AMENDED AND RESTATED COLLECTION SERVICE AGREEMENT

Executed Between the City of Los Altos

and

Mission Trail Waste Systems Inc.

This 23 day of April 2020

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CITY OF LOS ALTOS

This Amended and Restated Collection Service Agreement ("Amended Agreement") was approved by the Los Altos City Council by Resolution No. 2019-46 on October 22, 2019. This Amended Agreement dated April ___, 2020, replaces in its entirety the Collection Service Agreement made and entered into the23rd day of March 2010, as amended September 15, 2013, by and between the City of Los Altos, State of California, hereinafter referred to as "CITY" and Mission Trail Waste Systems Inc., a California corporation, hereinafter referred to as "CONTRACTOR".

RECITALS

WHEREAS; the Legislature of the State of California, 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 garbage collection within their jurisdiction; and,

WHEREAS; the State of California has found and declared that the amount of garbage generated in California, 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 disposal site diversion and to maximize the use of feasible garbage reduction, re-use, recycling, and composting options in order to reduce the amount of garbage that must be disposed of in disposal sites; and,

WHEREAS; pursuant to California Public Resources Code Section 40059(a) as may be amended from time to time, 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 garbage, recyclable materials, and organic waste materials, except for collection of materials excluded in the CITY'S Municipal Code, and other services related to meeting the Act's 50 percent diversion goal and other requirements of the Act; and,

WHEREAS; the CITY further declares its intent to regulate and set the maximum rates CONTRACTOR will charge customers for the collection, transportation, processing, recycling, composting, and/or disposal of garbage, recyclable materials, and organic waste materials; and

WHEREAS; the City Council has determined through a competitive procurement process for collection services that CONTRACTOR, by demonstrated experience, reputation and capacity, is qualified to provide for the collection of garbage, recyclable materials, and organic waste materials within the corporate limits of the CITY, the transportation of such material to appropriate places for 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 Amended Agreement; and

WHEREAS; the CONTRACTOR, through its proposal to the CITY, has proposed and represented that it has the ability and capacity to provide for the collection of garbage, recyclable materials, and organic waste materials within the corporate limits of the CITY; the transportation of such material to appropriate places for processing, recycling, composting and/or disposal; and the processing of materials; and

WHEREAS, this Amended Agreement has been developed by and is satisfactory to the CITY and the CONTRACTOR,

Now, therefore, in consideration of the mutual covenants, conditions and consideration contained herein, the CITY and CONTRACTOR hereby agree as hereinafter set forth:

ARTICLE 1. Definitions

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

1.01 AB 939. The California Integrated Waste Management Act (California Public Resources Code Sections 40000 et al.), as amended from time to time.

1.02 Agreement or Amended Agreement. The written document and all amendments thereto, between the CITY and the CONTRACTOR, governing the provision of Collection Services as provided herein.

1.03 Agreement Year. Each twelve (12) month period from July1st to June 30, except the first Agreement Year begins on September 15, 2010 and ends on June 30, 2011, and the last Agreement Year will end on September 30, 2030.

1.04 [DEFINITION REMOVED]

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

1.06 Brown Goods. Electronic equipment such as stereos, televisions, VCR's, Personal Data Assistants (PDAs), telephones, and other similar items not containing cathode ray tubes (CRTs).

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

1.08 CITY. The City of Los Altos, California.

1.09 City Collection Service. City Garbage Collection Service, City Recycling Collection Service, and City Organic Waste Collection Service.

1.10 City Debris Box Collection Service. The Collection in Debris Boxes of City Garbage, Recyclable Materials, Organic Waste, or Construction and Demolition Debris generated by City Services Units, Collected and delivered by the CONTRACTOR to an appropriate processing facility or Disposal Facility.

1.11 City Garbage Collection Service. The Collection of Garbage generated from City Service Units that is Collected and delivered to the Disposal Facility by the CONTRACTOR.

1.12 City Organic Waste. Green Waste and Food Waste separated at the source of generation for inclusion in the City Organic Waste Collection Service program.

1.13 City Organic Waste Collection Service. The Collection of Organic Waste, generated from City Service Units, that is Collected and delivered to the Organic Waste Processing Facility by the CONTRACTOR.

1.14 City Recycling Collection Service. The Collection of Recyclable Materials, generated from City Service Units, that is Collected and delivered to the Materials Recovery Facility by the CONTRACTOR.

1.15 City Representative. The City Manager, or his/her designee, authorized to administer and monitor the provisions of this Amended Agreement.

1.16 City Service Unit. Those CITY properties or locations as set forth in **Exhibit 2**, "City Facilities", which is attached to and included in this Amended Agreement.

1.17 Collection. The process whereby Garbage, Recyclable Materials and Organic Waste are removed and transported to the Disposal Facility, an Organic Waste Processing Facility, or a Materials Recovery Facility, as appropriate.

1.18 Collection Services. Single-Family (SFD) Collection Service, Multi-family (MFD) Collection Service, City Collection Service, and Commercial Collection Service.

1.19 Commercial Collection Service. Commercial Garbage Collection Service, Commercial Recycling Collection Service, Commercial Organic Waste Collection Service, and Commercial Debris Box Collection Service.

1.20 Commercial Debris Box Collection Service. The Collection of Commercial Garbage, Recyclable Materials, Organic Waste, or Construction and Demolition Debris by the CONTRACTOR from Commercial Service Units in the Service Area, and the delivery of collected Commercial Debris Boxes to an appropriate processing facility or disposal facility.

1.21 Commercial Organic Waste. Green Waste and Food Waste separated at the source of generation for inclusion in the Commercial Organic Waste Collection Service program.

1.22 Commercial Organic Waste Collection Service. The Collection of Commercial Organic Waste by the CONTRACTOR from Commercial Service Units in the Service Area, and the delivery of that Commercial Organic Waste to an Organic Waste processing facility.

1.23 Commercial Recycling Collection Service. The Collection of Recyclable Materials by the CONTRACTOR from Commercial Service Units in the Service Area, the delivery of those Recyclable Materials to a Materials Recovery Facility and the processing and marketing of those Recyclable Materials.

1.24 Commercial Service Unit. Business Service Units, and Mixed Use Dwellings that utilize a Garbage Cart or Bin for the accumulation and set-out of Garbage.

1.25 Commercial Garbage Collection Service. The Collection of Garbage by the CONTRACTOR, from Commercial Service Units in the Service Area, and the delivery of that Garbage to the Disposal Facility.

1.26 Compactor. Any Debris Box Container or Bin, which has a compaction mechanism, whether stationary or mobile.

1.27 Composting. The controlled biological decomposition of Organic Waste into a specific mixture of decayed organic matter used for fertilizing or soil conditioning.

1.28 Construction and Demolition Debris. Commonly used or discarded materials removed from construction, remodeling, repair, demolition, or renovation operations on any

pavement, house, commercial building, or other structure, or from landscaping. Such materials include, but are not limited to, dirt, sand, rock, gravel, bricks, plaster, gypsum wallboard, aluminum, glass, asphalt material, plastics, roofing material, cardboard, carpeting, cinder blocks, concrete, copper, electrical wire, fiberglass, formica, granite, iron, lad, linoleum, marble, plaster plant debris, pressboard, porcelain, steel, stucco, tile, vinyl, wood, masonry, rocks, trees, remnants of new materials, including paper, plastic, carpet scraps, wood scraps, scrap metal, building materials, packaging and rubble resulting from construction, remodeling, renovation, repair and demolition operations on pavements, houses, commercial buildings and other structures. Construction and Demolition Debris does not include Exempt Waste.

1.29 CONTRACTOR. Mission Trail Waste Systems, Inc.

1.30 County. Santa Clara County, California.

1.31 Consumer Price Index (CPI). The index published by the U.S. Department of Labor, Bureau of Labor Statistics, Series Id: CUSR0000SEHG, Water and sewer and trash collection services in U.S. city average, all urban consumers, seasonally adjusted, U.S. city average

1.32 Customer. Means a Service Recipient that receives Collection Services under the terms of this Amended Agreement.

1.33 Debris Box Collection Service. Collection utilizing 10 - 40 cubic yard containers, on a temporary or permanent basis, and provided to Service Units for the Collection of Garbage, Recyclable Materials, Organic Waste, and Construction and Debris Materials, and for the delivery of that material to an appropriate facility.

1.34 Debris Box Container. A metal container that is normally tipped loaded onto a motor vehicle and transported to an appropriate facility.

1.35 Disposal Facility. The Newby Island Landfill located in Milpitas, California for the disposal, or processing as appropriate, of Garbage and other materials as appropriate.

1.36 Dwelling Unit. Any individual living unit in a single family dwelling (SFD) or multi-family dwelling (MFD) structure or building intended for, or capable of being utilized for, residential living other than a Hotel or Motel.

1.37 E-Waste. Discarded electronics equipment such as cell phones, PDAs, computers, monitors, televisions, and other items containing cathode ray tubes (CRTs), LCD or plasma screens and monitors.

1.38 Exempt Waste. Biohazardous or Biomedical Waste (except Sharps), Hazardous Waste, Sludge, automobiles, automobile parts, boats, boat parts, boat trailers, internal combustion engines, and those wastes under the control of the Nuclear Regulatory Commission.

1.39 Food Waste. Food scraps and trimmings from food preparation, including but not limited to: meat, fish and dairy waste, fruit and vegetable waste, grain waste, Stable Matter, and acceptable food packaging such items as pizza boxes, paper towels, waxed cardboard and food contaminated paper products.

1.40 Garbage. All non-recyclable packaging, and putrescible waste attributed to normal activities of a Service Unit. Garbage must be generated by and at the Service Unit wherein the Garbage is collected. Garbage does not include those items defined herein as Recyclable Materials, Organic Waste, Bulky Waste, E-Waste, U-Waste, or Exempt Waste.

1.41 Garbage Bin. A metal or plastic container, with a capacity of one (1) cubic yard up to, and including, six (6) cubic yards, designed or intended to be mechanically dumped into a

loader packer type garbage truck that is approved for such purpose by the CITY. Garbage Bins may also include Compactors that are owned by the MFD or Commercial Service Unit wherein the MFD or Commercial Collection Service occurs. Garbage bins must be painted gray.

1.42 Garbage Cart. A heavy plastic receptacle with wheels and a rated capacity of at least twenty (20) gallons and not more than ninety-six (96) gallons, having a hinged tight-fitting lid and wheels, that is approved by the City Representative for use by Service Recipients for Collection Services under this Amended Agreement. Garbage carts must be gray in color.

1.43 Green Waste. Any vegetative matter resulting from normal yard and landscaping maintenance that is not more than three (3) feet in its longest dimension or six (6) inches in diameter and fits in the Organic Waste Cart utilized by the Service Recipient. Green Waste includes plant debris, such as Palm, Yucca and Cactus, ivy, grass clippings, leaves, pruning, weeds, branches, brush, Holiday Trees, and other forms of vegetative waste and must be generated by and at the Service Unit wherein the Green Waste is collected. Green Waste does not include items herein defined as Exempt Waste.

1.44 Gross Receipts. All monetary amounts collected by the CONTRACTOR for the provision of Collection Services pursuant to this Amended Agreement, (including revenue received by the CONTRACTOR from any entity, including Federal, State, County or other local facilities within the Service Area for the provision of Collection Services by the CONTRACTOR hereunder), calculated in accordance with Generally Accepted Accounting Procedures (GAAP). The term Gross Receipts, for purposes of this Amended Agreement, does not include any revenues generated from the sale of Recyclable Material, or other receipts from state and local government accounts (e.g. grants, cash awards and rebates) resulting from the performance of this Amended Agreement.

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

1.46 Household Hazardous Waste (HHW). HHW includes dry cell household batteries, cell phones and PDAs; used motor oil; used oil filters when contained in a sealed plastic bag; cooking oil; compact fluorescent light bulbs contained in a sealed plastic bag; cleaning products, pesticides, herbicides, insecticides, painting supplies, automotive products, solvents, stripes, and adhesives, auto batteries; and Universal Waste.

1.47 Kitchen Food Waste Pail. A plastic receptacle with a rated capacity not exceeding one and one-half (1.5) gallons, having a hinged lid, suitable for use in a SFD or MFD Service Unit for temporary storage of SFD and MFD Organic Waste that is approved for such purpose by the CITY.

1.48 Large Items. Those materials including furniture, carpets, mattresses, White Goods, Brown Goods, E-Waste, clothing, tires without rims, Green Waste, and Large Green Waste which are attributed to the normal activities of a SFD Service Unit, MFD Service, or City Service Unit. Large Items must be generated by and at the Service Unit wherein the Large Items are collected. Large Items do not include items herein defined as Exempt Waste.

1.49 Large Green Waste. Oversized Green Waste such as tree trunks and branches with a diameter of not less than six (6) inches and not more than two (2) feet and a length of not more than six (6) feet in its longest dimension, and not weighing more than seventy (70) pounds, which are attributed to the normal activities of a SFD, MFD, or City Service Unit. Large Green Waste must be generated by and at the Service Unit wherein the Large Green Waste is collected.

1.50 Materials Recovery Facility (MRF). Any facility, selected by the CONTRACTOR and approved by the CITY, or specifically designated by the CITY, designed, operated, and legally permitted for the purpose of receiving, sorting, processing, storing, or preparing Recyclable Materials for sale.

1.51 MFD Collection Service. MFD Garbage Collection Service, MFD Recycling Service, MFD Organic Collection Service, MFD Bulky Waste Collection Service, and MFD Debris Box Collection Service.

1.52 MFD Debris Box Waste Collection Service. The Collection of MFD Garbage, Recyclable Materials, Organic Waste, or Construction and Demolition Debris by the CONTRACTOR from MFD Service Units in the Service Area, and the delivery of Collected MFD Debris Boxes to an appropriate processing facility or disposal facility.

1.53 MFD Bulky Waste Collection Service. The periodic on-call Collection of a combination of Large Items Collected by the CONTRACTOR, from MFD Service Units in the Service Area and the delivery of those Large Items to a Disposal Facility, Materials Recovery Facility, Organic Waste Processing Facility or such other facility as may be appropriate under the terms of this Amended Agreement. MFD Bulky Waste Collection Service can include the Collection of Large Items through the use of Debris Boxes.

1.54 MFD Organic Waste. Green Waste and Food Waste separated at the source of generation for inclusion in the MFD Organic Waste Collection Service program.

1.55 MFD Organic Waste Collection Service. The Collection of MFD Organic Waste by the CONTRACTOR from MFD Service Units in the Service Area, and the delivery of that MFD Organic Waste to an Organic Waste processing facility.

1.56 MFD Recycling Service. The Collection of Recyclable Materials, by the CONTRACTOR, from MFD Service Units in the Service Area, the delivery of those Recyclable Materials to a Materials Recovery Facility and the processing and marketing of those Recyclable Materials.

1.57 MFD Service Unit. Any combination of Dwelling Units in the Service Area utilizing a common Garbage Bin for the accumulation and set-out of Garbage.

1.58 MFD Garbage Collection Service. The Collection of Garbage, by the CONTRACTOR, from MFD Service Units in the Service Area and the delivery of that Garbage to the Disposal Facility.

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

1.60 Organic Waste. Includes Food Waste and Green Waste.

1.61 Organic Waste Bin. A metal or plastic container, with a capacity of one (1) cubic yard up to and including six (6) cubic yards, designed or intended to be mechanically dumped into a loader packer type truck that is approved for such purpose by the CITY. Organic waste bins must be painted green.

1.62 Organic Waste Cart. A heavy plastic receptacle with wheels and a rated capacity not exceeding ninety-six (96) gallons, having a hinged tight-fitting lid, and wheels, that is approved for such purpose by the CITY. Organic waste carts must be green in color.

1.63 Organic Waste Processing Facility. Any facility selected by the CONTRACTOR that is designed, approved by the CITY, or specifically designated by the CITY, operated and legally permitted for the purpose of receiving and processing Organic Waste and Large Green Waste.

1.64 Recyclable Materials. Those materials which are capable of being recycled and which would otherwise be processed or disposed of as Garbage. Recyclable Materials include those materials defined by the CITY, including newsprint (including inserts); mixed paper (including magazines, catalogs, envelopes, junk mail, corrugated cardboard, brown bags and paper, paperboard, paper egg cartons, office ledger paper, and telephone books); glass containers; aluminum beverage containers; small scrap and cast aluminum (up to 20 pounds); steel including "tin" cans, empty aerosol cans (empty, non-toxic products) and small scrap (up to 20 pounds); bimetal containers; plastic bags, plastic food containers, #1-7 plastics regardless of form or mold (including but not limited to plastic containers, bottles, wide mouth tubs, plastic bags, film plastic, and polystyrene), aluminum foil and pans.

1.65 Recyclables Tote-Bag. A collapsible bag distributed to all MFD customers for their use in transporting recyclable materials to the collection point that is approved for such purpose by the CITY and is appropriately labeled as a Recyclables Tote-Bag.

1.66 Recycling Bin. A plastic or metal container, with a capacity of one (1) cubic yard up to and including six (6) cubic yards, designed or intended to be mechanically dumped into a loader packer type recycling truck that is approved for such purpose by the CITY and is appropriately labeled as a Recycling Bin. Recyclable material bins must be painted blue.

1.67 Recycling Cart. A heavy plastic receptacle with wheels and a rated capacity of at least thirty-two (32) gallons and not more than ninety-six (96) gallons, having a hinged tight-fitting lid, and wheels that is approved for such purpose by the CITY and is appropriately labeled as a Recycling Cart. Recyclable material carts must be blue in color.

1.68 Service Area. That area within the corporate limits of the City of Los Altos, California.

1.69 Service Recipient. An individual or company receiving Collection Service.

1.70 Service Unit. SFD Service Units, MFD Service Units, City Service Units, and Commercial Service Units.

1.71 SFD Collection Service. SFD Garbage Collection Service, SFD Recycling Collection Service, SFD Organic Waste Collection Service, SFD Bulky Waste Collection Service, and SFD Debris Box Collection Service.

1.72 SFD Debris Box Waste Collection Service. The Collection of SFD Garbage, Recyclable Materials, Organic Waste, or Construction and Demolition Debris by the CONTRACTOR from SFD Service Units in the Service Area, and the delivery of Collected SFD Debris Boxes to an appropriate processing facility or disposal facility.

1.73 SFD Bulky Waste Collection Service. The periodic on-call Collection of a combination of loose Large Items not exceeding an approximately equivalent of four (4) cubic yards and three (3) individual Large Items, such as a TV, couch, or water heater, Collected by the CONTRACTOR, from SFD Service Units in the Service Area and the delivery of those Large Items to a Disposal Facility, Materials Recovery Facility, Organic Waste Processing Facility or such other facility as may be appropriate under the terms of this Amended Agreement. SFD Bulky Waste Collection Service does not include the collection of Large Items through the use of Debris Box Containers.

1.74 SFD Organic Waste. Green Waste and Food Waste separated at the source of generation for inclusion in the SFD Organic Waste Collection Service program.

1.75 SFD Organic Waste Collection Service. The Collection of Residential Organic Waste by the CONTRACTOR from SFD Service Units in the Service Area, the delivery of that Residential Organic Waste to an Organic Waste Processing Facility.

1.76 SFD Recycling Collection Service. The Collection of Recyclable Materials by the CONTRACTOR from SFD Service Units in the Service Area, the delivery of those Recyclable Materials to a Materials Recovery Facility and the processing and marketing of those Recyclable Materials.

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

1.78 SFD Service Unit. Any Dwelling Unit in the Service Area utilizing a Garbage Cart, or any combination of Dwelling Units sharing Garbage Carts, for the accumulation and set out of Garbage.

1.79 Sharps. Sharps includes needles, scalpels, blades, broken medical glass, broken capillary tubes, and ends of dental wires.

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

1.81 Stable Matter. Manure and other waste matter normally accumulated and associated with stables or in domestic livestock.

1.82 Universal Waste. Televisions, computer monitors, consumer electronics with circuit boards, fluorescent lamps, cathode ray tubes, non-empty aerosol cans, instruments and switches that contain mercury, and dry cell batteries containing cadmium copper, or mercury.

1.83 White Goods. Discarded refrigerators, ranges, water heaters, freezers, and other similar household appliances.

1.84 Work Day. Any day, Monday through Saturday that is not a holiday as set forth in Article 3.09 of this Amended Agreement.

ARTICLE 2. Term of Amended Agreement

2.01 Term. The initial term of this Amended Agreement shall be for a ten (10) year, fifteen (15) day period beginning September 15, 2010 and terminating on September 30, 2020. The extended term of this Amended Agreement shall be for a ten (10) year term beginning October 1, 2020 and ending September 30, 2030 (the "Extended Term"). References to the "Term" throughout this Amended Agreement shall include the Extended Term.

2.01.1 Extension Option. CITY may offer the CONTRACTOR in writing up to two one-year extensions of the Extended Term on or before April 1, 2029 (for the first such extension) and on or before April 1, 2030 (for the second such extension). CONTRACTOR shall provide written notice to the CITY as to whether CONTRACTOR accepts or rejects the CITY's offer within twenty Work Days after CONTRACTOR'S receipt of the date of the offer. If CONTRACTOR fails to provide such notice to the CITY within such twenty Work Days, the CITY's offer shall be

deemed withdrawn and the CITY shall have no obligation to extend the term of this Amended Agreement beyond the Extended Term. CITY's offer to extend shall include CITY's proposed service rates for the extension period, which may include specifically, a rate "freeze" with no CPI adjustments.

ARTICLE 3. Services Provided by the Contractor

3.01 Grant of Exclusive Agreement. Except as otherwise provided in this Amended Agreement, the CONTRACTOR is herein granted an exclusive Agreement to provide Collection Services within the Service Area. No other garbage, organic waste, or recycling services shall be exclusive to the CONTRACTOR.

3.02 Limitations to Scope of Exclusive Agreement.

3.02.1 Recyclable Materials or Large Items that are source separated from Garbage by a Service Recipient, for which the waste generator sells or is otherwise compensated by a collector in a manner resulting in a net payment to the waste generator;

3.02.2 Garbage, Recyclable Materials, Large Items or Organic Waste, which is removed from any SFD Service Unit, MFD Service Unit, Commercial Service Unit, or City Service Unit and which is transported personally by the owner or occupant of such premises (or by his or her full-time employees but not including construction related employees or subcontractors) to a processing or Disposal Facility;

3.02.3 Recyclable Materials, Organic Waste or Large Items which are source separated at any premises by the waste generator and donated to youth, civic or charitable organizations;

3.02.4 Containers delivered for Recycling under the California Beverage Container Recycling Litter Reduction Act, Section 14500, et seq.;

3.02.5 Organic Waste removed from a premises by a gardening, landscaping, or tree trimming company as an incidental part of a total service offered by that company rather than as a hauling service;

3.02.6 Construction and Demolition Debris where the Service Recipient holds a building permit, and such construction project was done by the Service Recipient or, done as part of a total service offered by a licensed company or by the CITY, and where the licensed company uses its own equipment and employees, and no Debris Box Containers are used for the collection and transportation of such Construction and Demolition Debris;

3.02.7 Large Items removed from a premises by a property management or maintenance company as an incidental part of the total cleanup or maintenance service offered by the company rather than as a hauling service;

3.02.8 Hazardous Waste regardless of its source; and

3.02.9 Garbage, Organic Waste, or Recyclables Materials that are removed from a premise by a company through the performance of a service that the CONTRACTOR has elected not to provide.

3.03 CONTRACTOR acknowledges and agrees that the CITY may permit other persons besides the CONTRACTOR to collect any and all types of materials excluded from the scope of this Amended Agreement, as set forth above, without seeking or obtaining approval of CONTRACTOR. If CONTRACTOR can produce evidence that other persons are servicing

collection containers or are Collecting Garbage, Recyclable Materials, Large Items, Construction and Demolition Debris Amended, and/or Organic Waste in a manner that is not consistent with the CITY'S Municipal Code or this Amended Agreement, it shall report the location, the name and phone number of the person or company to the CITY along with CONTRACTOR'S evidence of the violation of the exclusiveness of this Amended Agreement, and the CONTRACTOR shall assist the CITY to enforce the CITY's Municipal Code and this Amended Agreement.

3.03.1 The scope of this Amended Agreement shall be interpreted to be consistent with applicable law, now and during the term of the Amended 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 Amended 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 Amended 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.

3.04 Service Standards. CONTRACTOR shall perform all Collection Services under this Amended Agreement in a thorough and professional manner. Collection Services described in this Amended Agreement shall be performed regardless of weather conditions or difficulty of collection.

3.05 Hours and Days of Collection.

3.05.1 SFD and MFD Collection Services shall be provided, commencing no earlier than 7:00 a.m. and terminating no later than 5:00 p.m., in accordance with the Municipal Code, Monday through Friday with no service on Saturday (except for holiday service as set forth in Article 3.09 of this Amended Agreement in which case normal collection hours may be utilized) or Sunday. The hours, days, or both of collection may be extended due to extraordinary circumstances or conditions with the prior written consent of the City Representative.

3.05.2 Commercial Collection Service shall be provided, commencing no earlier than 7:00 a.m., and terminating no later than 5:00 p.m., Monday through Saturday, with no service on Sunday. The hours, days, or both of collection may be extended due to extraordinary circumstances or conditions with the prior written consent of the City Representative.

3.05.3 City Collection Service shall be provided, commencing no earlier than 7:00 a.m., and terminating no later than 5:00 p.m., Monday through Sunday. The hours, days, or both of collection may be extended with the prior written consent of the City Representative.

3.05.4 The CITY may direct CONTRACTOR to restrict the Collection hours in areas around schools and in high traffic areas during peak commute hours. When the CITY is conducting road overlay or slurry projects, the CITY reserves the right to temporarily redirect or restrict CONTRACTOR from collection in the affected areas or temporarily change the collection hours if needed. The hours of collection may be extended due to extraordinary circumstances or conditions with the prior written consent of the City Representative.

3.06 Manner of Collection. The CONTRACTOR shall provide Collection Service with as little disturbance as possible and shall leave any Cart or Bin in an upright position at the same point it was collected without obstructing alleys, roadways, driveways, sidewalks or mail boxes.

3.07 Containers.

3.07.1 Carts, Kitchen Food Waste Pails, and Recyclables Tote Bags. Carts, Bins, Kitchen Food Waste Pails, and Recyclables Tote Bags are to be new at the start of the Amended Agreement. Carts are to be hot-stamped, embossed, or laminated, with a unique identification number, and in-molded with the type of materials to be Collected (i.e., Garbage, Organic Waste, Recyclable Materials) and instructions for proper usage. In-molding on the Carts shall be on the lids. CONTRACTOR'S name shall not be included on the body of Carts. Kitchen Food Waste Pails are to be hot stamped, embossed, laminated, or in-molded with instructions for proper use. CONTRACTOR shall also provide new Recyclables Tote-Bags to be made available to individual MFD Service Recipients at no charge to the MFD Service Recipient. The type and size of the MFD Tote-Bags shall be approved by the CITY. Labeling and graphics of the Carts, Kitchen Food Waste Pails, and MFD Tote bags shall be approved by the CITY.

3.07.2 Bins. Bins are to be new at the start of the Amended Agreement. Bins are to be painted, embossed, or hot stamped with a unique identification number, and be labeled with the type of materials to be Collected (i.e., Garbage, Organic Waste, Recyclable Materials) and instructions for proper usage. Labeling and graphics of the Bins shall be approved by the CITY.

3.07.3 Debris Boxes. Debris Box Containers may be used, provided they are newly painted, properly marketed and in good working order. The CITY retains the right to inspect any such used Debris Box and direct the CONTRACTOR to replace such a used Debris Box if it is deemed to be not acceptable.

3.07.4 Purchase and Distribution of Carts, Bins, Kitchen Food Waste Pails, and Recyclables Tote-Bags. The CONTRACTOR shall be responsible for the purchase and distribution of fully assembled and functional carts, bins, Kitchen Food Waste Pails, and Recyclables Tote-Bags to Service Units in the Service Area. CONTRACTOR shall also distribute carts, bins, Kitchen Food Waste Pails, and Recyclables Tote-Bags to new Service Units that are added to CONTRACTOR'S Service Area during the term of this Amended Agreement. The distribution shall be completed within three (3) Work Days of receipt of notification from the CITY or the Service Unit.

3.07.5 Replacement of Carts and Bins. CONTRACTOR'S employees shall take care to prevent damage to carts or bins by unnecessary rough treatment. However, any Cart or Bin damaged by the CONTRACTOR shall be replaced by the CONTRACTOR, at the CONTRACTOR'S expense, within three (3) Work Days at no cost or inconvenience to the Service Recipient.

3.07.5.1 Upon notification to the CONTRACTOR by the CITY or a Service Recipient that the Service Recipient's Cart(s), Bin(s), Kitchen Food Waste Pail(s) or Recyclables Tote-Bag(s) have been stolen or damaged beyond repair through no fault of the CONTRACTOR, the CONTRACTOR shall deliver a replacement Cart(s), Bin(s) Kitchen Food Waste Pail(s), or Recyclables Tote-Bag(s) to such Service Recipient within three (3) Work Days. The CONTRACTOR shall maintain records documenting all Cart and Bin replacements occurring on a monthly basis.

3.07.5.2 Where such Cart or Kitchen Food Waste Pail is lost, stolen or damaged beyond repair through no fault of the CONTRACTOR, each SFD Service Unit shall be entitled to the replacement of one (1) lost, destroyed, or stolen Garbage Cart, one (1) lost, destroyed, or stolen Recycling Cart, one (1) lost, destroyed, or stolen Organic Waste Cart, and three (3) lost, destroyed, or stolen Kitchen Food Waste Pails, during the life of this Amended Agreement at no cost to the Service Recipient.

3.07.5.3 Where such Cart, Bin, Kitchen Food Waste Pail, or Recyclables Tote Bag is lost, stolen or damaged beyond repair through no fault of the CONTRACTOR, each MFD Service Unit shall be entitled to the replacement of one (1) lost, destroyed, or stolen Garbage Cart or Bin, one (1) lost, destroyed, or stolen Recycling Cart or Bin, (1) lost, destroyed, or stolen Organic Waste Cart or Bin and three (3) lost, destroyed, or stolen Kitchen Food Waste Pails, and three (3) lost, destroyed, or stolen Recyclables Tote-Bags during the life of this Amended Agreement at no cost to the Service Unit.

3.07.5.4 Where such Cart or Bin is lost, stolen or damaged beyond repair through no fault of the CONTRACTOR, each Commercial and City Service Unit shall be entitled to the replacement of one (1) lost, destroyed, or stolen Garbage Cart or Bin, one (1) lost, destroyed, or stolen Recycling Cart or Bin, and (1) lost, destroyed, or stolen Organic Waste Cart or Bin during the life of this Amended Agreement at no cost to the Service Unit.

3.07.5.5 Where such Bin or Cart replacement occurs through no fault of the CONTRACTOR, CONTRACTOR shall be compensated for the cost of those replacements in excess of the requirements set forth above in accordance with the "Cart or Bin Exchange" Service Rate, as appropriate, as initially set by the CITY or as may be adjusted by the CITY as provided under the terms of this Amended Agreement.

3.07.6 Repair of Carts and Bins. CONTRACTOR shall be responsible for repair of carts in the areas to include but not be limited to, hinged lids, wheels and axles. Within three (3) Work Days of notification by the CITY or a Service Recipient of the need for such repairs, the CONTRACTOR shall repair the Cart or Bin or if necessary, remove the Cart or Bin for repairs and deliver a replacement Cart or Bin to the Service Recipient.

3.07.7 Cart or Bin Exchange. Upon notification to the CONTRACTOR by the CITY or a Service Recipient that a change in the size or number of carts or Bins is required, the CONTRACTOR shall deliver such carts or Bins to such Service Recipient within seven calendar days to allow for the exchange to occur on the regular scheduled collection day. Each SFD Service Unit shall be entitled to receive one (1) free Garbage Cart exchange, and unlimited exchanges of Recycling or Organic Waste Carts per Agreement Year during the term of this Amended Agreement. Each MFD, Commercial and City Service Unit shall be entitled to receive one (1) free Garbage Cart or Bin exchange, and unlimited exchanges of Recycling or Organic Waste Carts or Bins per Agreement Year during the term of this Amended Agreement. Accordingly CONTRACTOR shall be compensated for the cost of those exchanges in excess of one (1) per Agreement Year, in accordance with the "Cart or Bin Exchange" service rate as Set forth in **Exhibit 1** which is attached to and included in this Amended Agreement or as may be adjusted under the terms of this Amended Agreement.

3.07.8 Ownership of Carts. Ownership of carts shall rest with the CONTRACTOR, except in the case of the termination of the Amended Agreement prior to the expiration of the initial term or optional extension terms due to the default of the CONTRACTOR as set forth in Article 24 of this Amended Agreement shall rest with the CITY, or except that ownership of carts in the possession of a Service Recipient at the end of this Amended Agreement shall rest with the CITY. At its sole discretion, CITY may elect not to exercise its rights with regards to this Article and in such case the carts shall remain the property of the CONTRACTOR upon termination of this Amended Agreement. In this event, CONTRACTOR shall be responsible for removing all carts in service from the Service Area and reusing or recycling such carts.

3.07.9 Ownership of Bins. Ownership of Bins distributed by the CONTRACTOR shall rest with the CONTRACTOR except in the case of the termination of the Amended Agreement prior to the expiration of the initial term or optional extension term due to the default

of the CONTRACTOR as set forth in Article 24 of this Amended Agreement. Under such circumstances, the CITY shall have the right to take possession of the Bins and shall retain such possession until satisfactory arrangements can be made to provide Collection Services using other equipment. Such time of possession shall not be limited and regardless of the time of possession there shall be no monies owing to the CONTRACTOR from the CITY for the use of the equipment. Upon the receipt of written notice from the CITY, CONTRACTOR shall submit to the City Representative an inventory of Bins, including their locations.

3.07.10 Ownership of Debris Box Containers. Ownership of Debris Box Containers distributed by the CONTRACTOR shall rest with the CONTRACTOR except in the case of the termination of the Amended Agreement prior to the expiration of the initial term or optional extension terms due to the default of the CONTRACTOR as set forth in Article 24 of this Amended Agreement. Under such circumstances, the CITY shall have the right to take possession of the containers and shall retain such possession until satisfactory arrangements can be made to provide Collection Services using other equipment. Such time of possession shall not be limited and regardless of the time of possession there shall be no monies owing to the CONTRACTOR from the CITY for the use of the equipment. Upon the receipt of written notice from the CITY, CONTRACTOR shall submit to the City Representative an inventory of containers, including their locations.

3.07.11 Annual Inspection and Cleaning of Bins and Debris Boxes. Once each Agreement Year, at no charge to the CITY or the Service Recipient, CONTRACTOR shall inspect all Garbage, Recycling, and Organic Waste Bins and Debris Box Containers at the Service Unit's premises and shall replace those Bins or containers needing cleaning with clean Bins or containers and remove the dirty Bins or containers for cleaning.

3.07.11.1 Cart and Bin Labeling. The CITY and CONTRACTOR agree to meet and confer regarding any future requirements for adjustments in current cart and bin labeling.

3.08 Labor and Equipment. CONTRACTOR shall provide and maintain all labor, equipment, tools, facilities, and personnel supervision required for the performance of CONTRACTOR'S obligations under this Amended Agreement. CONTRACTOR shall at all times have sufficient backup equipment and labor to fulfill CONTRACTOR'S obligations under this Amended Agreement. No compensation for CONTRACTOR'S services or for CONTRACTOR'S supply of labor, equipment, tools, facilities or supervision shall be provided or paid to CONTRACTOR by CITY or by any Service Recipient except as expressly provided by this Amended Agreement.

3.09 Holiday Service. The CITY observes January 1st, Thanksgiving Day, and December 25th as legal holidays. CONTRACTOR shall not provide Collection Services on the designated holidays. In any week in which one of these holidays falls on a Work Day, SFD Collection Services for the holiday and each Work Day thereafter will be delayed one Work Day for the remainder of the week with normally scheduled Friday Collection Services being performed on Saturday. MFD, Commercial and City Collection Services shall be adjusted as agreed between the CONTRACTOR and the Service Recipient but must meet the minimum frequency requirement of one (1) time per week.

3.10 Processing and Disposal.

3.10.1 Compliance with Regulations. All materials Collected under this Amended Agreement shall be delivered to facilities that comply with the Department of Resources Recycling and Recovery regulations under Title 14, Chapter 3, Minimum Standards for Solid Waste Handling and Disposal (Article 5.9 – Sections 17380-17386). CONTRACTOR, and not the CITY, must assure that all Disposal, transfer, and processing facilities are properly permitted to receive material Collected under this Amended Agreement. Failure to comply with this provision shall result in the levy of liquidated damages as specified in Article 19 of this Amended Agreement and may result in the CONTRACTOR being in default under this Amended Agreement.

3.10.2 Permits and Approvals. CONTRACTOR must assure that all facilities selected by CONTRACTOR shall possess all existing permits and approvals by local enforcement agencies to be in full compliance with all regulatory agencies to conduct all operations at the approved location. CONTRACTOR shall, upon written request from the CITY, arrange for the facilities selected by the CONTRACTOR to provide copies of facility permits, notices of violations, inspection areas or concerns, or administrative action to correct deficiencies related to the operation. Failure to provide facility information shall result in the levy of liquidated damages as specified in Article 19 of this Amended Agreement and may result in the CONTRACTOR being in default under this Amended Agreement.

3.10.3 Prior Agreement for Disposal. CONTRACTOR acknowledges that the CITY has contracted for disposal of Garbage with International Disposal Corporation of California, Inc. and such agreement between the CITY and International Disposal Corporation of California, Inc is in effect through November 20, 2023. CONTRACTOR agrees to abide by the terms and conditions as set forth in the agreement between the CITY and International Disposal Corporation of California, Inc. The agreement between the CITY and International Disposal Corporation of California, Inc. is attached as **Attachment 1** of this Amended Agreement.

3.10.4 Disposal Facility. Except as set forth below, all Garbage collected as a result of performing Collection Services shall be transported to, and delivered on the same day as collection, at the Disposal Facility. In the event the Disposal Facility is closed on a Work Day, the CONTRACTOR shall transport and dispose of the Garbage at such other legally permitted disposal facility as is approved by CITY. Failure to comply with this provision shall result in the levy of liquidated damages as specified in Article 19 of this Amended Agreement and may result in the CONTRACTOR being in default under this Amended Agreement.

3.10.5 [reserved]

3.10.6 Organic Waste Processing Facility. Beginning on July 1, 2011, CONTRACTOR shall deliver on the same day as collection all collected Organic Waste to a fully permitted Organic Waste Processing Facility as designated by CONTRACTOR and approved by the CITY. In the event the facility is closed on a Work Day, the CONTRACTOR shall transport and deliver the Organic Waste to such other legally permitted facility as is approved by the CITY. CONTRACTOR shall ensure that all Organic Waste collected pursuant to this Amended Agreement, except residue resulting from processing, is delivered to the approved Organic Waste Processing Facility in accordance with AB 939 and subsequent legislation and regulations. Failure to comply with this provision shall result in the levy of liquidated damages as specified in Article 19 of this Amended Agreement and may result in the CONTRACTOR being in default under this Amended Agreement.

3.10.7 Material Recovery Facility. All Recyclable Materials Collected as a result of performing SFD, MFD, Commercial and City Recycling Services shall be delivered to the

Material Recovery Facility (MRF). In the event the MRF is closed on a Work Day, the CONTRACTOR shall transport and deliver the Recyclable Material to such other legally permitted MRF as is approved by CITY. Failure to comply with this provision shall result in the levy of liquidated damages as specified in Article 19 of this Amended Agreement and may result in the CONTRACTOR being in default under this Amended Agreement.

3.10.7.1 CONTRACTOR may request permission to dispose of certain specific materials that would otherwise be marketed, other than residual, after processing at the MRF. CONTRACTOR must provide sufficient justification to the satisfaction of CITY that such certain specific materials are not able to be marketed. CITY may grant permission to dispose of such materials at its sole and absolute discretion. CITY approval must be obtained prior to disposal of those materials, and approval shall not be granted for a period that exceeds six (6) months. After the approval period has expired, CONTRACTOR may again request permission to dispose of certain specific materials according to the provisions of this Section 3.10.7.1.

3.11 Inspections. The CITY shall have the right to inspect the CONTRACTOR'S facilities or collection vehicles and their contents at any time while operating inside or outside the CITY.

3.12 Commingling of Materials.

3.12.1 Garbage and Recyclable Material. CONTRACTOR shall not at any time commingle Garbage, or Organic Waste, Collected pursuant to this Amended Agreement, with any Recyclable Material separated for collection pursuant to this Amended Agreement without the express prior written authorization of the City Representative.

3.12.2 Garbage Collected in Los Altos. CONTRACTOR shall not at any time commingle any Garbage Collected pursuant to this Amended Agreement, with any other material Collected by CONTRACTOR inside or outside the CITY without the express prior written authorization of the City Representative.

3.12.3 Recyclable Materials. CONTRACTOR shall not at any time commingle Recyclable Materials Collected pursuant to this Amended Agreement, with any other material Collected by CONTRACTOR inside or outside the CITY without the express prior written authorization of the City Representative.

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

3.13.1 The CONTRACTOR shall not be responsible for cleaning up un-sanitary conditions caused by the carelessness of the Service Recipient; however, the CONTRACTOR shall clean up any material or residue that are spilled or scattered by the CONTRACTOR or its employees.

3.13.2 Equipment oil, hydraulic fluids, spilled paint, or any other liquid or debris resulting from the CONTRACTOR'S operations or equipment repair shall be covered immediately with an absorptive material and removed from the street surface. When necessary, CONTRACTOR shall apply a suitable cleaning agent to the street surface to provide adequate cleaning. To facilitate such cleanup, CONTRACTOR'S vehicles shall at all times carry sufficient quantities of petroleum absorbent materials along with a broom and shovel.

3.13.3 The above paragraphs notwithstanding, CONTRACTOR shall clean up any spillage or litter caused by CONTRACTOR within two (2) hours upon notice from the CITY.

3.13.4 In the event where damage to CITY streets is caused by a hydraulic oil spill, CONTRACTOR shall be responsible for all repairs to return the street to the same condition prior to the spill. CONTRACTOR shall also be responsible for all clean-up activities related to the spill. Repairs and clean-up shall be performed in a manner satisfactory to the City Representative and at no cost to the CITY.

3.13.5 Ownership of Materials. Title to Garbage, Organic Waste, and Recyclable Materials shall pass to CONTRACTOR at such time as said materials are placed in the CONTRACTOR'S collection vehicles.

3.13.6 Hazardous Waste. Under no circumstances shall CONTRACTOR'S employees knowingly collect Hazardous Waste, or remove unsafe or poorly containerized Hazardous Waste, from a collection container. If CONTRACTOR determines that material placed in any container for collection is Hazardous Waste, or other material that may not legally be accepted at the Disposal Facility or one of the processing facilities, or presents a hazard to CONTRACTOR'S employees, the CONTRACTOR shall have the right to refuse to accept such material. The generator shall be contacted by the CONTRACTOR and requested to arrange for proper disposal service. If the generator cannot be reached immediately, the CONTRACTOR shall, before leaving the premises, leave a Non-collection Notice, which indicates the reason for refusing to collect the material, and how the Hazardous Waste can be properly disposed or recycled.

3.13.7 If Hazardous Waste is found in a collection container that poses an imminent danger to people or property, the CONTRACTOR shall immediately notify the City of Los Altos Public Safety (Police) Department. The CONTRACTOR shall immediately notify the CITY of any Hazardous Waste that has been identified.

3.13.8 If Hazardous Waste is identified at the time of delivery to the Disposal Facility, or one of the processing facilities and the generator cannot be identified, CONTRACTOR shall be solely responsible for handling and arranging transport and disposition of the Hazardous Waste.

3.14 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.

3.15 Transition. CONTRACTOR understands and agrees that the time between the formal initial Agreement signing and September 15, 2010 is intended to provide the CONTRACTOR with ample and sufficient time to, among other things, order equipment, prepare necessary routing schedules and route maps, obtain any permits and licenses, establish/build facilities, and begin the public awareness campaign as part of the CONTRACTOR'S transition program as specified in **Exhibit 6** which is attached to and included in this Agreement. CONTRACTOR shall be responsible for the provision of all Collection Services beginning September 15, 2010.

3.16 Recyclable Materials and Organic Waste Contamination. CONTRACTOR must offer the Service Recipients the correct combination of Cart and Bin sizes and collection frequency that matches their unique service needs to reduce contamination of Recyclable Materials and Organic Waste. To support CITY'S diversion goals and CONTRACTOR's Diversion Requirements as set

forth in Section 5.01, CONTRACTOR is only required to collect Recyclable Materials if they have been separated by the Service Recipient from Garbage and Organic Waste, and is only required to collect Organic Waste if it has been separated by the Service Recipient from Garbage and Recyclable Materials.

3.16.1 As part of CONTRACTOR's Public Education Services under this Amended Agreement, CONTRACTOR agrees to provide outreach and support to SFD, MFD, and Commercial Service Recipients. Additionally, CONTRACTOR's route collection personnel may report to CONTRACTOR's supervisors if they observe potential contamination problems, and/or insufficient collection capacity.

3.16.2 If CONTRACTOR or its representative finds that Recyclable Materials and/or Organic Waste is contaminated, CONTRACTOR or its representative may take the following steps:

i. First and Second Occurrence. For the first and second occurrence within any one Calendar Year of contamination for a particular Container (i.e., Recyclable Materials or Organic Waste), CONTRACTOR may collect the contaminated Container and may affix a Non-Collection Notice to the contaminated Container which clearly identifies the contaminating material, and contains instructions on the proper procedures for sorting Recyclable Materials or Organic Waste, and notifies the Service Recipient that for the third and subsequent incidents of excess contamination, the Service Recipient may be charged a contamination fee for the contaminated Container, and only for the fifth or subsequent occurrence of excess contamination, CONTRACTOR may increase the Cart or Bin size or collection frequency.

ii. Third and Fourth Occurrence. For the third and fourth occurrence within any one Calendar Year of contamination for a particular Container (i.e., Recyclable Materials or Organic Waste), CONTACTOR may provide a Non-Collection Notice which clearly identifies the contaminating material, and contains instructions on the proper procedures for setting out Recyclable Materials or Organic Waste, and CONTRACTOR may collect the contaminated Container and may charge the Service Recipient a contamination fee as set forth in Exhibit 1. For any contamination fee charge being assessed, CONTRACTOR must provide digital/visual documentation to the Service Recipient that clearly documents the Service Recipient's on-going contamination problems.

iii. Fifth and Subsequent Occurrence. Only for the fifth or subsequent occurrence within any one Calendar Year of contamination for a particular Container (i.e., Recyclable Materials or Organic Waste), CONTRACTOR may collect the contaminated Container and may charge the Service Recipient a contamination fee as set forth in Exhibit 1 and may increase service level for Garbage. For any contamination fee charge being assessed, CONTRACTOR must provide (or have provided) digital documentation to the Service Recipient that clearly documents the Service Recipient's on-going contamination problems and written Notices of contamination as described above. CONTRACTOR must notify CITY within five (5) Business Days if CONTRACTOR increases in the Cart or Bin or size or collection frequency for excessive contamination.

3.16.3 Tracking Occurrences of Contamination. Each Contamination occurrence is tracked annually per Calendar Year, and resets at the start of each Calendar Year.

3.16.4 Disputes Over Excess Contamination Charges. If Service Recipient disputes a contamination charge (which must be within 30 days of them being assessed), CONTRACTOR shall temporarily halt any contamination charge and/or increased Maximum Service Rate resulting from increasing the Cart or Bin size or collection frequency, and

CONTRACTOR may request a ruling by the City Manager to resolve the dispute. A request by CONTRACTOR to the City Manager to rule on any such dispute must be filed within ten (10) Business Days of CONTRACTOR'S halting of contamination charge, or increased Maximum Rate, and must include written documentation and digital/visual evidence of ongoing overall problems. The City Manager may request a meeting (in person or phone) with both the Service Recipient and CONTACTOR to resolve the dispute. Following such a meeting, the City Manager will rule on the dispute within ten (10) Business Days, and the City Manager's decision on resolving the dispute between and Service Recipient will be final. If the City Manager rules in favor of the Service Recipient, CONTRACTOR will credit the disputed contamination charges or increased Maximum Service Rate. If the City Manager rules in favor of CONTRACTOR, CONTRACTOR may charge Service Recipient the prior halted contamination charge and/or increased Maximum Service Rate resulting from increasing the Cart or Bin size or collection frequency and may follow the steps in Section 4.04 for collection of delinquent accounts.

3.16.5 Record-keeping. All incidents of contamination as described in this section shall be documented in an electronic format capable of being shared with the City. The electronic records must be associated with a service address, account number, and photographs and other supporting documentation. Each incident shall be documented individually, and a count of incidents per year shall be kept per account. All records required by this Section shall be maintained for up to five (5) years, and will be provided upon CITY request promptly, within five (5) business days.

ARTICLE 4. Charges and Rates

4.01 CONTRACTOR Billing. The CONTRACTOR shall be responsible for the billing and collection of payments for all Collection Services. Notwithstanding the preceding provision, the CONTRACTOR. The CONTRACTOR shall charge Service Recipients an amount not to exceed the Maximum Service Rates set by CITY resolution and attached in **Exhibit 1** to this Amended Agreement and as may be adjusted under the terms of this Amended Agreement. The CITY shall approve the format for all customer bills.

4.01.1 Partial Month Service. If, during a month, a Service Unit is added to or deleted from CONTRACTOR'S Service Area, the CONTRACTOR'S billing shall be pro-rated based on the weekly service rate (the weekly service rate shall be the service rate established in **Exhibit 1** divided by four (4) times the number of actual weeks in the month that service was provided to the Service Unit.

4.01.2 Production of Invoices for Service Units Utilizing Carts. The CONTRACTOR shall produce an invoice, in a form and format that is approved by the City Representative, for Service Recipients utilizing carts received under this Amended Agreement in advance, but no less than four (4) times per year. The CONTRACTOR'S invoice shall be remitted to the Service Recipient in the 1st month of the period for which service is being billed. Notwithstanding City's Notice and Rate Hearing, notification of future rate increases shall be given not more than one week after annual rates have been set by the City.

4.01.3 Production of Invoices for Service Units Utilizing Bins. The CONTRACTOR shall produce an invoice, in a form and format that is approved by the City Representative, for Service Recipients utilizing Bins received under this Amended Agreement in advance but no less than twelve (12) times per year. The CONTRACTOR may invoice the Service Recipient no less than ten (10) days preceding the month for services for which service is being billed.

4.01.4 Production of Invoices for Debris Box Collection Service. The CONTRACTOR shall produce an invoice, in a form and format that is approved by the City Representative, for Debris Box Collection Services received under this Amended Agreement in arrears for services during the prior month. Customers utilizing Debris Box Collection Services may be invoiced upon completion.

4.01.5 City Provided Billing Inserts. CITY may provide educational and other material to CONTRACTOR for inclusion in the invoices provided by CONTRACTOR to SFD, MFD and commercial Customers for Collection Services. CONTRACTOR shall not charge the CITY for the inclusion of additional educational or other materials in the invoices.

4.01.6 Methods of Payment. CONTRACTOR shall provide the means for customers to pay bills through the following methods: cash, checks, credit cards, internet payment service or automatic withdrawal from bank account. On-line (E-Pay) bill methods shall be password protected and comply with federal regulations protecting the privacy of customer credit information. CONTRACTOR shall provide evidence of such security certifications and advise the CITY of CONTRACTOR'S security measures implemented for on-line payment.

4.01.7 Delinquent Service Accounts. The CONTRACTOR may report to the City Representative, on a monthly basis, a SFD Service Recipient who has received Collection Service and whose account is over ninety (90) days past due, and a MFD or a Commercial Service Recipient whose account is over forty-five (45) days past due. The CONTRACTOR may take such action as is legally available to collect or cause collection of such past due amounts, including removing Recycling Carts and Bins and Organic Waste Carts and Bins, and reducing the provision of Garbage Collection Services to the smallest Cart or Bin size to any Service Unit due to non-payment. CONTRACTOR may not discontinue providing Garbage Collection Services.

4.01.7.1 CITY ordinance allows a lien process for non-payment of bills by customers. Under no circumstances shall CITY have any responsibility for collecting monies owed to CONTRACTOR from delinquent service accounts.

4.02 Adjustments to CONTRACTOR'S Maximum Service Rates. CONTRACTOR'S Maximum Service Rates are as specified in **Exhibit 1** of this Amended Agreement and are firm and fixed through June 30, 2012. CONTRACTOR shall not be entitled to any compensation that is not listed in **Exhibit 1**. On or after July 1, 2012, and each subsequent July 1st, CONTRACTOR'S Maximum Service Rates shall be adjusted as follows:

4.02.1 Financial Information. On or before April 1, 2011, and annually thereafter during the term of this Amended Agreement, CONTRACTOR shall make available to CITY audited copies of the financial information required under Article 16.01.1 for the specific services performed under this Amended Agreement for the preceding Agreement Year. If CONTRACTOR fails to make available the financial information by April 1st, it is agreed that CONTRACTOR shall be deemed to have waived the CPI rate adjustment for that year.

4.02.1.1 Where the financial information made available by the CONTACTOR is marked "Confidential", the CITY will take reasonable measures, subject to the requirements of applicable law, to prevent the dissemination of the financial information to third parties, and will promptly notify CONTRACTOR upon receipt of a request by a third party under the Public Records Act to review or obtain such financial information.

4.02.1.2 If CONTRACTOR'S failure to make available the financial information required under Article 4.02.1 is the result of extraordinary or unusual circumstances

as demonstrated by CONTRACTOR to the satisfaction of the CITY, the CITY, at its sole discretion, may consider the request for the CPI rate adjustment.

4.02.2 Adjustments Using the Consumer Price Index (CPI).

4.02.2.1 Initial Adjustment. On April 1, 2012, using seventy-five percent (75%) of the twelve (12) month average percentage change in the CPI between February 2010 to February 2011, plus one-hundred percent (100%) of the twelve (12) month average percentage change of February 2011 and February 2012, CONTRACTOR shall apply the percentage change to the Maximum Services Rates as listed in **Exhibit 1** as attached to this Amended Agreement and submit the CONTRACTOR'S request for an adjustment to the Maximum Service Rates to the CITY in the same form as **Exhibit 1.**

4.02.2.2 Subsequent Adjustments. On April 1, 2013 and each April 1st thereafter, using one-hundred percent (100%) of the twelve (12) month average percentage change in the CPI between February of the current year to February of the prior year, CONTRACTOR shall apply such percentage change to all approved current Maximum Service Rates and submit the CONTRACTOR'S request for an adjustment in the Maximum Service Rates to the CITY in the same form as **Exhibit 1**. If such CPI adjustment would exceed 6%, 6% shall be applied instead. If such CPI adjustment would fall below 2%, 2% shall be applied instead. This 2% floor and 6% cap shall only apply to the CPI adjustment and not additional rate adjustment elements that may be added to the rates, including the 1.3% Revenue-Neutral Franchise Fee Adjustment Factor described in Section 4.02.2.4, the Service Rate Adjustment for Change in Disposal Agreement described in Section 4.02.4, and the Service Rate Adjustment for Change in Organics Processing Costs described in Section 4.02.5. Such adjustments as described in this Section 4.02.2.2 shall not be applied during the period July 1, 2020 through June 30, 2023; adjustments for those years shall be per Section 4.02.3.

4.02.2.3 Rounding. Annual adjustments shall be made only in units of one cent ($0.01) and shall not result in a decrease to the rates currently in effect. Fractions of less than one cent ($0.01) shall not be considered in making adjustments. The indices shall be truncated at four (4) decimal places for the adjustment calculations.

4.02.2.4 Service Rate Adjustments by CPI For Fourth Year of Extended Term. For rates effective July 1, 2023, on April 1, 2023, CONTRACTOR shall apply the percentage change in the CPI calculated per Section 4.02.2.2 to all approved current Maximum Service Rates, plus a 1.3% ("Revenue-Neutral Franchise Fee Adjustment Factor"), plus adjustment calculated per Section 4.02.5, and submit the CONTRACTOR'S request for an adjustment in the Maximum Service Rates to the CITY in the same form as Exhibit 1.

4.02.2.5 Service Rate Adjustments by CPI For Last Six Years of Extended Term. For rates effective July 1, 2024 and each subsequent year: on April 1, 2024, and each year thereafter, CONTRACTOR shall apply the percentage change in the CPI calculated per Section 4.02.2.2 to all approved current Maximum Service Rates, plus adjustments calculated per Sections 4.02.4 and 4.02.5, and submit the CONTRACTOR'S request for an adjustment in the Maximum Service Rates to the CITY in the same form as **Exhibit 1**.

4.02.2.6 CITY Approval of Maximum Service Rates. As of May 1, 2012, and annually thereafter during the term of this Amended Agreement, the CITY Representative shall notify CONTRACTOR of the adjustments to the affected Maximum Service rates to take place on the subsequent July 1st. CITY shall take action on the any changes in the Maximum Service Rates in accordance with the CITY'S municipal code.

4.02.3 Service Rate Adjustments for First Three Years of Extended Term. On April 1, 2020, CONTRACTOR shall apply a percentage change to all approved current Maximum Service Rates and submit the CONTRACTOR'S request for an adjustment in the Maximum Service Rates to the CITY in the same form as **Exhibit 1** (as amended) equal to 8.48% with no other adjustments applied. On April 1, 2021, CONTRACTOR shall apply a percentage change to all approved Maximum Service Rates that were effective July 1, 2020 equal to 8.48% with no other adjustments applied. On April 1, 2022, CONTRACTOR shall apply a percentage change to all Maximum Service Rates that were effective July 1, 2021 equal to 8.48% with no other adjustments applied. Service rate adjustments described in this Section 4.02.3 are subject to the requirements of Section 4.02.2.6. All April 1st rate adjustments referenced herein are effective the following July 1st.

4.02.4 Service Rate Adjustment for Change in Disposal Agreement. CITY and CONTRACTOR acknowledge CITY's Prior Agreement for Disposal per Section 3.10.3 of this Amended Agreement (Attachment 1). The Amended Agreement is in effect through November 20, 2023. CONTRACTOR shall be entitled to and may apply for Service Rate Adjustment on April 1, 2024 for rates effective July 1, 2024 that reflects any change in disposal per-ton rate that may be reflected in any future Disposal Agreement that may be negotiated by CITY and another party. CONTRACTOR shall calculate this change in disposal tipping fee using the following formula: Tons of material delivered to landfill for disposal from November 1, 2022 through October 31, 2023 multiplied by the disposal tipping fee paid by MTWS equals Disposal Cost Before Change. Tons of material delivered to landfill for disposal from March 1, 2023 through February 28, 2024 multiplied by the new disposal tipping fee equals Disposal Cost After Change. Disposal Cost After Change minus Disposal Cost Before Change equals Change in Disposal Cost. Change in Disposal Cost divided by Total Revenue from November 1, 2022 through October 31, 2023 shall be added to the annual rate adjustment calculated in accordance with Section 4.02.2.5. CONTRATOR shall be entitled to a catch-up fee for the additional cost of disposal between November 21, 2023 and July 1, 2024, to be recovered over 12 months.

4.02.5 Service Rate Adjustment for Change in Organics Processing Costs. CONTRACTOR shall be entitled to and may apply for an Organics Processing Costs Service Rate Adjustment starting April 1, 2023 (for the rate adjustment effective July 1, 2023) and each April 1 thereafter, for changes in the CONTRACTOR'S organics processing tipping costs for organics services provided per this Amended Agreement.

4.02.5.1 Prior to requesting an Organics Processing Costs Service Rate Adjustment, CONTRACTOR must inform City of anticipated extraordinary cost increases in the CONTRACTOR'S organics processing tipping costs prior to January 1 of the year in which such adjustment may be applied. CITY may require CONTRACTOR to conduct a competitive Request for Proposals process with three or more solicitations and to provide the results of such a competitive process to the City prior to approving CONTRACTOR's request for such a rate adjustment, and shall inform CONTRACTOR of such requirement by January 15 of the year in which such adjustment may be applied. Results must be provided as a part of the scheduled rate increase for rates effective July 1 of the year in which such adjustment may be applied. CITY reserves the right to direct CONTRACTOR to accept any proposal provided as a part of a competitive Request for Proposal process for organics tipping fees, and direct flow of material to the proposal selected by CITY.

4.02.5.2 CONTRACTOR shall calculate the change in organics processing costs using the calculation table in Exhibit 19, with examples provided as Table 1 and 2 below, in which CONTRACTOR will report reconciled and auditable organics processing costs from its accounting system and Gross Receipts from CONTRACTOR'S audited financial

statement (both shown in grey highlighting). Calculation Table 2 shows an example calculation for rates effective July 1, 2023, which is the first year in which CONTRACTOR may request an Organics Processing Costs Service Rate Adjustment and shall be used for such requests in subsequent years. For adjustments in subsequent years, only the dates and numeric values (dollars and percentages) in Lines 1, 2, 4 and 5 will change, with all other lines being calculated based on those numeric values. For Rate Year 4:

4.02.5.3 Line 1 shall be the amount of auditable organics processing costs reconciled by CONTRACTOR for the annual period July 1, 2020 through June 30, 2021. The example value shown in the calculation table is $1,094,217.

4.02.5.4 Line 2 shall be the amount of auditable organics processing costs reconciled by CONTRACTOR for the annual period from July 1, 2021 through June 30, 2022. The example value shown in the calculation table is $1,283,471.

4.02.5.5 Line 3 subtracts Line 1 from Line 2, yielding the annual year-to-year change in organics processing costs. The example value shown in the calculation table is $189,254.

4.02.5.6 Line 4 shall be the amount Gross Receipts in the CONTRACTOR's audited financial statements for its fiscal year ending July 31, 2022. The example value shown in the calculation table is $9,340,110.

4.02.5.7 Line 5 shall be, for the July 1, 2023 rates (Year 4), the base July 1, 2023 annual percentage rate adjustment calculated per Section 4.02.2.4 (inclusive of the Revenue-Neutral Franchise Fee Adjustment Factor). For the July 1, 2024 rate adjustment (Year 5), Line 7 shall be the annual percentage rate adjustment calculated per Sections 4.02.2.5, and for subsequent years Line 7 shall also be the annual percentage rate adjustment calculated per Section 4.02.2.5. The example value shown in the calculation table is 5.3%, an example value for the July 1, 2023 rates (Year 4).

4.02.5.8 Line 6 divides Line 2 by Line 4, yielding Organics Processing Costs as a percentage of Gross Receipts. The example value shown in the calculation table is 13.74%, an example value for the July 1, 2023 rates (Year 4).

4.02.5.9 Line 7 divides Line 3 by Line 4 and subtracts from the result the product of Line 5 times Line 6, yielding the amount of Organics Processing Cost Adjustment. The example value shown in the calculation table is 1.30%.

4.02.5.10 Line 8 adds Line 5 and Line 7, yielding the total rate adjustment including the base rate adjustments calculated per other Sections plus the Organics Processing Cost Adjustment calculated per this Section 4.02.5. The example value shown in the calculation table is 6.60%, an example value for the July 1, 2023 rates (Year 4).

Table 1: Organics Processing Cost Adjustment Calculation Table, Example Years				
		Year 4 (July 1, 2023)	**Year 5 (July 1, 2024)**	**Year 6 (July 1, 2025)**
1	**Two Years Prior Annual Actual Los Altos Organics Processing Costs** (Reported by CONTRACTOR)	FY 2020-2021	FY 2021-2022	FY 2022-2023
2	**Prior Year Actual Los Altos Organics Processing Costs** (Reported by CONTRACTOR)	FY 2021-2022	FY 2022-2023	FY 2023-2024
3	**Annual Year-to-Year Change** (Line 2 minus Line 1)			
4	**Prior Year's Actual Los Altos Gross Receipts** (Per CONTRACTOR'S Audited Financial Statement)	FY 2021-2022 Gross Receipts	FY 2022-2023 Gross Receipts	FY 2023-2024 Gross Receipts
5	**CPI Rate Adjustment**	July 1, 2023 Rate Adjustment Per Section 4.02.2.4, inclusive of the Revenue-Neutral Franchise Fee Adjustment Factor	July 1, 2024 Rate Adjustment Per Section 4.02.2.5, inclusive of the one-time disposal adjustment	July 1, 2025 Rate Adjustment Per Section 4.02.2.5
6	**Annual Los Altos Organics Processing Costs as Percent of Los Altos Gross Receipts** (Line 2 / Line 4)			
7	**Organics Processing Cost Adjustment** (Line 3 / Line 4 - Line 5 x Line 6)			
8	**Total Rate Adjustment:** Total Applied to Rates (Line 5 + Line 7)			

Table 2: EXAMPLE ONLY Rate Year 4: Organics Processing Cost Adjustment Calculation Table (Organics Processing Cost Adjustment Added to CPI Rate Adjustment Effective July 1, 2023)		
1	**July 2020 - June 2021 Annual Actual Los Altos Organics Processing Costs** (Reported by CONTRACTOR)	$1,094,217
2	**July 2021 - June 2022 Annual Actual Los Altos Organics Processing Costs** (Reported by CONTRACTOR)	$1,283,471
3	**Annual Year-to-Year Change** (Line 2 minus Line 1)	$189,254
4	**FY 2021-2022 Actual Los Altos Gross Receipts** (Per CONTRACTOR'S Audited Financial Statement)	$9,340,110
5	**July 1, 2023 CPI Rate Adjustment** Assumes 4.0 % CPI + 1.3% RY4 (WST Increase Calculated Per Sections 4.02.2.4 inclusive of the Revenue-Neutral Franchise Fee Adjustment Factor - EXAMPLE ONLY)	**5.30%**
6	**Annual Los Altos Organics Processing Costs as Percent of Los Altos Gross Receipts** (Line 2 / Line 4)	13.74%
7	**Rate Year 4 Organics Processing Cost Adjustment** (Line 3 / Line 4 - Line 5 x Line 6)	**1.30%**
8	**Rate Year 4 Total Rate Adjustment:** Total Applied to Rates (Line 5 + Line 7)	**6.60%**

4.03 CONTRACTOR'S Payments to CITY. CONTRACTOR shall make payment to the CITY of a franchise fee, and such other fees as may be specified in this Article 4.03. Payment to the CITY shall be due, on the fifteenth (15th) day of the month following the month the revenues are collected. Each such payment shall be accompanied by an accounting, which sets forth CONTRACTOR'S Gross Receipts collected during the preceding month in sufficient detail to allow for an independent recalculation of payments.

4.03.1 Franchise Fee. The franchise fee shall be a percentage of CONTRACTOR'S Gross Receipts collected each month under the terms of this Amended Agreement. The franchise fee percentage shall be twelve and seven-tenths percent (12.7%) unless otherwise adjusted by the CITY. In the event that the CITY adjusts the franchise fee percentage, the maximum service rates will also be adjusted to incorporate any such changes in

the franchise fee percentage. CONTRACTOR and CITY agree the franchise fee is a negotiated amount paid by CONTRACTOR that is reasonably related to the value of the rights granted to Contractor under this Amended Agreement.

4.03.2 Solid Waste Fund Administrative Fee. The CONTRACTOR shall pay a Solid Waste Fund Administrative Fee to support the CITY'S Solid Waste Management program administration and general overhead. The CONTRACTOR shall pay **Eight Hundred Thousand Dollars ($800,000.00)** divided into twelve (12) equal monthly payments of **Sixty Six Thousand Six Hundred Sixty Six Dollars and Sixty-Seven Cents ($66,666.67)** each. Payment to the CITY shall be due on the fifteenth (15th) day of the month beginning on October 15, 2010 and monthly thereafter. These fees will be adjusted by the same CPI percentage change to any adjustments to the Maximum Service Rates on July 1 of each year.

4.03.2.1 Adjustment of the Solid Waste Fund Administrative Fee. For the period from October 1, 2013 to September 30, 2030, the annual amount CONTRACTOR pays to the CITY calculated in accordance with Section 4.03.2 above shall be reduced by a fixed annual credit of One Hundred Seventy-One Thousand Dollars ($171,000.00). The credit shall be applied as a monthly adjustment of Fourteen Thousand Two Hundred Fifty Dollars ($14,250.00) and shall be shown on the monthly invoice as a partial offset to the Solid Waste Fund Administrative Fee. The first payment to which this credit shall apply shall be the payment due on October 15, 2013.

4.03.3 No acceptance by CITY of any payment shall be construed as an accord that the amount is in-fact the correct amount, nor shall such acceptance of payment be construed as a release of any claim CITY may have against CONTRACTOR for any additional sums payable under the provisions of this Amended Agreement. All amounts paid shall be subject to independent audit and recompilation by CITY. If, after the audit, such recompilation indicates an underpayment CONTRACTOR shall pay to CITY the amount of the underpayment and shall reimburse CITY for all reasonable costs and expenses incurred in connection with the audit and recompilation within ten (10) Work Days of receipt of written notice from CITY that such is the case. If, after audit, such recompilation indicates an overpayment, CITY shall notify the CONTRACTOR in writing of the amount of the overpayment, less costs and expenses incurred in connection with the audit and recompilation. CONTRACTOR may offset the amounts next due following receipt of such notice by the amount specified therein.

4.03.4 Adjustments Due to Changes In Legislation. CONTRACTOR agrees that no extraordinary adjustment shall occur or rate adjustment be provided unless and only if changes to local, state, or federal regulations or laws occurring on or after March 31, 2010 result or will result in additional costs exceeding the CPI for the fee or additional service required under the legislative or regulatory change, or different services to be provided by CONTRACTOR which are not otherwise covered by the terms and conditions in Article 25 and have directly resulted or will result in changes to CONTRACTOR'S operations and have caused or will cause CONTRACTOR'S total operation costs to increase. The CITY may request from the CONTRACTOR such further information as it deems necessary to fully evaluate the CONTRACTOR'S request for extraordinary adjustment and make its determination. The CITY shall in the exercise of its reasonable discretion approve or deny the request, in whole or in part, within sixty (60) calendar days of receipt of the written request and all other additional information requested by the CITY. Any such change will be implemented within an agreed upon time between the CITY and CONTRACTOR.

4.04 CONTRACTOR Responsibility For Post-Collection Costs: CONTRACTOR shall be responsible for paying the post-collection costs inclusive of all fees for delivery of Garbage, Recyclable Materials, Organic Waste, Large Items and all other materials collected under the

terms of this Amended Agreement to the appropriate facilities as designated in Articles 3, 7, 8, and 9.

ARTICLE 5. Diversion Requirements

5.01 Minimum Requirements. The CITY requires the CONTRACTOR to achieve a minimum diversion rate of 65%. The diversion rate will be calculated as "the tons of materials Collected by CONTRACTOR from the provision of Collection Services that are sold or delivered to a Processing Facility, recycler or re-user, as required by this Amended Agreement, divided by the total tons of materials Collected under this Amended Agreement by CONTRACTOR in each Agreement Year."

5.01.1 Minimum Diversion by CalRecycle Standard. The CITY's diversion rate is calculated by CalRecycle and must meet the requirements of AB 939 and AB 1016. CONTRACTOR diversion performance requirements shall be deemed not to be met if CITY diversion rate does not meet CalRecycle minimum requirements.

5.02 Diversion Goal. The CITY and CONTRACTOR agree and mutually set a diversion goal of 78% as calculated in Section 5.01.

5.03 Failure to Meet Minimum Requirements. CONTRACTOR'S failure to meet the minimum diversion guarantees set forth above in Article 5.01 may result in CONTRACTOR being in default of this Amended Agreement as specified in Article 24, or the imposition of liquidated damages as specified in Article 19. In determining whether or not to assess liquidated damages, or hold the CONTRACTOR in default of this Amended Agreement, the CITY will consider the good faith efforts put forth by the CONTRACTOR in implementing the required programs to meet the minimum diversion requirements and the methods and level of effort of the CONTRACTOR to fully implement the work plans attached to and included in this Amended Agreement as **Exhibits 6 - 14**.

ARTICLE 6. Service Units

6.01 Service Units. Service Units shall include all the following categories of premises which are in the Service Area as of September 15, 2010, and all such premises which may be added to the Service Area by means of annexation, new construction, or as otherwise set forth in this Amended Agreement during term of this Amended Agreement:

6.01.1 SFD Service Units

6.01.2 MFD Service Units

6.01.3 Commercial Service Units

6.01.4 City Service Units

6.01.4.1 Any question as to whether a premises falls within one of these categories shall be determined by the City Representative and the determination of the City Representative shall be final.

6.02 Service Unit Changes. The CITY and CONTRACTOR acknowledge that during the term of this Amended Agreement it may be necessary or desirable to add or delete Service Units for which CONTRACTOR will provide Collection Services.

6.02.1 Additions and Deletions. CONTRACTOR shall provide services described in this Amended Agreement to new Service Units within five (5) Work Days of receipt of notice from the CITY or new Service Unit to begin such service.

6.03 Coordination with Street Sweeping. THE CITY AND CONTRACTOR acknowledges that CONTRACTOR may have to modify collection days to accommodate the CITY's street sweeping schedule.

6.04 Route Map Update. CONTRACTOR shall revise the Service Unit route maps to show the addition of Service Units added due to annexation and/or addition of new service areas and shall provide such revised maps to the City Representative as requested.

ARTICLE 7. SFD Collection Services

7.01 SFD Collection Services. These services shall be governed by the following terms and conditions:

7.01.1 Conditions of Service. The CONTRACTOR shall provide SFD Collection Service to all SFD Service Units in the Service Area whose Garbage is properly containerized in Garbage Carts, Recyclable Materials are properly containerized in Recycling Carts, except as set forth in Article 7.05.3; and Organic Waste is properly containerized in Organic Waste Carts except as set forth in Article 7.09. The Garbage, Recycling and Organic Waste Carts will be Collected at least once a week. CONTRACTOR shall offer Garbage Carts in 20, 32, 64 and 96 gallon cart sizes, and Recyclables Materials and Organic Waste Carts in 64 or 96 gallon cart sizes, with 32 gallon Recyclables Materials and Organic Waste Carts available on request. CONTRACTOR shall offer Debris Boxes in 10, 20, 30, and 40 cubic yard sizes. The size of the Cart shall be determined between the SFD Service Recipient and the CONTRACTOR. CONTRACTOR shall not charge for collection of Recyclable Materials or Organic Waste collected in Carts or Bins.

7.01.1.1 Curbside Collection Service. SFD Curbside Collection shall be done where Garbage, Recyclable Materials and Organic Waste Carts are placed within five (5) feet of the curb, swale, or at edge of street pavement for streets without curbs. This shall apply to both public and private streets. CONTRACTOR may charge for Curbside Collection at the rates as set forth in **Exhibit 1.**

7.01.1.2 On-Premise Collection Service - Subscription. A SFD Service Recipient may subscribe for On-premise SFD Collection Service where Garbage, Recyclable Materials, and Organic Waste Carts are Collected from a side-yard, backyard, or other off-street location agreed on between the CONTRACTOR and the Service Recipient. CONTRACTOR may charge for On-premise collection at the rates as set forth in **Exhibit 1**.

7.01.1.3 On-Premise Collection Service – Physical Disability. A SFD Service Recipient, and all other adults living at the Service Unit residing therein, that has disabilities that prevent him/her from being physically unable to place Garbage, Recyclable Materials, or Organic Waste Carts at the curb for collection shall receive On-premise Collection Service where all Garbage, Recyclable Materials, and Organic Waste Carts are Collected from a side-yard, backyard, or other off-street location agreed on between the CONTRACTOR and the Service Recipient. CONTRACTOR shall provide this service at the Curbside collection rates as set forth in **Exhibit 1**.

7.02 Frequency and Scheduling of Service. Except as set forth in Articles 7.07, 7.08, 7.09, 7.10, 7.13, and 7.14, SFD Collection Services shall be provided one (1) time per week on a scheduled route basis. SFD Collection Services shall be scheduled so that a SFD Service

Unit receives SFD Garbage Collection Service, SFD Recycling Collection Service, and SFD Organic Waste Collection Service on the same Work Day.

7.03 Non-Collection. Except as set forth in Articles 7.05.3, 7.07, 7.09, 7.10, 7.12, 7.13 and 7.14, CONTRACTOR shall not be required to Collect any Garbage, Recyclable Material, or Organic Waste that is not placed in a Cart. In the event of non-collection, CONTRACTOR shall affix to the Cart a Non-collection Notice explaining why collection was not made. CONTRACTOR shall maintain a copy of such notices during the term of this Amended Agreement.

7.04 SFD Garbage Collection Service. This service will be governed by the following additional terms and conditions:

7.04.1 Disposal Facility. All Garbage collected as a result of performing SFD Garbage Collection Services shall be transported to, and disposed of, at the Disposal Facility. Failure to comply with this provision shall result in the levy of an administrative charge as specified in this Amended Agreement and may result in the CONTRACTOR being in default under this Amended Agreement.

7.04.2 Additional Garbage Carts. Upon notification to the CONTRACTOR by the CITY or a Service Recipient that additional Garbage Carts are requested, the CONTRACTOR shall deliver such Garbage Carts to such Service Recipient within eight (8) calendar days. CONTRACTOR shall be compensated for the cost of additional Garbage Carts in accordance with the "Additional Garbage Cart" Service Rate as set forth in **Exhibit 1** or as may be adjusted under the terms of this Amended Agreement.

7.05 SFD Recycling Collection Service. This service will be governed by the additional following terms and conditions:

7.05.1 Material Recovery Facility. All Recyclable Materials Collected as a result of performing Recycling Services shall be delivered to the Materials Recovery Facility. Failure to comply with this provision shall result in the levy of liquidated damages as specified in this Amended Agreement. All expenses related to Recyclable Materials processing and marketing will be the sole responsibility of CONTRACTOR.

7.05.2 Additional Recycling Carts. CONTRACTOR shall provide additional SFD Recycling Carts to SFD Collection Service Recipients within five (5) days of request at no additional cost provided that additional carts are used by Service Recipients for the purposes of setting out additional Recyclable Materials for regular weekly Recycling Collection Service.

7.05.3 Overages. Corrugated cardboard or other recyclable materials that will not fit inside the Recycling Cart may be flattened, bagged and/or bundled and placed beside the Recycling Cart.

7.05.4 Recycling - Changes to Work. Should changes in law arise that necessitate any additions or deletions to the work described herein including the type of items included as Recyclable Materials, the parties shall negotiate any necessary cost changes and shall enter into an Agreement amendment covering such modifications to the work to be performed and the compensation to be paid before undertaking any changes or revisions to such work.

7.05.5 Collection of Service Recipients Discarded Collection Containers. The CONTRACTOR shall collect used, discarded, or unwanted collection containers discarded by the Service Recipient that were in use for collection prior to September 15, 2010 at no cost. To the extent feasible, CONTRACTOR shall recycle, or cause to have recycled the used, discarded, or

unwanted collection containers. CONTRACTOR collection of discarded containers shall be done in accordance with **Exhibit 6.**

7.05.6 Recycling - Improper Procedure. Except as set forth below in Article 7.10, the CONTRACTOR shall not be required to Collect Recyclable Materials if the Service Recipient does not segregate the Recyclable Materials from Garbage or Organic Waste. If Recyclable Materials are contaminated through commingling with Garbage or Organic Waste, the CONTRACTOR shall, if practical, separate the Garbage or Organic Waste from the Recyclable Materials. The Recyclable Materials shall then be Collected and the Garbage or Organic Waste shall be left in the Recycling Cart along with a Non-collection Notice explaining why the Garbage or Organic Waste is not considered a Recyclable Material. However, in the event the Recyclable Materials and Garbage or Organic Waste are commingled to the extent that they cannot easily be separated by the CONTRACTOR or the nature of the Garbage or Organic Waste renders the entire Recycling Cart contaminated, the CONTRACTOR will leave the Recycling Cart un-emptied along with a Non-collection Notice that contains instructions on the proper procedures for setting out Recyclable Materials.

7.06 SFD Organic Waste Collection Service. This service will be governed by the following terms and conditions:

7.06.1 Organic Waste Processing Services. CONTRACTOR shall ensure that all Organic Waste Collected pursuant to this Amended Agreement are diverted from the landfill in accordance with AB 939 and any subsequent or other applicable legislation and regulations.

7.06.2 Organic Waste Processing Facility. CONTRACTOR shall deliver all Collected Organic Waste to a fully permitted Organic Waste Processing Facility or a fully permitted Organic Waste transfer station. All expenses related to Organic Waste processing and marketing will be the sole responsibility of CONTRACTOR.

7.06.3 Organic Waste Disposal. CONTRACTOR shall ensure that the Organic Waste Collected pursuant to this Amended Agreement is not disposed of in a landfill, except as a residue resulting from processing.

7.06.4 Additional Organic Waste Carts. CONTRACTOR shall provide additional SFD Organic Waste Carts to SFD Service Recipients within five (5) days of request at no additional cost provided that additional carts are used by SFD Service Recipients for the purposes of setting out additional Organic Waste Materials for regular weekly Organic Waste Collection Service.

7.06.5 Additional Kitchen Food Waste Pails. CONTRACTOR shall provide additional Kitchen Food Waste Pails to SFD Service Recipients within five (5) days of request at no additional cost provided that additional pails are used by SFD Service Recipients.

7.07 Home Compost Bins. CONTRACTOR shall provide, at no additional cost, a Bio-Stack Compost Bin to any SFD Collection Service Recipient that request one. CONTRACTOR shall rebate a SFD Collection Service Recipient an amount equal to the cost of a Bio-Stack compost Bin if the SFD Collection Service Recipient submits a receipt for a more expensive compost tumbler or compost Bin if approved in advance by the CITY that they purchased after the start date of the Amended Agreement.

7.08 Home Worm Bin. CONTRACTOR shall provide, at no additional cost, a Home Worm Bin to all SFD Service Recipients that request a home worm Bin.

7.09 Curbside Holiday Tree Collection. CONTRACTOR shall Collect Holiday Trees from all SFD Service Units as part of the SFD Organic Waste Collection Services.

CONTRACTOR shall provide this service beginning on the first Work Day after December 25 until January 15, or dates approved by the CITY.

7.09.1 Contaminated Holiday Trees. Holiday trees that are flocked or contain tinsel or other decorations may be delivered to the Disposal Facility at the discretion of the CONTRACTOR.

7.09.2 Non-collection. CONTRACTOR shall not be required to Collect any Organic Waste that is mixed with either Garbage, or Recyclable Materials. In the event of non-collection, CONTRACTOR shall affix to the Organic Waste Cart a Non-Collection Notice explaining why collection was not made. CONTRACTOR shall maintain a copy of such notices during the term of this Amended Agreement. CONTRACTOR shall maintain a copy of such notices during the term of this Amended Agreement.

7.10 Bulky Waste Collection Service. This service will be governed by the following terms and conditions:

7.10.1 Conditions of Service. The CONTRACTOR shall provide SFD Bulky Waste Collection Service to all SFD Service Units in the Service Area whose Bulky Waste have been placed within five (5) feet of the curb, swale, paved surface of the public or private roadway, closest accessible roadway, or other such location agreed to by the CONTRACTOR and Service Recipient, that will provide safe and efficient accessibility to the CONTRACTOR'S collection crew and vehicle. Each SFD Service Unit in the Service Area shall be entitled to receive free Bulky Waste Collection Service once every six (6) months. Bulky Waste Collection Service shall be a combination of loose Large Items not exceeding an approximately equivalent of four (4) cubic yards and three (3) individual Large Items such as a TV, couch, or water heater. In accordance with the "Additional Bulky Waste Collection" service rate as set in **Exhibit 1**, CONTRACTOR shall be compensated for the cost of Collecting Large Items in excess of 1) a single collection of over four (4) cubic yards, 2) more than two (2) Bulky Waste Collections per year, or more than three (3) individual Large Items during any single Bulky Waste Collection.

7.10.2 Frequency and Promptness of Service. SFD Service Recipients must call in advance to schedule SFD Bulky Waste Collection Service. Collection will occur on the customer's regular collection day. Bags shall be provided to customers within 22 calendar days of the customer's request, and collection shall occur on the Service Recipient's next service date, unless otherwise arranged by Service Recipient request.

7.10.3 Large Items Containing Freon. In the event CONTRACTOR Collects Large Items that contain Freon, CONTRACTOR shall handle such Large Items in a manner such that the Large Items are not subject to regulation as Hazardous Waste under applicable state and federal laws or regulations. CONTRACTOR may charge for collecting Large Items containing Freon in accordance with the Maximum Service rates in **Exhibit 1**.

7.10.4 Maximum Reuse and Recycling. CONTRACTOR shall dispose of Large Items collected from Service Units pursuant to this Amended Agreement in accordance with the following hierarchy:

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

7.10.4.2 Disassemble for reuse or Recycling

7.10.4.3 Recycle

7.10.4.4 Disposal

7.10.5 CITY Direction of Large Items. CITY reserves the right to direct CONTRACTOR to take Large Items Collected pursuant to this Section to a designated site or sites for the purpose of permitting persons who will reuse or recycle such Large Items to obtain the Large Items at no cost. CONTRACTOR shall have no obligation to dispose of the Large Items or Large Item residue remaining at the directed site or sites after reusers and recyclers have removed reusable or recyclable Large Items. CONTRACTOR shall be entitled to an adjustment to the service rates to reflect any increased costs arising from the CITY's direction.

7.11 Hard to Service Areas. Notwithstanding any term or definition set forth in this Amended Agreement, CONTRACTOR, at no additional cost, shall manually collect SFD Garbage, Recyclable Materials, Organic Waste, and Bulky Waste from a SFD Service Unit as follows:

7.11.1.1 Where topography, street conditions, or limited street access for police, fire, or safety vehicles prevents CONTRACTOR'S collection vehicle access for Collecting Garbage, Recycling, Organic Waste, and Large Items for collection.

7.11.1.2 Where Service Units located in the areas and streets as listed in **Exhibit 15**.

7.11.1.3 Where the City Representative notifies the CONTRACTOR of any additional Service Units requiring service; along with the date such service is to begin.

7.12 Curbside Household Hazardous Waste (HHW) Collection. The CONTRACTOR shall provide curbside collection of HHW as part of CONTRACTOR'S regularly scheduled SFD Recycling Collection Service.

7.12.1 Materials collected through curbside HHW Collection shall include dry cell household batteries, PDAs, cell phones, used motor oil, used oil filters when contained in a sealed plastic bag; cooking oil; water-based paint, and compact fluorescent light bulbs contained in a sealed plastic bag.

7.12.2 CONTRACTOR shall provide one-gallon used oil containers and heavy duty- zip-lock bags for used oil filters.

7.13 [SECTION DELETED]

7.14 [SECTION DELETED]

7.15 SFD Debris Box Collection Service. Upon twenty four (24) hours request by a SFD Service Unit for a Debris Box Container, CONTRACTOR shall provide a Debris Box Container at the Service Unit. Such SFD Debris Box Collection Service shall be on a temporary basis not to exceed seven (7) days without collection, emptying, and replacement of the Debris Box Container.

7.15.1 Debris Box Containers shall be transported by CONTRACTOR to an approved processing facility to achieve maximum diversion.

7.15.2 Charges for Debris Box Containers shall be in accordance with **Exhibit 1** of this Amended Agreement.

7.15.3 The CONTRACTOR shall provide SFD Debris Box Collection Services with as little disturbance as possible and shall leave any Debris Box Containers in an upright position at the same point it was Collected without obstructing alleys, roadways, driveways, sidewalks, or mail boxes. CONTRACTOR shall only place Debris Boxes in strict adherence with the CITY'S right-of-way requirements and Municipal Code.

7.15.4 CONTRACTOR shall remove any and all graffiti within 24 hours of being identified by the CONTRACTOR or City Representative. CONTRACTOR shall not deliver a Debris Box Container without CONTRACTOR information or with any graffiti visible on the Debris Box Container.

ARTICLE 8. MFD Collection Services

8.01 MFD Collection Services. These services will be governed by all conditions of service as specified in Article 9 of this Amended Agreement, with the following additional services:

8.01.1 Kitchen Food Waste Pails. CONTRACTOR shall provide Kitchen Food Waste Pails to all MFD Service Units.

8.01.2 MFD Recycling Tote Bags. CONTRACTOR shall provide Recycling Tote Bags to MFD Service Units upon seventy-two (72) hours of request by the MFD Service Unit.

8.01.3 Additional Kitchen Food Waste Pails. CONTRACTOR shall provide an additional Kitchen Food Waste Pail to MFD Service Recipients within five (5) days of request at no additional cost provided that additional pails are used by MFD Service Recipients for the purposes of setting out additional Food Waste for regular weekly Organic Collection Service.

8.01.4 MFD Bulky Waste Collection. The CONTRACTOR shall provide MFD Bulky Waste Collection Service to MFD Service Units in the Service Area in a manner agreed to between the CONTRACTOR and the MFD Service Unit management. CONTRACTOR shall be compensated for the cost of Collecting Bulky Waste in accordance with the "MFD Bulky Waste Collection" Maximum Service Rate as set in **Exhibit 1** of this Amended Agreement.

8.02 Mandatory Organics Roll-Out. Effective July 1, 2021, all MFD Service Units shall be provided an Organic Waste Container for collection MFD Organic Waste, unless they have applied and been approved for an exemption as described in Section 9.01.5.1. Such collection shall be provided at no additional cost, and subject to the existing requirements of collection service described in Article 8 of this Amended Agreement.

ARTICLE 9. Commercial Collection Services

9.01 Commercial Collection Services. These services will be governed by the following terms and conditions:

9.01.1 Conditions of Service. The CONTRACTOR shall provide Commercial Garbage Collection Service, Commercial Recycling Collection Service, Commercial Organic Waste Collection Service, and Commercial Debris Box Collection Service to all Commercial Service Units in the Service Area whose Garbage, Recyclable Materials, and Organic Waste are properly containerized in Bins, Carts, or Debris Boxes as appropriate where the Bins, Carts or Debris Boxes are accessible as set forth in Article 9.01.3. CONTRACTOR shall offer Garbage Carts in 32, 64 and 96 gallon cart sizes, and Recyclable Materials and Organic Waste Carts in 64 or 96 gallon cart sizes, with 32 gallon Recyclable Materials and Organic Waste Carts available on request. CONTRACTOR shall offer Garbage, Recyclable Materials, and Organic Waste Bins in 1, 2, 3, 4, and 6 cubic yard sizes. CONTRACTOR shall offer Debris Boxes in 10, 20, 30, and 40 cubic yard sizes. The size of the container and the frequency (above the minimum) of collection shall be determined between the Service Recipient and the CONTRACTOR. However, the size and frequency shall be sufficient to provide that no Garbage, Recyclable Materials, or Organic Waste Materials need be placed outside the Bin, Cart or Debris Box.

9.01.2 Required Capacity. CONTRACTOR shall provide Commercial Recycling Collection Service and Organic Waste Collection Service to all Commercial Service Units in the Service Area at no additional cost. For each Service Unit, CONTRACTOR shall offer a minimum capacity of Commercial Recycling Collection and Commercial Organic Waste Collection Service appropriate to the capacity measured as the total cubic yards collected weekly for Commercial Garbage Collection Service.

9.01.3 Accessibility. CONTRACTOR shall collect all Garbage, Recycling, or Organic Waste Bins or Carts that are readily accessible to the CONTRACTOR'S crew and vehicles and not blocked. However, CONTRACTOR shall provide "push services" as necessary during the provision of Commercial Collection Services. Push services shall include, but not be limited to moving manually or by a specialized "scout" truck the Bins or Carts from their storage location for Collection and returning the Bins or Carts to their storage location.

9.01.3.1 Manner of Collection. The CONTRACTOR shall provide Commercial Collection Service with as little disturbance as possible and shall leave any Bin or Cart at the same point it was originally located without obstructing alleys, roadways, driveways, sidewalks or mail boxes.

9.01.4 Mandatory Organics Roll-Out. Effective July 1, 2021, all Commercial Service Units shall be provided an Organic Waste Container for collection Commercial Organic Waste, unless they have applied and been approved for an exemption as described below. Such collection shall be provided at no additional cost, and subject to the existing requirements of collection service described in Article 9 of this Amended Agreement.

9.01.4.1 CITY-Approved Exemptions from Mandatory Service Requirement. CITY's Mandatory Ordinance (Los Altos Municipal Code Title 6 Article 12, "Ordinance") requires commercial solid waste generators to subscribe to recycling and organics collection service, or apply for an exemption subject to the requirements of the Ordinance. CITY is responsible for notifying generators and reviewing any requests for exemption from the Ordinance; as well as providing a list of exemptions granted to CONTRACTOR upon CONTRACTOR request. Commercial solid waste generators which have applied and been granted an exemption from the Ordinance are not subject to the Mandatory Organics Roll-Out described in Sections 8.02 and 9.01.5 of this Amended Agreement.

9.02 Commercial Garbage Collection Service.

9.02.1 Conditions of Service. The CONTRACTOR shall provide Commercial Garbage Collection Service to all Commercial Service Units in the Service Area whose Commercial Garbage is properly containerized in Garbage Bins or Carts, where the Garbage Bins or Carts are accessible.

9.02.2 Disposal Facility. All Commercial Garbage collected as a result of performing Commercial Garbage Collection Services shall be transported to, and disposed of, at the Disposal Facility. Failure to comply with this provision shall result in the levy of an administrative charge as specified in this Amended Agreement and may result in the CONTRACTOR being in default under this Amended Agreement.

9.02.3 Size and Frequency of Service. This service shall be provided as deemed necessary and as determined between the CONTRACTOR and the customer, but such service shall be received no less than one (1) time per week with no exception for holiday(s) as set forth herein, except that Collection Service scheduled to fall on a holiday may be rescheduled as determined between the customer and the CONTRACTOR as long as the minimum frequency requirement is met. Service may be provided by Bin or Cart at the option of the customer. The

size of the container and the frequency (above the minimum) of Collection shall be determined between the customer and the CONTRACTOR. However, size and frequency shall be sufficient to provide that no Commercial Garbage need be placed outside the Bin or Cart. The CONTRACTOR shall provide containers as part of the Commercial Collection Service rates set forth in **Exhibit 1**, however, customers may own their Compactor provided that the customer is completely responsible for its proper maintenance and that such Compactor shall be of a type that can be serviced by the CONTRACTOR'S equipment.

9.02.4 Commercial Garbage Overflow. In the case of repeated overflows of Commercial Garbage, CONTRACTOR shall contact the Commercial Service Unit management to arrange for an appropriate change in Garbage Bin or Cart size, collection frequency or both. In the event, CONTRACTOR cannot successfully contact the Commercial Service Unit management after three attempts, or cannot reach an agreement with such management regarding the change in service, CONTRACTOR shall advise the City Representative, either by Fax or e-mail, of the details of the Commercial Garbage overages, and the attempts at communication with the Commercial Service Unit management. The City Representative shall respond to CONTRACTOR'S report and make a final written determination. Within five (5) Work Days of receipt of the City Representative's written determination, CONTRACTOR shall change the Collection Service in accordance with such written determination.

9.02.5 Non-Collection. CONTRACTOR shall not be required to collect any Commercial Garbage that is not placed in a Garbage Bin or Cart unless such Commercial Garbage is outside the Garbage Bin or Cart as a result of collection activities. In the event of non-collection, CONTRACTOR shall affix to the Garbage Bin or Cart a Non-collection Notice explaining why collection was not made.

9.03 Commercial Recycling Collection Service. This service will be governed by the following terms and conditions:

9.03.1 Conditions of Service. The CONTRACTOR shall provide Commercial Recycling Collection Service to all Commercial Service Units in the Service Area whose Recyclable Materials are properly containerized in Recycling Bins, Carts or Debris Boxes, except as set forth below, where the Recycling Bins, Carts, or Debris Boxes are accessible. CONTRACTOR may not charge for collection of Recyclable Materials. Commercial Recycling Collection will occur Monday – Friday, and on Saturdays upon request.

9.03.2 Material Recovery Facility. All Recyclable Materials collected as a result of performing Commercial Recycling Services shall be delivered to the Material Recovery Facility. Failure to comply with this provision shall result in the levy of liquidated damages as specified in this Amended Agreement. All expenses related to Recyclable Materials processing and marketing will be the sole responsibility of CONTRACTOR.

9.03.3 Size and Frequency of Service. This Service shall be provided as deemed necessary and as determined between the CONTRACTOR and the customer, but such service shall be received no less than one (1) time per week with no exception for holiday(s) as set forth herein, except that collection service scheduled to fall on a holiday may be rescheduled as determined between the customer and the CONTRACTOR as long as the minimum frequency requirement is met. Service may be provided by Bin, Cart or Debris Box at the option of the customer. The size of the container and the frequency (above the minimum) of collection shall be determined between the customer and the CONTRACTOR. However, size and frequency shall be sufficient to provide that no Recyclable Materials need be placed outside the Bin, Cart or Debris Box. The CONTRACTOR shall provide containers as part of the Commercial Collection Service rates set forth in **Exhibit 1**, however, customers may own their Compactor provided that

the customer is completely responsible for its proper maintenance and such Compactor shall be of a type that can be serviced by the CONTRACTOR'S equipment.

9.03.4 Additional Recycling Bins or Carts. CONTRACTOR shall provide additional Commercial Recycling Bins and Carts to Commercial Service Recipients within five (5) days of request at no additional cost provided that additional bins and carts are used by Commercial Service Recipients for the purposes of setting out additional Recyclable Materials for regular weekly Recycling Collection Service.

9.03.5 Recycling - Improper Procedure. If Recyclable Materials are contaminated through commingling with Commercial Garbage, the CONTRACTOR shall, if practical, separate the Commercial Garbage from the Recyclable Materials. The Recyclable Materials shall then be collected and the Commercial Garbage shall be left in the Recycling Bin, Cart or Debris Box along with a Non-collection Notice of why the Garbage is not considered a Recyclable Material. However, in the event the Recyclable Materials and Commercial Garbage are commingled to the extent that they cannot easily be separated by the CONTRACTOR or the nature of the Commercial Garbage renders the entire Recycling Bin, Cart or Debris Box contaminated, the CONTRACTOR will leave the Recycling Bin, Cart or Debris Box un-emptied along with a Non-collection Notice which contains instructions on the proper procedures for setting out Recyclable Materials. Upon notification from the City Representative, CONTRACTOR shall collect the contaminated Recyclable Materials as part of the next regularly scheduled Commercial Garbage Collection and dispose of it at the Disposal Facility.

9.03.6 Recycling - Changes to Work. Should changes in law arise that necessitate any additions or deletions to the work described herein including the type of items included as Recyclable Materials, the parties shall negotiate any necessary cost changes and shall enter into an agreement amendment covering such modifications to the work to be performed and the compensation to be paid before undertaking any changes or revisions to such work.

9.04 Commercial Organic Waste Service. This service will be governed by the following terms and conditions:

9.04.1 Conditions of Service. The CONTRACTOR shall provide Commercial Organic Waste Collection Service to all Commercial Service Units in the Service Area whose Organic Waste materials are properly containerized in Organic Waste Bins, Carts, Debris Boxes, or Compactors except as set forth below, where the Organic Waste Bins, Carts, debris Boxes, or Compactors are accessible. CONTRACTOR shall not charge for collection of Organic Waste collected in Carts or Bins. CONTRACTOR agrees that the provision of Commercial and MFD Organic Waste Collection Service at no cost to Commercial and MFD Service Units is critical to CONTRACTOR's ability to meet the Diversion Requirements as set forth in Article 5 of this Amended Agreement. CONTRACTOR further agrees that not all Commercial and MFD Service Units will elect to receive Organic Waste Collection Service in Carts, and that CONTRACTOR will provide Organic Waste Collection Bins upon request and as necessary. Further, CONTRACTOR agrees that there are several Commercial Service Units that utilize Compactors for collection or Organic Waste, and that CONTRACTOR will provide a sufficient number of Carts or Bins and at a collection frequency to allow for any such Commercial Service Unit to utilize the free collection of Organic Waste. Commercial Organic Waste Collection will occur Monday – Friday, and on Saturdays upon request and as necessary.

9.04.2 Organic Waste Processing Facility. All Organic Waste collected as a result of performing Commercial Collection Services shall be delivered to the Organic Waste Processing Facility. Failure to comply with this provision shall result in the levy of an administrative charge as specified in this Amended Agreement and may result in the

CONTRACTOR being in default under this Amended Agreement. All expenses related to Organic Waste processing and marketing will be the sole responsibility of CONTRACTOR.

9.04.3 Size and Frequency of Service. This Service shall be provided as deemed necessary and as determined between the CONTRACTOR and the customer, but such service shall be received no less than one (1) time per week with no exception for holiday(s) as set forth herein, except that Collection Service scheduled to fall on a holiday may be rescheduled as determined between the customer and the CONTRACTOR as long as the minimum frequency requirement is met. Service may be provided by Bin, Cart or Debris Box at the option of the customer. The size of the container and the frequency (above the minimum) of collection shall be determined between the customer and the CONTRACTOR. However, size and frequency shall be sufficient to provide that no Organic Waste Materials need be placed outside the Bin, Cart or Debris Box. The CONTRACTOR shall provide containers as part of the Commercial Collection Service rates set forth in **Exhibit 1**, however, customers may own their Compactor provided that the customer is completely responsible for its proper maintenance and such Compactor shall be of a type that can be serviced by the CONTRACTOR'S equipment.

9.04.4 Additional Organic Waste Bins or Carts. CONTRACTOR shall provide additional Commercial Organic Waste Bins and Carts to Commercial Service Recipients at no additional cost provided that additional bins and carts are used by Commercial Service Recipients for the purposes of setting out additional Organic Waste materials for regular weekly Organic Waste Collection Service.

9.04.5 . Organic Waste - Improper Procedure. If Organic Waste is contaminated through commingling with Commercial Garbage, the CONTRACTOR shall, if practical, separate the Commercial Garbage from the Organic Waste. The Organic Waste shall then be collected and the Commercial Garbage shall be left in the Organic Waste Bin, Cart or Debris Box along with a Non-collection Notice of why the Organic Waste is not collected. However, in the event the Organic Waste and Commercial Garbage are commingled to the extent that they cannot easily be separated by the CONTRACTOR or the nature of the Commercial Garbage renders the entire Organic Waste Bin, Cart or Debris Box contaminated, the CONTRACTOR will leave the Organic Waste Bin, Cart or Debris Box un-emptied along with a Non-collection Notice which contains instructions on the proper procedures for setting out Organic Waste. Upon notification from the City Representative, CONTRACTOR shall collect the contaminated Organic Waste as part of the next regularly scheduled Commercial Garbage Collection and dispose of it at the Disposal Facility.

9.05 Organic Waste - Changes to Work. Should changes in law arise that necessitate any additions or deletions to the work described herein including the types of items included as Organic Waste, the parties shall negotiate any necessary cost changes and shall enter into an agreement amendment covering such modifications to the work to be performed and the compensation to be

9.06 Commercial Debris Box Collection Service. Upon request of a Commercial Service Unit, CONTRACTOR shall provide a Commercial Debris Box Collection Service on a temporary basis or permanent basis.

9.06.1 Debris Boxes shall be transported by CONTRACTOR to an approved processing facility to achieve maximum diversion.

9.06.2 Charges for Debris Boxes shall be in accordance with **Exhibit 1** of this Amended Agreement.

9.06.3 The CONTRACTOR shall provide Commercial Debris Box Collection Services with as little disturbance as possible and shall leave any Debris Boxes in an upright

position at the same point it was Collected without obstructing alleys, roadways, driveways, sidewalks, or mail boxes. CONTRACTOR shall only place Debris Boxes in strict adherence with the CITY'S right-of-way requirements and Municipal Code.

9.06.4 CONTRACTOR shall remove any and all graffiti within 24 hours of being identified by the CONTRACTOR or City Representative. CONTRACTOR shall not deliver a Debris Box without CONTRACTOR information or with any graffiti visible on the Debris Box.

ARTICLE 10. CITY Collection Services

10.01 CITY Collection Services.

10.01.1 CONTRACTOR shall provide Garbage, Recycling, Organic Waste Collection Services, and Debris Box Collection Service to City Service Units as deemed necessary and as determined between the CONTRACTOR and the CITY, but such service shall be received no less than one (1) time per week with no exception for holiday(s) as set forth herein, except that collection service scheduled to fall on a holiday may be rescheduled as determined between the customer and the CONTRACTOR as long as the minimum frequency requirement is met. Service may be provided by Bin, Cart or Debris Box at the option of the CITY. CONTRACTOR shall offer Garbage Carts in 20, 32, 64 and 96 gallon cart sizes and Bins in 1 – 6 cubic yard sizes, and Recyclables Materials and Organic Waste Carts in 32, 64 and 96 gallon cart sizes and Bins in 1 – 6 cubic yard sizes. CONTRACTOR shall not charge for collection of Recyclable Materials or Organic Waste collected in Carts or Bins. CONTRACTOR shall offer Debris Boxes in 10, 20, 30, and 40 cubic yard sizes. The size of the container and the frequency (above the minimum) of collection shall be determined between the CITY and the CONTRACTOR. However, size and frequency shall be sufficient to provide that no Garbage, Recyclable Materials, or Organic Waste needs to be placed outside the Bin, Cart or Debris Box. City Service Units are listed in **Exhibit 2**. CONTRACTOR may charge the CITY at the Maximum Service Rates as specified in **Exhibit 1.**

10.01.2 Public Containers Collection. CONTRACTOR shall provide collection, transporting and disposal or processing service to those public Garbage, Organic Waste or Recycling containers in place or placed by the CITY, or as designated by the CITY, and other CITY properties during the term of this Amended Agreement. Frequency of collection shall be seven (7) days per week per container, and twice on Saturdays to avoid overflows. CONTRACTOR may charge the CITY at the Maximum Service Rates as specified in **Exhibit 1.**

10.01.3 Green Waste Drop-off. CONTRACTOR will provide for City residents, landscapers and gardeners that provide service to SFD and MFD Service Units within the CITY to drop-off green waste at an approved drop-off location as specified in **Exhibit 3**. CONTRACTOR may charge a green waste drop off fee at the Maximum Service Rates as specified in **Exhibit 1**.

10.01.4 Accessibility. CONTRACTOR shall collect all carts, bins and debris boxes that are readily accessible to the CONTRACTOR'S crew and vehicles and not blocked. However, CONTRACTOR shall provide "push services" as necessary during the provision of CITY Collection Services. Push services shall include, but not be limited to, dismounting from the collection vehicle, moving the bins or carts from their storage location for collection and returning the bins or carts to their storage location.

10.01.5 Notification. The CONTRACTOR will notify the City Representative daily, by Fax and e-mail, of all situations that prevent or hinder collection from any City Service Unit, unless otherwise directed by CITY.

10.02 Disposal and Processing Facilities

10.02.1 Disposal Facility. All Garbage collected as a result of performing City Garbage Collection Services shall be transported to, and disposed of, at the Disposal Facility. Failure to comply with this provision shall result in the levy of an administrative charge as specified in this Amended Agreement and may result in the CONTRACTOR being in default under this Amended Agreement.

10.02.2 Material Recovery Facility. All Recyclable Materials collected as a result of performing City Recycling Services shall be delivered to the Material Recovery Facility. Failure to comply with this provision shall result in the levy of liquidated damages as specified in this Amended Agreement. All expenses related to Recyclable Materials processing and marketing will be the sole responsibility of CONTRACTOR.

10.02.3 Organic Waste Processing Facility. All Organic Waste collected as a result of performing City Collection Services shall be delivered to the Organic Waste Processing Facility. Failure to comply with this provision shall result in the levy of an administrative charge as specified in this Amended Agreement and may result in the CONTRACTOR being in default under this Amended Agreement. All expenses related to Organic Waste processing and marketing will be the sole responsibility of CONTRACTOR.

10.03 Donated Services. CONTRACTOR has offered to donate the following services as corporate good will, and such provisions of donated services shall have no rate impact of any kind to the CITY, or any SFD, MFD, or Commercial Service Recipient.

10.03.1 Code Enforcement. In response to the request of the City Representative, CONTRACTOR shall within twenty-four (24) hours provide for temporary clean-up programs in the Service Area. CONTRACTOR shall transport and deliver the collected materials to the Disposal Facility, the Materials Recovery Facility, or such other facility as is appropriate for the disposition of the materials and approved by the City Representative.

10.03.1.1 CONTRACTOR may provide for the collection of materials at a City Requested Clean-up Service event in a collection vehicle Bin, Cart, or a Debris Box Container.

10.03.1.2 Each Agreement Year, CONTRACTOR shall provide for a maximum of four hundred (400) cubic yards of collection from CITY Code Enforcement Clean-up Services. CONTRACTOR shall be entitled to charge the CITY for amounts that exceed 400 cubic yards per Agreement Year.

10.03.2 City Sponsored Events. CONTRACTOR shall provide Collections Services at CITY-sponsored events as requested by CITY. Such services shall be provided in such a manner that all collection, processing and disposal needs, and related staff support and public education materials for the event are adequately and properly provided for by CONTRACTOR. City Sponsored Events are set forth on **Exhibit 5**, attached to and included in this Amended Agreement.

10.03.3 Abandoned Waste Collection. CONTRACTOR shall direct its collection vehicle drivers to note (i) the addresses of any premises at which the driver observes that Garbage, Recyclable Material, and/or Organic Waste Material is accumulating; and (ii) the address, or other location description, at which Garbage, Recyclable Material, and/or Organic Waste has been dumped in an apparently unauthorized manner. CONTRACTOR shall deliver the address or description to CITY within three (3) Work Days of such observation.

10.03.4 Compost Delivery. Upon request by the City Representative, CONTRACTOR shall provide premium quality compost materials delivered to locations and in amounts as requested by the City Representative, provided that the total amount during any single Agreement Year does not exceed three-hundred sixty (360) cubic yards. Such delivery of compost shall be made within seventy-two (72) hours upon request by the City Representative. CONTRACTOR shall also deliver premium quality compost to individual Service Unit seventy-two (72) hours upon request of a Service Recipient. The quantity of CONTRACTOR deliveries of premium compost and shall be a minimum of five (5) cubic yards.

10.03.5 Community Reuse E-Network. CONTRACTOR will develop, implement, and manage a Community Reuse E-Network to promote the reuse of Large Items as specified in **Exhibit 14**.

10.03.6 School Recycling Program. CONTRACTOR shall provide a school recycling program as specified in **Exhibit 13** at such schools to which CONTRACTOR provides collection services. CONTRACTOR'S School Recycling Program shall include, at a minimum, on-site classroom visits, worm composting, internships, written and electronic materials, and sponsorship of environmental field trips.

ARTICLE 11. Collection Routes

11.01 Collection Routes. Ninety (90) days prior to commencement of Collection Services, the CONTRACTOR shall provide the CITY with maps precisely defining collection routes, together with the days and the times at which collection shall regularly commence. To the extent possible, CONTRACTOR will provide the map data in a GIS format that is compatible with the format used by the CITY.

11.02 Subsequent Collection Route Changes. The CONTRACTOR shall submit to the CITY, in writing, any proposed route change (including maps thereof) not less than sixty (60) calendar days prior to the proposed date of implementation. To the extent possible, CONTRACTOR will provide the map data in a GIS format that is compatible with the format used by the CITY. The CONTRACTOR shall not implement any route changes to SFD Service Recipients without the prior review of the City Representative. If the route change will change the collection day for a Service Recipient, the CONTRACTOR shall notify those Service Recipients in writing of route changes not less than thirty (30) days before the proposed date of implementation.

11.02.1 Collection Route Audits. The CITY reserves the right to conduct audits of CONTRACTOR'S collection routes. The CONTRACTOR shall cooperate with the CITY in connection therewith, including permitting CITY employees or agents, designated by the City Representative, to ride in the collection vehicles in order to conduct the audits. The CONTRACTOR shall have no responsibility or liability for the salary, wages, benefits or worker compensation claims of any person designated by the City Representative to conduct such audits.

ARTICLE 12. Collection Vehicles

12.01 General Provisions. All collection vehicles used by CONTRACTOR in the performance of services under this Amended Agreement shall be of a high quality. At the start of this Amended Agreement, all route collection vehicles utilized by CONTRACTOR pursuant to this Amended Agreement shall be new 2009/2010 manufactured vehicles as specified in **Exhibit 16**.

12.01.1 Vehicle Replacement Schedule. Collection vehicles used by CONTRACTOR in performance of services under this Amended Agreement shall be replaced in accordance with the vehicle replacement schedule provided as Exhibit 18 to this Amended Agreement.

12.01.2 If CONTRACTOR intends to utilize a vehicle to provide service under this Amended Agreement on a regular and non-emergency basis which is not in the Vehicle Replacement Schedule (Exhibit 18), CONTRACTOR must request and obtain CITY permission within one (1) month of the date that the vehicle is first used.

12.01.3 Overweight Vehicles. Contractor shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by State or local weight restrictions on vehicles.

12.02 Vehicle Registration, Licensing and Inspection. On or before October 1, 2010 and upon request by the CITY thereafter during the term of this Amended Agreement, CONTRACTOR shall submit documentation to the CITY Representative to verify that each of the CONTRACTOR'S collection vehicles is in compliance with all registration, licensing and inspection requirements of the California Highway Patrol, the California Department of Motor Vehicles, and any other applicable laws or regulations. CONTRACTOR shall not use any vehicle to perform Collection Services that is not in compliance with applicable registration, licensing and inspection requirements. Each vehicle shall comply, at all times, with all applicable statutes, laws or ordinances of any public agency. Routine inspections by the California Highway Patrol will be required bi-annually and certificates for said inspection shall be filed with the CITY upon request.

12.03 Clean Air Vehicles. During the term of this Amended Agreement, to the extent required by law, CONTRACTOR shall provide its collection vehicles to be in full compliance with local, State and federal clean air requirements that were adopted or proposed to be adopted, including, but not limited to, the California Air Resources Board Heavy Duty Engine Standards as currently proposed to be contained in CCR Title 13, Section 2020 et seq; the Federal EPA's Highway Diesel Fuel Sulfur regulations and any other applicable air pollution control

12.04 Fuel Type. CONTRACTOR shall utilize compressed natural gas (CNG) as the fuel type for all its collection vehicles, and to the extent possible CNG, bio-diesel or hybrid electric or all its support vehicles.

12.05 Global Positioning Systems (GPS). CONTRACTOR shall provide all route collection vehicles equipped with fully functioning on-board GPS with direct and real-time linkages to CONTRACTOR's customer service system.

12.06 Vehicle Noise Level. All collection operations shall be conducted as quietly as possible and must comply with U.S. EPA noise emission regulations currently codified at 40 CFR Part 205, and other applicable State, County, and City noise control regulations.

12.07 Safety Equipment. All collection equipment used by CONTRACTOR shall have appropriate safety markings including, but not limited to, highway lighting, flashing and warning lights, clearance lights, and warning flags. All such safety markings shall be subject to the approval of the CITY and shall be in accordance with the requirements of the California Vehicle Code, as may be amended from time to time. All collection vehicles shall be equipped with audible back-up warning devices and back-up warning devices.

12.08 Vehicle Signage and Painting. Collection vehicles shall have signage in letters of contrasting color, at least six (6) inches high, on each side and the rear of each vehicle that clearly states that the collection vehicle is servicing the City of Los Altos, provides the

CONTRACTOR'S name, the CONTRACTOR'S customer service telephone number, and the number of the vehicle. No advertising shall be permitted other than the name of the CONTRACTOR except promotional advertisement of the Recyclable Materials and Organic Waste programs. CONTRACTOR shall repaint all vehicles (including vehicles striping) during the term of this Amended Agreement on a frequency as necessary to maintain a positive public image as reasonably determined by the City Representative.

12.09 Vehicle Maintenance. CONTRACTOR shall maintain collection vehicles in a clean condition and in good repair at all times and ensure that no Collected materials, oil, grease, or other substances will blow, fall out, escape or leak out of the vehicle, with the exceptions of vehicle emission. All parts and systems of the collection vehicles shall operate properly and be maintained in a condition satisfactory to CITY. CONTRACTOR shall wash all collection vehicles at least twice per month and in compliance with the applicable Storm Water Discharge Permits.

12.09.1 The collection vehicles shall be designed and operated so as to prevent collected materials from escaping from the collection vehicles.

12.09.2 All collection vehicles and Containers shall be watertight and shall be operated so that liquids do not spill during collection or while in transit.

12.09.3 At no time shall CONTRACTOR provide services in the CITY using:

i. Reserve route collection vehicles that are more than ten (10) years old and have not been rebuilt. Rebuilt means, at a minimum, that vehicles shall:

   a. Be completely and comprehensively assessed by a professional solid waste vehicle mechanic, including visual inspection and mechanical testing of all vehicles parts and systems;

   b. Have all worn parts and systems replaced with new parts and systems;

   c. Have all worn vehicle body and chassis parts, hydraulic systems, transmissions, differentials, electrical systems, engines, brake systems and emissions control systems reconditioned or replaced with new parts to achieve like-new operations; and

   d. Be completely repainted and relabeled with appropriate signage.

12.10 Maintenance Log. CONTRACTOR shall maintain a maintenance log for all collection vehicles. The log shall at all times be accessible to CITY by physical inspection upon request of City Representative, and shall show, at a minimum, each vehicles' CONTRACTOR assigned identification number, date purchased or initial lease, dates of performance of routine maintenance, dates of performance of any additional maintenance, and description of additional maintenance performed.

12.11 Equipment Inventory. On or before September 1, 2010, and April 1st annually thereafter, CONTRACTOR shall provide to CITY an inventory of collection vehicles and major equipment used by CONTRACTOR for collection or transportation and performance of services under this Amended Agreement. The inventory shall indicate each collection vehicle by CONTRACTOR assigned identification number, DMV license number, the age of the chassis and body, type of fuel used, the type and capacity of each vehicle, the number of vehicles by type, the date of acquisition, the decibel rating and the maintenance status. CONTRACTOR shall submit to the City Representative, either by Fax or e-mail, an updated inventory annually to the CITY or more often at the request of the City Representative. Each vehicle inventory shall be

accompanied by a certification signed by CONTRACTOR that all collection vehicles meet the requirements of this Amended Agreement.

12.12 Reserve Equipment. The CONTRACTOR shall have available to it, at all times, reserve collection equipment which can be put into service and operation within one (1) hour of any breakdown. Such reserve equipment shall correspond in size and capacity to the equipment used by the CONTRACTOR to perform the contractual duties.

12.13 Contractor shall bring vehicles into service in accordance with the Vehicle Replacement Schedule, Exhibit 18.

ARTICLE 13. Customer Service

13.01 Customer Service Program. CONTRACTOR shall develop, implement, and maintain a Customer Service Program approved by the CITY to ensure that all services provided under this Amended Agreement are provided a high quality. CONTRACTOR'S Customer Service Plan is attached as **Exhibit 9** of this Amended Agreement.

13.02 CONTRACTOR'S Office. The CONTRACTOR shall maintain an office that provides toll-free telephone access to residents and businesses of the CITY and is staffed by trained and experienced Customer Service Representatives (CSRs). Such office shall be equipped with sufficient telephones that all Collection Service related calls received during normal business hours are answered by an employee within five (5) rings, and shall have responsible persons in charge during collection hours and shall be open during such normal business hours, 8:00 a.m. to 5:00 p.m. on regularly scheduled Work Days (Monday through Friday) and when service is scheduled to be provided on Saturdays. The CONTRACTOR shall provide either a telephone answering service or mechanical device to receive Service Recipient inquiries during those times when the office is closed. Calls received after normal business hours shall be addressed the next Work Day morning.

13.03 Emergency Contact. The CONTRACTOR shall provide the City Representative with an emergency phone number where the CONTRACTOR can be reached outside of the required office hours with a two (2) hour response time.

13.04 Multilingual/TDD Service. CONTRACTOR shall at all times maintain the capability of responding to telephone calls in English and such other languages as CITY may reasonably direct. CONTRACTOR shall at all times maintain the capability of responding to telephone calls through Telecommunications Device for the Deaf (TDD) Services.

13.05 Service Recipient Calls. During office hours, CONTRACTOR shall maintain a telephone answering system capable of accepting at least ten (10) incoming calls at one (1) time. CONTRACTOR shall record all calls including any inquiries, service requests and complaints into a customer service log.

13.05.1 Response to Calls. All incoming calls will be answered within five (5) rings. Any call "on-hold" in excess of one and one half (1.5) minutes shall have the option to remain "on-hold" or to be switched to a message center where Service Recipient can leave a message. CONTRACTOR'S customer service representative shall return Service Recipient calls. For all messages left before 3:00 p.m., all "call backs" shall be attempted a minimum of one time prior to 6:00 p.m. on the day of the call. For messages left after 3:00 p.m., all "call backs" shall be attempted a minimum of one time prior to noon the next Work Day. CONTRACTOR shall make minimum of three (3) attempts within twenty-four (24) hours of the receipt of the call. If CONTRACTOR is unable to reach the Service Recipient on the next Work Day, the

CONTRACTOR shall send a postcard to the Service Recipient on the second Work Day after the call was received, indicating that the CONTRACTOR has attempted to return the call.

13.06 Website. CONTRACTOR shall develop and maintain a state-of-the-art website dedicated to services provided in the CITY that is accessible by the public. The web site shall include answers to frequently asked questions, rates for Collection Services, listing and description of Recyclable Materials and Organic Waste, Collection Service schedules and maps, and other related topics. CONTRACTOR shall arrange for the CITY'S website to include an e-mail link to CONTRACTOR and a link to CONTRACTOR'S website. The CONTRACTOR'S website shall provide the public the ability to e-mail complaints to CONTRACTOR and request services or service changes. CONTRACTOR's website shall also promote reuse and recycling, graphics and statistic illustrating the City progress toward becoming a Zero Waste Community, resources the community can use to support Zero Waste and Sustainability efforts, other CITY's environmental programs, and other materials as requested by the CITY. The CITY shall review and approve CONTRACTOR'S website.

ARTICLE 14. Public Outreach Services

14.01 Public Outreach Services. CONTRACTOR, at its own expense, shall prepare, submit and implement an annual (Agreement Year) Public Education and Outreach Plan that incorporates key feature of CONTRACTOR'S Public Education Program (**Exhibit 7**), Community Involvement Plan (**Exhibit 12**), School Recycling Plan (**Exhibit 13**), and Community Reuse E-Network Plan **(Exhibit 14).** The proposed action plans must be submitted annually for CITY approval no later than August 1, 2010, and no later than April 1st each Agreement Year thereafter. The program must include specific steps designed to increase diversion and participation, for the City's residents, businesses, and Public Schools. Campaigns should target certain diverted materials or "problem" areas of the CONTRACTOR'S Service Area where improvements can be maximized. Targets of outreach should be based on local trends and recycling patterns based on information obtained by both the City Representative and CONTRACTOR staff. The CONTRACTOR shall provide space in CONTRACTOR'S public outreach materials, such as mailers, flyers and newsletters, for the CITY to include announcements, community information, articles, and photographs. The Public School campaigns shall correspond with the school year and should target student, faculty and staff participation in the diversion of Recyclable Materials and Organic Waste.

14.02 Recycling Coordinator. CONTRACTOR will provide for the equivalent 2/5 full-time Recycling Coordinator dedicated to the CITY. CONTRACTOR may use an Approved Subcontractors as listed in **Exhibit 4** to perform some or all the duties normally assigned to the Recycling Coordinator.

14.03 Annual Collection Service Notice. Each Agreement Year during the term of this Amended Agreement, the CONTRACTOR shall publish and distribute separate notices to all SFD Service Units regarding the SFD Collection Service, to all MFD Service Units regarding MFD Collect Service, and to all Commercial Service Units regarding Commercial Collection Service. To the extent appropriate, based on the category of customer receiving the notice, it shall contain at a minimum: definitions of the materials to be collected, procedures for setting out the materials, collection and disposal options for unacceptable materials such as Hazardous Waste, maps of the Service Area indicating the day of the week that Collection Service will be provided, and the CONTRACTOR customer service phone number and website address. The notice shall be provided in English, and other languages as reasonably directed by the CITY, and shall be distributed by the CONTRACTOR no later than November 1st each Agreement Year.

14.04 Additional Programs and Services. CONTRACTOR shall provide additional services and programs as requested by CITY at a price to be mutually agreed upon between the CONTRACTOR and the City Representative. In the event the CONTRACTOR and the City Representative cannot reach a mutually agreed upon price for the requested service or program, CITY shall have the right to procure the service of other vendors or contractors to provide the requested service.

14.05 News Media Relations. CONTRACTOR shall notify the City Representative by Fax, e-mail or phone of all requests for news media interviews related to the Collection Services program within twenty-four (24) hours of CONTRACTOR'S receipt of the request. Before responding to any inquiries involving controversial issues or any issues likely to affect participation or Service Recipient perception of services, CONTRACTOR will discuss CONTRACTOR'S proposed response with the City Representative.

14.05.1 Copies of draft news releases or proposed trade journal articles shall be submitted to CITY for prior review and approval at least five (5) Work Days in advance of release, except where CONTRACTOR is required by any law or regulation to submit materials to any regulatory agency in a shorter period of time, in which case CONTRACTOR shall submit such materials to CITY simultaneously with CONTRACTOR'S submittal to such regulatory agency.

14.05.2 Copies of articles resulting from media interviews or news releases shall be provided to the CITY within five (5) Work Days after publication.

14.06 Waste Generation and Characterization Studies. CONTRACTOR acknowledges that CITY must perform Garbage generation and characterization studies periodically to comply with AB 939 requirements. CONTRACTOR agrees to participate and cooperate with CITY and its agents and to perform studies and data collection exercises, as needed, to determine weights, volumes and composition of Garbage generated, disposed, transformed, diverted or otherwise processed to comply with AB 939.

ARTICLE 15. Emergency Service Provisions

15.01 Emergency Services. In the event of a tornado, major storm, earthquake, fire, natural disaster, or other such event, the City Representative may grant the CONTRACTOR a variance from regular routes and schedules. As soon as practicable after such event, the CONTRACTOR shall advise the City Representative when it is anticipated that normal routes and schedules can be resumed. The City Representative shall make an effort through the local news media to inform the public when regular services may be resumed. The clean-up from some events may require that the CONTRACTOR hire additional equipment, employ additional personnel, or work existing personnel on overtime hours to clean debris resulting from the event. The CONTRACTOR shall receive additional compensation, above the normal compensation contained in this Amended Agreement, to cover the costs of rental equipment, additional personnel, overtime hours and other documented expenses based on the rates set forth in **Exhibit 1** to this Amended Agreement provided the CONTRACTOR has first secured written authorization and approval from the CITY through the City Representative.

ARTICLE 16. Record Keeping & Reporting Requirements

16.01 Record Keeping.

16.01.1 Accounting Records. CONTRACTOR shall maintain full, complete and separate financial, statistical and accounting records, pertaining to cash, billing, and provisions of all Collection Services provided under this Amended Agreement, prepared on an accrual basis in accordance with generally accepted accounting principles. Such records shall be subject to audit and inspection. Gross Receipts derived from provision of the Collection Services shall be recorded as revenues in the accounts of the CONTRACTOR. These records shall be separate and segregated from other records maintained by CONTRACTOR for the provision of other services outside the scope of this Amended Agreement as may be provided by CONTRACTOR. CONTRACTOR shall maintain and preserve all cash, billing and disposal records for a period of not less than five (5) years following the close of each of the CONTRACTOR'S fiscal years.

16.01.2 Contractor Payments to the City. CONTRACTOR shall maintain records of all payments made to the CITY for all items listed in Article 4.03.

16.01.3 Tonnage Records. CONTRACTOR shall maintain records of the quantities of (i) Garbage, Recyclable Material, and Organics Waste collected, processed, composted, and disposed under the terms of this Amended Agreement, and (ii) Recyclable Materials and Organic Waste, by material type, purchased, sold, donated or given for no compensation, and residue disposed.

16.01.4 Records. CONTRACTOR shall maintain all other records reasonably related to provision of Collection Services, whether or not specified in this Article 16 or elsewhere in the Amended Agreement.

16.02 Reporting Requirements. Monthly Reports shall be City Representative no later than fifteen (15) calendar days after the end of the prior month. Quarterly reports shall be submitted to the City representative no later than fifteen (15) calendar days after the end of the reporting quarter and annual reports shall be submitted to the City representative no later than thirty (30) days after the end of each preceding calendar year. Monthly, Quarterly and annual reports shall be submitted in hard copy, and shall be provided electronically via e-mail, or a compact disc using software acceptable to the CITY. Reports shall be submitted in a format mutually agreed upon between the CITY and CONTRACTOR.

16.02.1.1 RESERVED[SECTION DELETED]

16.02.2 Quarterly Reports. Quarterly reports to the CITY shall include:

16.02.2.1 Garbage Data. The number of SFD, MFD, CITY and Commercial Service Units and the number of Garbage Bins, Carts, Debris Boxes and Compactors by size and Service Unit type. A listing of the tonnage from all Collection Services, including Bulky Waste Collection Service, collected, diverted and disposed by the CONTRACTOR at the Disposal Facility for the preceding quarter sorted between SFD, MFD, Commercial and City Service Units. All tonnage data should be compared to the corresponding tonnage data from the prior year comparable period.

16.02.2.2 Recycling Data. The number of gross tons collected by material type for SFD, MFD, City and Commercial Recycling Collection Service, including Recyclable Materials collected as part of Bulky Waste Collection Service, for the preceding quarter. Indicate, by material type (and grade where appropriate), quarterly total of Recyclable Materials processed and sold including facility name and location, average price received per Ton and total Recycling Revenue received for the quarter. Indicate any quantities, by material type, donated or otherwise disbursed without compensation. Indicate quarterly totals and location for

residue disposed. All tonnage data should be compared to the corresponding tonnage data from the prior year comparable period.

16.02.2.3 Organic Waste Data. The number of gross tons collected for SFD, MFD, City and Commercial Organic Collection Service, including Green Waste collected as part of Bulky Collection Service, for the preceding quarter. Indicate the number of Organic Waste Bins, Carts debris boxes, Compactors, and Kitchen Food Waste Pales distributed by size and Service Unit type. Indicate quarterly totals and location for residue disposed. All tonnage data should be compared to the corresponding tonnage data from the prior year comparable period.

16.02.2.4 Public Education and Information Activities. CONTRACTOR shall report on all public education and information activities undertaken during the period, including distribution of bill inserts, collection notification tags, community information and events, school visits, tours and other activities related to the provision of Collection Services. This report shall discuss the impact of these activities on Recycling and Organic Waste program participation and provide details of events and activities planned for the next period.

16.02.2.5 Processing and Marketing Data. Recycling and Organic Waste processing and marketing issues or conditions occurring during the previous quarter (such as participation, setouts, contamination, etc.) and possible solutions, discussed separately for SFD, MFD, Commercial and CITY programs.

16.02.2.6 Customer Service Data. A summary narrative of praises, complements, and problems encountered with collection and processing activities and actions taken. Indicate type and number of Non-collection Notices left at Service Recipient locations. Indicate instances of property damage or injury, significant changes in operation, market factors, publicity conducted and need for publicity. A copy of the customer service log, including a summary of the type and number of complaints and their resolution. Copies of a written record of all calls related to missed pickups and responses to such calls.

16.02.2.7 Operational Problems and Actions Taken. Indicate instances of property damage or injury, poaching or scavenging, significant changes in operation, market factors, and publicity conducted and need for publicity. Include description of Organic Waste or recyclable materials loads rejected, reason for rejection and disposition of load after rejection.

16.02.2.8 Customer Base Data. CONTRACTOR shall provide, customer base data consisting of the number of SFD, MFD, and Commercial Service Units billed, and City Collection Services sorted by service type, container size, number of containers, and frequency of collection.

16.02.2.9 Summary of Historical and Proposed Activities. CONTRACTOR shall provide a narrative of activities undertaken during the month and those planned or proposed for the upcoming quarter.

16.02.2.10 Summary of Contractor Payments to the City. A summary of all payments made to the City as specified in Article 4.03, for the reporting period.

16.02.3 Annual Reports. The annual report submitted to the CITY shall include all quarterly reports in Articles 16.02.1.1 through 16.02.10 summarized by quarter and averaged for the calendar year. For all annual reports beginning with the report for the second Agreement Year, the CONTRACTOR shall also include a historical comparison of the last calendar year and the average of all calendar years.

16.02.3.1 Gross Receipts and Franchise Fees. A summary of the prior year's Gross Receipts received and franchisee fees paid broken down by SFD, MFD and Commercial Service Units.

16.02.3.2 Account Data. Account data for SFD, MFD, Commercial Service Units and City Service Units including the total number of accounts serviced, and the number of accounts, account names and addresses of collection locations per each service category.

16.02.3.3 Equipment Inventory. Updated complete inventory of collection and major processing equipment including stationary, rolling stock and collection containers by type and size.

16.02.3.4 Public Education and Information Activities. Public education and information activities undertaken during the year, including distribution of newsletters, billing inserts, other notices, collection notification tags, community information and events, tours and other activities related to the provisions of services.

16.02.3.5 Summary of Historical and Proposed Activities. CONTRACTOR shall provide a narrative of activities undertaken during the year and those planned or proposed for the upcoming year. CONTRACTOR shall provide information describing if the activity was undertaken in the previous Agreement Year or not and if not, why it was added. For those activities that are not being continued, CONTRACTOR shall describe the reason the activity has been discontinued and the activity that is replacing it.

16.02.3.6 Insurance modification factor

16.02.3.7 Number of bulky item collection service requests not fulfilled within the time limits described in Section 7.10.2

16.02.3.8 Call wait time before answer

16.02.3.9 Number of vehicle weight limit exceedances for the year

16.03 Additional Reporting. The CONTRACTOR shall furnish the CITY with any additional reports as may reasonably be required, such reports to be prepared within a reasonable time following the reporting period.

ARTICLE 17. Nondiscrimination

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

ARTICLE 18. Service Inquiries and Complaints

18.01 CONTRACTOR'S Customer Service. CONTRACTOR shall at all times provide office staff and office hours, including personnel to answer phones and phone answering capabilities when CONTRACTOR'S office is closed, as specified in Article 13 of this Amended Agreement. All service inquiries and complaints shall be directed to the CONTRACTOR. A representative of the CONTRACTOR shall be available to receive the complaints during normal business hours. All service complaints will be handled by the CONTRACTOR in a prompt, courteous, and efficient manner. In the case of a dispute between

the CONTRACTOR and a Service Recipient, the matter will be reviewed and a decision made by the City Representative.

18.01.1 The CONTRACTOR will utilize a customer service Log to maintain a record of all inquiries and complaints in a manner prescribed by the CITY.

18.01.2 For those complaints related to missed Collections that are received by 12:00 noon on a Work Day, the CONTRACTOR will return to the Service Unit address and collect the missed Carts or Bins before leaving the Service Area for the day. For those complaints related to missed collections that are received after 12:00 noon on a Work Day, the CONTRACTOR shall have until the end of the following Work Day to resolve the complaint. For those complaints related to repair or replacement of carts or bins, the appropriate Articles of this Amended Agreement shall apply.

18.01.3 CONTRACTOR agrees that it is in the best interest of the CITY that all Garbage, Recyclable Materials, and Organic Waste be collected on the scheduled collection day. Accordingly, missed Collections will normally be collected as set forth herein regardless of the reason that the collection was missed. However, in the event a Service Recipient reports missed collection service more than two (2) times in any consecutive two (2) month period the City Representative will work with the CONTRACTOR to determine an appropriate resolution to that situation. In the event the CONTRACTOR believes any complaint to be without merit, CONTRACTOR shall notify the City Representative, either by Fax or e-mail. The City Representative will investigate all disputed complaints and render a decision.

ARTICLE 19. Quality of Performance of Contractor

19.01 Intent. CONTRACTOR acknowledges and agrees that one of CITY'S primary goals in entering into this Amended Agreement is to ensure that the Collection Services are of the highest caliber, that Service Recipient satisfaction remains at the highest level, that maximum diversion levels are achieved, and that materials collected are put to the highest and best use to the extent feasible.

19.02 Service Supervisor. CONTRACTOR has designated a supervisor to be in charge of the Collection Service within the Service Area. At least thirty (30) calendar days prior to replacing the designated supervisor CONTRACTOR shall notify CITY in writing of the name and qualifications of the new service supervisor. CONTRACTOR shall ensure that such replacement is an individual with like qualifications and experience. The supervisor shall be available to the City Representative through the use of a mobile telephone at all times that CONTRACTOR is providing Collection Services. In the event the supervisor is unavailable due to illness or vacation, CONTRACTOR shall designate an acceptable substitute who shall be available and who has the authority to act in the same capacity as the supervisor. The service supervisor shall provide the CITY with an emergency phone number where the supervisor can be reached outside of normal business hours.

19.03 Liquidated Damages. The parties further acknowledge that consistent and reliable 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 Amended Agreement to it. The parties further 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

CITY'S 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. Therefore, without prejudice to CITY'S right to treat such non-performance as an event of default under Article 24, the parties agree that the liquidated damages amount defined in this Article represent reasonable estimates of the amount of such damages considering all of the circumstances existing on the effective date of this Amended Agreement, including the relationship of the sums to the range of harm to CITY, customers and the community as a whole that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical. In placing their 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 the liquidated damage provisions at the time that the Amended Agreement was made.

CONTRACTOR agrees to pay (as liquidated damages and not as penalty) the following amounts:

LIQUIDATED DAMAGES		
Item		**Amount**
a.	Failure or neglect to respond to each complaint by the close of the next working day.	$100 per incident per Service Recipient.
b.	Failure to maintain equipment in a safe, clean, and sanitary manner.	$100 per incident per day.
c.	Failure to have a vehicle operator properly licensed.	$100 per incident per day.
d.	Failure to maintain office hours as required by this Amended Agreement.	$100 per incident per day.
e.	Failure to maintain or timely submit to CITY all documents and reports required under the provisions of this Amended Agreement.	$100 per incident per day.
f.	Failure to display CONTRACTOR'S name and customer service phone number on collection vehicles.	$100 per incident per day.
g.	Failure to collect a missed collection by close of the next Work Day upon notice to CONTRACTOR.	$100 per incident per day.
h.	Failure to repair or replace damaged carts or bins within the time required by this Amended Agreement.	$100 per incident per day.
i.	Failure to deliver or exchange carts or bins within the time required by this Amended Agreement.	$100 per incident per day.
j.	Failure to meet vehicle noise requirements.	$100 per incident per day.
k.	Failure to maintain collection hours as required by this Amended Agreement.	$250 per incident per day.

LIQUIDATED DAMAGES		
Item		**Amount**
l.	Failure to offer and provide adequate capacity of Recyclable Materials and Organic Waste for MFD and Commercial Service Units.	$250 per incident per day.
m.	Failure to have CONTRACTOR personnel in proper uniform.	$250 per incident per day.
n.	Failure to repair damage to customer property caused by CONTRACTOR or its personnel.	$500 per incident per location.
o.	Failure to repair damage to CITY property caused by CONTRACTOR or its personnel.	$500 per incident.
p.	Failure to repair damage to City Streets directly caused by CONTRACTOR beyond normal operating wear and tear.	$500 per incident and the actual cost of repair to CITY'S satisfaction—no cost to CITY.
q.	Failure to clean up spillage or litter caused by CONTRACTOR.	$500 per incident per location.
r.	Failure to properly cover materials in collection vehicles.	$500 per incident.
s.	Changing residential collection days without proper notification to the City Representative.	$500 per incident per day.
t.	Commingling Garbage with Recyclable Materials.	$500 per incident.
u.	Failure to provide adequate primary and alternate capacity to accept and process Recyclable Materials or Organic Waste.	$500 per day.
v.	Disposal of Recyclable Materials or Organic Waste in the Disposal Facility without first obtaining the required permission of the CITY.	$500 per load.
w.	Failure to deliver any Collected materials to the CITY approved Disposal Facility, Materials Recovery Facility, or Organic Waste Processing Facility, as appropriate, except as otherwise expressly provided in this Amended Agreement.	$5,000 each failure.
x.	Delivery to the Disposal Facility of any Garbage collected outside of the City boundaries of Los Altos commingled with that collected as part of this Amended Agreement.	$5,000 each delivery
y.	Commingling of materials collected inside and outside the City of Los Altos.	$1,000 per incident.

LIQUIDATED DAMAGES		
Item		**Amount**
z.	Failure to meet minimum annual Diversion Requirement	The current disposal cost/ton for each ton under the diversion requirement.
aa.	Annual collection service notices not delivered to all residents.	$2,000 each year.
ab.	Quarterly and Annual Reports do not include all information required in Section 16.02.	$2,000 each report.
ac.	No public education plan submitted.	$2,000 each year.
ad.	Each school serviced by CONTRACTOR is not contacted per Exhibits 7 and 13.	$1,000 each school each year.
ae.	Each MFD not visited twice annually per Exhibit 7.	$200 each MFD each year.
af.	Each Service Unit included in mandatory roll-out that is not provided organics service after July 1, 2021.	$300 each Service Unit each month.
ag.	Each vehicle exceeding weight limits.	$750 each event.

19.04 Procedure for Review of Liquidated Damages. The City Representative may assess liquidated damages pursuant to this Article 19 on a monthly basis. At the end of each month during the term of this Amended Agreement, the City Representative may issue a written notice to CONTRACTOR ("Notice of Assessment") of the liquidated damages assessed and the basis for each assessment.

19.04.1 The assessment shall become final unless, within thirty (30) calendar days of the date of the notice of assessment, CONTRACTOR provides a written request for a meeting with the City Representative to present evidence that the assessment should not be made.

19.04.2 The City Representative shall schedule a meeting between CONTRACTOR and the City Manager or the City Manager's designee as soon as reasonably possible after timely receipt of CONTRACTOR'S request.

19.04.3 The City Manager or the City Manager's designee shall review CONTRACTOR'S evidence and render a decision sustaining or reversing the liquidated damages as soon as reasonably possible after the meeting. Written notice of the decision shall be provided to CONTRACTOR.

19.04.4 In the event CONTRACTOR does not submit a written request for a meeting within thirty (30) calendar days of the date of the Notice of Assessment, the City Representative's determination shall be final and CONTRACTOR shall submit payment to CITY no later than fifteen (15) calendar days following final determination. Or at the sole option of CITY, if monies are owed to CONTRACTOR, CITY may deduct the liquidated damages from amounts otherwise due to CONTRACTOR.

19.04.5 CITY'S assessment or collection of liquidated damages shall not prevent CITY from exercising any other right or remedy, including the right to terminate this Amended Agreement, for CONTRACTOR'S failure to perform the work and services in the manner set forth in this Amended Agreement.

19.05 Lockouts. Because it is the intent of this Amended Agreement that CONTRACTOR shall consistently provide the highest level of services to the residents of Los Altos, CONTRACTOR shall never institute a lockout of any or all of its employees unless CONTRACTOR has previously provided an alternate plan of continuing the highest level of services during the entire possible period of such a lockout with ample fully trained substitutes for all such locked out employees, and CITY has approved such alternate plan in writing prior to such lockout being instituted by CONTRACTOR. In addition, CONTRACTOR shall fully defend, indemnify and hold harmless CITY against anything whatsoever related to any such lockout as provided in Article 23 hereof, including but not limited to any claims, proceedings, or suits against CITY relating to any such lockout. Compliance with this Article 19.05 shall in no way prevent the imposition of liquidated damages pursuant to Articles 19.03 and 19.04 hereof if CONTRACTOR fails to meet the standards or violates any provision as set forth in Article 19.03 a. through z. and aa. hereof.

ARTICLE 20. Billing Audit and Performance Reviews

20.01 Billing Audit and Performance Review

20.01.1 Selection and Cost. The CITY may conduct one (1) billing audit and performance review ("review") of the CONTRACTOR'S performance during the initial term of this Amended Agreement, and two (2) reviews during the Extended Term of the Amended Agreement, which are to be conducted one in the first half of the Extended Term, and one in the second half of the Extended Term. The reviews will be performed by a qualified firm under contract to the CITY. The CITY shall have the final responsibility for the selection of the firm but shall seek and accept comments and recommendations from the CONTRACTOR. The CONTRACTOR shall be responsible for the cost of the review up to a maximum of **Fifty Thousand Dollars ($50,000.00)** for the initial term, and Sixty-Five Thousand Dollars ($65,000) for the Extended Term.

20.01.2 Purpose. The Performance Reviews may be designed to address all appropriate areas which may include, but are not limited to the following

a) Compliance with the terms of this Amended Agreement and Applicable Laws.

b) Overall operational structure and management systems and procedures.

c) Efficiency of collection operations, including an analysis of routes, schedules and the impact of Franchise requirements.

d) Staffing practices, including the deployment of management and supervisory personnel.

e) Financial management practices, including the Contractor's billing and collection system and its policies with regard to uncollected Customer accounts.

f) Employee job and safety training, and management of Hazardous Waste.

g) Procedures for receiving and resolving Customer and Service Recipient complaints and concerns.

h) Procedures for the acquisition, maintenance, safety check, and replacement of equipment.

i) Utilization and management of facilities, equipment, and personnel.

j) Comparison with practices of businesses deemed similar to the Contractor.

20.01.2.1 CITY (or its designated consultant) may also review the customer service functions and structure utilized by CONTRACTOR. This may include CONTRACTOR's protocol for addressing Service Recipient complaints and service interruption procedures. Complaint logs may be reviewed, along with procedures and systems for tracking and addressing complaints. On-site and field observations by CITY (or its designated consultant) may include, but are not necessarily limited to:

i. Interviews and discussions with CONTRACTOR's administration and management personnel;

ii. Interviews and discussions with CONTRACTOR's financial and accounting personnel;

iii. Interviews and discussions with route dispatchers, route drivers, vehicle maintenance staff, field and service supervisors, and managers;

iv. Review and observation of CONTRACTOR's customer service functions and structure, and vehicle maintenance practices;

v. Review of public education and outreach materials;

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

vii. Review of vehicle and equipment maintenance log and accident or vehicle incident records, if any.

20.01.2.2

20.01.3 CONTRACTOR'S Cooperation. CONTRACTOR shall cooperate fully with the review and provide all requested data, including operational data, financial data and other data requested by the CITY within thirty (30) Work Days. Failure of the CONTRACTOR to cooperate or provide the requested documents in the required time shall be considered an event of default.

20.01.4 Additional Billing Audit and Performance Review. In the event that the Billing Audit and Performance Review concludes that CONTRACTOR is not in compliance with all terms and conditions of this Amended Agreement and such non-compliance is material, the CITY may conduct an Additional Billing Audit and Performance Review to ensure that CONTRACTOR has cured any such area of non-compliance. CONTRACTOR shall be responsible for the cost of any such Additional Billing Audit and Performance Review.

20.02 City Requested Program Review. The CITY reserves the right to require the CONTRACTOR to periodically conduct reviews of the SFD and MFD and Commercial Garbage, Recyclable Materials, and Organic Waste collection programs to assess one or more of the following performance indicators: average volume of recyclable materials per setout per customer, average volume of green waste and or food scraps per setout per customer,

participation level, contamination levels, etc. Prior to the program evaluation review, CITY and CONTRACTOR shall meet and discuss the purpose of the review and agree on the method, scope, and date to be provided by the CONTRACTOR.

20.03 Cooperation with Other Program Reviews. If the CITY wants to collect program data, perform field work, conduct route audits to investigate customer participation levels and setout volumes and/or evaluate and monitor program results related to Garbage, Recyclable Materials and Organic Waste collected in the CITY by the CONTRACTOR, the CONTRACTOR shall cooperate with the CITY or its agent(s). CONTRACTOR shall also cooperate with any waste generation studies conducted by the CITY or its agent(s).

20.04 Changes to Operations. In conjunction with the review of a particular Performance Review, the City reserves the right to require changes to the Contractor's operations, which the City determines to be necessary or appropriate by reason of the findings or results of the Performance Review to carry out the intent of the terms and conditions of this Amended Agreement, and subject to the modifications to the Contractor's Charges and Rates. When such requirements are placed on CONTRACTOR, the CITY and the CONTRACTOR shall negotiate in good faith a reasonable and appropriate compensation adjustment for any increase or decrease in the services or other obligations required of the CONTRACTOR. The CITY and the CONTRACTOR shall not unreasonably withhold agreement to such compensation adjustment.

ARTICLE 21. Performance Bond

21.01 Performance Bond. A Performance bond must be furnished by the CONTRACTOR within fifteen (15) calendar days of notification to the CONTRACTOR that that the Amended Agreement has been executed. The CONTRACTOR shall furnish to the CITY, and keep current, a performance bond in a form with language that is acceptable to the CITY, for the faithful performance of this Amended Agreement and all obligations arising hereunder in an amount of **One and a Half Million Dollars ($1,500,000.00)**.

21.02 Renewal. Beginning April 1, 2011, and each April 1st thereafter, CONTRACTOR shall have the performance bond renewed annually and be executed by a surety company that is acceptable to the CITY; an admitted surety company licensed to do business in the State of California; has an "A:VII" or better rating by A. M. Best or Standard and Poors; and is included on the list of surety companies approved by the Treasurer of the United States.

21.03 Letter of Credit. As an alternative to the performance bond required by Article 21.01, at CITY'S option, CONTRACTOR may deposit with CITY an irrevocable letter of credit in an amount as set forth in Article 21.01. If allowed, the letter of credit must be issued by an FDIC insured banking institution chartered to business in the state of California, in the CITY'S name, and be callable at the discretion of the CITY. Nothing in this Article shall, in any way, obligate the CITY to accept a letter of credit in lieu of the performance bond.

ARTICLE 22. Insurance

22.01 Insurance Policies. CONTRACTOR shall secure and maintain throughout the term of this Amended Agreement insurance against claims for injuries to persons or damages to property, which may arise from or in connection with CONTRACTOR'S performance of work or services under this Amended Agreement. CONTRACTOR'S performance of work or services shall include performance by CONTRACTOR'S employees, agents, representatives and subcontractors.

22.02 Minimum Scope of Insurance. Insurance coverage shall be at least this broad:

22.02.1.1 Commercial General Liability: Insurance Services Office (ISO) Occurrence Form CG 0001 or, if approved by CITY, Claims Made Form No. CG0 0002. Automobile Liability: Insurance Services Office Form No. CA 0001, code 1 "any auto".

22.02.2 Workers' Compensation Insurance as required by the State of California and Employers Liability Insurance.

22.02.3 Hazardous Waste and Environmental Impairment Liability Insurance;

22.02.4 Employee Blanket Fidelity Bond.

22.03 Minimum Limits of Insurance. CONTRACTOR shall maintain insurance limits no less than:

22.03.1 Commercial General Liability: **Three Million Dollars ($3,000,000.00)** combined single limit per occurrence **Five Million Dollars ($5,000,000.00)** annual aggregate; including products and completed operations coverage.

22.03.2 Automobile Liability: **Three Million Dollars ($3,000,000.00)** combined single limit per accident for bodily injury and property damage.

22.03.3 Workers' Compensation and Employers Liability: Workers' Compensation insurance as required by the State of California, with statutory limits, and Employers Liability insurance with limits of **One Million Dollars ($1,000,000.00)** per accident.

22.03.4 Hazardous Waste and Environmental Impairment Liability: **Three Million Dollars ($3,000,000.00) each occurrence/Five Million Dollars ($5,000,000.00)** policy aggregate covering liability arising from the release of waste materials and/or irritants, contaminants or pollutants. Such coverage shall, if commercially available without involvement of CITY, automatically broaden in its form of coverage to include legislated changes in the definition of waste material and/or irritants, contaminants or pollutants.

22.04 Deductibles and Self-Insured Retention. Any deductibles or self-insured retention must be declared to, and approved by, CITY. CITY shall not withhold approval of any Deductible or Self-Insured Retention amounts where CONTRACTOR can demonstrate a successful history of managing such Deductibles or Self-Insured Retention amounts.

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

22.05.1 The CITY, its officers, employees, agents and volunteers are to be covered as additional insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of CONTRACTOR; products and completed operations of CONTRACTOR; liability arising out of work or operations performed by or on behalf of the CONTRACTOR, including material parts or equipment furnished in connection with such work or operations; and with respect to Hazardous Waste, Pollution and/or Environmental Impairment Liability.

22.05.2 CONTRACTOR'S insurance coverage shall be primary insurance as respects CITY, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the CITY, its officers, officials, employees, agents or volunteers shall be excess of the CONTRACTOR'S insurance and shall not contribute with it.

22.05.3 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.

22.05.4 The Automobile Liability policy shall be endorsed to delete the Pollution and/or the Asbestos exclusion, or documentation that the CONTRACTOR carries environmental pollution liability coverage for solid waste transported by the CONTRACTOR. The Automobile Liability policy shall also be endorsed to add the Motor Carrier act endorsement (MCS-90) TL 1005, TL 1007 and /or other endorsements required by federal or state authorities.

22.06 Waiver of Subrogation CONTRACTOR hereby agrees to waive subrogation which any insurer of CONTRACTOR may acquire from CONTRACTOR by virtue of the payment of any loss. CONTRACTOR agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the CITY for all work performed by the CONTRACTOR, its employees, agents and subcontractors.

22.07 Cancellation. Each insurance policy required by this clause shall be occurrence-based or an alternate form as approved by the CITY and endorsed to state that coverage shall not be suspended, voided, cancelled by either party, reduced in coverage or limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the CITY.

Any failure to comply with reporting provisions of the policies shall not affect CONTRACTOR'S obligations to CITY, its officers, officials, employees, agents or volunteers.

22.08 Claims Made Coverage. If General Liability or Hazardous Waste and Environmental Impairment Liability coverage is written on a claims-made from:

1. The "Retro Date" must be shown, and must be before the date of the contract or the beginning of contract work.

2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work

3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a "Retro Date" prior to the contract effective date, the CONTRACTOR must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

4. A copy of the claims reporting requirements must be submitted to the CITY for review.

22.09 Acceptability of Insurers. Insurance is to be placed with insurers admitted to transact business in California with a current A.M. Best's rating of no less than A:VII. If pollution and/or Environmental Impairment and/or errors and omission coverage are not available from an admitted" insurer, the coverage may be written with the CITY's permission, by a non-admitted insurance company. A Non-admitted company should have an A.M. Best's rating of A:X or higher

22.10 Verification of Coverage. CONTRACTOR shall furnish the CITY with original certificates and amendatory endorsements effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the CITY before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the CONTRACTOR's obligation to provide them. The CITY reserves the right to require

complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

22.11 Subcontractors. CONTRACTOR shall include all subcontractors as insureds under its policies or require and verify that all subcontractors maintain insurance meeting all the requirements of this contract.

22.11.1 Proof of insurance shall be mailed to the following address or any subsequent address as may be directed in writing by the CITY.

City Representative or His/Her Designee
Los Altos City Hall
One North San Antonio Road
Los Altos, CA 94022

22.12 Modification of Insurance Requirements. The insurance requirements provided in this Amended Agreement may be modified or waived by the CITY, in writing, upon the request of CONTRACTOR if the CITY determines such modification or waiver is in the best interest of CITY considering all relevant factors, including exposure to CITY.

ARTICLE 23. Indemnification

23.01 Indemnification of the CITY. CONTRACTOR shall defend, with counsel acceptable to the CITY, indemnify and hold harmless, to the fullest extent allowed by law, CITY, its officers, officials, employees, volunteers agents and assignees (indemnities), from and against any and all loss, liability, penalties, forfeitures, claims, demands, actions, proceedings or suits, in law or in equity, of every kind and description, (including, but not limited to, injury to and death of any person and damage to property, or for contribution or indemnity claimed by third parties) arising or resulting from or in any way connected with: (i) the operation of the CONTRACTOR, its agents, employees, contractors, and/or subcontractors, in exercising the privileges granted to it by this Amended Agreement; (ii) the failure of the CONTRACTOR, its agents, employees, contractors, and/or subcontractors to comply in all respects with the provisions and requirements of this Amended Agreement, applicable laws, ordinances and regulations, and/or applicable permits and licenses; and (iii) the acts of CONTRACTOR, its agents, employees, contractors, and/or subcontractors in performing services under this Amended Agreement for which strict liability is imposed by law. The foregoing indemnity shall apply regardless of whether such loss, liability, penalty, forfeiture, claim, action, suit injury, death or damage is also caused in part by any of the indemnitees' negligence.

23.02 The CONTRACTOR's obligation to defend, hold harmless, and indemnify shall not be excused because of the CONTRACTOR's inability to evaluate liability or because the CONTRACTOR evaluates liability and determines that the CONTRACTOR is not liable to the claimant. The CONTRACTOR must respond within thirty (30) days to the tender of a claim for defense and indemnity by the CITY, unless this time has been extended by the CITY. If the CONTRACTOR fails to accept or reject a tender of defense and indemnity within thirty (30) days, in addition to any other remedy authorized by law, so much of the money due the CONTRACTOR by virtue of this Amended Agreement as shall reasonably be considered necessary by the CITY, may be retained by the CITY until final disposition has been made or the claim or suit for damages, or until the CONTRACTOR accepts or rejects the tender of defense, whichever occurs first.

With respect to third party claims against the CONTRACTOR, the CONTRACTOR waives any and all rights of any type to express or implied indemnity against the Indemnities.

23.03 Hazardous Substances Indemnification. The CONTRACTOR shall indemnify, defend with counsel acceptable to the CITY, protect and hold harmless the CITY, its officers, officials, employees, agents, assigns and any successor or successors to the CITY's interest from and against all claims, damages (including but not limited to special, consequential, natural resources and punitive damages) injuries, hazardous materials response mediation and removal costs, losses, demands, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties, attorney's fees for the adverse party and expenses (including but not limited to attorney's and expert witness fees and costs incurred in connection with defending against any of the foregoing or enforcing this indemnity) of any kind whatsoever paid, incurred or suffered by, or asserted against CITY or its officers, officials, employees, agents, assigns, or contactors arising from or attributable to acts or omissions of CONTRACTOR, or its agents, including but not limited to any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure or other plan (regardless of whether undertaken due to governmental action) concerning any hazardous substance or hazardous wastes at any place where CONTRACTOR transports, stores, or disposes of Garbage pursuant to this Amended Agreement. The foregoing indemnity is intended to operate as an agreement pursuant to Section 107(e) of CERCLA, 42 U.S.C. Section 9607(c) and California Health and Safety Code Section 25364, to defend insure, protect, hold harmless and indemnify the CITY from liability. Without limiting its scope, this Section shall include any claims against the CITY under its Prior Agreement for Disposal and any similar agreement.

23.04 CalRecycle Diversion Goals. CONTRACTOR agrees to protect, indemnify, hold harmless, and defend CITY with counsel selected by CONTRACTOR and approved by CITY, to pay all attorneys' fees, and to indemnify and hold CITY harmless from and against all fines or penalties imposed by the California Department of Resources Recycling and Recovery ("CalRecycle") if the diversion goals specified in California Public Resources Code Section 41780 as of the date hereof and hereafter throughout are not met by the CITY with respect to the materials Collected by CONTRACTOR and if the lack in meeting such goals are attributable to the failure of the CONTRACTOR to implement and operate the recycling or diversion programs or undertake the related activities required by this Amended Agreement.

23.05 Maximum Service Rates. CONTRACTOR shall defend, with counsel acceptable to CITY hold harmless, and indemnify CITY, its officers, officials, employees, volunteers, agents and assignees from and against any loss, liability, penalties, forfeiture, claims, damages, demands, actions, proceedings or suits, in law or equity, of every kind and description, arising from the City's setting of Maximum Service Rates for Collection Services under this Amended Agreement and/or in connection with the application of Article XIIIC and Article XIIID of the California Constitution to the imposition, payment, or collection of Maximum Service Rates and fees for services provided by CONTRACTOR under and/or in connection with this Amended Agreement, provided, however, that such obligation to defend, hold harmless and indemnify shall not apply to the imposition or payment of Solid Waste Fund Administrative Fees, Franchise Fees, or any other amounts payable to CITY under this Amended Agreement.

23.06 Separate Counsel. CITY may elect to have separate legal counsel from CONTRACTOR at any time at its sole discretion, and in such case CONTRACTOR will pay one-half (1/2) of all fees and costs and charges for such separate legal counsel.

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

23.08 Obligation. The execution of this Amended Agreement by the CONTRACTOR shall obligate the CONTRACTOR to comply with the foregoing indemnification provisions; however, the collateral obligation of providing insurance must also be fully complied with as set forth in Article 22 above.

23.09 Subcontractors. The CONTRACTOR shall require all subcontractors to enter into an agreement containing the provisions set forth Articles 23.01, 23.02, 23.03, 23.04, 23.05, 23.06, 23.07, and Article 22 in its entirety and in the preceding subsection in which Amended Agreement the subcontractor fully indemnifies the CITY in accordance with this Amended Agreement.

23.10 Exception. Notwithstanding Articles 23.01, 23.02 and 23.03, CONTRACTOR'S obligation to indemnify, hold harmless and defend CITY, its officers and employees shall not extend to any loss, liability, penalty, plain, damage, action or suit arising or resulting solely from acts or omissions constituting willful misconduct or sole negligence on the part of the CITY its officers or employees.

23.11 Damage by CONTRACTOR. If CONTRACTOR'S employees or subcontractors cause any injury, damage or loss to CITY property, including but not limited to CITY streets or curbs, CONTRACTOR shall reimburse CITY for CITY'S cost of repairing such injury, damage or loss. Such reimbursement is not in derogation of any right of CITY to be indemnified by CONTRACTOR for any such injury, damage or loss. With the prior written approval of CITY, CONTRACTOR may repair the damage at CONTRACTOR'S sole cost and expense.

ARTICLE 24. Default of Amended Agreement

24.01 Termination. The CITY may cancel this Amended Agreement, except as otherwise provided below in this Article, by giving the CONTRACTOR thirty (30) calendar days advance written notice, to be served as provided in Article 41, upon the happening of any one of the following events:

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

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

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

24.01.3 The CONTRACTOR has defaulted, by failing or refusing to pay in a timely manner the liquidated damages or other monies due the CITY and said default is not cured within thirty (30) calendar days of receipt of written notice by CITY to do so; or

24.01.4 The CONTRACTOR has defaulted by allowing any final judgment for the payment of money to stand against it unsatisfied and said default is not cured within thirty (30) calendar days of receipt of written notice by CITY to do so; or

24.01.5 In the event that the monies due the CITY under Article 24.01.3 above or an unsatisfied final judgment under Article 24.01.4 above is the subject of a judicial proceeding, the CITY may, at its option call the Performance Bond, or hold the CONTRACTOR in default of this Amended Agreement. All bonds shall be in the form acceptable to the City Attorney; or

24.01.6 The CONTRACTOR has defaulted, by failing or refusing to perform or observe the terms, conditions or covenants in this Amended Agreement, including satisfactory conformance with the requirements of Article 20, the service levels prescribed herein, or any of the rules and regulations promulgated by the CITY pursuant thereto or has wrongfully failed or refused to comply with the instructions of the City Representative relative thereto; provided that said default is not cured within thirty (30) calendar days of receipt of written notice by the CITY to do so, or if by reason of the nature of such default, the same cannot be remedied within thirty (30) calendar days following receipt by the CONTRACTOR of written demand from the CITY to do so, the CONTRACTOR fails to commence the remedy of such default within said thirty (30) calendar days following such written notice or having so commenced shall fail thereafter to continue with diligence the curing thereof. In any dispute concerning failure to remedy or diligence in pursuing a cure, the CONTRACTOR shall have the burden of proof to demonstrate (a) that the default cannot be cured within thirty (30) calendar days, and (b) that it is proceeding with diligence to cure said default, and such default will be cured within a reasonable period of time. However, notwithstanding anything contained herein to the contrary, for the failure of the CONTRACTOR to provide Collection Services for a period of three (3) consecutive Work Days, on the fourth (4th) Work Day the CITY may secure the CONTRACTOR'S equipment, records and other property used or useful in providing Collection Services under this Amended Agreement in order to provide interim Collection Services until such time as the matter is resolved and the CONTRACTOR is again able to perform pursuant to this Amended Agreement; provided, however, if the CONTRACTOR is unable for any reason or cause to resume performance at the end of thirty (30) calendar days all liability of the CITY under this Amended Agreement to the CONTRACTOR shall cease and this Amended Agreement may be deemed terminated by the CITY, and the CITY shall retain equipment, records and other property used in providing Collection Services on an interim basis until the CITY has made other suitable arrangements for the provision of Collection Services, which may include award of the Amended Agreement to another contractor. Notwithstanding any other provision in this Amended Agreement to the contrary, CITY's right to take interim possession of, or make use of, any of CONTRACTOR's equipment, including, without limitation, vehicles, Carts, Bins and containers, shall not allow the CITY to assign ownership of such vehicles, Carts, Bins and containers to another contractor and CITY acknowledges that the CONTRACTOR'S lender has a security interest in such equipment.

24.01.7 The CONTRACTOR has defaulted, by failing or refusing to deliver Garbage to the CITY's contracted Disposal Facility or the CITY'S contracted Organic Waste Processing Facility without prior written approval by the CITY to use an alternative disposal facility.

24.01.8 In the event that the Amended Agreement is terminated, CONTRACTOR shall furnish the CITY with immediate access to all of its business records related to its customer and billing accounts for collection services.

24.02 Violations. Notwithstanding the foregoing and as supplemental and additional means of termination of this Amended Agreement under this Article, in the event that the CONTRACTOR'S record of performance shows that the CONTRACTOR has frequently, regularly or repetitively defaulted in the performance of any of the covenants and conditions required herein to be kept and performed by the CONTRACTOR regardless of whether the CONTRACTOR has corrected each individual condition of default, the CITY in its sole discretion determines that the CONTRACTOR shall be deemed a "habitual violator", in which case the CONTRACTOR shall be deemed to have waived the right to any further notice or grace period to correct, and all of said defaults shall be considered cumulative and collectively shall constitute a condition of irredeemable default. The CITY shall thereupon issue the CONTRACTOR a final warning citing the circumstances therefore, and any single default by the CONTRACTOR of whatever nature, subsequent to the occurrence of the last of said cumulative defaults, shall be grounds for immediate termination of the Amended Agreement. A history of liquidated damages imposed pursuant to Article 19 may be used as a basis for deeming the CONTRACTOR to be a habitual violator; however, any failure to have imposed liquidated damages where applicable shall not prevent use of the CONTRACTOR'S underlying failures from consideration for determining a habitual violator. In the event of any such subsequent default, the CITY may terminate this Amended Agreement upon giving of final written notice to the CONTRACTOR, such cancellation to be effective upon the date specified in the CITY'S written notice to the CONTRACTOR, and all contractual fees due hereunder plus any and all charges and interest shall be payable to said date, and the CONTRACTOR shall have no further rights hereunder. Immediately upon the specified date in such final notice the CONTRACTOR shall proceed to cease any further performance under this Amended Agreement.

24.03 Effective Date. In the event of the aforesaid events specified above, and except as otherwise provided in said subsections, termination shall be effective upon the date specified in the CITY'S written notice to the CONTRACTOR and upon said date this Amended Agreement shall be deemed immediately terminated and upon such termination all liability of the CITY under this Amended Agreement to the CONTRACTOR shall cease, and the CITY shall have the right to call the performance bond and shall be free to negotiate with other contractors for the operation of the herein specified services. The CONTRACTOR for failure to perform shall reimburse the CITY all direct and indirect costs of providing interim Collection Services.

24.04 Immediate Termination. CITY may terminate this Amended Agreement immediately upon written notice to CONTRACTOR in the event CONTRACTOR fails to provide and maintain the performance bond as required by this Amended Agreement, or if CONTRACTOR fails to obtain or maintain insurance policies endorsements as required by this Amended Agreement, or if CONTRACTOR fails to provide the proof of insurance as required by this Amended Agreement, or if CONTRACTOR offers or gives any gift prohibited by CITY administrative policy.

24.05 Termination Cumulative. CITY'S right to terminate this Amended Agreement is cumulative to any other rights and remedies provided by law or by this Amended Agreement.

24.06 Force Majeure. The parties shall be excused from performing their respective obligations hereunder in the event they are prevented from so performing by reason of any acts of God, such as landslides, lightning, fires, storms, floods, pestilence, freezing, and

earthquakes; explosions, sabotage, civil disturbances, acts of a public enemy, wars, blockades, riots, or other industrial disturbances, eminent domain, condemnation or other taking, or other events of a similar nature, not caused or maintained by CITY or CONTRACTOR, which event is not reasonably within the control of the party claiming the excuse from its obligations due to such event, to the extent such event has a significant and material adverse effect on the ability of a party to perform its obligations thereunder. Force Majeure shall not include power outages, fuel shortages, strikes, work stoppage or slowdown, sickout, lockout, picketing or other concerted job action conducted by CONTRACTOR'S employees or directed at CONTRACTOR or any of its subcontractors. Force Majeure shall include a Change in Law if such Change in Law prohibits a party's performance hereunder. Notwithstanding the foregoing, (i) no failure of performance by any subcontractor of CONTRACTOR shall be a Force Majeure unless such failure was itself caused by a Force Majeure; (ii) except as provided herein, no event which merely increases CONTRACTOR'S cost of performance shall be a Force Majeure; and (iii) no event, the effects of which could have been prevented by reasonable precautions, including compliance with agreements and applicable laws, shall be a Force Majeure.

ARTICLE 25. Modifications to the Amended Agreement

25.01 Agreement Modifications and Changes in Law. The CITY and the CONTRACTOR understand and agree that the California Legislature has the authority to make comprehensive changes in Garbage, Recyclables, or Organic Waste Management legislation and that these and other changes in law in the future which mandate certain actions or programs for counties or municipalities may require changes or modifications in some of the terms, conditions or obligations under this Amended Agreement. The CONTRACTOR agrees that the terms and provisions of the Municipal Code, as it now exists or as it may be amended in the future, shall apply to all of the provisions of this Amended Agreement and the Service Recipients of the CONTRACTOR located within the Service Area; provided, however that the CITY will not amend the Municipal Code in a way that is inconsistent with the Amended Agreement unless compelled to do so by federal or state law. In the event any future change in law, modifications to the CITY Municipal Code, or directed changes by the CITY materially alters the obligations of the CONTRACTOR, then the affected compensation as established under this Amended Agreement shall be adjusted. Nothing contained in this Amended Agreement shall require any party to perform any act or function contrary to law. The CITY and CONTRACTOR agree to enter into good faith negotiations regarding modifications to this Amended Agreement, which may be required in order to implement changes in the interest of the public welfare or due to change in law. When such modifications are made to this Amended Agreement, the CITY and the CONTRACTOR shall negotiate in good faith a reasonable and appropriate compensation adjustment for any increase or decrease in the services or other obligations required of the CONTRACTOR due to any modification in the Amended Agreement under this Article. The CITY and the CONTRACTOR shall not unreasonably withhold agreement to such compensation adjustment.

25.01.1 Compensation Adjustments. In the event of a change in laws or regulations of any governmental agency that will require additional or different services to be provided by CONTRACTOR which are not otherwise covered by this Amended Agreement, CONTRACTOR shall provide CITY with a written rate increase request for additional compensation to CONTRACTOR based on such additional or different services. If the proposed rate increase exceeds five percent (5%) and CITY does not agree with such rate increase, CITY,

in addition to negotiating with CONTRACTOR may submit the matter to non-binding mediation upon the following terms and conditions in Article 25.06.1.

25.01.2 Rate Adjustments to Add Additional Bulky Item Collection Route(s). CONTRACTOR may apply for CITY approval to add one or more additional Bulky Item Collection Routes and shall be compensated for adding such additional routes at the actual and reasonable cost of providing such service. CONTRACTOR must provide information including utilization in number of pickups per month for each service territory and all routes in each month of baseline year 2019, number of pickups per month for each service territory and all routes for the twelve (12) months prior to CONTRACTOR's request, cost of vehicle, fully-loaded cost of staffing, performance metrics including the average number of bags serviced per day for current routes, and distribution of costs and service among service territories based on existing utilization of all Bulky Item Collection service routes. Cost of adding such routes shall be calculated by taking the proportion of CITY-approved actual and reasonable cost of providing such services over the total annual revenue collected under the provisions of this Amended Agreement and adding that percentage to the next scheduled annual rate adjustment after application of the 2% floor and 6% cap where applicable, subject to the other requirements described in Section 4.02 of the Amended Agreement. CITY approval shall not be unreasonably withheld.

25.01.3 Senate Bill 1383 Changes. CITY and CONTRACTOR mutually acknowledge that Senate Bill (SB) 1383 regulations are not finalized and that some of the provisions contained in this Amended Agreement may not be fully aligned with SB 1383 regulations. CITY or CONTRACTOR may request to enter good faith negotiations as described in 25.01 to add additional services or adjust existing services, including but not limited to Cart and Bin labeling and route contamination monitoring.

25.02 City-Directed Changes. CITY may direct CONTRACTOR to perform additional services (including new diversion programs, additional public education activities, etc.), eliminate programs, or modify the manner in which it performs existing services. Changes in the minimum diversion requirement set forth in Article 5 of this Amended Agreement, direction of Garbage to a Disposal Facility other than that originally selected by the CITY, direction of Recyclable Materials or Organic Waste to a processing facility other than that selected by the CONTRACTOR, pilot programs and innovative services, which may entail new collection methods, targeted routing, different kinds of services, different types of collection vehicles, and/or new requirements for Service Recipients are included among the kinds of changes which CITY may direct. CONTRACTOR shall be entitled to an adjustment in its compensation for providing such additional or modified services but not for the preparation of its proposal to perform such services.

25.03 Service Proposal. Within thirty (30) calendar days of receipt of a request for a service change from the CITY, CONTRACTOR shall submit a proposal to provide such service. At a minimum, the proposal shall contain a complete description of the following:

25.03.1 Collection methodology to be employed (equipment, manpower, etc.).

25.03.2 Equipment to be utilized (vehicle number, types, capacity, age, etc.).

25.03.3 Labor requirements (number of employees by classification).

25.03.4 Type of carts or bins to be utilized.

25.03.5 Provision for program publicity, education, and marketing.

25.03.6 Five (5) year projection of the financial results of the program's operations in an 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.

25.04 CONTRACTOR acknowledges and agrees that CITY may permit other contractors or companies besides CONTRACTOR to provide additional Collection Services and such other services not otherwise contemplated if CONTRACTOR and CITY cannot agree on terms and conditions, including compensation adjustments, of such services in one hundred twenty (120) calendar days from the date when CITY first requests a proposal from CONTRACTOR to perform such services.

25.05 Monitoring and Evaluation. If the CITY requests, the CONTRACTOR shall meet with the CITY to describe the progress of each new program and other service issues. If applicable, CONTRACTOR shall document the results of the new programs on a monthly basis, including at a minimum 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 necessary to evaluate the performance of each program.

25.05.1 At each meeting, the CITY and CONTRACTOR shall have the opportunity to discuss revisions to the program. The CITY shall have the right to terminate a program if, in its sole discretion, the CONTRACTOR is not cost effectively achieving the program's goals and objectives. Prior to such termination, the CITY shall meet and confer with the CONTRACTOR for a period of up to ninety (90) calendar days to resolve the CITY'S concerns. Thereafter, the CITY may 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 ninety (90) day period and, thereafter, until the third party takes over the program.

25.06 Dispute Resolution. All disputes relating to service or compensation changes as specified in Articles 25.01, 25.02, or 25.03 of this Amended Agreement shall be resolved by the following procedures:

25.06.1 Mediation. The parties shall first participate in non-binding mediation of any dispute arising under this Amended Agreement (whether contract, tort, or otherwise), as provided hereafter:

25.06.1.1 The party desiring mediation shall first give written notice thereof to the other party to this Amended Agreement, specifying the dispute to be mediated.

25.06.1.2 The mediation shall be held at Los Altos, California, or at such other location as may be mutually agreed among the parties. The mediation shall be conducted according to and a mediator chosen pursuant to the rules of the American Arbitration Association.

25.06.1.3 At least ten (10) business days before the date of the mediation, each side shall provide the mediator with a statement of its position and copies of all supporting documents. Each party shall send to the mediation a person who has authority to negotiate on behalf of the party. If a subsequent dispute will involve third parties, such as insurers or subcontractors, they shall also be asked to participate in the mediation.

ARTICLE 26. Legal Representation

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

ARTICLE 27. Financial Interest

27.01 Representation. CONTRACTOR warrants and represents that no elected official, officer, agent or employee of the CITY has a financial interest, directly or indirectly, in this Amended Agreement or the compensation to be paid under it and, further, that no CITY employee who acts in the CITY as a "purchasing agent" as defined in the appropriate Section of California Statutes, nor any elected or appointed officer of the CITY, nor any spouse or child of such purchasing agent, employee or elected or appointed officer, is a partner, officer, director or proprietor of the CONTRACTOR and, further, that no such CITY employee, purchasing agent, CITY elected or appointed officer, or the spouse or child of any of them, alone or in combination, has a material interest in the CONTRACTOR. Material interest means direct or indirect ownership of more than five percent (5%) of the total assets or capital stock of the CONTRACTOR.

ARTICLE 28. Contractor's Personnel

28.01 Personnel Requirements. The CONTRACTOR shall employ and assign qualified personnel to perform all services set forth herein. The CONTRACTOR shall be responsible for ensuring that its employees comply with all applicable laws and regulations and meet all federal, state and local requirements related to their employment and position.

28.01.1 The CITY may request the transfer of any employee of the CONTRACTOR who materially violates any provision hereof, or who is wanton, negligent, or discourteous in the performance of his duties.

28.01.2 CONTRACTOR'S field operations personnel shall be required to wear a clean uniform shirt bearing the CONTRACTOR'S name. CONTRACTOR'S employees, who normally come into direct contact with the public, including drivers, shall bear some means of individual photographic identification such as a name tag or identification card.

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

28.01.4 Each driver of a collection vehicle shall at all times comply with all applicable state and federal laws, regulations and requirements.

28.01.5 CONTRACTOR'S employees, officers, and agents shall at no time be allowed to identify themselves or in any way represent themselves as being employees of the CITY.

28.01.6 The CONTRACTOR'S name and the Customer Service telephone number shall be properly displayed on all collection vehicles.

ARTICLE 29. Exempt Waste

29.01 The CONTRACTOR shall not be required to collect or dispose of Exempt Waste, but may offer such services. All such collection and disposal of Exempt Waste is not regulated under this Amended Agreement, but if provided by the CONTRACTOR shall be in strict compliance with all federal, state and local laws and regulations.

ARTICLE 30. Independent Contractor

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

ARTICLE 31. Laws to Govern

31.01 The law of the State of California shall govern the rights, obligations, duties and liabilities of CITY and CONTRACTOR under this Amended Agreement and shall govern the interpretation of this Amended Agreement.

ARTICLE 32. Consent to Jurisdiction

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

ARTICLE 33. Assignment

33.01 No assignment of this Amended Agreement or any right occurring under this Amended Agreement shall be made in whole or in part by the CONTRACTOR without the express written consent of the CITY. The CITY shall have full discretion to approve or deny, with or without cause, any proposed or actual assignment by the CONTRACTOR. Any assignment of this Amended Agreement made by the CONTRACTOR without the express written consent of the CITY shall be null and void and shall be grounds for the CITY to declare a default of this Amended Agreement and immediately terminate this Amended Agreement by giving written notice to the CONTRACTOR, and upon the date of such notice this Amended Agreement shall be deemed immediately terminated, and upon such termination all liability of the CITY under this Amended Agreement to the CONTRACTOR shall cease, and the CITY shall have the right to call the performance bond and shall be free to negotiate with other contractors, the CONTRACTOR, or any other person or company for the service which is the subject of this Amended Agreement. In the event of any assignment, the assignee shall fully assume all the liabilities of the CONTRACTOR.

33.02 The use of a subcontractor to perform services under this Amended Agreement shall not constitute delegation of CONTRACTOR'S duties provided that CONTRACTOR has received prior written authorization from the City Representative to subcontract such services and the City Representative has approved a subcontractor who will perform such services. CONTRACTOR shall be responsible for directing the work of CONTRACTOR'S subcontractors and any compensation due or payable to CONTRACTOR'S subcontractor shall be the sole responsibility of CONTRACTOR. The City Representative shall have the right to require the removal of any approved subcontractor for reasonable cause. The subcontractors listed in **Exhibit 4** to this Amended Agreement are hereby approved by the CITY.

33.03 For purposes of this Article when used in reference to CONTRACTOR, "assignment" shall include, but not be limited to (i) a sale, exchange or other transfer of at least fifty-one percent (51%) of CONTRACTOR'S assets dedicated to service under this Amended Agreement to a third party; (ii) a sale, exchange or other transfer of outstanding common stock of CONTRACTOR to a third party provided said sale, exchange or transfer results in a change of control of CONTRACTOR (with control being defined as ownership of more than fifty percent (50%) of CONTRACTOR'S voting securities); (iii) any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation, subcontracting or lease-back payments, or other transaction which results in a change of control of CONTRACTOR; (iv) any assignment by operation of law, including insolvency or bankruptcy, making assignment for the benefit of creditors, writ of attachment for an execution being levied against this Amended Agreement, appointment of a receiver taking possession of CONTRACTOR'S property, or transfer occurring in the event of a probate proceeding; and (v) any combination of the foregoing (whether or not in related or contemporaneous transactions) which has the effect of any such transfer or change of control of CONTRACTOR.

33.04 CONTRACTOR acknowledges that this Amended 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 (i) Contractor's experience, skill and reputation for conducting its garbage, recyclable materials and organic Waste management operations in a safe, effective and responsible fashion, at all times in keeping with applicable environmental laws, regulations and best garbage, recycling and organic waste management practices, and (ii) CONTRACTOR'S financial resources to maintain the required equipment and to support its indemnity obligations to CITY under this Amended Agreement. CITY has relied on each of these factors, among others, in choosing CONTRACTOR to perform the services to be rendered by CONTRACTOR under this Amended Agreement.

ARTICLE 34. Compliance with Laws

34.01 In the performance of this Amended Agreement, CONTRACTOR shall comply with all applicable laws, regulations, ordinances and codes of the federal, state and local governments, including without limitation the Municipal Code of the City of Los Altos.

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

ARTICLE 35. Permits and Licenses

35.01 CONTRACTOR shall obtain, at its own expense, all permits and licenses required by law or ordinance and maintain same in full force and effect throughout the term of this Amended Agreement. CONTRACTOR shall provide proof of such permits, licenses or approvals and shall demonstrate compliance with the terms and conditions of such permits, licenses and approvals upon the request of the City Representative.

ARTICLE 36. Ownership of Written Materials

36.01 All reports, documents, brochures, public education materials, and other written, printed, electronic or photographic materials developed by CITY or CONTRACTOR in connection with the services to be performed under this Amended Agreement, whether developed directly or indirectly by CITY or CONTRACTOR shall be and shall remain the property of CITY without limitation or restrictions on the use of such materials by CITY. CONTRACTOR shall not use such materials in connection with any project not connected with this Amended Agreement without the prior written consent of the City Representative. This Article 36 does not apply to ideas or concepts described in such materials and does not apply to the format of such materials.

ARTICLE 37. Waiver

37.01 Waiver by CITY or CONTRACTOR of any breach for violation of any term covenant or condition of this Amended Agreement shall not be deemed to be a waiver of any other term, covenant or condition or any subsequent breach or violation of the same or of any other term, covenant or condition. The subsequent acceptance by CITY of any fee, tax, or any other monies, which may become due from CONTRACTOR to CITY shall not be deemed to be a waiver by CITY of any breach for violation of any term, covenant or condition of this Amended Agreement.

ARTICLE 38. Prohibition Against Gifts

38.01 CONTRACTOR represents that CONTRACTOR is familiar with CITY'S prohibition against the acceptance of any gift by a CITY officer or designated employee. CONTRACTOR shall not offer any CITY officer or designated employee any gifts prohibited by the CITY.

ARTICLE 39. Point of Contact

39.01 The day-to-day dealings between the CONTRACTOR and the CITY shall be between the CONTRACTOR and the City Representative.

ARTICLE 40. Conflict of Interest

40.01 CONTRACTOR shall comply with CITY requirements for conflict of interest and will file all required disclosure statements.

ARTICLE 41. Notices

41.01 Except as provided herein, whenever either party desires to give notice to the other, it must be given by written notice addressed to the party for whom it is intended, at the place last specified and to the place for giving of notice in compliance with the provisions of

this paragraph. For the present, the parties designate the following as the respective persons and places for giving of notice:

As to the CITY:

Jim Sandoval, Engineering Services Director
Los Altos City Hall
One San Antonio Road
Los Altos, CA 94022
Telephone: 650-947-2780
Facsimile: 650-947-2732
E-mail: jsandoval@losaltosca.gov

As to the CONTRACTOR:

Louis A. Pellegrini, President
Mission Trail Waste Systems, Inc.
1060 Richard Avenue
Santa Clara, CA 95052
Telephone: (408) 727-5365
Fax: (408) 727-7730
E-Mail: lapvp@aol.com

41.02 Notices shall be effective when received at the address as specified above. Changes in the respective address to which such notice is to be directed may be made by written notice. Facsimile transmission is acceptable notice, effective when received, however, facsimile transmissions received (i.e. printed) after 4:30 p.m. or on weekends or holidays, will be deemed received on the next business day. Receipt is deemed to have taken place within three (3) working days of notice mailed by U.S. Postal Service return receipt requested. The original of items that are transmitted by facsimile equipment must also be mailed as required herein.

41.03 Notice by CITY to CONTRACTOR of a collection or other Service Recipient problem or complaint may be given to CONTRACTOR orally by telephone at CONTRACTOR'S local office with confirmation sent as required above by the end of the Work Day.

ARTICLE 42. Transition to Next Contractor

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

ARTICLE 43. Contractor's Records

43.01 CONTRACTOR shall maintain any and all letters, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to Service Recipients for a minimum period of five (5) years, or for any longer period required by law, from the date of final payment to CONTRACTOR pursuant to this Amended Agreement.

43.02 CONTRACTOR shall maintain all documents and records, which demonstrate performance under this Amended Agreement for a minimum period of five (5) years, or for any longer period required by law, from the date of termination or completion of this Amended Agreement.

43.03 Any records or documents required to be maintained pursuant to this Amended Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Representative, the City Attorney, City Auditor, City Manager, or a designated representative of any of these officers. Copies of such documents shall be provided to CITY for inspection at the CITY offices when it is practical to do so. Otherwise, unless an alternative site is mutually agreed upon, the records shall be available at CONTRACTOR'S address indicated for receipt of notices in this Amended Agreement.

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

ARTICLE 44. Entire Amended Agreement

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

ARTICLE 45. Severability

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

ARTICLE 46. Right to Require Performance

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

ARTICLE 47. All Prior Agreements Superseded

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

ARTICLE 48. Headings

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

ARTICLE 49. Exhibits

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

ARTICLE 50. Representations and Warranties

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

50.01 Corporate Status. The CONTRACTOR is a corporation duly organized, validly existing and in good standing under the laws of the State of California ("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 Amended Agreement.

50.02 Corporate Authorization. CONTRACTOR has the authority to enter this Amended Agreement and perform its obligations under this Amended 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 Amended Agreement. The Person signing this Amended Agreement on behalf of CONTRACTOR represents and warrants that they have the authority to do so. This Amended Agreement constitutes the legal, valid, and binding obligation of the CONTRACTOR.

50.03 Agreement Will Not Cause Breach. To the best of CONTRACTOR'S knowledge after responsible investigation, the execution or delivery of this Amended 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, 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 hereunder.

50.04 No Litigation. To the best of CONTRACTOR'S knowledge after responsible 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:

50.04.1 Materially adversely affect the performance by CONTRACTOR of its obligations hereunder;

50.04.2 Adversely affect the validity or enforceability of this Amended Agreement; or

50.04.3 Have a material adverse effect on the financial conditions of CONTRACTOR, or any surety or entity guaranteeing CONTRACTOR'S performance under this Amended Agreement.

50.05 No Adverse Judicial Decisions. To the best of CONTRACTOR'S knowledge after responsible investigation, there is no judicial decision that would prohibit this Amended Agreement or subject this Amended Agreement to legal challenge.

50.06 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 Amended Agreement that would prohibit the CONTRACTOR'S performance of its obligations under this Amended Agreement and the transactions contemplated hereby.

50.07 CONTRACTORS Statements. The CONTRACTOR'S proposal and other supplemental information submitted to the City, which the City has relied on in awarding and entering this Amended 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.

50.08 CONTRACTOR'S Investigation. CONTRACTOR has made an independent investigation (satisfactory to it) of the conditions and circumstances surrounding the Amended Agreement and the work to be performed hereunder. CONTRACTOR has taken such matters into consideration in entering this Amended Agreement to provide services in exchange for the compensation provided for under the terms of this Amended Agreement.

50.09 Ability to Perform. CONTRACTOR possesses the business, professional, and technical expertise to collect, Transport, and Process the Garbage, Recyclable Materials, Organic Waste, and Bulky Waste generated in the CITY. CONTRACTOR possesses the ability to secure equipment, facility(ies), and employee resources required to perform its obligations under this Amended Agreement.

50.10 Voluntary Use of Approved Disposal Location and Approved Composting Site. The CONTRACTOR, without constraint and as a free-market business decision in accepting this Amended Agreement, agrees to use the Approved Facility for the purposes of Disposing of all Garbage collected in the CITY and Approved Composting Site for Composting all Organic Waste collected in the CITY. 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.

50.11 Recognizing Labor Rights. CONTRACTOR recognizes, and agrees to continue to recognize, the right of its employees to peacefully organize and to file a valid petition seeking a lawful election conducted by the National Labor Relations Board. Such secret ballot election would determine if a majority of the subject employees want a labor organization to be their exclusive representative in collective bargaining with the CONTRACTOR. CONTRACTOR agrees to engage in good faith negotiations with any current and duly elected labor organization

of the subject employees, and to meet at reasonable times to discuss wages, hours and other terms and conditions of employment. CONTRACTOR also represents that during negotiations with such duly elected labor organization, if necessary, it would support the use of a federal mediator and a reasonable cooling off period, if requested in writing by either party.

ARTICLE 51. Effective Date

This Amended Agreement shall become effective at such time as it is properly executed by the CITY and the CONTRACTOR and the CONTRACTOR began Collection Services, as covered herein, as of September 15, 2010.

IN WITNESS WHEREOF, the CITY and the CONTRACTOR have executed this Amended Agreement on the day and year first written above.

CITY OF LOS ALTOS

Janis C. Pepper, Mayor 4/23/20 Date
Date

Chris Jordan, City Manager 4/23/2020 Date

MISSION TRAIL WASTE SYSTEMS, INC.

Louis A. Pellegrini, President 4/23/2020

City of Los Altos Business License Number

The foregoing Amended Agreement has been reviewed and approval is recommended:

Resolution No. 2019-46
Approved by City Council

Approved as to Form:

Jolie Houston 4-23-20
City Attorney Date

Attest:

Jon Maginot Date 4/23/20
City Clerk

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Exhibit 2
CITY FACILITIES

Building / Facility	Estimated Service Level
All City Building and Facilities	Service as requested
City Public Containers (Downtown and Loyola Corners)	Seven times/week, twice on Saturdays as needed
City Directed Code Enforcement	Service as requested
Abandoned Waste	Service as requested

Exhibit 3
APPROVED FACILITIES

1. Newby Island Sanitary Landfill, 1601 Dixon Landing Road, San Jose, CA 95131
2. Zanker Road Resource Recovery Facility, 675 Los Esteros Road, San Jose, CA 95134
3. Blue Line Transfer Inc., 500 East Jamie Court, South San Francisco, CA 94080
4. Green Waste Recovery, 625 Charles Street, San Jose, CA 95112
5. Z-Best Composting Facility, 980 State Hwy. 25, Gilroy, CA 95020
6. Alameda County Industries, 610 Aladdin Avenue, San Leandro, CA 94577
7. Mission Trail Waste Systems, 1313 Memorex Dr, Santa Clara, CA 95050

Exhibit 4
APPROVED SUBCONTRACTORS

Cascadia Consulting Group
Curbside Inc. HHW Collection Services

Exhibit 5
CITY-SPONSORED EVENTS

CONTRACTOR will work with event organizers to promote Zero Waste events.

The list below represents the maximum number of events that may be eligible to receive services in accordance with Article 10.03.2. of this Amended **Agreement.**

Event/Activity	Estimated Service Level
Festival of Lights Parade	Service as necessary
Glorious Fourth Celebration	Service as necessary
Pet Parade	Service as necessary
Antique & Collectibles Fair	Service as necessary
Arts and Wine Festival	Service as necessary
Corvette Spectacular	Service as necessary
Easter Egg Hunt	Service as necessary
Fall Festival	Service as necessary
Farmer's Market	Service as necessary
Fine Art Show	Service as necessary
Halloween Spooktacular	Service as necessary
Holiday Tree Lighting	Service as necessary
Los Altos High School Homecoming Parade	Service as necessary
Movie Nights	Service as necessary
New Year's Day Fun Run	Service as necessary
Egg Hunt (separate event than the LAVA Egg Hunt listed on the resolution)	Service as necessary
Earth Day	Service as necessary
Summer Concert Series	Service as necessary
Community Picnic	Service as necessary
Halloween Window Painting	Service as necessary
Gingerbread House Exhibit	Service as necessary
Other City Sponsored or City recognized Special Events as requested by the CITY and agreed to by the CONTRACTOR with no obligation on either party to increase the total contribution to City sponsored or recognized Special Events if the list should change by Council Resolution.	Service as necessary

Exhibit 6 TRANSITION PLAN		
Task		**Description**
1		**Driver Hiring and Training** The method CONTRACTOR will utilize in acquiring and training Los Altos drivers has been developed over nearly 20 years during the following transitions: ✓ GreenTeam of San José, San José,1992 ✓ Alameda County Industries, Alameda, 2003 ✓ Garden City Sanitation, San José, 2007 The union-authorized approach will be employed in Livermore this year also.
	1.1	Coordination with Labor Union – Job Fair and Hiring Process CONTRACTOR will collaborate with the Union to organize and conduct an informational job fair to familiarize drivers about the Company, its practices, and its philosophy. Drivers will have approximately two weeks after this session to declare their status and sign up for a position within the company.
	1.2	Extend/Finalize Job Offers to Displaced Workers Job offers to drivers who meet CONTRACTOR requirements are sent formal offers. Displaced Los Altos drivers will have first pick of Los Altos jobs. The Los Altos and Santa Clara shops will not function as one unit until after all Los Altos drivers who desire a position have been assigned one.
	1.3	Recruitment of Additional Drivers While CONTRACTOR anticipates filling all driver positions from Los Altos Garbage Company's pool of displaced workers, CONTRACTOR will post, screen, and interview additional driver candidates if necessary. It is likely that any additional drivers would be first pulled from Los Altos' pool of casual drivers first.
	1.4	Notification, All Drivers: Update and Tentative Training Schedule CONTRACTOR sends a mandatory schedule of paid training sessions to all new drivers.
	1.5	Driver Training Program Development CONTRACTOR' driver training curricula will be updated to include information particular to Los Altos, including route information, traffic patterns, CONTRACTOR organizational information, and so forth. This will be fall under the direct oversight of Mr. Pellegrini, and through CONTRACTOR' Operations Supervisor in conjunction with the Company's inside and outside risk advisors.
	1.5a	Driver Training Module 1: CONTRACTOR Orientation and Pre-Employment Orientation *Module 1 Content:*

Exhibit 6 TRANSITION PLAN		
Task		**Description**
		✓ Introduction to the Company by Operations Manager Mark Przyborowski ✓ Tour of CONTRACTOR facilities/Locker Assignment ✓ Comprehensive overview of training sessions Initial Paperwork: CONTRACTOR will supply bi-lingual administrative assistance. ✓ Records Check: to ensure accuracy of intake forms ✓ License and Medical Card Check ✓ Further Instructions and On-Site Physicals
	1.5b	Driver Training Module 2: Company Policy and Procedure Module 2Content: ✓ Thorough review of Company policy and procedure ✓ Distribution of Employee Handbook ✓ Acknowledgement of Receipt of Handbook
	1.5c	Driver Training Module 3: Environmental Stewardship and General Safety Training Intro Module 3 Content: ✓ Spill Response Procedures ✓ Fire Response Procedures ✓ Unpermitted Waste Screening Protocol ✓ General Safety Presentations: Outside Risk Consultant and Mr. Truck ✓ Pre-Trip Inspections ✓ On-Route Safety Procedures ✓ Accident/Incident Reporting ✓ Post-Trip Inspections
	1.5d	Driver Training Module 4: Equipment Training Module 4 Content: ✓ Equipment Introduction and Walk Around ✓ Equipment Demonstration ✓ Small Group Training Note: An additional day of hands-on training will be added if needed. This may be the case due to the current manual system utilizing rear-loader collection vehicles. It is CONTRACTOR' experience that training rear-loader drivers to use automated equipment requires additional hands-on instruction.

Exhibit 6 TRANSITION PLAN		
Task		**Description**
	1.5e	Driver Training Module 5: Daily Operating Procedures and First Day Check-In Procedures Module 7 Content: ✓ Route Paperwork Distribution ✓ Day One: step-by-step discussion ✓ Review of Key Safety and Policy and Procedures
2		**Customer Service Representative Hiring and Training** CONTRACTOR is open to hiring a displaced CSR from the outgoing CONTRACTOR to fill the open position it has on its customer service team.
	2.1	Extend/Finalize Job Offers for New CSR ✓ Offer of employment to an outgoing CONTRACTOR CSR or ✓ Conduct interviews and hire new CSR
	2.1a	CSR Training Module 1: CONTRACTOR Orientation Module 1 Content: ✓ Introduction to the Company by Operations Manager Mark Przyborowski ✓ Tour of CONTRACTOR facilities ✓ Comprehensive overview of training sessions ✓ Complete Forms ✓ Records Check Distribution of Tower Resource Manual
	2.1b	CSR Training Module 2: Company Policy and Procedure Module 2 Content: ✓ Review of Company policy and procedure ✓ Distribution of Employee Handbook ✓ Acknowledgement of Receipt of Handbook ✓ Review of Tower Resource Manual Self Study ✓ Operations Logistics: Various Generator and Service Types ✓ Inter-Department Relations ✓ Review of Tower Resource Manual Self Study: Part II
	2.1c	CSR Module 3: Operations Orientation

Exhibit 6 TRANSITION PLAN		
Task		**Description**
		Module 3 Content: ✓ Operations Logistics: Various Generator and Service Types ✓ Inter-Department Relations ✓ Review of Tower Resource Manual Self Study: Part II ✓ Intensive Customer Service Training
	2.1d	CSR Module 4: Tower Intensive Module 4 Content: ✓ Contract Compliance Overview ✓ Recap of Resource Manual Review ✓ Hands-on Training
	2.1e	CSR Module 5: Daily Procedures/First Day Check-in Procedures Module 5 Content: ✓ Day One: step-by-step discussion ✓ Review Key Policy and Procedures ✓ Roll-Playing ✓ Superior Customer Service Recap
3		Tower Install/Configuration: Accounting/Customer Service/Database Management Upon contract award, CONTRACTOR will order hardware, and anticipates a May 1st installation. The Company will work to configure Tower modules for a 30-day period. Once ready, the customer database will be imported.
	3.1	Invoice Testing CONTRACTOR will work with the City to design invoices and test Tower invoicing. The Company acknowledges that, with a September 15 start date, it will be necessary to work with the outgoing contractor if pro-rated customer billings are to be avoided.
4		Systems Development: Routing and Mapping Routing and mapping is a dynamic process that begins as soon as GIS coordinates are distinguished.
	4.1	Geocode Collection Data

Exhibit 6 TRANSITION PLAN		
Task		**Description**
		CONTRACTOR will begin geocoding collection data as it is received as it is received through route shadowing and/or the acquisition of the customer database.
	4.2	Merge Collection Data with Parcel Data Collection data is merged with parcel data, as described in *Item 5.*
	4.3	Create Routes and Generate Maps and Route Sheets Once the above step is complete, CONTRACTOR can begin the routing process as described in its proposal. Residential/cart routes will be balanced and equalized to create equal work days amongst drivers. Front-loader routes will be created based on geography and existing service levels.
5		Contingency Plan – Account Data: Residential and Commercial CONTRACTOR has developed a contingency plan in the event the outgoing CONTRACTOR does not turn over the customer database or does not do so in a timely manner.
	5.1	Obtain Parcel Information from County This is the first step in building a database, routes, and route maps. This step is complete as of this writing.
	5.2	Overlay Parcel Information into ArcView Maps This readies the maps for GIS integration.
	5.3	Shadow Routes: Utilize Smart Camera/Record Route Events For one full week at least, CONTRACTOR will shadow the outgoing CONTRACTOR's residential and commercial routes with vehicles equipped with Smart Cameras, which will record GIS positions through an "events" snapshot, as well as provide video recordings of each collection point on the route. This information will be utilized to record the location of each container and service levels of each customer. Following commercial routes for at least one week will ensure that service levels are captured.
	5.4	Commercial/MFD Customers: Initial Site Visits CONTRACTOR has modified its plan for providing initial site visits to all Commercial/MFD customers under its normal (non-contingency) plan, by moving it back approximately 30 days and shortening the customer interaction process to ensure all customers receive adequate outreach prior to the operations start date. See *Section C.3.1* for more information.
	5.5	Commercial/MFD Customers: Follow-Up Through Contract Year 1

Exhibit 6 TRANSITION PLAN		
Task		**Description**
		CONTRACTOR will provide follow up to commercial/MFD customers during contract year one to ensure their programs are right-sized, working well, and diverting sufficient materials through recycling programs.
6		Non-Contingency Plan – Account Data: Residential and Commercial This is the normal plan of action assuming account data is turned over to the City/ CONTRACTOR by a reasonable date.
	6.1	Receive/Import Database from Outgoing CONTRACTOR CONTRACTOR will scrub the received database, match it to county parcel maps and numbers and then import it into its database.
	6.2	Residential Customers: Announcement 1/Subscription Response/Update D-base In order to project proper cart inventory, CONTRACTOR will create an informational mailer that will provide basic information to guide customers in right-sizing their service. Customers will be asked to respond within 30 days and may do so by a postage-paid response card, on the Company website, or by phone. Please see the attached working drafts of some of the proposed outreach pieces and website screen shots. These are a starting point for a collaborative design process between CONTRACTOR and the City only.
	6.3	Residential Customers: Community Information Stations During a period that extends slightly beyond the *Subscription Response* period described above, CONTRACTOR will work with the City and community to located informational tables at four or more sites within the City. The table will be staffed with a knowledgeable CONTRACTOR representative, who will educate customers about their options and take their subscriptions in person.
	6.4	Commercial/MFD Customers: Initial Site Visits In this non-contingency situation, CONTRACTOR will be able to spend more time with each customer, which will allow for waste audits of accounts needing or requesting such, or some initial basic technical assistance to reinforce existing good recycling behaviors, and enroll new recyclers. The process is essentially the same as described in *Section C.3.1*.
7		Container Operations CONTRACTOR' has excellent rapport in place with its vendors to manufacture and distribute containers as per the *Implementation Timeline*.
	7.1	Initial Projections and Production Capacity Reservation Once the customer database has been received from the outgoing CONTRACTOR and/or account data begins coming in, CONTRACTOR will

Exhibit 6 TRANSITION PLAN		
Task		**Description**
		forward refined projections to its vendors, and will also keep them informed as information is confirmed throughout the process.
	7.1a	Container (Cart and Bin) Inventory Procurement Containers are ordered based on real subscriptions and projections and are received within six weeks of placing the order.
	7.1b	Container Numbering and Labeling Once containers are received by CONTRACTOR, serial numbers are welded onto bins and they are labeled. Carts come hot-stamped with serial numbers. Bins are labeled appropriately with City-approved labels. Carts come hot-stamped with City-approved messaging.
	7.1c	Container Delivery: Residential and Commercial Residential and commercial carts and bins will be delivered in the week prior to the operations start date. This will take some collaboration with the outgoing CONTRACTOR in which the City may wish to facilitate. The commercial bin and cart objective would be to empty and remove containers to the outgoing CONTRACTOR's operations yard or staging area and replace them with new containers. Any new containers or container size changes will be handled at that time as well. The same holds true for carts: all three carts (garbage, recyclable materials, organic materials) and kitchen pails will be delivered on the customer's regular collection day after service has been rendered. In *Announcement 1 (Item 6.2)* customers will be informed as to what to expect during cart delivery week, and will be asked to place all containers out for collection whether full or not. They will have the ability to surrender their old garbage cans and have them recycled. All containers will be accompanied with a flyer that describes services and set-out procedures. Serial numbers will be attached to account numbers and tracked through Tower such that the Company knows the locations of its assets at all times.
8		Vehicle Procurement Even given the assertive ramp-up period for this contract, CONTRACTOR will have collection vehicles here in advance of the operations start date and most likely at the time driver training commences (see *Item 1*).
	8.1	Place Order Vehicles are already on order.
	8.2	Cab and Chassis Build Period @ Autocar Production has been reserved on all units specified in the proposal and the start dates are as indicated in the *Timeline*.

Exhibit 6 TRANSITION PLAN		
Task		**Description**
	8.3	Vehicle Transit Time to Labrie Trucks take approximately one week in transit from Autocar to Labrie where they will have their bodies mounted on them.
	8.4	Body Build/Mountain Period @ Labrie/Arrival in California Vehicle bodies will be mounted on trucks (including hydraulics, wiring, etc.) then will be shipped to California.
	8.5	Inspections, Detail, Install GPS, License Vehicles Each vehicle will receive a PDI inspection on its truck and body independently. Units will be washed, detailed, and have stickers and placards installed, such as Federal Motor Vehicle identifiers. GPS units will be installed locally.
9		Public Education and Outreach In addition to the *Introductory Announcement 1* described in *6.2*, and the commercial outreach described in *Section C.3.1*, the following components comprise the initial outreach effort, at least. Sample working drafts for the City's contemplation are included as an attachment.
	9.1	Website Development CONTRACTOR has already gone to work on the design of its home page and interior page see samples, attached). The Company plans to take the website live no later than the date it begins interacting with customers or as soon as May 1. Website functions will be added as they are developed. Functions are to be developed in the order they are needed. The website will be refreshed regularly throughout the term of the *Agreement*. A strong emphasis will be placed on the value of eliminating paper communications.
	9.2	Introductory Announcement 2 (see also *6.2*) *Announcement 2* will inform customers of what they may expect from CONTRACTOR and when. A strong focus will be container delivery as well as encouragement to fully utilize recycling programs.
	9.3	How-to Brochure These are residential and commercial guidelines that will provide more in-depth information regarding services. Information will include regular and special collection services, as well as other benefits (such as the E- Reuse Network). The City will note that the *Network* information is not yet included in the attached working drafts of some of the outreach components. The module has been developed in Tower, is being tested, and a link will be added to the home page so that customers can access it directly.

Exhibit 6 TRANSITION PLAN		
Task		**Description**
	9.4	Press Release and Advertising CONTRACTOR is in the process of identifying all appropriate media and community networking opportunities (see *Exhibit 12 – Community Involvement Plan)* to get the word out about transition and services. A press release will be issued and successive large, color, paid advertisements will be placed in the *Los Altos Town Crier* leading up to the start date.
	9.5	Cart Flyers These flyers will be delivered with carts and will describe acceptable materials and set out procedures.
	9.6	MFD Tote Bags/Tenant Kits CONTRACTOR will distribute these in sync with container delivery. The exact method of distribution is to be determined by the City. CONTRACTOR affiliates have, in other start ups, given landlords the choice of either receiving them through the mail, delivering them to the property manager for distribution, or distributing to each unit.

ID	Task	Past	3-1 to 3-7	3-8 to 3-14	3-15 to 3-21	3-22 to 3-28	3-29 to 4-4	4-5 to 4-11	4-12 to 4-18	4-19 to 4-25	4-26 to 5-2	5-3 to 5-9	5-10 to 5-16	5-17 to 5-23	5-24 to 5-30	5-31 to 6-6	6-7 to 6-13	6-14 to 6-20	6-21 to 6-27	6-28 to 7-4	7-5 to 7-11	7-12 to 7-18	7-19 to 7-25	7-26 to 8-1	8-2 to 8-8	8-9 to 8-15	8-16 to 8-22	8-23 to 8-29	8-30 to 9-5	9-6 to 9-12
1	Driver Recruitment Training																													
1.1	Conduct Information Job Fair(s) for Displaced Workers: Drivers																													
1.2	Extend/Finalize Job Offers to Displaced Workers - Drivers Lottery Process																													
1.3	Bargaining Unit Recruitment: Additional Drivers (only if necessary)																													
1.4	Notification: All Drivers: Update and Tentative Training Schedule																													
1.5	Driver Training Program Development																													
1.5a	Driver Training Module 1 - MTWS Orientation / Pre-Employment Orientation																													
1.5b	Driver Training Module 2 - Company Policy and Procedure																													
1.5c	Driver Training Module 3 - Environmental Stewardship /Safety Training Intro																													
1.5d	Driver Training Module 4 - Equipment Training																													
1.5e	Driver Training Module 5 - Daily Operating / First Day Check-In Procedures																													
2	Customer Service Representative Training and Hiring																													
2.1	Finalize Job Offers to Displaced Workers - CSR or Conduct Interview for CSR/Hire																													
2.1a	CSR Training Module 1 - MTWS Orientation																													
2.1b	CSR Training Module 2 - Company Policy and Procedure																													
2.1c	CSR Module 3 - Operations Orientation																													
2.1d	CSR Module 4 - Tower Interview																													
2.1e	CSR Training Module 5 - Daily Procedures / First Day Check-In Procedures																													
3	Billing Data Conversion (Accounting / Customer Service / Customer Mgmt)																													
3.1	Invoice Testing																													
4	Systems Development and Routing (Mapping)																													
4.1	Geocode collection data																													
4.2	Merge collection data with parcel data																													
4.3	Create Routes and generate maps and route sheets																													
5	Field Visits (Initial Site Visits for Residential and Commercial)																													
5.1	Obtain parcel information from County																													
5.2	Overlay parcel information into ArcView maps																													
5.3	Shadow Routes - Utilize Smart Camera/Record Route Events																													
5.5	Commercial/MFD Customers: Initial Site Visits - Contingency Scenario																													
5.6	Commercial/MFD Customers: Follow-Up - Throughout Contract Yr. 1																													
6	Non-Confidency Mail - Residential Solid, Recyclables and Commercial																													
6.1	Receive/Import Database from Outgoing Contractor																													
6.2	Residential Customers: Announcement 1/Subscription Response/Update Database																													
6.3	Residential Customers: Community Information Stations																													
6.4	Commercial/MFD Customers: Initial Site Visits																													
7	Container Operations																													
7.1	Initial Projections and Production Capacity Reservation																													
7.1a	Container (Cart and Bin) Inventory Procurement																													
7.1b	Container Numbering and Labeling																													
7.2	Container Delivery: Residential and Commercial																													
8	Vehicle Procurement																													
8.1	Place Order																													
8.2	Cab and Chassis Build Period @ Autocar																													
8.3	Vehicle Transit Time to Labrie																													
8.4	Body Build/Mounting Period @ Labrie/Arrival in California																													
8.5	Inspections: Detail, Install GPS, License Vehicles																													
9	Public Education and Outreach																													
9.1	Website Development (ongoing through start-up period)																													
9.2	Introductory Announcement 2 (See also 6.2) (Residential)																													
9.3	How To Brochure (All Generators)																													
9.4	Press Release and Advertising (All Generators)																													
9.5	Cart Flyers (Cart Customers)																													
9.6	MFD Tote Bags and Tenant Kits: Distribution (sync with container delivery)																													

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Exhibit 7

PUBLIC EDUCATION PLAN

CONTRACTOR agrees to:

- ✓ 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 either as documented in the *Agreement,* as directed by the City, or otherwise 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 Public Education Manager is also responsible for **government relations.** As liaison, s/he will represent the CONTRACTOR 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.

This public education plan features an extensive community involvement module. CONTRACTOR will provide the collection services to as many community events as the City would like to prescribe. In order to maintain the cleanest event grounds, deliver the best service, and encourage participation, the Company will coordinate closely with the City on each event to determine exact needs. The Company will develop stand-alone and table top professional display and corresponding educational components that can be used to educate Los Altos customers and the general public about recycling in general, and Los Altos programs.

Public Education Manager will be responsible for the following community relations actives:

- ✓ Represent CONTRACTOR in community activities.
- ✓ Support local community service organizations.
- ✓ Ensuring other mid- and top-tier managers are involved in community relations activities.

The Public Education Manager will also manage media relations and 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, s/he will engage other CONTRACTOR employees to participate in certain activities as may be warranted or

Exhibit 7

PUBLIC EDUCATION PLAN

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.

Schools

Each year, CONTRACTOR will contact every school—public and private—within the City limits which is serviced by CONTRACTOR to inform administrators and individual teachers of CONTRACTOR resources for schools. Information presented will reinforce school and home recycling programs, and will also relate non-program environmental information. A variety of brief and interactive presentations will be created for each age group.

Public Education and Outreach | Residential Education and Outreach Programs *All printed materials also to be posted to the Company's website.*

Task	Description	Purpose	Distribution/Frequency
		START- UP	
1	Introductory Announcement	Announce CONTRACTOR transition and introduce CONTRACTOR to customers. Provide contact and resource information. Explain how to sign up for paperless interface (to become effective after start-up period).	All residential customers 20-30 days prior to contract start date Direct Mail
2	How-To Brochure	Explain program fundamentals, including proper cart placement, and enhancements with strong graphics. Provide contact and resource information. How-to videos developed and posted to website.	All residential customers 10 days prior to contract start date Direct Mail
3	Public Service Announcements	Information to match that of items 1 and 2 above. Provide contact and resource information.	Entire customer base. Beginning 30 days prior to contract start date for a period of 45 to 60 days Radio, public television, print advertising, and press releases.
4	Compostable Materials Cart Labels	Bring awareness to program enhancements.	Residential customers First week of service

Exhibit 7 PUBLIC EDUCATION PLAN			
			Driver helpers and supervisors
5	Cart Flyers	Describe general program guidelines and use of that particular container.	With cart delivery
ONGOING			
6	How-To-Brochure	Update annually. To reconfirm program guidelines and communicate enhancements. To communicate holidays for the year. Serve as introductory piece for new residents. How-to videos updated and re-posted to website.	All residential customers Annually on or before January 1
7	Quarterly Newsletter	Encourage program participation and sustainable behaviors and choices through feature articles and other content. Answer frequently asked questions. Remind customers of auxiliary programs, such as the on-call clean-up. Convey events through a calendar indicating holidays and events such as workshops; indicate other community events. Put a face on the Company so that it is perceived as being a friendly, caring part of the community.	All residential customers Once per quarter Direct mail
8	Billing Inserts	Topics TBD by City.	All residential customers Once per quarter with invoices Direct mail and electronic delivery
9	Cart Hangers	Two types: ✓ Abbreviated program information for deliveries to new residents.	Select/all residential customers

Exhibit 7 PUBLIC EDUCATION PLAN			
		✓ Program reminders focused on specific topics as directed by the City.	As needed Adhere to cart by cart deliver personnel or drivers/helpers.
10	Corrective Action Notices *One per waste stream.*	Used as a courtesy notice to warn of improper set out. Used as a notice of non-collection due to sever improper set out or repeat offenses.	All residential As needed Adhere to cart by driver.
11	Holiday Tree Collection Announcement	Convey holiday tree curbside collection and City drop off location, and holiday collection schedule changes.	All residential customers 10 days prior to Christmas annually. Direct mail.
12	Invoice Blurbs	Brief statements concerning relevant program features and authorized by the City.	All residential customers Each invoice.
Public Education and Outreach | MFD Education and Outreach Programs *All printed materials also to be posted to the Company's website.*			
Task	**Description**	**Purpose**	**Distribution/Frequency**
START- UP			
1	How-To Brochure	Similar to residential with appropriate graphics and NO information relative to cart placement and NO compostable materials preparation information. How-to information posted to website.	All MFD Tenants and Managers 10 days prior to contract start date Direct mail to managers for their distribution or, at their request, hand deliver to each unit. Mail at other times during the year based on landlord request.

Exhibit 7 PUBLIC EDUCATION PLAN			
2	Interior Tote Bag	Bring increased awareness to MFD recycling. *See brochure, following page.*	All MFD Tenants with How-To Brochure, above.
ONGOING			
3	How-To-Brochure	Update as needed. To reconfirm program guidelines and communicate enhancements. Serve as introductory piece for new tenants. How-to videos updated and posted to the website.	MFD Managers – resupply. Direct mail to managers. As needed.
4	Recycling Opportunity Assessments	Review complex program components. Propose increased recycling. Identify solutions to problems. Provide literature to tenants and posters to collection points.	All MFD Complexes Twice Annually Set appointments by phone for on-site meetings.
5	Tenant Tool Kit	To use in conjunction with site assessments. Kits are a compilation of primary program elements: how to information, tote bags, and other tenant resources.	All MFD Complexes/Units as determined during assessment. Delivery by MFD/Commercial Recycling Manager.
6	Enclosure Posters	How-To information in poster form. Posters to be laminated/water resistant.	All MFD Complexes/Units as determined during assessment. Delivery by MFD/Commercial Recycling Manager.
6	Landlord Billing Inserts	Topics to be based on current MFD program concerns, such as contamination.	All MFD Managers
7	Holiday Tree Drop-Off Announcement	Convey location and dates of City's holiday tree drop-off point.	All MFD Managers

Exhibit 7 PUBLIC EDUCATION PLAN			
			Additional flyers upon request by manager for distribution to tenants.
8	Invoice Blurbs	Brief statements concerning relevant program features and authorized by the City.	All MFD Owners/Managers Each invoice.
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 organic waste generators.	All commercial businesses during initial site visits.
2	Training Meetings	*Agreement* calls for 10 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 business association meetings. CONTRACTOR will introduce itself/services in writing to all business associations as well as community, civic, and charitable organizations in Los Altos and volunteer to speak on relevant topics/answer questions.	30 days prior to start up Schedule at group's convenience.

Exhibit 7 PUBLIC EDUCATION PLAN			
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	Non-Program Information	Awareness of outside resources and model programs Website will feature helpful links for businesses.	All businesses. Keep inventory and refresh web references regularly.
7	Waste Audits/Recycling Opportunity Assessments	CONTRACTOR 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 focus on food scrap collection.	All businesses. Initial contact prior to contract start-date and continuing through first quarter; assessments continuing through third year.
8	Employee Training	On-site training. Training videos in English and Spanish copied to CDs for distribution and posted to website.	All businesses subscribing to recycling/ organic waste collection services that want it.
9	Business Associations	CONTRACTOR will seek to build rapport with and educate the Los Altos business community. Public Education Manager will make herself available, through the mailing described in item 3 above, to give presentations.	All business groups.

Exhibit 7 PUBLIC EDUCATION PLAN			
10	Corrective Action Notices	Similar to residential notices. Driver always attempts to contact a site manager prior to leaving a notice.	Daily use. As needed.
Public Education and Outreach | Schools *All printed materials also to be posted to the Company's website as well as links to teacher resources*			
Task	**Description**	**Purpose**	**Distribution/Frequency**
START- UP			
1	Available Services Flyer	Explains recycling services for institutions/schools. Special flyer focused on organic waste generators.	All commercial businesses during initial site visits.
2	Training Meetings	Will customize a training meeting for school administration/janitorial staff. Schedule Recycling Opportunity Assessments.	Inform and hold 30 days prior to contract start date.
ONGOING			
3	Quarterly newsletter	Include schools in quarterly commercial newsletter mailing. Formatted in way conducive to posting in lunch rooms and other faculty areas.	All schools. Quarterly. Direct mail.
4	Annual Information	Updated program information in format to be determined by City (newsletter or brochure for example).	All schools. Annually. Direct mail.
5	Non-Program Information	Awareness of outside resources and model programs, such as the *Recycling Resources Guide* published by StopWaste. Website will feature helpful links for schools and educators.	All schools. Keep inventory and refresh web references regularly.

Exhibit 7 PUBLIC EDUCATION PLAN			
6	Recycling Opportunity Assessments	CONTRACTOR will make contact with every school to set appointments. Distribution of how-to information, enclosure posters, and interior container posters to occur during training process. Distribution of interior collection containers and labels to occur during process. Assertive training, follow-up, and monitoring are featured. Major focus on food scraps collection.	All schools. Initial contact prior to contract start-date and continuing through first quarter; assessments to continue through third year.
7	Administrator/Teacher/Employee Training	On-site training. Training videos in English and Spanish copied to CDs for distribution and posted to website.	All schools subscribing to recycling/ organic waste collection services that want it.
8	Corrective Action Notices	Similar to SFD notices. Driver always attempts to contact a site manager prior to leaving a notice.	Daily use. As needed.

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Exhibit 8

DIVERSION PLAN

Excellent diversion will be accomplished through the following initiatives:

Waste Reduction and Reuse

CONTRACTOR will fully participate in promoting waste reduction activities by publishing relevant content in all of its education and outreach materials, as deemed appropriate by the City and County. Content will be geared toward the audience. Here are a few initiatives the Company has identified to support:

Paperless Customer Interface

The public education plan associated with this contract is highly communicative to customers. As a first priority, CONTRACTOR will heavily promote totally paperless communication with customers. Customers who enlist in the program will receive all communications, not just invoices and newsletters, in an electronic format.

Bio-Stack Compost Bins and Worm Bins

CONTRACTOR recognizes that home composting is still the best way to divert most organics. In addition to the compost bins specified in the *RFP* that the Company is to make available at no additional charge to residential service recipients who request one, CONTRACTOR will also make worm bins available at no additional charge. The Company will promote the availability of composting and worm bins. Additionally, CONTRACTOR will enthusiastically promote home composting through the release of technical information to SFD customers via brochures, newsletters, and the Company website. This information will be highlighted in all compostable materials collection information. Additionally, these bins will be delivered directly to the customer's doorstep if that is their preference.

Los Altos Community Reuse E-Network

CONTRACTOR will create and manage an on-line community networking site exclusively for Los Altos residents and non-profit organizations to facilitate identification of end users for bulky items in good, working condition. Users may not ask for monetary reimbursement for any item. After registering, Los Altos residents may post bulky items they wish to give away; they will also be required to include a photo of their item. Other Los Altos residents and non-profits may claim the item, and, by completing a delivery request form, CONTRACTOR will collect the item from the donor and deliver it to the recipient, free of charge. The Company will strategically schedule collections and deliveries by geographical area in such a way as to minimize environmental impacts. This unique system accomplishes several things: it enables residents to find a guaranteed local end use for their item; it allows residents to discard items over the limit granted through their on-call collection service events; it relieves customers of the inconvenience of moving the item themselves; and, through CONTRACTOR' work order system, it provides a means of tracking additional diversion for the City.

Increasing Diversion

CONTRACTOR public education and outreach activities pertaining to single-family collection services are enumerated at the conclusion of this subsection and noted in the *Transition Plan*. CONTRACTOR will assist the City in reaching its goals through consistently conforming to the both the terms of the *Agreement* and through the application of these additional measures.

CONTRACTOR will proactively divert higher levels of recyclable materials during regularly scheduled collections through:

Exhibit 8

DIVERSION PLAN

- ✓ **Friendly and Progressive Public Education**: In addition to each component's intended message, materials will also convey the City's diversion goals and initiatives, the importance of those goals to individuals, and provide additional resources, such as the Company's website—which will also contain many helpful links and recycling tools. CONTRACTOR will not only put its message into print format (electronic and paper-based), but it will also produce a professional how-to video for residents which will be posted to the Company's website.
- ✓ **The establishment of Recycling Ambassadors**: CONTRACTOR will seek to enroll enthusiastic recycling ambassadors for each single-family residential recycling route. This approach, similar to a block watch program, will identify and screen potential Recycling Ambassadors living within each route to take on a leadership role within their neighborhood with respect to getting the word out about program guidelines and encouraging people to integrate good recycling behaviors into their daily lives. Recycling Ambassadors will not be compensated for their service, however, they will receive rewards/incentives, such as gift cards for use in Los Altos businesses. Some potential Recycling Ambassador duties may include:
    - Locating appropriate, convenient, and safe places for neighborhood workshops within their route.
    - Assisting with distribution of notices and program information.
    - Identifying blocks and solutions to recycling participation.
- ✓ **Interactive Website:** Residents will be able to sign up for paperless communication (see *Waste Reduction,* above), pay bills on line through a variety of means, schedule on-call collections, link to CONTRACTOR' reuse network to post or peruse reusable items, view how-to information in PDF and video format, and click on links to additional resources. Residents will also be able to enter their address to view their collection day, and view important notices and service announcements. Recycling progress will be posted quarterly based on actual tons collected.
- ✓ **On-Call Collection Events:** CONTRACTOR intends to make this a high diversion activity through clear communication with residents about how to separate waste such that it can easily and efficiently be recycled. Also, CONTRACTOR truly emphasizes the clothes/textile portion of the event, such that it is more of an on-going drive. This is fully described in subsection: *On-Call Collection Services.*
- ✓ **Corrective Action Notices:** These will be consistently utilized to educate residents about what actions to take to maximize diversion of recyclable and compostable materials. These forms will be completely redesigned in collaboration with the City to create more impact and more thoroughly educate.
- ✓ **Commercial Recycling Technical Assistance:** Commercial businesses and larger multi-family premises (those of five or more units) will receive recycling technical assistance to rejuvenate existing commercial recyclable and any organic materials accounts, and will, per the schedule outlined in the *Transition Plan*, make all reasonably assertive business efforts to increase commercial recycling participation beyond the base/universal program and provide much needed technical assistance to ensure proper program usage and high participation rates. CONTRACTOR will engage its subcontractor for recycling technical assistance to create high and sustainable commercial diversion through these measures:
- ✓ Recycling Opportunity Assessments (ROA): These are the foundation of the commercial program. As per the schedule outlined in the *Transition Plan*, each and every commercial generator will receive an initial ROA. Existing customers will first be targeted for reevaluation and identification of

Exhibit 8

DIVERSION PLAN

additional recycling strategies, including food scrap collection, to boost diversion. During the first two years of the program, CONTRACTOR expects to have enlisted the majority of commercial generators in its recycling programs.

- ✓ Collateral Materials: Outreach materials for commercial generators will be concise and targeted toward specific business types. Many of the materials generated, such as newsletters, will be designed for posting in common areas such as employee bulletin boards and break rooms. Materials will provide bulleted information and links to commercial initiatives such as created and supported by the County.
- ✓ How-To Videos: CONTRACTOR will create how-to videos for commercial generators. A special version will be created for food service facilities such as restaurants, delis, and grocery stores. All collateral materials will contain video links so that employees can connect to them quickly. During ROAs and upon request videos will be distributed to customers on CD. Customers will be asked to include viewing of the video as part of new employee orientation.
- ✓ Employee Training: This will be geared toward business type. Training will be offered in languages other than English based on need. Training will be interactive and brief. Food scrap customers will receive interior collection containers and posters to place above them during the training. These posters will convey messages universally through graphic images. Information will be captioned in English and other languages as designated by the City.
- ✓ Corrective Action Notices, appropriate container labeling, and account monitoring will all be employed to continually educate customers as to how to maximize and maintain high diversion.

CONTRACTOR 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. CONTRACTOR's aim is to maximize tons diverted and level of participation while minimizing materials contamination.

Summary of Approach

CONTRACTOR will provide practical advice, encouragement, and positive reinforcement to customers in support of these goals. CONTRACTOR will develop collaborative working relationships with the City of Los Altos and customers.

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Exhibit 9

CUSTOMER SERVICE PLAN

CONTRACTOR is committed to providing services of superior. CONTRACTOR's culture reinforces that service is all it has to offer. CONTRACTOR's customer service call center will be located at its operations base in Santa Clara.

Customer Service Philosophy

These are the core concepts of CONTRACTOR' customer service program:

- ✓ **Do things right the first time.** Every facet of CONTRACTOR employee training (see the *Transition Plan*) emphasizes this concept. Placing accountability on employees for doing things right the first time energizes them to own their jobs. Extensive on-the-job training is key to give employees the understanding of this business and the required authority over their positions to make excellent decisions. When a complaint or concern is registered, there is zero tolerance for lack of resolution within a reasonable (short) timeframe.
- ✓ **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 CONTRACTOR service performance or driver mannerisms, or the appearance of collection vehicles: the degree of friendliness, neatness, simplicity, appropriateness, reliability, caring, and concern shown either help or hinder ongoing customer relations. Milliseconds count. CONTRACTOR will therefore always keep this in mind and try to make an excellent first impression.
- ✓ **Courtesy counts**.
- ✓ **Attitude makes a measurable difference in outcome**.
- ✓ **Doing the right thing is always most rewarding**.

CSR Staffing

CONTRACTOR will offer open customer service positions to a displaced customer service representative. The proposed ratio of permanent CSR to customers is roughly 1:4,000 SFD customers, and CONTRACTOR will hire additional CSRs to meet the 1:4,000 ratio. CONTRACTOR CSRs will dedicate 100 percent of their time, outside of training, continuing training, and mandatory meetings, to performing customer service tasks.

CSR Training

Approximately 90 days prior to the contract start date CONTRACTOR will begin recruit and hire its additional CSR. Additionally, the Company will be doing some training as reflected *Master Implementation Schedule* of the *Transition Plan*. Training will ground CONTRACTOR employees in Company policies, Los Altos procedures, and the Los Altos operating environment.

CSR Training Schedule

Training Segment	Conducted By
Module 1	Human Resources Manager
✓ Overview	Operations Manager
✓ Company Expectations/Core Values	Customer Service Implementation Team

Exhibit 9 CUSTOMER SERVICE PLAN	
✓ Department and Position Overview ✓ Training Overview ✓ Forms Completion	
Module 2 ✓ Records Check ✓ Distribution of CSR Training Materials ✓ Distribution of Tower Resource Manual	Customer Service Implementation Team
Module 3 ✓ Distribution of Employee Handbook ✓ Review of Company Policy and Procedure ✓ Review of Tower Resource Manual Self Study	Human Resources Manager Customer Service Management Team
Module 4 ✓ Operations Logistics: Generator and Service Types ✓ Container Lab ✓ Inter-Department Relations and Communication ✓ Tower Lab I: Hands-On Training	Operations Implementation Team Customer Service Implementation Team
Module 5 ✓ Intensive Customer Service Training with Consultant	Tooty, Inc. or Similar Consultant
Module 6 ✓ Recap of Customer Service Training Intensive ✓ Contract Compliance Overview ✓ Tower Lab II: Hands-On Training	Customer Service Implementation Team
Module 7 ✓ Review: Key Policies and Procedures ✓ Customer Service Situational Roll-Playing ✓ Superior Customer Service Recap ✓ Day One: Step-by-Step Discussion	Customer Service Implementation Team Operations Manager

Customer Service Operations

CONTRACTOR acknowledges the general terms in the *RFP* relative to office location, office hours, availability of representatives, telephone, website, holiday collection schedule, and so forth; the Company will act in strict accordance with all.

Exhibit 9

CUSTOMER SERVICE PLAN

General

CONTRACTOR affiliates currently operate a number of customer service call centers. CONTRACTOR's customer service call center will be open and staffed as per the Agreement requirements, at least. The call center management team and CSR staff have bilingual capabilities. In order to accommodate breaks and enhance customer service coverage, start and end times for CSRs will be staggered, with groups starting at 7:00 and 8:00 a.m. Because of the intensity of phone call volumes during start-up, CONTRACTOR will arrange for CSRs to rotate off phones to perform customer service related functions on a rotating basis, to reduce stress.

The backbone of CONTRACTOR' customer service operations is its customer management system, Tower. The following subsections pertaining to Tower usage as the software relates to creating customer service/operational excellence.

Tower Software

CONTRACTOR will use powerful geocoding software in tandem with its Tower system. Imported map data may be manipulated in any way necessary to produce and maintain completely accurate maps. This system will be tied to collection vehicle GPS units which enable the CONTRACTOR to monitor real-time on-route events at the office; placement of the truck on the map is precise.

Commercial Recycling Activity

The Tower system includes a module for managing and tracking the entire "sales" process relative to established objectives. The Company's approach to assertively and effectively tracking progress toward commercial recycling is reviewed thoroughly in *Section 2 - Overview.*

City Access

Access to the database/Tower system for off-site users will be managed through terminal services. Network access will be granted based on contractual requirements. All users of the Tower system are assigned access rights—which are limited based on department and position. City personnel are assigned a Tower user ID and access rights are set for each user.

Website

CONTRACTOR's website will also enable customers to 1) view and pay bills on line; 2) schedule services such as on-call collection events, bulky item collections, extra/overage collections, service level/type changes, drop box service, and service terminations; 3) provide answers to frequently asked questions; 4) view rates; 5) file complaints and concerns; and 6) have email contact with CONTRACTOR. Customers will also have the option of going completely paperless, having all Company- or City-initiated interface delivered electronically.

Missed Collections

Missed collections are greatly reduced through CONTRACTOR's use of real-time tracking of driver activity through the on-board computing and GPS solutions presented in throughout this proposal. CONTRACTOR supervisors have a policy of being on-route 80 percent of the time. Missed collections will be recorded immediately, and CONTRACTOR dispatchers will be able to send field requests to drivers to return to a customer to collect a miss/perceived miss before leaving the route.

Exhibit 9

CUSTOMER SERVICE PLAN

Phone Call Answer Speed and Hold Times

The customer service manager will be able to monitor the phone calls and general CSR activity from her terminal to ensure all calls are answered in a timely and professional manner, and will also chip in to answer calls if call queues become full. Calls will be answered by a live human being. Hold times are easily tracked and monitored by the customer service manager. Based on its experience, CONTRACTOR will utilize excellent software and hardware for this contract. As stated previously, CONTRACTOR will also fully train and employ additional CSRs for the start-up period.

Exhibit 10

COLLECTION SERVICE OPERATIONS PLAN

CONTRACTOR understands and guarantees that it will:

- ✓ Collect and process recyclables, plant trimmings, and other compostable organics from all residential and non-residential premises within the City at least once per week.
- ✓ Haul the City's garbage and residual waste (or an amount equal thereto) from the processing of recyclables and organics to the Newby Island Landfill.
- ✓ Bill all customers per the rates set forth in the contemplated *Agreement*: quarterly for residential accounts and monthly for non-residential accounts. The Company will establish a web-based portal such that the City can access CONTRACTOR's customer management system at anytime without notice.
- ✓ Conduct service in a performance oriented manner and accept total responsibility for exceeding City expectations as expressed in the *Agreement* and any liquidated damage provisions.
- ✓ Maintain highly reliable administrative and customer service functions.

CONTRACTOR collection and processing systems have been carefully designed to:

- ✓ Significantly reduce the carbon inventories produced by the collection fleet;
- ✓ Generate the highest level of recycling participation (thereby also lessening carbon volumes);
- ✓ Transfer and process materials locally;
- ✓ Build in system redundancy. Collection systems are designed such that the City will have established recycling or organics processing options that may be utilized in contingency situations such as equipment failure, permit conditions, permit revocations, temporary or emergency material quarantines, and so forth.

Collection system applications are specified in the chart below:

	Application 1 Automated Side-loader and Carts	Application 2 Front-loader + Bins	Application 3 Roll-Off + Debris Boxes or Compactors
Vehicles Featuring CNG Power			
Containers	Autocar ACX 84 Cab/Chassis Labrie Automizer Body, 33 CY Capacity Cummins ISLG, Allison 3000-6 speed. Full Specs are in Exhibit 16.	Autocar ACX 84 Cab/Chassis Wittke Front-loader, 40 CY Capacity Cummins ISLG, Allison HD 740-6 speed. Full Specs are in Exhibit 16.	Autocar ACX 64 Cab/Chassis Norcal Cable Style Body Cummins ISLG, Allison HD 760-6 speed. Full Specs are in Exhibit 16.

Exhibit 10

COLLECTION SERVICE OPERATIONS PLAN

	Base Case: Company-provided: 20-gal. cart 32-gal. cart 64-gal. cart 96-gal. cart	Alternative: Company-provided: 20-gal. cart 32-gal. cart 64-gal. cart 96-gal. cart	Company-provided: 1 – 8 cubic yard plastic or metal bins.		Company provided: 10 – 40 cubic yard metal debris boxes or customer-provided compactors
APPLICATIONS	1. Commercial/MFD Cart Collection ➥ Carts may be utilized for any material steam, based on customer needs/generation rates. ➥ Carts will be used for commercial organics wherever possible. ➥ Commercial/MFD cart customers will be blended with SFD routes for maximum efficiency and carbon inventory reductions.	Non-Residential/ Commercial and MFD Collection ➥ Application based on generation rate and site parameters. ➥ Front-loader bins may be utilized in combination with carts (*Application 1*) based on generation rates, waste stream composition, and assertive diversion objectives developed for customer.	Non-Residential/Commercial and Industrial and C&D Collection ➥ Application based on generation rate, waste stream composition, site parameters, and customer preference. ➥ High diversion for C&D accounts LEED Project Certification Assistance available for larger construction projects.		
	2. Public Litter and Recycling Containers ➥ Blended with residential routes during weekday ➥ Dedicated routes during weekends				
VEHICLE COUNT	(3) Garbage (3) Recycling (4) Organics	(1)	(1)		

Legend: SFD = Single Family Dwelling; MFD = Multi-Family Dwelling

Application 1

Application 1 requires a crew of one professionally trained driver.

The driver activity sequence for automated cart collection is:

1) Driver arrives at the service address and checks the route sheet for any notes pertaining to that customer.
2) Driver checks for any possible obstructions to making the collection, and checks mirrors and cameras as a safety precaution.
3) Driver utilizes two controls to make the collection: the first to position the truck arm such that it is properly aligned to the targeted cart; and the second to engage the grabbing mechanism.
4) Driver then returns to use of the first control to lift, empty, and return the cart to its original position. As the cart is being emptied, the driver checks cart contents for hazardous/ unpermitted wastes.
5) After the cart is replaced, the driver checks the serviced area to ensure it is clear or any litter.
6) If the collection is made without incident, the driver continues to the next stop on the route sheet.
7) Once the truck has reached capacity or the driver has concluded the route, the driver drives directly to Newby Island Landfill (garbage), CONTRACTOR's Material Recovery Facility (recyclable materials) or Newby Island Landfill (organics). If the driver is not finished making collections, s/he return to the route to complete those.

For **recyclable** materials set-outs, drivers will also:

1) Utilize the opportunity to do a visual contamination check of the cart contents.

2) If no contaminants are visible in the cart, the driver will place containerized motor oil, oil filters, and kitchen oil into the designated racks on the collection vehicle; the driver will place dry cell batteries in a second container and continue to make the collection as indicated in the preceding section for garbage collection.

If contamination is visible the cart will be tagged with a *Corrective Action Notice* and not emptied until the correction has been made. As with all *Corrective Action Notices* and other route events and incidents, this information will be logged into CONTRACTOR's customer database.

Driver Activity Sequence

Application 2

Application 2 requires a crew of one professionally trained driver.

The driver activity sequence for front-loader collection is:

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 unlocks the front-loader Bin, if locked, and opens the 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, and ensuring there is ample overhead clearance empty the container. The driver then slowly drives forward to "stab" the container.
6) The driver utilizes a control to lift, empty, and return the Bin to its previous position. During this process the driver again checks the container contents as they are emptied into the truck hopper via hopper camera 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.

Exhibit 10

COLLECTION SERVICE OPERATIONS PLAN

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, CONTRACTOR 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 (garbage), recycling facility (recyclables) or compost facility (organics). If the driver is not finished making collections, s/he returns to the route to complete those.

Driver Activity Sequence

Application 3

Application 3 requires a crew of one professionally trained driver.

The driver activity sequence for roll-off is:

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 rails.

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 controls to pull the container onto the truck rails. When the rail reaches the locking stops, the driver lowers the rails.

7) All 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 garbage drop-boxes and compactors to the landfill, single stream recyclables loads to the material recovery facility, and organics loads to the compost facility, and obtains a weight ticket at the scale house.

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.

Routing Approach

CONTRACTOR's routing approach principles apply to all collection services.

Mapping and Data Checking

CONTRACTOR will use powerful geocoding software, ArcView, in tandem with its Tower system.

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);
- ✓ Cart size and corresponding service address;
- ✓ Number of carts 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 also equalized between drivers to the greatest possible extent.

Commercial/MFD routing may also include timing factors such as vehicular traffic, blocked or challenging container access, as well as noise considerations relative to residential dwellings in close proximity. To achieve route balance for these 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.

Residential Collection Services

Collection Methodology, Equipment, and Personnel

Residential collection services will be performed with the straight-frame automated side-loader collection vehicles specified in preceding *Chart A, Application 1* and 20-, 32-, 64-, and 96-gallon capacity wheeled carts for garbage collection, and 96-gallon (default size) wheeled carts for recyclable materials and organic materials collection and a crew of one highly trained, professional driver. Collection vehicle and new container specifications are included as *Exhibits 16 and 17*. Carts will contain at least 25 percent post-consumer recycled content. All carts will be manufactured by Otto Industries, Inc. The advantages of the collection system have been enumerated; however, there is an additional advantage in specifying the same collection vehicle to render all cart collection services (all lines of business). Standardization of the fleet in the manner described produces maintenance economies of scale and promotes greater safety, since drivers will use like equipment.

Cart Set-Out Procedures

Residents will be instructed to set carts at the curb for collection, two to three feet apart, preferably in the gutter against the curb. Carts that are broken or damaged will be replaced within eight business hours of customer notification.

Contamination Control

Exhibit 10

COLLECTION SERVICE OPERATIONS PLAN

CONTRACTOR will use public education efforts, camera technology, and driver training program to reduce and manage contamination levels. Additionally, set-out and contamination trends will be tracked in order to inform CONTRACTOR's public education campaign and gear it specifically toward permanently resolving problem recycling behaviors.

Garbage

Garbage will be direct-hauled from the route to Newby Island Landfill, as per the City's requirement. CONTRACTOR's operations yard, where trucks will be parked is in close proximity to the landfill. Garbage includes all non-recyclable and non-compostable items, as listed in CONTRACTOR's proposal.

Recyclable Materials – Single Stream

Single stream recyclable materials, meaning those which customers will place in their blue recycling cart as well as any corrugated cardboard that may be placed next to their recycling cart, will be direct-hauled to CONTRACTOR's recycling/transfer station located at 1060 Richard Avenue, Santa Clara. Route trucks come into the transfer station, are weighed, and materials are off-loaded into a bunker. When a sufficient amount of materials have accumulated they are top-loaded into a transfer trailer and hauled to CONTRACTOR's affiliate transfer/processing facility located at 610 Aladdin Avenue, San Leandro. CONTRACTOR will collect these additional recyclable materials:

- ✓ Plastic Food Tubs (numbers 1-7)
- ✓ Scrap Metal (up to 20 pounds)
- ✓ Plastic Bags (see list for details)
- ✓ Paperback Books

These same transfer trailers are then utilized to backhaul green waste from San Leandro to Newby Island for processing/composting. Once green waste is off-loaded at Newby Island, empty trailers are returned to CONTRACTOR and the tractor picks up a full trailer such that the cycle repeats and creating an efficient system.

Materials collected on route aside from single stream recyclables from single-family carts include as requested in the *RFP*:

- ✓ Motor Oil (placed in one-gallon screw-top HDPE containers obtained through MTWS and next to recycling cart; limit two gallons)
- ✓ Oil Filters (placed in heavy-duty ziplock baggie obtained through MTWS and on top of recycling cart)
- ✓ Kitchen Oil (placed in one-gallon screw-top HDPE containers obtained through MTWS and next to recycling cart; limit two gallons)
- ✓ Dry Cell Batteries (placed in plastic bags and on top of carts)
- ✓ Compact Fluorescent Bulbs
- ✓ Cellular Phones
- ✓ PDAs

The above (non-single-stream recyclable) items will be offloaded at the CONTRACTOR's material recovery facility and recycled.

Multi-family premises will receive tote-bags for resident use in transporting recyclable materials to the collection point.

Acceptable Single Stream Recyclables

Exhibit 10

COLLECTION SERVICE OPERATIONS PLAN

Note: CONTRACTOR will encourage customers with reusable items to utilize the Company's E-Reuse Network prior to recycling. If the customer needs assistance, MTWS customer service representatives will walk customers through the posting process. The items listed here go into the customer's blue recycling cart. This is not the full list of recyclable materials.

Category	Item
Metals	Beverage Cans/Lids Tin/Bi-Metal Food and Pet Food Cans/Lids Empty Latex Paint Cans Empty Aerosol Cans Scrap Metal ✓ Up to 20 pounds ✓ Small Appliances *such as toasters, waffle irons, clothes irons*
Glass	Glass Jars/Bottles: All Colors[1]
Plastics	Plastic Jugs and Bottles Miscellaneous Plastics ✓ Plastic Bags (*Shopping, bread, produce, dry cleaning)* ✓ Plastic Film ✓ Nursery Pots ✓ Prescription Bottles *Empty* ✓ Plastic Food Tubs
Fiber	Books ✓ Paperbacks ✓ Hard Cover ✓ Phone Books Newsprint Corrugated Cardboard Chipboard ✓ Hot/Cold Cereal Boxes ✓ Shoe Boxes Mixed Paper ✓ Office ✓ Junk ✓ Colored and Construction ✓ Post-Its ✓ Envelopes ✓ Paper Bags ✓ Egg Cartons

Organic Materials

Organic materials will be direct hauled from the route to Newby Island, reducing vehicle emissions tremendously when compared to the City's other options. This may also eliminate potential problems relating to possible quarantines due to pest infestations, such as is currently being experienced with the brown apple moth.

In addition to typical green waste materials, food wastes, including animal proteins will be accepted.

ACCEPTABLE ORGANIC MATERIALS

[1] Ceramics contain metal alloys and are definite contaminants. There are no known markets for ceramics, including Pyrex™. There are also no known markets for mirrors.

Exhibit 10

COLLECTION SERVICE OPERATIONS PLAN

Category	Item
Green Waste	Plant Trimmings/Prunings Grass Clippings Leaves Floral Waste Fruit From Fruit Trees
Vegetable/Fruit Matter	Produce Waste (cooked and uncooked) Beans, legumes (cooked and uncooked)
Grains	Bread Pasta Rice All Other Grains
Food-Soiled Paper Products	Pizza Boxes Napkins Paper Towels Tea Bags Coffee Filters/Grounds
Animal Protein	Eggs/Egg Shells Meat/Bones Fish

waste free of charge at the Company's Santa Clara facility. A company/permit system, guidelines, and limits will be developed with the City during contract negotiations.

Residential On-Call Bulky Waste Services

CONTRACTOR's customer service representatives will query customers with specific questions designed to compel waste characterization information when they call in to schedule their on-call collection service, and will suggest reuse options for any/all materials that can be reused. This includes the CONTRACTOR's e-reuse network, where reusable items can be posted and claimed by Los Altos residents and charities. CONTRACTOR will collect these items from the donor and deliver them free of charge to the claimant. These collections and deliveries will be handled by CONTRACTOR's cart delivery personnel and blended into their work load in an efficient manner, utilizing a routing approach similar to that which is used for debris box routing.

Second, customers will be asked to bag solid waste/garbage they are interested in discarding through the clean-up. If the amount of garbage to be discarded is significant and/or if the customer so desires, the Company will deliver a 2-cubic-yard plastic container two business days prior to their scheduled pick-up, which they can use to deposit this waste into. Bagged/containerized solid waste/garbage will be picked up by regular route trucks on the scheduled day. Garbage collection personnel on the route will have a work order to collect the additional materials. Route personnel will indicate on the work order the amount of waste collected, and sign off on the work order once complete.

Also, additional recyclable materials will be collected by recycling route personnel. Single stream recyclables in excess of the customer's regular cart capacity may be placed out in paper bags or boxes. Again, a work order will be issued for the recycling driver that must be signed-off on by the driver.

Third, the following will be collected utilizing a flat-bed truck with a hydraulic lift gate:

- ✓ Bagged, bundled, or boxed construction and demolition debris.
- ✓ White goods (appliances) – with or without Freon.
- ✓ Universal/e-waste.

Exhibit 10

COLLECTION SERVICE OPERATIONS PLAN

- ✓ Worn/damaged furniture.
- ✓ Reusable household goods, such as toys and textiles.

Salvageable architectural items and reusable household items obtained by the flat-bed truck route will be transloaded at CONTRACTOR's transfer facility and taken to a staging area where charities and salvage companies will have gleaning rights for a certain period of time prior to disposal. These items will also be posted on CONTRACTOR's reuse network in the hope that a claimant will come forward as well.

Finally, excess, containerized green waste and clean wood waste will be collected through MTWS regular organics routes. Again, a work order system will be utilized in order to properly track program usage and program diversion. Monthly reports will capture overall program usage data. MTWS will specifically analyze and speak to the effectiveness of this theoretically high-diversion alternative to dealing with excess materials through an on-call system.

Commercial Collection Services

In order to meet the City's target diversion of recyclable materials capacity that is equal to garbage capacity, CONTRACTOR includes commercial recycling and organics collection as part of its commercial service. The Company will initially utilize Cascadia Consulting to render commercial recycling technical assistance. In addition to commercial businesses, larger multi-family premises (those of five or more units) will receive such assistance. Existing commercial recyclable and any organic materials accounts will be rejuvenated, and CONTRACTOR will, per the schedule outlined in the *Transition Plan*, make all reasonably assertive business efforts to increase commercial recycling participation beyond the base/universal program and provide much needed technical assistance to ensure proper program usage and high participation rates. CONTRACTOR will employ the following measures to create high and sustainable commercial diversion:

- ✓ Recycling Opportunity Assessments (ROA): These are the foundation of the commercial program. As per the schedule outlined in the *Transition Plan*, every commercial generator will receive an initial ROA. Existing customers will be targeted for reevaluation and identification of additional recycling strategies, including food scrap collection, to boost diversion. All other customers will be targeted based on the total amount of waste generated, largest to least. During the first two years of the program, CONTRACTOR expects to have enlisted the majority of commercial generators in its recycling programs.
- ✓ Collateral Materials: Outreach materials for commercial generators will be concise and targeted toward specific business types.
- ✓ Employee Training: CONTRACTOR will lead the process of developing and conducting training modules by business type. Training will be offered in languages other than English based on need. Training will be interactive and brief. Food scrap customers will receive interior collection containers and posters to place above them during the training. These posters will convey messages universally through graphic images. Information will be captioned in English and other languages as designated by the City.
- ✓ Corrective Action Notices, appropriate container labeling, and account monitoring will all be employed to continually educate customers as to how to maximize and maintain high diversion.

Collection Methodology, Equipment, and Personnel

Commercial collection services are on-premise, meaning that it is not necessary for customers to place their containers at the curb for servicing. CONTRACTOR will open gates, push/pull containers, and lock/unlock containers and enclosures in order to service containers per published rates.

Exhibit 10

COLLECTION SERVICE OPERATIONS PLAN

There are two base collection systems for commercial collection as indicated in the preceding chart: a) the standard automated side-loader described in the preceding residential subsection, wheeled carts, and a crew of one highly trained, professional driver, or b) front-loader collection vehicles, front-loader bins in sizes 1 to 6 cubic yards, and a crew of one highly trained, professional driver.

A distinct service difference for commercial customers is that service frequencies may vary from one to six times per week. Commercial cart customers will be blended with residential routes. Collection systems are driven by container type chosen by customers. Customers generally base their container selections based on the following criteria:

- ✓ Number of units and waste generation rates.
- ✓ Premise configuration.
- ✓ Access.

Again, please refer to *Chart A* which describes the various collection systems proposed. Collection vehicle and new container specifications are included as *Exhibits 16 and 17*. Carts will contain at least 25 percent post consumer recycled content.

Standard Front-loader Collection Vehicles

The front-loader vehicle specified will be utilized for any collection system/any waste stream featuring front-loader bins.

Front-loader Bins

CONTRACTOR will procure new front-loader bins for this contract.

Commercial Materials Collection and Disposition

The hauling and processing scenarios for commercial collection are generally the same as listed for residential collection with the exception that some commercial customers may receive source separated collection of recyclable materials, such as cardboard. CONTRACTOR will encourage businesses to subscribe to single-stream recyclable materials collection and organic materials collection assuming sufficient generation. It is likely that many commercial customers will require a blend of container types and sizes in order to right-size services to allow for maximum recycling.

The same single-stream recyclables collected from residences apply to non-residential customers, and the materials markets are identical. Non-single-stream recyclable collected through the residential program may not be collected through the commercial program (i.e. motor oil and oil filters). However, should a particular business have a special recycling need, CONTRACTOR will make every reasonable business effort to accommodate the customer and capture that diversion.

The handling and processing of organic materials for non-residential customers is the same as for residential customers. These will be direct-hauled to Newby Island Landfill as well, for processing as described in the previous subsection. Most commercial organics will be blended with residential routes due to the average business size and waste generation rates in Los Altos, which will dictate use of 96-gallon carts in most instances.

The same organic materials will be collected from commercial customers as from residential customers.

Roll-Off Collection Services

CONTRACTOR will provide roll-off service utilizing the equipment described in *Chart A, Application 3*. The traditional roll-off collection vehicle shown is also CNG-powered and equipped with a cable-lift mechanism that works with debris boxes and compactors. Roll-off loads will be hauled to Newby Island for processing.

Special Events Collection Services

Exhibit 10

COLLECTION SERVICE OPERATIONS PLAN

CONTRACTOR will provide wheeled carts, bins, and/or drop boxes to collect solid waste, recyclables, and organic materials from special events venues. In doing so, the Company will collaborate with venue promoters and organizers in order to reach high levels of diversion from such events.

As may be necessary, CONTRACTOR will station exterior collection containers into which cart contents will be dumped when full. These containers will be properly sized to the event. Additional carts will also be maintained in exterior staging areas in case the initial inventory proves incapable of matching waste generation. CONTRACTOR will also supply adequate personnel to ensure all collection points within the venue are clean and tidy, and that sufficient waste disposal capacity is available at all times. Such personnel will arrange for expeditious cart swapping as necessary, and if appropriate to the event type/size, utilize bicycles with trailers to move carts around within the venue. Event personnel will be trained to start the cart exchange process prior to container overflows, which will also cut-down on contamination.

CONTRACTOR will compile a special event report that will summarize event waste information: total tons generated by the event, and the percentage of single stream recyclables and organic materials collected and processed. An evaluation of event successes and challenges will be included such that event recycling can continue to improve over the contract term.

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Exhibit 11 [EXHIBIT DELETED]

Exhibit 12

COMMUNITY INVOLVEMENT PLAN

CONTRACTOR will track all community relations efforts meticulously and quantify results in accordance with the *Franchise Agreement.*

CONTRACTOR is responsible for these specific community involvement activities:

- ✓ Municipal and media relations
- ✓ Development and delivery of presentations to business and civic groups
- ✓ Coordination of coverage of community activities
- ✓ Participation and membership in community and business groups.

CONTRACTOR will seek to involve itself in the Los Altos community. As such, CONTRACTOR will begin to seek out ways to do this. Following are some preliminary organizations and efforts that the Company will explore. This is not an inclusive list since it does not include all those organizations that may approach the Company for a sponsorship, such as Little League baseball teams.

Chamber of Commerce

CONTRACTOR will be an active Chamber member and will work with the Chamber to supply garbage, recyclable materials, and organic materials collection services to its events, such as the Los Altos Fall Festival, as well as to staff an educational booth at any event deemed appropriate by the Chamber.

GreenTown Los Altos

CONTRACTOR will seek to team up with this organization as a partner/sponsor as well as active participant, especially in connection with administering its waste reduction initiative and helping it to achieve goals relative to community events waste reduction projects.

Kiwanis Club

CONTRACTOR will make itself available as a speaker, and will reach out to the organization to help provide garbage, recyclable materials, and organic materials collection services for its annual Pet Parade as well as offer to host an educational booth or table.

Los Altos Festival of Lights Parade

CONTRACTOR will provide garbage, recyclable materials, and organic materials collection services to this nonprofit organization's annual event.

Los Altos Village Association

CONTRACTOR will lend its assistance to LAVA, specifically, it will offer to provide garbage, recyclable materials, and organic materials collection services to major LAVA events, such as its annual Easter Egg Hunt, Farmer's Market, Friday Movie Nights, New Year's Day 5k run, and its well-attended Art & Wine Festival. CONTRACTOR will also make itself available for any planning committees associated with such events. Furthermore, the Company will staff an educational booth at any event deemed appropriate by the association.

Rotary Club

Exhibit 12

COMMUNITY INVOLVEMENT PLAN

The Company will make itself available as a speaker, and will reach out to the organization to help provide garbage, recyclable materials, and organic materials collection services for its annual Fine Art in the Park event, as well as offer to host an educational booth or table.

CONTRACTOR will coordinate closely with the City on each event to determine exact needs. The Company will develop stand-alone and table top professional display and corresponding educational components that can be used to educate Los Altos customers and the general public about recycling in general, and Los Altos programs.

In the area of **community relations**, CONTRACTOR's Public Education Manager will be responsible for:

- ✓ Represent CONTRACTOR in community activities.
- ✓ Support local community service organizations.
- ✓ Ensure other mid- and top-tier managers are involved in community relations activities.

In the 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.

CONTRACTOR will engage its employees to participate in certain activities as may be warranted or appropriate to the specific activity under consideration.

Exhibit 13

SCHOOL RECYCLING PLAN

CONTRACTOR will contact schools within the City limits to which CONTRACTOR provides service to inform administrators and individual teachers of Contractor resources for schools. Information presented will reinforce school and home recycling programs, and will also relate non-program environmental information. Brief and interactive presentations will be created for each age group. CONTRACTOR will offer to provide recycling and organics collection services to schools.

Public Education and Outreach | Schools

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

Task	Description	Purpose	Distribution/Frequency
		START- UP	
1	Available Services Flyer	Explains recycling services for institutions/schools. Special flyer focused on organic wastes generators.	All commercial businesses during initial site visits (oversight by Cascadia Consulting Group).
2	Training Meetings	Will customize a training meeting for school administration/janitorial staff. Schedule Recycling Opportunity Assessments.	Inform and hold 30 days prior to contract start date.
		ONGOING	
3	Quarterly newsletter	Include schools in quarterly commercial newsletter mailing. Formatted in way conducive to posting in lunch rooms and other faculty areas.	All schools. Quarterly. Direct mail.
4	Annual Information	Updated program information in format to be determined by City (newsletter or brochure for example).	All schools. Annually. Direct mail.
5	Non-Program Information	Awareness of outside resources and model programs, such as the *Recycling Resources Guide* published by StopWaste. Website will feature helpful links for schools and educators.	All schools. Keep inventory and refresh web references regularly.

Exhibit 13 SCHOOL RECYCLING PLAN			
6	Recycling Opportunity Assessments *Initial assessments under the purview of Cascadia Consulting Group*	MTWS will make contact with every school to set appointments. Distribution of how-to information, enclosure posters, and interior container posters to occur during training process. Distribution of interior collection containers and labels to occur during process. Assertive training, follow-up, and monitoring are featured. Major focus on food scraps collection.	All schools. Initial contact prior to contract start-date and continuing through first quarter; assessments to continue through third year.
7	Administrator/Teacher/Employee Training	On-site training. Training videos in English and Spanish copied to CDs for distribution and posted to website.	All schools subscribing to recycling/ organic waste collection services that want it.
8	Corrective Action Notices	Similar to SFD notices. Driver always attempts to contact a site manager prior to leaving a notice.	Daily use. As needed.

Exhibit 14 [EXHIBIT DELETED]

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Exhibit 15

LIST OF HARD TO SERVICES AREAS/STREETS

PRIVATE STREETS

- Belden Drive and Ct.
- Colonial Oaks Dr.
- Adobe Creek Way
- Petersen Ct.
- Dover Ct.
- Fowler Ln.
- Marvin Ave. (east of Eleanor Ave.)
- Matt's Ct.
- Diamond Ct.
- Rose Lane
- Yerba Santa Ave. (west of Los Altos Ave.)
- Noel Dr.
- Nash Rd (upper portion)
- Dixon Way (west portion)

DRIVEWAYS WITH NAMES

- Gizant Ct.
- Acorn Lane
- Larsen's Landing
- May Lane
- Shady Creek Lane
- Marymeade Lane

PUDS

- Bay Tree Ln.
- Deep Well Ln.
- Citation Dr.
- Woods Ln.
- Morningside Cr.
- 5 Units on west end of Rinconada Ct.

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Exhibit 16a
Vehicle Specifications: Automated Side-loaders

1. Material to be Collected	☒ Garbage	☒ Recyclables	☒ Organic Waste
2. Manufacturer and Model.....	See below.		
a. Cab and Chassis.....	Autocar ACX 84		
b. Body.....	Labrie Automizer Body,		
c. Engine.....	Cummins ISLG		
d. Transmission.....	Allison 4500 Series, 5-Speed		
3. Cab and Chassis:			
a. Cab Height	102		inches
b. Number of Axles	4		
c. Overall Length With Body Mounted	414		inches
4. Body:			
a. Type of Body.....	Labrie Automizer		
b. Rated Capacity.....	31		cu. Yd.
c. Practical or Net Capacity.....	31		cu. Yd.
d. No. of collection Compartments.....	1		
e. Net Capacity of Each Compartment	N/A		cu. Yd.
f. Overall Body Length.....	414		inches
g. Body Height	111		inches
h. Body Width	96		inches
i. Loading Height Above Ground.....	Minimum	91	inches
.....	Maximum	91	inches

Exhibit 16a
Vehicle Specifications: Automated Side-loaders

5. Weight.....	GVW	69,000	lbs.	Tare	17,426	lbs.
6. Will the vehicles be owned, leased or other?				Owned		
7. Fuel type.....				CNG		
8. Fuel usage.....			4.5 highway; 2.2 on route			mpg
9. Emissions rating						
a. CO.....				1.2		g/bhp/hr
b. HC (total hydrocarbons).....				.13		g/bhp/hr
c. NO_x.....				.10		g/bhp/hr
d. Particulate Matter.....				.009		g/bhp/hr
10. Safety Features.....				Standard + Triple Camera System		
11. Color.....				White/Green Striping		

Exhibit 16b
Vehicle Specifications: Front-loader

1. Material to be Collected	☒ Garbage[2]	☐ Recyclables	☐ Organic Waste
2. Manufacturer and Model.....	See below		
a. Cab and Chassis.....	Autocar ACX 84		
b. Body.....	Wittke Front-loader,		
c. Engine.....	Cummins ISLG,		
d. Transmission.....	Allison HD 4500 Series; 5-Speed		
3. Cab and Chassis:			
a. Cab Height	102		inches
b. Number of Axles	4		
c. Overall Length With Body Mounted	387		inches
4. Body:			
a. Type of Body.....	Wittke		
b. Rated Capacity.....	40		cu. yd.
c. Practical or Net Capacity.....	40		cu. yd.
d. No. of collection Compartments.....	1		
e. Net Capacity of Each Compartment	N/A		cu. yd.
f. Overall Body Length.....	273		inches
g. Body Height	109		inches
h. Body Width	96		inches
i. Loading Height Above Ground.....	Minimum	154	inches
.....	Maximum	154	inches

[2] Depending upon customer need, front-loaders may be reassigned and utilized for organics and recycling.

Exhibit 16b
Vehicle Specifications: Front-loader

5. Weight.....	GVW	69,000	lbs.	Tare	17,679 lbs.
6. Will the vehicles be owned, leased, or other?.....				Owned	
7. Fuel type.....				CNG	
8. Fuel usage.....				4.0	mpg
9. Emissions rating					
a. CO.....				1.2	g/bhp/hr
b. HC (total hydrocarbons).....				.13	g/bhp/hr
c. NO_x.....				.10	g/bhp/hr
d. Particulate Matter.....				.009	g/bhp/hr
10. Safety Features.....				Camera System	
11. Color.....				White/Green Striping	

Exhibit 16c
Vehicle Specifications: Roll-Off

1. Material to be Collected	☒ Garbage	☒ Recyclables	☒ Organic Waste	
	☒ Mixed Waste	☒ C & D		
2. Manufacturer and Model		See Below.		
a. Cab and Chassis		Autocar ACX 64		
b. Body		Norcal Cable Style Body		
c. Engine		Cummins ISLG		
d. Transmission		Allison HD 4500 Series-5 speed		
3. Cab and Chassis:				
a. Cab Height		102		inches
b. Number of Axles		4		
c. Overall Length With Body Mounted		396		inches
4. Body:				
a. Type of Body		N/A		
b. Rated Capacity		N/A		cu. yd.
c. Practical or Net Capacity		N/A		cu. yd.
d. No. of collection Compartments		N/A		cu. yd.
e. Net Capacity of Each Compartment		N/A		cu. yd.
f. Overall Body Length		390		inches
g. Body Height		16		inches
h. Body Width		96		inches
i. Loading Height Above Ground	Minimum		N/A	inches
	Maximum		N/A	inches
5. Weight	GVW 71,000 lbs.	Tare	18,421	lbs.
6. Will the vehicles be owned, leased, or other?		Owned		

Exhibit 16c
Vehicle Specifications: Roll-Off

7. Fuel type	CNG	
8. Fuel usage	4.0	mpg
9. Emissions rating		
a. CO	1.2	g/bhp/hr
b. HC (total hydrocarbons)	1.3	g/bhp/hr
c. NO_x	.10	g/bhp/hr
d. Particulate Matter	.009	g/bhp/hr
10. Safety Features	Automatic Box Hold-Down Latches	
11. Color	White/Green Striping	

Exhibit 17
Container Specifications

Material to be collected...	Garbage	☒ Black or Grey (City choice)
	Recyclables	☒ Blue
	Organic Waste	☒ Green
	"Kitchen" Food Waste Pail	☒ Color to complement Organic Waste Cart (2.5 gallon capacity
Manufacturer.....		Carts - Otto, Rehrig, or Toter (City choice) Kitchen Food Waste Pail - Norseman or Otto (City choice)
Material of Construction.....		HDPE Plastic
Recycled Content (percentage).....		20% (minimum)

Container Types & Size	**Kitchen Food Waste Pail**	**Carts**			
		20 gal	**32 gal**	**64 gal**	**96 gal**
Durability (in service years).....	Replace as needed	10+	10+	10+	10+
Dimensions of Each Cart (Depends on manufacture selected by City).....					
Length		18" – 24"	22" – 24"	26" – 32"	33" - 35"
Width		19" – 24"	19" – 24"	19" – 25"	26" – 30"
Height		33" – 39"	38" – 39"	41" - 46"	43" - 46"
Wheel Size (carts only).....		8" - 10"	8" - 10"	10" - 12"	10" - 12"
Manufacturer's warranty (10-year minimum for carts).....		Yes	Yes	Yes	Yes
Labeling		In-molded graphics on the lid			

Exhibit 18
Vehicle Replacement Schedule

Total quantity of new vehicles to be purchased to service these Customer routes

Type	Count	Make	Model	Year of Chassis	Year of Body	First Day of Ser
ASL	11	Autocar/ Labrie	Automizer	2021	2021	18 months from Sig Amendment 2
FEL	3	Autocar /Heil	Sierra Odyssey	2021	2021	18 months from Sig Amendment 2
RO	2	AutoCar / Galbreath	Top Rail	2021	2021	18 months from Sig Amendment 2
Flat Bed	2	Autocar/special	Special	2021	2021	18 months from Sig Amendment 2

ASL – Automated Side Loader

FEL – Front End Loader

RO – Roll-off Truck

Exhibit 19
Organics Rate Adjustment Methodology

1	**Two Years Prior Annual Actual Los Altos Organics Processing Costs** (Reported by CONTRACTOR)	
2	**Prior Year Actual Los Altos Organics Processing Costs** (Reported by CONTRACTOR)	
3	**Annual Year-to-Year Change** (Line 2 minus Line 1)	
4	**Prior Year's Actual Los Altos Gross Receipts** (Per CONTRACTOR'S Audited Financial Statement)	
5	**CPI Rate Adjustment**	
6	**Annual Los Altos Organics Processing Costs as Percent of Los Altos Gross Receipts** (Line 2 / Line 4)	
7	**Organics Processing Cost Adjustment** (Line 3 / Line 4 - Line 5 x Line 6)	
8	**Total Rate Adjustment:** Total Applied to Rates (Line 5 + Line 7)	