

CITY OF LA HABRA HEIGHTS

Request for Proposals For Integrated Solid Waste Management Services

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Proposals Due: December 19, 2013, 4:00 p.m.

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SECTION 1 – INTRODUCTION

By issuing this Request for Proposals (RFP) for Collection services, the City of La Habra Heights is seeking proposals from qualified companies to provide for the collection, disposal and processing of solid waste, recyclable materials, and green waste from its residential and commercial sectors.

The goal for the collection agreement selection process is to attain cost-effective, quality service for its residents and businesses. In doing so, the City of La Habra Heights is looking for service providers who can deliver efficient service while meeting the recycling diversion targets set by the City, State and Federal government. Participants in this RFP process should make note of and comply with the City of La Habra Heights's Code of Conduct – Attachment 7.1 and the Proposer's Code of Conduct – Attachment 7.2.

Note that many terms used in this RFP are defined in Article 1 of the Collection Agreement included herein as Attachment 7.6.

1.1 CITY OF LA HABRA HEIGHTS GOALS & OBJECTIVES

The City of La Habra Heights' goals and objectives for the RFP process and future collection services are as follows:

1.1.1 INTEGRITY, COMPETITION IN SELECTION PROCESS, AND INDUSTRY-STANDARD CONTRACT TERMS

- Conduct the RFP process with integrity and transparency
- Select Collector that meets the City's needs
- Enter into contract with fair terms and conditions
- Set high performance standards to:
 - Collection quality
 - Customer service
 - Diversion from landfill disposal
- Deliver high-quality, cost-effective services to customers
- Stimulate competition among proposing companies

1.1.2 COST-EFFECTIVE PROGRAMS

- Cost
 - Provide cost-effective operations
 - Minimize fiscal impact on ratepayers
- Service
 - Emphasize innovative, responsive management
 - Ensure consistent, reliable quality service

- Conserve and protect resources/assets
 - Minimize impacts on air, water, and natural resources
 - Minimize impacts on roads
 - Meet or exceed AB 939's 50% diversion mandate
- Community benefits
 - Continue programs and services that work well
 - Include involvement of local recyclers/reuse
 - Educate and involve the community

1.2 RFP OVERVIEW

The City of La Habra Heights initiated this RFP process to plan future programs and services and select a future Collector. The Collector selection process will result in a new contract for collection services. The process involves a 7 month period for planning, soliciting and evaluating proposals, and selecting and negotiating with the selected Collector, and an implementation period leading to commencement of services on June 1 1, 2014.

During the planning phase, City Staff reviewed numerous programs, service, procurement process and contracting issues, and formulated recommendations for consideration by the City Council. City Staff and City Council members have reviewed the programs, and process, and contract terms. This RFP reflects their input.

The successful Collector will be required to execute a Collection Agreement with the City as prepared by the City Attorney. The Collection Agreement will be based on the Draft Collection Agreement included as Attachment 7.6; and may be minimally modified to reflect unique needs (e.g., the optional programs selected). Collection services under the new Collection Agreement will commence June 1, 2014. The current Authorized Collector will continue to provide services under the existing Collection Agreement up to and including May 31, 2014.

The City of La Habra Heights is interested in receiving proposals from companies that have demonstrated experience in safely providing solid waste, recyclable materials, and green waste collection services that are comparable in size and scope to those described in this RFP and the Collection Agreement. The City of La Habra Heights seeks Collectors that place a high priority on diversion and have demonstrated significant results and innovation through their diversion program development, implementation, public education, and ongoing operations.

1.3 ORGANIZATION OF RFP

This RFP is organized into six sections as follows:

- Section 1** Provides a brief introduction to the RFP.
- Section 2** Provides a description of the City of La Habra Heights service area and the processing and disposal arrangements.
- Section 3** Presents the scope of requested collection services.
- Section 4** Provides the RFP policies, conditions and process.
- Section 5** Describes the RFP submittal requirements.
- Section 6** Outlines the proposal evaluation process and criteria by which the proposals will be evaluated.
- Section 7** Attachments including the Code of Conduct, City Services, Proposal Forms, Anti-Collusion Affidavit and Draft Collection Agreement.

1.4 RFP SCHEDULE

The key activities and completion dates for the RFP process are provided in *Table 1.4-1 RFP Schedule*. The RFP process is described in detail in *Section 4 – RFP Policies, Conditions, and Process*. All questions regarding the RFP must be submitted in accordance with the instructions specified therein.

Table 1.4-1: RFP Schedule

Activity*	Completion Date
City of La Habra Heights releases RFP for collection services	October 17, 2013
R.S.V.P for pre-proposal meeting	October 31, 2013
Deadline to submit written questions	October 31, 2013
Mandatory pre-proposal meeting / answers to written questions at 10:00 a.m.	November 14, 2013
Issue summary of responses provided at the pre-proposal meeting and RFP addendum if necessary.	November 20, 2013
Proposers submit proposals by 4:00 p.m.	December 19, 2013
Selected proposer interview(s) & preliminary discussion & clarification	January 16, 2014
Deliver completed proposal analysis to Council	February 6, 2014
City Council selects contractor	February 13, 2014
City completes negotiations with contractor	February 27, 2014
City Council approves collection agreement	March 13, 2014
New contract commencement	June 1, 2014

***Note that the City of La Habra Heights may modify this schedule as needed.**

SECTION 2 – BACKGROUND

The information presented in this section and related attachments are for information purposes only. Each proposer should take whatever steps it believes are necessary to determine the actual service requirements of the City of La Habra Heights and understand service conditions in the City of La Habra Heights when preparing a proposal.

2.1 DEMOGRAPHICS

The City of La Habra Heights is located in Los Angeles County, bordered by La Habra on the South, Hacienda Heights and Rowland Heights on the North, Whittier on the West, and Brea on the East.

According to the California Department of Finance, population and housing estimates for the City are as follows:

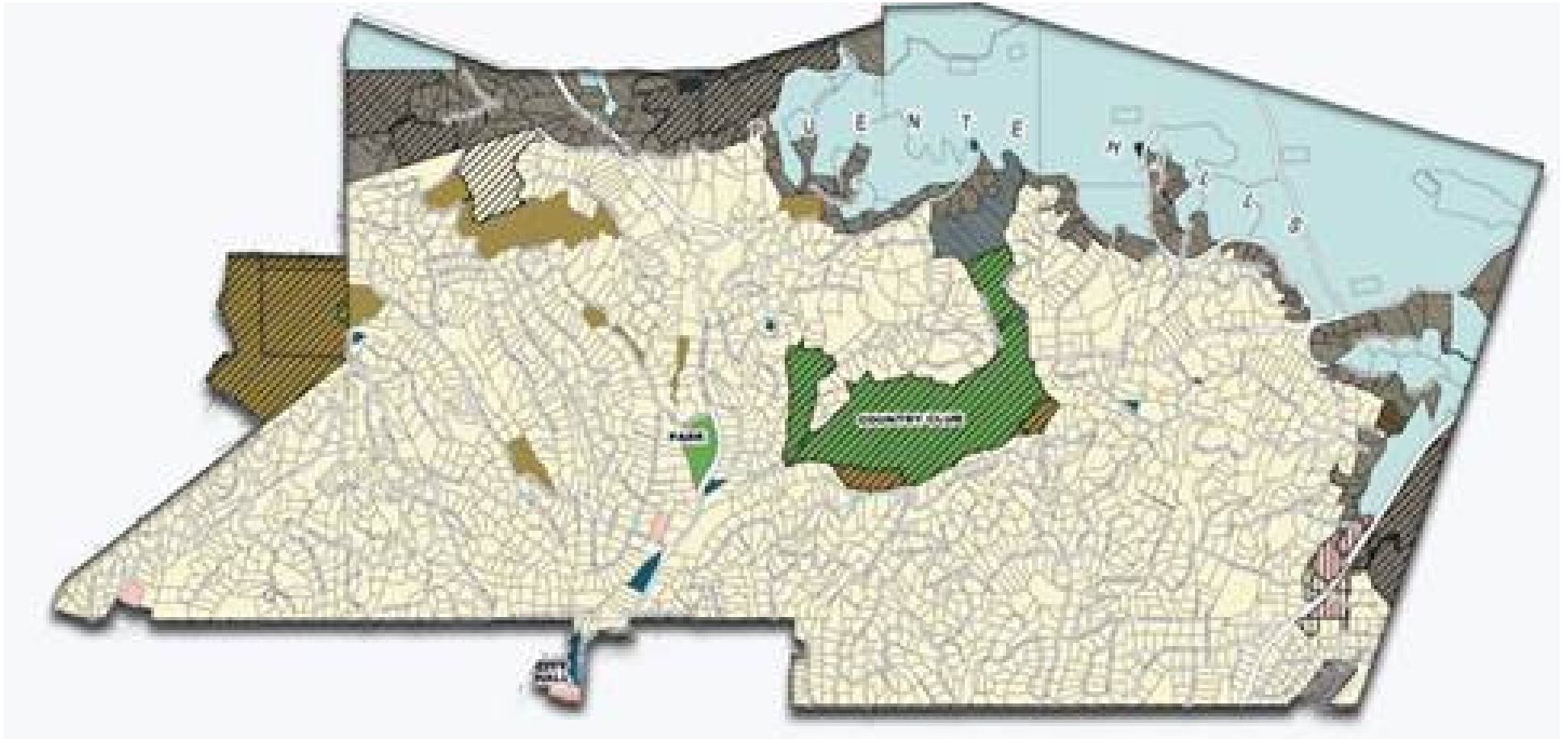
Table 2.1-1: Demographics*

Population	5,379	Single-Family Detached	1,818
Total Dwelling Units	1,883	Single-Family Attached	65
Percent Vacant	4.0	Multi-Family 2 to 4 Units	0
Persons Per Household	2.96	Multi-Family 5 Plus Units	0
		Mobile Homes	0

Note: From California Department of Finance Table 2: E-5 City/County Population and Housing Estimates, 1/1/2013.

The census information is intended only to provide a broad overview. The City asserts no claim as to its accuracy.

Table 2.1-3: City of La Habra Heights Map



2.2 CURRENT COLLECTION SERVICE

The current Authorized Hauler is Haul-Away Rubbish, Inc. and the contract with the current Authorized Hauler expired as of January 1, 2012. A summary of the services currently provided by Haul-Away Rubbish, Inc. is listed in the table below.

Table 2.2-1: Summary of Current Service

Service Type	Service Description
Single-Family	• Refuse Collection • Recyclables Collection • Green Waste Collection *These services are primarily automated, but there are some smaller streets which are not conducive to having an automated truck and require a pup truck to transfer the trash.
Commercial	• Refuse Collection • Recyclables Collection • Green Waste Collection • Permanent and Temporary Solid Waste Bin Collection • Permanent and Temporary Roll-Off Box Collection • Recycling Bins if Requested – Free of Charge
City Services	• Refuse Collection • Recyclables Collection • Green Waste Collection • City-Sponsored Events
Other Services	• Residential Bulky Item Collection • Annual Holiday Tree Collection • Animal Manure Collection • Quarterly Clean-Ups

2.3 CURRENT BILLING PROCESS

The current Authorized Collector is responsible for all billing services. Single-Family customers are billed bi-monthly; commercial customers are billed monthly. The current Authorized Collector is permitted to bill in advance of services rendered.

2.4 CURRENT RATES

The current Authorized Hauler's rates effective as of January 1, 2013 are provided in the tables below. The City does not regulate rates and some customers may be charged different rates.

Table 2.4-1: Cart Rates

3-Cart Service	Rate
1 Barrel	\$20.50
Base Rate Service Three 65-gallon Carts (1 Refuse, 1 Green, 1 Recycle)	\$25.60
Standard Service Four - Six 65-gallon Carts (up to 4 Refuse and/or Green and 2 Recycle)	\$35.60
Extra Refuse Cart	\$6.00
Extra Green Waste Cart	\$4.00
Scout Service	\$30.00
Transfer Fee (Use of pup truck on smaller streets to transfer waste)	\$4.35

Table 2.4-2: Bin Rates

Description	Trash	Green Waste	Manure
1 1/2-Cubic-Yard Bin	\$75.00 + Fuel		
2-Cubic-Yard Bin	\$88.00 + Fuel	\$75.00	\$195.00
3-Cubic-Yard Bin	\$110.00 + Fuel	\$75.00	\$2.00
Bin Scout	Included	Included	Included

Table 2.4-3: Drop-Off Box – Roll-Off Service

Description	Cost
Company-owned Box (5-Ton Limit)	\$495/Load
Overages above 5-Ton Limit - Refuse	\$55/Ton
Overages above 5-Ton Limit - Green Waste	\$25/Ton

2.5 CURRENT SERVICE DATA

The City has obtained from the current Authorized Collector the following data regarding Service. The City neither warrants nor accepts responsibility for the accuracy of the information. **In addition, the City did not have mandatory collection at the time, so not all residences in the City were being serviced when this data was collected or provided.** The current Authorized Collector has provided raw data regarding service types and levels in Excel format which will be given to solid waste companies interested in submitting a proposal.

Table 2.5-1: Cart Customers by Service Type

Billing Description	Service Description	Number of Customers	Number of Billing Records	Total Billed for Each Type of Service	Average Billed for Each Type of Service
1-3 BARRELS - CR	Curbside Service	300	300	8,110.57	\$27.04
1-3 BARRELS - SC	Scout Service	57	57	3,109.40	\$54.55
1-6 BARRELS - CR	Curbside Service	204	204	7,356.38	\$36.06
1-6 BARRELS - SC	Scout Service	19	19	1,208.55	\$63.61
1-9 BARRELS - CR	Curbside Service	18	18	834.20	\$46.34
1-9 BARRELS - SC	Scout Service	1	1	77.00	\$77.00
1YD BIN 1XW	Bin Service	2	2	166.00	\$83.00
2YD BIN 1XW	Bin Service	1	1	90.00	\$90.00
3YD BIN 1XW	Bin Service	3	6	472.11	\$78.69
3YD BIN EMPTY	Bin Service	1	2	0.00	\$0.00
40Y R/O+DUMP FEE		0	1	0.00	\$0.00
65G GREEN RENTAL		1	1	4.00	\$4.00
FUEL SURCHARGE		0	1	0.00	\$0.00
MINIMUM SVC - CR	Curbside Service	34	35	761.30	\$21.75
MINIMUM SVC-SC	Scout Service	4	4	196.30	\$49.08
RECYCLING		13	300	0.00	\$0.00
SCOUT SERVICE		1	1	0.00	\$0.00
SPECIAL PICK-UP		0	1	0.00	\$0.00
STANDARD SVC- SC	Scout Service	6	6	364.90	\$60.82
STANDARD SVC-CR	Curbside Service	19	29	982.65	\$33.88
TRASH REMOVAL	Curbside Service	662	668	21,208.75	\$31.75
Total		1,346	1,657	44,942.11	

Table 2.5-2: Bin Customers by Service Type

Type of Service	Service Description	Number of Customers	Number of Billing Records	Total Billed for Each Type of Service	Average Billed for Each Type of Service
1-1/2 YD BIN 1XW	Bin Service	4	6	\$441.00	\$73.50
1-3 BARRELS - CR	Curbside Service	3	4	80.70	20.18
1-6 BARRELS - CR	Curbside Service	1	3	113.55	37.85
1-6 BARRELS - SC	Scout Service	0	2	116.20	58.10
1-9 BARRELS - SC	Scout Service	1	1	91.88	91.88
1YD BIN 1XW	Bin Service	30	33	2,276.14	68.97
2YD BIN 1XW	Bin Service	64	68	6,058.90	89.10
3YD BIN 1XW	Bin Service	100	112	13,403.27	119.67
3YD BIN 2XW	Bin Service	1	1	300.00	300.00
3YD BIN 3XW	Bin Service	2	2	668.86	334.43
3YD BIN EMPTY	Bin Service	0	1	0.00	0.00
3YD BIN EXTRA PU	Bin Service	0	2	0.00	0.00
40Y R/O FLAT FEE	Rolloff Service	1	2	0.00	0.00
40Y R/O+OVER FEE	Rolloff Service	1	1	0.00	0.00
4YD BIN 1XW	Bin Service	1	1	125.00	125.00
6YD BIN 1XW	Bin Service	1	1	196.00	196.00
LOW-BOY EXCH	Rolloff Service	0	1	0.00	0.00
MINIMUM SVC - CR	Bin Service	0	1	25.00	25.00
RECYCLING	Curbside Service	15	39	0.00	0.00
SCOUT SERVICE	Scout Service	1	4	0.00	0.00
STANDARD SVC-CR	Curbside Service	3	3	99.00	33.00
TRASH REMOVAL	Curbside Service	3	5	\$116.40	\$23.28
		232	293	\$24,111.90	

Commercial Bin Customers are billed on a monthly basis. There are few commercial businesses within the Heights and the largest would be the Hacienda Golf Club. The Hacienda Golf Club has provided its current list of services and rates:

Table 2.5-3: Trash Removal Bins - Hacienda Golf Club

	1 x wk	2 x wk	3 x wk	4 x wk
3 Yd	1		2	
Monthly Cost	\$95		\$680	

Table 2.5-4: Recycling Bins - Hacienda Golf Club

	1 x wk	2 x wk	3 x wk	4 x wk
3 Yd		2		
Monthly Cost		\$120		

Table 2.5-5: Hacienda Golf Club Roll-Off Services

Size	Number of Roll-Off	Hauling + Landfill Fees
40 Yard	1	\$195 + Landfill Fees

The City neither warrants nor accepts responsibility for the accuracy of the above information.

2.6 TONNAGE

Table 2.6-1: Tons Collected in 2012

Type	Tonnage
Total Waste Landfill	2964.16
Recycled	659.97
Green Waste	2426.41
Tin and Metal	17.14
Concrete, Dirt, and Asphalt	145.16
Wood	59.6
Other Diversion	932.73
MRF	1627.72

2.7 DIVERSION RATES

The City is committed to fully complying with AB 939. The City's goal is to maintain greater than a 50% diversion rate. Under the new agreement, the Collector will be required to divert a sufficient amount to ensure that the City continues to meet the 50% AB 939 diversion mandate.

2.8 TRANSFORMATION PROGRAM

In an effort to increase La Habra Heights's solid waste landfill diversion rates, the City would be interested in transformation programs which would allow the City to receive transformation diversion credits.

2.9 DIVERSION OF CONSTRUCTION & DEMOLITION WASTE

Ordinance No. 4.3.100 requires that all construction and demolition (C & D) waste materials generated at covered projects in the City be required to divert at least fifty (50) percent of those materials, unless the applicant has been granted an exemption. Ordinance

No. 4.3.100 is included as a part of this Request for Proposals and Collector will be expected to abide by the ordinance and report all diversion.

2.10 FUTURE COLLECTION AGREEMENT TERM

The term of the new Collection Agreement will commence upon approval and execution by the City. During the period between the execution of the new contract and June 1, 2014, the new agreement shall be in effect and will specify the activities to be completed during the implementation period. During the implementation period, it is anticipated that the Current Authorized Collector will continue to provide collection services. All services under the new Collection Agreement will commence on June 1, 2014, and will continue for 8 years, expiring May 31, 2022. The agreement may be extended for a maximum of two (2) one (1) year periods at the sole discretion of the City for a total maximum of 10 years. A Draft Collection Agreement is presented in Attachment 7.6. Requested services are summarized in *Section 3 – Scope of Requested Collection Services* of this RFP.

SECTION 3 – SCOPE OF REQUESTED SERVICES

This section provides a description of the collection services solicited through this RFP. The services are separated by service sector (i.e., single-family, commercial, and City facilities). In addition, all of the services are identified as either a “core” service or “optional” service. **The core services include all of the base services that will be provided by Collector. The City will select the optional services, if any, to be provided by the Collector, and the scope, terms, and conditions will be negotiated and included in the new Collection Agreement. Proposer must respond and provide price proposals for both core services and optional services.**

This section also contains a description of customer rate arrangements, public education, customer service, billing, implementation plan, potential collection impacts, and other requirements. A summary of the requested collection services (and the relevant RFP section number) is presented in *TABLE 3-1 Summary of Requested Collection Services*.

Table 3-1: Summary of Requested Collection Services

3.1 Single-Family Dwelling (SFD) Collection Service
3.1.1 Core Services for SFD
3.1.1.1 Automated Weekly Refuse Collection
3.1.1.2 Automated Weekly Single-Stream Recycling Collection
3.1.1.3 Automated Weekly Green Waste Recycling Collection
3.1.1.4 Annual Holiday Tree Recycling Collection
3.1.1.5 On-Call Bulky Waste Collection
3.1.1.6 Cart Roll-Out (Scout) Service
3.1.1.7 Quarterly Clean-Ups
3.1.1.8 Pup Truck Service
3.1.1.9 Animal Manure
3.1.1.10 Cart Washing Service
3.1.1.11 Temporary Bin Service
3.1.2 Optional Services for SFD
3.1.2.1 Household Hazardous Waste Collection at Quarterly Clean-Up
3.2 Commercial Bin Collection Service
3.2.1 Core Services for Commercial
3.2.1.1 Refuse Collection
3.2.1.2 Recycling Materials Collection
3.2.1.3 Green Waste Recycling Collection
3.2.1.4 Bin Roll-Out (Scout) Service
3.2.1.5 Rolloff Box Service
3.2.1.6 On-Call Bulky Item Collection

Table 3-1: Summary of Requested Collection Services (continued)

3.3 City Facilities
3.3.1 Core Services for City Facilities
3.3.1.1 Refuse Collection
3.3.1.2 Recycling Materials Collection
3.3.1.3 Green Waste Collection
3.3.1.4 City-Sponsored Events
3.3.1.5 On-Call Bulky Item Collection

The Draft Collection Agreement is included in Attachment 7.6. It presents all of the contract terms and conditions including a complete description of the collection services requested. It also describes Collector's compensation and rate-setting methods, dispute resolution, indemnification, insurance, performance assurances, termination rights, defaults and remedy provisions, and the approach that will be used to manage the Collector's performance. **If there are differences between the summary of collection services provided in this RFP and the Collection Agreement, the terms and conditions in the Collection Agreement shall prevail.**

3.1 SINGLE-FAMILY DWELLING (SFD) COLLECTION SERVICE

SFD includes premises used for or designated as a single-family residential dwelling, including each unit of a duplex, triplex, fourplex, or townhouse condominium for which separate collection services are provided to each dwelling unit.

3.1.1 CORE SERVICES FOR SFD

The default service level will be weekly, automated Collection of three (3) 96-gallon carts for each curb-serviced household; Blue for trash, Gray for recycling, and Green for Green Waste. Customers may request a bin in lieu of a cart to be serviced weekly, and will pay the corresponding service rate.

3.1.1.1 Weekly Refuse Collection

Collector will provide each SFD with a new, wheeled cart for automated collection of refuse. The default service level will be a 96-gallon cart collected weekly. The Collector must offer 64-gallon carts as substitutes depending on the Customer's preference and need. No discount will be given for using smaller carts. Customers may add additional carts as may be needed at an additional charge. Customers will be required to place the cart(s) curbside for collection. Customers may request a bin in lieu of a cart to be serviced weekly, and will pay the corresponding service rate. Solid waste collection service is mandatory for all service locations.

3.1.1.2 Weekly Single-Stream Recycling Collection

Collector will provide each SFD with a new, wheeled cart for automated collection of single-stream recycling material. The default service level will be a 96-gallon cart collected weekly. The Collector must provide 64-gallon carts as substitutes depending on the Customer's preference and need. No discounts will be given for using smaller or no carts. Customers may add additional carts as may be needed at no additional charge. Customers will be required to place the cart(s) curbside for collection.

3.1.1.3 Weekly Green Waste Recycling Collection

Collector will provide each SFD with a new, wheeled cart for automated collection of green waste. The default service level will be a 96-gallon cart collected weekly. The Collector must offer 64-gallon carts as substitutes depending on the Customer's preference and need. No discount will be given for using smaller or no carts. Customers who request additional green waste carts will pay the corresponding service rate. Customers will be required to place the cart(s) curbside for collection. Customers may request a bin in lieu of a cart to be serviced weekly, and will pay the corresponding service rate.

3.1.1.4 Annual Holiday Tree Recycling Collection

Collector will provide annual collection of holiday trees commencing the first collection day after December 25 and ending the second Saturday in January at no additional charge. Residents will be required to place the trees curbside for collection. Trees must be free of ornaments; garlands; tinsel and flocking; and

stands must be removed. Collector will be required to collect trees up to six feet in length.

3.1.1.5 On-Call Bulky Waste Collection

Collector will provide on-call collection of bulky waste to SFDs twice per year scheduling the service with Collector with 48 hours' notice. Customers may place up to five items out for collection per pick-up. Items will be collected on the Customer's regular collection day. Collector will be required to separate and recycle all commodities that can be feasibly recovered.

3.1.1.6 Cart Roll-out (Scout) Service

Weekly cart roll-out service, or scout service, will be offered to all cart-serviced customers for an additional monthly charge.

3.1.1.7 Quarterly Clean-Up Events

Quarterly Clean-Up events will be held at the City Park at 1885. N. Hacienda Rd., La Habra Heights, CA 90631 once per quarter for residents of the City at no additional charge. These events will be held on Saturdays from 8 a.m. to noon. At these events the Collector will collect up to two loads, with each load not to exceed what can be carried in a pickup truck, per residential dwelling of solid waste, bulky items, green waste, and/or e-waste. Collector would be responsible for coordinating with the City on the dates.

3.1.1.8 Pup Truck Service

Pup Truck Service, where a smaller vehicle is used to transfer waste and recyclables to a larger truck, will be available and charged to customers who live on streets too small or narrow for automated collection vehicles to be used.

3.1.1.9 Manure Collection

Due to the rural nature of the city, some residents maintain large animals and require manure collection services. Collector will provide carts and/or bins if requested by customers and will pay the corresponding service rates.

3.1.1.10 Cart Washing Service

Collector is required to provide a fee for a Cart wash-out service to be provided upon request for all cart users. The service is to be performed at the user's regular set-out location. The cart wash-out system shall meet specific environmental and regulatory standards as defined in the Agreement.

3.1.1.11 Temporary Bin Service

Collector will provide SFD customers with temporary bin service.

3.1.2 OPTIONAL SERVICES FOR SFD

This is an optional service that the City will accept or decline on a citywide basis as part of negotiating the final agreement with the successful proposer.

3.1.2.1 Household Hazardous Waste Collection

Collector will provide, either directly, or through a City-approved subcontractor, a Household Hazardous Waste Collection Service at each Quarterly Clean-Up event at no additional charge. La Habra Heights' residents will be allowed to bring, at minimum, the items that are listed below on the following pages:

ACCEPTABLE WASTE:

Garden Chemicals

- Insect sprays
- Weed killers
- Other poisons
- Fertilizer

Swimming Pool Chemicals

- Pool acid
- Chlorine: tablets, liquid

Automotive Waste

- Motor oil
- Antifreeze
- Waxes
- Polishes
- Cleaners
- Brake fluid
- Gasoline
- Used oil filters
- Oily rags
- Transmission fluid
- Windshield washer fluid
- Hydraulic fluid
- Automotive batteries

Paint Products

- Oil-based paint
- Latex paint
- Spray paint
- Stripper
- Stains
- Caulking
- Wood preservative
- Glue
- Thinner

Household Cleaners

- Bleach
- Cleaning compounds
- Floor stripper
- Drain cleaner
- Tile remover
- Tile cleaners
- Rust remover

Misc. Household

- Household batteries-thermometers
- Electronics, TV, CRT, consumer items
- Fluorescent tubes
- Thermometers
- Hobby glue
- Artist's paint
- Medicines
(pills-capsules loose)
- Sharps

UNACCEPTABLE WASTE:

Biological waste
Radioactive materials
Smoke detectors
Ammunition
Explosives
Leaking containers
Unknowns (must be tested)
Fire extinguishers
Pressurized cylinders
Tires
Appliances (larger than microwave)
Waste in 6-gallon or larger container
Commercial chemicals (for business use)
Asbestos
Trash
Construction materials
Not more than five gallons of driveway sealer
Liquid mercury

3.2 COMMERCIAL COLLECTION SERVICE

Commercial customers include all businesses, institutions and industrial operations, except for any business that is operated at a residential property. Due to the large lots and homes in the City, the rates for commercial service shall also be available to residential customers who require more capacity, in addition to the other services normally offered to SFD customers. Collector will be required to service carts, bins and roll-off boxes stored in customer's solid waste enclosure or other locations as requested by customer. When discussing solid waste, recycling or green waste collection service changes with customers, Collector must provide a rate schedule denoting all service levels and all possible frequencies of collection. Solid waste collection is mandatory for all service locations.

3.2.1 CORE SERVICES FOR COMMERCIAL

3.2.1.1 Refuse Collection

Collector will provide bins, roll-off boxes and compactors for collection of solid waste. Customers will have the opportunity to subscribe to the appropriate service level. Bin services will be made available in sizes including; 2, 3, 4, and 6 cubic yards. Collection frequency will be at least once per week and up to four (4) times per week. Roll-off box service will be made available in container sizes including 10 and 40 cubic yards. Roll-off boxes, as provided by Collector or by Customer, shall be serviced on an on-call basis. Customers will designate the collection container location, but must abide by the City's municipal code. Collector will be required to service bins placed within 50 feet of the public right-of-way if egress to the bins is paved and the slope is less than 7%. Otherwise, customer will put bin out for access or subscribe to roll-out service at an additional charge. Weekly solid waste collection service is mandatory for all commercial customers.

3.2.1.2 Recycling Materials Collection

Collector will provide recycling collection service to all commercial Customers requesting it at no additional charge. Collector will provide carts, bins and roll-off boxes for collection of recycling materials. Recycling collection will be made available at a minimum for: mixed paper (e.g., ledger, computer, junk mail, magazines, paperback books, cereal boxes, envelopes, paper shopping bags and non-metallic wrapping paper); corrugated cardboard; newspaper; scrap metal including aluminum cans and foil; steel, bi-metal and tin cans; glass jars and bottles; PET plastic; HDPE plastic; plastics types 3-7; plastic bags, shrink wrap, plastic tools and toys and other plastic materials (if readily identifiable as being recyclable); juice boxes and milk cartons (aseptic packaging, Tetra Pak); and telephone books. Collector may purchase recyclable materials from its customers as well.

In order to prevent the contamination of recyclables, the contractor will provide "restricted access" lids for recycling collection containers, as needed.

3.2.1.3 Green Waste Recycling Collection

Collector will provide wheeled carts and bins for collection of Green Waste. Customers will have the opportunity to subscribe to the appropriate service level. Carts will be made available including 64 and 96 gallons. Bins will be made available in sizes including 2, 3, and 4 cubic yards. Collection frequency will be at least once (1) per week and up to four (4) times per week. Roll-off box service will also be made available in containers sizes including 10 and 40 cubic yards. Customers will designate the collection location, but must abide by the City's municipal code. Customers shall pay a separate fee for Green Waste collection based on their service level in accordance with the rates as approved by the City.

3.2.1.4 Bin Roll-out (Scout) Service

Bin roll-out service, or scout service, will be offered to all bin-serviced customers for an additional charge.

3.2.1.5 Rolloff Box Service

Collector will be required to provide on-call rolloff service.

3.2.1.6 On-Call Bulky Item Collection

Collector will provide on-call collection of bulky items from commercial customers using a method suitable for the commercial premises and agreed upon by the Customer or property manager. Commercial generators will pay a separate fee for all bulky item collections.

3.3 CITY FACILITIES

City facilities will be provided all collection services at "no charge." Collections will be scheduled at a time mutually agreed upon by the Collector and the City. The cost of these services will be included in the overall rate structure to provide services to the other two

sectors (i.e., SFD and commercial). However, cost information on City Facilities must be included in response to this RFP. Current service levels are provided in Attachment 7.3.

3.3.1 CORE SERVICES FOR CITY FACILITIES

3.3.1.1 Weekly Solid Waste Collection

Collector will provide wheeled carts and bins for collection of solid waste. The City will have the opportunity to subscribe to the appropriate service level. Carts will be made available including 64 and 96 gallons. Bins will be made available in sizes including 2, 3, 4, and 6 cubic yards. Collection frequency will be at least once (1) per week and up to four (4) times per week. On-call roll-off box service will be made available in container sizes including 10 and 40 cubic yards. City will pay for disposal cost only for first 10 loads in a year, thereafter, City will pay for roll-off per the rate schedule.

3.3.1.2 Weekly Recycling Materials Collection

Collector will provide recycling collection service at City Facilities at no additional charge. Collector will provide carts, bins and roll-off boxes for collection of recycling materials.

3.3.1.3 Weekly Green Waste Collection

Collector will provide wheeled carts and bins for collection of green waste. The City will have the opportunity to subscribe to the appropriate service level. Carts will be made available including 64 and 96 gallons. Bins will be made available in sizes including 2, 3, 4, and 6 cubic yards. Collection frequency will be at least once (1) per week and up to four (4) times per week. Roll-off box service will be made available up to 10 times per year at no charge to the City in container sizes including 10 and 40 cubic yards.

3.3.1.4 City-Sponsored Events

Collector will provide wheeled carts, bins, and/or roll-off boxes to collect solid waste, recyclables materials, and green waste and assist the venue and event organizers with developing recycling plans and reporting data as described in Section 4.06 of the Collection Agreement. When requested by event organizers, solid waste and recycling collection service, and special event boxes and liners will be provided for each venue or event. This may include providing numerous carts to distribute throughout the event for use by patrons. Carts to be made available include 64 and 96 gallon carts. Bins will be made available in sizes including 2, 3, 4, and 6 cubic yards. Roll-off box service will be made available in container sizes including 10 and 40 cubic yards. Collection frequency will be provided as required by the Customer. Customers will designate the collection location(s).

The following is a list of events for which services would be provided annually:

- Avocado Festival
- Music in the Park (10 summer evening concerts)
- Dog Days of Summer
- Market Days (up to 2 times a year)
- Gazebo Lighting
- Two additional events to be determined by the City

3.3.1.5 On-Call Bulky Waste Collection

Contractor shall provide Bulky Waste Collection Service at City Facilities, streets, rights of way and other public property at no charge within 1 week of a call for service up to four times per month and within 1 day of a call for service up to six times per year. Further calls for Bulky Waste Collection Service shall be charged an additional charge per item in accordance with the applicable rate schedule.

3.4 OTHER COLLECTION SERVICE CONSIDERATIONS

This Section presents service considerations required by Collector that were not specified in Sections 3.1 through 3.3.

3.4.1 ADDITIONAL COLLECTION SERVICE REQUIREMENTS

Collector shall:

- Assist the City in a collaborative effort to provide public education to residents and businesses. A detailed description of Collector's public education responsibilities is provided in Section 3.6 of this RFP and Article 6.03 of the Collection Agreement.
- Provide customer service and billing service as necessary to fulfill its obligations.
- Furnish all labor, supervision, collection vehicles, collection containers, other equipment, materials, supplies, and all other items and services necessary to perform its obligations.
- Pay all expenses related to the provision of services including, but not limited to, taxes, regulatory fees, utilities, etc.
- Provide all services in a thorough, safe and professional manner.
- Comply with applicable laws, regulations and ordinances.

3.4.2 EXCLUSIVITY OF COLLECTION SERVICES

Collector will have exclusive rights to collection of residential and commercial solid waste, single-family recyclables, and single-family green waste from within the City. The Collector will compete with other hauling companies on a non-exclusive basis for collection of:

- All commercial recyclables, commercial green waste, and commercial reusable materials for which a net payment is offered and paid by the Collector to the generator. For recyclable materials generated by commercial businesses, the City will allow open-market competition for recyclable materials.
- Specialty materials from residents (e.g., specialty reuse materials); and
- Single-family bulky-type materials on an on-call basis.

Collector's exclusive rights will not include items such as:

- (a) Material hauled by owner, occupant, or its contractor whose removal of materials is incidental and removed at no additional cost (e.g., roofers, construction and demolition contractors).
- (b) Donated materials;
- (c) Materials generated by public school districts, Los Angeles County, State of California, and federal facilities.

3.4.3 SOLID WASTE DISPOSAL PLAN

Proposers must include a Solid Waste Disposal Plan that demonstrates the proposer's ability to arrange for the disposal of Solid Waste originating in La Habra Heights for the term of the Collection Agreement. The plan should identify any arrangements with landfills that will benefit the City in maintaining long-term rate stability. Prior to selection, the successful proposer will be required to produce proof of all disposal arrangements described in its proposal. Proposers should indicate the per-ton disposal costs and tonnage disposal guarantees they will offer the City. The plan should specify facilities and fees for the processing and disposal of all materials collected in the city including Construction and Demolition Wastes and Transformation.

3.4.4 CONSTRUCTION & DEMOLITION WASTE MATERIAL DIVERSION

Contractor will comply with the requirements of Ordinance No. 4.3.100 related to diversion of Construction and Demolition Waste Materials, which requires that all Construction and Demolition Waste materials that are generated by covered projects in the City are processed at a facility or facilities that cause not less than 50 percent of those materials to be diverted from landfills.

3.5 CUSTOMER RATE ARRANGEMENTS

This section provides a description of rate arrangements that will apply to all three service sectors.

3.5.1 SFD RATE ARRANGEMENTS

The Collector will maintain an SFD rate structure that includes an integrated fee for collection that covers solid waste, recycling, green waste, and Household Hazardous Waste. The Collector will be required to provide the residents with the containers they subscribe to; to service such containers; and to properly bill for the level of service requested.

3.5.2 COMMERCIAL RATE ARRANGEMENTS

The Collector will maintain a rate structure that includes an integrated fee for collection that covers solid waste and recycling. Due to the large lots and homes in the City, commercial rates would also be available to residential customers who require more capacity, in addition to the other services normally offered to SFD. The City will continue to allow open-market competition for recyclable materials for which net payment is rendered by Collector to generator.

The Collector will establish separate, volume-based rates for green waste collection services. Customers will be encouraged to voluntarily participate in green waste collection and will be required to pay a fee for green waste collection services based on subscription levels. Such green waste collection rates will be set at a level to incentivize customers to subscribe.

3.5.3 CITY FACILITIES

City facilities will be provided all collection services at “no charge”. It is expected that the cost of these services will be recovered via the Collector’s service fees charged to SFD and commercial customers.

3.6 PUBLIC EDUCATION

Collector shall be responsible for ensuring that its customers consistently receive a high level of customer service and responsiveness. Collector shall prepare an annual public education plan and meet with the City to review the plan. The City and Collector shall meet quarterly to discuss all outreach materials and implementation of the outreach strategy. Collector is responsible for additional public education activities as specified below, and Collector must disclose all costs associated with the activities in its cost proposal.

3.6.1 CITY OF LA HABRA HEIGHTS RESPONSIBILITIES

The City of La Habra Heights will collaborate with, review and approve the Collector’s implementation of the public education and outreach campaign. The Collector will fund all aspects of the new services kick-off public education campaign. Development of the public education and outreach strategy implementation schedule will be a collaborative process with Collector and City.

Throughout the term of the Agreement, the City’s responsibilities with regard to public education activities shall include, but not be limited to, the following:

1. Review public education materials produced by Collector to be distributed to residential and commercial generators focusing on waste prevention, reuse, recycling, environmental purchasing preferences, hazardous waste, electronic waste, and universal waste management.
2. Preparation and distribution of a newsletter for all residents and commercial businesses at least two (2) times annually.

3.6.2 COLLECTOR'S RESPONSIBILITIES

Collector will be required to provide the following services:

1. Distribute public education and outreach materials during roll-out of the new collection services program. This will entail distributing program literature with delivery of new carts and bins to all customers at inception of the new program.
2. Actively collaborate with the City on the public education strategy and development of materials to support roll-out of new collection services.
3. Distribute public education and outreach materials to new customers during the term of the Collection Agreement.
4. Deliver to customers set-out correction notices during the term of the Collection Agreement.
5. Staff a booth at local public events and distribute promotional and educational materials.
6. Insert with its bills inserts produced by the City, including the newsletters produced by the City.

Proposers must provide samples of public education and outreach materials, which were used in other programs; particularly those related to single-stream recyclable materials collection programs. Proposer must plan on developing the following public education materials and include a budget (i.e., including all aspects of production and distribution costs) and detailed description of each:

1. Annual holiday tree recycling notice (SFD solid waste bill insert)
2. Annual reduce holiday packaging notice (SFD solid waste bill insert)

Proposer must provide its proposed budget and schedule for all of the initial program roll-out activities and for annual ongoing public education and outreach materials and activities.

3.6.3 STAFFING

Collector will be required to have a management level employee on staff to serve as the Public Education Manager. Proposer must include the following in its proposal:

1. This party will serve as a liaison to the City for the planning, coordination, and review of all public education and outreach materials and efforts.
2. The person or persons responsible for developing public education strategies and preparing public education materials (if an outside consultant is to be used, identify the consultant and include a brief description of the consultant's qualifications and years of experience).
3. A description of Collector's experience preparing multilingual public education materials.

3.6.4 MEETING REQUIREMENTS

The Public Education Manager is required to meet quarterly, and more frequently if necessary, with City staff to review public outreach activities.

3.6.5 REPORTING REQUIREMENTS

Collector is required to prepare quarterly and annual public education activity status reports. The annual reports will, in part, summarize the prior 12 months and also contain adjustments to current and ongoing event calendars.

3.7 CUSTOMER SERVICE

Collector is responsible for ensuring that all staff and customer service representatives maintain a professional and courteous demeanor. Collector shall be responsible for all employee interactions with customers. Collector is required to ensure that its customers are consistently treated courteously and are presented with timely, responsive and thorough solutions to problems and requests for information. City of La Habra Heights and Collector shall meet quarterly to discuss compliance with the customer service standards denoted in the Collection Agreement. To ensure that customers in the City of La Habra Heights obtain competent, professional and courteous customer service, Proposer shall submit a Customer Service Operations Plan. The Customer Service Operations Plan shall include, at a minimum, the following sections:

1. Recycling Hotline/Call Center
2. Website
3. Customer Information System
4. Staffing

Proposer must provide a detailed description of each section of the Customer Service Operations Plan.

3.7.1 CUSTOMER SERVICE CALL CENTER

Collector is required to operate a customer service call center that will serve as the primary telephone point of contact and information for all services. The customer service call center hotline is required to be staffed live during regular business hours (i.e., Monday through Friday 8:00 a.m. to 5:00 p.m. and Saturday 8:00 a.m. to noon). Additional customer service call center standards are included in the Collection Agreement. Proposer must provide one (1) example and describe its experience with operating a customer service call center.

1. Describe where the customer service call center will be located; if the call center is new or existing; and if the calls for other operations will be handled by the same call center.
2. Identify the name, type of equipment, and software used to maintain customer service information.

3. Indicate if the system is a new system that the company has not used elsewhere; if the system is currently used on a company-wide basis; or if the system is used by the company for select jurisdictions. Identify for which jurisdictions the system is used by the company.

3.7.2 CALL CENTER STAFFING

Proposer shall identify the number of customer service representatives (CSRs), their job functions, and number of hours per week that will be devoted to customer service. Proposer must provide its rationale for the proposed staffing level. Describe the work schedule of the CSRs. Provide the number of CSR supervisory staff and describe their responsibilities. Proposer must describe its training strategy for CSRs and CSR supervisory staff.

3.7.3 WEBSITE

Collector is required to maintain an up-to-date website that will serve as the primary web-based point of contact and information for all services. Collector will be required to update the website monthly, and more frequently if necessary. In addition, the website will be required to offer on-line bill payment at no additional charge and the ability to document and resolve complaints. Other on-line services the City is interested in are the ability to schedule:

- On-call bulky items collection,
- Service changes,
- Cancellations, etc.

3.7.4 CUSTOMER INFORMATION SYSTEM REQUIREMENTS

Collector is required to use a customer information system with software applications capable of documenting all correspondence between Collector and customers, and any other applicable service or customer contact information. Proposer must also provide a description of the capabilities of the software system to create summary reports.

3.7.5 REPORTING

Describe how City of La Habra Heights will have direct access to the following:

1. Customer service logs and reports
2. Customer service records
3. Although it not required to do so, explain if the Collector is able to provide a direct interface with electronic customer service records through "read-only" terminal or website

Proposer shall provide a description of Collector's customer service goals and how customer service goals are measured with regard to the Call Center's responsiveness, accuracy of responses, and quality of collection service. Identify specific performance goals or targets that are tracked.

Proposer shall provide a description of the contents of monthly and annual reports related to customer service. Include examples of three (3) reports for each time frame that were submitted to other jurisdictions.

3.7.6 COMPLAINT RESOLUTION

3.7.6.1 Communication

Explain how communications will occur between company's operations with a minimum feedback loop between customer service, billing, collection operations, and recycling staff. Describe how the customer service information system interfaces with routing and billing systems.

3.7.6.2 Resolution Process

Explain the process for resolving complaints, specified time periods for resolving complaints, responsibility for resolving complaints, and final resolution. This description shall explain procedures to satisfactorily respond to, record, and report common customer complaints such as: missed pick-ups (i.e., both individual accounts and multiple accounts on whole blocks or along a section of a street); spills and litter resulting from collection; collection schedule changes; broken or missing containers; improperly prepared set-outs; noise complaints; traffic and sidewalk obstruction during collection; and safety around collection vehicles during operations.

3.8 BILLING REQUIREMENTS

Collector will provide billing services to all customers for all service levels:

3.8.1 SUBMITTAL REQUIREMENTS

Proposers shall submit the following:

1. Sample customer billings and a listing of jurisdictions where proposer currently provides billing services, including a contact name and phone number.
2. Description of its procedures for dealing with customer service, with regard to customer billing demands, during the transition and throughout the term of the Collection Agreement.

3.8.2 BILLING SERVICE REQUIREMENTS

The billing service requirements are summarized below.

1. Annual Billing Audits. The Collector will be required to conduct annual billing audits of all commercial customers and SFD, with the City maintaining the right to engage a third party for an independent audit of the results of the billing audit.
2. Access to Billing Records. The City or selected representatives shall be allowed access by Collector to billing records in electronic format at any time, upon one business day notice.

3. Annual Rate Notification. Collector must annually, within 60 days prior to the effective date of a rate change, prepare and distribute a notice to each customer setting forth the Collector's rates, annual holiday schedule, recycling programs offered, and a general summary of services required to be provided and optional services that may be furnished by Collector. Notice may be included with billings or may be included as part of the Collector's public education plan described in Section 3.6.

Single-Family Billing. The Collector will bill all SFD directly on a bi-monthly basis, in advance. All bills must carry a due date, not "due upon receipt." Bill must be itemized, but may not designate that portion of a customer's bill attributable to the administrative fee as a separate item. Customers may, on an individual basis, request annual payment schedules, and Collector will work in good faith with individual customers to reasonably satisfy such requests. Collector will have the right to bill and collect for its services in advance of the rendition of services but shall refund any unused portion equal to one month or more of the amount collected in the event of disruption, revision, or termination of the services, or when residential premises are vacant for at least a two-month period and prior written notice of such vacancy has been given to the Collector.

4. Commercial Billing. Bills must be itemized by type of service, but may not designate that portion of a customer's bill attributable to the administrative fee as a separate line item. All bills must carry a due date, not "due upon receipt." Collector will bill all customers directly on a monthly basis in advance. To start service, new customers will pay a pro-rated first month's service in advance.
5. Roll-Off Box and Temporary Bin Customers. For individually serviced Customers who request roll-off box (including temporary bin) service, the Collector will accept major credit cards for payment. Individually serviced customers who do not use credit cards may be required to post a security deposit or to pay on a "Cash on Delivery" (C.O.D.) basis. For all other roll-off box customers, the Collector will invoice monthly or semi-monthly in arrears with payment due within 15 days from the invoice date.
6. Delinquent Accounts. Once a payment is 30 days past due, Collector must send to the Customer a notice that service will be suspended if payment is not made within an additional 30 days. Service may only be suspended after these minimum time periods and notice. City will not be responsible for or assist with the collection of delinquent accounts. However, the Collector shall notify the City of delinquent accounts 60 days or over. The City may, at its sole discretion, elect to pursue such procedures as specified in Chapter 4.3 of the Municipal Code for such delinquent accounts.
7. Automated Billing Payment. Contractor shall make available to all Customers an automated billing and payment system at no additional charge. This system should be website-based and allow customers to view and pay bills through Contractor's website. Through the Contractor's website, Customers may request to cease paper billing and receive all bills through e-mail and/or Contractor's website. Contractor will ensure that the electronic billing and payment website conforms to industry-standard practices for electronic commerce security. Contractor must ensure that these customers are compiled in a list to ensure that

billing inserts are mailed directly. Contractor shall promote the website-based billing and payment system on all paper bills sent to Customers.

3.9 COLLECTOR IMPLEMENTATION PLAN

Proposer shall provide a detailed implementation plan describing the Collector's approach to facilitating a smooth transition for all the collection services. The plan must clearly describe the company's ability to implement the services in accordance with the schedule presented in Table 1.4.1 of this RFP. This description should include, but not be limited to:

1. A timeline showing the duration and completion date of major milestone events such as vehicle purchase and testing; container purchase, assembly and distribution; personnel hiring and training; customer service and billing database development and implementation; administration; public education; corporation yard acquisition and development (if necessary); etc.
2. Assumptions regarding the participation of City staff.
3. Expectation of cooperation with current Collector regarding routing, billing and other factors.
4. Identification of common problems that can occur in service initiation and strategies for preventing or managing such problems.
5. Procedure for residential and commercial customers to select container size(s) and service frequency.
6. Contingency plans for all aspects of implementation.

3.10 POTENTIAL COLLECTION IMPACTS

Each proposer shall provide the information required in this Section.

3.10.1 VEHICLE IMPACTS

Describe how the vehicles will comply with the Solid Waste Collection Vehicle rule adopted by the California Air Resources Board on September 25, 2003, that requires the implementation of diesel particulate matter control measures for collection vehicle diesel engines. Include a description of the specific control measures to be used and schedule for compliance.

3.10.2 ALTERNATIVE FUEL VEHICLES

The California Air Resources Board (CARB) has, over the last decade, begun a practice of regulating the emissions from vehicle fleets that regularly operate in service of the public (e.g., city fleets, transit fleets, solid waste fleets, etc.). Some of these regulations have required the use of alternative fuel rather than standard diesel fuel. Based on this trend of regulation, it is likely that there will be further regulations restricting vehicle emissions from these fleets. It is not currently known what regulations will be adopted, which technologies will be favored, or what fuel

alternatives will be readily available and cost-effective upon commencement of this contract.

The City specifies neither the technology nor the fuel type, but requires that cart and bin collection vehicles be fully compliant with South Coast Air Quality Management District (SCAQMD) requirements and California Air Resources Board (CARB) regulations throughout the term of the contract.

3.11 OTHER REQUIREMENTS

3.11.1 CONTRACT FEE

Within seven days of execution of the new exclusive Collection Agreement, the new Collector will remit a one-time payment to the City of La Habra Heights in the amount of Sixty-Five Thousand Dollars (\$65,000) to reimburse the City for its staff time and out-of-pocket costs incurred in awarding this franchise.

3.11.2 ADMINISTRATIVE FEE

Beginning on June 1, 2014, and on January 1st each year thereafter, the Contractor shall make payments to the City in the amount of Eighty Thousand Dollars (\$80,000) to mitigate costs incurred by the City including, but not limited to: annual waste audits, annual rate adjustment reviews, environmental impacts that arise from this service, and administering and regulating solid waste collection within the City. The Contractor must submit an annual report to the City documenting the amount of recycling and source reduction achieved.

The \$80,000 annual contribution will be increased annually, starting in rate year three, by the percentage change in the Consumer Price Index, calculated in accordance with Section 8.03 of the Draft Agreement.

SECTION 4 – RFP POLICIES, CONDITIONS, AND PROCESS

4.1 RIGHTS RESERVED BY THE CITY OF LA HABRA HEIGHTS

The City of La Habra Heights reserves the right, in its sole discretion, to pursue any or all of the following actions in regard to this RFP process at any point in the RFP process:

- Issue addenda and amend the RFP;
- Request additional information and/or clarification from proposer;
- Extend the deadline for submitting proposals;
- Allow for the timely correction of errors and/or waive deviations;
- Withdraw this RFP;
- Disqualify proposals that do not fully comply with the requirements detailed in this RFP, its attachments, addenda, or clarifications;
- Disqualify incomplete proposals; proposals containing errors, inconsistencies, false, inaccurate or misleading information; proposals submitted after the deadline; or proposals with other process or content errors or deficiencies;
- Reject all proposals;
- Amend the Collection Agreement;
- Amend the City's Municipal Code;
- Determine whether proposers are qualified;
- Award a proposal based on a combination of its qualitative and quantitative attributes;
- Take other actions the City deems are in the best interest of the City, its residents and businesses;
- Negotiate changes in the services proposed and/or described in the RFP or to incorporate other programs.

4.2 GENERAL RFP AGREEMENTS

This RFP shall not be construed by any party as an agreement of any kind between the City of La Habra Heights, Collector(s), and other parties.

This RFP does not obligate the City of La Habra Heights to accept any proposal, negotiate with any proposer, award a Collection Agreement, or proceed with the development of any project or service described in response to this RFP. The City has no obligation to compensate any proposer for its expense of preparing its proposal and participating in this procurement process.

Please note that the City's procurement of Integrated Solid Waste Management Services is not subject to State or local public bidding laws, and the City does not intend to cause the current RFP process to become subject to such public bidding laws or regulations.

Unless Proposer takes specific exception in accordance with the procedure set forth in Section 5.6, submission of a proposal shall constitute acknowledgment and acceptance of all the terms and conditions contained in this RFP and Collection Agreement including all addenda or amendments issued by the City of La Habra Heights as per the schedule provided in this RFP. Submittal of a proposal signifies proposer's commitment to provide the proposed services if selected. In addition, all aspects, conditions and components of proposals submitted shall be valid for two years. Proposals may not be altered after submittal, except in response to the City's request for clarification.

The City shall have the right (but not the obligation) to perform a review of each proposer's ability to perform the work required. Each proposer must agree to cooperate with such a review. Such cooperation by proposer shall apply to the verification of the proposer's capability and experience in the provision of services and any other component of work that may be required under this procurement.

The City, and its consultants, will be conducting reference checks on proposers that will involve contacting municipalities currently or previously served by proposer, as well as contacting regulatory agencies involved in oversight of proposer's facilities. In addition, the City, or its consultants, may research proposer's past performance by reviewing litigation history, regulatory actions, highway driving records, and recycling history. The proposer's submission of a proposal shall constitute an agreement to cooperate with the City's review.

4.3 CODE OF CONDUCT

4.3.1 CITY OF LA HABRA HEIGHTS CODE OF CONDUCT POLICY

With the goal of conducting the RFP process with transparency and integrity, the City of La Habra Heights has approved a Code of Conduct policy, included herein as Attachment 7.1. The Code of Conduct policy provides guidance to elected officials and staff regarding disclosure of ex parte communications with RFP "participants" and potential censure by the City if anyone covered under the policy accepts gifts and compensation from participants. The code of conduct policy defines "participants" as employees or agents of participants in this RFP process.

4.3.2 PROPOSER CODE OF CONDUCT

Proposer is required to sign the Proposer Code of Conduct, included herein as Attachment 7.2, which is similar in nature to the Code of Conduct adopted by the City of La Habra Heights. The Code of Conduct for proposers: (i) prohibits ex parte communications with City Council members; (ii) prohibits giving any gift or monetary compensation to a City Official or City staff member or consultants; (iii) prohibits collusive activities with other potential proposers.

The City has the right to disqualify the proposer from this RFP process. The Code of Conduct shall be signed and submitted to the City with the company's proposal in accordance with instructions provided in Section 5.8.

4.4 PROPOSAL SUBMITTAL PROCESS

Proposer shall follow the proposal submittal process as outlined below.

4.4.1 STEP ONE – REGISTER FOR FUTURE CORRESPONDENCE AND ANNOUNCEMENTS

Proposer must request that it be placed on the list of interested parties in order to receive future correspondence or announcements related to this RFP. Proposers are asked to RSVP by **October 31, 2013**. Proposer must email said request to:

EMAIL: **gyap@lhhcity.org**

4.4.2 STEP TWO – SUBMISSION OF WRITTEN QUESTIONS

City directs proposer to submit all questions and requests for information in writing directly to City of La Habra Heights. The deadline for submitting written questions is **October 31, 2013**.

4.4.3 STEP THREE – MANDATORY PRE-PROPOSAL MEETING

The mandatory pre-proposal meeting will be held at **La Habra Heights City Hall**, on **November 14, 2013 at 10:00 A.M.** Attendance at this meeting is mandatory. The City of La Habra Heights will NOT accept proposals from proposers who did not attend the pre-proposal meeting. Written responses to written questions submitted by the **October 31, 2013**, deadline will be distributed at the pre-proposal meeting to all eligible proposers (those companies that registered pursuant to Step One and attended the pre-proposal meeting).

Proposers are encouraged to prepare and pose questions at the pre-proposal meeting. Preliminary oral responses to questions will be provided at the discretion of the City staff at the pre-proposal meeting. Written responses to questions raised at the pre-proposal meeting will be distributed by **November 20, 2013**. In the event of any inconsistencies between oral responses provided at the pre-proposal meeting and written responses subsequently issued, the written responses must be used for the purpose of preparing proposals.

4.4.4 STEP FOUR – PROPOSAL SUBMITTAL

Proposer shall submit one (1) bound, fully executed original, nine (9) bound copies, and one (1) un-bound copy of the complete proposal [a total of eleven (11) documents]. In addition, a computer disk containing an electronic copy of the proposal in Microsoft Word and all completed proposal forms (i.e., those provided in Attachment 7.4 of the RFP), in Microsoft Excel formatted for a PC, shall be submitted in a sealed package. Proposals must be printed on 8½" x 11" paper. All pages shall be consecutively numbered; although, each section may start with a new page number if proceeded with the section number (e.g., Page 2-1 for the first page of Section 2).

The package shall be clearly labeled:

PROPOSAL FOR CITY OF LA HABRA HEIGHTS FOR THE PROVISION OF
INTEGRATED WASTE MANAGEMENT SERVICES

FROM:

Name of Proposer:

Address:

Contact Person:

Telephone Number:

Fax Number:

E-mail:

The proposal may be mailed or hand delivered to:

City Clerk
City of La Habra Heights
1245 N. Hacienda Rd.
La Habra Heights, CA 90631

All proposals must be received by **4:00 P.M. on December 19, 2013**. Proposals received after this time and date may be rejected. Postmarks will not be accepted as proof of receipt.

Each proposal must be accompanied by security made payable to the City of La Habra Heights in the amount of \$75,000 and in the form of a certified check, cashier's check, or bid bond. The security shall be submitted with the proposal in a separate, clearly labeled envelope. The purpose of the security is to guarantee that the successful Collector will execute a Collection Agreement with the City. If the selected Collector does not execute a Collection Agreement within 30 calendar days after receiving notice of the award of Collection Agreement, the City of La Habra Heights shall keep the security to offset the potential cost associated with identification of an alternate service provider(s) and schedule delays. Checks and bonds will be returned to all proposers no later than ten (10) calendar days after the City has executed a Collection Agreement with the successful Collector.

4.4.5 STEP FIVE – CLARIFICATION OF PROPOSAL INFORMATION

Proposer may be asked to clarify information through written communications and interviews or during site visits of each proposer's offices, customer service center, corporation yard and maintenance facilities, and disposal, transfer, and processing facilities. The clarification process may be performed by City staff and/or their consultants.

4.4.6 STEP SIX – PRESENTATION TO CITY OF LA HABRA HEIGHTS

One or more proposers may be invited to present their proposals to the City Staff and its designated representatives. Invitations to make presentations will be based on evaluation of the proposals.

4.4.7 SCHEDULE

The schedule of events presented in this Section is summarized in Table 1.4.1 in *Section 1 - Introduction*.

4.4.8 PUBLIC RECORD

All correspondence with the City including responses to this RFP will become the exclusive property of the City and will become public records under the California Public Records Act (Cal. Government Code Section 6250 et seq.) All documents that are sent to the City will be subject to disclosure if requested by a member of the public. There are a very limited number of narrow exceptions to this disclosure requirement.

Therefore, any proposal which contains language purporting to render all or significant portions of their proposal "Confidential", "Trade Secret", "Proprietary", and fails to provide the exemption information required as described below will automatically be considered a public record in its entirety and shall be disclosed to the requesting party without further consideration or notice.

The City will not disclose any part of any proposal before it announces a recommendation for award, on the ground that there is a substantial public interest in not disclosing proposals during the evaluation and negotiation process. After the announcement of a recommended award, all proposals received in response to this RFP will be subject to public disclosure.

Proposers that hold that portions of their proposal are exempt from disclosure under the Public Records Act must mark the portions considered as such and state the specific provisions of the Public Records Act which provides the exemption as well as the factual basis for claiming the exemption. Do not mark the entire proposal as "confidential". The City will attempt to maintain the confidentiality of documents so marked but will not guarantee to do so.

SECTION 5 – SUBMITTAL REQUIREMENTS

This Section includes the required proposal outline and a description of the specific information proposers must include. Proposer must provide the information specified in this section as part of its proposal. Failure to provide all the required information may be grounds for rejection of a proposal.

Proposer should not need to restate the service requirements listed in the RFP and the Collection Agreement in their proposal. However, proposer is requested to focus on describing how its plans to provide the services with regard to routing strategies, collection methods, and equipment selection. Furthermore, if a proposer has presented information for one type of service that is the same for another type of service, proposer can refer to its previous description rather than restating the discussion. For example, if SFD solid waste and recyclables collection vehicles are the same, the vehicle description can be provided once for the solid waste service and then referenced for the recyclable materials collection service.

5.1 PROPOSAL OUTLINE

Proposer shall present its proposal in accordance with the outline provided in Table 5.1-1. **The RFP sections that specify information to be provided by proposer for each section of its proposal is included in Table 5.1-1. For instance, the portion of the Proposal Outline titled 2. *Proposal for Requested Collection Services* will require you to reference Section 3 of this RFP.** Additional information or data relevant to the proposal is optional and must be included by proposer as proposal attachments.

Table 5.1-1: Proposal Outline

		Reference RFP Section
i.	Title Page	N.A.
ii.	Cover Letter	5.2
iii.	Table of Contents	N.A.
ES	Executive Summary	5.3
1.	Company Description	5.4
	A. Business Structure	5.4.1
	B. Collection Experience	5.4.2
	C. Service Initiation Experience	5.4.3
	D. Existing Customer Service Systems	5.4.4
	E. Key Personnel	5.4.5
	F. Past Performance Record	5.4.6
	G. Financial Information	5.4.7
2.	Proposal for Requested Collection Services	3.0
	A. SFD Core Services	3.1.1
	B. SFD Optional Services	3.1.2
	C. Commercial Core Services	3.2.1
	D. Commercial Optional Services	3.3.2
	E. City Facilities Core Services	3.3.1
	F. Solid Waste Disposal Plan	3.4.3
	G. Construction & Demolition Waste Material Diversion	3.4.4
	H. Public Education	3.6
	I. Customer Service Operations Plan	3.7
	J. Billing	3.8
	K. Implementation Plan	3.9
	L. Potential Collection Impacts	3.10
	M. Additional Information	5.8.3
3.	Exceptions to the RFP and Collection Agreement	5.6
4.	Price Proposal	5.7
5.	Other Proposal Forms	5.8
	B. Anti-Collusion Affidavit	5.8.1
	C. Code of Conduct	5.8.2

5.2 COVER LETTER

The cover letter shall clearly identify the legal entity or entities submitting the proposal and state whether each entity is a sole proprietorship, partnership, corporation, or joint venture. The cover letter shall be signed by the designated representative authorized to bind proposer. The cover letter must state that the proposer is ready, willing and able to perform the services as proposed.

5.3 EXECUTIVE SUMMARY

Proposer shall provide an executive summary to introduce its proposal; present its strategy and costs; and highlight unique aspects of its approach to servicing the City of La Habra Heights.

5.4 COMPANY DESCRIPTION

5.4.1 BUSINESS STRUCTURE

Proposer shall include the following in its proposal:

1. Confirm that proposer is authorized to do business in California.
2. Identify the legal entity that would execute the Collection Agreement. State whether each entity is a sole proprietorship, partnership, corporation, or joint venture. Describe in detail the relationship of the proposer to the executing entity. If the proposer is a joint venture, describe where the entities have collaborated before.
3. State the number of years the entities have been organized and doing business under this legal structure. Proposal must include all the names of company's (and executing entities' if different than company's) owners/stockholders with greater than a 10% holding and creditors owed a debt greater than 10% of the company's total assets.
4. Proposer shall describe all services to be performed by subcontractors, and identify each subcontractor by name. Proposer shall describe any current or past working relationship with the subcontractor(s) in the past five (5) years.

5.4.2 COLLECTION EXPERIENCE

Proposer must describe its experience serving jurisdictions in California (preferably serving jurisdictions of similar or larger size and similar demographics to La Habra Heights). Proposer's description for each comparable jurisdiction shall include:

1. The name of the jurisdiction where the services were provided, commencement date of services and term of the agreement;
2. The service provided (e.g., solid waste collection, recyclable materials, green waste collection, and other unique collection programs such as those for e-waste, u-waste, or household hazardous waste);

3. The name, address, and telephone number of the jurisdiction representative responsible for administering the agreement; and
4. The number of residential (i.e., specify SFD), commercial (i.e., specify cart, bin, roll-off and other) and City (or other) customers served; tons collected, diverted, and disposed; and type and number of vehicles dispatched per day for each of the services provided.

5.4.3 SERVICE INITIATION EXPERIENCE

The City of La Habra Heights is interested in learning about each proposer's experience with service initiations that are comparable in size and scope to the services described in this RFP, especially, the implementation of new Collection Agreements in which the proposer replaced the existing Collector. Include a minimum of three reference projects for which the proposer has initiated a new collection contract and/or new collection services. For each reference program, the description shall include:

1. The name of the jurisdiction where the services were provided and commencement date and term of the agreement;
2. The service initiation performed (i.e., initiation of a new Collection Agreement, implementation of single-stream recyclables collection, implementation of automated collection, universal roll-out/distribution of recycling service to all multi-family and commercial accounts, and length of time to complete);
3. The name, address, and telephone number of the jurisdiction representative responsible for administering the agreement;
4. The number of residential and commercial customers served, tons collected, tons diverted, tons disposed, and type and number of vehicles dispatched per day for solid waste, recyclable materials, and organic material services;
5. Description of how the company handled the specific requirements for the procurement of vehicles and personnel; training of personnel; billing and fee collection services; determination of routes and operating procedures; delivery of containers; public education; and the preparation of procedures to ensure a smooth transition from one company to another and one type of service to another, use of recycled content carts; and
6. Identification of problems that occurred during the initiation of the new contract and solutions implemented to solve the problems.

5.4.4 EXISTING MANAGEMENT & CUSTOMER SERVICE SYSTEMS

Proposer shall describe the management systems and customer service systems its company uses to manage inquiries and complaints received from residential and commercial customers. If the proposer uses different systems for different communities, then the proposer shall provide a separate description of no more than three systems. The description of the management systems and customer service systems shall include, at a minimum:

1. The name, type of equipment, and software used to maintain routing and customer service information.
2. Management procedures for managing inquiries and complaints and procedures used to minimize complaints (e.g., missed pick-ups, noise, spills, etc.).
3. Description of system capability and/or procedures to ensure timely accessibility of information by jurisdictions served.
4. Description as to whether individual call centers are established for each service area or if customer calls are handled by a centralized call center and identification of the location of call centers.
5. Indication as to whether the system is used company-wide or for select jurisdictions (listing which jurisdictions).
6. Description of how the customer service information interfaces with route data and billing data.
7. Description of procedures used to satisfactorily respond to, record, and report common customer complaints such as: missed pick-ups; spills and litter resulting from collection; collection schedule changes; broken or missing containers; improperly prepared set-outs; noise complaints; traffic and sidewalk obstruction during collection; and, safety around collection vehicles during operations.
8. Description of how the company measures customer service with regard to the call center's responsiveness and accuracy of responses, as well as the quality of collection service. Identify specific performance metrics or targets your company tracks. Provide actual reports for at least three jurisdictions that document the actual performance level against your targets including, at a minimum, average hold times of the customer service call center and missed pick-ups.
9. Identify if the company has a website that its customers use to obtain customer rates and service information, and to submit inquiries or complaints. Provide website address, if applicable.

5.4.5 KEY PERSONNEL

Provide an organization chart for key personnel and job descriptions indicating the qualifications and experience of key personnel the proposer would assign to:

1. The transition team; and
2. The ongoing management of the services provided under the Collection Agreement.

Specify the amount of time each individual will be dedicated to provide the services specified in the Collection Agreement. Provide names, and phone numbers of municipal references that have worked with the key proposed management team members. At a minimum, key personnel shall include the chief executive officer (CEO), chief financial officer (CFO), president, vice president, general manager, operations manager, customer service manager, maintenance manager, and public

education specialist or other personnel with similar titles. If specific individuals have not been identified for one or more positions, provide the job description and hiring criteria that will be used to select the individual.

5.4.6 PAST PERFORMANCE RECORD

1. Criminal Proceedings. Describe any criminal proceedings in which proposer, any affiliate of the proposer, and/or any director or officer of the proposer or affiliate (with respect to their actions in such capacity), and any individual identified as Key Personnel in the Proposal has been named as a defendant that are either currently pending or were concluded within the past five (5) years. For each proceeding, provide the name of the case, the court in which it was filed, the docket number, and the disposition.
2. Civil Litigation. Describe any lawsuit in which the proposer or any affiliate of the proposer has been named as a defendant or cross-defendant, either currently pending or were concluded within the past five (5) years. For each lawsuit, provide the name of the case, the court in which it was filed, the docket number, and the disposition. Lawsuits which involved only claims for personal injury or property damage arising from vehicle accidents which resulted in defense verdicts or in judgments against defendant, or settlements, of less than \$10,000, need not be disclosed.
3. Administrative Proceedings. Describe any administrative proceedings involving the proposer or any affiliate initiated by federal, state or local regulatory agencies (including, by way of example, the United States Environmental Protection Agency, the California Integrated Waste Management Board, the California Department of Motor Vehicles, the California Department of Industrial Relations, the State Waste Resources Control Board or any regional water quality control board) that are either currently pending or were concluded within the past five (5) years. For each, provide the name of the agency, the office or district in which the proceeding occurred, the nature of the proceeding, the disposition, and the amount of any fines or penalties assessed.
4. Payment of Liquidated Damages. List each jurisdiction in California (e.g., city, county, special district, or JPA) which assessed liquidated damages against the proposer or any affiliate of the proposer within the past five (5) years in an amount greater than \$50,000. For each jurisdiction list the amount of liquidated damages paid and the event initiating contractual liability for liquidated damages.
5. Work Safety. For the proposer, and any affiliate of the proposer, provide information detailing its worker safety record for the past five (5) years. The information shall include employee safety metrics commonly used in the industry including but not limited to the number of hours lost for individual injuries per employee and worker's compensation insurance ratios.
6. Customer Service. For the proposer, and any affiliate of the proposer, provide information detailing deficiencies in compliance with contractually stipulated customer service requirements for the past five (5) years. The information shall include a description of the areas of customer service that were not complied with, the duration and scope of the non-compliance, and how the Collector addressed and/or resolved the problems.

Proposers may limit information requested in Items 2, 3, 5 and 6 to civil lawsuits, administrative proceedings, worker safety records, and customer service deficiencies to those arising out of the proposer's (and its affiliates') operations and facilities in California.

5.4.7 FINANCIAL INFORMATION

1. Financial Statements. Submit financial statements for the most-recently completed fiscal year for the legal entities that would execute the Collection Agreement described in Attachment 7.6. If proposer is a new entity, the proposal must include statements from the majority owners' existing business entities. All such statements are to be prepared in accordance with Generally Accepted Accounting Principles applied on a consistent basis and shall include a statement by the chief financial officer of the entity described in Attachment 7.6 that there has been no material adverse change in such condition or operations as reflected in the submitted balance sheet and income statements since the date on which they were prepared.
2. Financing Plan. Describe the plan for financing all capital requirements (i.e., those listed on Cost Proposal Forms Attachment 7.4 in a "Sources and Uses of Funds" format, which describes the sources of required capital (e.g., banks, leasing companies, cash reserves, etc.) and uses (e.g., property, trucks, equipment, containers, reserves, etc.). Attach supporting documents (e.g., commitment letters from banks or leasing companies) that demonstrate your ability to implement the financing plan.
3. Surety. Each proposal must be accompanied by surety made payable to the City of La Habra Heights in the amount of \$75,000 and in the form of a certified check, cashier's check, or bid bond.
4. Performance Bond. Demonstrated ability to secure a performance bond.

5.5 GENERAL SUBMITTAL REQUIREMENTS

Proposer shall describe how it plans to perform the collection services requested in Section 3 of this RFP and described in the Collection Agreement. Information must separately address all three service sectors: SFD, Commercial, and City Facilities. Proposer must explain any differences in the method of delivering the services, equipment used, and containers to be provided. The description shall also note differences in terms of routing strategies, collection methods, vehicles, collection crew size, etc. In addition, proposer must describe in detail why its technical approach to the services was chosen.

Proposer shall include, at a minimum, the following:

1. Routing strategy and productivity assumptions for SFD and commercial; discussion of route productivity assumptions (in terms of single-family accounts per route per day and commercial lifts per route per day)
2. Collection methodology (e.g., automated, semi-automated, one- or two-person crews, etc.)

3. Number of and description of the collection vehicles to be utilized (e.g. vehicle description, manufacturer and model number, cost, capacity, age, lease or ownership arrangements, etc.).
4. Manufacturer's specifications of containers to be utilized. **New carts shall be provided for SFDs and commercial customers.** Container requirements are described in Section 7.06 of the Collection Agreement. Proposer shall supply complete technical data on the specific cart being used. The data should include manufacturing specifications. Proposer must also provide a user's list of other jurisdictions that used the same make and model of cart. The City or their designee may use this information as a reference list regarding the quality of products and service records of the manufacturer.

5.6 EXCEPTIONS TO RFP & COLLECTION AGREEMENT

To provide proposer with a clear understanding of the roles, responsibilities, rights, and obligations of the Collector and the City of La Habra Heights, the proposed Collection Agreement has been prepared and is included as Attachment 7.06. Proposer is required to review the Collection Agreement prior to submittal of their proposal. This review process allows proposer to prepare the proposal and costs for services with full consideration of its rights and obligations.

The City expects the Collection Agreement will be executed by the selected Collector in substantially the same form as presented in Attachment 7.6. Proposer must describe in detail any proposed exceptions to the RFP. For each RFP exception noted, proposer shall provide alternative language for consideration by the City. **To document the proposer's exceptions to the Collection Agreement and proposed alternative language, proposer shall record its exceptions and proposed alternative language directly in the electronic version of the Collection Agreement and include a hard-copy, redline and strikeout version of the Collection Agreement in its proposal.**

The City shall reserve the right to determine if the exceptions are reasonable.

If the City chooses to enter into negotiations with a proposer, the noted comments and recommended alternative Collection Agreement language will serve as a starting point for discussion. Proposer will be deemed to have accepted and agreed to any provisions of the RFP and/or proposed terms and conditions of the Collection Agreement, which have not been noted as exceptions in the proposal. With this understanding, the selected Collector may not initiate discussion related to Collection Agreement language for which no exceptions were noted.

5.7 RATE PROPOSAL

Please see Attachment 7.4 for rate proposal forms to be filled out and included with proposal. The rate proposal forms in excel format are available and will be provided to all proposers.

5.8 OTHER PROPOSAL FORMS

5.8.1 ANTI-COLLUSION AFFIDAVIT

Each proposer shall complete and submit the Anti-Collusion Affidavit, Attachment 7.5. The Anti-Collusion Affidavit shall be signed by the designated representative authorized to bind the proposing company as documented on the Secretary's Certificate.

5.8.2 CODE OF CONDUCT

Each proposer shall sign and submit the Proposer Code of Conduct, Attachment 7.2. The Code of Conduct shall be signed by the designated representative authorized to bind the proposing company as documented on the Secretary's Certificate.

5.8.3 ADDITIONAL INFORMATION

Additional information or data relevant to the proposal is optional and may be included by a proposer as an attachment to the proposal.

SECTION 6 – PROPOSAL EVALUATION PROCESS

This section describes the proposed process for evaluating proposals and selecting the Collector(s). Section 6.1 describes the parties that will be involved in the evaluation process including those that will make contract award recommendations for final approval by the City. Section 6.2 presents the evaluation criteria. Note that the City of La Habra Heights reserves the right to modify this process in any way and at any time during the RFP and Collector selection process.

6.1 PROPOSAL EVALUATION PROCESS

6.1.1 EVALUATION & SELECTION PROCESS

An Evaluation Team will be designated by the City. The Evaluation Team will conduct a detailed evaluation of the proposals, request additional data, rank proposals, and provide comparative descriptions of the proposals. MSW Consultants will manage the evaluation process and assemble the findings into a final report. Then, with direction from the City Manager and the assistance of City staff, MSW Consultants will prepare a recommendation for the contract award.

The City Council will review the Evaluation Committee's recommendation and take appropriate action.

6.1.2 EVALUATION TEAM

As described above, the Evaluation Team will facilitate the evaluation process and provide technical support to the City Manager and City Council. The Evaluation Team will conduct the following tasks:

- Review all proposals received for compliance
- Prepare a comparative summary of proposals
- Rate proposals using a quantitative method based on the criteria presented in Section 6.2 (or other criteria as directed by the Selection Committee)
- Analyze financial capabilities of companies
- Conduct reference checks
- Evaluate reasonableness and competitiveness of cost proposals
- Request clarification information from the proposer
- Attend and participate in the proposer interviews and site visits
- Rank proposals
- Provide further assistance to the City Manager and City Council as requested
- Finalize the proposal scores and rankings and form a recommendation for contract award

During the process, proposer will be required to attend interviews, allow site visits, and give presentations to the City of La Habra Heights.

6.2 EVALUATION CRITERIA

Proposals will be objectively evaluated based on criteria that may include, but is not limited to, the following factors.

- Responsiveness
- Company's Qualifications
- Proposal for Core Collection Services
- Financial Resources
- Cost Proposal – Will be evaluated on total revenue requirement over contact term. Proposals deemed to be below costs of service will be downgraded and may be disqualified.

SECTION 7 – ATTACHMENTS

7.1 CITY OF LA HABRA HEIGHTS CODE OF CONDUCT

The City of La Habra Heights is planning to request and receive proposals for the collection and processing of solid waste, recyclable materials and green waste within the jurisdiction of the City.

The members of the City Council are obligated to comply with the Political Reform Act of 1974 ("PRA") and the Brown Act (Government Code §56950 et seq.).

CITY COUNCIL MEMBER CODE OF CONDUCT APPLICABLE TO THE COLLECTOR SELECTION PROCESS

1. Ex Parte Contacts:

- These are written/verbal contacts outside City Council meetings with participants.
- The contacts are with participants in the RFP process for selecting one or more Collectors for the Collection Agreement. It excludes contacts with them that are arranged by staff.
- The start date is **September 13, 2013**, when the RFP process is most likely to begin.
- There is no penalty stated, but the ex parte contact is to be disclosed by the Council Member at the very next Council meeting.

2. Gifts/Compensation

- Participants are defined as above.
- Gifts and compensation are given their common meaning.
- Acceptance of such can lead to a censure proceeding brought by the City Council.
- The start date is **September 13, 2013**.

The goal for this policy is to keep the RFP participants at arm's length from Council Members during the RFP process and avoid anything by way of contacts or gifts that would taint the process. The policy as stated should accomplish this result for the Council.

A. Ex Parte Contacts Prohibited

From **September 13, 2013**, and prior to the City of La Habra Heights City Council selection of Collector or **March 13, 2014**, whichever comes later, City Council Members are prohibited from having any verbal or written communications (ex parte contacts) with any Proposer (defined as any entity or individual involved in making a submittal to the City of La Habra Heights in response to the RFP process to select a Collector for the collection and processing of solid waste, recyclable materials and green waste concerning any matter related to the RFP process or Collector Selection process, except in the course of a legally noticed meeting of the City Council, or any subcommittee of the Council, or in conjunction with an ex parte contact arranged by and involving the City staff and/or consultants.

If any such unauthorized ex parte contact occurs, the Council Member shall disclose its occurrence at the next meeting of the City Council that next follows the said ex parte contact.

B. Gift and Compensation Prohibited (also applicable to City staff and consultants)

From **September 13, 2013**, to prior to City Council selection of Collector or **March 13, 2014**, whichever comes later, City Council Members, are prohibited from accepting any gift of any monetary value, or compensation of any kind (as defined under the California Political Reform Act) from a Proposer (defined above). This prohibition shall also apply to City staff and consultants.

Any Council Member who accepts such a gift or compensation may be subject to censure by the City Council. Any City staff member who violates this policy may be subject to discipline including termination of services, and any consultant who violates this policy may be subject to termination of services.

C. It is understood that this Code of Conduct is in addition to any other applicable state or local regulations that apply to the conduct of the City Council.

7.2 PROPOSER'S CODE OF CONDUCT

The City of La Habra Heights is planning to request and receive proposals for the collection and processing of solid waste, recyclable materials and green waste within the jurisdiction of the City.

The members of the City Council are obligated to comply with the Political Reform Act of 1974 ("PRA") and the Brown Act (Government Code §56950 et seq.).

The City has a desire to maintain a process free from any undue influence and the appearance of impropriety. The City prepared this "Proposer's Code of Conduct".

A potential proposer is defined as any individual or entity involved in making a proposal to the City under the Collector Selection Process ("Potential Proposer").

Each Potential Proposer is individually responsible for ensuring compliance with the following Code of Conduct. The Potential Proposer's responsibility to comply with this Code of Conduct shall extend to the Potential Proposer's employees, agents, consultants, lobbyists, or other parties or individuals engaged for the purposes of developing or supporting the Potential Proposer's proposal.

The Proposer Code of Conduct is presented below:

1. Ex Parte Prohibited

From **September 13, 2013**, and prior to the City of La Habra Heights City Council selection of Collector or **March 13, 2014**, whichever comes later, Potential Proposers are prohibited from having any verbal or written communications (ex parte contacts) with any City Council Members related to any matter related to the RFP process or Collector Selection process, except in the course of a legally noticed meeting of the City Council, or any subcommittee of the Council, or in conjunction with an ex parte contact arranged by and involving the City staff and/or consultants.

If any such unauthorized ex parte contact occurs, the Council member shall disclose its occurrence at the next meeting of the City Council that next follows the said ex parte contact.

2. Gift and Compensation Prohibited

From **September 13, 2013**, to prior to City Council selection of Collector or **March 13, 2014**, whichever comes later, Potential Proposers are prohibited from giving any gift of any monetary value, or compensation of any kind (as defined under the California Political Reform Act) to a City Council Member or any City staff member or consultant.

Please be aware that any Council Member who accepts such a gift or compensation may be subject to censure by the City Council. Any City staff member who violates this policy may be subject to discipline including termination of services, and any consultant who violates this policy may be subject to termination of services. Any Potential Proposer who violates this policy as to gifts or compensation may be subject to disqualification by the City Council from the Collector Selection Process.

3. Collusive Activities Prohibited

From **September 13, 2013**, to prior to City Council selection of Collector or **March 13, 2014**, whichever comes later, collusive activities among Potential Proposers are expressly forbidden and will likely result in immediate disqualification from the Collector Selection Process. If two or more Potential Proposers are developing a joint proposal, the Potential Proposers must notify City staff (see contact information provided below) in writing no later than thirty (30) days prior to the deadline for submission of proposals. This notification will be kept confidential until after submission of all technical and cost proposals.

Executed under penalty of perjury on this _____ day of _____, 2013 at _____

SIGNED BY: _____

TITLE: _____

Subscribed and sworn to before me this _____ day of _____, 2013 at _____

Notary Public
My Commission expires:

7.3 CITY FACILITIES

Table 7.3-1: City Facilities Cart and Bin Service

Location Name	Location Address	Bin Size	# Bins	Weekly Pickups
La Habra Heights City Hall	1245 N. Hacienda Road	3 yard	2	1
The Park	1885 N. Hacienda Road	3 yard	1	1

7.4 RATE PROPOSAL FORMS

Form 7.4-1

Summary of Proposed Annual Rate Revenue			
Proposer:			
Column			
A	B	C	D
Line	Service Sector	Form Reference	Total Proposed Rate Revenue
	Core Services:		
1	SFD Cart Service	From line 6 column E of Form 7.4-2	
2	Commercial Bin Service	From line 32 column I of Form 7.4-3	
3	Rolloff Service	From line 4 column E of Form 7.4-4	
4	Extra Services	From line 5 column E of Form 7.4-5	
5	Temporary Bin Services	From line 10 column E of Form 7.4-5	
6	Subtotal - Core Services		
	Optional Services:		
7	HHW Collection at Quarterly Cleanups	From line 8 column E of Form 7.4-2	
8	Subtotal - Optional Services		
9	Total of Core and Optional Services		

Form 7.4-2

Proposed Single Family Residential Rates and Proposed Annual Rate Revenue				
	Proposer:			
Column				
A	B	C	D	E
Line	Service Description	Rate (a)	Estimated Number of Units (b)	Proposed Annual Revenue (c)
Core Residential Services:				
1	SFD 96 gallon Cart Service (1 Refuse, 1 Recycling, 1 Greenwaste)		Per Customer per Month	1,651
2	Additional Refuse Carts		Per Customer per Month	320
3	Additional Greenwaste Carts		Per Customer per Month	1,126
4	Cart Roll Out (Scout) Service		Per Customer per Month	2
5	Pup Truck Service		Per Customer per Month	115
6	Subtotal: Core Residential Services (d)			
Optional Citywide Residential Services:				
7	Household Hazardous Waste Collection during Quarterly Cleanups		Per Customer per Month	1,651
8	Subtotal: Optional Citywide Residential Services (e)			
9	Total of Core and Optional Residential Services			

Instructions - Form 7.4-2 - Proposed Residential Rates

- (a) Enter a proposed rate for each type of service on lines 1 through 5, and line 7 in column C.
- (b) Proposers must not change any of the number of units in column D. The same number of units will be used to calculate the proposed annual rate revenue for all proposers.
- (c) Multiply the proposed rates on lines 1 - 5, and line 7, in column C by the estimated number of units in column D, and then by 12 months.
- (d) Summarize lines 1 through 5 in column E. Carry the total proposed annual rate revenue on line 6 above to line 1 of column D on Form 7.4-1.
- (e) This amount is equal to line 7 in column E. Carry the total proposed annual rate revenue on line 8 above to line 7 of column D on Form 7.4-1.

Form 7.4-3

Proposed Commercial Bin Rates and Proposed Annual Bin Rate Revenue

Proposer:

Column

A	B	C	D	E	F	G	H	I
---	---	---	---	---	---	---	---	---

Table 1 - Proposed Monthly Rates - Commercial Customers (a)

Line	Bin Description	Pickups Per Week					
		1	2	3	4	5	6
1	2 yd. Refuse						
2	3 yd. Refuse						
3	4 yd. Refuse						
4	6 yd. Refuse						
5	2 yd. Green						
6	3 yd. Green						
7	4 yd. Green						
8	2 yd. Manure						
9	3 yd. Manure						
10	4 yd. Manure						

Table 2 - Number of Commercial Bins at Each Service Level (b)

Line	Bin Size	Pickups Per Week						Total Commercial Bins
		1	2	3	4	5	6	
11	2 yd. Refuse	107						107
12	3 yd. Refuse	112	1	2				115
13	4 yd. Refuse	1						1
14	6 yd. Refuse	1						1
15	2 yd. Green							
16	3 yd. Green	2						2
17	4 yd. Green							
18	2 yd. Manure							
19	3 yd. Manure	5						5
20	4 yd. Manure							
21	Total	228	1	2				231

Table 3 - Proposed Total Annual Commercial Rate Revenue (c)

Line	Bin Size	Pickups Per Week						Annual Commercial Revenue
		1	2	3	4	5	6	
22	2 yd. Refuse							
23	3 yd. Refuse							
24	4 yd. Refuse							
25	6 yd. Refuse							
26	2 yd. Green							
27	3 yd. Green							
28	4 yd. Green							
29	2 yd. Manure							
30	3 yd. Manure							
31	4 yd. Manure							
32	Total (d)							

Instructions - Form 7.4-3 - Proposed Commercial Rates

(a) Enter a proposed rate for each level of service in Table 1 on lines 1 through 10 in columns C through H. Proposers must provide rates for all levels of service regardless of whether there is a corresponding number of bins in Table 2. All proposed rates must be reasonably consistent on a per-yard basis.

(b) Proposers must not change any of the number of bins in Table 2. The same number of bins will be used to calculate the proposed annual rate revenue for all proposers.

(c) For each level of service in rows 22 through 31, multiply the proposed monthly rates in Table 1 by the corresponding number of bins in Table 2 and then by 12 months.

(d) Carry the total amount of annual rate revenue for Commercial Bin Services on line 32 in column I above to line 2 column D of Form 7.4-1.

Form 7.4-4

Proposed Rolloff Rates and Proposed Annual Rolloff Rate Revenue				
		Proposer: 		
Column				
A	B	C	D	E
Line	Service Description	Proposed Flat Rate per Load (a)	Estimated Rolloff Loads per Year (b)	Annual Rolloff Rate Revenue (c)
1	Rolloff - 10 yard		20	
2	Rolloff - 40 yard		80	
			Tons per Year in Excess of 5 tons per Load	
3	Total Tons per Year in Excess of 5 tons per Load		50	
4	Proposed Annual Rolloff Rate Revenue (e)			
Instructions - Form 7.4-4 - Proposed Rolloff Rates				
(a) Enter a proposed rate for each type of service on lines 1 through 3 in column C. The proposed rate is a flat rate per load, and includes disposal costs for up to 5 tons. Enter the rate per ton for any tons in excess of 5 tons per load on line 3 of column C.				
(b) Proposers must not change any of the number of loads or tons in column D. The same number of loads or tons will be used to calculate the proposed annual rate revenue for all proposers.				
(c) Multiply the proposed flat rate per load on lines 1 and 2 in column C by the estimated number of rolloff loads per year in column D. Multiply proposed rate per ton on line 3 in column C by the estimated number of tons in column D.				
(d) Summarize lines 1 through 3 in column E. Carry the total proposed annual rolloff rate revenue on line 4 above to line 3 of column D on Form 7.4-1.				

Form 7.4-5

Proposed Rates for Extra Services and Temporary Bin Service and Proposed Annual Rate Revenue				
	Proposer: 			
Column				
A	B	C	D	E
Line	Service Description	Proposed Rate (a)	Estimated Quantity (b)	Annual Rate Revenue (c)
Extra Services				
1	Bin Locks (<i>Monthly</i> Rate per Weekly Lift)		Rate per Customer per Month 3	
2	Scout Service for Bins (<i>Monthly</i> Rate per Weekly Lift)		Rate per Customer per Month 210	
3	Extra Bin Pickups (<i>Rate per Bin per Pickup</i>)		Rate per Bin per Pickup 12	
4	On-call Bulky Item Pickup beyond five (5) items twice per year.		Rate per Bin per Pickup 12	
5	Cart Wash Service (up to 5 carts washed at a time)		Rate per Cart Wash Service 12	
6	Total Extra Services (d)			
Temporary Bin Service				
7	3-yard clean up bin - Delivery and removal (<i>Rate per Bin per Pickup</i>)		Rate per Bin per Pickup 8	
8	3-yard clean up bin - Each additional dump		Rate per Bin per Each Additional 4	
9	3-yard clean up bin - Dead run		Rate per Bin per Dead Run 1	
10	3-yard clean up bin - Weekly rental with no dump		Rate per Bin per Additional Week 3	
11	Total Temporary Bin Service (e)			

Instructions - Form 7.4-5 - Proposed Extra Services and Temporary Bin Services	
(a) Enter a proposed rate for each type of service on lines 1 through 5, and 7 through 10, in column C.	
(b) Proposers must not change the number of estimated number of units in column D.	
(c) The rates on lines 1 and 2 are recurring monthly rates. For lines 1 and 2, multiply the rate in Column C by the number of units in Column D and then by 12 months . The rates on lines 3 through 5, and 7 through 10, are rates for each event. For lines 3 through 5, and 7 through 10, multiply the rate by the number of units only .	
(d) Sum lines 1 through 5 in column E; carry the result to line 4 of column D of Form 7.4-1.	
(e) Sum lines 7 through 10 of column E; carry the result to line 5 of column D of Form 7.4-1.	

7.5 ANTI-COLLUSION AFFIDAVIT

The following affidavit is submitted by proposer as a part of this proposal:

The undersigned deponent, of lawful age, being duly sworn, upon his oath deposes and says: that he has lawful authority to execute the within and foregoing proposal; that he has executed the same by subscribing his name hereto under oath for and on behalf of said proposer; that proposer has not directly or indirectly entered into any agreement, express or implied, with any proposer or proposers, having for its object the controlling of the price or amount of such proposal or proposals, the limiting of the proposals or proposers, the parceling or framing out to any proposer or proposers or other persons of any part of the agreement or any part of the subject matter of the proposal or proposals or of the profits thereof, and that he has not and will not divulge the sealed proposal to any person whomsoever, except those having a partnership or other financial interest with him in said proposal or proposals, until after the said sealed proposal or proposals are opened.

Deponent further states that the proposer has not been a party to any collusion among proposers in restraint of freedom of competition; by agreement to make a proposal at a fixed price or to refrain from submitting a proposal; or with any state official or employee as to quantity, quality, or price in the prospective agreement; or in any discussions between proposers and any City of La Habra Heights official concerning exchange of money or other things of value for special consideration in the letting of an agreement; that the proposer/Company has not paid, given or donated or agreed to pay, give or donate to any official, officer or employee of the City of La Habra Heights directly or indirectly, in the procuring of the award of agreement pursuant to this proposal.

Executed under penalty of perjury on this ____ day of _____, 2013 at _____.

SIGNED BY: _____

TITLE: _____

Subscribed and sworn to before me this _____ day of _____, 2013 at _____.

Notary Public

My Commission expires:

7.6 COLLECTION AGREEMENT

LA HABRA HEIGHTS SOLID WASTE SERVICES CONTRACT

CONTRACT FOR THE PROVISION OF SOLID WASTE SERVICES

**Executed Between the
City of La Habra Heights (City) and
(Contractor)**

This _____ day of March, 2014

LA HABRA HEIGHTS SOLID WASTE SERVICES CONTRACT

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LA HABRA HEIGHTS SOLID WASTE SERVICES CONTRACT

EXHIBIT 1 – INITIAL RATES

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EXHIBIT 3 – PERFORMANCE BOND

EXHIBIT 4 – LIST OF CITY FACILITIES

DRAFT

This Solid Waste Services Contract ("Contract") made and entered into this ____ day of _____, 2014, by and between the **City of La Habra Heights**, hereinafter referred to as "City" and _____, a **California** _____ corporation, hereinafter referred to as "Contractor".

Now, therefore, in consideration of the mutual covenants, Contracts and consideration contained herein, the City and Contractor hereby agree as hereinafter set forth:

ARTICLE 1. DEFINITIONS

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

1.01 ACT

"Act" means the California Integrated Waste Management Act of 1989 (California Public Resources Code Section 40000 et seq.), as it may be amended from time to time.

1.02 AFFILIATE

"Affiliate" means all businesses (including corporations, limited and general partnerships and sole proprietorships) which are directly or indirectly related to Contractor by virtue of direct or indirect ownership interest or common management. An Affiliate shall include a business in which Contractor owns a direct or indirect ownership interest, a business which has a direct or indirect ownership in Contractor, and/or a business which is also owned, controlled or managed by any business or individual which has a direct or indirect ownership interest in Contractor. For purposes of determining whether an indirect ownership interest exists, the constructive ownership provisions of Section 318(a) of the Internal Revenue Code of 1986, in effect on the date of this Contract shall apply.

1.03 ANNUAL DIVERSION REPORT

"Annual Diversion Report" means the annual report submitted by the Contractor to the City describing the previous year's diversion activities, diversion percentages and associated calculations and the description of the diversion activity planned for the upcoming year, if applicable. The Annual Diversion Report shall be prepared in a manner that directly corresponds to the reporting requirements of CalRecycle.

1.04 BILLINGS

"Billings" or "Billing" or "Bill" means the statement(s) of charges provided to Customers for services rendered by Contractor.

1.05 BIN

"Bin" means a detachable metal container with a capacity from one (1) to six (6) cubic yards, equipped with a lid, and designed for mechanical pick-up by front-loading collection vehicles.

1.06 BIN SERVICE

"Bin Service" means Solid Waste Services in which a Bin is used for the Collection of Solid Waste.

1.07 BIOHAZARDOUS OR BIOMEDICAL WASTE

"Biohazardous or Biomedical Waste" means 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.

1.08 BULKY WASTE

"Bulky Waste" means large items of Solid Waste that cannot and/or would not typically be accommodated within a Cart including specifically furniture (including chairs, sofas, mattresses, and rugs); White Goods; Electronic Waste; residential wastes (including

wood waste, tree trunks and large branches if no larger than two feet (2') in diameter and four feet (4') in length, and clothing. Bulky Waste does not include car bodies, car parts, Construction and Demolition Debris, or items requiring more than two persons to remove. In the event a question ever arises as to whether a specific item or category of items meets the definition of Bulky Waste, City shall be responsible to determine whether said definition shall apply, which determination shall be final and binding on the Contractor. Bulky Waste does not include items herein defined as Exempt Waste. Bulky Waste must have been generated on the Customer's Premises in order to qualify for removal.

1.09 CART

"Cart" means a plastic Container with a hinged lid and wheels serviced by an automated or semi-automated truck with a capacity of no less than 30- and no greater than 101-gallons.

1.10 CART ROLL-OUT SERVICE

"Cart Roll-Out Service" shall mean the removal and replacement of a Cart or Carts from the Customer's Premises manually or by use of a Scout Vehicle weighing not more than 2 tons. Cart Roll-Out Service is a service upgrade for those Customers who are unable or unwilling to place their Cart(s) at the pavement's edge for pick-up.

1.11 CITY

"City" means the City of La Habra Heights, California.

1.12 CITY COUNCIL

"City Council" means the City Council of the City of La Habra Heights, California.

1.13 CITY FACILITIES

"City Facilities" means those City properties listed in Exhibit 4 which is attached to and included in this Contract, as such Exhibit 4 now exists or may subsequently be amended by City.

1.14 CITY MANAGER

“City Manager” means the City Manager of the City of La Habra Heights or the City Manager’s designee.

1.15 CALRECYCLE

CALRecycle is the California Department of Resources Recycling and Recovery.

1.16 COLLECTION

“Collection” means the process whereby Solid Waste is removed and transported from within the City.

1.17 COMMERCIAL PREMISES

“Commercial Premises” means all premises in the City, other than Residential Premises, where solid waste is generated or accumulated. The term “Commercial Premises” includes, but is not limited to: Multi-Family Premises, stores; offices; industrial plants; federal facilities; private schools; school district offices, special districts and water districts (to the extent permitted by law); restaurants; rooming houses; hotels; motels; manufacturing, processing, or assembly shops or plants; hospitals, clinics, convalescent centers and nursing homes (non-medical waste only).

1.18 COMMERCIAL SERVICE

“Commercial Service” means Solid Waste Services performed at or for Commercial Premises.

1.19 COMPACTOR

“Compactor” refers to any mechanical apparatus that serves to compact the content of a refuse or recycling collection bin, regardless of size, whether stationary or mobile.

1.20 CONSTRUCTION AND DEMOLITION DEBRIS

“Construction and Demolition Debris” means Solid Waste generated at a Premises that is directly related to construction, remodeling, repair or demolition activities occurring thereon.

1.21 CONTAINER

“Container” means any and all types of Solid Waste receptacles, including Carts, Bins and Roll-Off Boxes.

1.22 CONTRACT

“Contract” means this Solid Waste Services Contract and all amendments hereto.

1.23 CONTRACT ADMINISTRATOR

“Contract Administrator” means the person, or his designee, designated by the City to administer and monitor the provisions of this Contract.

1.24 CONTRACTOR

“Contractor” means the person or entity entering into this Contract with the City, as identified in the introductory paragraph of this Contract.

1.25 COUNTY

“County” means Los Angeles County, California.

1.26 CPI

“CPI” means the Consumer Price Index for All Urban Consumers (CPI-U), Los Angeles – Riverside – Orange County, All Items index.

1.27 CUSTOMER

“Customer” means a Person receiving Solid Waste Services from Contractor pursuant to the terms of this Contract.

1.28 DISPOSAL

“Disposal” means the ultimate disposition of Solid Waste Collected by Contractor at a permitted landfill that is in full regulatory compliance with all laws and regulations.

1.29 DISPOSAL SITE(S)

“Disposal Site(s)” means the Solid Waste facility or facilities utilized for the ultimate Disposal of Solid Waste Collected by Contractor.

1.30 ELECTRONIC WASTE

“Electronic Waste” means “Covered Electronic Wastes” as defined in the Act (Section 42463 of Public Resources Code) including discarded electronic equipment such as, but not limited to, television sets, computer monitors, central processing units (CPUs), laptop computers, and peripherals (e.g., external computer hard drives, computer keyboards, computer mice, and computer printers), and other similar items commonly known as “e-waste.”

1.31 EXEMPT WASTE

“Exempt Waste” means Biohazardous or Biomedical Waste, Hazardous Waste, biosolids, automobiles, automobile parts, boats, boat parts, boat trailers, internal combustion engines, lead-acid batteries, and those wastes under the control of the Nuclear Regulatory Commission.

1.32 FRANCHISE

“Franchise” means the exclusive right and privilege granted by this Contract.

1.33 FRANCHISE FEE

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

1.34 GREEN WASTE OR YARD WASTE

“Green Waste” or “Yard Waste” means any vegetative matter resulting from normal yard and landscaping maintenance that is not more than four (4) feet in its longest dimension or two (2) feet in diameter. Green Waste includes plant debris, such as grass clippings, leaves, pruning, weeds, branches, brush, Holiday Trees, and other forms of organic waste that is generated at the Premises wherein the Green Waste is collected. Green Waste excludes yucca and palm fronds, which should be collected as Refuse. Green Waste does not include items herein defined as Exempt Waste or materials not normally produced from gardens or landscape areas, such as brick, rock, gravel, large quantities of dirt, concrete, sod, non-organic wastes, oil, and painted or treated wood products.

1.35 GROSS REVENUES

Except where otherwise provided, "Gross Revenues" means any and all revenue or compensation in any form derived directly or indirectly by a Solid Waste Collector, its affiliates, subsidiaries, parents and any person or entity in which a Solid Waste Collector has a financial interest, from the collection, transportation, processing, disposal and other services with respect to Solid Waste collected within the City of La Habra Heights, including Recyclable Materials and Green Waste pursuant to a franchise, permit, or license. "Gross Revenues" include, but are not limited to, monthly customer fees for collection of solid waste, and recyclable materials, special pick-up fees, Commercial Bin and Drop Box rental, and collection fees and fees for redelivery of Commercial Bins and drop boxes without subtracting any Franchise Fees, Administrative Fees or any other fees paid to the City, or any other cost of doing business, but excluding revenues from the sale of Recyclable materials.

1.36 HAZARDOUS WASTE

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

1.37 HOUSEHOLD HAZARDOUS WASTE (HHW)

"Household Hazardous Waste" means Hazardous Waste generated at a Residential Premises. Household Hazardous Waste includes Universal Waste and Electronic Waste.

1.38 MATERIALS RECOVERY FACILITY ("MRF")

Materials Recycling Facility (or MRF) means a fully permitted facility where Solid Waste, Recyclable Materials, and other materials are processed, sorted or separated for the purposes of recovering reusable or Recyclable Materials, processing or composting.

1.39 MULTI-FAMILY PREMISES

“Multi-Family Premises” or “Multi-Family Units” means those residential units such as apartments, condominiums and town homes, each with separate cooking and bathing facilities, with two (2) or more units.

1.40 NON-COLLECTION NOTICE

“Non-Collection Notice” is a form developed and used by the Contractor, as approved by the City, to notify Customers of the reason for non-collection of materials set out by the Customer for Collection by Contractor pursuant to this Contract.

1.41 OCCUPANT

“Occupant” refers to a person who occupies Premises.

1.42 ON-CALL SERVICE

“On-Call Service” means Collection Service provided by Contractor that is not regularly scheduled or is scheduled more than twenty-four (24) hours in advance. On-Call Service is initiated by a Customer by calling, emailing, or requesting the service in person at Contractor’s office.

1.43 OWNER

“Owner” means the Person holding legal title to the real property constituting the Premises to which Solid Waste service is to be provided under this Contract.

1.44 PERSON

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

1.45 PREMISES

“Premises” means any land or building where Solid Waste is generated or accumulated.

1.46 RECYCLING

“Recycling” means the processing of Recyclable Materials for the purpose of returning them to the economy in the form of raw materials for new, reused, or reconstituted products. The Collection, transportation or Disposal of Solid Waste not intended for, or capable of, reuse is not Recycling. Recycling does not include use of Solid Waste for conversion to energy.

1.47 RECYCLABLE MATERIALS

“Recyclable Materials” means those materials that are capable of being recycled. These materials will be as defined by the City. Recyclable Materials include: newsprint (including inserts); mixed paper (including magazines, catalogs, envelopes, junk mail, corrugated cardboard, kraft brown bags and paper, paperboard, paper egg cartons, office ledger paper, and telephone books); glass containers; aluminum beverage containers; small scrap and cast aluminum (not exceeding ten (10) pounds in weight nor two (2) feet in any dimension for any single item); steel including “tin” cans and small scrap (not exceeding ten (10) pounds in weight nor two (2) feet in any dimension for any single item); bimetal containers; mixed plastics such as plastic containers (1-7), and bottles including containers made of HDPE, LDPE, PET, or PVC; and aseptic containers. Polystyrene foam and film plastic, including plastic bags are specifically excluded from collection and processing.

1.48 RECYCLING BIN

“Recycling Bin” means a plastic or metal container, with a capacity of two (2) cubic yards 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.

1.49 RECYCLING CART

“Recycling Cart” is a heavy-plastic receptacle with a rated capacity of at least thirty (30) gallons and not more than one-hundred one (101) 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.

1.50 REFUSE

“Refuse” means putrescible and non-putrescible Solid Waste.

1.51 RESIDENTIAL PREMISES

“Residential Premises” means a detached building, or each unit of a multi-family dwelling, with separate bathing and cooking facilities.

1.52 RESIDENTIAL SERVICE

“Residential Service” means services performed at and for Residential Premises.

1.53 ROLL-OFF BOX

“Roll-Off Box” means a metal container with a capacity of ten (10) or more cubic yards that is normally loaded onto a motor vehicle and transported to an appropriate facility.

1.54 SERVICE AREA

“Service Area” means the corporate limits of the City of La Habra Heights.

1.55 SOLID WASTE

“Solid Waste” means all discarded putrescible and non-putrescible solid, semisolid, and liquid wastes, including Refuse, Construction and Demolition Debris, Bulky Waste, Recyclable Materials, and Green Waste, or any combination thereof which are permitted to be disposed of in a Class III landfill, and which are included in the definition of “Non-Hazardous Solid Waste” set forth in the California Code of Regulations.

1.56 SOLID WASTE SERVICES

“Solid Waste Services” means the Collection, transfer, transport, Recycling, processing and Disposal of Solid Waste.

1.57 SOURCE-SEPARATED

“Source-Separated” means the segregation by the Waste Generator of materials that would otherwise become Solid Waste (such as glass bottles, metal cans, newspapers,

cardboard, plastic containers, etc.) into separate Containers(s) for the purpose of allowing the Recycling of such materials.

1.58 TRANSFORMATION

“Transformation” means incineration, pyrolysis, distillation, gasification, or biological conversion other than composting.

1.59 TRANSFER STATION

“Transfer Station” means a Facility that receives Solid Waste from collection vehicles and transfers the material to larger vehicles for transport to landfills and other destinations. Transfer Stations may or may not also include MRFs, transferring residual Refuse (Refuse left after the sorting of Recyclable Materials) to landfills and Recyclable Materials, including Green Waste and/or Construction and Demolition debris, to processors, brokers or end-users.

1.60 UNIVERSAL WASTE OR U-WASTE

“Universal Waste” or “U-Waste” means all waste defined by Title 22, Subsections 66273.1 through 66273.9 of the California Code of Regulations. These include, but are not limited to, batteries, fluorescent light bulbs, mercury switches, and Electronic Waste. Universal Waste is banned from landfills and is not to be placed with Solid Waste for Collection.

1.61 WASTE GENERATOR

“Waste Generator” means any Person as defined by the Public Resources Code, whose act or process produced Solid Waste as defined in the Public Resources Code.

1.62 WHITE GOODS

“White Goods” means inoperative and discarded refrigerators, microwave ovens, ranges, water heaters, freezers, and other similar household appliances.

1.63 WORK DAY

“Work Day” means any day, Monday through Saturday that is not a holiday as set forth in Section 7 of this Contract.

ARTICLE 2. TERM OF CONTRACT

2.01 EFFECTIVE DATE; COMMENCEMENT OF SERVICES

This Contract shall become effective at the date first set forth above (the "Effective Date"). Except where specified, the obligations of the parties hereunder, and the provision of Solid Waste Services and other services by Contractor, shall commence on _____ (the "Commencement Date"). Contractor understands and agrees that the time between the Effective Date and _____, is intended to provide 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, obtain required service agreements, and begin the public awareness campaign as part of Contractor's transition program as specified in this Contract.

2.02 TERM

The initial term of this Contract shall be for a period beginning June 1, 2014, and terminating on May 31, 2022. The contract may be renewed for a maximum of two (2) each one-year (1-year) terms at City's sole option for a total maximum of ten (10) years.

ARTICLE 3. SCOPE OF CONTRACT

3.01 GRANT OF CONTRACT

Except as otherwise provided in this Contract, the Contractor is herein granted the exclusive right to provide Residential Collection Services and Commercial Collection Services in the Service Area. No other solid waste or recycling services shall be exclusive to the Contractor except as provided herein.

3.02 LIMITATIONS ON SCOPE OF GRANT TO CONTRACTOR

The right granted to the Contractor is exclusive except for the categories of Solid Waste listed below. The granting of this right does not preclude the categories of Solid Waste listed below from being delivered to, collected by, and transported by others, provided

that no person is excused from obtaining from the City any authorization that is required by law. Contractor may, but is not obligated to, provide the services described below on a non-exclusive basis.

- a) Source-Separated Recyclable Materials that the Waste Generator sells to, or otherwise receives compensation from, other persons in a manner resulting in a net payment to the Customer after consideration of collection, handling, or processing costs;
- b) The donation of Source-Separated materials to any Person or entity;
- c) Containers delivered for recycling under the California Beverage Container Recycling Litter Reduction Act, Sections 14500, et seq., California Public Resources Code;
- d) Green Waste removed from premises by a gardening, landscaping, or tree trimming company using its own equipment and employees as an incidental part of a total service offered by the company, as opposed to a hauling service;
- e) Construction and Demolition Waste that is incidentally removed by a duly-licensed construction or demolition company, as part of a total service offered by such licensed company or by the City, and where the licensed company uses its own equipment and employees;
- f) The collection, transfer, transport, Recycling, processing, and disposal of Hazardous Substances, Hazardous Waste, and radioactive waste regardless of its source;
- g) The collection, transfer, transport, Recycling, processing, and disposal of Solid Waste by City through City officers or employees in the normal course of their employment; and,
- h) Solid Waste Services for governmental agencies other than City, which may have facilities in City, but over which City has no jurisdiction in connection with the regulation of Solid Waste.

3.03 RECYCLABLE MATERIALS AND BULKY WASTE DISPOSAL BY WASTE GENERATOR

Nothing in this Contract shall be construed as requiring Customers to set out Recyclable Materials or Bulky Waste for Collection by Contractor. Customers may dispose of Recyclable Materials and Bulky Waste by other appropriate means, including but not limited to, taking Recyclable Materials or Bulky Waste to drop-off facilities and donating or selling such items to private or public entities.

ARTICLE 4. COLLECTION SERVICES

4.01 GENERAL

The work to be done by Contractor pursuant to this Contract shall include, but not be limited to, the furnishing of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform the services required. The enumeration of, and specification of requirements for, particular items of labor or equipment shall not relieve Contractor of the duty to furnish all other items as may be required, whether enumerated elsewhere in the Contract or not.

The work to be done by Contractor pursuant to this Contract shall be accomplished in a thorough and professional manner so that all Customers are provided reliable, courteous and high-quality Solid Waste Services at all times. The enumeration of, and specification of requirements for, particular aspects of service quality shall not relieve Contractor of the duty of accomplishing all other aspects in the manner provided in this section, whether such other aspects are enumerated elsewhere in the Contract or not.

4.02 REFUSE COLLECTION

4.02.01 Residential Premises Refuse Collection

Contractor shall collect and remove Refuse from all Residential Premises once per week from Contractor-provided Carts. Contractor shall provide each Customer with a ninety-six (96) gallon Cart as the default service. Customers may request to substitute the ninety-six (96) gallon Cart with a sixty-four (64) gallon Cart.

Customers that regularly require more than 96 gallons of Refuse Cart capacity may request additional Refuse Carts for an additional charge per Cart per month in accordance with the rates set forth in Exhibit 1, or as those rates may be adjusted.

Contractor shall Collect Carts at the edge of street pavement unless the Customer has requested Cart Roll-Out Service and has agreed to pay the applicable premium service Rate. In such case, Contractor shall Collect Carts from and return Carts to the alternative service location (such as the side yard or back yard) specified by the Customer. The designated collection location, if disputed by Customer or Contractor, shall be determined by City.

Pup Truck Service for SFD Customers. For those Customers whose Premises are not feasibly accessible by a standard heavy duty route collection vehicle, Contractor shall provide Pup Truck Service using a special Pup Truck Vehicle as described in Section 7.05.01(7). Contractor may charge these customers the monthly rate for Pup Truck Service shown in Exhibit 1. Customers to be provided with Pup Truck Service are to be mutually agreed upon by Contractor and Customer. If the need or desire for Pup Truck Service is disputed by the Contractor or the Customer, the City shall make the final determination.

Collection of Green Waste, Recyclable Materials, and Refuse from the Residential Premises shall occur on the same day each week.

4.02.02 Commercial Premises Refuse Collection

Contractor shall collect Solid Waste from Commercial Premises once per week at the Premises where the Bins are located. The Contractor shall provide containers as part of the Collection Service at rates set forth in Exhibit 1 or as those rates may be adjusted. The size of the container shall be determined between the Customer and the Contractor. Size shall be sufficient to provide that no Refuse need be placed outside the Bin.

Specifically, the Contractor shall offer the following Collection Service methodologies to Commercial Customers:

1. Individual Bin Service. Contractor shall allow each Commercial Premises to use Bins, Compactors, or Roll-Off Boxes for Refuse Collection. In special

circumstances, Carts may be used for Commercial Service by special arrangement between the Contractor and Customer.

2. Permanent Roll-Off Boxes and Compactors. Contractor shall allow a Customer to use a Roll-Off Box or Compactor for Refuse Collection to meet the Customer's permanent Disposal needs. In such case, Contractor shall provide Customer with a choice of Container capacities including ten (10) and forty (40) cubic yards. Contractor shall offer Customers the option to purchase or lease Compactors through either the Contractor or an outside vendor. Regular maintenance of Compactors shall be provided by Contractor (or outside vendor) as frequently as needed to keep the Compactors in good working order and functioning at high compaction levels.
3. Roll-Out (Scout) Services for Bins. Contractor shall provide "Roll-Out" Services as requested by commercial Customers. Roll-Out Services shall include, but not be limited to moving manually or by a specialized "scout" truck the Bins from their storage location for Collection and returning the Bins to their storage location.

4.02.03 City Facilities Refuse Collection

Contractor shall collect Refuse from City Facilities as frequently as scheduled by the City, but not less than once per week. City Facilities will be provided Collection Services at no charge. Contractor shall allow each City Facility to use Carts, Bins, Compactors, or Roll-Off Boxes for Refuse Collection, as determined by City.

4.02.04 Temporary Bin Refuse Collection

Contractor shall provide temporary Bin Collection Services pursuant to the rates in Exhibit 1.

4.02.05 Manure Collection

Contractor shall collect manure from customers that request manure collection service and charge rates according to those shown in Exhibit 1 or as those rates may be adjusted.

Contractor shall collect manure from customers that request manure collection service and charge rates according to those shown in Exhibit 1 or as those rates may be adjusted.

4.02.06 Cart Washing Service

Contractor shall offer Cart Washing Service upon request on a fee for service basis based on the rate shown in Exhibit 1 or as that rate may be adjusted.

4.03 RECYCLING

4.03.01 Residential Premises Recycling Collection

Contractor shall collect and remove Source-Separated Recyclable Materials from Residential Premises once per week from Contractor-provided Carts. Contractor shall provide each Customer with a ninety-six (96) gallon Cart as the default service. Customers may request to substitute the ninety-six (96) gallon Cart with a sixty-four (64) gallon Cart. Customers that regularly require more than 96 gallons of Recycling Cart capacity may request additional Recycling Carts at no additional charge. No extra fee may be charged for recycling service.

Contractor shall collect Carts at the edge of street pavement unless the Customer has requested Cart Roll-Out Service and has agreed to pay the applicable premium service Rate. In such case, Contractor shall collect Carts from and return Carts to the alternative service location (such as the side yard or back yard) specified by the Customer.

4.03.02 Commercial Premises Recycling Collection

Contractor shall collect and remove Source-Separated Recyclable Materials from Commercial Premises once per week at the Premises where the Bins are located. The Contractor shall provide containers as part of the Collection Service at rates that are 50% of the corresponding rates set forth in Exhibit 1 for commercial Refuse Collection. The size of the container of Collection shall be determined between the Customer and the Contractor. Size shall be sufficient to provide that no Recyclables need be placed outside the Bin.

4.03.03 City Facilities Recycling Collection

Contractor shall collect and remove Source-Separated Recyclable Materials from City Facilities as frequently as scheduled by the City, but not less than once per week. City Facilities will be provided Collection Services at no charge. Contractor shall allow each City Facility to use Carts or Bins up to a 3-yard capacity, as determined by City, for Recycling Collection.

4.03.04 Marketing and Sale of Recyclable Materials

Contractor shall be responsible for processing, marketing and sale of all Recyclable Materials Collected pursuant to this Contract. Contractor may retain revenue from the sale of Recyclable Materials.

4.04 GREEN WASTE RECYCLING COLLECTION

4.04.01 Residential Premises Green Waste Collection

Contractor shall collect Source-Separated Green Waste from Residential Premises once per week from Contractor-provided Carts. Contractor shall provide each Customer with a ninety-six (96) gallon Cart as the default service. Customers may request to substitute the ninety-six (96) gallon Cart with a sixty-four (64) gallon Cart. No discounts will be given for using smaller carts. Customers that regularly require more than 96 gallons of Green Waste Cart capacity may request additional Green Waste Carts for an additional charge per Cart per month in accordance with the rates set forth in Exhibit 1, or as those rates may be adjusted. No extra fee may be charged for Green Waste service, and no discounts given for using smaller or no Carts.

Contractor shall collect Carts at the edge of street pavement unless the Customer has requested Cart Roll-Out Service and has agreed to pay the applicable premium service Rate. In such case, Contractor shall collect Carts from and return Carts to the alternative service location (such as the side yard or back yard) specified by the Customer.

4.04.02 Commercial Premises Green Waste Collection

Commercial Customers shall have the option of voluntarily subscribing to Green Waste Collection Services and shall pay Contractor for such service in accordance with applicable Rates. Contractor shall collect Source-Separated Green Waste from Commercial Premises that have subscribed to Green Waste Collection Service as frequently as scheduled by Customer, but not less than once per week. Contractor shall allow Commercial Customers to select a Collection Service method that best suits the needs of its Premises. Specifically, the Contractor shall offer the Containers and service choices that are similar to that offered for Commercial Refuse Collection pursuant to Section 4.02.3. Contractor shall collect Green Waste at the location agreed upon by Contractor and Customer. The designated collection location, if disputed by Customer or Contractor, shall be determined by the City.

4.04.03 City Facilities Green Waste Collection

Contractor shall collect and remove Source-Separated Green Waste from City Facilities as frequently as scheduled by the City, but not less than once per week. City Facilities will be provided Green Waste Collection Services at no charge. Contractor shall allow each City Facility to use Carts or Bins up to a 3-yard capacity, as determined by City, for Green Waste Collection.

4.04.04 Marketing and Sale of Green Waste Materials

Contractor shall be responsible for disposal, processing, marketing or sale of all Green Waste Collected pursuant to this Contract. Contractor may retain any revenue from the sale of Green Waste Materials.

4.04.05 Annual Holiday Tree Recycling Collection

Annually, commencing the day after December 25 and ending the second Saturday in January, the Contractor shall collect Holiday Trees from Residential and Multi-Family Premises. Residential Customers shall be required to place the Holiday Trees at the scheduled day and location for Collection of Refuse. Holiday Trees must be cut into

lengths no longer than six feet (6'), be free of ornaments, garlands, tinsel and flocking, and stands must be removed.

Contractor shall deliver the collected Holiday Trees to an appropriate facility for processing. This annual service shall be provided at no additional charge and shall be promoted and advertised to each Customer in advance. Contractor shall include data regarding the annual holiday tree recycling collection in its reports to the City.

4.05 ON-CALL BULKY WASTE COLLECTION SERVICE

4.05.01 On-Call Bulky Waste Collection

The Contractor shall provide Bulky Waste Collection Service to all Residential Customers in the Service Area whose Bulky Waste have been placed within three (3) feet of the curb, swale, paved surface of the public roadway, closest accessible roadway, or other such location agreed to by the Contractor and Customer, that will provide safe and efficient accessibility to the Contractor's Collection crew and vehicle. Contractor shall provide each Customer with up to two Bulk Item Collections per calendar year.

Contractor may instruct Customers to provide Contractor with a minimum of forty-eight (48) hours' notice of the need for Bulky Waste Collection Service, which shall take place on the Customer's regular Collection day.

Customers are entitled to set out five (5) items per dwelling per Bulky Item Collection. Customers that require more than two (2) Bulky Item Collections per dwelling per year may request additional Bulky Waste Collection Service for an additional charge per item in accordance with the applicable rate schedule. Commercial customers will pay a separate fee pursuant to Exhibit 1 for all Bulky Waste Collections.

4.05.02 City Requested Bulky Waste Collection

Contractor shall provide Bulky Waste Collection Service at City Facilities, streets, rights of way and other public property at no charge up to four times per month and within 1 day of a call for service up to six times per year. Further calls for Bulky Waste Collection Service shall be charged an additional charge per item in accordance with the applicable rate schedule.

4.05.03 Bulky Waste Collection Restrictions

The following applies to items Collected under this Section:

- No single item that cannot be handled by two workers will be accepted.
- The following items will not be picked up: Hazardous Substances and Hazardous Waste.
- Vehicles used for Collection of Bulky Waste shall not use compactor mechanisms or mechanical handling equipment that may damage reusable goods or release Freon or other gases from pressurized appliances.

4.05.04 Bulky Waste Containing Freon

In the event Contractor Collects Bulky Waste that contains Freon, Contractor shall handle such Bulky Waste in a manner such that the Bulky Waste is not subject to regulation as hazardous waste under applicable state and federal laws or regulations.

4.05.05 Maximum Reuse and Recycling

Contractor shall dispose of Bulky Waste collected from Customers pursuant to this Contract in accordance with the following hierarchy:

- Reuse as is (where energy efficiency is not compromised)
- Disassemble for reuse or Recycling
- Recycle
- Disposal

Contractor shall not landfill such Bulky Waste unless the Bulky Waste cannot be reused or recycled. Contractor shall record by class and weight (in tons) the Solid Waste Collected under this Section 4.05, and shall record the kinds and weights (in tons) of Solid Waste diverted, if any, from landfilling through Recycling, reuse, Transformation or other means of diversion.

4.05.06 City Direction of Bulky Waste

City reserves the right to direct Contractor to take Bulky Waste collected pursuant to this Section to a designated site or sites for the purpose of permitting persons who will reuse or recycle such Bulky Waste to obtain the Bulky Waste at no cost. Contractor shall have

no obligation to dispose of the Bulky Waste or Bulky Waste residue remaining at the directed site or sites after reusers and recyclers have removed reusable or recyclable Bulky Waste.

4.06 CITY-SPONSORED EVENTS AND OTHER CITY SERVICES

4.06.01 City-Sponsored Events

Contractor shall provide Solid Waste and Recycling Collection and Disposal/processing service for all City-sponsored events per year at no additional charge. Customers will be provided Solid Waste, Recycling and Green Waste capacity at the appropriate service levels for each venue or event, as determined by City. When requested by event organizers, Solid Waste and Recycling Collection Service, special event boxes and liners, port-a-potties, and hand-wash stations will be provided for each venue or event. Available cart sizes include 64 and 96 gallons. Available bin sizes include 2, 3, 4, and 6 cubic yards.

The following is a list of some events for which services will be provided:

- Avocado Festival
- Music in the Park (10 summer evening concerts)
- Dog Days of Summer
- Market Days
- Gazebo Lighting
- Up to two additional events to be determined by the City

The City may change the events, dates or times upon advance written notice.

4.06.02 Quarterly Cleanup Events

Contractor shall provide equipment, collection, disposal and staffing for a minimum of four quarterly Saturday "Citywide Cleanup Events" each year at no additional charge. Each event shall be held at the City Park and last from 8:00 a.m. to 12:00 noon. Contractor shall provide a minimum of two Roll-Off Bins of at least 40 cubic yards and shall accept non-hazardous Waste Material for disposal for the duration of the event

without charge. Contractor shall dispose of the material collected in the manner authorized for disposal of waste under this Agreement.

4.06.03 Roll-Off Bins for City

Upon request by the City, Contractor shall, within 3 business days, provide the City a Roll-Off Bin of at least 40 cubic yards to be placed on City property and shall accept non-hazardous, non-electronic Waste Material for disposal in such Bin. Contractor shall dispose of the material collected in the manner authorized for disposal of waste under this Agreement. The charge for each of the first 10 Roll-Off Bins provided pursuant to this provision shall be the Contractor's actual cost to dispose of the collected material. Subsequent Bins requested by the City shall be subject to an additional charge in accordance with the applicable rate schedule.

ARTICLE 5. DISPOSAL, PROCESSING, AND DIVERSION REQUIREMENTS

5.01 TRANSPORTATION OF SOLID WASTE

Contractor shall transport all Solid Waste Collected to the Transfer Station, MRF, Transformation Facility or Disposal Site. Contractor agrees to make all reasonable efforts to separate Recyclable Materials from Refuse for diversion from landfill Disposal. Contractor shall maintain accurate records of the quantities and types of Solid Waste transported to the Transfer Station, MRF, Transformation Facility or Disposal Site and will cooperate with City in any audits or investigations of such quantities.

5.02 DISPOSAL OF REFUSE

The Contractor shall dispose of Refuse Collected, but not sent to a processing or Transformation Facility, at the Disposal Site.

5.03 STATUS OF DISPOSAL SITE

The Disposal Site utilized by Contractor must be approved in advance by the City after written request by the Contractor. The City shall respond to the request within 45 days and may not unreasonably withhold approval. Any Disposal Site utilized by Contractor

shall be designed and constructed in accordance with Title 23 California Code of Regulations Section 2510 et seq. ("Subchapter 15"). Any such Disposal Facility shall have been issued all permits from federal, state, regional, county and city agencies necessary for it to operate as a Class III Sanitary Landfill and be in full regulatory compliance with all such permits.

5.04 GREEN WASTE PROCESSING SERVICES

Contractor shall deliver all Collected Green Waste to a fully permitted Green Waste Processing Facility or a fully permitted Green Waste transfer station. All expenses related to Green Waste processing and marketing will be the sole responsibility of Contractor. Contractor shall ensure that all Green Waste collected pursuant to this Contract are diverted from the landfill in accordance with the Act and any subsequent or other applicable legislation and regulations. Contractor shall ensure that the Green Waste collected pursuant to this Contract is not disposed of in a landfill, except as a residue resulting from processing. Contractor must provide end uses for Green Waste that maximize diversion credits for City according to regulations established by CalRecycle. Green Waste may be used as Alternative Daily Cover to the extent that the City will get full diversion credit for its use. Contractor is responsible for monitoring how the Green Waste will be diverted at selected facilities and for selecting alternative facilities if necessary to ensure full diversion credit. Failure to do so may place the Contractor in default. City has the option, but not obligation, to direct Contractor where to deliver the material.

5.05 MINIMUM RECYCLING REQUIREMENTS

Contractor shall recycle or divert from landfilling sufficient waste to ensure that the City meets current state law requirements for diversion Citywide. Beginning with calendar year 2015, if the annual report the City submits to CalRecycle reflects a diversion rate of less than the State-mandated rate, or if such a report is later revised to reflect a rate less than the State-mandated rate, the Contractor shall be liable for liquidated damages in accordance with Section 13.06 for failure to meet this mandate. If a report is revised and approved by CalRecycle to reflect a diversion rate higher than the State-mandated

rate of diversion, City will reimburse Contractor any liquidated damages that had been submitted based upon that year's report. As reports to the CalRecycle lag the actual collection period reported on, this requirement and liability for liquidated damages will extend beyond Contractor's provision of Collection Services under this Contract.

If the State increases waste diversion requirements, or the City increases waste diversion requirements, Contractor may request a rate adjustment pursuant to 14.07.3 for the additional waste diversion requirements services that may be required, and the provisions of this Section will apply using the higher diversion rate.

5.06 FAILURE TO MEET MINIMUM REQUIREMENTS

Upon Contractor's failure to meet the minimum waste diversion requirements set forth above in Section 5.05, and if the City determines that the Contractor has not met waste diversion from the services and programs contemplated under this Contract, the Contractor agrees to implement programs and provide equipment necessary in order for the City to meet State-mandated diversion requirements. Such programs and equipment may include additional public education efforts, on-site business waste audits, additional recycling carts or bins at multi-family complexes, high grading of commercial loads, secondary processing of commercial solid waste, and processing of Construction and Demolition Waste from Roll-Off Boxes.

5.07 OWNERSHIP OF SOLID WASTE

City and Contractor understand and agree that it is Contractor, and not City, who will arrange to collect Solid Waste, that City has not, and, by this Contract does not, instruct Contractor on its Collection methods, nor supervise the Collection process; nor do the Parties intend to place title to Solid Waste collected by Contractor in City. Rather, the Parties intend that whatever, if any, title in and to the Solid Waste that is collected by Contractor which otherwise might exist in or with City in the absence of this Contract is hereby transferred to Contractor; and further that if Contractor gains title to such Solid Waste it is by operation of law and agreement with its Customers and is not the result of this Contract. At no time does City obtain any right of ownership or possession of Solid Waste or Recyclable Materials placed for Collection, and nothing in this Contract shall

be construed as giving rise to any inference that City has any such rights. City and Contractor agree that, for the purposes of the Uniform Commercial Code and all other laws imposing liability for defective products, it is Contractor, and not City which is to be considered the merchant of goods recycled pursuant to this Contract. Subject to the provisions of this Contract, and unless City exercises its rights to direct the location for Disposal and processing of Solid Waste, Contractor shall have the right to retain, Recycle, process, dispose of, and otherwise use Solid Waste collected pursuant to the terms hereof in any lawful fashion or for any lawful purpose; and, further, shall have the right to retain any benefit resulting from its right to retain, Recycle, process, dispose of, or reuse the Solid Waste which it collects.

5.08 FLOW CONTROL – RESERVATION OF RIGHTS

City reserves the right to exercise “flow control” i.e., the right to select disposal facilities and materials recovery facilities to which the Solid Waste to be collected pursuant to this Contract is to be taken. In the event City directs Contractor to transport Solid Waste to a particular disposal or other facility, City and Contractor agree to use their best efforts to obtain indemnification against CERCLA, RCRA and related claims from the operator of the landfill or other destination to which Solid Waste collected pursuant to this Contract is taken for disposal. In the event that City selects a transfer or disposal facility, Contractor shall be entitled to a rate adjustment to offset for any substantiated increase in expenses resulting from the City’s exercise of flow control.

ARTICLE 6. OTHER SERVICES

6.01 RESPONSIBILITY FOR SERVICE BILLING AND COLLECTION

The Contractor shall be responsible for the billing and collection of payments for Collection Services within the Service Area. Notwithstanding the proceeding provision, the Contractor shall not bill for Collection Services provided to City Facilities.

6.01.01 Billing Service Requirements

Annual Billing Audits

The Contractor will be required to conduct annual billing audits of Contractor's records regarding all Residential, Multi-Family and Commercial customers with the City maintaining the right to engage a third party for an independent audit of the results of the billing audit.

Records

Contractor shall maintain, for inspection by the City, copies of all billings and receipts, in chronological order, for a period of four (4) years after the date of service. Contractor shall maintain those records in electronic format. City staff or representatives shall be given access to such records upon one (1) business day notice.

Annual Rate Notification

Contractor must annually, within 60 days prior to the effective date of a rate change, prepare and distribute a notice to each customer setting forth the Contractor's rates, annual holiday schedule, recycling programs offered, and a general summary of services required to be provided and optional services that may be furnished by Contractor. Notice may be included with billings or may be included as part of the Contractor's public education plan described in Section 6.03. No less than 30 days before Contractor distributes such notice to each customer, Contractor shall provide the City with a copy of the notice and rates that Contractor intends to distribute.

Service Billing

The Contractor will bill Customers directly for Cart service on a bi-monthly basis, in advance. The Contractor will bill Customers directly for Bin service on a monthly basis, in advance. For Roll-Off Box customers, the Contractor will invoice monthly or semi-monthly in arrears with payment due within 15 days from the invoice date. All bills must carry a due date, and not state "due upon receipt." Bills must be itemized. Customers may, on an individual basis, request annual payment schedules, and Contractor will work in good faith with individual customers to reasonably satisfy such requests.

Contractor will have the right to bill and collect for its services in advance of the rendition of services but shall refund any unused portion equal to the pro-rata unearned share of the amount collected in the event of disruption, revision, or termination of the services, or when residential premises are vacant for at least a one-month period and prior written notice of such vacancy has been given to the Contractor. Contractor shall not charge customers for the provision of a direct bill or for any other billing service provided to customers.

Roll-Off Box and Temporary Bin Customers

For individually serviced Customers who request Roll-Off Box (including temporary bin) service, the Contractor will accept major credit cards for payment. Individually serviced customers who do not use credit cards may be required to post a security deposit or to pay on a "Cash on Delivery" (C.O.D.) basis.

Automated Billing Payment

In an effort to reduce paper waste, Contractor shall make available to all Customers an automated billing and payment system at no additional charge. This system will be website based and allow customers to view and pay bills through Contractor's website. Through the Contractor's website, Customers may request to cease paper billing and receive all bills through e-mail and/or Contractor's website. Contractor will ensure that the electronic billing and payment website conforms to industry-standard practices for electronic commerce security. Contractor shall ensure that all customers that opt for electronic billing also receive all direct mailing of billing inserts that may be necessary during the contract term. Contractor shall promote the website-based billing and payment system on all paper bills sent to Customers.

Rates

The maximum rates for the types of services provided shall be as described in Exhibit 1 and as adjusted annually pursuant to Section 9. Contractor shall bill and collect at rates that do not exceed the maximum rates established by this Agreement.

Temporary Service Stop

Residential Customers may request a temporary service stop and will not be charged for Collection Services during the temporary service stop if such service is stopped for a minimum of one continuous month due to extended vacation, home remodeling/home construction. Contractor shall provide notice to City of a request for a temporary service stop within three (3) working days. Contractor shall resume service to the prior established service level within five (5) days' notice of a request by the Residential Customer to resume service. At any time during the temporary service stop, if a Residential Customer places Refuse, Recycling, or Green Waste Carts out for Collection, then Contractor shall resume regular service and charge the Residential Customer at the rates established in Exhibit 1, as adjusted.

Delinquent Service Accounts

Contractor may pursue collection of delinquent accounts by every means reasonably available to Contractor, including delinquency letters, telephone calls, employment of collection agencies, and small claims court.

Once payment is 30 days past due, Contractor must send to the Customer a notice that service will be suspended if payment is not made within an additional 30 days. Service may only be suspended after these minimum time periods and notice. City will not be responsible for or assist with the collection of delinquent accounts.

6.02 CUSTOMER SERVICE

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 and efficient manner. In the case of a dispute between the Contractor and a Customer, the matter will be reviewed and a decision made by the Contract Administrator.

- For those complaints related to missed Collections that are received by 12:00 noon, the Contractor will return to the Customer address and collect the missed materials before the end of the same business day. For those complaints related to missed Collections that are received after 12:01 p.m. 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, Section 7.06.01 of this Contract shall apply. In the case of a complaint for other issues (spilled waste, excessive noise, etc.), Contractor shall contact the customer via phone call and resolve the complaint within one business day after the complaint is received.

- Contractor agrees that it is in the best interest of the City that all Residential Waste and Recyclable Materials be collected on the scheduled Collection Day. Accordingly, missed Collections will normally be collected as set forth above regardless of the reason that the Collection was missed. In the event a Customer requests missed Collection Service more than two (2) times in any consecutive two (2) month period, the Contract Administrator 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 Contract Administrator, either by fax or e-mail. The Contract Administrator will consider all disputed complaints and render a decision, which shall be binding on Contractor.
- Contractor's service and emergency telephone numbers shall be local (La Habra Heights) telephone numbers. The telephone number(s) shall be listed in the area's telephone directories under the Contractor's name in the White Pages and Yellow Pages and available on the Contractor's website. Contractor shall also provide a toll-free number.

6.02.01 Complaint Documentation

Service complaints received by City shall be directed to Contractor. Contractor shall keep daily logs of complaints forwarded to it for a minimum of three (3) years.

Contractor shall log all complaints received, including the date and time the complaint was received, the name, address and telephone number of the caller/complainant, a description of the complaint, the name of the employee recording the complaint and the action taken by Contractor to respond to and remedy the complaint. Log shall also include each instance that Solid Waste and/or Recyclables are not collected and the

form of notification used to inform the participants of the reasons of non-Collection and the end result or means of resolution of the incident.

All written Customer complaints and inquiries shall be date-stamped when received. All oral Customer complaints shall be recorded in a logbook. Receipt of all complaints, both written and oral shall be acknowledged to Customer within one (1) business day of receipt. Contractor shall use best efforts to resolve complaints within two (2) business days and must respond in writing to all complaints within five (5) business days of receipt. Contractor shall log action taken by Contractor to respond to and remedy the complaint.

6.02.03 Resolution of Customer Complaints

Should Contractor and Customers not be able to resolve a complaint, not be able to establish a mutually acceptable fee to be charged for services not included on the approved rate schedule, or otherwise disagree, the matter shall be determined by the City, whose decision shall be final.

Intervention by City is not a condition precedent to any rights or remedies third parties might otherwise have in any dispute with Contractor. Nothing in this section is intended to affect the remedies of third parties against Contractor.

6.02.04 Emergency Contact

The Contractor shall provide the Contract Administrator with an emergency phone number where the Contractor can be reached in person, not by voice-mail, at all times, twenty-four (24) hours per day.

6.02.05 Multilingual/TDD Service

Contractor shall at all times maintain the capability of responding to telephone calls in English, Spanish and other languages necessary for communication between Contractor and its service recipients. Contractor shall at all times maintain the capability of responding to telephone calls through Telecommunications Device for the Deaf (TDD) Services.

6.02.06 Customer Calls

During office hours, Contractor shall maintain a telephone answering system capable of accepting multiple incoming calls at one time. Contractor shall record all calls including any inquiries, service requests and complaints into a customer service log. All incoming calls will be answered within five (5) rings. Contractor's customer service representative shall return Customer 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 a minimum of three (3) attempts within twenty-four (24) hours of the receipt of the call. If Contractor is unable to reach the Customer on the next Work Day, Contractor shall leave a voice message, and if no voice recording is available shall send a postcard to the Customer on the second Work Day after the call was received.

6.02.07 Contract Liaison

Contractor shall designate in writing a "Contract Liaison" who shall be responsible for working with City and/or City's designated representative(s) to resolve Contract-related issues. The Contractor must respond to all inquiries from the City within twenty-four (24) hours from the time of the inquiry. City shall have the right to approve the Contractor's choice for a liaison. City shall be notified in advance of any change in Contract Liaison.

6.02.08 Service Liaison

Contractor shall designate in writing a field supervisor as "Service Liaison" who shall be responsible for working with City and/or City's designated representative(s) to resolve Customer Service-related complaints. City shall have the right to approve the Contractor's choice for a liaison. City shall be notified in advance of any change in Service Liaison.

6.03 PUBLIC OUTREACH AND EDUCATION SERVICES

Contractor, at their own expense, shall prepare, submit and implement an annual (calendar year) Public Education and Outreach Program beyond the City's Public Education and Outreach Program. The proposed Program, including a budget, must be submitted annually for City approval no later than September 30 for the next calendar year. The program must include a minimum of four campaigns per calendar year, designed to increase diversion and resident participation. Campaigns should target certain Recyclable Materials or "problem" areas of the 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 Contract Administrator and Contractor staff.

6.03.01 Implementation and Ongoing Education Services

In order to promote public education, in addition to any other materials it develops, Contractor shall create the following public education materials and programs at its expense, which will be distributed as indicated below. All brochures, mailings, and other educational materials are to be approved by City in advance of distribution.

- **Initial Mailing** – Contractor will prepare and mail an initial information packet to all Customers explaining the transition from the existing Solid Waste Collection Service program to the new program as defined by this Contract. The mailing will describe program changes, route changes, dates of program implementation, Recycling and diversion programs available, and other pertinent information and be delivered by _____.
- **Instructional "How-to" Packets** – An information packet shall be provided to each new Customer throughout the Contract term. Contractor may attach these packets to the Carts upon initial Cart distribution. This packet shall: describe available services, including available Recycling and diversion programs; provide instructions for proper use of the Carts and Bins provided (such as how to place Carts or other permitted items for Collection, the types of materials to be placed in each Cart); detail holiday Collection schedules;

and provide billing and customer service telephone numbers. This packet will contain updated information on how to use Containers, when, where and how to place Solid Waste for Collection, and who to contact with service or billing questions, and for Bulky Item Collection.

The packet should also clearly indicate what materials, such as syringes and other Household Hazardous Wastes (HHW), should not be disposed of in these Containers. This brochure shall include instructions on how Customers should dispose of HHW, such as information on the HHW drop-off facilities, quarterly cleanups, and other available programs.

- **Container Labels and Hot Stamps** – Refuse, Recycling and Green Waste Containers shall carry stickers/labels and hot stamps as described in Section 7.06.01.
- **Annual Newsletter** – Not less than once per year during each calendar year, Contractor shall prepare and distribute to each Customer a brochure or newsletter promoting and explaining: all Solid Waste programs offered by City and Contractor (such as Recycling, Green Waste, Holiday Tree and Bulky Waste pick-ups) described in detail; the environmental, regulatory, and other benefits of participating in Recycling; how to properly dispose of Household Hazardous Waste such as syringes, paint, etc., through the County's program, quarterly cleanups, or other means; Collection schedules, including holiday schedules; customers service numbers; and the procedures to begin and terminate services. **Corrective Action Notice** – Contractor shall develop a corrective action notification form for use in instances where a Customer sets out inappropriate materials for Collection that explains the appropriate manner for Disposal of such items.
- **Website** – Contractor shall develop and maintain a website with a page specific to the City, to enable City's Customers to contact Contractor and to display holiday schedules, proper HHW disposal procedures, which materials are to be placed in Recycling Containers and other useful information.

Contractor will assist the City in establishing a link on the City's website to Contractor's page.

6.03.02 Annual Collection Service Notice

Each year during the term of this Contract, the Contractor shall publish and distribute a newsletter to all Residential Customers regarding the Residential Collection Service programs. The notice shall contain at a minimum; definitions of the materials to be collected, procedures for setting out the materials, service rates and discounts, maps of the Service Area indicating the days when Residential Refuse, Recycling and Green Waste Collection Services, Residential Bulky Waste Collection Services will be provided, and the Contractor customer service phone number. The notice shall be provided in English and other languages as directed by the City and shall be distributed by the Contractor no later than _____, during the first year of the Contract and no later than _____ of each year thereafter.

6.03.03 Participation in Community Events

At the direction of City, Contractor shall participate in and promote Recycling and other diversion techniques at community events and local activities. Such participation would normally include providing, without cost, Collection and educational and publicity information promoting the goals of City's Solid Waste program.

6.04 WASTE GENERATION/CHARACTERIZATION STUDIES

Contractor acknowledges that City may be required to perform solid waste generation and disposal characterization studies periodically to comply with the requirements of state law. Contractor agrees to participate and cooperate with City and its agents and to accomplish studies and data collection and prepare reports, as needed and directed by City, to determine weights and volumes of Solid Waste collected and characterize Solid Waste generated, disposed, transformed, diverted or otherwise handled/processed, by Customer type (Single-Family, Multi-Family, Commercial), to satisfy the requirements of state law. Contractor will at its sole expense conduct such a waste generation and characterization study upon request of City, but not more than once every two years.

6.05 PROGRAMS AND SERVICES

Contractor shall provide additional services and programs, such as pilot programs, special studies, etc., as requested by City at a price to be mutually agreed upon between the Contractor and the Contract Administrator. In the event the Contractor and the Contract Administrator cannot reach a mutually agreed upon price for the requested service or program, City shall have the right to procure the service of other vendors or contractors to provide the requested service. In the event that the requested services and programs are required to comply with state mandates or requirements, Contractor shall make the requested services and programs available to the City subject to a negotiation and rate adjustment as provided for in Section 14.07.3.

6.06 EMERGENCY SERVICES

In the event of a major storm, earthquake, tsunami, fire, natural disaster, or other such event, the Contract Administrator may grant the Contractor a variance from regular routes and schedules. As soon as practicable after such event, the Contractor shall advise the Contract Administrator when it is anticipated that normal routes and schedules can be resumed. The Contract Administrator 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 Contract, to cover the costs of rental equipment, additional personnel, overtime hours and other documented additional expenses based on the rates set forth in Exhibit 1 to this Contract provided the Contractor has first secured written authorization and approval from the City through the Contract Administrator.

6.07 NEWS MEDIA RELATIONS

Contractor shall notify the Contract Administrator by phone of all news media requests for information related to the Collection Services program within two (2) hours of Contractor's receipt of the request. Before responding to any inquiries involving

controversial issues or any issues likely to affect participation or Customer perception of services, Contractor will discuss Contractor's proposed response with the Contract Administrator.

6.07.01 News Releases

Copies of draft news releases or proposed trade journal articles related to the Contract Services shall be submitted to City for prior review and approval at least thirty (30) business 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.

6.07.02 Copies of Articles

Copies of articles resulting from media interviews or news releases shall be provided to the City upon the day of publication.

ARTICLE 7. REQUIREMENTS FOR OPERATIONS, EQUIPMENT, AND PERSONNEL

7.01 COLLECTION HOURS AND SCHEDULES

7.01.01 Day and Time of Collection

To preserve peace and quiet, no solid waste may be collected between 7:00 A.M. and 7:00 P.M. in the Service Area. Contractor must adjust the early morning start point of collection routes to address and minimize service complaints when warranted and as practicable.

The Contract Administrator may require the Contractor to change hours of operations in Residential areas if disruption occurs.

7.01.02 Holiday Service

The City observes New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day as legal holidays. Contractor shall not be

required to provide Collection Services or maintain office hours on the designated holidays. In any week in which one of these holidays falls on a Work Day, Residential 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 Residential Collection Services being performed on Saturday. Any changes to the Holiday Service collection schedule may only be as approved by the City in advance.

7.02 COLLECTION ROUTES

Thirty (30) days prior to commencement of Collection Services, the Contractor shall provide for City approval maps precisely defining Collection routes, together with the days and the times at which Collection shall regularly commence. If the City has not approved or requested changes within fifteen (15) business day days upon receipt of the service route maps, they shall be deemed as approved.

7.02.01 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. The Contractor shall not implement any route changes without the prior review and approval of the Contract Administrator.

7.03 COLLECTION STANDARDS

7.03.01 Implementation of Service

The Contractor's implementation of the services required by the Effective Date under this Contract shall occur in a smooth and seamless manner so that Customers and/or Generators do not experience disruption in Collection Services when services are initiated on the Commencement Date. Contractor shall be responsible for managing implementation of new Collection Services and other related services and shall do so in accordance with the Implementation Plan prepared by the Contractor.

7.03.02 Servicing Containers

Contractor shall Collect the contents and return each Container to the location where the Occupant properly placed the Container for Collection. Contractor shall place the

Containers upright with lids properly closed and secured. Contractor shall use due care when handling Containers. Contractor shall not throw, roughly handle, damage, or break Containers.

7.03.03 New Customer and Change in Service Levels

Contractor shall deliver Containers and initiate Collection services for a new Customer within five (5) Work Days of the Customer's request for service. If an existing Customer requests a change in the number or size of the Solid Waste, Recyclable Materials, or Organic Materials Containers, the Contractor shall deliver additional Containers and/or remove Containers and shall initiate changes in the Collection Services within five (5) Work Days of the Customer's request for a change in service.

7.03.04 No Commingling of Solid Waste

Contractor shall separately collect and segregate Refuse, Recyclable Materials, and Green Waste Materials from each other and shall not commingle these materials at any time without the express prior written authorization of the Contract Administrator.

7.03.05 Conditions of Service

Contractor shall collect all Refuse, Recycling, or Green Waste Bins or Carts that are readily accessible to the Contractor's crew and vehicles and not blocked, where the Carts have been placed at the edge of pavement or other location agreed to by the Contractor and Customer that will provide safe and efficient accessibility to the Contractor's Collection crew and vehicle.

Contractor shall not be required to Service:

1. Recycling Carts with Recyclable Materials that have not been segregated from Refuse and Green Waste.
2. Green Waste Carts with Green Waste that have not been segregated from Refuse and Recyclable Materials.
3. Carts that exceed the maximum load limit specified by the Container Manufacturer.
4. Any Commercial Solid Waste that is not placed in a Bin.

7.03.06 Set-Out Instructions to Customers

Contractor shall instruct Customers as to any preparation of Refuse, Recyclable Materials, or Green Waste and the proper placement of Containers. If Customers are not adhering to Contractor's instructions, Contractor shall notify such Customers in writing.

7.03.07 Non-Collection

In cases of failure to comply with the instructions, Contractor may decline Collection Service provided that Contractor leaves a minimum of three Non-Collection Notices on the Container, as determined by the City, indicating the reason for refusing to Collect the material.

7.03.08 Non-Collection Notices

In the event of non-collection, Contractor shall affix to the Container a Non-Collection Notice explaining why Collection was not made. The Non-Collection Notice shall be affixed prominently onto the Container to ensure that it is not inadvertently removed from Cart due to weather conditions. The Non-Collection Notices must be protected from rain, if precipitation is present or forecasted, by placing the Notice in a clear plastic bag prior to affixing to Container.

Contractor shall document Non-Collection Notices recording the date and time of issuance, address of Customer, reason for issuance, name of employee who issued the notice, and truck and route numbers. The warning notice shall be at least two inches by six inches (2" x 6") in size. The Non-Collection Notices must identify the steps the Generator must take to recommence Collection Service.

Contractor shall report monthly to City any Non-Collection Notices issued. Contractor shall take direction from the City with regard to termination or reinstatement of service to a Customer due to numerous Non-Collection Notices issued to the same Customer.

7.03.09 Care of Private Property

Contractor's employees shall follow the regular walk for pedestrians while on private property and shall neither trespass nor cross property to the adjoining premises unless

the occupant or owner of both properties has given permission. Care should be taken to prevent damage to property, including flowers, shrubs, and other plantings. Contractor shall repair, to its previous condition, all damage to private or public property caused by its employees.

7.03.10 Spillage and Litter

The Contractor shall not litter premises and shall exercise all reasonable care and diligence in providing Collection Services so as to prevent spilling or dropping of Solid Waste. The Contractor shall not be responsible for cleaning up sanitary conditions caused by the carelessness of the Customer; however, the Contractor shall clean up any material or residue that are spilled or scattered by the Contractor or its employees. Contractor shall immediately, at the time of occurrence, clean up any spilled or dropped Solid Waste. 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 absorbent material and removed from the street surface. When necessary, Contractor shall apply a suitable cleaning agent to the street surface to provide adequate cleaning, and shall notify the Contract Administrator, and applicable Hazardous Materials Management Agencies within two (2) hours of such a spill or leak. Contractor shall meet or exceed requirements for National Pollutant Discharge Elimination System (NPDES).

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

7.03.11 Vehicles Equipped with Absorbent, Broom and Shovel

To facilitate such clean-up, Contractor's vehicles shall at all times carry sufficient quantities of petroleum absorbent materials along with a broom and shovel.

7.04 CONTRACTOR FACILITIES

Contractor shall provide all Facilities needed for vehicle parking and maintenance, container storage and maintenance, employee parking, administration, billing, customer service, and other activities required to fulfill its obligations hereunder. Contractor shall own or lease the Facilities; secure all permits needed to conduct its operations; design,

finance, and complete any site improvements; maintain the Facilities; and make any other arrangements necessary to fulfill its obligations required by this Contract.

7.05 VEHICLES

Contractor is responsible for providing all vehicles that may be required for the Collection of Solid Waste that are sufficient in number and capacity to efficiently perform the work required by this Contract in strict accordance with its terms. Contractor is expressly obligated to provide such Collection Vehicles as are required to meet the service standards set forth herein. Contractor shall have available on Collection days sufficient back-up vehicles for each type of Collection Vehicle used to respond to complaints and emergencies.

7.05.01 Specifications

1. The vehicles shall be designed and operated so as to prevent Collected materials from escaping from the vehicles. Hoppers shall be closed on top and on all sides with screening material to prevent Collected materials from leaking, blowing or falling from the vehicles. All trucks and containers shall be watertight and shall be operated so that liquids do not spill during Collection or in transit.
2. New or used vehicles may be used for on-call services, roll-off services and support vehicles; however, such vehicles shall be no older than ten (10) years at any time during their use in the City.
3. At all times during the term of this Contract, Contractor's Collection Vehicles shall comply with South Coast Air Quality Management District Requirements and the California Air Resource Board's emission standards as they may be approved for Refuse removal vehicles, as well as other Federal, State and local laws and regulations that may be enacted during the term of this Contract.
4. All vehicles used by Contractor in providing Collection Services under this Contract, except those vehicles used solely on Contractor's premises, are to be registered with the California Department of Motor Vehicles.

5. All Collection Vehicles must comply with U.S. EPA noise emission regulations, currently codified at 40 CFR Part 205, and other applicable state noise control regulations.
6. All Collection Vehicles using compaction mechanisms during the stationary compaction process shall not exceed a single-event noise level of seventy-five (75) decibels (Db) at a distance of twenty-five feet (25') from the collection vehicle measured at an elevation of five feet (5') above ground level. Contractor shall submit to City, upon City's request, a certificate of vehicle noise level testing by an independent testing entity, for any collection vehicle which has been the subject of more than one noise complaint in a twelve-month period.
7. Contractor shall use the type of vehicle that is most appropriate for the various types of roads and driveways present in the City for the purpose of minimizing the impact of its Collection Vehicles on the pavement in the City. Contractor may use Route Collection Vehicles, Pup Trucks, or Scout Trucks. Route Collection Vehicles are heavy duty vehicles with a manufacturer's gross vehicle weight rating (GVWR) of at least 39,001 lbs., but no more than 62,000 lbs., which have compaction capability and are equipped to mechanically load Bins and Carts. Pup Trucks are smaller and lighter vehicles with compaction capability and equipped to mechanically load Bins and Carts. Pup Trucks typically have a GVWR of between 19,001 lbs. and 39,000 lbs. Scout Trucks are medium duty vehicles with a GVWR of less than 19,000 lbs. equipped to transport Carts and Bins from the customer storage location to the Collection location. Scout Trucks are used to provide Scout Service pursuant to Sections 4.02.1 and 4.02.3 (note: Section 4.02.2 is missing.) Contractor shall determine which streets will be serviced by each type of vehicle, subject to City's approval.

Within thirty (30) days of the effective date of this agreement, Contractor shall provide the City with a color-coded map indicating which streets and driveways are serviced by what type of vehicle. The map will also indicate which customers receive Scout Service. Throughout the term of this agreement, Contractor shall

provide an updated copy of such map upon request by City, but not more frequently than twice per calendar year.

7.05.02 Vehicle Identification

Collection vehicles shall be marked with Contractor's name, toll-free number, and the number of the vehicle painted in letters of contrasting color, at least three (3) inches (3") high, on each side and the rear of each vehicle. City must approve truck labeling. No advertising shall be permitted other than the name of the Contractor except that City may place billboards with public notices on vehicles at no additional charge.

7.05.03 Vehicle Inventory

Contractor shall furnish the City a written inventory of all vehicles used in providing service, and shall update the inventory annually. 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 Gross Vehicle Weight Rating (GVWR) the number of vehicles by type, the date of acquisition, the decibel rating and the maintenance and rebuild status. Each inventory shall also include the tare weight of each vehicle as determined by weighing at a public scale and not at a disposal or other facility scale used by Contractor. Each vehicle inventory shall be accompanied by a certification signed by Contractor that all Collection Vehicles meet the requirements of this Contract.

7.05.04 Vehicle Cleaning

All Collection Vehicles shall be washed at least once each week. Collection Vehicles shall be thoroughly washed and thoroughly steam cleaned on a regular basis so as to present a clean appearance. City may inspect vehicles at any time to determine compliance with this Contract. Contractor agrees to replace or repair to the City's satisfaction, any Collection Vehicle which City determines to be of unsightly appearance, leaking, or in unsatisfactory operating condition.

7.05.05 Vehicle Maintenance

Contractor shall inspect each Collection Vehicle daily to ensure that all equipment is operating properly. Collection Vehicles, which are not operating properly, shall be removed from service until repaired and operating properly. Contractor shall perform all scheduled maintenance functions upon Collection Vehicles in accordance with the manufacturer's specifications and schedule.

Contractor shall repair, or arrange for the repair of, all of its vehicles and equipment for which repairs are needed because of accident, breakdown or any other cause so as to maintain all equipment in a safe and operable condition. Contractor shall maintain accurate records of repair, which shall include the date, nature of repair and the verification by signature of a maintenance supervisor that the repair has been properly performed.

Contractor shall keep accurate records of all Collection Vehicle maintenance and shall make such records available to City upon request. The log shall at all times be accessible to City by physical inspection upon request of Contract Administrator, and shall show, at a minimum, each vehicle's Contractor-assigned identification number, date purchased or initial lease, dates of performance of routine maintenance, dates of performance of any additional maintenance, and description of additional maintenance performed.

7.05.06 Painting

All vehicles shall be of the same color. Contractor shall repaint all vehicles (including vehicle's striping) during the term of this Contract on a frequency as necessary to maintain a positive public image as reasonably determined by the Contract Administrator, but not less often than every five (5) years for any Collection Vehicle more than five (5) years old.

Contractor shall repaint any or all Collection Vehicles within thirty (30) days' notice from City, if City Administrator, at their sole discretion, determines that their appearance warrants painting.

7.05.07 Vehicle Operation

Vehicles shall be operated in compliance with Federal, State and local laws and regulations including, but not limited to, the California Vehicle Code, the regulations of the California Air Resources Board (CARB) Waste Collection Vehicle Regulations as established in the California Code of Regulations Title 13 Section 2700 et seq., and all applicable safety and local ordinances. Annually, Contractor shall provide the City with documentation of such compliance for each vehicle. For example, with regard to CARB regulations, such documentation shall demonstrate, at a minimum, the vehicle number, make, model, year, control technology used or planned, and the year that the control technology was applied or is planned to be applied. Contractor shall not load vehicles in excess of the manufacturer's Gross Vehicle Weight Rating (GVWR) or limitations imposed by Federal, State, or local weight restrictions on vehicles or roads.

7.05.08 Vehicle Certification

For each Collection vehicle used in the performance of services under this Contract, Contractor shall obtain a certificate of compliance (smog check) issued pursuant to Part 5 of Division 26 of the California Health and Safety Code (Section 43000 et seq.) and regulations promulgated thereunder and/or a safety compliance report issued pursuant to Division 14.8 of the California Vehicle Code (Section 34500 et seq.) and the regulations promulgated thereunder, as applicable to the vehicle. Contractor shall maintain copies of such certificates and reports and shall make such certificates and reports available for inspection upon request by the Contract Administrator.

7.05.09 California Heavy-Duty Inspection Program

No later than July 1, 2014, Contractor shall submit to the Contract Administrator verification that each of the Contractor's Collection Vehicles has passed the California Heavy-Duty Vehicle Inspection. Thereafter, Contractor shall cause each vehicle in Contractor's Collection Fleet to be tested annually in the California Heavy-Duty Inspection Program and shall submit written verification to City within ten (10) Work Days of the completion of such test. Contractor shall not use any vehicle that does not pass such inspection.

7.05.10 Vehicle Inspections

Upon City request, Contractor shall submit the Safety Compliance Report/Terminal Record Update from its Biennial Inspection of Terminal, or BIT. If Contractor receives a terminal rating below satisfactory, Contractor shall notify the City, and Contractor is in violation of the Contract. Contractor has the time allowed by the Department of California Highway Patrol ("CHP") to cure violations and bring the terminal rating up to satisfactory. If the CHP does not adjust the rating to satisfactory or better within six (6) months, then the Contractor shall be considered in default of the contract and the City may terminate this Contract.

7.06 CONTAINERS

7.06.01 Carts

Purchase and Distribution of Carts

Each Residential Customer will be provided one (1) 96-gallon Refuse Cart, one (1) 96-gallon Recycling Cart, and one (1) 96-gallon Green Waste Cart. In addition, Contractor shall provide 64-gallon carts as substitutes at no additional charge if requested by Customer. No discount will be given for use of smaller carts. Customers may also request additional Carts for Refuse or Green Waste Collection Service which shall be provided for an additional charge per Cart per month in accordance with the applicable rate schedule. Extra Recycling Carts shall be provided at no charge.

The Contractor shall be responsible for the purchase and distribution of fully assembled and functional Carts to Customers in the Service Area. All Carts provided by Contractor utilized in the performance of this Contract shall be manufactured by injection or rotational molding and meet the Cart design and performance requirements as specified below.

All Carts selected shall be subject to City's approval. Carts must meet color, size, uniformity and quality requirements of the City. The City will not permit Carts with inconsistent colors or in poor condition to be used in the City at any time during the term of this Contract, and may require Contractor to replace such Carts.

Cart Labeling and Hot Stamping

Labels used on Carts shall be placed on the inside of the Cart lid, and hot stamps shall be on the top of the lid and/or on the body of the Cart. Design for both the labels and the hot stamps must be approved by City prior to ordering labels or Carts. City shall approve what information is included on the label and in the hot stamp, as well as approve design and quality. Labels shall be replaced when worn. Cart labels and hot stamps will include specific instruction on what materials should and should not be placed in each Cart. Carts shall include the telephone number to call for Bulky Item Collection (see Section 6.03).

Replacement of Carts

Contractor's employees shall take care to prevent damage to carts by unnecessary rough treatment. Any cart damaged by the Contractor shall be repaired or replaced by the Contractor, at the Contractor's expense, within five (5) Work Days at no cost or inconvenience to the Customer.

Upon notification to the Contractor by the City or a Customer that the Customer's Refuse, Recycling, or Green Waste Cart(s) has been stolen or damaged beyond repair, the Contractor shall deliver a replacement cart(s) to such Customer within five (5) Work Days. Unsightly/worn-out Carts shall be replaced by Contractor upon Customer request. The Contractor shall maintain records documenting all Cart replacements occurring on a monthly basis. Contractor shall be responsible re replace Carts with graffiti within one (1) business day at no additional charge to the Customer or to City.

Repair of Carts

Contractor shall be responsible for repair of carts in the areas to include but not be limited to, hinged lids, wheels and axles, unless caused by the fault of the Customer. Within five (5) Work Days of notification by the City or a Customer of the need for such repairs, the Contractor shall repair the cart or, if necessary, remove the cart for repairs and deliver a replacement cart to the Customer. All repairs must restore the Cart to its full functionality.

Cart Delivery, Removal or Exchange

Upon notification to the Contractor by the City or a Customer requesting delivery, removal or exchange of Cart(s), the Contractor shall complete such request within five (5) Work Days. During the period from the Commencement Date, through December 31, 2014, each Cart-serviced Customer shall be eligible to request an unlimited amount of Cart deliveries, removals or exchanges at no additional charge.

After December 31, 2014, each Cart-serviced Customer is eligible to receive up to three (3) free Cart deliveries, removals or exchanges per calendar year during the term of this Contract.

Ownership of Carts

The Contractor shall own all the Carts it provides under this contract.

Collection of Customers' Discarded Collection Containers

The Contractor shall collect used, discarded, or unwanted collection containers used for collection prior to November 1, 2014, at no cost. To the extent feasible, Contractor shall recycle, or cause to have recycled the used, discarded, or unwanted collection containers.

7.06.02 Bins and Rolloff Boxes**Purchase and Distribution of Bins and Rolloff Boxes**

The Contractor shall be responsible for the purchase and distribution of Containers such as Bins and Roll-Off Boxes to Customers in the Service Area receiving Bin or Roll-Off service. Distribution of Containers shall be completed within five (5) Work Days of receipt of the request by the Customer.

Replacement of Bins and Rolloff Boxes

Care shall be taken by Contractor's employees to prevent damage to Bins and Roll-Off Boxes by unnecessary rough treatment. Any Bins or Rolloff Boxes damaged by the Contractor shall be replaced by the Contractor, at the Contractor's expense, within five (5) business days at no cost or inconvenience to the Customer.

Repair of Bins and Rolloff Boxes

Contractor shall be responsible for repair of Bins and Roll-Off Boxes at no additional charge, unless caused by the fault of the Customer. Within five (5) Work Days of notification by the City or a Customer of the need for such repairs, the Contractor shall replace or repair the Bins or Rolloff Boxes. Bins and Rolloff Box repair shall also include the removal of graffiti from the Container within forty-eight (48) hours' notice by the Customer or the Contract Administrator.

Bin Exchange

Upon notification to the Contractor by the City or a Customer that a change in the size or number of the Bins is required, the Contractor shall deliver such different-sized or number of Bins to such Customer within five (5) Work Days.

Ownership of Containers

Ownership of Bins or Roll-Offs distributed by the Contractor shall rest with the Contractor.

Bin Enclosure Cleanout

Contractor is responsible for cleaning out Customers' overflowing Bins and enclosures within twenty-four (24) hours of notification by City at no additional cost. Contractor may follow the procedures in Section 7.03.8 to address habitual offenders.

Bin Signage, Painting, and Cleaning

All metal bins of any service type furnished by the Contractor shall be either painted or galvanized. All metal or plastic bins shall display the Contractor's name, Contractor's customer service telephone number, and the number of the bin and shall be kept in a clean and sanitary condition. Such bins as are provided by the Contractor shall be steam cleaned by the Contractor as frequently as necessary so as to maintain them in a sanitary condition. Bins will be subject to periodic, unscheduled inspections by the City and determination as to sanitary condition shall be made by the City.

7.07 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.

- Upon written request by City, the Contractor shall transfer any employee of the Contractor who materially violates any provision hereof, or who is wanton, negligent, or discourteous in the performance of his duties.
- Contractor's field operations personnel shall be required to wear a clean uniform, with a 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.
- Each driver of a Collection vehicle shall at all times carry a valid California driver license and all other required licenses for the type of vehicle that is being operated.
- Each driver of a Collection Vehicle shall be proficient in written and spoken English.
- Each driver of a Collection Vehicle shall at all times comply with all applicable state and federal laws, regulations and requirements.
- 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.

7.08 PERFORMANCE REVIEW MEETING

Contractor acknowledges and agrees that one of City's primary goals in entering into this Contract is to ensure that the Collection Services are of the highest caliber, that Customer 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 greatest extent possible.

City may hold a meeting or a public hearing annually to review Contractor's Solid Waste Collection efforts, source reduction, processing and other diversion services and overall performance under this Contract. The purpose of the Performance Review Meeting is

to provide for a discussion and review of technological, economic, and regulatory changes in Collection, source reduction, Recycling, processing and Disposal to achieve a continuing, advanced Solid Waste Collection, source reduction and Recycling and Disposal system; and to ensure services are being provided by Contractor with adequate quality, effectiveness and economy, and in full compliance with the terms of this Contract. Topics for discussion and review at the Solid Waste Services and Performance Review Meeting shall include, but shall not be limited to, services provided, feasibility of providing new services, application of new technologies, Customer complaints, amendments to this Contract, developments in the law, new initiatives for meeting or exceeding the Act's mandates, regulatory constraints, results of audits, and Contractor performance. City and Contractor may each select additional topics for discussion at any Performance Review Meeting.

City shall notify Contractor of its intent to hold a Performance Review Meeting at least sixty (60) calendar days in advance thereof. Thirty (30) calendar days after receiving notice from City of a Performance Review Meeting, Contractor shall submit a report to City which may contain such information as it wishes to have considered, and shall contain the following:

- a) Current diversion rates and a report on Contractor's outreach activities for the past year.
- b) Recommended changes and/or new services to improve City's ability to meet the goals of state law and to contain costs and minimize impacts on rates. A specific plan for compliance with state law shall be included.
- c) Any specific plans for provision for new or changed services by Contractor.
- d) Customer complaint records. The reports required by this Contract regarding Customer complaints shall be used as one basis for review of Contractor's performance, and Contractor may submit other relevant performance information and reports for consideration at the Solid Waste Services and Performance Review Meeting. In addition to the above, City may request Contractor to submit any other specific information relating to its performance for consideration at the Solid Waste Services and Performance Review Meeting, and any Customer may submit

comments or complaints before or during the Meeting, either orally or in writing. Contractor shall be present at and participate in the Solid Waste Services and Performance Review Meeting.

As a result of its findings following any Solid Waste Services and Performance Review Meeting, City may require Contractor to provide expanded or new services within a reasonable time and City may direct or take corrective actions for any performance inadequacies (although nothing contained in this provision should be construed as requiring City to hold a Solid Waste Services and Performance Review Meeting in order to enforce any rights or remedies it has pursuant to the terms hereof.) Should City require expanded or new services as a remedy for Contractor's failure to perform its obligations hereunder, no additional compensation shall be due for such services. Otherwise, any new or expanded services required of Contractor shall be subject to the provisions of Section 14.07.

ARTICLE 8. FEES PAID TO THE CITY

In addition to any other consideration set forth herein, as part of its consideration for entering into this Contract, and for the exclusive right and privilege to provide Solid Waste Services as specified herein, Contractor shall provide the following:

8.01 FRANCHISE FEE PAYMENT

The Contractor shall not be obligated to pay a franchise fee.

8.02 CONTRACTING FEE PAYMENT

The Contractor shall make a one-time, lump sum payment of Sixty-Five Thousand Dollars (\$65,000) within seven (7) business days of the Effective Date of this Contract to reimburse the City for costs it incurred in connection with entering this Contract.

8.03 ADMINISTRATIVE FEE

Upon the Commencement Date, and upon each June 1st thereafter during the Term of this contract, the Contractor shall remit an annual payment to the City in the amount of Eighty Thousand Dollars (\$80,000), to fund administrative costs associated with administering and regulating solid waste collection within the City, such as, but not

limited to, code enforcement, reviews of Contractor's performance, waste audits, review of the annual rate adjustments, and other administrative tasks that arise from this service. The \$80,000 annual payment will be increased annually based on the annual percent increase in the Consumer Price Index calculated in accordance with Section 9.02.01 below for the "Service" component, based on the annual percent increase in the Consumer Price Index (CPI) for all Urban Consumers in the Los Angeles-Orange County area. The Administrative Fee shall be due in advance of each June 1st. Any payments received later than thirty (30) days past the due date shall be assessed a late fee of ten percent (10%) for each month they are overdue.

8.04 CONTRACTOR AUDITS

8.04.01 Right to Audit

The City reserves the right to conduct audits of Contractor's payments, operations and financial records. The Contractor shall cooperate with the City in connection therewith, including permitting City employees or agents, designated by the Contract Administrator, to follow the Collection vehicles, to inspect records consistent with the terms of this agreement and to review and inspect all other information and facilities necessary 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 Contract Administrator to conduct such audits. The scope of the audit, and auditing party, will be determined by City and the scope may include, but is not limited to, Customer Service levels and Billing, fee payments, Gross Receipts, tonnage, verification of weightings of cost components used in the rate adjustment formula described in Section 9.02, and verification of diversion rate. Waste audits shall be consistent with the requirements of CalRecycle: Diversion Study Guide Final Draft. If inaccuracies are found, City may expand the scope of the audit and recover from the Contractor any additional audit costs resulting from the expanded scope.

8.05 ACCEPTANCE OF PAYMENT BY CITY

No acceptance by City of any payment shall be construed as an accord that the amount is 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 Contract. Should an audit disclose that Customers were overcharged for the period under review, Contractor shall refund to Contractor's Customers or to City, as directed by City, any overcharges within thirty (30) days following the date of the audit. Undercharges shall not be billed in arrears for more than ninety (90) days of service, with any remaining undercharges absorbed by Contractor. Should an audit disclose that fees were overpaid by the Contractor to City, City shall issue a credit against future fees payable by Contractor in the amount of any overpayments made during the period ninety (90) days prior to the date of the audit, less costs and expenses incurred in connection with the audit and recompilation.

ARTICLE 9. CHARGES AND RATES

9.01 INITIAL RATES

The initial rates set forth in Exhibit 1 shall be the maximum amount Contractor may charge customers as full, entire and complete compensation due pursuant to this Agreement for all labor, equipment, materials and supplies, taxes, insurance, bonds, letters of credit, overhead, disposal, transfer, profit and all other things necessary to perform all the services required by this Agreement in the manner and at the times prescribed. Contractor shall impose no other charges for services provided to Customers unless approved in writing by City.

9.02 SCHEDULE OF FUTURE ADJUSTMENTS

Beginning on July 1, 2015, and each July 1 thereafter during the Term of this Agreement, Contractor shall be entitled to an adjustment in the initial rates in Exhibit 1, or an adjustment to those rates then in effect. The adjustment of Contractor's rates

shall be accomplished according to the method set forth below and according to the example in Exhibit 2.

The Contractor shall submit its request in writing directly to City staff or via certified mail, on or before March 31 of each year. Failure to submit a written request by March 31st shall result in Contractor waiving the right to request such an increase for that year. Waived rate adjustments may not be added to subsequent rate adjustments. Rates shall be adjusted in accordance with this section even if any decreases in the CPI, the PPI, or the tipping fee at the Puente Hills MRF result in an overall decrease in rates. All requested rate adjustments shall be subject to the approval of the City.

9.03 METHOD OF ADJUSTMENT

The initial rates in Exhibit 1 are comprised of three components: 1) a service component, 2) a fuel component, and 3) disposal component. Each of these components shall be adjusted based on the annual change in a corresponding index.

- The service component shall be adjusted based on the annual percent change in the Consumer Price Index for All Urban Consumers, All Items, for the Los Angeles-Riverside-Orange County metropolitan area (Series ID# CUURA421SA0).
- The fuel component shall be adjusted based on the annual percent change in the Producer Price Index for Fuels and related products and power, natural gas (Series ID# WPU0531).
- The disposal component shall be adjusted based on the annual change in the posted tipping fee for municipal solid and inert waste.

The purpose for annually adjusting Contractor's rates is to ensure that Contractor's compensation is reasonably adjusted over time due to changes in inflation, fuel costs, and disposal tip fees. The initial weighting of the components of the rates are intended to generally reflect the major areas of Contractor's cost structure such that this rate adjustment method strikes a reasonable balance between accuracy and efficiency.

In the event that the relative weights of these categories change materially over the term of the agreement, Contractor or City may petition the other party to realign the components with Contractor's actual cost structure. Any such realignment shall be subject to the inspection of records provisions in Section 10.02.02.

ARTICLE 10. RECORD KEEPING AND REPORTING REQUIREMENTS

10.01 GENERAL

Contractor shall compile and maintain records related to its performance under this Contract as necessary to develop the reports required by this Contract. Contractor agrees to conduct data collection, information and record keeping, and reporting activities needed to comply with and to meet the reporting and Solid Waste program management needs of the City, the Act, other applicable laws, and the requirements of this Contract.

Record keeping and reporting requirements specified in this Contract shall not be considered limiting or necessarily complete. In particular, Article 10 is intended to highlight the general nature of records and reports and their minimum content and is not meant to comprehensively define the scope and content of the records and reports. Upon written direction or approval of City, the records and reports required by Contractor in accordance with this and other Articles of the Contract shall be adjusted in number, format, or frequency.

Contractor shall maintain all records necessary to allow the City to determine Contractor's compliance with the terms of the Contract and compliance with the Performance Standards presented in this Contract. The records shall be maintained in a manner that allows for easy verification of Contractor's performance.

10.01.01 Independent Review of Records

City may conduct a review of Contractor at any time. The scope of the review, and reviewing party, will be determined by City and the scope may include, but is not limited to, compliance with terms of this Agreement, Customer service levels and Billing, fee payments, Gross Receipts, tonnage, verification of weightings of cost components used in the rate adjustment formula described in Chapter 9, and verification of Diversion rate.

The first review, to be performed during 2015, will be based on the Contractor's reports and records for calendar year 2014. Reviews will be performed every other year thereafter (the biennial review). Contractor will reimburse to the City the cost of such reviews (including reviews conducted by City staff) up to \$25,000 for the first review. The \$25,000 amount in subsequent years shall be increased annually by the change in CPI using the formula for the change in the service component of the rates in Chapter 9.

Should a review conducted or authorized by the City disclose that fees payable by Company were underpaid by two percent (2%) or more, that tonnage was mis-reported by 2% or more, or that more than two percent (2%) of the Customers were inaccurately billed based on the reviewer's sampling, for the period under review, City may expand the scope of the review and recover additional review costs from the Contractor.

10.01.02 Performance Review of Contractor's Service Quality

Beginning on or about July 1, 2016, and on a biennial basis thereafter, City may hold a hearing to review Contractor's Solid Waste Collection efforts, source reduction, processing and other diversion services and overall performance under this Agreement (the "Solid Waste Services and Performance Review " or "Performance Review"). The purpose of the Performance Review is to provide for a discussion and review of technological, economic, and regulatory changes in Collection, source reduction, Recycling, processing and disposal to achieve a continuing, advanced Solid Waste Collection, source reduction and Recycling and disposal system; and to ensure services are being provided by Contractor with adequate quality, effectiveness and economy and in full compliance with the terms of this Agreement. Topics for discussion and review at the Performance Review shall include, but shall not be limited to, services provided, feasibility of providing new services, application of new technologies, Customer complaints, amendments to this Agreement, developments in the law, new initiatives for meeting or exceeding AB 939 goals, regulatory constraints and Contractor performance. City and Contractor may each select additional topics for discussion at any Performance Review.

In addition to the Performance Review, in accordance with the immediately preceding paragraph, if the number of Customer complaints regarding Contractor's Solid Waste Collection Services are deemed by City to be excessive, City may, at any time (subject to the paragraph immediately below), hold a Performance Review.

City shall notify Contractor of its intent to hold a Performance Review at least ninety (90) days in advance thereof. The notice will indicate whether the hearing will occur before City staff, the City Council, or such other body as the City may designate in the notice. Forty-five (45) days after receiving notice from City of a Performance Review, Contractor shall submit a report to City which may contain such information as it wishes to have considered, and shall contain the following:

- (1) Current diversion rates and a report on Contractor's outreach activities for the past year.
- (2) Recommended changes and/or new services to improve the City's ability to meet the goals of AB 939 and to contain costs and minimize impacts on rates.
- (3) Any specific plans for provision of changed or new services by Contractor.

The reports required by this Agreement regarding Customer complaints shall be used as one basis for review of Contractor's performance, and Contractor may submit other relevant performance information and reports for consideration at the Performance Review. In addition to the above, City may request Contractor to submit any other specific information relating to its performance for consideration at the Performance Review, and any Customer may submit comments or complaints during or before the Review, either orally or in writing. Contractor shall be present at and participate in the Performance Review.

10.01.03 Performance Satisfaction Survey

If requested by the City, no more than every three (3) years for the term of the Agreement, Contractor will create and conduct a survey at Contractor's expense in preparation for any Solid Waste Services and Performance Review held pursuant to Section 10.01.2. City shall notify Contractor of its desire for such a survey at least ninety (90) days in advance of the Solid Waste Services and Performance Review. The purpose of the survey is to determine Customer satisfaction with current City Collection services and Customer service provided by Contractor. The survey will be distributed to a minimum of ten percent (10%) of the Bin and Roll-off Box Customers and five-percent (5%) of the Residential Cart Customers, selected at random. Contractor shall obtain City's approval of the survey's content, format, and mailing list prior to its distribution. The City may require that Contractor have Customer responses to the survey returned directly to the City. The survey results shall be made available to the City thirty (30) days prior to the Solid Waste Services and Performance Review.

10.02 RECORD KEEPING

10.02.01 General

Contractor shall maintain records required to conduct its operations, to support requests it may make to City, and to respond to requests from City. All records shall be maintained for three (3) years after the expiration or early termination of this Contract.

In order to set Contractor's compensation pursuant to Article 9, it is necessary for Contractor to maintain accurate, detailed financial and operational information in a consistent format and to make such information available to the City in a timely fashion, and in accordance with reporting requirements specified in this Article.

10.02.02 Inspection of Records

City shall have the right to inspect or review the payroll tax reports, specific documents or records required expressly or by inference pursuant to this Contract, or any other similar records or reports of Contractor or its Affiliates that City shall deem, in its sole

discretion, necessary to evaluate annual reports, compensation applications provided for in this Contract, and Contractor's performance provided for in this Contract.

Contractor agrees that the records of any and all companies conducting operations addressed in the Contract shall be provided or made available to City and its official representatives for review. The City, its auditors and other agents selected by the City, shall have the right, during regular business hours, to conduct unannounced on-site inspections and review of the records and accounting systems of Contractor and to make copies of any documents relevant to this Contract.

10.02.03 Retention of Records

Records and data shall be in a chronological and organized form and readily and easily interpreted. At the City's request, records and data required to be retained shall be retrieved in a timely manner (which shall not exceed more than ten (10) Business Days unless Contractor obtains prior written approval from the City) by Contractor and made available to the City.

Contractor shall maintain copies of all Billings and Billing collections (e.g., Customer payments) records or copies of Billing summary reports (that document all Billings and Billing Collections for each Customer) for five (5) years, following the date of Billings, for inspection and verification by City.

Records and data required to be maintained whether or not specifically directed to be retained shall be retrieved by Contractor and made available to the City in a timely manner (which shall not exceed ten (10) Business Days unless Contractor obtains prior written approval from the City).

10.02.04 Record Security

Contractor shall maintain adequate record security to preserve records from events that can be reasonably anticipated such as a fire, theft, and an earthquake. Electronically-maintained data and/or records shall be protected, backed up, and stored at a separate site from the original data.

10.02.05 Accounting Records

Contractor shall maintain full, complete and separate financial, statistical and accounting records, pertaining to cash, billing, and provisions of all Collection Services, prepared on an accrual basis in accordance with generally accepted accounting principles. Billing, gross receipt, rebate and disposal records only shall be subject to audit, copy, and inspection. Contractor shall maintain and preserve all billing, gross receipts, rebate and disposal records for a period of not less than five (5) years following the close of each of the Contractor's fiscal years.

10.02.06 Collection Service Records

Contractor shall maintain and retain records relating to:

1. Customer and Billing information including, but not limited to, the following for each Customer:
 - a) Names, addresses, and phone numbers of Customer, billing contact person, and, if appropriate, for property manager or on-site contact person;
 - b) Solid Waste service level, Recyclable Materials service level, and Organic Materials service level (where service level includes the number of Containers, size of each Container, and the Collection frequency of each Container);
 - c) Number of tenant or living units at Multi-Family Residential Complexes;
 - d) Service exemptions for Residential Premises (if applicable);
 - e) Special services (e.g., Backyard and Special Handling Collection for Residential Premises, push/pull charges, lock/unlock charges, etc.);
 - f) Contractor's Customer and Billing system shall allow for information to be compiled easily and separately for each Service Sector.
2. Quantities of Residential Solid Waste and Commercial Solid Waste by type (e.g., Solid Waste, Recyclable Materials, Green Waste) collected, purchased, processed, sold, donated or given for no compensation, and residue disposed.
3. Route sheets and route maps identifying the accounts serviced by each Collection vehicle on a daily basis.

4. Facilities, equipment and personnel used.
5. Facilities and equipment operations, maintenance and repair.
6. Tonnage of Solid Waste, Recyclable Materials, and Green Waste Materials listed separately by materials type and Service Sector and the facility where materials were delivered.
7. Monthly Overall Diversion Level, monthly Residential Diversion Level, and the monthly Commercial Diversion Level (each stated as a percentage) and calculated in accordance with Attachment I.
8. Recyclable Materials and Green Waste Collection participation and set-out rates.
9. Tonnage of materials Collected from on-call Bulky and community drop-off events as described in Section 4.05 reported separately by material type collected and listing facilities where materials were delivered (e.g., Goodwill Industries, Transfer Station and Processing Site, etc.).
10. Tonnage of Solid Waste, Recyclable Materials, and Green Waste Collected from Venues and Events reported separately by material type collected and reported separately for each Venue and Event as the total tonnage of each material type for each Event or Venue monthly.

10.02.07 Other Records

Contractor shall maintain all other records reasonably related to provision of Collection Services or necessary to comply with, or document compliance with, state law, whether or not specified in this the Contract.

10.02.08 Customer Service Records

Daily logs of all Complaints and Inquiries provided under this Contract shall be retained for a minimum of thirty-six (36) months. Contractor shall maintain and retain customer service center records, which include, but are not limited to the following customer service center statistics.

1. Number of calls received on a daily and monthly basis;
2. Number of calls answered on a daily and monthly basis;
3. Number of abandoned (dropped) calls on a daily and monthly basis;

4. Average abandoned time (i.e., hold time before abandoning call);
5. Number of delayed calls (i.e., calls where caller is placed on hold before speaking with a Customer Service Agent) on a daily and monthly basis;
6. Average Hold Time for incoming calls on a daily and monthly basis;
7. Percentage of calls answered by a person within thirty (30) seconds on a daily and monthly basis;
8. Percentage of calls answered within three (3) minutes on a daily and monthly basis;
9. Number of e-mail responses sent from the Customer Service Department to Customers on a monthly basis;
10. Number and percentage of Complaint and Inquiry e-mails or submissions through Contractor website that received responses before close of business on the day received on a monthly basis;
11. Number and percentage of Complaint and Inquiry e-mails that received responses by the close of business on the day following the receipt of the Complaint or Inquiry;
12. Number of Complaints and Inquiries received through Contractor's website on a daily and monthly basis;
13. Names of all Customer Service representatives employed;
14. Minimum, average, and maximum number of Customer Service representatives employed during each month; and,
15. Number of Customer Service representatives employed during each month.

10.03 REPORTING

10.03.01 General

Monthly reports shall be submitted no later than the 25th of the following month. Annual reports shall be submitted no later than April 1 for the previous calendar year. Monthly reports and annual reports shall be submitted in hard copy, and shall be provided electronically in software acceptable to the City.

10.03.02 Financial Reports

Contractor shall prepare an annual Financial Report for submittal to the City by _____, and each _____ thereafter covering the Contractor's prior calendar year operations. At a minimum, the Financial Report shall include the number of Residential Customers and Commercial Customers provided with Collection Services, including any additional services, the number and types of Carts, and the Contractor's gross billing and amount collected for each type of Customer. The total annual disposal and processing fees paid, and the amount received for the sale of recyclable materials.

- At the City's request, the Financial Report shall also include Compiled Financial Statements covering all services provided by the Contractor to the City under the terms of this Contract. If the Contractor has Audited, Reviewed, or Compiled Financial Statements prepared each year by an Independent Certified Public Accountant, those Financial Statements shall be included in the Financial Report submitted to the City.
- In the event that the Contractor does not have Financial Statements Audited, Reviewed, or Compiled each year, then the Contractor must have Financial Statements prepared by an Independent Certified Public Accountant. Such Financial Statements may be Audited, Reviewed or Compiled at the discretion of the Contractor and shall be included in the Financial Report submitted to the City.

10.03.03 CalRecycle Reports

Contractor shall assist the City to prepare annual reports for information required by CalRecycle.

10.03.04 City Reports

Reports to the City shall include:

- Contractor shall prepare an annual report that summarizes the public education and information activities undertaken during the year, including distribution of bill inserts, collection notification tags, community information

and events, tours and other activities related to the provision of Collection Services. This report shall discuss the impact of these activities on recycling program participation and include amounts collected from Residential, Multi-Family and Commercial Customers.

- Contractor shall prepare an annual report that summarizes Recycling and Green Waste Collection, processing and marketing issues or conditions (such as participation, setouts, contamination, etc.) and possible solutions, discussed separately for Residential and Commercial programs.
- Contractor shall prepare monthly and annual reports that summarizes the total tonnage for Solid Waste collected in the City and the tonnage diverted based on the categories in CalRecycle's annual report.

10.03.05 Solid Waste Data

The number of Residential and Commercial Customers and the number of Solid Waste Bins and Carts distributed by size and Customer type.

10.03.06 Recycling Data

Gross tons collected daily on average by material type by route for Residential, Multi-Family and Commercial Recycling service. The average participation rates by relative to the total number of Customers by Customer type. Indicate, by material type (and grade where appropriate), monthly totals of Recyclable Materials processed and sold including facility name and location, average price received per ton and total recycling revenue received for the month. Indicate any quantities, by material type, donated or otherwise disbursed without compensation. Indicate number of Recycling Bins and Carts distributed by size and Customer type. Also provide monthly totals and location for residue disposed.

10.03.07 Green Waste Data

Include average daily gross tons collected by route. Indicate average daily number of set-outs by route. Indicate average participation rates relative to the total number of Customers in terms of weekly set-out counts. Indicate number of Green Waste Bins

and Carts distributed by size and Customer type. Also provide totals and location for Residue Disposed.

10.03.08 Customer Service Log

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 pick-ups and responses to such calls.

- A summary narrative of problems encountered with Collection and processing activities and actions taken. Indicate type and number of Non-Collection Notices left at Customer locations. Indicate instances of property damage or injury, significant changes in operation, market factors, publicity conducted, needs for publicity. Include description of processed material loads rejected for sale, reason for rejection and disposition of load after rejection.

10.03.09 Bin and Cart Inventory

An updated complete inventory of Bins, Carts and Roll-Offs by type and size.

10.03.10 Additional Reporting

The Contractor shall provide the City with a monthly tonnage report showing the quantities of Residential Solid Waste and Commercial Solid Waste by type (e.g., Solid Waste, Recyclable Materials, Green Waste) collected, purchased, processed, sold, donated or given for no compensation, and the amount of residue disposed of. 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.

- 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 Customers for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Contract or pursuant to this Contract.

- Contractor shall maintain all documents and records, which demonstrate performance under this Contract for a minimum period of three (3) years, or for any longer period required by law, from the date of termination or completion of this Contract.
- Any records or documents required to be maintained pursuant to this Contract shall be made available for inspection or audit, at any time during regular business hours, upon written request by the Contract Administrator, 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 Contract.

ARTICLE 11. INSURANCE

11.01 INSURANCE POLICIES

Contractor shall secure and maintain throughout the term of this Contract insurance with insurance company admitted to write insurance in California, or carriers with a rating of, or equivalent to, AVII by A. M. Best & Company to, and approved by the City, against claims for injuries to persons or damages to property which may arise from or in connection with Contractor's performance of work or services under this Contract. Contractor's performance of work or services shall include performance by Contractor's employees, agents, representatives and subcontractors.

11.01.01 Minimum Scope of Insurance

Insurance coverage shall be at least this broad:

- Insurance Services Office Form No. GL 0002 (Ed. 1/96) covering Comprehensive General Liability and Insurance Services Office Form No. GL 0404 covering Broad Form Comprehensive General Liability; or Insurance Services Office Commercial General Liability coverage ("occurrence" form CG 0001), including X, C, U where applicable.

- Insurance Services Office Form No.CA 0001 (Ed. 12/93) covering Automobile Liability, code 1 “any auto”, or code 2 “owned autos” and endorsement CA 0025. Coverage shall also include code 8, “hired autos” and code 9 “non-owned autos”.
- Workers’ Compensation insurance as required by the California Labor Code and Employers Liability Insurance.
- Hazardous Waste and Environmental Impairment Liability Insurance.

11.02 MINIMUM LIMITS OF INSURANCE

Contractor shall maintain insurance limits no less than:

- Comprehensive General Liability: (\$10,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability insurance with a general aggregate limit is used, either the general aggregate limit shall apply separately to this Contract or the general aggregate limit shall be twice the required limit. The insurance shall be written on an “occurrence” basis (rather than a “claims made” basis) in a form at least as broad as the most current version of the Insurance Service Office commercial general liability occurrence policy form (CG0001).
- Automobile Liability: (\$10,000,000) combined single limit per accident for bodily injury and property damage.
- Umbrella Insurance: Umbrella insurance (over primary) shall be provided up to (\$20,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage.
- Workers’ Compensation and Employers Liability: Workers’ Compensation limits as required by the California Labor Code and Employers Liability limits of (\$1,000,000) per accident.
- Hazardous Waste and Environmental Impairment Liability: \$(3,000,000) per occurrence.

11.03 DEDUCTIBLES AND SELF-INSURED RETENTION

Any deductibles or self-insured retention must be declared to, and approved by the City. At the option of City, either: the insurer shall reduce or eliminate such deductibles or

self-insured retention as respects the Indemnities; or Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses in an amount specified by the City.

11.04 ENDORSEMENTS

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

11.04.1 General Liability and Automobile Liability Coverage

- The City, its officers, employees, agents and contractors are to be covered as additional insureds as respects: Liability arising out of activities performed by, or on behalf of, Contractor; products and completed operations of Contractor; premises owned, leased or used by Contractor; and automobiles owned, leased, hired or borrowed by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City, its officers, employees, agents and contractors.
- Contractor's insurance coverage shall be primary insurance with respect to the City, its officers, employees, agents and contractors. Any insurance, or self-insurance maintained by City, its officers, employees, agents or contractors shall be in excess of Contractor's insurance and shall not contribute with it.
- Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its officers, employees, agents, or contractors.
- Coverage shall state that Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

11.04.2 All Coverage

Each insurance policy required by this Contract shall be endorsed to state that coverage shall not be suspended, voided, canceled, or reduced in limits except after thirty (30) calendar days prior written notice has been given to City.

11.05 VERIFICATION OF COVERAGE

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

11.06.01 Proof of Insurance

Proof of insurance shall be mailed to the following address or any subsequent address as may be directed in writing by the City Clerk:

CITY OF LA HABRA HEIGHTS
CITY CLERK
1245 N. Hacienda Rd.
LA HABRA HEIGHTS, CA 90631

11.06 SUBCONTRACTORS

Contractor shall include all subcontractors as insured under its policies or shall obtain separate certificates and endorsements for each subcontractor.

11.07 MODIFICATION OF INSURANCE REQUIREMENTS

The insurance requirements provided in this Contract 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.

11.08 RIGHTS OF SUBROGATION

All required insurance policies shall preclude any underwriter's rights of recovery or subrogation against City with the express intention of the parties being that the required insurance coverage protects both parties as the primary coverage for any and all losses covered by the above-described insurance. Contractor shall ensure that any companies issuing insurance to cover the requirements contained in this Contract agree that they

shall have no recourse against City for payment or assessments in any form on any policy of insurance. The clauses 'Other Insurance Provisions' and 'Insured Duties in the Event of an Occurrence, Claim or Suit' as it appears in any policy of insurance in which City is named as an additional insured shall not apply to City.

ARTICLE 12. INDEMNIFICATION AND BOND

12.01 INDEMNIFICATION

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

make payment of an amount so due and Contractor shall promptly reimburse the City for same, together with interest thereon at the rate of 12% per annum simple interest from the date of receipt by Contractor of written notice from the City that such payment is due.

12.02 HAZARDOUS SUBSTANCES INDEMNIFICATION

Without regard to any insurance coverage or requirements, and without limiting the above general indemnification obligation in any way, Contractor specifically agrees to and shall, to the maximum extent permitted by law, defend (with counsel acceptable to City), reimburse, indemnify, and hold harmless Indemnitees from and against any and all claims, actions, liabilities, damages, demands, judgments, losses, costs, liens, expenses, suits, actions, attorneys' fees, consultant fees, penalties and any and all other losses, damages, fees and expenses of whatever kind or nature ("Claims") (including but not limited to response costs, investigative costs, assessment costs, monitoring costs, treatment costs, cleanup costs, removal costs, remediation costs, and similar costs, damages and expenses) that arise out of or are alleged to arise out of or in any way relate to any action, inaction or omission of Contractor that:

1. Results in any demand, claim, notice, order, or lawsuit, asserting that any Indemnitee is liable, responsible or in any way obligated to investigate, assess, monitor, study, test, treat, remove, remediate, or otherwise clean up, any Hazardous Contaminant (as defined herein); or
2. Relates to material collected, transported, recycled, processed, treated or disposed of by Contractor.

Contractor's obligations pursuant to this section shall apply, without limitation, to:

1. Any Claims brought pursuant to or based on the provisions of any Environmental Law;
2. Any Claims based on or arising out of or alleged to be arising out of the ownership, use, lease, sale, design, construction, maintenance or operation of Contractor of any Facility;

3. Any Claims based on or arising out of or alleged to be arising out of the marketing, sale, distribution, storage, transportation, disposal, processing or use of any materials recovered by Contractor;

4. Any Claims based on or arising out of or alleged to be arising out of any breach of any express or implied warranty, representation or covenant arising out of or in connection with this Contract.

The foregoing indemnity and defense obligations shall apply irrespective of the negligence or willful misconduct of Contractor or any Affiliate of Contractor.

For purposes of this section, the term "Hazardous Contaminant" shall mean any Hazardous Substance, any Hazardous Waste any crude oil or refined or unrefined petroleum product or any fraction or derivative thereof; and any asbestos or asbestos-containing material. The term "Hazardous Contaminant" shall also include any and all amendments to any referenced statutory or regulatory provisions made before or after the date of execution of this contract.

THE PROVISIONS OF THIS SECTION SHALL NOT TERMINATE OR EXPIRE, SHALL BE GIVEN THE BROADEST POSSIBLE INTERPRETATION AND SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS CONTRACT.

12.03 THE ACT INDEMNIFICATION AND GUARANTEE

To the extent authorized by law, Contractor agrees to indemnify and hold harmless City from and against all fines and/or penalties imposed by CalRecycle in the event the source reduction and recycling mandates or any other requirement of the Act or other state law regarding waste diversion, reduction or recycling are not met by City.

Contractor warrants and represents that it is familiar with City's waste characterization study as set forth in City's Source Recovery and Recycling Element (SRRE), and that it has the ability to and will provide sufficient programs and services to ensure City will meet or exceed the diversion requirements (including, without limitation, amounts of Solid Waste to be diverted, time frames for diversion, and any other requirements) set forth in the Act.

12.04 PERFORMANCE BOND

Within ten (10) calendar days from the date the City Council approves this Contract, the Contractor shall furnish to the City, and keep current, a Performance Bond in a form substantially similar as set forth in Exhibit 3 which is included in and attached to this Contract, for the faithful performance of this Contract and all obligations arising hereunder in an amount as follows:

- From _____, the Contractor shall maintain a performance bond throughout the term of this Contract in the amount of Two-Hundred Fifty-Thousand Dollars (\$250,000).
- The performance bond shall be executed by a surety company licensed to do business in the State of California, having an, A:VII or better rating, and approved by the City; and included on the list of surety companies approved by the Treasurer of the United States.

12.04.01 Letter of Credit

As an alternative to the performance bond required by Section 12.04, at City's option, Contractor may deposit with City an irrevocable letter of credit in an amount as set forth in this Contract. 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 Section shall, in any way, obligate the City to accept a letter of credit in lieu of the performance bond.

12.05 FOREFEITURE OF PERFORMANCE BOND

In the event Contractor shall for any reason become unable to, or fail in any way to, perform as required by this Contract, City may declare a portion or all of the performance bond which is necessary to recompense and make whole the City forfeited to the City. Upon partial or full forfeiture of the performance bond, Contractor shall restore the performance bond to its face amount within thirty (30) days of the City's declaration. Failure to restore the performance bond to its full amount within thirty (30) days shall be a material breach of the Contract.

12.06 PERFORMANCE SECURITY BEYOND SERVICE TERM

Some Contract requirements extend beyond the Term of this Contract and other requirements, such as State-approved diversion rates per Section 5.05, will not be substantiated until after the final service date. Therefore, the Contractor shall not terminate the performance bond or letter of credit, and will renew them to ensure continuous availability to the City, until receiving a written release from the City. Any performance bond or letter of credit will automatically expire at the end of thirty-six (36) months after the end of the Term of this Contract. Permission from the City to discontinue holding these performance securities does not relieve Contractor of payments to the City that may be due, or may become due.

12.07 OBLIGATION

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

ARTICLE 13. DEFAULT OF CONTRACT

13.01 TERMINATION

The City may cancel this Contract, except as otherwise provided below in this Section, by giving the Contractor thirty (30) calendar days' advance written notice, to be served as provided in this Contract, upon the happening of any one of the following events:

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
2. 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, the default shall be deemed immediate; or

3. 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
4. The Contractor has defaulted, by failing or refusing to pay in a timely manner the liquidated damages or other monies due the City and the default is not cured within thirty (30) calendar days of receipt of written notice by City to do so; or
5. The Contractor has defaulted by allowing any final judgment for the payment of money to stand against it unsatisfied and the default is not cured within thirty (30) calendar days of receipt of written notice by City to do so; or
6. In the event that the monies due the City under Section 13.01.4 above or an unsatisfied final judgment under Section 13.01.5 above is the subject of a judicial proceeding, the Contractor shall not be in default if the sum of money is bonded. All bonds shall be in the form acceptable to the City Attorney; or
7. Contractor receives a rating less than "satisfactory" on its safety compliance report resulting from a BIT inspection; or
8. The Contractor has defaulted, by failing or refusing to perform or observe the terms, conditions or covenants in this Contract 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 Contract Administrator relative thereto, including but not limited to, by refusing to provide records or information as required by this

Agreement, and the default is not cured within thirty (30) calendar days of receipt of written notice by the City to do so.

9. 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, the City may secure the Contractor's records on the fourth (4th) Work Day 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 Contract; provided, however, if the Contractor is unable for any reason or cause to resume performance at the end of seven (7) calendar days, all liability of the City under this Contract to the Contractor shall cease and this Contract may be deemed terminated by the City.

13.02 VIOLATIONS

Notwithstanding the foregoing and as supplemental and additional means of termination of this Contract 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, in the opinion of the City and regardless of whether the Contractor has corrected each individual condition of default, the Contractor shall be deemed a "habitual violator", shall be deemed to have waived the right to any further notice or grace period to correct, and all of the defaults shall be considered cumulative and collectively shall constitute a condition of irredeemable default. In order to be deemed a "habitual violator" such violation must have occurred not less frequently than three (3) times in any calendar year. 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 the cumulative defaults, shall be grounds for immediate termination of the Contract. In the event of any such subsequent default, the City may terminate this Contract upon giving of written final 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 that 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 Contract.

13.03 EFFECTIVE DATE OF TERMINATION

In the event of events specified in Sections 13.01 or 13.02, and except as otherwise provided in these subsections, termination shall be effective upon the date specified in the City's written notice to the Contractor and upon that date this Contract shall be deemed immediately terminated and upon such termination all liability of the City under this Contract 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. In the event of such termination, the Contractor shall reimburse the City all direct and indirect costs of providing interim Collection Services.

13.04 IMMEDIATE TERMINATION

City may terminate this Contract immediately upon written notice to Contractor in the event Contractor fails to provide and maintain the performance bond as required by this Contract, Contractor fails to obtain or maintain insurance policies endorsements as required by this Contract, Contractor fails to provide the proof of insurance as required by this Contract, or Contractor offers or gives any gift prohibited by City Municipal Code.

13.05 TERMINATION CUMULATIVE

City's right to terminate this Contract is cumulative to any other rights and remedies provided by law or by this Contract.

13.06 LIQUIDATED DAMAGES

It shall be the duty of Contractor to perform services under this Contract in such a manner as to implement the goals set forth in sections above. In the event Contractor fails to perform the services set forth in this Contract, City may assess liquidated damages against Contractor in the following amounts:

LIQUIDATED DAMAGES		
a.	Failure or neglect to resolve each complaint within the time set forth in this Contract.	\$100 per incident per Customer
b.	Failure to clean up spillage or litter caused by Contractor.	\$100 per incident per location.
c.	Failure to repair damage to Customer property caused by Contractor or its personnel.	<u>\$100</u> per incident per location.
d.	Failure to maintain equipment in a clean, safe, and sanitary manner.	<u>\$100</u> per incident per day.
e.	Failure to have a vehicle operator properly licensed.	<u>\$100</u> per incident per day.
f.	Failure to maintain office hours as required by this Contract.	<u>\$100</u> per incident per day.
g.	Failure to maintain or timely submit to City all documents and reports required under the provisions of this Contract.	<u>\$100</u> per incident per day.
h.	Failure to properly cover materials in Collection Vehicles.	<u>\$100</u> per incident.
i.	Failure to display Contractor's name and Customer Service phone number on Collection Vehicles, except for reserve vehicles.	<u>\$100</u> per incident per day.
j.	Failure to comply with the hours or days of operation as required by this Contract.	<u>\$100</u> per incident per day.
k.	Failure or neglect to complete at least ninety percent (90%) of each route on the regularly scheduled Collection Service Work Day.	<u>\$500</u> for each route not completed.
l.	Failure to notify Contract Administrator of failure to complete daily routes.	<u>\$250</u> per incident per day.
m.	Changing routes without proper notification to the Contract Administrator.	<u>\$250</u> per incident per day.
n.	Commingling Residential or Commercial Solid Waste with Recyclable Materials with Refuse.	<u>\$100</u> per incident.
o.	Commingling of materials collected inside and outside the City of La Habra Heights without prior approval by the City.	<u>\$500</u> per incident.
p.	Failure to repair or replace damaged carts or bins within the time required by this Contract.	<u>\$100</u> per incident per day.
q.	Failure to deliver or exchange carts or bins within the time required by this Contract.	<u>\$100</u> per incident per day.
r.	Failure to have Contractor personnel in proper uniform.	<u>\$100</u> per incident per day.
s.	Disposal of Recyclable Materials in the Disposal Facility without first obtaining the required permission of the City.	<u>\$500</u> per occurrence

LIQUIDATED DAMAGES		
t.	Failure to provide required communications equipment.	\$ <u>100</u> per incident per day.
u.	Failure to deliver any collected materials to the Disposal Facility, Materials Recycling Facility, or Green Waste Processing Facility, as appropriate, except as otherwise expressly provided in this Contract.	\$ <u>100</u> per incident
v.	Delivery to the Disposal Facility of any Solid Waste collected outside of the city boundaries of La Habra Heights commingled with Solid Waste collected as part of this Contract without prior approval by the City.	\$ <u>100</u> per incident
w.	If after full implementation of programs, City's diversion rate falls below 50%, as determined by CalRecycle	\$ <u>250</u> for each day City is deemed non-compliant by CalRecycle.

13.07 PROCEDURE FOR REVIEW OF LIQUIDATED DAMAGES

The City Manager may assess liquidated damages pursuant to this Contract on a monthly basis. At the end of each month during the term of this Contract, the City Manager shall issue a written notice to Contractor ("Notice of Assessment") of the liquidated damages assessed and the basis for each assessment.

1. The assessment shall become final unless, within ten (10) calendar days of the date of the notice of assessment, Contractor provides a written request for a meeting with the City Manager to present evidence that the assessment should not be made.
2. The City Manager shall schedule a meeting between Contractor and City Manager or designee as soon as reasonably possible after timely receipt of Contractor's request.
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.
4. In the event Contractor does not submit a written request for a meeting within ten (10) calendar days of the date of the Notice of Assessment, the City Manager's

determination shall be final and City may deduct the liquidated damages from amounts otherwise due to Contractor.

5. City's assessment or collection of liquidated damages shall not prevent City from exercising any other right or remedy, including the right to compel performance or terminate this Contract, for Contractor's failure to perform the work and services in the manner set forth in this Contract. Liquidated damages shall be in addition to any applicable fines or penalties imposed by third parties, damages owed to third parties and actual cleanup costs.

ARTICLE 14. OTHER AGREEMENTS OF THE PARTIES

14.01 INDEPENDENT CONTACTOR

In the performance of services pursuant to this Contract, 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 benefits which accrued to City employees and Contractor expressly waives any claim it may have or acquire to such benefits.

14.02 COMPLIANCE WITH LAW

In the performance of this Contract, Contractor shall comply with all applicable laws, regulations, ordinances and codes of the federal, state and local governments, including without limitation the City of La Habra Heights Municipal Code.

14.03 NO ASSIGNMENT

No assignment of this Contract or any right occurring under this Contract shall be made in whole or in part by the Contractor without the express prior 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, except for an assignment to an

affiliate of Contractor, which shall not be withheld unreasonably. Contractor shall make a written request to assign prior to any actual assignment and shall pay a fee of Twenty-Five Thousand Dollars (\$25,000) to the City for the processing of any request to assign this Contract. Any assignment of this Contract 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 Contract and immediately terminate this Contract by giving written notice to the Contractor, and upon the date of such notice this Contract shall be deemed immediately terminated, and upon such termination all liability of the City under this Contract 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 Contract. In the event of any assignment, the assignee shall fully assume all the liabilities of the Contractor.

14.04 USE OF SUBCONTRACTOR

The use of a subcontractor to perform services under this Contract shall not constitute an assignment of Contractor's duties provided that Contractor has received prior written authorization from the Contract Administrator to subcontract such services and the Contract Administrator 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 Contract Administrator shall have the right to require the removal of any approved subcontractor for reasonable cause.

14.05 SUBCONTRACTORS

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

14.06 NONDISCRIMINATION

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

14.07 MODIFICATIONS

The City shall have the power to make changes in this Contract as the result of changes in law, changes in the City of La Habra Heights Municipal Code, or both, to impose new rules and regulations on the Contractor under this Contract relative to the scope and methods of providing Collection Services as shall from time to time be necessary and desirable for the public welfare. The City shall give the Contractor notice of any proposed change and an opportunity to be heard concerning those matters.

14.07.01 Change in Law

The City and the Contractor understand and agree that the California Legislature and regulatory agencies have the authority to make comprehensive changes in Solid Waste Management legislation and regulations, including but not limited to fees and charges imposed under federal, state or local law related to the provisions of solid waste services, 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 Contract. The Contractor agrees that the terms and provisions of the City of La Habra Heights Municipal Code, as it now exists or as it may be amended in the future, shall apply to all of the provisions of this Contract and the Customers of the Contractor located within the Service Area. In the event any future change in the City Code, state law or regulations that materially alters the obligations of the Contractor, the City requests a change in the scope of services, or there is an increase or decrease in a fee or charge applicable to the provision of Solid Waste Services, then the affected service rates, as established in Exhibit 1 of this Contract shall be adjusted. Nothing contained in this Contract 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 Contract 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 Contract, 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 Contract under this Article. The City and the Contractor shall not unreasonably withhold agreement to such compensation adjustment.

14.07.02 City's Right to Direct Changes

City may direct Contractor to perform additional Solid Waste Collection and diversion services (including new diversion programs, etc.) or modify the manner in which it performs existing services or bills for services. Pilot programs and innovative services which may entail new collection methods, and different kinds of services and/or new requirements for Waste Generators are included among the kinds of changes which City may direct. Contractor shall be entitled to an adjustment in its Contractor Compensation for providing such additional or modified services, including a profit factor equal to ten percent (10%) of the incremental cost of such additional or modified services. City may utilize cost components provided with Contractor's proposed rates in calculating equitable rate adjustments. If the City Manager and Contractor cannot agree upon the amount of a rate adjustment authorized pursuant to this section, the City Council shall make a final determination and its decision is final and binding.

14.07.03 New or Additional Programs and Services

(a) Contractor shall present, within thirty (30) days of a written request to do so by City, a proposal to provide additional or expanded diversion services. The proposal shall contain a complete description of the following:

- Collection methodology to be employed (equipment, manpower, etc.).
- Equipment to be utilized (vehicle number, types, capacity, age, etc.).
- Labor requirements (number of employees, by classification).

- Type(s) of Containers to be utilized.
- Type(s) of materials to be collected.
- Provision for program publicity/education/marketing.
- Three-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.
- The added cost for providing such additional or expanded diversion services.
- The City and Contractor shall negotiate an adjustment to Contractor's rates based on Contractor's actual incremental cost of service.

(b) In the event that the mandatory diversion rate of 50% under state law is increased or other diversion or waste reduction requirements are imposed by legislative or regulatory action, then City and Contractor agree to meet and negotiate in good faith with respect to necessary compliance programs needed to fund such programs. In order to assist the City in achieving diversion rates and programs mandated by state law in each calendar year during the term of this Agreement, Contractor shall be required to provide and implement, if requested by the City, additional services and programs to the extent necessary to achieve the legally required diversion rate in each calendar year and to comply with all other state mandates regarding diversion, recycling and waste reduction. Contractor agrees that there will be no additional charge for the additional, incremental processing or other programs provided by Contractor unless the cost to provide such additional processing or programs exceeds Ten-Thousand dollars (\$10,000) in which case Contractor may charge its actual cost to provide such incremental processing or programs.

14.08 TRANSITION TO NEXT CONTRACTOR

In the event Contractor is not awarded a Contract to continue to provide Collection Services following the expiration or early termination of this Contract, Contractor shall cooperate fully with City and any subsequent contractors to assure a smooth transition of services described in this Contract. 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 Customers; providing a complete inventory of all

carts and bins; providing adequate labor and equipment to complete performance of all Collection Services required under this Contract; 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 Contract Administrator; coordinating collection of materials set out in new containers if new containers are provided for a subsequent Contract and providing other reports and data required by this Contract.

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 15. MISCELLANEOUS PROVISIONS

15.01 GOVERNING LAW

The law of the State of California shall govern the rights, obligations, duties and liabilities of City and Contractor under this Contract and shall govern the interpretation of this Contract.

15.02 JURISDICTION

The parties agree that any litigation between City and Contractor concerning or arising out of this Contract shall be filed and maintained exclusively in the Municipal or Superior Courts of Los Angeles County, State of California, or in the United States District Court for the Central District of California to the fullest extent permissible by law. Each party consents to service of process in any manner authorized by California law.

15.03 WAIVER

Waiver by City or Contractor of any breach for violation of any term, covenant or condition of this Contract 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 Contract.

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.

15.04 ENTIRE CONTRACT

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

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

15.05 SECTION HEADINGS

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

15.06 CONSIDERATION

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

15.07 SEVERABILITY

If any provision of this Contract or the application of it to any person or situation shall to any extent be held invalid or unenforceable, the remainder of this Contract 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.

15.08 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.

15.09 ACKNOWLEDGMENT

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 Contract and, accordingly, the rule that a contract shall be interpreted strictly against the party preparing the same shall not apply herein due to the joint contributions of both parties.

15.10 CONTRACTOR STATUS

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

15.11 CONTRACTOR AUTHORIZATION

Contractor represents and warrants that it has the authority to enter into and perform its obligations under this Contract. 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 Contract. The Persons signing this Contract on behalf of Contractor have authority to do so. Contractor shall authorize one employee for the City as a single point of contact for issues arising under this Contract, and Contractor acknowledges and agrees that City may expect and assume that this employee's actions are taken on behalf of and with the full approval of the Contractor.

15.12 REPRESENTATIONS

Contractor warrants and represents that no elected official, officer, agent or employee of the City has a financial interest, directly or indirectly, in this Contract, 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.

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.

15.13 PERMITS & LICENSES

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 Contract. 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 Contract Administrator.

15.14 CITY OWNERSHIP

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 Contract, 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. Notwithstanding the above, all financial records and data remain the property of Contractor. Contractor shall not use such materials in connection with any project not connected with this Contract without the prior written consent of the Contract Administrator. This Article 15.14 does not apply to ideas or concepts described in such materials and does not apply to the format of such materials.

15.15 EXEMPT WASTE

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 Contract, but if provided by the Contractor shall be in strict compliance with all federal, state and local laws and regulations. If Contractor is aware of any Exempt Waste and chooses not to collect it, Contractor must notify City of the Exempt Waste.

ARTICLE 16. NOTICES

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:

City of La Habra Heights
City Manager or Her Designee
1245 N. Hacienda Rd.
La Habra Heights, CA 90631

As to the CONTRACTOR:

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; 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. The original of items that are transmitted by facsimile equipment must also be mailed as required herein.

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

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

CITY OF LA HABRA HEIGHTS

CONTRACTOR

Roy Francis
Mayor

ATTEST:

Title:

Shauna Clark
City Clerk

Name

APPROVED AS TO FORM

Title:

Holly O. Whatley
City Attorney

DRAFT

EXHIBIT 1 – INITIAL RATES

Schedule 1 - Monthly Cart Rates

Cart Collection Service	Rate Component	Monthly Rate
First 96 gallon Refuse Cart	Service	
	Fuel	
	Disposal	
	Total	\$0.00
Additional 96 gallon Refuse Cart(s)	Service	
	Fuel	
	Disposal	
	Total	\$0.00
Additional 96 gallon Greenwaste Cart(s)	Service	
	Fuel	
	Disposal	
	Total	\$0.00
Additional Recyclables Cart(s)	No Charge	
Extra Services	Rate	Rate Basis
Walk-up Service		Per Customer Per Month
Pup Truck Service		Per Customer Per Month
On-call Bulky Waste Collection (in excess of allowed no-charge collections)		per Collection
Cart Wash Service		Per Wash (up to 5 carts)

Schedule 2 - Monthly Bin Collection Rates - Regular Refuse Service

Rate Component	Bin Size	Collections per Week					
		1	2	3	4	5	6
Refuse							
Service Fuel Disposal	2 yard						
		_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Service Fuel Disposal	3 yard						
		_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Service Fuel Disposal	4 yard						
		_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Service Fuel Disposal	6 yard						
		_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Schedule 3 - Monthly Bin Collection Rates - Regular Greenwaste Service

Rate Component	Bin Size	Collections per Week					
		1	2	3	4	5	6
Greenwaste							
Service	2 yard						
Fuel							
Disposal							
Total		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Service	3 yard						
Fuel							
Disposal							
Total		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Service	4 yard						
Fuel							
Disposal							
Total		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Schedule 4 - Monthly Bin Collection Rates - Regular Manure Service

Rate Component	Bin Size	Collections per Week					
		1	2	3	4	5	6
Manure							
Service Fuel Disposal	2 yard						
Total		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Service Fuel Disposal	3 yard						
Total		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Service Fuel Disposal	4 yard						
Total		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Schedule 5 - Rates for Other Services

Service Description	Rate	Rate Basis
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Extra Services

Bin Locks (<i>Monthly Rate per Weekly Lift</i>)		Rate per Customer per Month
Scout Service for Bins (<i>Monthly Rate per Weekly Lift</i>)		Rate per Customer per Month
Extra Bin Pickups (<i>Rate per Bin per Pickup</i>)		Rate per Bin per Pickup

Temporary Bin Service

3-yard clean up bin - Delivery and removal (<i>Rate per Bin per Pickup</i>)		Rate per Bin per Pickup
3-yard clean up bin - Each additional dump		Rate per Bin per Each Additional Pickup
3-yard clean up bin - Dead run		Rate per Bin per Dead Run
3-yard clean up bin - Weekly rental with no dump		Rate per Bin per Additional Week

Schedule 6 - Rolloff Per Load Rates

Rate Component	Service Description	
	10-yard rolloff Lowboy	40-yard rolloff
Service		
Fuel		
Disposal		
Total Flat Rate per Load	\$0.00	\$0.00

Flat rate per load includes 5 tons. Weight in excess of 5 tons results in an additional charge equal to the Contractor's proposed tipping fee multiplied by the amount of excess tons.

EXHIBIT 2

SAMPLE RATE ADJUSTMENT METHOD

Step One: Calculate Percent Change for Each Cost Component

Cost Component	Index	Old Index Value	New Index Value	Percent Change in Index Value
Service	(a)	231.6	236.0	1.9%
Fuel	(b)	144.4	156.0	8.0%
Disposal	(c)	\$38.41	\$41.00	6.7%

Step Two: Apply Percent Change to Each Cost Component in All Rates

Single Family Residential 65 gallon cart	Initial Weight	Previous Rate	Percent Change	New Rate
Service	72.7%	\$12.00	1.9%	\$12.23
Fuel	6.1%	\$1.00	8.0%	\$1.08
Disposal	21.2%	\$3.50	6.7%	\$3.73
Total	100.0%	\$16.50		\$17.04

Commercial Bin - 1 ea. 3-yard bin picked up once per week	Initial Weight	Previous Rate	Percent Change	New Rate
Service	66.7%	\$60.00	1.9%	\$61.14
Fuel	5.6%	\$5.00	8.0%	\$5.40
Disposal	27.8%	\$25.00	6.7%	\$26.68
Total	100.0%	\$90.00		\$93.22

Rolloff - 40 yard	Initial Weight	Previous Rate	Percent Change	New Rate
Service	44.8%	\$168.00	1.9%	\$171.19
Fuel	4.0%	\$15.00	8.0%	\$16.20
Disposal	51.2%	\$192.00	6.7%	\$204.86
Total	100.0%	<u>\$375.00</u>		<u>\$392.25</u>

(a) CPI - All Urban Consumers (CPI-U), All Items Los Angeles-Riverside-Orange Co. (Series ID# CUURA421SA0)

(b) Producer Price Index - Fuels and related products and power, natural gas (Series ID# WPU0531)

(c) Tipping Fee at Puente Hills MRF

EXHIBIT 3
PERFORMANCE BOND

(To be inserted after contract award)

DRAFT

EXHIBIT 4
LIST OF CITY FACILITIES

City Hall – 1245 N. Hacienda Rd., La Habra Heights, CA 90631

The Park – 1885 N. Hacienda Rd., La Habra Heights, CA 90631

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