Total Allocated Costs - Depreciation and Start-Up		\$0	\$0
Total Operating Costs		\$0	\$0
Profit (% Operating Ratio; i.e. 95%):	<u>1 %</u>	\$0	\$0
Disposal Costs	<u>\$ 28.70 /ton</u>		\$0
Net Processing Costs			
Recyclables Processing Costs	<u>\$ - /ton</u>		\$0
Organics Processing Costs	<u>\$ 20.00 /ton</u>		\$0
Total Net Processing Costs		\$0	\$0

Overtime Wages	\$0	\$13,725	\$31,842
Holiday Wages	\$4,272	\$2,280	\$576
Vacation Wages	\$7,120	\$3,800	\$960
Sick Leave Wages	\$0	\$0	\$0
Workers Compensation Insurance Premiums	\$16,266	\$9,887	\$2,579
Workers Compensation Claims	\$0	\$0	\$0
Pension/ Retirement Benefits	\$7,405	\$4,501	\$1,174
Payroll Taxes	\$16,661	\$10,127	\$2,642
Health & Welfare	\$23,200	\$8,160	\$4,800
Total Labor Related-Costs	\$248,652	\$145,200	\$67,997
Vehicle-Related Costs			
Tires & Tubes			
Parts			
Parts & Supplies (fluid, oil, etc.)			
Total Vehicle-Related Costs	\$0	\$0	\$0
Fuel Costs			
Other Costs			
Liability & Property Damage Insurance	\$150,000		
Equipment Insurance			
Rent	\$6,000	\$31,500	\$3,500
Utilities			
Telephone			
Non-vehicle Related Supplies	\$21,000		\$84,000
Non-vehicle Related Taxes & Licenses			\$22,622
Training & Safety Programs		\$2,000	\$2,000
Initial Public Education & Outreach	\$22,000		
Continuing Public Education & Outreach	\$25,000		
Uniforms			
Bad Debt	\$60,000		
Performance Bond	\$27,000		
Corporate Overhead Charge (Please List)	\$300,000		
Other (Please List)			
Total Other Costs	\$611,000	\$33,500	\$112,122
Total Labor, Vehicle, Fuel, and Other Costs	\$859,652	\$178,700	\$180,119
Depreciation (non-route specific) and Start-Up Costs			
Vehicle Depreciation			
Other Depreciation	\$28,000		
Procurement Cost Reimbursement	\$7,500		
Total Depreciation and Start-Up Costs	\$35,500	\$0	\$0
Lease Costs			

Total Labor, Vehicle, Fuel & Other Costs Allocated Out	100.00%	\$859,652	\$178,700	\$180,119
Depreciation and Start-Up Costs Allocated Out				
To Solid Waste Cart Service (6A)	2.60%	\$923	\$0	\$0
To Recyclable Materials Cart Service (6A)	1.80%	\$639	\$0	\$0
To Organic Materials Cart Service(6A)	0.00%	\$0	\$0	\$0
To Solid Waste Bin Service (6B)	55.40%	\$19,667	\$0	\$0
To Recyclable Materials Bin Service (6B)	40.20%	\$14,271	\$0	\$0
To Organic Materials Bin Service (6B)	0.00%	\$0	\$0	\$0
To Solid Waste Roll-Off Service (6C)	0.00%	\$0	\$0	\$0
To Organic Materials Roll-Off Service (6C)	0.00%	\$0	\$0	\$0
Total Depreciation and Start-Up Costs Allocated Out	100.00%	\$35,500	\$0	\$0
Lease Costs Allocated Out				
To Solid Waste Cart Service (6A)	0.00%	\$0	\$0	\$0
To Recyclable Materials Cart Service (6A)	0.00%	\$0	\$0	\$0
To Organic Materials Cart Service(6A)	0.00%	\$0	\$0	\$0
To Solid Waste Bin Service (6B)	0.00%	\$0	\$0	\$0
To Recyclable Materials Bin Service (6B)	0.00%	\$0	\$0	\$0
To Organic Materials Bin Service (6B)	0.00%	\$0	\$0	\$0
To Solid Waste Roll-Off Service (6C)	0.00%	\$0	\$0	\$0
To Organic Materials Roll-Off Service (6C)	0.00%	\$0	\$0	\$0
Total Lease Costs Allocated Out	0.00%	\$0	\$0	\$0
Total Allocated Out		\$895,152	\$178,700	\$180,119

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

EXHIBIT D

IMPLEMENTATION PLAN

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2.4 Technical Proposal | Implementation Plan

As indicated in *Section 1* of this *Proposal*, MVD has obtained some of its collection contracts through the competitive bidding process and has, in one instance implemented a contract and privatized collection at the same time. MVD has above average similar service initiation experience. The outcome of this experience is that MVD has learned that the following measures ensure success:

- ❑ Collaboration: A collaborative process between involved parties assures a smoother transition. Regular communication is essential, and MVD recommends regular coordination meetings beginning right after the contract are signed.
- ❑ Thoughtful, fluid planning: Utilizing the following draft transition plan as a starting point, the implementation team will continually define and/or adjust subtasks as the team moves closer toward the collection start date, as is necessary or optimal.
- ❑ Expert execution of tasks: MVD's team of seasoned industry professionals—all personally experienced in contract start-ups—will ensure that each task/subtask is completed within the specified timeframe and to City specifications.

The *Chart* on the following page represents the key activities and dates associated with them.



Implementation Schedule

ID	Task	Start Date	End Date
1	Contract Award/Negotiations City-Hauler Weekly Coordination Meetings Begin	07-01-11	10-01-11
2	Site Related Activities Reopen Fresno Office	10-01-11	11-15-11
3	Driver Hiring, Orientation, and Training	10- 15-11	11-30-11
4	Customer Service Representatives Hiring, Orientation, and Training	11-01-11	12-01-11
5	Systems Development – Accounting and Customer Service/Database Management <i>Tracks with Routing/Mapping, and Auditing</i>	10-01-11	11-30-11
6	Systems Development – Routing/ Mapping Verify Service Addresses, Billing Addresses, Service Types, and Frequencies Turn Routes Over to City for Approval	11-01-11	11-30-11
7	Public Education and Outreach Planning – Including Website Updates	10-01-11	11-30-11
8	Notification to All Customers of Program Changes and Availability of Recycling Technical Assistance	11-01-11	-
9	Vehicle Procurement, Registration, Maintenance, Painting	11-01-11	12-01-11
10	Service Start Date	12 -01-11	-
11	Recycling Opportunity Audits	11-15-11	Ongoing

EXHIBIT E

CITY-APPROVED SUBCONTRACTORS

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EXHIBIT E

CITY APPROVED SUBCONTRACTORS

The Contractor has identified and the City has approved the following subcontractors to work with Contractor in the execution of their responsibilities under the Agreement. City's approval of the subcontractors below shall not limit the Contractor's or their subcontractors' responsibilities, including but not necessarily limited to insurance and indemnification, under this Agreement.

Subcontractor Name & Address	Summary Description of Subcontractor Role
Kochergen Composting 33915 Avenal Cutoff Rd Avenal, CA 93204	Organic material composting
Cedar Avenue Recycling & Transfer Station 3457 S Cedar Ave Fresno, CA 93725	Transfer/Processing materials to Mid Valley Disposal

EXHIBIT F

CITY SERVICE LOCATIONS

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Address	Street	Customer Name	Service Type	Container Quantity	Container Size	Frequency
5545	E AIRCORP WAY	CITY OF FRESNO FIRE STA 10	Solid Waste Bin	1	1	2
5545	E AIRCORP WAY	CITY OF FRESNO FIRE STA 10	Recycling Bin	1	2	1
5545	E AIRCORP WAY	CITY OF FRESNO FIRE STA 10	Organics Cart	2	96	1
5570	E AIRCORP WAY	CITY OF FRESNO AIRPORT DEPT	Solid Waste Cart	1	64	1
5350	E AIRWAYS BLVD	CITY OF FRESNO AIRPORT DEPT	Solid Waste Bin	1	2	1
5350	E AIRWAYS BLVD	CITY OF FRESNO AIRPORT DEPT	Recycling Bin	1	2	1
4995	E ANDERSEN AVE	CITY OF FRESNO AIRPORT DEPT	Solid Waste Cart	1	96	1
4995	E ANDERSEN AVE	CITY OF FRESNO AIRPORT DEPT	Organics Cart	1	96	1
5042	E ANDERSEN AVE	CITY OF FRESNO AIRPORT DEPT	Recycling Bin	1	4	1
5042	E ANDERSEN AVE	CITY OF FRESNO AIRPORT DEPT	Solid Waste Bin	1	2	1
5074	E ANDERSEN AVE	CITY OF FRESNO AIRPORT DEPT	Solid Waste Bin	1	3	2
5074	E ANDERSEN AVE	CITY OF FRESNO AIRPORT DEPT	Recycling Bin	1	4	3
5074	E ANDERSEN AVE	CITY OF FRESNO AIRPORT DEPT	Solid Waste Bin	1	1	1
5074	E ANDERSEN AVE	CITY OF FRESNO AIRPORT DEPT	Recycling Bin	1	1	1
5074	E ANDERSEN AVE	CITY OF FRESNO AIRPORT DEPT	Solid Waste Bin	1	1	2
5074	E ANDERSEN AVE	CITY OF FRESNO AIRPORT DEPT	Recycling Bin	1	1	2
5074	E ANDERSEN AVE	CITY OF FRESNO AIRPORT DEPT	Solid Waste Bin	1	4	1
5074	E ANDERSEN AVE	CITY OF FRESNO AIRPORT DEPT	Recycling Bin	1	2	2
4995	E BALCH AVE	CITY OF FRESNO	Solid Waste Bin	1	4	2
4995	E BALCH AVE	CITY OF FRESNO	Recycling Bin	1	4	1
4670	E BUTLER	Mosqueda Center	Solid Waste Bin	1	6	3
4995	E CLINTON WAY	F A T	Recycling Bin	1	2	1
4995	E CLINTON WAY	F A T	Recycling Bin	1	6	1
4995	E CLINTON WAY	F A T	Solid Waste Bin	1	4	2
5175	E CLINTON WAY	F A T	Solid Waste Bin	2	6	2
4522	E CORTLAND AVE	CITY OF FRESNO WATER	Solid Waste Bin	1	2	1
3566	E DAKOTA AVE.	Einstein Park	Solid Waste Bin	1	2	2
3566	E DAKOTA AVE.	Einstein Park	Recycling Bin	1	2	2
3065	E IOWA AVE	CITY OF FRESNO FIRE STA 4	Recycling Bin	1	1	1
3065	E IOWA AVE	CITY OF FRESNO FIRE STA 4	Solid Waste Bin	1	1	2
5191	E MCKINLEY AVE	CITY OF FRESNO AIRPORT DEPT	Solid Waste Bin	1	2	1
5191	E MCKINLEY AVE	CITY OF FRESNO AIRPORT DEPT	Recycling Bin	1	2	1
5630	E PARK CIRCLE DR	CITY OF FRESNO FIRE STA 15	Organics Cart	2	96	1
5630	E PARK CIRCLE DR	CITY OF FRESNO FIRE STA 15	Solid Waste Cart	2	96	1
5630	E PARK CIRCLE DR	CITY OF FRESNO FIRE STA 15	Recycling Cart	2	96	1
4885	E SHIELDS AVE	CITY OF FRESNO AIRPORT DEPT	Solid Waste Bin	1	3	2
4885	E SHIELDS AVE	CITY OF FRESNO AIRPORT DEPT	Recycling Bin	1	4	3
1910	E UNIVERSITY	CITY OF FRESNO WATER	Solid Waste Bin	1	3	3
1910	E UNIVERSITY	CITY OF FRESNO WATER	Recycling Bin	1	4	2
1910	E UNIVERSITY AVE	CITY OF FRESNO WATER	Solid Waste Cart	1	96	2
2970	E WELDON AVE	CITY OF FRESNO RECREATION	Solid Waste Cart	2	64	2
3286	N AIR CARGO LN	CITY OF FRESNO AIRPORT DEPT	Solid Waste Bin	1	4	1
3286	N AIR CARGO LN	CITY OF FRESNO AIRPORT DEPT	Recycling Bin	1	4	1
745	N FIRST ST	ROMAIN PLAYGROUND	Solid Waste Bin	1	4	2
745	N FIRST ST	ROMAIN PLAYGROUND	Recycling Bin	1	2	2
3414	N FRESNO ST	MANCHESTER PARK	Solid Waste Bin	1	2	2
1264	N JACKSON AVE	CITY OF FRESNO FIRE STA 1	Recycling Bin	1	2	1
1264	N JACKSON AVE	CITY OF FRESNO FIRE STA 1	Solid Waste Bin	1	2	2
1264	N JACKSON AVE	CITY OF FRESNO FIRE STA 1	Organics Cart	2	96	1
3050	N WINERY AVE	CITY OF FRESNO AIRPORT DEPT	Solid Waste Cart	1	96	1
3050	N WINERY AVE	CITY OF FRESNO AIRPORT DEPT	Recycling Bin	1	2	1
3050	N WINERY AVE	CITY OF FRESNO AIRPORT DEPT	Organics Cart	1	96	1
4109	N WINERY AVE	CITY OF FRESNO WATER	Solid Waste Bin	1	6	1
1621	S CEDAR	City of Fresno-Recreation	Solid Waste Bin	1	3	2
1428	S CEDAR AVE	CITY OF FRESNO FIRE STA 8	Solid Waste Cart	2	96	1
1428	S CEDAR AVE	CITY OF FRESNO FIRE STA 8	Recycling Cart	2	96	1
1617	S CEDAR AVE	City of Fresno	Recycling Cart	1	96	1
1617	S CEDAR AVE	City of Fresno	Solid Waste Bin	1	2	2
1350	E ANNADALE	Headstart/Ivy Center	Solid Waste Bin	1	3	2
1350	E ANNADALE	Headstart/Ivy Center	Solid Waste Bin	1	2	2
1516	E PRINCETON	Lafayette Park	Solid Waste Bin	1	2	2
2425	FRESNO	CITY OF FRESNO RECREATION	Recycling Bin	1	4	1
2425	FRESNO	CITY OF FRESNO RECREATION	Solid Waste Bin	1	4	1
2600	FRESNO	Fresno City Hall	Solid Waste Bin	2	4	6
2600	FRESNO	Fresno City Hall	Recycling Bin	2	4	5
1406	FRESNO ST	CITY OF FRESNO FIRE STA 3	Solid Waste Bin	1	2	2
1406	FRESNO ST	CITY OF FRESNO FIRE STA 3	Recycling Bin	1	4	2
2326	FRESNO ST	Old City Hall	Solid Waste Bin	1	2	6
2326	FRESNO ST	Old City Hall	Recycling Bin	1	2	5

Address	Street	Customer Name	Service Type	Container Quantity	Container Size	Frequency
2444	FRESNO ST	CITY OF FRESNO WATER*	Solid Waste Cart	1	64	2
2101	G	CITY OF FRESNO FACILITIES	Solid Waste Bin	1	6	1
2101	G	CITY OF FRESNO FACILITIES	Solid Waste Bin	1	2	2
2101	G	City Yard/Veh Repair Bays	Solid Waste Bin	2	1	2
2101	G ST	City Yard/Vehicle Wash Canopy	Solid Waste Cart	11	96	1
2101	G ST	City Yard/Sewer	Solid Waste Cart	1	96	2
2101	G ST	City Yard	Solid Waste Cart	5	96	1
2101	G ST	CITY OF FRESNO	Solid Waste Cart	1	96	2
2101	G ST	City Yard/Canopy "M"	Solid Waste Cart	1	96	2
2101	G ST	City Yard/Under Canopy "N"	Solid Waste Cart	1	96	2
2101	G ST	City Yard/Repaired Veh Canopy	Solid Waste Cart	1	96	2
2101	G ST	CITY OF FRESNO	Solid Waste Cart	1	96	2
2101	G ST	CITY OF FRESNO	Solid Waste Cart	1	96	2
2101	G ST	City Yard/P.D. Vehicle Canopy	Solid Waste Cart	2	96	2
2101	G ST	City Yard/Sanitation-STREETS	Solid Waste Cart	1	96	1
2101	G ST	CITY OF FRESNO FACILITIES	Solid Waste Bin	1	2	1
2101	G ST	CITY OF FRESNO FACILITIES	Recycling Bin	1	6	2
2101	G ST	CITY OF FRESNO	Recycling Bin	2	2	1
2101	G ST	CITY OF FRESNO	Solid Waste Bin	2	1	2
2101	G ST	CITY OF FRESNO FACILITIES	Solid Waste Bin	2	3	2
2101	G ST	CITY OF FRESNO FACILITIES	Recycling Bin	1	2	1
2101	G ST	City Yard/Sanitation	Solid Waste Bin	1	1	1
2101	G ST	City Yard/Gas Pumps	Recycling Cart	1	96	1
2101	G ST	City Yard/Vehicle Wash Canopy	Recycling Cart	3	96	2
2101	G ST	City Yard/Canopy "M"	Recycling Cart	1	96	1
2101	G ST	City Yard/Under Canopy "N"	Recycling Cart	1	96	1
2101	G ST	City Yard/Repaired Veh Canopy	Recycling Cart	1	96	1
2101	G ST	City Yard/P.D. Vehicle Canopy	Recycling Cart	1	96	1
2101	G ST	City Yard/Sewer	Recycling Bin	1	1	2
2101	G ST	City Yard/Sanitation-Streets	Recycling Bin	3	1	2
2101	G ST	City Yard	Solid Waste Bin	1	1	1
2101	G ST	City Yard	Recycling Bin	1	2	2
2101	G ST	City Yard	Solid Waste Bin	2	1	1
2101	G ST	City Yard	Recycling Bin	1	2	2
2101	G ST	CITY OF FRESNO	Solid Waste Bin	1	1	1
2101	G ST	CITY OF FRESNO	Recycling Bin	1	4	2
2101	G ST	City Yard/Gas Pumps	Recycling Bin	1	4	2
2101	G ST	City Yard/Gas Pumps	Solid Waste Bin	1	1	1
2101	G ST	City Yard/Vehicle Wash Canopy	Solid Waste Bin	2	3	2
2101	G ST	City Yard/Vehicle Wash Canopy	Recycling Bin	1	2	2
2101	G ST	CITY OF FRESNO	Recycling Cart	1	96	1
2101	G ST	CITY OF FRESNO	Organics Cart	3	96	1
2101	G ST	City Yard/Radio Shop	Solid Waste Cart	1	96	2
2101	G ST	City Yard/Radio Shop	Recycling Bin	1	1	2
2101	G ST	City Yard/Veh Repair Bays	Recycling Bin	1	4	2
2101	G ST	City Yard/Veh Repair Bays	Solid Waste Cart	16	96	2
2101	G ST	City Yard/Veh Repair Bays	Recycling Bin	1	2	2
2101	G ST	City Yard/Veh Repair Bays	Recycling Cart	7	96	2
2101	G ST	City Yard/Veh Repair Bays	Solid Waste Bin	3	2	2
2223	G ST	City of Fresno FAX	Recycling Bin	2	2	2
2223	G ST	City of Fresno FAX	Solid Waste Bin	1	2	3
2223	G ST	City of Fresno FAX	Recycling Bin	1	4	2
2223	G ST	City of Fresno FAX	GB	1	1	1
2223	G ST	CITY OF FRESNO FAX	GB	1	1	1
2101	G St Bldg Y	CITY OF FRESNO FACILITIES	Recycling Bin	1	2	2
2101	G St Bldg Y	CITY OF FRESNO FACILITIES	Recycling Bin	2	3	1
2101	G Str Bldg G	City Yard, STREETS	Recycling Cart	5	96	1
2101	G Str Bldg V	CITY OF FRESNO FACILITIES	Recycling Cart	1	96	1
2101	G Street	CITY OF FRESNO FACILITIES	Solid Waste Bin	1	2	2
2101	G Street	CITY OF FRESNO FACILITIES	Solid Waste Bin	1	4	2
2223	G Street	City of Fresno FAX	Solid Waste Bin	2	6	3
2223	G Street	City of Fresno FAX	Solid Waste Bin	2	3	3
2223	G Street	City of Fresno FAX	Solid Waste Bin	4	5	5
2223	G Street	City of Fresno FAX	Solid Waste Bin	1	4	3
2323	MARIPOSA MALL	Fresno Police Dept	Solid Waste Bin	2	2	5
2323	MARIPOSA MALL	Fresno Police Dept	Recycling Bin	1	2	5
760	MAYOR	Frank H. Ball Playgrnd.	Recycling Bin	1	4	2
760	MAYOR	Frank H. Ball Playgrnd.	Solid Waste Bin	1	3	2
940	N BROADWAY	Fresno Police Dept.	Solid Waste Bin	1	2	2

Address	Street	Customer Name	Service Type	Container Quantity	Container Size	Frequency
940	N BROADWAY	Fresno Police Dept.	Solid Waste Bin	1	1	2
940	N BROADWAY	Fresno Police Dept.	Recycling Cart	1	96	1
50	N CALAVERAS	Dickey Playground	Solid Waste Bin	1	2	2
3131	N FRESNO ST	CITY OF FRESNO FIRE STA 5	Solid Waste Cart	1	96	2
2510	N POLK AVE	CITY OF FRESNO FIRE STA 16	Organics Cart	2	96	1
2510	N POLK AVE	CITY OF FRESNO FIRE STA 16	Solid Waste Cart	2	96	1
2510	N POLK AVE	CITY OF FRESNO FIRE STA 16	Recycling Cart	2	96	1
770	N San Pablo #B	Ted C. Wills Headstart/Park	Solid Waste Bin	1	3	3
770	N San Pablo #B	Ted C. Wills Headstart/Park	Solid Waste Bin	2	3	5
770	N SAN PABLO AVE	Ted C. Wills Headstart/Park	Recycling Bin	1	3	1
2340	N VAGEDES AVE	CITY OF FRESNO FIRE STA 9	Solid Waste Bin	1	1	2
2340	N VAGEDES AVE	CITY OF FRESNO FIRE STA 9	Recycling Bin	1	1	1
2340	N VAGEDES AVE	CITY OF FRESNO FIRE STA 9	Organics Cart	3	96	1
1007	R ST	CITY OF FRESNO RECREATION	Solid Waste Cart	1	96	1
1007	R ST	CITY OF FRESNO RECREATION	Recycling Cart	1	96	1
2571	S CHERRY AVE	CITY OF FRESNO FIRE STA 7	Recycling Bin	1	1	1
2571	S CHERRY AVE	CITY OF FRESNO FIRE STA 7	Organics Cart	3	96	1
2571	S CHERRY AVE	CITY OF FRESNO FIRE STA 7	Solid Waste Bin	1	1	1
2385	S FAIRVIEW	Cecil C Hinton Comm. Center	Solid Waste Bin	1	6	2
224	S FIRST	Holmes Playground	Recycling Bin	1	4	2
224	S FIRST	Holmes Playground	Solid Waste Bin	1	2	2
224	S FIRST ST	HOLMES PLAYGROUND	Organics Cart	6	96	1
535	S TRINITY	FINK WHITE	Solid Waste Bin	1	2	2
2650	TULARE	City of Fresno/Amtrak	Solid Waste Bin	1	3	2
2650	TULARE	City of Fresno/Amtrak	Recycling Bin	1	4	1
1231	VAN NESS AVE	City of Fresno	Solid Waste Bin	1	2	2
894	W BELMONT AVE	Chaffee Zoo in Roeding Park	Solid Waste Bin	2	2	7
894	W BELMONT AVE	Chaffee Zoo in Roeding Park	Solid Waste Bin	1	4	7
894	W BELMONT AVE	Tipplers, @ N and S gates, 3cyb size capacity of 2cyb	Solid Waste Bin	5	3	7
894	W BELMONT AVE	STORYLAND in ROEDING PARK	Solid Waste Bin	2	2	7
894	W BELMONT AVE	Playland in ROEDING PARK	Solid Waste Bin	1	4	6
894	W BELMONT AVE	Roeding Park	Solid Waste Bin	1	4	6
894	W BELMONT AVE	Roeding Park	Solid Waste Bin	2	2	7
894	W BELMONT AVE	Roeding Park	Recycling Bin	1	4	1
896	W BELMONT AVE	Chaffee Zoo in Roeding Park	TR	1	4	1
950	W CHANDLER	CITY OF FRESNO AIRPORT DEPT	Solid Waste Bin	2	2	2
808	W DAKOTA AVE	QUIGLEY PARK	Solid Waste Bin	1	2	2
808	W DAKOTA AVE	QUIGLEY PARK	Recycling Bin	1	2	2
1345	W EDEN AVE	Sunset Center	Solid Waste Bin	1	1	1
1345	W EDEN AVE	Sunset Center	Recycling Bin	1	1	1
5607	W JENSEN	City of Fresno/Sewage	Solid Waste Bin	6	1	2
5607	W JENSEN	CITY OF FRESNO SEWER MAINT	Solid Waste Bin	1	1	2
5607	W JENSEN	City of Fresno/Sewage	Solid Waste Bin	1	3	2
5607	W JENSEN	City of Fresno/Sewage	Recycling Bin	2	6	2
5607	W JENSEN AVE	City of Fresno/Sewage	Solid Waste Bin	1	6	2
510	W KEARNEY BLVD	CITY OF FRESNO AIRPORT DEPT	Solid Waste Cart	1	64	2
510	W KEARNEY BLVD	CITY OF FRESNO AIRPORT DEPT	Solid Waste Cart	1	96	2
510	W KEARNEY BLVD	CITY OF FRESNO AIRPORT DEPT	Recycling Cart	1	96	2
520	W KEARNEY BLVD	CITY OF FRESNO AIRPORT DEPT	Solid Waste Bin	1	1	1
520	W KEARNEY BLVD	CITY OF FRESNO AIRPORT DEPT	Recycling Bin	1	1	1
524	W KEARNEY BLVD	CITY OF FRESNO AIRPORT DEPT	Recycling Cart	1	96	1
524	W KEARNEY BLVD	CITY OF FRESNO AIRPORT DEPT	Solid Waste Cart	1	64	2
548	W KEARNEY BLVD	CITY OF FRESNO AIRPORT DEPT	Solid Waste Cart	1	64	2
668	W KEARNEY BLVD	CITY OF FRESNO AIRPORT DEPT	Solid Waste Cart	1	96	2

EXHIBIT G

PUBLIC EDUCATION AND COMMUNITY OUTREACH PROGRAMS

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2.8

Technical Proposal | Public Education/Recycling Technical Assistance

The objective of this section is to a) convey MVD's competency in developing and managing public education programs; b) relay its proposed plan for outreach during the transition period and beyond; c) illustrate the Company's willingness to become involved in the community. A draft *Public Education Plan* to serve as the basis for the final plan for contract year one is included in this section.

MVD owners have been collecting solid waste and recyclable materials for decades; and during this time outreach efforts have had to flex with industry changes to ensure proper communication of them to customers. This resulting communications experience will positively affect a smooth transition between contractors for MVD customers.

MVD's approach to communicating with its customers is simple and creative. It respects the fact people are inundated with too much information. All materials convey solid reasons for cultivating new, green behaviors in order to motivate customers, and will also identify additional resources for customers who want to know more about environmental issues.

Although a consistent message repetitively delivered in an abbreviated, catchy way is most effective, once the desired behaviors are adopted by customers regular reinforcement is required to sustain them. Finally, emphasizing the difference an individual's recycling practices makes is helpful. MVD's public education program will continually remind customers of the importance of adhering to program guidelines and will report their progress and associated positive environmental impacts back to them.

This program incorporates a strong community relations element. Responsibility for community interface will be spread amongst the Company' middle and top management, assuring that pledges of human and financial resources to the community's benefit are made and kept.

The Company also proposes an interactive educational component for schools that is age-appropriate, engaging, and designed to reinforce good recycling behavior.

Excellent coordination between MVD and the City will contribute greatly toward program success. To facilitate communication, MVD will respectfully and actively participate in coordination meetings with the City during the ramp up period and throughout the term of the *Agreement*.



MVD will track all public education and community relations efforts meticulously and quantify results in accordance with the draft *Franchise Agreement*. The Company has considerable experience doing this in several other jurisdictions where it is required as part of periodic reporting.

Staffing

The biography of Ivette Rodriguez Public Relations Manager, is included in *Section 1*. Ivette is responsible for general oversight of the entire program and the following specific public education activities:

- ☐ Municipal and media relations
- ☐ Development and distribution of effective promotional and educational collateral materials, including all electronic components
- ☐ Development and delivery of presentations to business and civic groups
- ☐ Coordination of coverage of community activities
- ☐ Development and delivery of interactive school assemblies, classroom visits, and school group activities
- ☐ Collaboration with all MVD Public Education Specialists for development and distribution of effective collateral materials, including electronic components
- ☐ Update of website and all e-activities.

MVD's objective of gaining the maximum commercial/MFD recycling/organics collection program participation and diversion under any proposal.

Government, Community, and Media Relations

As noted in the draft *Franchise Agreement*, the Public Education Manager is responsible for **government relations**. As liaison, she will represent the Company to the City. In that capacity she will attend the following meetings and engage in the following activities:

- ☐ Attend City Council, City staff, and City strategy development meetings.
- ☐ Coordinate with the City to integrate municipal and contractor activities, as appropriate.
- ☐ Make requisite presentations and proposals.
- ☐ Function as a point of contact for contract compliance matters.



In the area of **community relations**, the Public Education Manager will be responsible for:

- ☒ Represent MVD in community activities.
- ☒ Support local community service organizations as enumerated in *Exhibit C of the Agreement*.
- ☒ Ensuring other mid- and top-tier managers are involved in community relations activities.

In her role as **media relations** interface, the Public Education Manager will:

- ☒ Proactively develop rapport with the all local media outlets: TV, radio, and print.
- ☒ Track media coverage of the Company, industry, and environmental issues and developments in general.

Although the Public Education Manager is responsible for the above tasks, she will engage other MVD employees to participate in certain activities as may be warranted or appropriate. For example, in monitoring contract compliance she may bring in the operations manager for discussions on matters relating to driver management for quick resolution.



Public Education Plan

This draft *Public Education Plan* first addresses items that apply to all programs. Following that is a chart based on the public education parameters given in the draft *Franchise Agreement*. Once the *Agreement* is finalized, MVD's first order of business with the City is to begin meeting regularly to coordinate all start-up activities, including these.

- ☐ Develop, produce and distribute, in close collaboration with the City, all public education materials listed in the proceeding plan. Each piece will be carefully considered in order to determine how the information is best conveyed to non-English speaking individuals. Also factor in the cultural context and/or business environment as necessary and appropriate.
- ☐ Customize materials to specific business types
- ☐ Design and place print ads and posters and distribute press releases that correspond to program milestones as determined to be a wise program complement.
- ☐ Hold workshops to correspond to program milestones or as otherwise needed in order to be accessible to customers.
- ☐ Create and maintain a user-friendly website that is both an effective customer service tool and that also organizes the community and helps move it toward its sustainability objectives.

The draft plan on the following page is provided as a starting point for discussions with the City relative to the Public Education component of the scope of work. Sample outreach materials, including reports, are included in *Exhibit 2.4*.



Public Education and Outreach | Commercial Education and Outreach Programs

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

Task	Description	Purpose	Distribution/Frequency
START- UP			
1	Available Services Flyer	Explains recycling services by business type, such as retail, business office, food service, manufacturing, and so forth. Special flyer focused on food waste/compostables generators.	All commercial businesses during initial site visits.
2	Training Meetings	Conduct training meetings by business type as referenced above. Answer questions. Schedule Recycling Opportunity Assessments.	Advertise and hold 30 days prior to contract start date.
3	Business Association Meetings	Attend/present at four business association meetings. MVD will introduce itself/services in writing to all business associations as well as community, civic, and charitable organizations in Fresno and volunteer to speak on relevant topics/answer questions.	Groups mentioned at left. 30 days prior to start up Schedule at group's convenience.
ONGOING			
4	Quarterly newsletter	Quarterly newsletters with relevant content. Formatted in way conducive to posting in lunch rooms and other employee areas.	All businesses. Quarterly. Direct mail.
5	Annual Information	Updated program information in format to be determined by City (newsletter or brochure for example).	All businesses. Annually. Direct mail.
6	Waste Audits/Recycling Opportunity Assessments	MVD will make contact with every business to set appointments. Distribution of how-to information, enclosure posters, and interior container posters and labels to occur during training process. Distribution of interior collection containers to occur during process. Assertive training, follow-up, and monitoring are featured. Major emphasis on substantially increasing diversion.	All businesses. Initial contact prior to contract start-up; ongoing as needed or per schedule to be developed jointly with City.
7	Employee Training	On-site training based on customer need.	All businesses subscribing to recycling/organics collection services by request.
8	Business Associations	MVD will seek to build rapport with and educate the Fresno business community. Public Education Manager will make herself available, through the mailing described in item 3 above, to give presentations.	All business groups.
8	Invoice Blurbs	Brief statements concerning relevant program features.	All businesses, quarterly.



Additional Information – Approach to MFD/Commercial Recycling: Commercial Recycling Technical Assistance

Summary of Technical Assistance Approach

MVD will provide education, outreach, training, follow-up, troubleshooting, monitoring, data collection, and program evaluation services for commercial, institutional, and multi-family customers. Providing such services on the premises of customers is referred to as recycling technical assistance.

Goals

MVD public education staff will focus on increasing the diversion of various reusable, recyclable, and compostable materials from these sectors, in accordance with the City's and county's waste diversion and resource conservation goals. MVD's aim is to maximize tons diverted and level of participation while minimizing materials contamination.

Summary of Approach

MVD will provide practical advice, encouragement, and positive reinforcement to customers in support of these goals. MVD will develop collaborative working relationships with the City of Fresno and customers.

Understanding of the Nature of Recycling Technical Assistance

MVD understands this work requires:

- Rapid response and assessment of customer needs, including during non-standard business hours.
- Collaborative interaction with various stakeholders, including the City, County health inspectors, customers of all types and their staff—ranging from top managers to custodians.
- Sensitivity to the varied cultures, languages, and organizational structures found within businesses, institutions, and multi-family dwellings.
- Close working relationships with the City of Fresno and customers.
- Strong knowledge of recyclable material specifications, and of reusable, recyclable, or compostable substitutes for commonly-disposed products.
- Attention to the special issues associated with food scraps recovery.
- Strong problem-solving, analytical, and communication skills.
- High ethical and professional service standards.



Summary of Tasks to be Undertaken

MVD will provide the following services to its Fresno customers:

- ☑ Implementation strategy development.
- ☑ Customer screening, targeting outreach.
- ☑ On-site Recycling Opportunity Assessments.
- ☑ Product substitution options.
- ☑ Review of outreach materials.
- ☑ Customer training.
- ☑ Customer monitoring, troubleshooting, and follow-up.
- ☑ Reinforcement for cross-program education and use.
- ☑ Assistance with customer recognition programs.
- ☑ Data collection and analysis.
- ☑ Program analysis and recommendations.

In subsequent years, MVD will reduce its intensity of effort as the program moves from an implementation stage to a maintenance level.

Services to be Provided

MVD will provide the following services:

- ☑ Coordinate with the City, local trade associations and management companies as appropriate to develop and implement strategies for targeted outreach and technical assistance to customers to implement waste diversion programs, including participation in composting and recycling collection programs and other waste prevention activities.
- ☑ Assist in identifying and screening customers for opportunities where a significant diversion potential is possible.
- ☑ Conduct or assist in on-site recycling opportunity assessments, off-site audits of compactor loads, program assessments, staff and/or tenant training, on-site implementation assistance, and follow-up monitoring of customer performance.
- ☑ Evaluate and present options for recovering or substituting difficult-to-recycle, compost, or reuse materials, such as identifying opportunities to use compostable or recyclable food service ware or packaging.
- ☑ Development of outreach materials about waste reduction, recycling, and composting: distribute such materials when meeting with customers.



- ▣ Assist in gaining management support and dedication of staff resources from customers for program implementation.
- ▣ Identify and promote other program or recognition opportunities such as potential Green Business certification, toxics reduction, green building, green purchasing, energy efficiency, water conservation, local and regional awards, and other programs if applicable and requested.
- ▣ Develop program tracking measures and prepare progress reports on impacts of program implementation, such as waste diversion, participation levels, contamination, cost savings, generator satisfaction, and recommendations.

EXHIBIT H

SCHEDULE FOR LIQUIDATED DAMAGES

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EXHIBIT H
SCHEDULE FOR LIQUIDATED DAMAGES

Contractor may be assessed Liquidated Damages pursuant to Section 13.5 if Contractor fails to fulfill its obligations with regards to the events listed in this Exhibit in accordance with the terms and conditions of the Agreement with regards to the time frame for accomplishing each event and nature of the responsibility associated with the event, unless otherwise stated in this Exhibit.

COLLECTION RELIABILITY

1.	Maintain Collection Schedule. For failure to Collect from all Customers on a route on the scheduled day (unless non-Collection was warranted pursuant to this Agreement)	\$25/ Container
2.	Start New Customer. For each failure over five (5) during Rate Period to commence service to a new Customer within seven (7) calendar days after order received and account number established	\$150/ event
3.	Missed Pick-Ups. For each failure over fifteen (15) during Rate Period to Collect Solid Waste, Recyclable Materials, or Organic Materials, which has been properly set out for Collection by a Customer or City on the scheduled Collection day	\$150/ event
4.	Collection of Missed Pick-Ups. For each failure to Collect missed Containers after notice from Customer within twenty-four (24) hours of receipt of the Complaint	\$300/ event
5.	Consecutive Missed Pick-Ups. For each failure to Collect Solid Waste, Recyclable Materials or Organic Materials which has been properly set out for Collection, from the same Customer or City location on two (2) consecutive scheduled pick ups	\$150/ event

COLLECTION QUALITY

6.	Leaks, Litter, or Spills. For each occurrence over five (5) during the Rate Period of unreasonable leaks, litter, or spills of Solid Waste, Recyclable Materials, or Organic Materials near Containers or on public streets and failure to pick up or clean up such material immediately	\$300/ event
7.	Improper Container Placement. For each occurrence over twelve (12) during the Rate Period of failure to replace Containers in original position, upright, with lids attached to or on Carts or Bins	\$150/ event
8.	Care of Private Property. For each failure over twenty-four (24) during the Rate Period of not closing a Customer's gate, crossing planted areas, or damaging private property (including private vehicles)	\$300/ event

9.	Repair of Private Property. For each occurrence over five (5) during the Rate Period of failure to repair damage to property within thirty (30) days of the date the damage was reported	\$250/ event
10.	Unauthorized Collection Hours. For each occurrence over five (5) the during Rate Period of Collecting Solid Waste, Recyclable Materials, and Organic Materials during unauthorized hours	\$300/ event
11.	Excessive Noise. For each occurrence over twelve (12) during the Rate Period of excessive noise	\$300/ event
12.	Non-Collection Tags. For each failure over twelve (12) during the Rate Period of not tagging Containers which have not been Collected explaining the reason for non-Collection	\$150/ event
13.	Cleaning Collection Vehicles. For each occurrence over five (5) during the Rate Period of failure to clean Collection vehicles one time per week	\$150/ event
14.	Discourteous Behavior. For each occurrence of discourteous behavior by Collection vehicle personnel, Customer service personnel, or other employees of Contractor	\$500/ event
15.	Injuries to Others. For each incident of personal injury to a Person requiring medical treatment or hospitalization, where the negligence of the Contractor or its personnel was a contributing factor to the injury	\$5,000/ incident

CUSTOMER SERVICE RESPONSIVENESS

16.	Call Responsiveness. For each failure to answer the telephone during business hours specified in the Agreement or failure for answering machine to record call during non-business hours specified in the Agreement	\$300/ event
17.	30-Second Average Speed of Answer. Failure to answer ninety percent (90%) of calls received during office hours within thirty (30) seconds	\$25/ call
18.	3-Minute Average Speed of Answer. Failure to answer 99.5 percent of calls received during office hours within three (3) minutes	\$25/ call
19.	After-Hours Call Returns. Failure to return 99.5 percent of calls received on Contractor's answering machine before noon of the following Business Day	\$25/ call
20.	Complaint Level. Failure to maintain Complaint level below 0.005% where the percent is calculated equal to the number of Complaints divided by the total service opportunities (the total lifts performed in the reporting period)	\$10,000/ quarter
21.	Respond to Complaint or Service Request. For each failure to inform Customer, within Business Day of receipt of the Complaint or service request, of the action Contractor will take to remedy a Complaint or to respond to a service request	\$300/ event
22.	Resolve Complaint or Service Request. For each failure to resolve	\$300/ event

	or remedy a Complaint or Service Request within five (5) Business Days of receipt of Complaint or Service Request with the exception of missed pick-ups which are addressed below	
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REPORTING AND NOTICING

23.	Monthly Reports. Failure to submit monthly reports in the timeframe specified in this Agreement	\$100/ day report is overdue
24.	Quarterly Reports. Failure to submit quarterly reports in the timeframe specified in this Agreement	\$200/ day report is overdue
25.	Annual Reports. Failure to submit annual reports in the timeframe specified in this Agreement.	\$300/ day report is overdue
26.	Report Hazardous Waste. For each failure to notify the appropriate authorities of reportable quantities of Hazardous Waste	\$500/ event
27.	Application for Contractor’s Compensation. Failure to submit application for Contractor’s Compensation in accordance with the timeframe established in the Agreement	\$300/ day report is overdue

PUBLIC EDUCATION

28.	Newsletter. Failure to prepare and mail semi-annual newsletter to all Commercial Customers by the end of the year or middle of the year	\$150/ day for each day until mailer is sent
29.	Initial Mailing to Businesses. Failure to send initial mailing to businesses on or before the date specified in the implementation plan in <u>Exhibit D</u>	\$300/ day for each day until mailer is sent
30.	Mailers to Businesses. Failure to prepare and distribute “how-to” brochures for each of the four (4) business types	\$150/ day
31.	Targeted Outreach. Failure to conduct on-site Customer outreach and waste audits as required by Section 7.1 twice per year for each Multi-Family Customer and once per year for each Commercial Customer.	\$250/ Customer per Rate Period

OTHER

32.	Disposal of Organic Materials. For each Ton of Organic Materials Disposed of without written approval of the City	\$250/ Ton
33.	Comingling of City Waste with Other Jurisdictions. For each occurrence of Contractor mixing Solid Waste, Recyclable Materials, and Organic Materials Collected in the City with other materials collected from other jurisdictions before the City’s material has been accurately weighed and recorded. Each occurrence shall include all material collected by a single vehicle in one delivery to a facility.	\$500/ event

34.	Use of Unauthorized Facilities. For each Ton of Solid Waste, Recyclable Materials, or Organic Materials Disposed or Processed at a facility not approved for use under the provisions of this Agreement	\$250/ Ton
35.	Maintain Web Site. Failure to maintain accurate and complete web site dedicated to the services Contractor provides the City	\$150/ day
36.	Transition to Next Contractor. Failure(s) to take direction from City, provide data requested by City within twenty (20) Business Days of such a request, or fully cooperate with the City and/or next contractor as required by Section 4.7.	\$50,000
37.	Failure to Perform Other Obligations. Failure to perform any of the obligations set forth in this Agreement not specifically stated above and not corrected, or proceeding in good faith to correct, within twenty-four (24) hours of notification by City:	\$150/ for each obligation per day until obligation is performed

In placing designee's initials at the places provided, each Party specifically confirms the accuracy of the statements made above and the fact that each Party has had ample opportunity to consult with legal counsel and obtain an explanation of Liquidated Damage provisions of the time that the Agreement was made.

Contractor

City

Initial Here: _____

Initial Here: _____

EXHIBIT I

INTENTIONALLY DELETED

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EXHIBIT J

CITY-APPROVED MAXIMUM PERMISSIBLE CUSTOMER RATES

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Form 1A - Commercial & Multi-Family Solid Waste Bin Service
Initial Monthly Rates

Service Level					Year 1						
Assumed LBS./CY 121					Proposed Solid Waste Rates					Per Cubic-Yard Rate	
										(A) Operating Cost Component	\$19.24
					(B) Processing Component						
					(C) Disposal Component	\$7.75					
					(D) Fee Component	\$4.61					
					(E) Total	\$31.60					
(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)		
Service Level					Year 1						
Size	Freq.	Wkly. Volume	Volume Factor	Freq. Factor	Estm. Number of Accounts	Operating Component	Processing Component	Disposal Component	Fee Component	Total	Total Annual Revenue
						[A * F * G * H]	[B * F * G * H]	[C * F]	[D * F * G * H]	[J + K + L + M]	[I + N + 12]
32 Gal	1 /wk	0.2	1.33	1.00	0.00	\$4.05	\$0.00	\$1.23	\$0.97	\$6.25	\$0.00
32 Gal	2 /wk	0.3	1.33	1.02	0.00	\$8.27	\$0.00	\$2.45	\$1.98	\$12.71	\$0.00
32 Gal	3 /wk	0.5	1.33	1.04	0.00	\$12.65	\$0.00	\$3.68	\$3.03	\$19.36	\$0.00
32 Gal	4 /wk	0.6	1.33	1.06	0.00	\$17.19	\$0.00	\$4.91	\$4.12	\$26.22	\$0.00
32 Gal	5 /wk	0.8	1.33	1.08	0.00	\$21.89	\$0.00	\$6.14	\$5.25	\$33.27	\$0.00
32 Gal	6 /wk	1.0	1.00	1.10	0.00	\$20.12	\$0.00	\$7.36	\$4.82	\$32.30	\$0.00
32 Gal	7 /wk	1.1	1.00	1.12	0.00	\$23.89	\$0.00	\$8.59	\$5.73	\$38.21	\$0.00
64 Gal	1 /wk	0.3	1.33	1.00	1707.00	\$8.11	\$0.00	\$2.45	\$1.94	\$12.50	\$256,148.12
64 Gal	2 /wk	0.6	1.33	1.02	17.00	\$16.54	\$0.00	\$4.91	\$3.96	\$25.41	\$5,183.97
64 Gal	3 /wk	1.0	1.00	1.04	0.00	\$19.02	\$0.00	\$7.36	\$4.56	\$30.94	\$0.00
64 Gal	4 /wk	1.3	1.00	1.06	0.00	\$25.85	\$0.00	\$9.82	\$6.20	\$41.86	\$0.00
64 Gal	5 /wk	1.6	1.00	1.08	0.00	\$32.92	\$0.00	\$12.27	\$7.89	\$53.08	\$0.00
64 Gal	6 /wk	1.9	1.00	1.10	0.00	\$40.23	\$0.00	\$14.73	\$9.64	\$64.60	\$0.00
64 Gal	7 /wk	2.2	1.00	1.12	0.00	\$47.79	\$0.00	\$17.18	\$11.46	\$76.43	\$0.00
96 Gal	1 /wk	0.5	1.33	1.00	1940.00	\$12.16	\$0.00	\$3.68	\$2.92	\$18.76	\$436,667.26
96 Gal	2 /wk	1.0	1.00	1.02	19.00	\$18.65	\$0.00	\$7.36	\$4.47	\$30.49	\$6,950.94
96 Gal	3 /wk	1.4	1.00	1.04	0.00	\$28.53	\$0.00	\$11.04	\$6.84	\$46.41	\$0.00
96 Gal	4 /wk	1.9	1.00	1.06	0.00	\$38.77	\$0.00	\$14.73	\$9.29	\$62.79	\$0.00
96 Gal	5 /wk	2.4	1.00	1.08	0.00	\$49.37	\$0.00	\$18.41	\$11.84	\$79.62	\$0.00
96 Gal	6 /wk	2.9	1.00	1.10	0.00	\$60.35	\$0.00	\$22.09	\$14.47	\$96.90	\$0.00
96 Gal	7 /wk	3.3	0.98	1.12	0.00	\$70.25	\$0.00	\$25.77	\$16.84	\$112.86	0.00

Form 1A - Commercial & Multi-Family Solid Waste Bin Service
Initial Monthly Rates

Size	Freq.	Wkly. Volume	Volume Factor	Freq. Factor	Estm. Number of Accounts	Operating Component	Processing Component	Disposal Component	Fee Component	Total	Total Annual Revenue
1 CY,	1 /wk	1	1.00	1.00	713.00	<u>\$19.24</u>	<u>\$0.00</u>	<u>\$7.75</u>	<u>\$4.61</u>	<u>\$31.60</u>	<u>\$270,347.24</u>
1 CY,	2 /wk	2	1.00	1.02	542.00	<u>\$39.25</u>	<u>\$0.00</u>	<u>\$15.49</u>	<u>\$9.41</u>	<u>\$64.15</u>	<u>\$417,223.90</u>
1 CY,	3 /wk	3	0.98	1.04	38.00	<u>\$58.83</u>	<u>\$0.00</u>	<u>\$23.24</u>	<u>\$14.10</u>	<u>\$96.17</u>	<u>\$43,851.69</u>
1 CY,	4 /wk	4	0.98	1.06	7.00	<u>\$79.94</u>	<u>\$0.00</u>	<u>\$30.99</u>	<u>\$19.16</u>	<u>\$130.09</u>	<u>\$10,927.66</u>
1 CY,	5 /wk	5	0.98	1.08	5.00	<u>\$101.81</u>	<u>\$0.00</u>	<u>\$38.73</u>	<u>\$24.41</u>	<u>\$164.95</u>	<u>\$9,897.09</u>
1 CY,	6 /wk	6	0.95	1.10	4.00	<u>\$120.63</u>	<u>\$0.00</u>	<u>\$46.48</u>	<u>\$28.92</u>	<u>\$196.02</u>	<u>\$9,409.16</u>
1 CY,	7 /wk	7	0.95	1.12	1.00	<u>\$143.29</u>	<u>\$0.00</u>	<u>\$54.22</u>	<u>\$34.35</u>	<u>\$231.87</u>	<u>\$2,782.40</u>
2 CY,	1 /wk	2	1.00	1.00	427.00	<u>\$38.48</u>	<u>\$0.00</u>	<u>\$15.49</u>	<u>\$9.22</u>	<u>\$63.19</u>	<u>\$323,810.02</u>
2 CY,	2 /wk	4	0.98	1.02	517.00	<u>\$76.93</u>	<u>\$0.00</u>	<u>\$30.99</u>	<u>\$18.44</u>	<u>\$126.35</u>	<u>\$783,883.99</u>
2 CY,	3 /wk	6	0.95	1.04	90.00	<u>\$114.05</u>	<u>\$0.00</u>	<u>\$46.48</u>	<u>\$27.34</u>	<u>\$187.87</u>	<u>\$202,896.40</u>
2 CY,	4 /wk	8	0.95	1.06	13.00	<u>\$154.99</u>	<u>\$0.00</u>	<u>\$61.97</u>	<u>\$37.15</u>	<u>\$254.11</u>	<u>\$39,641.90</u>
2 CY,	5 /wk	10	0.95	1.08	13.00	<u>\$197.39</u>	<u>\$0.00</u>	<u>\$77.46</u>	<u>\$47.32</u>	<u>\$322.18</u>	<u>\$50,259.32</u>
2 CY,	6 /wk	12	0.93	1.10	3.00	<u>\$236.18</u>	<u>\$0.00</u>	<u>\$92.96</u>	<u>\$56.61</u>	<u>\$385.75</u>	<u>\$13,887.06</u>
2 CY,	7 /wk	14	0.93	1.12	0.00	<u>\$280.55</u>	<u>\$0.00</u>	<u>\$108.45</u>	<u>\$67.25</u>	<u>\$456.25</u>	<u>\$0.00</u>
3 CY,	1 /wk	3	0.98	1.00	227.00	<u>\$56.56</u>	<u>\$0.00</u>	<u>\$23.24</u>	<u>\$13.56</u>	<u>\$93.36</u>	<u>\$254,315.62</u>
3 CY,	2 /wk	6	0.95	1.02	409.00	<u>\$111.86</u>	<u>\$0.00</u>	<u>\$46.48</u>	<u>\$26.81</u>	<u>\$185.15</u>	<u>\$908,706.47</u>
3 CY,	3 /wk	9	0.95	1.04	169.00	<u>\$171.08</u>	<u>\$0.00</u>	<u>\$69.72</u>	<u>\$41.01</u>	<u>\$281.80</u>	<u>\$571,491.54</u>
3 CY,	4 /wk	12	0.93	1.06	12.00	<u>\$227.59</u>	<u>\$0.00</u>	<u>\$92.96</u>	<u>\$54.56</u>	<u>\$375.10</u>	<u>\$54,015.04</u>
3 CY,	5 /wk	15	0.93	1.08	20.00	<u>\$289.86</u>	<u>\$0.00</u>	<u>\$116.19</u>	<u>\$69.48</u>	<u>\$475.53</u>	<u>\$114,128.39</u>
3 CY,	6 /wk	18	0.93	1.10	9.00	<u>\$354.27</u>	<u>\$0.00</u>	<u>\$139.43</u>	<u>\$84.92</u>	<u>\$578.63</u>	<u>\$62,491.75</u>
3 CY,	7 /wk	21	0.90	1.12	12.00	<u>\$407.26</u>	<u>\$0.00</u>	<u>\$162.67</u>	<u>\$97.62</u>	<u>\$667.55</u>	<u>\$96,127.50</u>
4 CY,	1 /wk	4	0.98	1.00	160.00	<u>\$75.42</u>	<u>\$0.00</u>	<u>\$30.99</u>	<u>\$18.08</u>	<u>\$124.48</u>	<u>\$239,004.40</u>
4 CY,	2 /wk	8	0.95	1.02	350.00	<u>\$149.14</u>	<u>\$0.00</u>	<u>\$61.97</u>	<u>\$35.75</u>	<u>\$246.86</u>	<u>\$1,036,828.90</u>
4 CY,	3 /wk	12	0.93	1.04	219.00	<u>\$223.30</u>	<u>\$0.00</u>	<u>\$92.96</u>	<u>\$53.53</u>	<u>\$369.78</u>	<u>\$971,784.08</u>
4 CY,	4 /wk	16	0.93	1.06	59.00	<u>\$303.46</u>	<u>\$0.00</u>	<u>\$123.94</u>	<u>\$72.74</u>	<u>\$500.14</u>	<u>\$354,098.57</u>
4 CY,	5 /wk	20	0.90	1.08	37.00	<u>\$374.01</u>	<u>\$0.00</u>	<u>\$154.93</u>	<u>\$89.65</u>	<u>\$618.59</u>	<u>\$274,654.46</u>
4 CY,	6 /wk	24	0.90	1.10	22.00	<u>\$457.12</u>	<u>\$0.00</u>	<u>\$185.91</u>	<u>\$109.58</u>	<u>\$752.61</u>	<u>\$198,689.84</u>
4 CY,	7 /wk	28	0.90	1.12	9.00	<u>\$543.01</u>	<u>\$0.00</u>	<u>\$216.90</u>	<u>\$130.16</u>	<u>\$890.07</u>	<u>\$96,127.50</u>

**Form 1A - Commercial & Multi-Family Solid Waste Bin Service
Initial Monthly Rates**

Size	Freq.	Wkly. Volume	Volume Factor	Freq. Factor	Estm. Number of Accounts	Operating Component	Processing Component	Disposal Component	Fee Component	Total	Total Annual Revenue
5 CY,	1 /wk	5	0.98	1.00	2.00	<u>\$94.27</u>	<u>\$0.00</u>	<u>\$38.73</u>	<u>\$22.60</u>	<u>\$155.60</u>	<u>\$3,734.44</u>
5 CY,	2 /wk	10	0.95	1.02	4.00	<u>\$186.43</u>	<u>\$0.00</u>	<u>\$77.46</u>	<u>\$44.69</u>	<u>\$308.58</u>	<u>\$14,811.84</u>
5 CY,	3 /wk	15	0.93	1.04	10.00	<u>\$279.12</u>	<u>\$0.00</u>	<u>\$116.19</u>	<u>\$66.91</u>	<u>\$462.23</u>	<u>\$55,467.13</u>
5 CY,	4 /wk	20	0.90	1.06	0.00	<u>\$367.08</u>	<u>\$0.00</u>	<u>\$154.93</u>	<u>\$87.99</u>	<u>\$610.00</u>	<u>\$29,280.23</u>
5 CY,	5 /wk	25	0.90	1.08	4.00	<u>\$467.51</u>	<u>\$0.00</u>	<u>\$193.66</u>	<u>\$112.07</u>	<u>\$773.24</u>	<u>\$0.00</u>
5 CY,	6 /wk	30	0.90	1.10	0.00	<u>\$571.41</u>	<u>\$0.00</u>	<u>\$232.39</u>	<u>\$136.97</u>	<u>\$940.77</u>	<u>\$0.00</u>
5 CY,	7 /wk	35	0.90	1.12	0.00	<u>\$678.76</u>	<u>\$0.00</u>	<u>\$271.12</u>	<u>\$162.71</u>	<u>\$1,112.59</u>	<u>\$0.00</u>
6 CY,	1 /wk	6	0.95	1.00	19.00	<u>\$109.66</u>	<u>\$0.00</u>	<u>\$46.48</u>	<u>\$26.29</u>	<u>\$182.43</u>	<u>\$41,593.81</u>
6 CY,	2 /wk	12	0.93	1.02	38.00	<u>\$219.00</u>	<u>\$0.00</u>	<u>\$92.96</u>	<u>\$52.50</u>	<u>\$364.46</u>	<u>\$166,192.52</u>
6 CY,	3 /wk	18	0.93	1.04	18.00	<u>\$334.95</u>	<u>\$0.00</u>	<u>\$139.43</u>	<u>\$80.29</u>	<u>\$554.67</u>	<u>\$119,809.00</u>
6 CY,	4 /wk	24	0.90	1.06	5.00	<u>\$440.50</u>	<u>\$0.00</u>	<u>\$185.91</u>	<u>\$105.59</u>	<u>\$732.01</u>	<u>\$43,920.34</u>
6 CY,	5 /wk	30	0.90	1.08	6.00	<u>\$561.02</u>	<u>\$0.00</u>	<u>\$232.39</u>	<u>\$134.48</u>	<u>\$927.89</u>	<u>\$66,807.84</u>
6 CY,	6 /wk	36	0.90	1.10	2.00	<u>\$685.69</u>	<u>\$0.00</u>	<u>\$278.87</u>	<u>\$164.37</u>	<u>\$1,128.92</u>	<u>\$27,094.07</u>
6 CY,	7 /wk	42	0.90	1.12	2.00	<u>\$814.51</u>	<u>\$0.00</u>	<u>\$325.34</u>	<u>\$195.25</u>	<u>\$1,335.10</u>	<u>\$32,042.50</u>

Total Annual Rate Revenue - Multi-Family Solid Waste Bin Service

\$8,716,985.87

Note: Compactor Rates shall be two times the Bin Rates

Form 1B - Commercial & Multi-Family Recycling Bin Service
Initial Monthly Rates

Service Level					Year 1											
Assumed LBS/CY 30					Proposed Solid Waste Rates											
					<table border="1" style="float: right; margin-left: auto;"> <tr><td align="center">Per Cubic-Yard Rate</td></tr> <tr><td align="center">(\$13.49)</td></tr> <tr><td align="center">(\$0.00)</td></tr> <tr><td align="center">(\$2.31)</td></tr> <tr><td align="center">(\$15.80)</td></tr> </table>							Per Cubic-Yard Rate	(\$13.49)	(\$0.00)	(\$2.31)	(\$15.80)
Per Cubic-Yard Rate																
(\$13.49)																
(\$0.00)																
(\$2.31)																
(\$15.80)																
	(F)	(G)	(H)		(I)	(J)	(K)	(L)	(M)	(N)	(O)					
Service Level					Year 1											
Size	Freq.	Wkly. Volume	Volume Factor	Freq. Factor	Estm. Number of Accounts	Operating Component	Processing Component	Disposal Component	Fee Component	Total	Total Annual Revenue					
						[A * F * G * H]	[B * F * G * H]	[C * F]	[D * F * G * H]	[J + K + L + M]	[I + N + 12]					
32 Gal	1 /wk	0.2	1.33	1.00	0.00	\$2.84	\$0.00	\$0.00	\$0.49	\$3.33	\$0.00					
32 Gal	2 /wk	0.3	1.33	1.02	0.00	\$5.80	\$0.00	\$0.00	\$0.99	\$6.79	\$0.00					
32 Gal	3 /wk	0.5	1.33	1.04	0.00	\$8.87	\$0.00	\$0.00	\$1.52	\$10.39	\$0.00					
32 Gal	4 /wk	0.6	1.33	1.06	0.00	\$12.05	\$0.00	\$0.00	\$2.06	\$14.11	\$0.00					
32 Gal	5 /wk	0.8	1.33	1.08	0.00	\$15.35	\$0.00	\$0.00	\$2.62	\$17.97	\$0.00					
32 Gal	6 /wk	1.0	1	1.10	0.00	\$14.11	\$0.00	\$0.00	\$2.41	\$16.52	\$0.00					
32 Gal	7 /wk	1.1	1	1.12	0.00	\$16.76	\$0.00	\$0.00	\$2.86	\$19.62	\$0.00					
64 Gal	1 /wk	0.3	1.33	1.00	136.00	\$5.69	\$0.00	\$0.00	\$0.97	\$6.66	\$10,864.80					
64 Gal	2 /wk	0.6	1.33	1.02	1.00	\$11.60	\$0.00	\$0.00	\$1.98	\$13.58	\$162.97					
64 Gal	3 /wk	1.0	1	1.04	0.00	\$13.34	\$0.00	\$0.00	\$2.28	\$15.62	\$0.00					
64 Gal	4 /wk	1.3	1	1.06	0.00	\$18.13	\$0.00	\$0.00	\$3.10	\$21.22	\$0.00					
64 Gal	5 /wk	1.6	1	1.08	0.00	\$23.08	\$0.00	\$0.00	\$3.95	\$27.03	\$0.00					
64 Gal	6 /wk	1.9	1	1.10	0.00	\$28.21	\$0.00	\$0.00	\$4.82	\$33.04	\$0.00					
64 Gal	7 /wk	2.2	1	1.12	0.00	\$33.52	\$0.00	\$0.00	\$5.73	\$39.24	\$0.00					
96 Gal	1 /wk	0.5	1.33	1.00	756.00	\$8.53	\$0.00	\$0.00	\$1.46	\$9.99	\$90,593.22					
96 Gal	2 /wk	1.0	1	1.02	8.00	\$13.08	\$0.00	\$0.00	\$2.24	\$15.32	\$1,470.42					
96 Gal	3 /wk	1.4	1	1.04	0.00	\$20.01	\$0.00	\$0.00	\$3.42	\$23.43	\$0.00					
96 Gal	4 /wk	1.9	1	1.06	0.00	\$27.19	\$0.00	\$0.00	\$4.65	\$31.84	\$0.00					
96 Gal	5 /wk	2.4	1	1.08	0.00	\$34.63	\$0.00	\$0.00	\$5.92	\$40.54	\$0.00					
96 Gal	6 /wk	2.9	1	1.10	0.00	\$42.32	\$0.00	\$0.00	\$7.23	\$49.55	\$0.00					
96 Gal	7 /wk	3.3	0.98	1.12	0.00	\$49.27	\$0.00	\$0.00	\$8.42	\$57.69	0.00					

Form 1B - Commercial & Multi-Family Recycling Bin Service
Initial Monthly Rates

Size	Freq.	Wkly. Volume	Volume Factor	Freq. Factor	Estm. Number of Accounts	Operating Component	Processing Component	Disposal Component	Fee Component	Total	Total Annual Revenue
1 CY,	1 /wk	1	1	1.00	567.00	<u>\$13.49</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$2.31</u>	<u>\$15.80</u>	<u>\$107,494.31</u>
1 CY,	2 /wk	2	1	1.02	85.00	<u>\$27.53</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$4.70</u>	<u>\$32.23</u>	<u>\$32,873.92</u>
1 CY,	3 /wk	3	0.98	1.04	12.00	<u>\$41.26</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$7.05</u>	<u>\$48.31</u>	<u>\$6,956.08</u>
1 CY,	4 /wk	4	0.98	1.06	0.00	<u>\$56.07</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$9.58</u>	<u>\$65.65</u>	<u>\$0.00</u>
1 CY,	5 /wk	5	0.98	1.08	1.00	<u>\$71.40</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$12.20</u>	<u>\$83.61</u>	<u>\$1,003.28</u>
1 CY,	6 /wk	6	0.95	1.10	1.00	<u>\$84.60</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$14.46</u>	<u>\$99.06</u>	<u>\$1,188.69</u>
1 CY,	7 /wk	7	0.95	1.12	0.00	<u>\$100.49</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$17.17</u>	<u>\$117.67</u>	<u>\$0.00</u>
2 CY,	1 /wk	2	1	1.00	540.00	<u>\$26.99</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$4.61</u>	<u>\$31.60</u>	<u>\$204,751.06</u>
2 CY,	2 /wk	4	0.98	1.02	159.00	<u>\$53.95</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$9.22</u>	<u>\$63.17</u>	<u>\$120,527.40</u>
2 CY,	3 /wk	6	0.95	1.04	14.00	<u>\$79.99</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$13.67</u>	<u>\$93.65</u>	<u>\$15,733.98</u>
2 CY,	4 /wk	8	0.95	1.06	4.00	<u>\$108.70</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$18.58</u>	<u>\$127.27</u>	<u>\$6,109.17</u>
2 CY,	5 /wk	10	0.95	1.08	2.00	<u>\$138.44</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$23.66</u>	<u>\$162.09</u>	<u>\$3,890.27</u>
2 CY,	6 /wk	12	0.93	1.10	0.00	<u>\$165.64</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$28.31</u>	<u>\$193.94</u>	<u>\$0.00</u>
2 CY,	7 /wk	14	0.93	1.12	0.00	<u>\$196.76</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$33.63</u>	<u>\$230.38</u>	<u>\$0.00</u>
3 CY,	1 /wk	3	0.98	1.00	144.00	<u>\$39.67</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$6.78</u>	<u>\$46.45</u>	<u>\$80,262.42</u>
3 CY,	2 /wk	6	0.95	1.02	150.00	<u>\$78.45</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$13.41</u>	<u>\$91.85</u>	<u>\$165,336.48</u>
3 CY,	3 /wk	9	0.95	1.04	51.00	<u>\$119.98</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$20.50</u>	<u>\$140.48</u>	<u>\$85,974.97</u>
3 CY,	4 /wk	12	0.93	1.06	4.00	<u>\$159.61</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$27.28</u>	<u>\$186.89</u>	<u>\$8,970.83</u>
3 CY,	5 /wk	15	0.93	1.08	2.00	<u>\$203.28</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$34.74</u>	<u>\$238.02</u>	<u>\$5,712.55</u>
3 CY,	6 /wk	18	0.93	1.10	2.00	<u>\$248.46</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$42.46</u>	<u>\$290.92</u>	<u>\$6,982.01</u>
3 CY,	7 /wk	21	0.9	1.12	0.00	<u>\$285.62</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$48.81</u>	<u>\$334.43</u>	<u>\$0.00</u>
4 CY,	1 /wk	4	0.98	1.00	367.00	<u>\$52.89</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$9.04</u>	<u>\$61.93</u>	<u>\$272,743.58</u>
4 CY,	2 /wk	8	0.95	1.02	292.00	<u>\$104.60</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$17.88</u>	<u>\$122.47</u>	<u>\$429,140.03</u>
4 CY,	3 /wk	12	0.93	1.04	75.00	<u>\$156.60</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$26.76</u>	<u>\$183.37</u>	<u>\$165,029.36</u>
4 CY,	4 /wk	16	0.93	1.06	7.00	<u>\$212.82</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$36.37</u>	<u>\$249.19</u>	<u>\$20,931.93</u>
4 CY,	5 /wk	20	0.9	1.08	21.00	<u>\$262.30</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$44.83</u>	<u>\$307.13</u>	<u>\$77,395.90</u>
4 CY,	6 /wk	24	0.9	1.10	13.00	<u>\$320.59</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$54.79</u>	<u>\$375.38</u>	<u>\$58,558.80</u>
4 CY,	7 /wk	28	0.9	1.12	0.00	<u>\$380.82</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$65.08</u>	<u>\$445.90</u>	<u>\$0.00</u>

Form 1B - Commercial & Multi-Family Recycling Bin Service
Initial Monthly Rates

Size	Freq.	Wkly. Volume	Volume Factor	Freq. Factor	Estm. Number of Accounts	Operating Component	Processing Component	Disposal Component	Fee Component	Total	Total Annual Revenue
5 CY,	1 /wk	5	0.98	1.00	0.00	<u>\$66.11</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$11.30</u>	<u>\$77.41</u>	<u>\$0.00</u>
5 CY,	2 /wk	10	0.95	1.02	0.00	<u>\$130.75</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$22.34</u>	<u>\$153.09</u>	<u>\$0.00</u>
5 CY,	3 /wk	15	0.93	1.04	0.00	<u>\$195.75</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$33.45</u>	<u>\$229.21</u>	<u>\$0.00</u>
5 CY,	4 /wk	20	0.9	1.06	0.00	<u>\$257.44</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$44.00</u>	<u>\$301.44</u>	<u>\$0.00</u>
5 CY,	5 /wk	25	0.9	1.08	0.00	<u>\$327.87</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$56.03</u>	<u>\$383.91</u>	<u>\$0.00</u>
5 CY,	6 /wk	30	0.9	1.10	0.00	<u>\$400.74</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$68.49</u>	<u>\$469.22</u>	<u>\$0.00</u>
5 CY,	7 /wk	35	0.9	1.12	0.00	<u>\$476.03</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$81.35</u>	<u>\$557.38</u>	<u>\$0.00</u>
6 CY,	1 /wk	6	0.95	1.00	30.00	<u>\$76.91</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$13.14</u>	<u>\$90.05</u>	<u>\$32,418.92</u>
6 CY,	2 /wk	12	0.93	1.02	18.00	<u>\$153.59</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$26.25</u>	<u>\$179.84</u>	<u>\$38,845.37</u>
6 CY,	3 /wk	18	0.93	1.04	17.00	<u>\$234.90</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$40.15</u>	<u>\$275.05</u>	<u>\$56,109.98</u>
6 CY,	4 /wk	24	0.9	1.06	2.00	<u>\$308.93</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$52.80</u>	<u>\$361.73</u>	<u>\$8,681.45</u>
6 CY,	5 /wk	30	0.9	1.08	7.00	<u>\$393.45</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$67.24</u>	<u>\$460.69</u>	<u>\$38,697.95</u>
6 CY,	6 /wk	36	0.9	1.10	6.00	<u>\$480.88</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$82.18</u>	<u>\$563.07</u>	<u>\$40,540.71</u>
6 CY,	7 /wk	42	0.9	1.12	0.00	<u>\$571.23</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$97.62</u>	<u>\$668.85</u>	<u>\$0.00</u>

Total Annual Rate Revenue - Multi-Family Solid Waste Bin Service

\$2,195,952.82

Note: Compactor Rates shall be two times the Bin Rates

Form 1C - Commercial & Multi-Family Organics Bin Service
Initial Monthly Rates

Service Level					Year 1						
Assumed LBS/CY 125					Proposed Solid Waste Rates					Per Cubic-Yard Rate	
										(A) Operating Cost Component	\$15.39
										(B) Processing Component	\$5.41
										(C) Disposal Component	
										(D) Fee Component	\$3.56
										(E) Total	\$24.36
(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)		
Service Level					Year 1						
Size	Freq.	Wkly. Volume	Volume Factor	Freq. Factor	Estm. Number of Accounts	Operating Component	Processing Component	Disposal Component	Fee Component	Total	Total Annual Revenue
						[A * F * G * H]	[B * F * G * H]	[C * F]	[D * F * G * H]	[J + K + L + M]	[I + N * 12]
32 Gal	1 /wk	0.2	1.33	1.00	0.00	\$3.24	\$1.14	\$0.00	\$0.75	\$5.13	\$0.00
32 Gal	2 /wk	0.3	1.33	1.02	0.00	\$6.62	\$2.33	\$0.00	\$1.53	\$10.47	\$0.00
32 Gal	3 /wk	0.5	1.33	1.04	0.00	\$10.12	\$3.56	\$0.00	\$2.34	\$16.01	\$0.00
32 Gal	4 /wk	0.6	1.33	1.06	0.00	\$13.75	\$4.84	\$0.00	\$3.18	\$21.76	\$0.00
32 Gal	5 /wk	0.8	1.33	1.08	0.00	\$17.51	\$6.16	\$0.00	\$4.05	\$27.71	\$0.00
32 Gal	6 /wk	1.0	1	1.10	0.00	\$16.09	\$5.66	\$0.00	\$3.72	\$25.47	\$0.00
32 Gal	7 /wk	1.1	1	1.12	0.00	\$19.12	\$6.72	\$0.00	\$4.42	\$30.25	\$0.00
64 Gal	1 /wk	0.3	1.33	1.00	0.00	\$6.49	\$2.28	\$0.00	\$1.50	\$10.26	\$0.00
64 Gal	2 /wk	0.6	1.33	1.02	0.00	\$13.23	\$4.65	\$0.00	\$3.06	\$20.94	\$0.00
64 Gal	3 /wk	1.0	1	1.04	0.00	\$15.21	\$5.35	\$0.00	\$3.51	\$24.08	\$0.00
64 Gal	4 /wk	1.3	1	1.06	0.00	\$20.68	\$7.27	\$0.00	\$4.78	\$32.72	\$0.00
64 Gal	5 /wk	1.6	1	1.08	0.00	\$26.33	\$9.26	\$0.00	\$6.08	\$41.68	\$0.00
64 Gal	6 /wk	1.9	1	1.10	0.00	\$32.18	\$11.32	\$0.00	\$7.43	\$50.94	\$0.00
64 Gal	7 /wk	2.2	1	1.12	0.00	\$38.23	\$13.44	\$0.00	\$8.83	\$60.51	\$0.00
96 Gal	1 /wk	0.5	1.33	1.00	240.00	\$9.73	\$3.42	\$0.00	\$2.25	\$15.40	\$44,343.36
96 Gal	2 /wk	1.0	1	1.02	0.00	\$14.92	\$5.25	\$0.00	\$3.45	\$23.62	\$0.00
96 Gal	3 /wk	1.4	1	1.04	0.00	\$22.82	\$8.03	\$0.00	\$5.27	\$36.12	\$0.00
96 Gal	4 /wk	1.9	1	1.06	0.00	\$31.01	\$10.91	\$0.00	\$7.16	\$49.09	\$0.00
96 Gal	5 /wk	2.4	1	1.08	0.00	\$39.50	\$13.89	\$0.00	\$9.12	\$62.51	\$0.00
96 Gal	6 /wk	2.9	1	1.10	0.00	\$48.28	\$16.98	\$0.00	\$11.15	\$76.41	\$0.00
96 Gal	7 /wk	3.3	0.98	1.12	0.00	\$56.20	\$19.76	\$0.00	\$12.98	\$88.95	0.00

Form 1C - Commercial & Multi-Family Organics Bin Service
Initial Monthly Rates

Size	Wkly. Freq.	Wkly. Volume	Volume Factor	Freq. Factor	Estm. Number of Accounts	Operating Component	Processing Component	Disposal Component	Fee Component	Total	Total Annual Revenue
1 CY,	1 /wk	1	1	1.00	0.00	<u>\$15.39</u>	<u>\$5.41</u>	<u>\$0.00</u>	<u>\$3.56</u>	<u>\$24.36</u>	<u>\$0.00</u>
1 CY,	2 /wk	2	1	1.02	0.00	<u>\$31.40</u>	<u>\$11.04</u>	<u>\$0.00</u>	<u>\$7.25</u>	<u>\$49.69</u>	<u>\$0.00</u>
1 CY,	3 /wk	3	0.98	1.04	0.00	<u>\$47.06</u>	<u>\$16.55</u>	<u>\$0.00</u>	<u>\$10.87</u>	<u>\$74.48</u>	<u>\$0.00</u>
1 CY,	4 /wk	4	0.98	1.06	0.00	<u>\$63.95</u>	<u>\$22.49</u>	<u>\$0.00</u>	<u>\$14.77</u>	<u>\$101.22</u>	<u>\$0.00</u>
1 CY,	5 /wk	5	0.98	1.08	0.00	<u>\$81.45</u>	<u>\$28.64</u>	<u>\$0.00</u>	<u>\$18.82</u>	<u>\$128.91</u>	<u>\$0.00</u>
1 CY,	6 /wk	6	0.95	1.10	0.00	<u>\$96.50</u>	<u>\$33.94</u>	<u>\$0.00</u>	<u>\$22.29</u>	<u>\$152.73</u>	<u>\$0.00</u>
1 CY,	7 /wk	7	0.95	1.12	0.00	<u>\$114.64</u>	<u>\$40.31</u>	<u>\$0.00</u>	<u>\$26.48</u>	<u>\$181.43</u>	<u>\$0.00</u>
2 CY,	1 /wk	2	1	1.00	0.00	<u>\$30.78</u>	<u>\$10.83</u>	<u>\$0.00</u>	<u>\$7.11</u>	<u>\$48.72</u>	<u>\$0.00</u>
2 CY,	2 /wk	4	0.98	1.02	0.00	<u>\$61.54</u>	<u>\$21.64</u>	<u>\$0.00</u>	<u>\$14.22</u>	<u>\$97.40</u>	<u>\$0.00</u>
2 CY,	3 /wk	6	0.95	1.04	0.00	<u>\$91.24</u>	<u>\$32.09</u>	<u>\$0.00</u>	<u>\$21.08</u>	<u>\$144.40</u>	<u>\$0.00</u>
2 CY,	4 /wk	8	0.95	1.06	0.00	<u>\$123.99</u>	<u>\$43.60</u>	<u>\$0.00</u>	<u>\$28.64</u>	<u>\$196.24</u>	<u>\$0.00</u>
2 CY,	5 /wk	10	0.95	1.08	0.00	<u>\$157.92</u>	<u>\$55.53</u>	<u>\$0.00</u>	<u>\$36.48</u>	<u>\$249.93</u>	<u>\$0.00</u>
2 CY,	6 /wk	12	0.93	1.10	0.00	<u>\$188.94</u>	<u>\$66.44</u>	<u>\$0.00</u>	<u>\$43.65</u>	<u>\$299.03</u>	<u>\$0.00</u>
2 CY,	7 /wk	14	0.93	1.12	0.00	<u>\$224.44</u>	<u>\$78.93</u>	<u>\$0.00</u>	<u>\$51.85</u>	<u>\$355.22</u>	<u>\$0.00</u>
3 CY,	1 /wk	3	0.98	1.00	0.00	<u>\$45.25</u>	<u>\$15.91</u>	<u>\$0.00</u>	<u>\$10.45</u>	<u>\$71.62</u>	<u>\$0.00</u>
3 CY,	2 /wk	6	0.95	1.02	0.00	<u>\$89.49</u>	<u>\$31.47</u>	<u>\$0.00</u>	<u>\$20.67</u>	<u>\$141.62</u>	<u>\$0.00</u>
3 CY,	3 /wk	9	0.95	1.04	0.00	<u>\$136.86</u>	<u>\$48.13</u>	<u>\$0.00</u>	<u>\$31.61</u>	<u>\$216.60</u>	<u>\$0.00</u>
3 CY,	4 /wk	12	0.93	1.06	0.00	<u>\$182.07</u>	<u>\$64.03</u>	<u>\$0.00</u>	<u>\$42.06</u>	<u>\$288.16</u>	<u>\$0.00</u>
3 CY,	5 /wk	15	0.93	1.08	0.00	<u>\$231.89</u>	<u>\$81.54</u>	<u>\$0.00</u>	<u>\$53.57</u>	<u>\$367.00</u>	<u>\$0.00</u>
3 CY,	6 /wk	18	0.93	1.10	0.00	<u>\$283.42</u>	<u>\$99.67</u>	<u>\$0.00</u>	<u>\$65.47</u>	<u>\$448.55</u>	<u>\$0.00</u>
3 CY,	7 /wk	21	0.9	1.12	0.00	<u>\$325.81</u>	<u>\$114.57</u>	<u>\$0.00</u>	<u>\$75.26</u>	<u>\$515.64</u>	<u>\$0.00</u>
4 CY,	1 /wk	4	0.98	1.00	0.00	<u>\$60.33</u>	<u>\$21.22</u>	<u>\$0.00</u>	<u>\$13.94</u>	<u>\$95.49</u>	<u>\$0.00</u>
4 CY,	2 /wk	8	0.95	1.02	0.00	<u>\$119.31</u>	<u>\$41.96</u>	<u>\$0.00</u>	<u>\$27.56</u>	<u>\$188.83</u>	<u>\$0.00</u>
4 CY,	3 /wk	12	0.93	1.04	0.00	<u>\$178.64</u>	<u>\$62.82</u>	<u>\$0.00</u>	<u>\$41.27</u>	<u>\$282.72</u>	<u>\$0.00</u>
4 CY,	4 /wk	16	0.93	1.06	0.00	<u>\$242.77</u>	<u>\$85.37</u>	<u>\$0.00</u>	<u>\$56.08</u>	<u>\$384.21</u>	<u>\$0.00</u>
4 CY,	5 /wk	20	0.9	1.08	0.00	<u>\$299.21</u>	<u>\$105.22</u>	<u>\$0.00</u>	<u>\$69.12</u>	<u>\$473.54</u>	<u>\$0.00</u>
4 CY,	6 /wk	24	0.9	1.10	0.00	<u>\$365.70</u>	<u>\$128.60</u>	<u>\$0.00</u>	<u>\$84.48</u>	<u>\$578.78</u>	<u>\$0.00</u>
4 CY,	7 /wk	28	0.9	1.12	0.00	<u>\$434.41</u>	<u>\$152.76</u>	<u>\$0.00</u>	<u>\$100.35</u>	<u>\$687.52</u>	<u>\$0.00</u>

Form 1C - Commercial & Multi-Family Organics Bin Service
Initial Monthly Rates

Size	Wkly. Freq.	Volume	Volume Factor	Freq. Factor	Estm. Number of Accounts	Operating Component	Processing Component	Disposal Component	Fee Component	Total	Total Annual Revenue
5 CY,	1 /wk	5	0.98	1.00	0.00	<u>\$75.42</u>	<u>\$26.52</u>	<u>\$0.00</u>	<u>\$17.42</u>	<u>\$119.36</u>	<u>\$0.00</u>
5 CY,	2 /wk	10	0.95	1.02	0.00	<u>\$149.14</u>	<u>\$52.45</u>	<u>\$0.00</u>	<u>\$34.45</u>	<u>\$236.04</u>	<u>\$0.00</u>
5 CY,	3 /wk	15	0.93	1.04	0.00	<u>\$223.30</u>	<u>\$78.52</u>	<u>\$0.00</u>	<u>\$51.58</u>	<u>\$353.40</u>	<u>\$0.00</u>
5 CY,	4 /wk	20	0.9	1.06	0.00	<u>\$293.67</u>	<u>\$103.27</u>	<u>\$0.00</u>	<u>\$67.84</u>	<u>\$464.78</u>	<u>\$0.00</u>
5 CY,	5 /wk	25	0.9	1.08	0.00	<u>\$374.01</u>	<u>\$131.52</u>	<u>\$0.00</u>	<u>\$86.40</u>	<u>\$591.93</u>	<u>\$0.00</u>
5 CY,	6 /wk	30	0.9	1.10	0.00	<u>\$457.12</u>	<u>\$160.75</u>	<u>\$0.00</u>	<u>\$105.59</u>	<u>\$723.47</u>	<u>\$0.00</u>
5 CY,	7 /wk	35	0.9	1.12	0.00	<u>\$543.01</u>	<u>\$190.95</u>	<u>\$0.00</u>	<u>\$125.43</u>	<u>\$859.40</u>	<u>\$0.00</u>
6 CY,	1 /wk	6	0.95	1.00	0.00	<u>\$87.73</u>	<u>\$30.85</u>	<u>\$0.00</u>	<u>\$20.27</u>	<u>\$138.85</u>	<u>\$0.00</u>
6 CY,	2 /wk	12	0.93	1.02	0.00	<u>\$175.20</u>	<u>\$61.61</u>	<u>\$0.00</u>	<u>\$40.47</u>	<u>\$277.29</u>	<u>\$0.00</u>
6 CY,	3 /wk	18	0.93	1.04	0.00	<u>\$267.96</u>	<u>\$94.23</u>	<u>\$0.00</u>	<u>\$61.90</u>	<u>\$424.09</u>	<u>\$0.00</u>
6 CY,	4 /wk	24	0.9	1.06	0.00	<u>\$352.40</u>	<u>\$123.92</u>	<u>\$0.00</u>	<u>\$81.40</u>	<u>\$557.73</u>	<u>\$0.00</u>
6 CY,	5 /wk	30	0.9	1.08	0.00	<u>\$448.81</u>	<u>\$157.83</u>	<u>\$0.00</u>	<u>\$103.68</u>	<u>\$710.32</u>	<u>\$0.00</u>
6 CY,	6 /wk	36	0.9	1.10	0.00	<u>\$548.55</u>	<u>\$192.90</u>	<u>\$0.00</u>	<u>\$126.71</u>	<u>\$868.16</u>	<u>\$0.00</u>
6 CY,	7 /wk	42	0.9	1.12	0.00	<u>\$651.61</u>	<u>\$229.14</u>	<u>\$0.00</u>	<u>\$150.52</u>	<u>\$1,031.27</u>	<u>\$0.00</u>

Total Annual Rate Revenue - Multi-Family Solid Waste Bin Service

\$44,343.36

Note: Compactor Rates shall be two times the Bin Rates

Form 1D - Commercial & Multi-Family Special Charges
Initial Monthly Rates

Propo Mid Valley Disposal

Special Charges*

Extra Pick-Ups (Carts)

Solid Waste	\$ 0.20	/gallon/pick-up
Recyclable Materials	\$ 0.12	/gallon/pick-up
Green Waste	\$ 0.16	/gallon/pick-up

Extra Pick-Ups (Bins/Roll-Off Boxes/Compactors)

Solid Waste	\$ 26.00	/cubic yard/pick-up
Recyclable Materials	\$ 20.00	/cubic yard/pick-up
Green Waste	\$ 24.00	/cubic yard/pick-up

Lock Service

\$ 25.00	/lock/month
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Enclosure Access Charge

\$ 10.00	/enclosure/month
----------	------------------

Push or Pull Charge

\$ 20.00	/25 feet/month
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Container Cleaning

\$ 65.00	/cleaning
----------	-----------

Weight Surcharge (solid waste containers
exceeding 300lbs per cubic yard)

\$ 55.00	/ton
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Container Replacement (in addition to one per year at
no additional cost)

\$ 105.00	/replacement
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*All costs related to providing these special charges shall be included on Rate and Cost Proposal Forms 8, 8A through 8D, where applicable.

PRIMARY (Total Costs from Forms 8A through 8D)

	Year 1
Labor-Related Costs (include regular & pool personnel)	
Regular Wages	\$1,098,351
Overtime Wages	\$205,941
Holiday Wages	\$27,009
Vacation Wages	\$45,014
Sick Leave Wages	\$0
Workers Compensation Insurance Premiums	\$120,935
Workers Compensation Claims	\$4,435
Health & Welfare	\$147,241
Pension/ Retirement Benefits	\$57,084
Payroll Taxes	\$120,208
Other (Please List)	\$0
Total Labor Related-Costs	\$1,826,218
Vehicle-Related Costs (do not include depreciation)	
Tires & Tubes	\$95,680
Parts & Supplies (fluid, oil, etc.)	\$624,000
Taxes & Licenses	\$65,000
Other (Please List)	\$4,552
Total Vehicle-Related Costs	\$789,232
Other Costs	\$855,059
Other Costs	
Liability & Property Damage Insurance	\$0
Equipment Insurance	\$104,000
Training & Safety Programs	\$20,000
Uniforms	\$3,510
Other (Please List)	(\$200,000)
Total Other Costs	(\$72,490)
Asset Depreciation	
Container Depreciation	\$112,652
Route Vehicle Depreciation	\$148,241
Other Depreciation	\$0
Total Direct Depreciation	\$260,893
Allocated Costs - Labor, Vehicle, Fuel & Other Costs	
From General and Administrative (6D)	\$1,767,304
From Vehicle Maintenance (6D)	\$357,400
From Container Maintenance (6D)	\$361,517
Total Allocated Costs - Labor, Vehicle, Fuel & Other Costs	\$2,486,221

From General and Administrative (6D)		\$60,714
From Vehicle Maintenance (6D)		\$0
From Container Maintenance (6D)		\$0
Total Allocated Costs - Depreciation and Start-Up Costs		\$60,714
Total Annual Cost of Operations		\$6,205,846
Operating Ratio (% Operating Ratio; i.e. 95%):	92.0%	\$593,829
Total Annual Cost	\$ 29.57 /ton	\$2,257,686
Processing Costs		
Recyclables Processing Costs		\$0
Organics Processing Costs	\$ 20.00 /ton	\$16,500
Total Net Processing Costs		\$16,500
Total Interest Expense		\$257,347
Total Lease Costs		
Route Vehicles		\$0
Other (Please List)		\$0
Total Direct Lease Costs		\$0
Allocated Lease Costs		
From General and Administrative (6D)		\$0
From Vehicle Maintenance (6D)		\$0
From Container Maintenance (6D)		\$0
Total Allocated Lease Costs		\$0
Total Pass-Through Costs		\$2,531,533
Total Cost Before City Fees	0.1709	\$9,331,208
City Fees		
City fees 14.6% (Franchise, Contract Mgt)		\$1,594,703
AB 939		\$0
Contract Monitoring and Enforcement Fee		\$0
Shedding Fee		\$0
Landfill Maintenance Fee		\$0
Landfill Closure Fee		\$0
Landfill Debt Service Fee		\$0
Total City Fees		\$1,594,703
Total Proposed Annual Cost		\$10,925,911

EXHIBIT K

SAMPLE REPORTING FORMS

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Exhibit K - Sample Reporting Forms (MVD).xlsx

9.5 Quarterly Reports _____ Quarter

A. Solid Waste Services

9.5.A.1. Summary of 9.4.A.

	Jan / April / July / Oct	Feb / May / Aug / Nov	Mar / June / Sep / Dec	Total
Frontload Tons	214.98			
Sideload Tons	110.65			

9.5.A.2. Solid Waste by Service Type

	1xwk	2xwk	3xwk	4xwk	5xwk	6xwk	Total Yards
96 Cart							
1 Yd							
1.5 Yd							
2 Yd							
3 Yd							
4 Yd							
6 Yd							

Roll Offs

Deliveries	Services	Removals

Compactors

Deliveries	Services	Removals

B. Recyclable Materials Service

9.5.B.1. Summary of 9.4.B

Tons	Jan / April / July / Oct	Feb / May / Aug / Nov	Mar / June / Sep / Dec	Total
Frontload	214.98			
Sideload	110.65			

9.5.B.2. Recyclable by Service Type

	1xwk	2xwk	3xwk	4xwk	5xwk	6xwk	Total Yards
96 Cart							
1 Yd							
1.5 Yd							
2 Yd							
3 Yd							
4 Yd							
6 Yd							

Roll Offs

Deliveries	Services	Removals

Compactors

Deliveries	Services	Removals

Exhibit K - Sample Reporting Forms (MVD).xlsx

C. Organics Materials Service

9.5.C.1. Summary of 9.4.C

Tons	Jan / April / July / Oct	Feb / May / Aug / Nov	Mar / June / Sep / Dec	Total
Frontload	214.98			
Sideload	110.65			

9.5.C.2. Organics by Service Type

	1xwk	2xwk	3xwk	4xwk	5xwk	6xwk	Total Yards
96 Cart							
1 Yd							
1.5 Yd							
2 Yd							
3 Yd							
4 Yd							
6 Yd							

Roll Offs

Deliveries	Sevices	Removals

Compactors

Deliveries	Sevices	Removals

Exhibit K - Sample Reporting Forms (MVD).xlsx

9.5 Quarterly Summary

9.5.D.1. Customer Service Summary of 9.4.D

9.5.D.1.1 Customer Contact

Jan / April / July / Oct	Missed Pick Ups	Billing Concerns	Damage Claims	Scheduled Clean ups		
Calls						
Emails						
Faxes						
Web Site						
Letters						

Feb / May / Aug / Nov	Missed Pick Ups	Billing Concerns	Damage Claims	Scheduled Clean ups		
Calls						
Emails						
Faxes						
Web Site						
Letters						

Mar / June / Sep / Dec	Missed Pick Ups	Billing Concerns	Damage Claims	Scheduled Clean ups		
Calls						
Emails						
Faxes						
Web Site						
Letters						

TOTAL						
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9.5.D.1.2. Customer Complaints Not Resolved With/in 5 Days

Jan / April / July / Oct	
Feb / May / Aug / Nov	
Mar / June / Sep / Dec	

9.5.D.1.3 Number of New Cart Bin Roll-Off Box

Jan / April / July / Oct	Commercial Recyclable Materials			
Feb / May / Aug / Nov	Commercial Recyclable Materials			
Mar / June / Sep / Dec	Commercial Recyclable Materials			
Jan / April / July / Oct	Multi-Family Recyclable Materials			
Feb / May / Aug / Nov	Multi-Family Recyclable Materials			
Mar / June / Sep / Dec	Multi-Family Recyclable Materials			
Jan / April / July / Oct	Organic Materials			
Feb / May / Aug / Nov	Organic Materials			
Mar / June / Sep / Dec	Organic Materials			

Exhibit K - Sample Reporting Forms (MVD).xlsx

9.5.D.2. Customer Service Overview Sheet
Training Agenda & Training Supplements

9.5.D.3. Number of calls received per month

	Within 30 seconds	% of calls answered within 3 minutes	Total Calls
Jan / April / July / Oct			
Feb / May / Aug / Nov			
Mar / June / Sep / Dec			

Exhibit K - Sample Reporting Forms (MVD).xlsx

9.5.E. Abandoned Waste Collection

Date	Location	Materials Collected	Tonnage

Exhibit K - Sample Reporting Forms (MVD).xlsx

9.5.F Education Activities

9.5.F.1. Public Education

Date	Materials Distributed	Qty Distributed

9.5.F.2. Customer Education Meetings

Dates	Times	Group Names Of Meetings

9.5.F.3. Waste Audits

Name	Address	Service Levels	Service Changes

9.5.G Pilot & New Programs

--

Exhibit K - Sample Reporting Forms (MVD).xlsx

9.5.H Summary Assessment

9.5.H.1 Description of the status of program

--

9.5.H.2. Recommendations and plans to improve

--

9.5.H.3 Highlights of significant accomplishments & problems

--

9.5.1 Other Reports

9.5.1.1 Special Events

Date	Location	Collected

9.5.1.2 Instructions to Customers

Date	Location	Instructions

9.5.1.3 Hazardous Waste incidents

Date	Location	Instructions

EXHIBIT L

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EXHIBIT M

FORM OF CONTRACTOR'S FAITHFUL PERFORMANCE BOND

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CITY OF FRESNO
FORM OF CONTRACTOR'S FAITHFUL PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS:

That, _____ California Corporations, as PRINCIPAL, and _____, a Corporation organized and doing business by virtue of the laws of the State of California, and authorized for the purpose of making, guaranteeing, or becoming sole surety upon bonds or undertakings required or authorized by the laws of the State of California, as SURETY, are held and firmly bound to the CITY OF FRESNO, a municipal corporation of the State of California, hereinafter called OBLIGEE, in the penal sum of _____ and No/100 Dollars (\$_____.00) lawful money of the United States, for the payment of which, well and truly to be made, we and each of us hereby bind ourselves, and our and each of our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

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

WHEREAS, the above bounden PRINCIPAL has entered into a contract on _____, 2002, entitled "MULTI-FAMILY AND COMMERCIAL SOLID WASTE, RECYCLABLE MATERIALS, AND ORGANIC MATERIALS SERVICES IN SERVICE AREA NO. ____" with the OBLIGEE, to do and perform the following work, to wit: Collect, Transport, Process, and Dispose of Solid Waste, Recyclable Materials, and Organic Materials generated within Service Area No. ____ in the City of Fresno, in accordance with the contract.

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

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

IN WITNESS WHEREOF, said PRINCIPAL and said SURETY have caused these presents to be duly signed and sealed this ____ day of _____, 2011.

By: _____
(PRINCIPAL) (SEAL)

By: _____
(SURETY) (SEAL)

By: _____

By: _____

By: _____
(ATTORNEY IN FACT) (SEAL)

By: _____
(ATTORNEY IN FACT) (SEAL)

(Signatures of Principal and Surety must be acknowledged by a Notary Public)

EXHIBIT N

CITY-OWNED EQUIPMENT TO BE ACQUIRED BY CONTRACTOR

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Service Area 2 - Southern Service Area

Equipment	Quantity	Average Per Unit Value	Total
Front-End Loader Trucks	22	\$ 62,587	\$ 1,376,904
Bin-Delivery Truck - Fork	1	\$ 8,571	\$ 8,571
Bin-Delivery Truck - Flatbed	1	\$ -	\$ -
64-Gallon Carts - Solid Waste	1326	\$ 20	\$ 26,520
96-Gallon Carts - Solid Waste	1564	\$ 20	\$ 31,280
1 Cubic Yard Bins - Solid Waste	1,388	\$ 54.86	\$ 76,152
2 Cubic Yard Bins - Solid Waste	1,065	\$ 66.11	\$ 70,404
3 Cubic Yard Bins - Solid Waste	861	\$ 75.10	\$ 64,662
4 Cubic Yard Bins - Solid Waste	857	\$ 86.34	\$ 73,997
5 Cubic Yard Bins - Solid Waste	20	\$ 99.39	\$ 1,988
6 Cubic Yard Bins - Solid Waste	93	\$ 112.88	\$ 10,498
1 Cubic Yard Bins - Recycling	685	\$ 54.86	\$ 37,582
2 Cubic Yard Bins - Recycling	926	\$ 66.11	\$ 61,215
3 Cubic Yard Bins - Recycling	354	\$ 75.10	\$ 26,586
4 Cubic Yard Bins - Recycling	779	\$ 86.34	\$ 67,262
5 Cubic Yard Bins - Recycling	-	\$ 99.39	\$ -
6 Cubic Yard Bins - Recycling	87	\$ 112.88	\$ 9,820
Total Equipment Purchase Price - Service Area 2			\$ 1,943,441

NOTE: This equipment and pricing list reflects the assumptions of the Contractor in preparing their cost and rate proposal. In the event of a conflict between this exhibit and the equipment purchase agreement between the City and Contractor, the equipment purchase agreement shall control.

EXHIBIT O

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EXHIBIT P

COST-BASED RATE ADJUSTMENT METHODOLOGY

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EXHIBIT P

COST-BASED RATE ADJUSTMENT MOTHODOLOGY

1. GENERAL

The City shall use the cost-based Rate adjustment method described in this Exhibit to determine Rates for Rate Periods 3 and 9, and if applicable, Rate Periods 14 and 19.

The cost-based adjustment involves review of the Contractor's actual cost of operations and operational statistics (staffing levels, routes, route hours, Customers and their service levels, etc.) to determine the Total Contractor's Compensation for the current Rate Period and to forecast the Total Contractor's Compensation for the coming Rate Period. The difference (measured as a percentage) between the Total Contractor's Compensation for the coming Rate Period and the Gross Rate Revenues most-recently reported 12-month period is the Rate Adjustment Factor. The Rate Adjustment Factor is applied to the then-current Rates to determine the Rates for the coming Rate Period.

The intent of performing the cost-based adjustment is to examine the actual impact of changes in inflation, the number of Customers, and the service level of Customers.

The City will incur costs, including consulting and legal fees, when determining adjustments to the Rates in accordance with this Exhibit and shall require the Contractor to pay for such costs within sixty (60) calendar days of receipt of the City's invoice for such costs. The Contractor shall recover such costs through the Rates by treating the costs as an allowable Pass-Through Cost as described in Section 3.C of this Exhibit. Regardless of Contractor's payment of costs associated with said review, City shall retain full and unimpeded discretion in selection of its agents to ensure, at a minimum, that no conflict of interest arises in the review of Contractor's request. City retains the right to select its agents on the basis of their qualifications and experience and without regard to cost.

2. DEFINITIONS

Terms in upper case that are not otherwise defined in Article 1 or this Exhibit are defined by reference for the purposes of this Exhibit only.

- A. **"Annual Percentage Change"** means the average CPI value for the 12-month period ending March of the then-current Rate Period minus the average CPI value for the 12-month period ending March of the most-recently completed Rate Period, divided by the average CPI value for the 12-month period ending March of the most-recently completed Rate Period. The Annual Percentage Change shall be rounded to the nearest thousandth (1000th).

For example, if the Contractor is preparing its Rate application for Rates to be effective for Rate Period 3, the Annual Percentage Change shall be calculated as follows:
[(Average CPI for April 2011 through March 2012) – (Average CPI for April 2010 through March 2011)] / (Average CPI for April 2010 through March 2011).

- B. “CPI-U” means the All Urban Consumers Index (CPI-U) compiled and published by the DOL or its successor agency, using the following parameters.

CPI-U Parameters:

Area – Los Angeles-Riverside-Orange County, CA
Item – All Items
Base Period – Current 1982-84=100
Not seasonally adjusted
Periodicity – Monthly

- C. “**Total Contractor’s Compensation**” means the total amount to be used as a basis for determining the Rate Adjustment Factor. The Total Contractor’s Compensation does not reflect or in any way guarantee the Gross Rate Revenues that are to be generated by Rates or retained by the Contractor.

3. **FORECASTING TOTAL CONTRACTOR’S COMPENSATION**

The Total Contractor’s Compensation for the coming Rate Period shall be forecasted in the manner described in this Section.

A. **Forecasting Total Annual Cost of Operations**

1. **Determine Actual Total Annual Cost of Operations.** Contractor's financial statement, books, and records shall be reviewed to determine Contractor's Actual Total Annual Cost of Operations for the most-recently completed Rate Period to perform all the services in the manner required by this Agreement for each of the following cost categories:

- a. Forecasted labor-related costs
- b. Forecasted vehicle-related costs (excluding fuel)
- c. Forecasted fuel costs
- d. Forecasted other costs
- e. Forecasted direct depreciation costs
- f. Forecasted allocated costs (labor, vehicle, and other costs)
- g. Forecasted allocated costs (depreciation)

2. **Calculate Allowable Costs.** Contractor shall calculate Allowable Total Annual Cost of Operations for the most-recently completed Rate Period by adjusting Actual Total Annual Cost of Operations for the most-recently completed Rate Period (determined in accordance with Section 3.A.1 of this Exhibit) to deduct non-allowable costs. The Allowable Total Annual Cost of Operations shall be reported in the cost categories identified in Section 3.A.1 of this Exhibit. Non-allowable costs that shall be deducted from actual costs include the following:

- a. Labor and equipment costs for personnel and vehicles that are not specified in the proposal forms contained in Exhibit C.

- b. Payments to directors and/or owners of Contractor unless paid as reasonable compensation for services actually rendered. Reasonableness shall be determined based on available market pricing for similar services and shall be in the sole discretion of the City.
- c. Travel expenses and entertainment (above five thousand dollars (\$5,000) annually in total) expenses, unless authorized in advance by the City.
- d. Payments to repair damage to property of third parties or the City for which Contractor is legally liable.
- e. Fines for penalties of any nature.
- f. Liquidated Damages assessed under this Agreement.
- g. Federal or State income taxes.
- h. Charitable or political donations.
- i. Depreciation or interest expense for Collection vehicles, Containers, other equipment, offices and other facilities if such items are leased as specified in Exhibit C.
- j. Attorney's fees and other expenses incurred by Contractor in any court proceeding in which the City and Contractor are adverse Parties.
- k. Attorney's fees and other expenses incurred by Contractor arising from any act or omission in violation of this Agreement.
- l. Attorneys' fees and other expenses incurred by Contractor in any court proceeding in which Contractor's own negligence, violation of law or regulation, or wrong doing are in issue and occasion, in whole or in part, the attorneys' fees and expenses claimed; and attorneys' fees and expenses incurred by Contractor in a court proceeding in which the legal theory or statute providing a basis of liability against Contractor also provides for separate potential liability for the City derived from the action of its citizens or Rate payers (such as in a CERCLA lawsuit) unless the Contractor is found not liable in such claims and such claims arise from acts or occurrences within the Term of the Agreement.
- m. Payments to Related-Party Entities for products or services, in excess of the cost to the Related-Party Entities for those products or services.
- n. Goodwill.

- o. Excess fuel costs for route hours greater than those stated in Exhibit C where excess fuel costs shall be equal to annual fuel costs less allowable fuel costs, where allowable fuel costs are calculated to be equal to annual fuel costs divided by total annual gallons of fuel purchased multiplied by total annual allowable fuel usage stated in Exhibit C.
 - p. Unreasonable profit sharing distributions.
 - q. Replacement costs for Containers that need to be replaced because the useful life of such Container was less than the Term.
 - r. Administrative costs greater than the administrative costs proposed for Rate Period 2 (as presented in Exhibit C) adjusted using the CPI-U
 - s. Bad debt write-offs in excess of two percent (2%) of annual Rate revenues.
3. **Forecasted Total Annual Cost of Operations.** Forecasted Total Annual Cost of Operations for the coming Rate Period shall be calculated based on Allowed Total Cost of Operations for the most-recently completed Rate Period determined in accordance with Section 3.A.2 of this Exhibit. The forecasts shall be performed in the following manner:
- a. Forecasted labor-related costs shall be calculated for the coming Rate Period by multiplying: (i) the Allowed labor-related costs for the most-recently completed Rate Period by one (1) plus the Annual Percentage Change in the labor index described in Section 11.3.B., "step 1" of the Agreement; and, (ii) multiplying the result of step one by the same percentage change used in step one.
 - b. Forecasted vehicle-related costs (excluding fuel and depreciation costs) shall be calculated for the coming Rate Period by: (i) multiplying the Allowed vehicle-related costs for the most-recently completed Rate Period by one (1) plus the Annual Percentage Change in the CPI-U; and, (ii) multiplying the result of step one by the same percentage change used in step one.
 - c. Forecasted fuel costs shall be calculated for the coming Rate Period by: (i) multiplying the Allowed fuel costs for the most-recently completed Rate Period by 1 plus the Annual Percentage Change in the fuel index described in Section 11.3.B., "step 2" of the Agreement; and, (ii) multiplying the result of step one by the same percentage change used in step one.
 - f. Forecasted other costs shall be calculated for the coming Rate Period by: (i) multiplying the allowed other-related costs for most-recently completed Rate Period by one (1) plus the Annual Percentage Change in CPI-U; and, (ii) multiplying the result of step one by one (1) plus the Annual Percentage Change in CPI-U.

- g. Forecasted direct depreciation expense shall be the amount specified in Exhibit C for vehicles, Containers, and facilities. Direct depreciation expense is a fixed cost and is not subject to inflation.
- h. Forecasted allocated labor-related, vehicle-related, and other costs shall be calculated for the coming Rate Period by: (i) multiplying the allowed other-related costs for most-recently completed Rate Period by one (1) plus the Annual Percentage Change in CPI-U; and, (ii) multiplying the result of step one by 1 plus the Annual Percentage Change in CPI-U.
- i. Forecasted allocated depreciation expense shall be the amount specified in Exhibit C for vehicles, Containers, and facilities. Allocated depreciation expense is a fixed cost and not subject to inflation.
- j. Forecasted Total Annual Cost of Operations for the coming Rate Period shall equal the sum of the following costs, which shall have been calculated in accordance with the procedures in this Section:
 - (1) Forecasted labor-related costs
 - (2) Forecasted vehicle-related costs (excluding fuel costs)
 - (3) Forecasted fuel costs
 - (4) Forecasted other costs
 - (5) Forecasted direct depreciation expense
 - (6) Forecasted allocated costs (labor, vehicle, and other costs)
 - (7) Forecasted allocated costs (depreciation)

B. Forecasted Profit. Contractor shall be entitled to Profit on Forecasted Total Annual Cost of Operations. Profit shall be calculated using an operating ratio of 91.5%. Profit shall be calculated using the following formula:

$$\text{Profit} = (\text{Forecasted Total Annual Cost of Operations} / \text{Operating Ratio}) - \text{Forecasted Total Annual Cost of Operations}$$

For Example:

Assuming an operating ratio of 92%

Assuming a Forecasted Total Annual Cost of Operations of \$1,000,000

$$(1,000,000 / .92) - 1,000,000 = 86,956.52$$

C. Forecasted Pass-Through Costs. Pass-Through Costs for the coming Rate Period shall be forecasted in the following manner:

- 1. **Forecasted Disposal Cost.** Annual Forecasted Disposal Cost = (Disposal Fee at Designated Disposal Location) x (total Tons of Solid Waste Collected for the most-recently reported 12-month period).

2. **Forecasted Recyclable Materials Processing Cost.** Annual Forecasted Recyclable Materials Processing Cost = (Processing Fee at Designated Recyclable Materials Processing Site) x (total Tons of Recyclable Materials Collected for the most-recently reported 12-month period)
3. **Forecasted Organic Materials Processing Cost.** Annual Forecasted Organic Materials Processing Cost = (Processing Fee at Approved Organic Materials Processing Site) x (total Tons of Organic Materials Collected for the most-recently reported 12-month period)
4. **Forecasted Interest Expense.** Interest Expense is \$257,347 per year and shall not be adjusted over the Term of the Agreement.
5. **Forecasted Direct Lease Costs.** Direct Lease Costs are \$0 per year and shall not be adjusted over the Term of the Agreement.
6. **Forecasted Allocated Lease Costs.** Allocated Lease Costs are \$0 per year and shall not be adjusted over the Term of the Agreement.

D. Forecasted City Fees

- (1) **Forecasted Franchise Fee.** Forecasted Franchise Fees, which shall equal sixteen and seven-tenths percent (14.1%) of the Forecasted Total Contractor's Compensation.
- (2) **Forecasted Contract Management and Enforcement Fee.** The Forecasted Contract Management and Enforcement Fee shall be in an amount prescribed by the City. If no revised Contract Management and Enforcement Fee is provided by the City, the Contract Management and Enforcement Fee paid to the City during the prior Rate Period shall remain in effect.
- (3) **Rate Application Review Costs.** An amount determined by the City to reimburse the Contractor for payment of the City's costs, including consulting and legal fees associated with determination of Rates under this Exhibit.
- (4) **Forecasted Total City Fees.** Forecasted Total City Fees shall equal the sum of the Forecasted Franchise Fee, Forecasted Contract Management and Enforcement Fee, Forecasted Shedding Fee, Forecasted Vehicle Impact Fee, and Rate Application Review Costs.

4. RATE ADJUSTMENT FACTORS

A. Operating Component Rate Adjustment Factor. The "Operating Component Rate Adjustment Factor" shall be determined by dividing the sum of the Forecasted Total Annual Cost of Operations, Forecasted Profit, Forecasted Interest Expense, Forecasted Direct Lease Costs, and Forecasted Allocated Lease Costs by the Operating Component portion of Rate Revenues

received over the most recent twelve (12) months, rounded to the nearest thousandth. The Operating Component Rate Adjustment Factor shall not exceed three percent (3%) during Rate Periods 1 through 4 or six percent (6%) in any Rate Period after Rate Period 4, nor shall it be less than zero percent (0%) in any Rate Period.

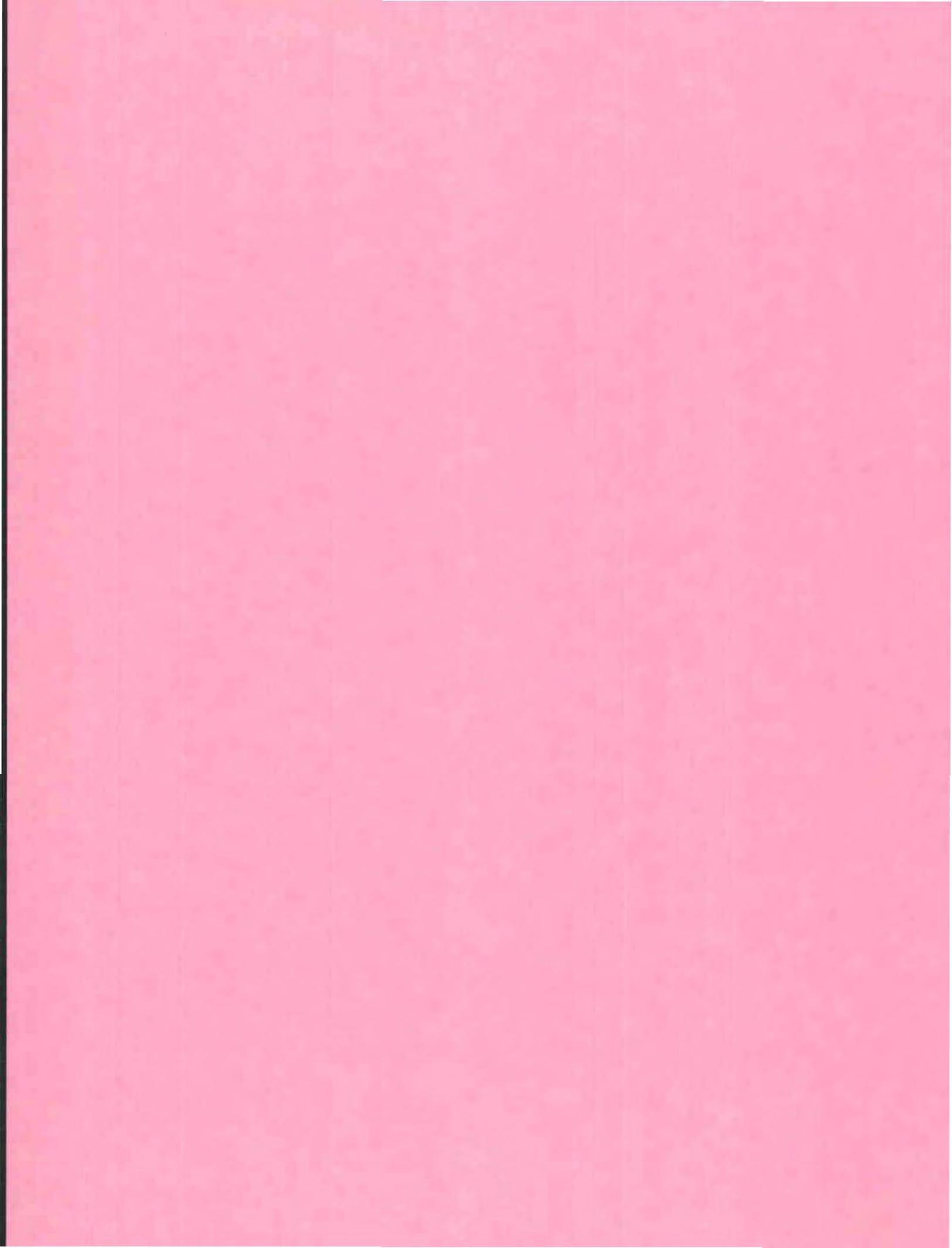
B. Disposal Component Rate Adjustment Factor. The “Disposal Component Rate Adjustment Factor” shall be determined by dividing the Forecasted Disposal Cost by the Disposal Component portion of Rate Revenues received over the most recent twelve (12) months, rounded to the nearest thousandth (1000th). The Disposal Component shall only be applied to Solid Waste Collection Rates and shall not be included in the calculation of Recyclable Materials Collection Rates, Organic Materials Collection Rates, or Special Charges.

C. Processing Component Rate Adjustment Factor. The “Processing Component Rate Adjustment Factor” shall be determined by dividing the Forecasted Processing Cost by the Processing Component portion of Rate Revenues received over the most recent twelve (12) months, rounded to the nearest thousandth (1000th). This calculation shall be performed for the Forecasted Recyclable Materials Processing Cost for determination of Recyclable Materials Collection Rates. The calculation shall be performed separately for the Forecasted Organic Materials Processing Cost for determination of Organic Materials Collection Rates. The Processing Component Rate Adjustment Factor shall not be applied to Solid Waste Collection Rates or Special Charges. The Processing Component Rate Adjustment Factor for Organic Materials Collection Rates shall not exceed the Operating Component Rate Adjustment Factor as determined in Section 4.A. of this Exhibit.

D. Fee Component Rate Adjustment Factor. The “Fee Component Rate Adjustment Factor” shall be determined by dividing the Forecasted Total City Fees by the sum of all Franchise and Other Fees, as described in Article 10 of the Agreement, paid to the City by Contractor over the most recent twelve (12) months, rounded to the nearest thousandth (1000th).

5. ADJUSTMENT OF RATES

Each then-current Rate component shall be multiplied by the associated component Rate Adjustment Factor to calculate the effective Rate for the coming Rate Period. All Special Charges shall be adjusted using the Operating Component Rate Adjustment Factor.



Mr. Joseph Kalpakoff
Mid Valley Disposal
15300 W. Jensen Ave.
Kerman, CA 93630

RE: Franchise Agreement for Multi-Family and Commercial Solid Waste, Recyclable Materials, and Organic Materials Services in Service Area No. 2 ("Franchise Agreement"), and related Purchase Agreement for Trucks and Containers

Mr. Kalpakoff:

We write to confirm our understanding regarding documentation of the sale and purchase of certain trucks and containers (collectively, the "personal property") pursuant to Sections 8.3.1 and 8.4 of the Franchise Agreement. The quantity, size, and purchase price of the trucks and containers is set forth in Exhibit N to the Franchise Agreement.

We have agreed that satisfaction of Mid Valley's purchase obligations under Sections 8.3.1 and 8.4 of the Franchise Agreement requires the City and Mid Valley enter into a Purchase Agreement for the sale and purchase of the personal property, prior to the Commencement Date (as that date is defined in the Purchase Agreement) upon mutually agreeable terms between both parties.. Among other things, the Purchase Agreement will:

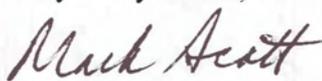
- confirm that the personal property is being conveyed in an "as-is" condition, without warranty of any kind;

- include a release of liability and indemnification in favor of the City, for any damages arising from the use or condition of the personal property; and

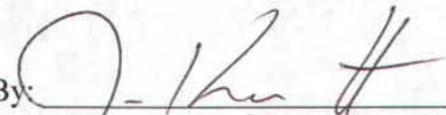
- include an option to repurchase the personal property, at any time within the first nine months of the term of the Franchise Agreement, in the event of a restraining order or injunction preventing the provision of services by Buyer pursuant to the Franchise Agreement.

We think that the above summarizes our agreement on these matters. If you agree, please execute where indicated below.

Very Truly Yours,


Mark Scott
City Manager

AGREED:
MID VALLEY DISPOSAL,
A California Corporation

By: 
Its: Vice-President