

## COMMERCIAL COLLECTION SERVICE AGREEMENT

Executed Between the City of Chico  
and  
Recology Butte Colusa Counties

This 22<sup>ND</sup> day of September, 2017

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59 CITY OF CHICO

60 This Agreement made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2017 by and between  
61 the City of Chico, a municipal corporation under the laws of the State of California, hereinafter  
62 referred to as "CITY" and Recology Butte Colusa Counties, a California corporation, hereinafter  
63 referred to as "CONTRACTOR".

64 RECITALS

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

70 **WHEREAS**, the State of California has found and declared that the amount of garbage generated  
71 in California, coupled with diminishing landfill space and potential adverse environmental impacts  
72 from landfilling and the need to conserve natural resources, have created an urgent need for State  
73 and local agencies to enact and implement an aggressive integrated waste management  
74 program. The State has, through enactment of the Act, directed the responsible State agency,  
75 and all local agencies, to promote disposal site diversion and to maximize the use of feasible  
76 garbage reduction, re-use, recycling, and composting options in order to reduce the amount of  
77 garbage that must be disposed of in disposal sites; and

78 **WHEREAS**, pursuant to California Public Resources Code Section 40059(a) as may be amended  
79 from time to time, the CITY has determined that the public health, safety, and well-being require  
80 that exclusive rights be awarded to qualified contractors to provide for the collection of garbage,  
81 recyclable materials, and organic waste materials, except as may be excluded by the CITY'S  
82 Municipal Code, or other services specifically excluded as set forth in this Agreement; and

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

86 **WHEREAS**, the City Council has determined that CONTRACTOR, by demonstrated experience,  
87 reputation and capacity, is qualified to provide for the collection of garbage, recyclable materials,  
88 and organic waste materials within the corporate limits of the CITY, the transportation of such  
89 material to appropriate places for processing, recycling, composting and/or disposal; and City  
90 Council desires that CONTRACTOR be engaged to perform such services on the basis set forth  
91 in this Agreement; and

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

96 **WHEREAS**, this Agreement has been developed by and is satisfactory to the CITY and the  
97 CONTRACTOR.

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

100 **ARTICLE 1. Definitions**

101 For the purpose of this Collection Service Agreement, hereinafter referred to as "Agreement", the  
102 definitions contained in this Article shall apply unless otherwise specifically stated. If a word or  
103 phrase is not defined in this Article, the definition of such word or phrase as contained in the CITY  
104 Municipal Code shall control. When not inconsistent with the context, words used in the present  
105 tense include the future, words in the plural include the singular, and words in the singular include  
106 the plural. Use of the masculine gender shall include the feminine gender.

107 1.01 AB 939. The California Integrated Waste Management Act (California Public  
108 Resources Code Sections 40000 et al.), as amended from time to time.

109 1.02 Agreement. This written document and all amendments thereto, between the CITY  
110 and the CONTRACTOR, governing the provision of Collection Services as provided herein.

111 1.03 Agreement Year. Each twelve (12) month period from July 1st to June 30th during  
112 the Term of this Agreement.

113 1.04 Alternative Daily Cover (ADC). Landfill cover material and at least six (6) inches of  
114 earthen material, placed on the surface of the active face of the refuse fill area at the end of each  
115 operating day to control vectors, fires, odor, blowing litter and scavenging, as defined in Title 27  
116 of the California Code of Regulations (C.C.R) Section 20164).

117 1.05 Applicable Law. All local, state and federal laws that govern the parties' performance  
118 under this Agreement.

119 1.06 Biohazardous or Biomedical Waste. Any waste which may cause disease or  
120 reasonably be suspected of harboring pathogenic organisms; included are waste resulting from  
121 the operation of medical clinics, hospitals, and other facilities processing wastes which may  
122 consist of, but are not limited to, human and animal parts, contaminated bandages, pathological  
123 specimens, hypodermic needles, sharps, contaminated clothing and surgical gloves.

124 1.07 Brown Goods. Electronic equipment such as stereos, televisions, VCRs, Personal  
125 Data Assistants (PDAs), telephones, and other similar items not containing cathode ray tubes  
126 (CRTs).

127 1.08 Bulky Waste. Includes Large Items; Large Green Waste; discarded furniture; carpets;  
128 mattresses; household appliances including refrigerators, ranges, washers, dryers, water heaters,  
129 and dishwashers and other similar items; large household goods including lawn and garden  
130 equipment (drained of fluids), bicycles and other similar large personal items. Bulky Waste does  
131 not include Exempt Waste, and must be able to be safely lifted by two people into a collection  
132 vehicle.

133 1.09 Business Service Unit. All business, retail, professional, office, wholesale and  
134 industrial facilities, and other commercial enterprises.

135 1.10 Change in Law. Any change in (or any new) laws, ordinances, rules, regulations,  
136 orders, judgments, decrees, interpretations, decisions or permit requirements, of or by any  
137 federal, state or local governmental entity, after the date hereof.

138 1.11 CITY. The City of Chico, California.

139 1.12 City Collection Service. City Garbage Collection Service, City Recycling Collection  
140 Service, and City Organic Waste Collection Service.

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141           1.13 City Garbage Collection Service. The Collection of Garbage generated from City  
142 Service Units that is collected and delivered to the Disposal Facility by the CONTRACTOR.

143           1.14 City Organic Waste. Green Waste and Food Waste separated at the source of  
144 generation for inclusion in the City Organic Waste Collection Service program.

145           1.15 City Organic Waste Collection Service. The Collection of City Organic Waste  
146 generated from City Service Units that is collected and delivered to the Organic Waste Processing  
147 Facility by the CONTRACTOR.

148           1.16 City Recycling Collection Service. The Collection of Recyclable Materials generated  
149 from City Service Units that is collected and delivered to the Materials Recovery Facility by the  
150 CONTRACTOR.

151           1.17 City Representative. The City Manager, or his/her designee, authorized to administer  
152 and monitor the provisions of this Agreement.

153           1.18 City Service Unit. Those CITY properties or locations in the Commercial Service  
154 Area, as set forth in **Exhibit 1**, "City Facilities", and designated therein as "RBCC". **Exhibit 1** is  
155 attached to and include in this Agreement.

156           1.19 Collection. The process whereby Garbage, Recyclable Materials, Organic Waste and  
157 Construction and Demolition Debris are removed and transported to a Disposal Facility, an  
158 Organic Waste Processing Facility, a Materials Recovery Facility, or a C&D processing facility, as  
159 appropriate.

160           1.20 Collection Services. Multi-family Collection Service (MFD), City Collection Service,  
161 Commercial Collection Service, and Temporary Debris Box Collection Service.

162           1.21 Commercial Collection Service. Commercial Garbage Collection Service,  
163 Commercial Recycling Collection Service, and Commercial Organic Waste Collection Service.

164           1.22 Commercial Organic Waste. Green Waste and Food Waste separated at the source  
165 of generation for inclusion in the Commercial Organic Waste Collection Service program.

166           1.23 Commercial Organic Waste Collection Service. The Collection of Commercial  
167 Organic Waste by the CONTRACTOR from Commercial Service Units, and the delivery of that  
168 Commercial Organic Waste to an Organic Waste processing facility.

169           1.24 Commercial Recycling Collection Service. The Collection of Recyclable Materials by  
170 the CONTRACTOR from Commercial Service Units, the delivery of those Recyclable Materials to  
171 a Materials Recovery Facility, and the processing and marketing of those Recyclable Materials.

172           1.25 Commercial Service Area. The area depicted as such in **Exhibit 5** attached hereto  
173 to provide Commercial, MFD, and City Collection Services.

174           1.26 Commercial Service Unit. Business Service Units in the Commercial Service Area  
175 that utilize a Garbage Cart or Bin for the accumulation and set-out of Garbage.

176           1.27 Commercial Garbage Collection Service. The Collection of Garbage by the  
177 CONTRACTOR, from Commercial Service Units, and the delivery of that Garbage to the Disposal  
178 Facility.

179           1.28 Compactor. Any Bin that has a compaction mechanism, whether stationary or  
180 mobile, that is collected using a front-loading collection vehicle.

181           1.29 Composting. The controlled biological decomposition of Organic Waste into a  
182 specific mixture of decayed organic matter used for fertilizing or soil conditioning.



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183 1.30 Construction and Demolition Debris (C&D). Commonly used or discarded materials  
184 removed from construction, remodeling, repair, demolition, or renovation operations on any  
185 pavement, house, commercial building, or other structure, or from landscaping. Such materials  
186 include, but are not limited to, dirt, sand, rock, gravel, bricks, plaster, gypsum wallboard,  
187 aluminum, glass, asphalt material, plastics, roofing material, cardboard, carpeting, cinder blocks,  
188 concrete, copper, electrical wire, fiberglass, formica, granite, iron, lead, linoleum, marble, plaster  
189 plant debris, pressboard, porcelain, steel, stucco, tile, vinyl, wood, masonry, rocks, trees,  
190 remnants of new materials, including paper, plastic, carpet scraps, wood scraps, scrap metal,  
191 building materials, packaging and rubble resulting from construction, remodeling, renovation,  
192 repair and demolition operations on pavements, houses, commercial buildings and other  
193 structures. Construction and Demolition Debris does not include Exempt Waste.

194 1.31 Construction and Demolition Debris Processing Facility. Any facility selected by  
195 CONTRACTOR that is operated and legally permitted for the purpose of receiving and processing  
196 Construction and Demolition Debris.

197 1.32 Consumer Price Index (CPI). The index published by the U.S. Department of Labor,  
198 Bureau of Labor Statistics, Series Id: U.S. Department of Labor, Bureau of Labor Statistics, Series  
199 Id: CUUR0000SA0, Not Seasonally Adjusted, All Items, All Urban Consumers U.S. Cities Average  
200 (CPI-U).

201 1.33 CONTRACTOR. Recology Butte Colusa Counties

202 1.34 County. Butte County, California.

203 1.35 Customer. Means a Service Recipient that receives Collection Services under the  
204 terms of this Collection Service Agreement.

205 1.36 Debris Box Container. A metal container that is normally loaded onto a motor vehicle  
206 and transported to an appropriate facility.

207 1.37 Disposal Facility. Any facility selected by CONTRACTOR that is operated and legally  
208 permitted for the purpose of accepting materials for disposal. The initial Disposal Facility is listed  
209 in **Exhibit 2** of this Agreement.

210 1.38 Dwelling Unit. Any individual living unit in a multi-family dwelling (MFD) structure or  
211 building intended for, or capable of being utilized for, residential living other than a Hotel or Motel.

212 1.39 E-Waste. Discarded electronics equipment such as cell phones, PDAs, computers,  
213 monitors, televisions, and other items containing cathode ray tubes (CRTs), LCD or plasma  
214 screens and monitors.

215 1.40 Exempt Waste. Biohazardous or Biomedical Waste (including Sharps), Hazardous  
216 Waste, Sludge, automobiles, automobile parts, boats, boat parts, boat trailers, internal  
217 combustion engines, and those wastes under the control of the Nuclear Regulatory Commission.

218 1.41 Food Waste. Food scraps and trimmings and other putrescible waste that results  
219 from food production, preparation, storage, consumption or handling, and that has been  
220 separated at the source of generation from other types of Solid Waste including Garbage,  
221 Recyclable Materials and Green Waste. Food Waste includes but is not limited to: meat, fish and  
222 dairy waste, fruit and vegetable waste, and grain waste. Compostable paper products may be  
223 included as appropriate if processing facilities capable of processing such materials are used in  
224 the future and are commercially viable. Food Waste does not include Exempt Waste.

225 1.42 Garbage. All putrescible and non-putrescible solid, semi-solid and associated liquid  
226 waste, as defined in California Public Resources Code Section 40191. Garbage does not include

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227 those items defined herein as Recyclable Materials, Organic Waste, or Bulky Waste that have  
228 been source-separated for purposes of diversion, or Exempt Waste.

229 1.43 Garbage Bin. A metal or plastic container, with a capacity of one (1) cubic yard up  
230 to, and including, (6) cubic yards, designed or intended to be mechanically dumped into a loader  
231 packer type garbage truck that is approved for such purpose by the CITY. Garbage Bins may  
232 also include Compactors that are owned by the MFD or Commercial Service Unit wherein the  
233 MFD or Commercial Collection Service occurs. CONTRACTOR may, but shall not be required  
234 to, offer eight (8) cubic yard bins.

235 1.44 Garbage Cart. A heavy plastic receptacle with wheels and a rated capacity of at  
236 least thirty two (32) gallons and not more than ninety-six (96) gallons, having a hinged tight-fitting  
237 lid and wheels, that is approved by the City Representative (if different from those currently in use  
238 by CONTRACTOR) for use by Service Recipients for Collection Services under this Agreement.

239 1.45 Green Waste. Any vegetative matter resulting from normal yard and landscaping  
240 maintenance that is not more than three (3) feet in its longest dimension or two (2) inches in  
241 diameter and fits in the Organic Waste Cart utilized by the Service Recipient, and that has been  
242 separated at the source of generation from other types of Solid Waste including Garbage,  
243 Recyclable Materials and Food Waste. Green Waste includes plant debris, such as, ivy, grass  
244 clippings, leaves, pruning, weeds, branches, brush, non-flocked Christmas trees, and other forms  
245 of vegetative waste and must be generated by and at the Service Unit wherein the Green Waste  
246 is collected. Green Waste does not include items herein defined as Exempt Waste or Yucca or  
247 Cactus.

248 1.46 Gross Revenue. All revenue amounts collected by CONTRACTOR for the provision  
249 of Collection Services pursuant to this Agreement, calculated in accordance with Generally  
250 Accepted Accounting Procedures (GAAP). The term Gross Revenue, for purposes of this  
251 Agreement, does not include any revenues generated from the sale of Recyclable Material,  
252 compost product or energy, or other receipts from state and local government accounts (e.g.  
253 grants, cash awards and rebates) resulting from the performance of this Agreement.

254 1.47 Hazardous Waste. Any material which is defined, regulated or listed as "hazardous",  
255 "toxic", a "pollutant", or words of similar import waste under California or United States law or any  
256 regulations promulgated pursuant to such law, as such as state or federal law or regulations may  
257 be amended from time to time; and "designated waste" as defined in California Water Code  
258 Section 13173.

259 1.48 Household Hazardous Waste (HHW). HHW includes dry cell household batteries,  
260 cell phones and PDAs; used motor oil; used oil filters when contained in a sealed plastic bag;  
261 cooking oil; compact fluorescent light bulbs contained in a sealed plastic bag; cleaning products,  
262 pesticides, herbicides, insecticides, painting supplies, automotive products, solvents, strippers,  
263 and adhesives, auto batteries, and Universal Waste. Items will be added or removed from this list  
264 pursuant to changes in state or federal law.

265 1.49 Large Items. Those materials including furniture, carpets, mattresses, White Goods,  
266 Brown Goods, E-Waste, clothing, tires (maximum of four per collection), Green Waste, and Large  
267 Green Waste which are attributed to the normal activities of a MFD Service Unit, or City Service  
268 Unit. Large Items must be generated by and at the Service Unit wherein the Large Items are  
269 collected. Large Items do not include items herein defined as Exempt Waste.

270 1.50 Large Green Waste. Oversized Green Waste such as tree trunks and branches with  
271 a diameter of not more than two (2) feet and a length of not more than six (6) feet in its longest  
272 dimension, and not weighing more than fifty (50) pounds, which are attributed to the normal

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273 activities of a MFD, or City Service Unit. Large Green Waste must be generated by and at the  
274 Service Unit wherein the Large Green Waste is collected.

275 1.51 Materials Recovery Facility (MRF). Any facility selected by the CONTRACTOR  
276 designed, operated, and legally permitted for the purpose of receiving, sorting, processing,  
277 storing, or preparing Recyclable Materials for sale. The initial MRF is listed in **Exhibit 2** of this  
278 Agreement.

279 1.52 MFD Collection Service. MFD Garbage Collection Service, MFD Recycling Service,  
280 MFD Organic Waste Collection Service, and MFD Bulky Waste Collection Service.

281 1.53 MFD Bulky Waste Collection Service. The periodic on-call Collection of a  
282 combination of Large Items collected by the CONTRACTOR, from MFD Service Units in the  
283 Commercial Service Area and the delivery of those Large Items to a Disposal Facility, Materials  
284 Recovery Facility, Organic Waste Processing Facility or such other facility as may be appropriate  
285 under the terms of this Agreement. MFD Bulky Waste Collection Service can include the  
286 Collection of Large Items through the use of Debris Boxes, at CONTRACTOR'S option.

287 1.54 MFD Organic Waste. Green Waste and Food Waste separated at the source of  
288 generation for inclusion in the MFD Organic Waste Collection Service program.

289 1.55 MFD Organic Waste Collection Service. The Collection of MFD Organic Waste by  
290 the CONTRACTOR from MFD Service Units in the Commercial Service Area, and the delivery of  
291 that MFD Organic Waste to an Organic Waste processing facility.

292 1.56 MFD Recycling Service. The Collection of Recyclable Materials, by the  
293 CONTRACTOR, from MFD Service Units in the Commercial Service Area, the delivery of those  
294 Recyclable Materials to a Materials Recovery Facility, and the processing and marketing of those  
295 Recyclable Materials.

296 1.57 MFD Service Unit. Any residential premises located in the Commercial Service Area  
297 containing five (5) or more Dwelling Units, and any Mobile Home Park where Garbage Collection  
298 is serviced exclusively by common Bins.

299 1.58 MFD Garbage Collection Service. The Collection of Garbage, by the  
300 CONTRACTOR, from MFD Service Units in the Commercial Service Area and the delivery of that  
301 Garbage to the Disposal Facility.

302 1.59 Non-Collection Notice. A form developed and used by the CONTRACTOR, as  
303 approved by the CITY (if different from the form commonly used by CONTRACTOR), to notify  
304 Service Recipients of the reason for non-collection of materials set out by the Service Recipient  
305 for Collection by CONTRACTOR pursuant to this Agreement.

306 1.60 Organic Waste or Organic Materials. Refers to Food Waste, or Green Waste, or  
307 both Food Waste and Green Waste, together, separately and not commingled with each other,  
308 that has been separated at the source of generation from Garbage and Recyclable Materials.

309 1.61 Organic Waste Bin. A metal or plastic container, with a capacity of one (1) cubic yard  
310 up to and including three (3) cubic yards, designed or intended to be mechanically dumped into  
311 a loader packer type truck that is approved for such purpose by the CITY.

312 1.62 Organic Waste Cart. A heavy plastic receptacle with wheels and a rated capacity  
313 not exceeding ninety-six (96) gallons, having a hinged tight-fitting lid, and wheels, that is approved  
314 for such purpose by the CITY.



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315 1.63 Organic Waste Processing Facility. Any facility selected by the CONTRACTOR  
316 operated and legally permitted for the purpose of receiving and processing or digesting Food  
317 Waste, Green, Organic Waste and/or Large Green Waste. The initial Organic Waste Processing  
318 Facility is listed in **Exhibit 2** of this Agreement.

319 1.64 Overage. Excess Garbage and Recyclable Materials placed inside or on top of a  
320 Container that either (i) increases the capacity of the Container by ten percent (10%) or more by  
321 weight or volume of the rated capacity of the Container, or (ii) results in some manual collection  
322 of Garbage or Recyclable Materials by CONTRACTOR's personnel.

323 1.65 "Party" or "Parties" means the CITY and/or CONTRACTOR.

324 1.66 Permanent Debris Box Collection Service. Collection utilizing 10 to 50 cubic yard  
325 containers, on a permanent or recurring basis, and provided to Service Units for the Collection of  
326 Garbage, Recyclable Materials, Organic Waste, and Construction and Debris Materials, and for  
327 the delivery of that material to an appropriate facility.

328 1.67 Recyclable Materials. Those discarded materials which are capable of being  
329 recycled by CONTRACTOR and are part of the CITY-approved recycling program and which have  
330 been separated at the source of generation from other types of Solid Waste including Garbage,  
331 Green Waste and Food Waste. Recyclable Materials included in the CITY-approved recycling  
332 program include: newsprint (including inserts); mixed paper (including magazines, catalogs,  
333 envelopes, junk mail, corrugated cardboard, brown bags and paper, paperboard, paper egg  
334 cartons, office ledger paper, aseptic containers, gable-top cartons, and telephone books); glass  
335 containers; aluminum beverage containers; small scrap and cast aluminum (up to 20 pounds);  
336 steel including "tin" cans, empty aerosol cans (empty, non-toxic products) and small scrap (up to  
337 20 pounds); bimetal containers; plastic food containers, #1-7 plastics that have commercial value  
338 regardless of form or mold (including but not limited to plastic containers, bottles, and wide mouth  
339 tubs, except #6), aluminum foil and pans. Recyclable Materials do not include Exempt Waste.

340 1.68 Recycling Bin. A plastic or metal container, with a capacity of one (1) cubic yard up  
341 to and including six (6) cubic yards, designed or intended to be mechanically dumped into a loader  
342 packer type recycling truck that is approved for such purpose by the CITY and is appropriately  
343 labeled as a Recycling Bin.

344 1.69 Recycling Cart. A heavy plastic receptacle with wheels and a rated capacity of at  
345 least thirty-two (32) gallons and not more than ninety-six (96) gallons, having a hinged tight-fitting  
346 lid, and wheels that is approved for such purpose by the CITY and is appropriately labeled as a  
347 Recycling Cart.

348 1.70 Service Commencement Date. October 1, 2017, the date upon which  
349 CONTRACTOR becomes responsible for providing the services described in this Agreement to  
350 Service Recipients and the CITY, within CITY's boundaries.

351 1.71 Service Recipient. An individual or entity receiving Collection Service under this  
352 Agreement.

353 1.72 Service Unit. SFD Service Units (limited to Temporary Debris Box Collection Service  
354 only), MFD Service Units, City Service Units, and Commercial Service Units.

355 1.73 SFD Service Unit. Each Dwelling Unit, in a residential parcel containing no more  
356 than four (4) Dwelling Units, and each Dwelling Unit in a Mobile Home Park serviced by individual  
357 Garbage Carts.



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358 1.74 Sharps. Sharps includes needles, scalpels, lancets, blades, broken medical glass,  
359 broken capillary tubes, and ends of dental wires.

360 1.75 Sludge. The accumulated solids, residues, and precipitates generated as a result of  
361 waste treatment or processing, including wastewater treatment, water supply treatment, or  
362 operation of an air pollution control facility, and mixed liquids and solids pumped from septic tanks,  
363 grease traps, privies, or similar disposal appurtenances or any other such waste having similar  
364 characteristics or effects.

365 1.76 Solid Waste. Garbage, Recyclable Materials, Organic Waste, Large Items,  
366 Construction and Demolition Debris, and permissible items dropped off at CONTRACTOR'S drop-  
367 off events or CONTRACTOR'S (or CONTRACTOR'S affiliates') facilities pursuant to this  
368 Agreement (such as E-Waste and HHW).

369 1.77 Temporary Debris Box Service Area. The entire area within the corporate limits of  
370 the City of Chico, California.

371 1.78 Temporary Debris Box Collection Service. Collection on a temporary or infrequent  
372 basis of Garbage, Recyclable Materials, Organic Waste and/or Construction and Demolition  
373 Debris at Commercial, CITY, or MFD Service Units, utilizing 10 to 50 cubic yard containers, or  
374 temporary collection utilizing 6 cubic yard bins at SFD Service Units for Construction and  
375 Demolition Debris only.

376 1.79 Universal Waste. Televisions, computer monitors, consumer electronics with circuit  
377 boards, fluorescent lamps, cathode ray tubes, non-empty aerosol cans, instruments and switches  
378 that contain mercury, and dry cell batteries containing cadmium copper, or mercury.

379 1.80 White Goods. Discarded refrigerators, ranges, water heaters, freezers, and other  
380 similar household appliances.

381 1.81 Work Day. Any day, Monday through Saturday that is not a holiday as set forth in  
382 Section 3.09 of this Agreement.

## 383 ARTICLE 2. Term of Agreement

384 2.01 Term. The term of this Agreement shall be for an eleven (11) year, nine (9) month  
385 period beginning October 1, 2017, and terminating on June 30, 2029.

386 2.02 Five (5) Year Extensions. CONTRACTOR may submit a written request for up to two  
387 (2) five (5) year term extensions to the original eleven (11) year, nine (9) month term, and at  
388 CITY's sole option, CITY may grant CONTRACTOR's request to extend the term. Under no  
389 circumstances will CITY be obligated to extend the term. CONTRACTOR must request the first  
390 five (5) year extension by July 1, 2027, in order to be eligible for that extension, and the second  
391 five (5) year extension by July 1, 2032, in order to be eligible for that extension.

392 2.03 Performance Review prior to Each Five (5) Year Extension. If CONTRACTOR  
393 requests a term extension as described in Section 2.02 above, then, at CITY's sole option, a  
394 billing audit and performance review may be conducted with respect to that extension as  
395 described in Article 19, and CONTRACTOR must pay the cost of the billing audit and performance  
396 review subject to the maximum cost specified in such Article. Regardless of the outcome of this  
397 billing audit and performance review, CITY will have no obligation to extend the term of the  
398 Agreement.

399 **ARTICLE 3. Services Provided by the Contractor**

400 3.01 Grant of Exclusive Right.

401 3.01.1 MFD and City Services Exclusivity. Except as provided in Section 3.02,  
402 CONTRACTOR is hereby granted the exclusive right to collect, transport, recycle, process and  
403 dispose of Garbage, Recyclable Materials, Large Items, Food Waste, and Green Waste  
404 generated by MFD and City Service Units located within the Commercial Service Area.

405 3.01.2 Commercial Services Exclusivity. Except as provided in Section 3.02,  
406 CONTRACTOR is hereby granted the exclusive right to collect, transport, recycle, process and  
407 dispose of Garbage, Recyclable Materials and Organic Waste generated by Commercial Service  
408 Units located within the Commercial Service Area.

409 3.01.3 Temporary Debris Box Collection Services Shared Exclusivity. CITY  
410 intends for USA Waste of California, Inc. and Recology Butte Colusa Counties to be the sole  
411 providers of Temporary Debris Box Collection Service within CITY, and for each of them to be  
412 authorized to provide such service anywhere within CITY to any type of customer. To that end,  
413 CONTRACTOR is hereby granted the right to provide Temporary Debris Box Collection Service  
414 throughout the entire Temporary Debris Box Service Area. Such right shall be exclusive, except  
415 for an identical and concurrent right granted by CITY to USA Waste of California, Inc., and except  
416 as provided in Section 3.02.

417 3.02 Limitations to Scope of Exclusive Agreement.

418 3.02.1 Weekly collection of Garbage, Recyclables Materials or Organic Waste  
419 from SFD Service Units is not included within the scope of this Agreement.

420 3.02.2 Recyclable Materials or Large Items that are source separated from  
421 Garbage by the generator, which the generator sells or is otherwise compensated by a collector  
422 in a manner resulting in a net payment to the generator;

423 3.02.3 Garbage, Recyclable Materials, Large Items, Construction and Demolition  
424 Debris or Organic Waste, which is removed from any MFD Service Unit, Commercial Service Unit,  
425 or City Service Unit and which is transported personally by the owner or occupant of such  
426 premises (or by his or her full-time employees but not including construction related employees  
427 or subcontractors) to a processing or Disposal Facility;

428 3.02.4 Recyclable Materials, Organic Waste or Large Items which are source  
429 separated at any premises by the generator and donated to youth, civic or charitable  
430 organizations;

431 3.02.5 Beverage containers delivered by the generator for Recycling under the  
432 California Beverage Container Recycling Litter Reduction Act, Section 14500, et seq.;

433 3.02.6 Organic Waste removed from a premises by a gardening, landscaping, or  
434 tree trimming company as an incidental part of a total service offered by that company rather than  
435 as a hauling service;

436 3.02.7 Construction and Demolition Debris where the owner or occupant of the  
437 premises holds a building permit for the project, and such project was done by the owner,  
438 occupant, or a licensed construction company, and, as an incidental part of a total service offered  
439 by the licensed company rather than as a hauling service, and where the owner, occupant, the  
440 licensed company, or an authorized/permitted construction and demolition debris collection

## Chico - Recology Commercial Collection Service Agreement

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441 contractor uses its own equipment and employees for the collection and transportation of such  
442 Construction and Demolition Debris;

443 3.02.8 Large Items removed from a premises by a property management or  
444 maintenance company as an incidental part of the total cleanup or maintenance service offered  
445 by the company rather than as a hauling service, and provided that such removal is not with  
446 collection containers placed in use by CONTRACTOR, and

447 3.02.9 Hazardous Waste and other Exempt Waste regardless of its source.

448 3.03 CONTRACTOR acknowledges and agrees that the CITY may permit other persons  
449 besides the CONTRACTOR to collect any and all types of materials excluded from the scope of  
450 this Agreement, as set forth above, except that CONTRACTOR will have a right of first refusal if  
451 the CITY contemplates permitting or licensing other persons to collect such materials. If  
452 CONTRACTOR can produce evidence that other persons are servicing collection containers or  
453 are Collecting Garbage, Recyclable Materials, Large Items, and/or Organic Waste in a manner  
454 that is not consistent with the CITY'S Municipal Code or this Agreement, it shall report the location,  
455 the name and phone number of the person or company to the CITY along with CONTRACTOR'S  
456 evidence of the violation of the exclusiveness of this Agreement, and the CONTRACTOR shall  
457 assist the CITY to enforce the CITY'S Municipal Code and this Agreement. CONTRACTOR may  
458 remove illegally placed containers in public right-of-ways, alleys, or streets, but only after notifying  
459 the CITY.

460 3.03.1 The scope of this Agreement shall be interpreted to be consistent with  
461 applicable law, now and during the term of the Agreement. If future judicial interpretations of  
462 current law or new laws, regulations, or judicial interpretations limit the ability of the CITY to  
463 lawfully provide for the scope of services as specifically set forth herein, CONTRACTOR agrees  
464 that the scope of the Agreement will be limited to those services and materials which may be  
465 lawfully provided and that the CITY shall not be responsible for any lost profits or losses claimed  
466 by CONTRACTOR to arise out of limitations of the scope of the Agreement set forth herein.  
467 Notwithstanding the foregoing, nothing in this paragraph shall be deemed to limit Sections 4.02  
468 or 25.01 of this Agreement.

469 3.04 Service Standards. CONTRACTOR shall perform all Collection Services under this  
470 Agreement in a thorough and professional manner. Collection Services described in this  
471 Agreement shall be performed regardless of weather conditions or difficulty of collection, except  
472 as provided in Section 23.08 (Force Majeure).

473 3.05 Hours and Days of Collection.

474 3.05.1 Commercial Collection Services and MFD Collection Services shall be  
475 provided, commencing no earlier than 5:00 a.m. for Commercial Collection Services and no earlier  
476 than 6:00 a.m. for MFD Collection Services. Both Commercial Collection and MFD Collection  
477 Services shall terminate no later than 6:00 p.m., Monday through Saturday, with service on  
478 Sunday available only for Commercial Service Units that require and subscribe to seven (7) days  
479 per week collection. Collection of Recyclable Materials is not required to be provided on  
480 Saturdays, but may be done if arranged between CONTRACTOR and Service Recipient. The  
481 hours, days, or both of collection may be extended due to extraordinary circumstances or  
482 conditions with the prior written consent of the City Representative.

483 3.05.2 City Collection Service shall be provided, commencing no earlier than 6:00  
484 a.m., and terminating no later than 7:00 p.m., Monday through Friday, with the exception of City  
485 Sponsored Events as requested by the CITY. The hours, days, or both of collection may be  
486 extended with the prior written consent of the City Representative.



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487 3.05.3 Notwithstanding the foregoing, it shall be unlawful for any solid waste  
488 collector to collect any garbage, rubbish or waste matter between the hours of 8:00 a.m. and 7:00  
489 p.m. in the central business district area described as follows: Bounded on the north by Big Chico  
490 Creek, on the south by the south line of Fifth Street, on the west by the west line of Salem Street,  
491 and on the east by the east line of Wall Street. This restriction is intended to prohibit collections  
492 from any and all properties fronting on the aforementioned boundary streets, as well as the area  
493 within said boundaries.

494 3.05.4 The CITY may direct CONTRACTOR to restrict the Collection hours in  
495 areas around schools and request CONTRACTOR to restrict Collection hours in high traffic areas  
496 during peak commute hours. When the CITY is conducting road overlay or slurry projects, the  
497 CITY reserves the right to temporarily redirect or restrict CONTRACTOR from collection in the  
498 affected areas or temporarily change the collection hours if needed. The hours of collection may  
499 be extended due to extraordinary circumstances or conditions with the prior written consent of the  
500 City Representative.

501 3.06 Manner of Collection. The CONTRACTOR shall provide Collection Service with as  
502 little disturbance as possible and shall leave any Cart or Bin in an upright position at the same  
503 point it was collected without obstructing alleys, roadways, driveways, sidewalks or mail boxes.

504 3.07 Containers.

505 3.07.1 Carts. Carts introduced into service by CONTRACTOR during the term of  
506 this Agreement may be new or refurbished and are to be hot-stamped, embossed, or laminated,  
507 or labeled with the type of materials to be Collected (i.e., Garbage/Residual/Landfill, Food Waste,  
508 Organic Waste Recyclable Materials) and instructions provided for proper usage at the time of  
509 delivery to a new account or upon request of the Service Recipient. Labeling on such Carts shall  
510 be on the lids. CONTRACTOR'S phone number shall be included as part of such Cart labeling.  
511 Labeling and graphics on such Carts (if different from those commonly used by CONTRACTOR)  
512 shall be approved by CITY.

513 3.07.2 Bins. Bins introduced into service by CONTRACTOR during the term of this  
514 Agreement may be new or refurbished and are to be painted, embossed, or hot stamped or  
515 labeled with the type of materials to be Collected (i.e., Garbage/Residual/Landfill, Food Waste,  
516 Organic Waste, Recyclable Materials) and instructions provided for proper usage at the time of  
517 delivery to a new account or upon request of the Service Recipient. CONTRACTOR'S phone  
518 number shall be included as part of such Bin labeling. Labeling and graphics of the Bins (if  
519 different from those commonly used by CONTRACTOR) shall be approved by CITY.

520 3.07.3 Debris Boxes. Debris Boxes introduced into service may be new or  
521 refurbished and shall be properly marked with CONTRACTOR's name and phone number as part  
522 of Debris Box labeling and in good working order. CITY retains the right to inspect any such  
523 Debris Box and direct CONTRACTOR to replace or repair such a Debris Box if it is not properly  
524 marked or is not in good working order.

525 3.07.4 Replacement of Carts and Bins. CONTRACTOR'S employees shall take  
526 care to prevent damage to carts or bins by unnecessary rough treatment. However, any Cart or  
527 Bin damaged by the CONTRACTOR shall be replaced by the CONTRACTOR, at the  
528 CONTRACTOR'S expense within five (5) Work Days at no cost or inconvenience to the Service  
529 Recipient.

530 3.07.4.1 Upon notification to the CONTRACTOR by the CITY or a  
531 Service Recipient that the Service Recipient's Cart(s), or Bin(s), have been lost, stolen or  
532 damaged beyond repair through no fault of the CONTRACTOR, the CONTRACTOR shall deliver

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533 a replacement Cart(s), or Bin(s) to such Service Recipient within five (5) Work Days. The  
534 CONTRACTOR shall maintain records documenting all Cart and Bin replacements occurring on  
535 a monthly basis.

536 3.07.4.2 Where such Cart is lost, stolen or damaged beyond repair  
537 through no fault of the CONTRACTOR, each Service Recipient shall be entitled to the  
538 replacement of, at no cost to the Service Recipient, one (1) such Garbage Cart, one (1) such  
539 Recycling Cart, and one (1) such Organic Waste Cart, during the life of this Agreement. In  
540 instances where Carts are reported to have been stolen from the same Service Recipient on  
541 multiple occurrences, CONTRACTOR and CITY shall work with the impacted Service Recipient  
542 to determine the cause of such repeated stolen Carts and develop a method to reduce or eliminate  
543 the occurrences of stolen Carts.

544 3.07.4.3 Where such Bin or Cart replacement occurs through no fault  
545 of the CONTRACTOR, CONTRACTOR shall be compensated for the cost of those replacements  
546 in excess of the requirements set forth above in accordance with the "Cost to Replace Lost, Stolen  
547 or Damaged Containers" Service Rate, as appropriate, as initially set forth in **Exhibit 4**, as  
548 adjusted as provided under the terms of this Agreement.

549 3.07.5 Repair of Carts and Bins. CONTRACTOR shall be responsible for repair  
550 of carts in the areas to include but not be limited to, hinged lids, wheels and axles. Within five (5)  
551 Work Days of notification by the CITY or a Service Recipient of the need for such repairs, the  
552 CONTRACTOR shall repair the Cart or Bin or if necessary, remove the Cart or Bin for repairs and  
553 deliver a replacement Cart or Bin to the Service Recipient. If the repair is caused by reasons  
554 other than normal wear and tear, or CONTRACTOR mishandling, the Service Recipient will be  
555 responsible for paying CONTRACTOR'S costs to repair, which shall not exceed the "Cost to  
556 Replace Lost, Stolen or Damaged Containers" set forth in **Exhibit 4**.

557 3.07.6 Cart or Bin Exchange. Upon notification to the CONTRACTOR by the CITY  
558 or a Service Recipient that a change in the size or number of Carts or Bins is required, the  
559 CONTRACTOR shall deliver such Carts or Bins to such Service Recipient within five (5) Work  
560 Days. Each MFD, Commercial and City Service Unit shall be entitled to receive one (1) free Cart  
561 or Bin exchange per Agreement Year during the term of this Agreement. Accordingly,  
562 CONTRACTOR shall be compensated for the cost of those exchanges in excess of one (1) per  
563 Agreement Year, in accordance with the "Exchange Cart/Bin (cart/bin not damaged)" service rate  
564 as set forth in **Exhibit 4** which is attached to and included in this Agreement or as may be adjusted  
565 under the terms of this Agreement.

566 3.07.7 Ownership of Carts. Ownership of Carts shall rest with the  
567 CONTRACTOR. In the case of the termination of the Agreement prior to the expiration of the  
568 initial term or optional extension terms due to the default of the CONTRACTOR as set forth in  
569 Article 23 of this Agreement, the CITY shall have the right to take possession of the Carts in  
570 service with customers and retain such possession until satisfactory arrangements can be made  
571 to provide Collection Services using other equipment. Such time of possession shall be limited  
572 to one hundred eighty (180) days after the effective date of termination. After such time, such  
573 Carts shall be returned to CONTRACTOR or, if the parties mutually agree, the CITY shall pay a  
574 reasonable monthly rent to the CONTRACTOR for the CITY'S use of the equipment. Upon  
575 termination of this Agreement, CONTRACTOR shall be responsible for removing all Carts in  
576 service from the Commercial Service Area and reusing or recycling such Carts as appropriate.

577 3.07.8 Ownership of Bins. Ownership of Bins distributed by the CONTRACTOR  
578 shall rest with the CONTRACTOR. In the case of the termination of the Agreement prior to the  
579 expiration of the initial term or optional extension term due to the default of the CONTRACTOR

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580 as set forth in Article 23 of this Agreement, the CITY shall have the right to take possession of  
581 such Bins and to retain such possession until satisfactory arrangements can be made to provide  
582 Collection Services using other equipment. Such time of possession shall be limited to one  
583 hundred eighty (180) days after the effective date of termination. After such time, such Bins shall  
584 be returned to CONTRACTOR, or, if the parties mutually agree, the CITY shall pay a reasonable  
585 monthly rent to the CONTRACTOR for the CITY'S use of the equipment. Upon the receipt of  
586 written notice from the CITY, CONTRACTOR shall submit to the City Representative an inventory  
587 of Bins, including their locations.

### 588 3.07.9 Cleaning/Removal of Graffiti from Containers.

589 3.07.9.1 Carts. If CONTRACTOR, or CITY, identifies graffiti on any  
590 Cart set out for Collection, or otherwise identifies graffiti on any Cart during the normal course of  
591 its work, CONTRACTOR shall exchange that Cart for a clean Cart within five (5) Work Days at no  
592 cost to the Service Recipient.

593 3.07.9.2 Bins. If CONTRACTOR, or CITY, identifies graffiti on any  
594 Bin set out for Collection, or otherwise identifies graffiti on any Bin during the normal course of its  
595 work, CONTRACTOR shall either exchange that Bin for a clean one or paint over the Bin within  
596 five (5) Work Days at no cost to the Service Recipient.

597 3.07.9.3 Charges. CONTRACTOR may charge a Service Recipient  
598 a Container exchange fee or Bin painting fee (as set forth in **Exhibit 4**), as applicable, for  
599 instances of graffiti which exceed one (1) per Agreement year.

600 3.08 Labor and Equipment. CONTRACTOR shall provide and maintain all labor,  
601 equipment, tools, facilities, and personnel supervision required for the performance of  
602 CONTRACTOR'S obligations under this Agreement. CONTRACTOR shall at all times have  
603 sufficient backup equipment and labor to fulfill CONTRACTOR'S obligations under this  
604 Agreement. No compensation for CONTRACTOR'S services or for CONTRACTOR'S supply of  
605 labor, equipment, tools, facilities or supervision shall be provided or paid to CONTRACTOR by  
606 CITY or by any Service Recipient except as expressly provided by this Agreement.

607 3.09 Holiday Service. The CITY observes January 1<sup>st</sup>, Thanksgiving Day, and December  
608 25<sup>th</sup> as legal holidays. CONTRACTOR shall not provide Collection Services on the designated  
609 holidays, and has the option of not providing services on July 4<sup>th</sup> if this is not a standard work day  
610 for CONTRACTOR, or if Disposal or Processing facilities are closed. In any week in which one  
611 of these holidays falls on a Work Day, MFD, Commercial and City Collection Services shall be  
612 adjusted as agreed between the CONTRACTOR and the Service Recipient but must meet the  
613 minimum frequency requirement of one (1) time per week.

### 614 3.10 Processing and Disposal.

615 3.10.1 Compliance with Permits. CONTRACTOR shall not knowingly deliver  
616 materials collected under this Agreement to facilities that do not comply in all material aspects  
617 with the Department of Resources Recycling and Recovery regulations under Title 14, Division 7,  
618 Chapter 3, Minimum Standards for Solid Waste Handling and Disposal (Article 5.9 – Sections  
619 17380-17386). CONTRACTOR, and not the CITY, must use reasonable efforts to assure that all  
620 Disposal, transfer, and processing facilities to which CONTRACTOR delivers material under this  
621 Agreement are properly permitted to receive material collected under this Agreement, except for  
622 the Neal Road Recycling and Waste Facility and any facility that CITY specifically directs  
623 CONTRACTOR to use. Failure to comply with this provision may result in the CONTRACTOR  
624 being in default under this Agreement.



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625           3.10.2 Permits and Approvals. CONTRACTOR shall, upon written request from  
626 the CITY, arrange for the facilities owned by the CONTRACTOR or an affiliate of the  
627 CONTRACTOR to which CONTRACTOR delivers material under this Agreement to provide  
628 copies of facility permits, notices of violations, inspection areas or concerns, or administrative  
629 action to correct deficiencies related to the operation, but only to the extent the foregoing are  
630 material and reasonably related to the services provided under this Agreement. For other facilities  
631 selected by the CONTRACTOR to which CONTRACTOR delivers material under this Agreement,  
632 if the CONTRACTOR becomes aware of any material permit violations by such facilities that are  
633 reasonably related to the services provided under this Agreement, CONTRACTOR shall notify  
634 the CITY of the same. Failure to provide facility information may result in the CONTRACTOR  
635 being in default under this Agreement.

636           3.10.3 Disposal Facility. All Garbage collected as a result of performing Collection  
637 Services shall be transported, and delivered to a legally permitted Disposal Facility. Failure to  
638 comply with this provision may result in the levy of liquidated damages as specified in Article 18  
639 of this Agreement and may result in the CONTRACTOR being in default under this Agreement.

640           3.10.4 Organic Waste Processing Facility. All Organic Waste collected as a result  
641 of performing MFD, Commercial and City Organic Waste Collection Services shall be delivered  
642 to a legally permitted Organic Waste Processing Facility. Failure to comply with this provision  
643 may result in the levy of liquidated damages as specified in Article 18 of this Agreement and may  
644 result in the CONTRACTOR being in default under this Agreement.

645           3.10.5 Material Recovery Facility. All Recyclable Materials collected as a result  
646 of performing MFD, Commercial and City Recycling Services shall be delivered to a legally  
647 permitted Material Recovery Facility (MRF). Failure to comply with this provision may result in  
648 the levy of liquidated damages as specified in Article 18 of this Agreement and may result in the  
649 CONTRACTOR being in default under this Agreement.

650           3.11 Inspections. The CITY shall have the right to inspect the CONTRACTOR'S facilities  
651 or collection vehicles used in the performance of this Agreement and their contents at any time  
652 while operating inside or outside the CITY.

653           3.12 Commingling of Materials. Except contaminated loads, CONTRACTOR shall not at  
654 any time commingle Garbage with separated Organic Waste or with separated Recyclable  
655 Materials, or commingle separated Organic Waste with separated Recyclable Materials collected  
656 pursuant to this Agreement without the express prior written authorization of the City  
657 Representative. Such approval by the CITY will not be unreasonably withheld.

658           3.13 Recyclable Materials and Organic Waste Contamination. CONTRACTOR has an  
659 obligation to offer the Service Recipients the correct combination of Cart and Bin sizes and  
660 collection frequency that matches their unique service needs to reduce contamination of  
661 Recyclable Materials and Organic Waste. To support the CITY'S diversion goals and  
662 CONTRACTOR's Diversion Requirements as set forth in Article 5 of this Agreement,  
663 CONTRACTOR shall only be required to collect Recyclable Materials if they have been separated  
664 by the Service Recipient from Garbage and Organic Waste, and shall only be required to collect  
665 Organic Waste if it has been separated by the Service Recipient from Garbage and Recyclable  
666 Materials.

667 As part of CONTRACTOR's Public Education Services under Article 13 of this Agreement,  
668 CONTRACTOR has agreed to conduct recycling audits and provide outreach and support to  
669 commercial and multi-family accounts. Additionally, CONTRACTOR's route collection personnel  
670 will report to CONTRACTOR's supervisors and/or Sustainability Support Staff if they observe



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671 potential contamination problems, and/or insufficient collection capacity. For purposes of  
672 determining if Recyclable Materials or Organics Waste are deemed to be contaminated, if, by  
673 visual or digital inspection, Recyclable Materials are commingled with fifteen percent (15%) by  
674 weight or volume of Garbage or Organic Waste, or if, by visual inspection, Organic Waste is  
675 commingled with three percent (3%) by volume of Garbage or Recyclable Materials, then  
676 Recyclable Materials and/or Organic Waste shall be deemed to be contaminated and  
677 CONTRACTOR may take the following steps:

678           3.13.1 First and Second Occurrence. For the first and second occurrence (if within  
679 12 months of the first) of contamination for a particular container (i.e., Recyclable Materials or  
680 Organic Waste), CONTRACTOR shall collect the contaminated container and shall affix a Notice  
681 to the contaminated container which contains instructions on the proper procedures for sorting  
682 Recyclable Materials or Organic Waste, and shall notify the Service Recipient by phone, U.S.  
683 mail, e-mail, in person (which may be a container tag), that for the third and subsequent incidents  
684 of excess contamination, the Service Recipient may be charged a contamination fee for the  
685 contaminated container, and after the fifth incident of excess contamination, CONTRACTOR may  
686 remove the Cart or Bin. CONTRACTOR representative shall also contact the Service Recipient  
687 by phone, U.S. mail, e-mail, or in person (which may be a container tag), to ensure that they have  
688 the appropriate level of service for proper collection of Garbage, Recyclable Materials and/or  
689 Organic Waste. CONTRACTOR must also provide digital/visual documentation to the Service  
690 Recipient that clearly documents the Service Recipient's on-going contamination problems.

691           3.13.2 Third and Fourth Occurrence. For the third and fourth occurrence (if within  
692 12 months of the first) of contamination for a particular container (i.e., Recyclable Materials or  
693 Organic Waste), CONTRACTOR shall provide a Notice that contains instructions on the proper  
694 procedures for setting out Recyclable Materials or Organic Waste, and CONTRACTOR shall  
695 collect the contaminated Container and may charge the Service Recipient a contamination fee as  
696 set forth in **Exhibit 4**. For any contamination fee charge being assessed, CONTRACTOR must  
697 provide digital/visual documentation to the Service Recipient that clearly documents the Service  
698 Recipient's on-going contamination problems.

699           3.13.3 Fifth and Subsequent Occurrence. For the fifth or subsequent occurrence  
700 (if within 12 months of the first) of contamination for a particular container (i.e., Recyclable  
701 Materials or Organic Waste), CONTRACTOR may collect the contaminated Container and may  
702 charge the Service Recipient a contamination fee as set forth in **Exhibit 4**. CONTRACTOR may  
703 also, after notifying Service Recipient, remove the Recyclable Materials or Organic Waste  
704 Container, as applicable, and discontinue providing the Recyclable Materials or Organic Waste  
705 Collection Services for a period not to exceed one (1) year. Prior to the removing any such  
706 containers or discontinuing Recyclable Materials or Organic Waste Service, CONTRACTOR must  
707 provide (or have provided) digital documentation to the Service Recipient that clearly documents  
708 the Service Recipient's on-going contamination problems and written notices of contamination as  
709 described above. CONTRACTOR shall notify CITY within five (5) Work Days of removal of  
710 Recyclable Materials or Organic Waste Containers for excessive contamination.

711           3.13.4 Tracking Occurrences of Contamination. Regarding Sections 3.13.1 –  
712 3.13.3, after twelve (12) months have passed from the last applicable contamination occurrence,  
713 the next contamination occurrence shall be deemed a first contamination occurrence.

714           3.13.5 Service Re-start. After one (1) year, or a shorter time-period if appropriate,  
715 the Service Recipient may request CONTRACTOR and the CITY to reinstate the discontinued  
716 service, and CONTRACTOR may charge a Container re-delivery fee as specified in **Exhibit 4** for  
717 restarting the Recyclable Materials or Organic Waste Collection Service.

718           3.13.6 Disputes Over Excess Contamination Charges. If Service Recipient  
719 disputes a contamination charge (which must be within 30 days of them being assessed),  
720 CONTRACTOR shall temporarily halt any contamination charge and/or increased Maximum  
721 Service Rate resulting from increasing the Cart or Bin or size or collection frequency, and  
722 CONTRACTOR may request a ruling by the City Manager to resolve the dispute. A request by  
723 CONTRACTOR to the City Manager to rule on any such dispute must be filed within 15 calendar  
724 days of CONTRACTOR'S halting of contamination charge, or increased Maximum Rate, and must  
725 include written documentation and digital/visual evidence of ongoing overall problems. The City  
726 Manager may request a meeting (in person or phone) with both the Service Recipient and  
727 CONTRACTOR to resolve the dispute. Following such a meeting, the City Manager will rule on the  
728 dispute within 15 calendar days, and the City Manager's decision on resolving the dispute  
729 between and Service Recipient shall be final. If the City Manager rules in favor of the Service  
730 Recipient, CONTRACTOR shall credit the disputed contamination charges or increased  
731 Maximum Service Rate. If the City Manager rules in favor of CONTRACTOR, CONTRACTOR  
732 may charge Service Recipient the prior halted contamination charge and/or increased Maximum  
733 Service Rate resulting from increasing the Cart or Bin size or collection frequency, and may follow  
734 the steps in Section 4.01.6 for collection of delinquent accounts.

735           3.14 Spillage and Litter. The CONTRACTOR shall not litter premises in the process of  
736 providing Collection Services or while its vehicles are on the road. The CONTRACTOR shall  
737 transport all materials collected under the terms of this Agreement in such a manner as to prevent  
738 the spilling or blowing of such materials from the CONTRACTOR'S vehicle. The CONTRACTOR  
739 shall exercise all reasonable care and diligence in providing Collection Services so as to prevent  
740 spilling or dropping of Garbage, Organic Waste, or Recyclable Materials and shall immediately,  
741 at the time of occurrence, clean up such spilled or dropped materials.

742           3.14.1 The CONTRACTOR shall not be responsible for cleaning up un-sanitary  
743 conditions caused by the carelessness of the Service Recipient; however, the CONTRACTOR  
744 shall clean up any material or residue that are spilled or scattered by the CONTRACTOR or its  
745 employees.

746           3.14.2 Equipment oil, hydraulic fluids, spilled paint, or any other liquid or debris  
747 resulting from the CONTRACTOR'S operations or equipment repair shall be covered immediately  
748 with an absorptive material and removed from the street surface. When necessary,  
749 CONTRACTOR shall apply a suitable cleaning agent to the street surface to provide adequate  
750 cleaning. To facilitate such cleanup, CONTRACTOR'S vehicles shall at all times carry sufficient  
751 quantities of petroleum absorbent materials along with a broom and shovel.

752           3.14.3 The above paragraphs notwithstanding, CONTRACTOR shall clean up any  
753 spillage or litter caused by CONTRACTOR within two (2) hours upon notice from the CITY.

754           3.14.4 In the event where damage to CITY streets is caused by a hydraulic oil spill  
755 (i.e., any physical damage in excess of a simple cosmetic stain caused by the spill),  
756 CONTRACTOR shall be responsible for all repairs to return the street to the same condition prior  
757 to the spill. CONTRACTOR shall also be responsible for all clean-up activities related to the spill.  
758 Repairs and clean-up shall be performed in a manner satisfactory to the City Representative and  
759 at no cost to the CITY.

760           3.14.5 Ownership of Materials. Title to Garbage and Organic Waste shall pass to  
761 CONTRACTOR at such time as said materials are placed in the CONTRACTOR'S collection  
762 vehicles by CONTRACTOR. Title to Recyclable Materials shall pass to CONTRACTOR at such  
763 time as said materials are set out by the Service Recipient for collection.



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764           3.14.6 Hazardous Waste. Under no circumstances shall CONTRACTOR'S  
765 employees knowingly collect Hazardous Waste, or remove unsafe or poorly containerized  
766 Hazardous Waste, from a collection container. If CONTRACTOR determines that material placed  
767 in any container for collection is Hazardous Waste, or other material that may not legally be  
768 accepted at the Disposal Facility or one of the processing facilities, or presents a hazard to  
769 CONTRACTOR'S employees, the CONTRACTOR shall have the right to refuse to accept such  
770 material. The generator shall be contacted by the CONTRACTOR and requested to arrange for  
771 proper disposal service. If the generator cannot be reached immediately, the CONTRACTOR  
772 shall, before leaving the premises, leave a Non-collection Notice, which indicates the reason for  
773 refusing to collect the material, and how the Hazardous Waste can be properly disposed or  
774 recycled.

775           3.14.7 If Hazardous Waste is found in a collection container that poses an  
776 imminent danger to people or property, the CONTRACTOR shall immediately notify the CITY's  
777 Dispatch non-emergency response number at 530-897-4900. The CONTRACTOR shall also  
778 immediately notify the CITY of any Hazardous Waste that has been identified.

779           3.14.8 If Hazardous Waste is identified at the time of delivery to the Disposal  
780 Facility, or one of the processing facilities and the generator cannot be identified, CONTRACTOR  
781 (and not CITY) shall be solely responsible for handling and arranging transport and disposition of  
782 the Hazardous Waste, provided that nothing in this section or this Agreement shall limit  
783 CONTRACTOR's remedies against the generator of any Hazardous Waste.

784           3.15 Container Overage and Correction Procedures.

785           3.15.1 CONTRACTOR has an obligation to offer the Service Recipients the  
786 correct combination of Container sizes and collection frequency that matches each Service  
787 Recipient's unique service needs to enable clean, efficient, and cost-effective collection of  
788 Garbage, Recyclable Materials, and Organic Waste. The CITY and CONTRACTOR agree that  
789 overflow of Garbage, Recyclable Materials, and Organic Waste that is not properly in the Service  
790 Recipient's collection Containers may negatively impact public health and safety. CONTRACTOR  
791 has also agreed to conduct recycling audits and provide outreach and support to commercial and  
792 multi-family accounts receiving the correct service level. However, in the event that Service  
793 Recipients are found to habitually have Overage regarding their Garbage and Recyclable  
794 Materials Containers, CONTRACTOR may take the steps as listed below to correct Service  
795 Recipient's on-going overflow of Garbage and/or Recyclable Materials. CONTRACTOR is not  
796 required to collect Organic Materials Overages unless prior arrangements have been made.

797           3.15.2 Prior Arrangements for Collection. If the Service Recipient has made prior  
798 arrangements with CONTRACTOR for collection of Garbage, Recyclable Materials or Organic  
799 Materials overages, CONTRACTOR shall collect such Overages as arranged, and may charge  
800 the Service Recipient the Container Overage charge (prior arrangement) rate set forth in **Exhibit**  
801 **4**.

802           3.15.3 No Prior Arrangements. If the Service Recipient has not made prior  
803 arrangements with CONTRACTOR for collection of Garbage, Recyclable Materials or Organic  
804 Materials Overage, then (a) CONTRACTOR may collect such Overage at no additional charge  
805 as a courtesy, (b) CONTRACTOR may not collect the Overage and leave a tag explaining the  
806 reason for non-collection of the Overage, (c) CONTRACTOR may collect the Overage (up to two  
807 lifts) and charge the Service Recipient the Container Overage (no prior arrangement) rate set  
808 forth in **Exhibit 4**, but only if CONTRACTOR follows the procedure provided below, or (d)  
809 CONTRACTOR may increase the capacity or frequency of collection of the existing Container to

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810 match documented service needs, but only if CONTRACTOR follows the procedure provided  
811 below.

812                   3.15.3.1     First and Second Occurrence. For the first and second  
813 occurrence (if within 12 months of the first) of Overage for a particular container (i.e., Garbage or  
814 Recyclable Material), CONTRACTOR may collect the Overage and CONTRACTOR shall provide  
815 the following written notice (via e-mail, US mail, or in person, (which may be by container tag)) to  
816 the Service Recipient: (i) the date, description and photograph of the Overage, (ii) that on the third  
817 and subsequent incidents of Container Overage, the Service Recipient may be charged a  
818 Container Overage fee, and (iii) that on the fifth or subsequent occurrence of Overage, the  
819 Container size or collection frequency may be increased and charged at a higher Service Rate.

820                   3.15.3.2     Third and Fourth Occurrence. For the third and fourth  
821 occurrence (if both within 12 months of the first) of Overage for a particular container (i.e.,  
822 Garbage or Recyclable Material), CONTRACTOR may collect the Overage at no charge, may not  
823 collect the Overage and provide the notice described in 3.15.3.1 above, or may collect the  
824 Overage (up to two lifts) and charge the Service Recipient an Overage fee as set forth in **Exhibit**  
825 **4**. CONTRACTOR's representative shall also contact the Service Recipient by phone, U.S. Mail,  
826 e-mail or in person (which may be by container tag) to encourage the Customer to have the  
827 appropriate level of service.

828                   3.15.3.3     Fifth and Subsequent Overage. For the fifth and subsequent  
829 occurrence (if within 12 months of the first) of Overage for a particular container (i.e., Garbage,  
830 or Recyclable Material), CONTRACTOR may collect the Overage at no charge, may not collect the  
831 Overage and provide the notice described in 3.15.3.1 above, or may collect the Overage (up to  
832 two lifts) and charge the Service Recipient an Overage fee as set forth in **Exhibit 4**. In addition,  
833 CONTRACTOR and may increase the capacity or collection frequency of the Container to match  
834 documented service needs. At least 15 days prior to increasing the Container size or frequency  
835 of collection, CONTRACTOR's representative shall also contact the Service Recipient by phone,  
836 U.S. mail, e-mail or in person (which may be by container tag) to ensure that Service Recipient  
837 has the appropriate level of service. CONTRACTOR shall notify CITY within five (5) Work Days  
838 of any changes in Service Recipient's Container size or collection frequency. The increased  
839 capacity or collection frequency shall remain in effect until CONTRACTOR determines that it is  
840 no longer needed to prevent overages, which may be longer than the 12-month period stated  
841 above. Such determination shall be in CONTRACTOR's sole but reasonable discretion, and shall  
842 be subject to the dispute resolution procedure set forth below.

843                   3.15.3.4     Tracking Occurrences of Overage. Regarding Sections  
844 3.15.3.1 – 3.15.3.3, after twelve (12) months have passed from the last applicable Overage  
845 occurrence, the next Overage occurrence shall be deemed a first Overage occurrence.

846                   3.15.4     Disputes Over Container Overflow Charges. If Service Recipient disputes  
847 Container Overage charge or size or collection frequency change (must be within 30 days of the  
848 disputed action), CONTRACTOR shall temporarily halt Container Overage charge and/or  
849 increased Maximum Service Rate resulting from increasing the Container size or collection  
850 frequency, and CONTRACTOR may request a ruling by the City Manager to resolve the dispute.  
851 A request by CONTRACTOR to the City Manager to rule on any such dispute must be filed within  
852 15 calendar days of CONTRACTOR'S halting of Container Overage charge, or increased  
853 Maximum Rate, and must include written documentation and digital/visual evidence of ongoing  
854 overall problems. The City Manager may request a meeting (in person or phone) with both the  
855 Service Recipient and CONTRACTOR to resolve the dispute. Following such a meeting, the City  
856 Manager will rule on the dispute within 15 calendar days, and the City Manager's decision on

857 resolving the dispute between and Service Recipient shall be final. If the City Manager rules in  
858 favor of the Service Recipient, CONTRACTOR shall credit the disputed charge or increased  
859 Maximum Service Rate. If the City Manager rules in favor of CONTRACTOR, CONTRACTOR  
860 may charge Service Recipient the prior halted Container Overage charge and/or increased  
861 Maximum Service Rate resulting from increasing the Container size or collection frequency, and  
862 may follow the steps in Section 4.01.6 for collection of delinquent accounts.

863         3.16 Regulations and Record Keeping. CONTRACTOR shall comply with emergency  
864 notification procedures required by applicable laws and regulatory requirements. All records  
865 required by regulations shall be maintained at the CONTRACTOR'S facility. These records shall  
866 include waste manifests, waste inventories, waste characterization records, inspection records,  
867 incident reports, and training records.

## 868 **ARTICLE 4. Charges and Contractor Compensation**

869         4.01 CONTRACTOR Billing. CONTRACTOR shall be responsible for the billing and  
870 collection of payments for all Collection Services. CONTRACTOR may charge Service Recipients  
871 any amount, provided that it does not exceed the Maximum Service Rates attached as **Exhibit 4**  
872 to this Agreement, as the same may be adjusted under the terms of this Agreement. The City  
873 Representative shall approve the form and format for all customer bills, if different from the ones  
874 commonly used by CONTRACTOR.

875             4.01.1 Partial Month Service. If, during a month, a Service Unit is added to or  
876 deleted from CONTRACTOR'S Commercial Service Area, CONTRACTOR'S billing shall be pro-  
877 rated based either on (i) the weekly service rate (the weekly service rate shall be the service rate  
878 established in **Exhibit 4** divided by four (4)), and then multiplied by the number of actual weeks  
879 in the month that service was provided to the Service Unit, or (ii) the number of pickups the Service  
880 Unit actually received during the partial month, as compared to the number of pickups the Service  
881 Unit would have received during the whole month.

882             4.01.2 Production of Invoices for MFD and Commercial Service Units.  
883 CONTRACTOR shall produce a monthly invoice for MFD and Commercial Service Recipients,  
884 billing them for services provided in the current month.

885             4.01.3 Production of Invoices for Debris Box Collection Service. Notwithstanding  
886 the foregoing, CONTRACTOR shall produce an invoice for Debris Box Collection Services  
887 received under this Agreement in arrears for services during the prior month. Customers utilizing  
888 Debris Box Collection Services may be invoiced upon completion.

889             4.01.4 City Provided Billing Inserts. CITY may provide educational and other  
890 material to CONTRACTOR for inclusion in the invoices provided by CONTRACTOR to MFD and  
891 Commercial Customers for Collection Services. CONTRACTOR shall not charge CITY for the  
892 inclusion of additional educational or other materials in the invoices.

893             4.01.5 Methods of Payment. CONTRACTOR shall provide the means for  
894 customers to pay bills through the following methods: cash, checks, credit cards, internet payment  
895 service or automatic withdrawal from bank account. On-line (E-Pay) bill methods shall be  
896 password protected and comply with state and federal law protecting the privacy of customer  
897 credit information. At CITY'S request, CONTRACTOR shall provide evidence of such security  
898 certifications and advise CITY of CONTRACTOR'S security measures implemented for on-line  
899 payment.



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900                   4.01.6 Delinquent Service Accounts. CONTRACTOR may report to the City  
901 Representative, on a monthly basis, a MFD or a Commercial Service Recipient whose account is  
902 over forty-five (45) days past due. CONTRACTOR may take such action as is legally available  
903 to collect or cause collection of such past due amounts; and CONTRACTOR may discontinue  
904 providing Garbage Collection Services for non-payment.

905                   4.01.6.1           In the event that the CITY authorizes a lien process for non-  
906 payment of bills by customers, CONTRACTOR may utilize a CITY authorized lien process. Except  
907 for implementing such lien process, CITY shall have no responsibility for collecting monies owed  
908 to CONTRACTOR from delinquent service accounts.

909                   4.01.6.2           Deferral of Rate Increase Effective October 1, 2017. If a  
910 Maximum Service Rate to a Commercial Service Recipient is more than twenty-five percent (25%)  
911 higher than what was paid for equivalent service immediately prior to October 1, 2017, (such  
912 previous rate shall be the "Previous Rate"), then the amount of such Maximum Service Rate which  
913 exceeds twenty-five percent (25%) of the Previous Rate (the "Deferred Amount") will be deferred  
914 over 18 months from the October 1, 2017, commencement date of this Agreement, as follows:

915                   4.01.6.2.1.       1/3 of the Deferred Amount will be added to the Maximum Service  
916 Rate effective April 1, 2018;

917                   4.01.6.2.2.       1/3 of the Deferred Amount will be added to the Maximum Service  
918 Rate (as adjusted) effective October 1, 2018, in addition to the normal  
919 increase in accordance with Section 4.02 below; and

920                   4.01.6.3           1/3 of the Deferred Amount will be added to the Maximum Service  
921 Rate (as adjusted) effective April 1, 2019.

922                   4.02 Adjustments to CONTRACTOR'S Compensation. CONTRACTOR'S sole  
923 compensation is derived from the application of the Maximum Service Rates to actual services  
924 provided to MFD, and Commercial Service Recipients. The Maximum Service Rates are as  
925 specified in **Exhibit 4** of this Agreement, and are firm and fixed through July 1, 2018.  
926 CONTRACTOR shall not be entitled to any compensation that is not listed in **Exhibit 4**, as  
927 adjusted from time to time in accordance with this Agreement. On or after July 1, 2018, and each  
928 subsequent July 1st, CONTRACTOR's Maximum Service Rates shall be adjusted as follows:

929                   4.02.1 Annual Adjustments to Maximum Service Rates. Beginning on July 1,  
930 2018, and annually thereafter on each July 1<sup>st</sup>, CONTRACTOR shall, subject to compliance with  
931 all provisions of this Section, receive an annual adjustment to the Maximum Service Rates as set  
932 forth in **Exhibit 4** to this Agreement.

933                   4.02.1.1           Adjustment to Garbage Collection Maximum Rates.

934                   4.02.1.1.1.       Adjustment to Garbage Collection Cost.  
935 CONTRACTOR may increase the collection costs portion of the Garbage Maximum Service  
936 Rates as listed in **Exhibit 4 Section A** for all service recipients by the same percentage as the  
937 change in CPI. The CPI adjustment shall be calculated using the change in the 12-month annual  
938 average of CPI index values between the January 1<sup>st</sup> and December 31<sup>st</sup> of the prior year, and  
939 the January 1<sup>st</sup> and December 31<sup>st</sup> of the year before the prior year (the prior previous year), each  
940 as published by the U.S. Department of Labor, Bureau of Labor Statistics. Therefore, the first CPI  
941 adjustment (effective July 1, 2018) will be based on the percentage change between the average  
942 index values for the period of January 1, 2017, through December 31, 2017, (the previous year)  
943 and January 1, 2016, through December 31, 2016 (the prior previous year).

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944 4.02.1.1.2. Adjustment to Disposal Cost.  
945 CONTRACTOR may increase the disposal cost portion of the Maximum Service Rates as listed  
946 in **Exhibit 4 Section A** for all service recipients by the same percentage as the percentage  
947 change in per ton disposal rate for "Commercial Haulers" at the Neal Road Landfill as published  
948 by Butte County on or around January 1st each calendar year. The starting per ton fee as  
949 published by Butte County effective January 1, 2017 is \$42.11 per ton. For purposes of calculating  
950 disposal costs, the Neal Road Landfill is used to establish disposal increases solely because it is  
951 a publicly owned landfill. CONTRACTOR is not required to use the Neal Road Landfill for  
952 disposal.

953 4.02.1.1.3. Allocated Costs between Collection and  
954 Disposal. For the sole purpose of calculating adjustments to the Maximum Service Rates under  
955 this Section 4.02.2.1, CONTRACTOR and CITY have agreed that the collection cost is equal to  
956 seventy nine and eight tenths percent (79.8%) of the total Maximum Service Rates as listed in  
957 **Exhibit 4 Section A**, and the disposal cost is equal to twenty and two tenths percent (20.2%) of  
958 the total Maximum Service Rates as listed in **Exhibit 4 Section A**. Contractor and City have  
959 agreed that these percentages shall remain constant during the term of this Agreement unless  
960 mutually agreed to by the CITY and all contractors providing franchised collection service.

961 4.02.1.2 Adjustment to Organics Collection Maximum Rates.  
962 CONTRACTOR may increase the Organics Collection Maximum Service Rates as listed in  
963 **Exhibit 4 Section B** for all service recipients by the same percentage as the change in CPI. The  
964 CPI adjustment shall be calculated using the change in the 12-month annual average of CPI index  
965 values between the January 1<sup>st</sup> and December 31<sup>st</sup> of the prior year, and the January 1<sup>st</sup> and  
966 December 31<sup>st</sup> of the year before the prior year (the prior previous year), each as published by  
967 the U.S. Department of Labor, Bureau of Labor Statistics. Therefore, the first CPI adjustment  
968 (effective July 1, 2018) will be based on the percentage change between the average index values  
969 for the period of January 1, 2017 through December 31, 2017 (the previous year) and January 1,  
970 2016 through December 31, 2016 (the prior previous year)

971 4.02.1.2.1. Special Adjustment to Organics Collection Maximum Rates. The  
972 initial Maximum Service Rates for Organic Waste Collection assume delivery to a processing  
973 facility within fifty (50) miles of the City and a processing fee of fifty-two dollars (\$52.00) per ton.  
974 If no processing facility is available within fifty (50) miles of the City that has a processing fee  
975 equal to or less than fifty two dollars (\$52.00) per ton (as adjusted by the CPI methodology  
976 described in Section 4.02.1.2), then, on the first July 1 thereafter, the Organics Collection  
977 Maximum Service Rates shall be increased by an amount sufficient to cover the marginal extra  
978 cost to CONTRACTOR (including transport costs and processing fees) of using the nearest  
979 available processing facility. CONTRACTOR and CITY shall negotiate in good faith to determine  
980 the amount of such adjustment. Upon such adjustment, the distance and processing fee  
981 thresholds set forth in the first two sentences of this Section 4.02.1.2.1 shall be revised to  
982 correspond to the new facility. After such adjustment, Maximum Service Rates for Organic Waste  
983 Collection shall be adjusted annually as provided in Section 4.02.1.2 unless and until the  
984 provisions of this Section 4.02.1.2.1 (with the revised thresholds) again apply.

985 4.02.1.3 Adjustments to Permanent Roll Off and Additional Services.  
986 CONTRACTOR may increase the Maximum Permanent Roll-off Service Rates as listed in **Exhibit**  
987 **4 Section C**, and the Additional Services Maximum Service Rates Services as listed in **Exhibit 4**  
988 **Section D** by the same percentage as the change in CPI. The CPI adjustment shall be calculated  
989 using the change in the 12-month annual average of CPI index values between the January 1<sup>st</sup>  
990 and December 31<sup>st</sup> of the prior year, and the January 1<sup>st</sup> and December 31<sup>st</sup> of the year before  
991 the prior year (the prior previous year), each as published by the U.S. Department of Labor,



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992 Bureau of Labor Statistics. Therefore, the first CPI adjustment (effective July 1, 2018) will be  
993 based on the percentage change between the average index values for the period of January 1,  
994 2017 through December 31, 2017 (the previous year) and January 1, 2016 through December  
995 31, 2016 (the prior previous year).

996 4.02.1.4 Rounding. Calculation of rates and determination of any  
997 annual adjustments shall be made only in units of one cent (\$0.01) and shall not result in a  
998 decrease to the rates currently in effect. Fractions of less than one cent (\$0.01) shall not be  
999 considered in making adjustments. The indices shall be truncated at four (4) decimal places for  
1000 the adjustment calculations. If the CPI index, disposal rate for "Commercial Haulers" at the Neal  
1001 Road Landfill, are no longer published, then for purposes of adjustments under this Section 4.02,  
1002 such index/rate shall be replaced with the index/rate that most closely approximates it.

1003 4.02.1.5 New Maximum Service Rates. CONTRACTOR'S shall  
1004 submit a request for an adjustment in the Maximum Service Rates to the CITY in the same form  
1005 as **Exhibit 4**, for confirmation by the CITY that the CONTRACTOR's calculations are correct. The  
1006 request for an adjustment to the Maximum Service Rates shall be submitted to the CITY by May  
1007 1st of each Agreement Year beginning May 1, 2018. If the request is not submitted to the CITY  
1008 by May 1st, the CONTRACTOR will be deemed to have waived its right to a rate adjustment for  
1009 that year.

1010 4.02.1.6 CITY Approval of Maximum Service Rates. On or before  
1011 June 1, 2018, and each June 1<sup>st</sup> annually thereafter during the term of this Agreement, the CITY  
1012 Representative shall notify CONTRACTOR that CITY has confirmed CONTRACTOR's  
1013 calculation of the adjustments to the affected Maximum Service Rates to take place on the  
1014 subsequent July 1<sup>st</sup>, or, that the CITY has identified calculation errors that need to be rectified, in  
1015 which case the parties shall cooperate in good faith to reconcile the discrepancy before the new  
1016 Maximum Service Rates take effect on July 1<sup>st</sup>.

1017 4.02.1.7 Annual Rate Cap on Maximum Service Rates. Except as  
1018 provided in Section 4.02.1.2.1 (Special Adjustment to Organics Collection Maximum Rates),  
1019 Section 4.03 (Adjustment Due to Change in Law), Section 4.04 (Detailed Rate Review), Section  
1020 4.05 (Adjustments Due to Change in Franchise Fee), or Section 24.02 (City-Directed Changes),  
1021 under no circumstance shall the total increase to the Maximum Service Rates exceed five percent  
1022 (5%) in one Agreement Year. In the event that total increase to the Maximum Service Rates as  
1023 calculated in Sections 4.02.1.1, 4.02.1.2, or 4.02.1.3 (but excluding 4.02.1.2.1) above exceeds  
1024 five percent (5.00%) or is negative (below 0.00%), the total adjustment for that year shall equal  
1025 five percent (5.00%) or zero percent (0.00%), respectively, and the amounts above five percent  
1026 (5.00%) or below zero percent (0.00%) shall be added to the rate adjustment percentage in the  
1027 following year, subject to the same floor and cap limitations and carryover. Additionally, in the  
1028 event that substantial changes occur in landfill disposal practices that results in an increase to  
1029 CONTRACTOR's disposal component costs greater than twenty percent (20%), CONTRACTOR  
1030 may request an increase above five percent (5.00%) solely to adjust for such extraordinary  
1031 increases to disposal costs. CONTRACTOR shall provide sufficient documentation of disposal  
1032 total cost increases above twenty percent (20%).

1033 4.03 Adjustments Due to Change in Law.

1034 4.03.1 If a Change in Law occurs after the date hereof that results in an increase  
1035 in CONTRACTOR's costs of performing its obligations under this Agreement, or a reduction in  
1036 CONTRACTOR's Gross Revenue, then CITY and CONTRACTOR shall negotiate in good faith a  
1037 reasonable and appropriate adjustment to Maximum Service Rates sufficient to offset  
1038 CONTRACTOR's increased costs or reduced Gross Revenue resulting from the Change in Law.

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1039 4.03.2 The Parties may negotiate and agree on the amount of any Maximum  
1040 Service Rate adjustment pursuant to this Section 4.03 without a Detailed Rate  
1041 Review. CONTRACTOR shall bear the burden of justifying to CITY any adjustment due to a  
1042 Change in Law and shall bear its own costs of preparing its request for an adjustment and  
1043 supporting documentation. CITY may request from CONTRACTOR such further information as it  
1044 reasonably deems necessary to fully evaluate CONTRACTOR'S request and make its  
1045 determination whether CONTRACTOR has satisfied its burden, which determination shall not be  
1046 unreasonably withheld. CITY shall notify CONTRACTOR of its determination within ninety (90)  
1047 calendar days of receipt of the written request and all other additional information reasonably  
1048 requested by CITY. Any such change will be implemented on the following July 1st, or within any  
1049 other time frame agreed upon between CITY and CONTRACTOR. The adjustment in Maximum  
1050 Service Rates shall be approved by the City Council and memorialized in a written amendment  
1051 to this Agreement.

1052 4.03.3 Without limiting the foregoing, if the proposed annual increase in Maximum  
1053 Service Rates resulting from a Change in Law exceeds five percent (5%), and if after negotiating  
1054 in good faith for at least thirty (30) days the parties are still unable to agree on the amount of such  
1055 increase, then either party, in addition to continuing to negotiate with the other party, may submit  
1056 the matter to non-binding mediation upon the terms and conditions in Section 24.06.1.

1057 4.04 Detailed Rate Review. Only if requested by the CITY a Detailed Rate Review may  
1058 be conducted provided that a pre-established methodology is agreed to by both the CITY and the  
1059 CONTRACTOR.

1060 4.05 Adjustments Due to Changes in the Franchise Fee. In the event that CITY elects to  
1061 increase the amount of fees provided for in Sections 4.06 below, such increase shall take effect  
1062 on the next July 1<sup>st</sup>, and the CONTRACTOR shall be entitled to an additional adjustment as part  
1063 of their regularly scheduled July 1<sup>st</sup> rate adjustment to cover the cost of those new fees. This  
1064 additional adjustment shall be calculated using the following methodology, and such calculation  
1065 must be included in the CONTRACTOR'S regular rate adjustment request submitted to the CITY  
1066 by April 1<sup>st</sup> in order for the CONTRACTOR to be eligible to receive the additional rate adjustment:

1067 4.05.1.1 The CONTRACTOR shall calculate the additional rate  
1068 adjustment percentage in accordance with the following formula:

$$1069 \quad RA = [ (1 - FF(\text{old})) / (1 - FF(\text{new})) ] - 1$$

1070 *where:*

1071 FF(old) = then-current Franchise Fee percentage (before giving effect to the  
1072 Franchise Fee adjustment)

1073 FF(new) = new Franchise Fee percentage (after giving effect to the Franchise  
1074 Fee adjustment)

1075 RA = percentage increase to be applied to each Maximum Service Rate  
1076 (after giving effect to all other then-applicable adjustments) to reflect  
1077 the change in the Franchise Fee

1078 All percentages in the above calculation to be expressed as fractions (i.e. 0.10  
1079 for 10%).

1080 For example, if the Franchise Fee were increased from five percent (5%) to ten percent (10%),  
1081 then each Maximum Service Rate would increase by an additional 5.56%, over and above any  
1082 other then-applicable adjustments. If in that same year the CPI adjustment were 2.00%, and no

1083 other adjustments were applicable, then the total Maximum Service Rate increase for that year  
1084 would be 7.67% ( $1.0556 \times 1.0200 = 1.0767$ ).

1085       4.06 CONTRACTOR'S Payments to CITY. As consideration for the exclusive franchise  
1086 granted by this Agreement, CONTRACTOR shall make payment to CITY of a Franchise Fee.  
1087 Each payment shall be accompanied by an accounting, which sets forth CONTRACTOR'S Gross  
1088 Revenues during the preceding quarter in sufficient detail to allow for an independent  
1089 recalculation of payments.

1090       4.06.1 Franchise Fee. The Franchise Fee will be a percentage of  
1091 CONTRACTOR'S Gross Revenue collected each calendar quarter under the terms of this  
1092 Agreement. The Franchise Fee percentage shall be **Ten Percent (10%) of Gross Revenues**  
1093 unless otherwise adjusted by CITY. CONTRACTOR shall make payment of the Franchise Fee to  
1094 CITY on a quarterly basis with payments due on January 31<sup>st</sup> (covering the prior October,  
1095 November and December), April 30<sup>th</sup>(covering the prior January, February, and March), July 31<sup>st</sup>,  
1096 (covering the prior April, May, and June), and October 31<sup>st</sup> (covering the prior July, August, and  
1097 September), of each Agreement Year, with the first payment due on January 31, 2018. In the  
1098 event that CITY adjusts the Franchise Fee percentage, such adjustment shall take effect on the  
1099 next July 1<sup>st</sup>, and the Maximum Service Rates will also be adjusted simultaneously and  
1100 commensurately as provided above, to incorporate any such changes in the Franchise Fee  
1101 percentage.

1102       4.06.2 No acceptance by CITY of any payment shall be construed as an accord  
1103 that the amount is in-fact the correct amount, nor shall such acceptance of payment be construed  
1104 as a release of any claim CITY may have against CONTRACTOR for any additional sums payable  
1105 under the provisions of this Agreement. All amounts paid shall be subject to independent audit  
1106 and recompilation by CITY. If, after the audit, such recompilation indicates an underpayment  
1107 CONTRACTOR shall pay to CITY the amount of the underpayment and shall reimburse CITY for  
1108 all reasonable costs and expenses incurred in connection with the audit and recompilation within  
1109 ten (10) Work Days of receipt of written notice from CITY that such is the case. If, after audit,  
1110 such recompilation indicates an overpayment, CITY shall notify CONTRACTOR in writing of the  
1111 amount of the overpayment, less costs and expenses incurred in connection with the audit and  
1112 recompilation. CONTRACTOR may offset the amounts next due following receipt of such notice  
1113 by the amount specified therein.

## 1114 **ARTICLE 5. Diversion Requirements**

### 1115       5.01 CONTRACTOR'S Diversion Requirements.

1116       5.01.1 CONTRACTOR shall fully implement CONTRACTOR'S required  
1117 Recyclable Materials and Organic Waste diversion programs to meet a minimum amount of the  
1118 Solid Waste diverted from landfill disposal as listed below:

1119       5.01.2 Thirty percent (30%) of all material collected by CONTRACTOR in each  
1120 calendar year beginning January 1, 2019.

1121       5.01.3 Thirty-two percent (32%) of all material collected by CONTRACTOR in  
1122 each calendar year beginning January 1, 2021.

1123       5.01.4 Thirty-five percent (35%) of all material collected by CONTRACTOR in  
1124 each calendar year beginning January 1, 2024 and thereafter for the Term of this Agreement.

1125       5.01.5 CONTRACTOR will also assist the CITY in reaching CalRecycle's seventy-  
1126 five percent (75%) goal, to the extent CONTRACTOR can do so without incurring additional



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1127 expense or interfering with CONTRACTOR's ability to perform its other obligations under this  
1128 Agreement.

1129       5.02 Diversion Requirements Calculation. For purposes of determining if CONTRACTOR  
1130 achieves CONTRACTOR'S diversion requirements, the Parties agree the annual diversion rate  
1131 will be calculated using the following formula: "the tons of materials collected by CONTRACTOR  
1132 from the provision of Collection Services in CITY that are sold or delivered to a recycler or re-  
1133 user, or processor, divided by the total tons of materials collected in CITY by CONTRACTOR in  
1134 each calendar year." Notwithstanding any other provision of this Agreement to the contrary, no  
1135 Liquidated Damages shall be assessed against CONTRACTOR for failure to meet diversion  
1136 requirements during a particular calendar year if during that calendar year CONTRACTOR has  
1137 demonstrated good faith efforts to achieve the diversion requirements by (i) implementing public  
1138 education efforts as outlined in Article 13, (ii) delivering all Recyclable Materials collected  
1139 hereunder to a legally permitted Materials Recovery Facility, and (iii) delivering all Organic Waste  
1140 collected hereunder to a legally permitted Organic Waste Processing Facility. In addition, in  
1141 determining whether to assess Liquidated Damages for failure to meet diversion requirements,  
1142 CITY may also take into account CONTRACTOR's other good faith efforts, changes in recyclable  
1143 materials markets, availability of Organic Waste Processing Facilities, and documented changes  
1144 in waste characterization.

1145       5.02.1 As part of the Quarterly Reports submitted in accordance with Section  
1146 15.02.1, CONTRACTOR shall provide documentation to the CITY stating and supporting each  
1147 calendar quarter's diversion rate. Diversion from other sources other than CONTRACTOR'S  
1148 diversion shall not be counted as diversion achieved by CONTRACTOR.

1149       5.03 Use of Transformation Facility. CONTRACTOR may direct up to ten percent (10%)  
1150 of the CITY'S total waste stream to a waste-to-energy facility for diversion purposes provided that  
1151 such diversion is allowable and deemed to be diversion by CalRecycle. CONTRACTOR is not  
1152 entitled to any additional compensation associated with use of any Transformation Facility.

1153       5.04 Use of Alternative Daily Cover (ADC). CONTRACTOR may utilize Organic Waste as  
1154 Alternative Daily Cover (ADC) if higher use of Organic Waste is not feasible. However, any tons  
1155 of materials Collected by CONTRACTOR that are ultimately used as ADC may only be counted  
1156 as diversion if such use is deemed to be diversion by CalRecycle.

1157       5.05 Changes in the Market Conditions for Recyclable Materials. Upon notice to and prior  
1158 approval by CITY, CONTRACTOR may deem additional materials or groups of materials  
1159 Recyclable Materials if they become capable of recycling at CONTRACTOR'S facilities in or near  
1160 the Commercial Service Area. CONTRACTOR reserves the right, upon written notice to and prior  
1161 written approval by the CITY, to discontinue acceptance of any category of Recyclable Materials  
1162 as a result of market conditions related to such materials. With regard to the preceding two  
1163 sentences, the CITY's approval shall not be unreasonably withheld. Such CITY approval for  
1164 reducing the types of Recyclable Materials collected shall not exceed 12 months at a time; if  
1165 CONTRACTOR wishes to extend the period, CONTRACTOR shall again seek CITY approval as  
1166 provided above.

1167       5.06 Compliance With Laws. CONTRACTOR's diversion programs set forth herein shall  
1168 be implemented in a manner consistent with the Applicable Laws governing this Agreement  
1169 (including AB 341, AB 939, AB 1594, AB 1826, SB 1016 and all amendments and related  
1170 subsequent legislation, to the extent they apply to CONTRACTOR), and CONTRACTOR shall  
1171 implement its diversion programs set forth herein without charging any costs or fees other than  
1172 those set forth in **Exhibit 4**, as adjusted in accordance with the provisions of this Agreement.

**Chico - Recology Commercial Collection Service Agreement**

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1173           5.07 Mutual Cooperation. CITY and CONTRACTOR shall reasonably cooperate in good  
1174 faith with all efforts by each other to meet CITY'S diversion and other compliance requirements  
1175 imposed by AB 939 and other Applicable Laws. In this regard, CITY'S obligations shall include,  
1176 without limitation, making such petitions and applications as may be reasonably requested by  
1177 CONTRACTOR for time extensions in meeting diversion goals, or other exceptions from the terms  
1178 of Applicable Laws, and agreeing to authorize such changes to CONTRACTOR'S recycling or  
1179 Solid Waste programs as may be reasonably requested by CONTRACTOR in order to achieve  
1180 the diversion requirements set forth herein. CONTRACTOR shall provide such assistance as may  
1181 reasonably be requested by CITY in preparing such petitions and applications. In addition,  
1182 CONTRACTOR shall provide such assistance as may reasonably be requested by CITY in  
1183 preparing for or participating in any hearing conducted by CalRecycle or any other regulatory  
1184 agency relating to CITY's failure to comply with the California Integrated Waste Management Act  
1185 of 1989, as amended (including by AB 341, AB 1594 or AB 1826), and the rules and regulations  
1186 thereunder, to the extent such failure results from CONTRACTOR's failure to perform its  
1187 obligations under this Agreement.

1188           5.08 Reporting. As may reasonably be requested by the CITY, CONTRACTOR shall  
1189 provide data and information to CITY to assist CITY with the preparation of all reports and other  
1190 information as may be required by CalRecycle or any other regulatory agency, in order to comply  
1191 with AB 939 and other Applicable Laws, and to assist CITY in responding to inquiries from  
1192 CalRecycle or any other regulatory agency, in so much as such data and information directly  
1193 relates to portions of services under the terms of this Agreement.

1194           5.09 Indemnification. CONTRACTOR agrees that it will carry out its obligations  
1195 specifically required under this Agreement in a manner consistent with Applicable Laws, including,  
1196 but not limited to, AB 939, AB 341, AB 1594, AB 1826 and SB 1016, to the extent they apply to  
1197 CONTRACTOR. In this regard, CONTRACTOR agrees that it will, in addition to any other  
1198 requirements contained herein, at its sole cost and expense, to the extent legally permitted,  
1199 defend, with counsel reasonably acceptable to CITY, indemnify, and hold harmless CITY and  
1200 CITY'S officials, employees, and agents from and against all fines and/or penalties which may be  
1201 imposed on CITY by CalRecycle or any other regulatory agency, to the extent such fines and/or  
1202 penalties result from CONTRACTOR's failure or refusal to timely provide information relating to  
1203 its operations which is required pursuant to this Agreement or the Applicable Laws, and such  
1204 failure or refusal prevents or delays CITY from submitting reports required by the Applicable Laws  
1205 including AB 939, AB 341, AB 1594, and AB 1826, in a timely manner. The indemnity in this  
1206 Section 5.09 is in addition to the indemnity set forth in Section 22.03 relating to CITY's failure to  
1207 meet state-mandated diversion goals.

1208           5.10 Waste Generation/Characterization Studies. CONTRACTOR acknowledges that  
1209 CITY may perform Solid Waste generation and disposal characterization studies periodically to  
1210 comply with the requirements of the Applicable Laws, including AB 939. As may reasonably be  
1211 requested by CITY, CONTRACTOR agrees to participate and cooperate with CITY and its agents  
1212 and to accomplish studies, provided that such participation and cooperation can be accomplished  
1213 at no additional cost to CONTRACTOR and without substantially interfering with  
1214 CONTRACTOR's operations.

1215 **ARTICLE 6. Service Units**

1216           6.01 Service Units shall include all the following categories of premises that are in the  
1217 Commercial Service Area as of October 1, 2017, and all such Commercial Service Units, Multi-  
1218 family Service Units and City Service Units that may be added to the Commercial Service Area

## Chico - Recology Commercial Collection Service Agreement

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1219 by means of annexation, new construction, or as otherwise set forth in this Agreement during term  
1220 of this Agreement:

1221           6.01.1 MFD Service Units

1222           6.01.2 Commercial Service Units

1223           6.01.3 City Service Units

1224           6.01.3.1       Any question as to whether a premises falls within one of  
1225 these categories shall be determined by the City Representative and the determination of the City  
1226 Representative shall be final.

1227           6.02 Service Unit Changes. The CITY and CONTRACTOR acknowledge that during the  
1228 term of this Agreement, the number of Service Units for which CONTRACTOR will provide  
1229 Collection Services may increase or decrease, due to annexation, development, or other reasons.  
1230 Any such change in Service Units shall be the responsibility of CONTRACTOR.

1231           6.02.1 Service Unit Additions. CONTRACTOR shall provide services described  
1232 in this Agreement to new Service Units within five (5) Work Days of receipt of notice from the  
1233 CITY or new Service Unit to begin such service.

1234           6.03 Coordination with Street Sweeping. The CITY and CONTRACTOR acknowledge  
1235 that CONTRACTOR may have to modify collection days to accommodate the CITY'S street  
1236 sweeping schedule. CITY and CONTRACTOR shall cooperate in any changes to CITY'S street  
1237 sweeping schedule so not to adversely impact CONTRACTOR'S route operations.

## 1238 ARTICLE 7. Reserved

## 1239 ARTICLE 8. Commercial and MFD Collection Services

1240           8.01 Commercial and MFD Collection Services. Commercial Collection Services and  
1241 MFD Collection Services will be governed by the terms and conditions set forth in this Article,  
1242 except that Commercial Collection Services will not include Bulky Waste Collection Service. The  
1243 provisions of this Article relating to Commercial Collection Services will apply equally to MFD  
1244 Collection Services.

1245           8.02 Conditions of Service. The CONTRACTOR shall provide Commercial Garbage  
1246 Collection Service to all Commercial Service Units in the Commercial Service Area who subscribe  
1247 for it. If a Commercial Service Unit subscribes for Commercial Garbage Collection Service,  
1248 CONTRACTOR shall offer Commercial Recycling Collection Service, and Commercial Organic  
1249 Waste Collection Service, to that Commercial Service Unit.

1250           8.03 Container Sizes. CONTRACTOR shall offer Garbage Carts in 32, 64 and 96 gallon  
1251 cart sizes, and Recyclable Materials and Organic Waste Carts in 64 or 96 gallon cart sizes.  
1252 CONTRACTOR shall offer Garbage and Recyclable Materials Bins in 1, 2, 3, 4, 5, and 6 cubic  
1253 yard sizes. CONTRACTOR shall offer Organic Waste Bins in 1, 2, and 3 cubic yard sizes. The  
1254 size of the container and the frequency (above the minimum) of collection shall be determined  
1255 between the Service Recipient and the CONTRACTOR. However, the size and frequency shall  
1256 be sufficient to provide that no Garbage, Recyclable Materials, or Organic Waste Materials need  
1257 be placed outside the Bin or Cart.

1258           8.04 Required Recyclables Materials Capacity. CONTRACTOR shall offer  
1259 Commercial Recycling Collection Service at no additional cost to all Commercial Service Units in  
1260 the Commercial Service Area that subscribe for Commercial Garbage Collection. For each



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1261 Service Unit, CONTRACTOR shall offer a minimum capacity of 90 gallons of Commercial  
1262 Recycling Collection Service.

1263 8.05 Organic Materials Service. CONTRACTOR shall offer Organic Waste Collection  
1264 Service on a subscription basis to all Commercial Service Units in the Commercial Service Area  
1265 that subscribe for Commercial Garbage Collection. Charges for Commercial Organic Waste  
1266 Collection Services and Multi-family Organic Waste Collection Service shall be in accordance with  
1267 **Exhibit 4** of this Agreement.

1268 8.06 Accessibility. CONTRACTOR shall only be required to collect Garbage, Recycling,  
1269 or Organic Waste Bins or Carts that are readily accessible to the CONTRACTOR'S crew and  
1270 vehicles and not blocked. However, CONTRACTOR shall provide "push services" during the  
1271 provision of Commercial Collection Services, as subscribed for by the Service Unit, at rates not  
1272 exceeding those set forth in **Exhibit 4**. Push services shall include, but not be limited to, moving  
1273 manually or by a specialized "scout" truck the Bins or Carts from their storage location for  
1274 Collection and returning the Bins or Carts to their storage location.

1275 8.07 Manner of Collection. The CONTRACTOR shall provide Commercial Collection  
1276 Service with as little disturbance as possible and shall leave any Bin or Cart at the same point it  
1277 was originally located without obstructing alleys, roadways, driveways, sidewalks or mail boxes.

1278 8.08 Frequency of Service. Garbage, Recyclable Materials and Organic Waste Collection  
1279 Services shall be provided as deemed necessary and as determined between the CONTRACTOR  
1280 and the customer, but each such service (if received) shall be received no less than one (1) time  
1281 per week with no exception for holiday(s) as set forth herein, except that Collection Service  
1282 scheduled to fall on a holiday may be rescheduled as determined between the customer and the  
1283 CONTRACTOR as long as the minimum frequency requirement is met.

1284 8.09 Contractor-Provided Containers. The CONTRACTOR shall provide containers as  
1285 part of the Commercial Collection Service rates set forth in **Exhibit 4**. CONTRACTOR shall not  
1286 be required to collect from Customer-provided containers, but may do so if it wishes. However,  
1287 customers may own their Compactor, provided that the customer is completely responsible for its  
1288 proper maintenance, and that such Compactor shall be of a type that can be serviced by the  
1289 CONTRACTOR'S equipment.

1290 8.10 Non-Collection. CONTRACTOR shall not be required to collect any Commercial  
1291 Garbage, Recyclable Material or Organic Material that is not placed in a Bin or Cart.  
1292 CONTRACTOR shall also not be required to collect any Container that is blocked by debris, or if  
1293 there is otherwise any type of obstruction that prevents CONTRACTOR from accessing the  
1294 Container for collection. In the event of non-collection, CONTRACTOR shall provide Notice to the  
1295 Service Recipient explaining why collection was not made.

1296 8.11 Compliance with AB 1826. As outlined in Article 13, the CONTRACTOR will develop  
1297 and implement an organic waste recycling program consistent with the AB 1826 schedule, to be  
1298 approved by the CITY. The CONTRACTOR will notify covered businesses of the requirements  
1299 to comply with the law starting October 1, 2017. The CONTRACTOR will provide the volume of  
1300 collection service that covered businesses require in order to be in compliance with the law.

1301 8.12 MFD Bulky Waste Collection Service. The CONTRACTOR shall provide MFD Bulky  
1302 Waste Collection Service to all MFD Service Units in the Commercial Service Area whose Bulky  
1303 Waste has been placed at a location agreed to by the CONTRACTOR and MFD Service Unit  
1304 management, that will provide safe and efficient accessibility to the CONTRACTOR'S collection  
1305 crew and vehicle. Each MFD Service Recipient in the Commercial Service Area shall be entitled  
1306 to receive free Bulky Waste Collection Service a maximum of one (1) time per Agreement Year.



1307 Each Bulky Waste Collection Service event shall be either a combination of loose items not  
1308 exceeding an approximate equivalent of 0.5 cubic yards, or a single individual Large Item. In  
1309 accordance with the "Additional Bulky Waste Collection" service rate as set in **Exhibit 4**,  
1310 CONTRACTOR shall be compensated for the cost of Collecting Large Items in excess of the limits  
1311 set above. MFD Service Unit management must call at least forty-eight (48) hours in advance to  
1312 schedule MFD Bulky Waste Collection Service. Collection will occur on the day agreed to  
1313 between the MFD Service Unit management and CONTRACTOR.

## 1314 ARTICLE 9. CITY Collection And Other Services

1315 9.01 CITY Collection Services. At no cost to the CITY, CONTRACTOR shall provide  
1316 Garbage, Recycling, and Organic Waste Collection Service to the City Service Units listed as  
1317 "RBCC" in **Exhibit 1** that are located in the Commercial Service Area. Such service shall be  
1318 provided at the volume and frequency set forth in **Exhibit 1**. CITY may change the City Service  
1319 Units receiving service and the volume and frequency of service by written notice to  
1320 CONTRACTOR, provided the change does not increase CONTRACTOR'S total annual cost of  
1321 providing services to City Service Units, determined by applying the Maximum Service Rates set  
1322 forth in **Exhibit 4**. Except as otherwise expressly provided herein, CITY Collection Services shall  
1323 be provided on the same terms and conditions as Commercial Collection Services.

1324 9.02 Abandoned Waste Notification. CONTRACTOR shall direct its collection vehicle  
1325 drivers to note (i) the addresses of any premises at which the driver observes that Garbage,  
1326 Recyclable Material, and/or Organic Waste Material is accumulating; and (ii) the address, or other  
1327 location description, at which Garbage, Recyclable Material, and/or Organic Waste has been  
1328 dumped in an apparently unauthorized manner. CONTRACTOR shall deliver the address or  
1329 description to CITY within two (2) Work Days of such observation.

1330 9.03 Notification. The CONTRACTOR will notify the City Representative daily, by Fax  
1331 and e-mail, of all situations that prevent or hinder collection from any City Service Unit, unless  
1332 otherwise directed by CITY.

1333 9.04 City Special Events Program. CONTRACTOR shall at no charge to CITY provide a  
1334 special events program pursuant to which it shall provide collection services having a maximum  
1335 total value of **Six Thousand Two Hundred Fifty Dollars (\$6,250.00)** per Agreement Year to  
1336 events selected by CITY. The maximum total annual value of this program will be escalated  
1337 annually by the same percentage change as the percentage change in Maximum Service Rates  
1338 under Section 4.02. The specific special events to be serviced, and the level of service to be  
1339 provided at each event, will be as directed by the CITY, subject to the above maximum. The cost  
1340 of servicing each event shall be agreed upon by CITY and CONTRACTOR before each event.  
1341 The CITY will allocate the events evenly between the USA Waste of California, Inc. and Recology  
1342 Butte Colusa Counties (up to \$6,250.00 each during the first year of the contract).

## 1343 ARTICLE 10. Reserved

## 1344 ARTICLE 11. Collection Vehicles

1345 11.01 General Provisions. All Cart and Bin collection vehicles used by CONTRACTOR  
1346 in the performance of services under this Agreement shall be of a high quality. CONTRACTOR  
1347 shall replace or refurbish its Collection vehicles in accordance with the replacement/replacement  
1348 protocol schedule set forth in **Exhibit 3**. When commercially feasible, CONTRACTOR may  
1349 operate CNG fueled collection vehicles, and may utilize its CNG fueled collection vehicles to

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1350 provide Collection; this CNG requirement will not apply to backup trucks or trucks typically used  
1351 for manual collection (e.g., Bulky Items).

1352       11.02 Vehicle Registration, Licensing and Inspection. Upon request by the CITY,  
1353 CONTRACTOR shall submit documentation to the CITY Representative to verify that each of the  
1354 CONTRACTOR'S collection vehicles is in compliance with all registration, licensing and  
1355 inspection requirements of the state, federal and local governmental agencies. Each vehicle shall  
1356 comply, at all times, with all applicable statutes, laws or ordinances of any public agency.

1357       11.03 Clean Air Vehicles. During the term of this Agreement, to the extent required by  
1358 law, CONTRACTOR shall provide for its collection vehicles to be in full compliance with all then-  
1359 applicable local, State and federal clean air requirements, including, but not limited to, the  
1360 California Air Resources Board Heavy Duty Engine Standards; the Federal EPA's Highway Diesel  
1361 Fuel Sulfur regulations, and any other applicable air pollution control.

1362       11.04 On-Board Global Positioning Systems (GPS). CONTRACTOR may use collection  
1363 vehicles equipped with on-board GPS systems that are linked to CONTRACTOR'S customer  
1364 service systems.

1365       11.05 Vehicle Noise Level. All collection operations shall be conducted as quietly as  
1366 possible and must comply with U.S. EPA noise emission regulations currently codified at 40 CFR  
1367 Part 205, and other applicable State, County, and CITY noise control regulations.

1368       11.06 Safety Equipment. All collection equipment used by CONTRACTOR shall have  
1369 appropriate safety markings including, but not limited to, highway lighting, flashing and warning  
1370 lights, clearance lights, and warning flags. All such safety markings shall be subject to the  
1371 approval of the CITY (if different from the markings commonly used by CONTRACTOR) and shall  
1372 be in accordance with the requirements of the California Vehicle Code, as may be amended from  
1373 time to time. All collection vehicles shall be equipped with audible back-up warning devices and  
1374 visual back-up warning devices.

1375       11.07 Vehicle Signage and Painting. Unless otherwise agreed to with the CITY,  
1376 Collection vehicles shall have signage in letters of contrasting color, at least four (4) inches high,  
1377 on each side and the rear of each vehicle that clearly states the CONTRACTOR'S name, the  
1378 CONTRACTOR'S customer service telephone number, and the number of the vehicle. No  
1379 advertising shall be permitted other than the name of the CONTRACTOR except promotional  
1380 advertisement of the Recyclable Materials and Organic Waste programs. CONTRACTOR shall  
1381 repaint all vehicles (including vehicles striping) during the term of this Agreement on a frequency  
1382 as necessary to maintain a positive public image as reasonably determined by the City  
1383 Representative, but CONTRACTOR shall not be required to repaint any vehicle more than once  
1384 every eight (8) years.

1385       11.08 Vehicle Maintenance. CONTRACTOR shall maintain collection vehicles in a clean  
1386 condition and in good repair at all times and ensure that no collected materials, oil, grease, or  
1387 other substances will blow, fall out, escape or leak out of the vehicle, with the exceptions of vehicle  
1388 emission. All parts and systems of the collection vehicles shall operate properly and be  
1389 maintained in a condition reasonably satisfactory to CITY. CONTRACTOR shall wash all  
1390 collection vehicles in a frequency to maintain a clean appearance.

1391       11.09 Maintenance Log. CONTRACTOR shall maintain a maintenance log for all  
1392 collection vehicles. The log shall at all times be accessible to CITY by physical inspection upon  
1393 request of City Representative, and shall show, at a minimum, each vehicles' CONTRACTOR  
1394 assigned identification number, date purchased or initial lease, dates of performance of routine

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1395 maintenance, dates of performance of any additional maintenance, and description of additional  
1396 maintenance performed.

1397           11.10 Reserve Equipment. The CONTRACTOR shall have available to it, at all times,  
1398 reserve collection equipment. Such reserve equipment shall have adequate capacity to perform  
1399 the contractual duties.

## 1400 ARTICLE 12. Customer Service

1401           12.01 Customer Service Program. CONTRACTOR shall provide all customer service  
1402 functions, and shall develop, implement, and maintain a Customer Service Program to ensure  
1403 that all services provided under this Agreement are provided at high quality.

1404           12.02 CONTRACTOR'S Office. The CONTRACTOR shall maintain an office that  
1405 provides local or toll-free telephone access to residents and businesses of the CITY and is staffed  
1406 by trained and experienced Customer Service Representatives (CSRs). Such office shall be  
1407 equipped with sufficient telephones that all Collection Service related calls received during normal  
1408 business hours are answered and shall have responsible persons in charge during collection  
1409 hours and shall be open during such normal business hours, 8:00 a.m. to 5:00 p.m. Monday  
1410 through Friday, except holidays. The CONTRACTOR shall provide either a telephone answering  
1411 service or mechanical device to receive Service Recipient inquiries during those times when the  
1412 office is closed. Calls received after normal business hours shall be addressed the next Work  
1413 Day morning.

1414           12.03 Emergency Contact. The CONTRACTOR shall provide the CITY Representative  
1415 with an emergency phone number where the CONTRACTOR can be reached outside of the  
1416 required office hours with a two (2) hour response time.

1417           12.04 Multilingual/TDD Service. CONTRACTOR shall at all times maintain the capability  
1418 of responding to telephone calls in English and Spanish.

1419           12.05 Service Recipient Calls. During office hours, CONTRACTOR shall maintain  
1420 a telephone answering system capable of accepting at least ten (10) incoming calls at one (1)  
1421 time. CONTRACTOR shall record all calls including any inquiries, service requests and  
1422 complaints into a customer service log

1423           12.06 Website. CONTRACTOR shall develop and maintain a website dedicated to  
1424 services provided in the CITY that is accessible by the public. The website shall include answers  
1425 to frequently asked questions, listing and description of Recyclable Materials and Organic Waste,  
1426 Collection Service schedules and maps, and other related topics. CONTRACTOR shall arrange  
1427 for the CITY'S website to include an e-mail link to CONTRACTOR and a link to CONTRACTOR'S  
1428 website. The CONTRACTOR'S website shall provide the public the ability to e-mail complaints to  
1429 CONTRACTOR. The CONTRACTOR'S website shall also provide customers with the ability to  
1430 request changes to service volume and collection frequency, and also the ability to request special  
1431 services including Bulky Waste Collection. CONTRACTOR'S website shall also promote reuse  
1432 and recycling. The CITY shall review with CONTRACTOR any changes to CONTRACTOR'S  
1433 current website.

## 1434 ARTICLE 13. Public Outreach Services

1435           13.01 Public Outreach Services. The CITY and the CONTRACTOR will collaboratively  
1436 develop a specific annual Waste Diversion and Sustainability Work Plan to guide the  
1437 CONTRACTOR's waste diversion and sustainability support staff's work efforts. To accomplish



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1438 this, by October 15<sup>th</sup>, the CONTRACTOR will submit their proposed Waste Diversion and  
1439 Sustainability Work Plan covering proposed activities for the coming calendar year. The CITY  
1440 may then confirm and/or work collaboratively with the CONTRACTOR to revise the Waste  
1441 Diversion and Sustainability Annual Work Plan. CONTRACTOR shall submit the final Waste  
1442 Diversion and Sustainability Annual Work Plan year as part of their Annual Reports submitted in  
1443 accordance with Section 15.02.2.

1444 13.01.1 The Waste Diversion and Sustainability Work Plan must include  
1445 specific steps designed to increase diversion and participation for the CITY'S MFD and  
1446 Commercial Service Units and may include annual campaigns, billing inserts, newsletters,  
1447 participation at public events, and sponsorship of Earth Day activities. Campaigns should target  
1448 certain diverted materials or "problem" areas of the CONTRACTOR'S Commercial Service Area  
1449 where improvements can be maximized. Targets of outreach should be based on local trends  
1450 and recycling patterns based on information obtained by both the City Representative and  
1451 CONTRACTOR staff. The CONTRACTOR shall provide space in CONTRACTOR'S public  
1452 outreach materials, such as mailers, flyers and newsletters, for the CITY to include  
1453 announcements, community information, articles, and photographs.

1454 13.01.2 CONTRACTOR's diversion and sustainability services in the CITY  
1455 will include activities such as helping CITY and commercial and multifamily customers establish  
1456 recycling goals, and developing educational and promotional materials and performing recycling  
1457 audits for commercial and multifamily customers. The CITY and the CONTRACTOR will develop  
1458 in cooperation with one another, measurable goals for the CONTRACTOR's diversion and  
1459 sustainability services. CONTRACTOR will conduct recycling and organic outreach, in effort to  
1460 educate customers on AB 341 and AB 1826. CONTRACTOR will focus their public outreach and  
1461 education efforts on ensuring that the customers are equipped with the information needed to  
1462 meet the CITY's diversion rate. The CONTRACTOR may supplement its waste diversion and  
1463 sustainability support staff with other employees of the CONTRACTOR who have skills and  
1464 experience useful for the CITY's efforts regarding the waste reduction, waste diversion, Recycling,  
1465 and Customer education programs.

1466 13.02 Sustainability Support Staff. CONTRACTOR will provide for CONTRACTOR's  
1467 staff resources to support waste diversion and sustainability programs, including performing  
1468 recycling audits for, and providing outreach and support to, commercial and multi-family accounts.

1469 13.03 Annual Collection Service Notice. Each Agreement Year during the term of this  
1470 Agreement, the CONTRACTOR shall publish and distribute notices to all to all MFD Service Units  
1471 regarding MFD Collection Service, and to all Commercial Service Units regarding Commercial  
1472 Collection Service. To the extent appropriate, based on the category of customer receiving the  
1473 notice, it shall contain at a minimum: definitions of the materials to be collected, procedures for  
1474 setting out the materials, collection and disposal options for unacceptable materials such as  
1475 Hazardous Waste, maps of the CONTRACTOR's Commercial Service Area indicating the day of  
1476 the week that Collection Service will be provided, and the CONTRACTOR's customer service  
1477 phone number and website address. The notice shall be provided in English, and shall be  
1478 distributed by the CONTRACTOR no later than April 1st of each Agreement Year.

1479 13.04 Additional Outreach Programs and Services. CONTRACTOR shall provide  
1480 additional public outreach services and programs as requested by CITY at a price to be mutually  
1481 agreed upon between the CONTRACTOR and the City Representative and included in Maximum  
1482 Rates. In the event the CONTRACTOR and the City Representative cannot reach a mutually  
1483 agreed upon price for the requested service or program, CITY shall have the right to procure the  
1484 service of other vendors or contractors to provide the requested public outreach service.

1485           13.05 News Media Relations. When practicable, CONTRACTOR shall notify the City  
1486 Representative by Fax, e-mail or phone of all requests for news media interviews related to the  
1487 Collection Services program within twenty-four (24) hours of CONTRACTOR'S receipt of the  
1488 request. When practicable, before responding to any inquiries involving controversial issues or  
1489 any issues likely to affect participation or Service Recipient perception of services,  
1490 CONTRACTOR will discuss CONTRACTOR'S proposed response with the City Representative.

1491           13.05.1       Copies of draft news releases or proposed trade journal articles by  
1492 CONTRACTOR related to the Collection Services program shall be submitted to CITY for prior  
1493 review and approval at least five (5) Work Days in advance of release, except where  
1494 CONTRACTOR is required by any law or regulation to submit materials to any regulatory agency  
1495 in a shorter period of time, in which case CONTRACTOR shall submit such materials to CITY  
1496 simultaneously with CONTRACTOR'S submittal to such regulatory agency.

1497           13.05.2       Copies of articles related to the Collection Services program  
1498 resulting from media interviews or news releases shall be provided to the CITY within five (5)  
1499 Work Days after publication.

## 1500 **ARTICLE 14. Emergency Service Provisions**

1501           14.01 Emergency Services. In the event of a tornado, major storm, earthquake, fire,  
1502 natural disaster, or other such event, the City Representative may grant the CONTRACTOR a  
1503 variance from regular routes and schedules. As soon as practicable after such event, the  
1504 CONTRACTOR shall advise the City Representative when it is anticipated that normal routes and  
1505 schedules can be resumed. The City Representative shall make an effort through the local news  
1506 media to inform the public when regular services may be resumed. The clean-up from some  
1507 events may require that the CONTRACTOR hire additional equipment, employ additional  
1508 personnel, or work existing personnel on overtime hours to clean debris resulting from the event.  
1509 The CONTRACTOR shall receive additional compensation, above the normal compensation  
1510 contained in this Agreement, to cover the costs of rental equipment, additional personnel,  
1511 overtime hours and other documented expenses based on the rates set forth in **Exhibit 4** to this  
1512 Agreement provided the CONTRACTOR has first secured written authorization and approval from  
1513 the CITY through the City Representative.

## 1514 **ARTICLE 15. Record Keeping & Reporting Requirements**

1515           15.01 Record Keeping.

1516           15.01.1       Accounting Records. CONTRACTOR shall maintain full and  
1517 complete financial, statistical and accounting records as required by this Agreement. Such  
1518 records shall be subject to audit and inspection with prior sixty (60) day written request by the  
1519 CITY. These records shall be distinguished from other records maintained by CONTRACTOR for  
1520 the provision of other services outside the scope of this Agreement. CONTRACTOR shall  
1521 maintain and preserve all applicable records for a period of not less than five (5) years following  
1522 the close of each of the CONTRACTOR'S fiscal years.

1523           15.01.2       Tonnage Records. CONTRACTOR shall maintain records of the  
1524 quantities of (i) Garbage, Recyclable Material, and Organic Waste collected, processed,  
1525 composted, and disposed under the terms of this Agreement, and (ii) Recyclable Materials and  
1526 Organic Waste, by material type, purchased, sold, donated or given for no compensation, and  
1527 residue disposed.

## Chico - Recology Commercial Collection Service Agreement

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1528                   15.01.3       Records.     CONTRACTOR shall maintain all other records  
1529 reasonably related to provision of Collection Services, whether or not specified in this Article 15  
1530 or elsewhere in the Agreement.

1531                   15.02 Reporting Requirements.   Quarterly reports shall be submitted to the City  
1532 Representative no later than thirty (30) calendar days after the end of the reporting quarter (i.e.,  
1533 May 1<sup>st</sup>, August 1<sup>st</sup>, October 1<sup>st</sup>, and February 15<sup>th</sup>), and annual reports shall be submitted to the  
1534 City Representative no later than forty-five (45) days after the end of each preceding Agreement  
1535 Year (i.e., February 15<sup>th</sup> for the preceding calendar year). Quarterly and annual reports shall be  
1536 submitted in hard copy, and shall be provided electronically via e-mail. Reports shall be submitted  
1537 in a format mutually agreed upon between the CITY and CONTRACTOR.

1538                   15.02.1       Quarterly Reports. Quarterly reports to the CITY shall include:

1539                               15.02.1.1     Garbage, Recycling, and Organic Waste Data. A listing of  
1540 the tonnage from all Collection Services, including Bulky Waste Collection Service, collected,  
1541 diverted and disposed by the CONTRACTOR for the preceding quarter sorted between Service  
1542 Units (i.e., Commercial, MFD, CITY, C&D). All tonnage data should be compared to the  
1543 corresponding tonnage data from the prior year comparable period.

1544                               15.02.1.2     Diversion Rate.     CONTRACTOR shall provide  
1545 documentation stating and supporting the calendar quarter's diversion rate, as calculated in  
1546 accordance with the provisions of Article 5.

1547                               15.02.1.3     Property Damage or Injury. Indicate instances of property  
1548 damage or injury caused by CONTRACTOR to Service Recipients.

1549                               15.02.1.4     Overweight Collection Vehicles. During normal collection  
1550 activities (i.e., excluding periods of heavy rain), the number of incidents CONTRACTOR operated  
1551 a collection vehicle on CITY streets that exceeds, by more than two thousand (2,000) pounds,  
1552 the maximum weight allowed under the California Vehicle Code for such vehicle.

1553                               15.02.1.5     Gross Revenue and Franchise Fees. A summary of the  
1554 prior quarter's Gross Receipts and franchise fees paid broken down by the type Service Units  
1555 (i.e., Commercial, MFD, CITY, C&D).

1556                   15.02.2       Annual Reports. The annual report submitted to the CITY shall  
1557 include the information required for quarterly reports in Sections 15.02.1.1 through 15.02.1.5  
1558 summarized by quarter and averaged for the Agreement Year. For all annual reports beginning  
1559 with the report for the second Agreement Year, the CONTRACTOR shall also include a historical  
1560 comparison of the last Agreement Year and the average of all Agreement Years. The annual  
1561 reports shall also specifically include:

1562                               15.02.2.1     Public Education and Information Activities. CONTRACTOR  
1563 shall report on all public education and information activities undertaken during the period,  
1564 including distribution of bill inserts, collection notification tags, community information and events,  
1565 and other activities related to the provision of Collection Services. This report shall discuss the  
1566 impact of these activities on Recycling and Organic Waste program participation and provide  
1567 details of events and activities planned for the next period.

1568                               15.02.2.2     AB 341 and 1826 Compliance Data. CONTRACTOR shall  
1569 report the total number of Commercial and/or Multi-family Service Units serviced, a summary of  
1570 the number of accounts that appear to qualify as covered generators under AB 341 and /or AB  
1571 1826, and upon request by the CITY, the number of containers, container sizes and frequency of



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1572 collection for Garbage, Recyclable Materials and Organic Waste for each of such Commercial  
1573 and/or Multi-Family Service Units.

1574 15.02.2.3 Processing and Marketing Data. Recycling and Organic  
1575 Waste processing and marketing issues or conditions occurring during the previous quarter (such  
1576 as participation, setouts, contamination, etc.) and possible solutions, discussed separately for  
1577 MFD, Commercial and CITY programs.

1578 15.02.2.4 Customer Service Data. Upon request by the CITY, a copy  
1579 of the customer service log, including a summary of the type and number of praises, complaints  
1580 and their resolution, and problems encountered with collection and processing activities and  
1581 actions taken. Copies of a written record of all calls related to missed pickups and responses to  
1582 such calls as well as type and number of Notices left at Service Recipient locations

1583 15.02.2.5 Gross Revenue and Franchise Fees. A summary of the  
1584 prior year's Gross Receipts and franchise fees paid broken down by the type Service Units.

1585 15.02.2.6 Account Data. Account data broken down by the type of  
1586 Service Units including the total number of accounts serviced, and the number of accounts,  
1587 account names and addresses of collection locations per each service category.

1588 15.03 Additional Reporting. The CONTRACTOR shall furnish the CITY with any  
1589 additional reports as may reasonably be requested by CITY, such reports to be prepared within  
1590 a reasonable time following the request. In addition, CONTRACTOR shall furnish to CITY  
1591 information regarding CONTRACTOR'S activities under this Agreement that is needed for CITY  
1592 to prepare its reports to CalRecycle.

## 1593 ARTICLE 16. Nondiscrimination

1594 16.01 Nondiscrimination. In the performance of all work and services under this  
1595 Agreement, CONTRACTOR shall not unlawfully discriminate against any person on the basis of  
1596 such person's race, sex, color, national origin, religion, marital status, age, disability or sexual  
1597 orientation. CONTRACTOR shall comply with all applicable local, state and federal laws and  
1598 regulations regarding nondiscrimination, including those prohibiting discrimination in employment.

## 1599 ARTICLE 17. Service Inquiries and Complaints

1600 17.01 CONTRACTOR'S Customer Service. CONTRACTOR shall at all times  
1601 provide office staff and office hours, including personnel to answer phones and phone answering  
1602 capabilities when CONTRACTOR'S office is closed, as specified in Article 12 of this Agreement.  
1603 All service inquiries and complaints regarding CONTRACTOR'S services shall be directed to the  
1604 CONTRACTOR. A representative of the CONTRACTOR shall be available to receive the  
1605 complaints during normal business hours. All service complaints will be handled by the  
1606 CONTRACTOR in a prompt, courteous, and efficient manner. In the case of a dispute between  
1607 the CONTRACTOR and a Service Recipient, the matter will be reviewed and a decision made by  
1608 the City Representative.

1609 17.01.1 The CONTRACTOR will utilize a customer service log to maintain  
1610 a record of all inquiries and complaints in a format agreed to by the CITY.

1611 17.01.2 For those complaints related to missed Collections that are received  
1612 by 12:00 noon on a Work Day, the CONTRACTOR will return to the Service Unit address and  
1613 collect the missed Carts or Bins before leaving the Commercial Service Area for the day. For  
1614 those complaints related to missed collections that are received after 12:00 noon on a Work Day,

1615 the CONTRACTOR shall have until the end of the following Work Day to resolve the complaint.  
1616 For those complaints related to repair or replacement of carts or bins, the appropriate Articles of  
1617 this Agreement shall apply.

1618                   17.01.3           CONTRACTOR agrees that it is in the best interest of the CITY that  
1619 all Garbage, Recyclable Materials, and Organic Waste be collected on the scheduled collection  
1620 day. Accordingly, missed Collections will normally be collected as set forth herein regardless of  
1621 the reason that the collection was missed. However, in the event a Service Recipient reports  
1622 missed collection service more than two (2) times in any consecutive two (2) month period the  
1623 City Representative will work with the CONTRACTOR to determine an appropriate resolution to  
1624 that situation. In the event the CONTRACTOR believes any complaint to be without merit,  
1625 CONTRACTOR shall notify the City Representative, either by Fax or e-mail. The City  
1626 Representative will investigate all disputed complaints and render a decision.

## 1627 **ARTICLE 18. Quality of Performance of Contractor**

1628           18.01 Intent. CONTRACTOR acknowledges and agrees that one of CITY'S primary  
1629 goals in entering into this Agreement is to ensure that the Collection Services are of the highest  
1630 caliber, that Service Recipient satisfaction remains at the highest level, that required diversion  
1631 levels are achieved, and that materials collected are reasonably put to the highest and best use  
1632 to the extent feasible.

1633           18.02 Service Supervisor. CONTRACTOR has designated a supervisor to be in charge  
1634 of the Collection Service within the Commercial Service Area. As soon as practicable before  
1635 replacing the designated supervisor, CONTRACTOR shall notify CITY in writing of the name and  
1636 qualifications of the new service supervisor. CONTRACTOR shall ensure that such replacement  
1637 is an individual with sufficient qualifications and experience. The supervisor shall be available to  
1638 the City Representative through the use of a mobile telephone at all times that CONTRACTOR is  
1639 providing Collection Services. In the event the supervisor is unavailable due to illness or vacation,  
1640 CONTRACTOR shall designate an acceptable substitute who shall be available and who has the  
1641 authority to act in the same capacity as the supervisor. The service supervisor shall provide the  
1642 CITY with an emergency phone number where the supervisor can be reached outside of normal  
1643 business hours.

1644           18.03 Liquidated Damages. The parties further acknowledge that consistent and reliable  
1645 Collection Service is of utmost importance to CITY and that CITY has considered and relied on  
1646 CONTRACTOR'S representations as to its quality of service commitment in awarding the  
1647 Agreement to it. The parties further recognize that some quantified standards of performance are  
1648 necessary and appropriate to ensure consistent and reliable service and performance. The parties  
1649 further recognize that if CONTRACTOR fails to achieve the performance standards, or fails to  
1650 submit required documents in a timely manner, CITY, and CITY'S residents and businesses will  
1651 suffer damages and that it is and will be impractical and extremely difficult to ascertain and  
1652 determine the exact amount of damages. Therefore, without prejudice to CITY'S right to treat  
1653 such non-performance as an event of default under Article 23, the parties agree that the liquidated  
1654 damages amount defined in this Article represent reasonable estimates of the amount of such  
1655 damages considering all of the circumstances existing on the effective date of this Agreement,  
1656 including the relationship of the sums to the range of harm to CITY, customers and the community  
1657 as a whole that reasonably could be anticipated and the anticipation that proof of actual damages  
1658 would be costly or impractical. In placing their initials at the places provided, each party  
1659 specifically confirms the accuracy of the statements made above and the fact that each party has



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1660 had ample opportunity to consult with legal counsel and obtain an explanation of the liquidated  
 1661 damage provisions at the time that the Agreement was made.

1662 CITY Initial Here MO CONTRACTOR Initial Here MS

1663 CONTRACTOR agrees to pay (as liquidated damages and not as penalty) the following amounts:

LIQUIDATED DAMAGES			
Item		Amount if Not Cured in 30 Days	If Cured in 15 Days
a.	Failure to respond to each complaint within three (3) Work Days of receipt of complaint.	\$100 per incident per Service Recipient.	
b.	Failure to maintain call center hours as required by this Agreement.	\$100 per day.	-0-
c.	Failure to submit to CITY all reports by the deadlines required under the provisions of this Agreement.	\$100 per day.	-0-
d.	Failure to display CONTRACTOR'S name and customer service phone number on collection vehicles.	\$100 per incident per day.	-0-
e.	Failure to collect a missed collection by close of the next Work Day upon notice to CONTRACTOR.	\$100 per incident per day.	-0-
f.	Failure to repair or replace damaged Containers to deliver or exchange Containers within the time required by this Agreement.	\$100 per incident per day.	
g.	Failure to maintain collection hours as required by this Agreement.	\$250 per incident per day.	-0-
h.	Failure to have CONTRACTOR personnel in CONTRACTOR-provided uniforms.	\$250 per incident per day.	-0-
i.	Failure to clean up spillage or litter on public streets located within CITY caused by CONTRACTOR's collection vehicles within two (2) hours after notice by CITY to CONTRACTOR.	\$500 per incident per location.	Can not be cured
j.	Disposal of separately collected Recyclable Materials or separately collected Organic Waste in the Disposal Facility without first obtaining the required permission of the CITY.	\$500 per load.	Can not be cured
k.	Failure to deliver Garbage collected under this Agreement to the Disposal Facility, except as otherwise expressly provided in this Agreement.	\$5,000 each failure.	Can not be cured



LIQUIDATED DAMAGES			
Item		Amount if Not Cured in 30 Days	If Cured in 15 Days
l.	Failure to meet the minimum annual diversion requirements set forth in Section 5.	The current disposal cost/ton for each ton under the diversion requirement.	Can not be cured
m	Failure to submit Franchise Fee in accordance with Section 4.06.1.	2.5% of the unpaid amount due or \$250 per month, whichever amount is higher	Can not be cured

1664            18.04 Procedure for Review of Liquidated Damages. The City Representative may  
 1665 assess liquidated damages pursuant to this Article 18 on a monthly basis. The City  
 1666 Representative may issue a written notice to CONTRACTOR (“Notice of Assessment”) of the  
 1667 liquidated damages assessed and the basis for each assessment. In order for liquidated damages  
 1668 to be assessed with respect to any item listed above that cannot be cured, the Notice of  
 1669 Assessment with respect to that item must be sent within 12 months after the item occurred.

1670            18.04.1            If CONTRACTOR cures those items within fifteen (15) Work Days  
 1671 of receipt of the Notice of Assessment, then the Assessment shall be deemed to be cleared and  
 1672 no Liquidated Damages will be assessed.

1673            18.04.2            For items that cannot be cured or are not cured within fifteen (15)  
 1674 Work Days, the assessment shall become final unless, within thirty (30) Wok Days of the date of  
 1675 the notice of assessment, CONTRACTOR provides a written request for a meeting with the City  
 1676 Representative to present evidence that the assessment should not be made.

1677            18.04.3            The City Representative shall schedule a meeting between  
 1678 CONTRACTOR and the City Manager or the City Manager’s designee as soon as reasonably  
 1679 possible after timely receipt of CONTRACTOR’S request.

1680            18.04.4            The City Manager or the City Manager’s designee shall review  
 1681 CONTRACTOR’S evidence and render a decision sustaining or reversing the liquidated damages  
 1682 as soon as reasonably possible after the meeting. Written notice of the decision shall be provided  
 1683 to CONTRACTOR.

1684            18.04.5            In the event CONTRACTOR does not submit a written request for  
 1685 a meeting within thirty (30) calendar days of the date of the Notice of Assessment, the City  
 1686 Representative’s determination shall be final and CONTRACTOR shall submit payment to CITY  
 1687 no later than fifteen (15) calendar days following final determination. Or at the sole option of CITY,  
 1688 if monies are owed to CONTRACTOR, CITY may deduct the liquidated damages from amounts  
 1689 otherwise due to CONTRACTOR.

1690            18.04.6            CITY’S assessment or collection of liquidated damages shall not  
 1691 prevent CITY from exercising any other right or remedy, including the right to terminate this  
 1692 Agreement, for CONTRACTOR’S failure to perform the work and services in the manner set forth  
 1693 in this Agreement.

1694            18.05 General Contingency Plan. In conjunction with the execution of this Agreement,  
 1695 CONTRACTOR shall develop and provide a General Contingency Plan to address

1696 CONTRACTOR's program to minimize disruption of service during a labor disruption. The  
1697 Contingency Plan shall be provided to CITY sixty (60) days prior to the Service Commencement  
1698 Date.

1699 **ARTICLE 19. Contract Compliance and Performance**  
1700 **Reviews**

1701 19.01 Contract Compliance and Performance Review

1702 19.01.1 Selection and Cost. The CITY may conduct up to two (2) contract  
1703 compliance and performance reviews ("review") of the CONTRACTOR'S performance during the  
1704 term of this Agreement: one conducted prior to the first five (5) year extension contemplated by  
1705 Section 2.02, and one prior to the second five (5) year extension contemplated by Section 2.02.  
1706 Such reviews paid for by CONTRACTOR will only be conducted if CONTRACTOR requests the  
1707 applicable five (5) year extension. The reviews will be performed by a qualified firm under contract  
1708 to the CITY. The CITY shall have the final responsibility for the selection of the firm but shall seek  
1709 and accept comments and recommendations from the CONTRACTOR. CONTRACTOR will be  
1710 responsible for reimbursing the cost of CITY's consultant up to a maximum of **Thirty Thousand**  
1711 **Dollars (\$30,000.00)** per review, and starting in Agreement Year 2020 this amount will be  
1712 adjusted annually by the same percentage change as the percentage change in CONTRACTOR's  
1713 Maximum Service Rates under Section 4.02.

1714 19.01.2 Purpose. The review shall be designed to verify CONTRACTOR'S  
1715 compliance with the reporting requirements and performance standards of the Collection Service  
1716 Agreement, and verify the diversion percentages reported by the CONTRACTOR. The CITY (or  
1717 its designated consultant) may utilize a variety of methods in the execution of the contract  
1718 compliance and performance review, including, but not limited to, analysis of relevant documents,  
1719 on-site and field observations, and interviews. The CITY (or its designated consultant) will review  
1720 and document the items in the Agreement that require the CONTRACTOR to meet specific  
1721 performance standards, submit information or reports, perform additional services, or document  
1722 operating procedures, that can be objectively evaluated.

1723 19.01.3 CONTRACTOR'S Cooperation. CONTRACTOR shall cooperate  
1724 fully with the review and provide all requested data required to be provided herein, including  
1725 operational data and other data reasonably requested by the CITY within thirty (30) Work Days.  
1726 Failure of the CONTRACTOR to cooperate or provide the requested documents in the required  
1727 time shall be considered an event of default.

1728 19.01.4 Additional Contract Compliance and Performance Review. In the  
1729 event that the Contract Compliance and Performance Review concludes that CONTRACTOR is  
1730 not in compliance with all terms and conditions of this Agreement and such non-compliance is  
1731 material, the CITY may conduct an Additional Contract Compliance and Performance Review to  
1732 ensure that CONTRACTOR has cured any such area of non-compliance. CONTRACTOR shall  
1733 be responsible for the cost of any such Additional Contract Compliance and Performance Review,  
1734 subject to the maximum in Section 19.01.1.

1735 19.02 Cooperation with Other Program Reviews. If the CITY wants to collect program  
1736 data, perform field work, conduct route audits to investigate customer participation levels and  
1737 setout volumes and/or evaluate and monitor program results related to Garbage, Recyclable  
1738 Materials and Organic Waste collected in the CITY by the CONTRACTOR, the CONTRACTOR  
1739 shall cooperate with the CITY or its agent(s) as reasonably requested by CITY, provided that such



1740 cooperation can be accomplished at no additional cost to CONTRACTOR and without interfering  
1741 with CONTRACTOR'S operations.

## 1742 **ARTICLE 20. Performance Bond**

1743         20.01 Performance Bond. A performance bond must be furnished by the  
1744 CONTRACTOR within fifteen (15) calendar days of notification to the CONTRACTOR that the  
1745 Agreement has been executed. The CONTRACTOR shall furnish to the CITY, and keep current,  
1746 a performance bond in a form with language that is reasonably acceptable to the CITY, for the  
1747 faithful performance of this Agreement and all obligations arising hereunder in an amount of **One**  
1748 **Million Dollars (\$1,000,000.00)**.

1749         20.02 Renewal. Beginning on the Service Commencement Date, and each October 1<sup>st</sup>  
1750 thereafter, CONTRACTOR shall have the performance bond renewed annually and be executed  
1751 by a surety company that is an admitted surety company licensed to do business in the State of  
1752 California and has an "A:VII" or better rating by A. M. Best or Standard and Poors, or that is  
1753 otherwise acceptable to CITY.

1754         20.03 Letter of Credit. As an alternative to the performance bond required by Section  
1755 20.01, CONTRACTOR may request that it deposit with CITY an irrevocable letter of credit in an  
1756 amount as set forth in Section 20.01. CITY will have sole discretion whether to allow a Letter of  
1757 Credit in lieu of the performance bond. If allowed, the letter of credit must be issued by an FDIC  
1758 insured banking institution chartered to business in the state of California, in the CITY'S name,  
1759 and be callable at the discretion of the CITY. Nothing in this Article shall, in any way, obligate the  
1760 CITY to accept a letter of credit in lieu of the performance bond.

## 1761 **ARTICLE 21. Insurance**

1762         21.01 Insurance Policies. CONTRACTOR shall secure and maintain throughout the term  
1763 of this Agreement insurance against claims for injuries to persons or damages to property, which  
1764 may arise from or in connection with CONTRACTOR'S performance of work or services under  
1765 this Agreement. CONTRACTOR'S performance of work or services shall include performance by  
1766 CONTRACTOR'S employees, agents, representatives and subcontractors.

1767         21.02 Minimum Scope of Insurance. Insurance coverage shall be at least this broad:

1768                     21.02.1.1 Commercial General Liability: Insurance Services Office  
1769 (ISO) Occurrence Form CG 0001 or its equivalent, or, if approved by CITY, Claims Made Form  
1770 No. CG 0002. Automobile Liability: Insurance Services Office Form No. CA 0001, or its  
1771 equivalent, code 1 "any auto".

1772                     21.02.2 Workers' Compensation Insurance as required by the State of  
1773 California and Employers Liability Insurance.

1774                     21.02.3 Hazardous Waste and Environmental Impairment Liability  
1775 Insurance.

1776         21.03 Minimum Limits of Insurance. CONTRACTOR shall maintain insurance limits no  
1777 less than:

1778                     21.03.1 Commercial General Liability: **Five Million Dollars (\$5,000,000.00)**  
1779 combined single limit per occurrence, **Ten Million Dollars (\$10,000,000.00)** annual aggregate;  
1780 including products and completed operations coverage.



## Chico - Recology Commercial Collection Service Agreement

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1781                    21.03.2            Automobile Liability: **Five Million Dollars (\$5,000,000.00)**  
1782 combined single limit per accident for bodily injury and property damage.

1783                    21.03.3            Workers' Compensation and Employers Liability: Workers'  
1784 Compensation insurance as required by the State of California, with statutory limits, and  
1785 Employers Liability insurance with limits of **One Million Dollars (\$1,000,000.00)** per accident.

1786                    21.03.4            Hazardous Waste and Environmental Impairment Liability: **Ten**  
1787 **Million Dollars (\$10,000,000.00)** per occurrence, **Twenty Million Dollars (\$20,000,000.00)**  
1788 policy aggregate covering liability arising from the release of waste materials and/or irritants,  
1789 contaminants or pollutants. Such coverage shall, if commercially available without involvement of  
1790 CITY, automatically broaden in its form of coverage to include legislated changes in the definition  
1791 of waste material and/or irritants, contaminants or pollutants.

1792                    21.04 Deductibles and Self-Insured Retention. Any deductibles or self-insured retention  
1793 shall be for the account of the CONTRACTOR and paid entirely by CONTRACTOR without  
1794 contribution from the CITY.

1795                    21.05 Endorsements. The liability policies are to contain, or be endorsed to contain, the  
1796 following provisions:

1797                    21.05.1            The CITY, its officers, employees, agents and volunteers are to be  
1798 covered as additional insureds with respect to liability arising out of automobiles owned, leased,  
1799 hired or borrowed by or on behalf of CONTRACTOR; products and completed operations of  
1800 CONTRACTOR; liability arising out of work or operations performed by or on behalf of the  
1801 CONTRACTOR, including material parts or equipment furnished in connection with such work or  
1802 operations; and with respect to Hazardous Waste, Pollution and/or Environmental Impairment  
1803 Liability.

1804                    21.05.2            As respects to the services provided by CONTRACTOR under this  
1805 Agreement, CONTRACTOR'S insurance coverage (except for Workers' Compensation) shall be  
1806 primary insurance as respects CITY, its officers, officials, employees, agents and volunteers. Any  
1807 insurance or self-insurance maintained by the CITY, its officers, officials, employees, agents or  
1808 volunteers shall be excess of the CONTRACTOR'S insurance and shall not contribute with it.

1809                    21.05.3            The CONTRACTOR'S insurance shall apply separately to each  
1810 insured against whom claim is made or suit is brought, except with respect to the limits of the  
1811 insurer's liability, and except for Workers' Compensation cover.

1812                    21.05.4            The Automobile Liability policy shall be endorsed to delete the  
1813 Pollution and/or the Asbestos exclusion, or documentation that the CONTRACTOR carries  
1814 environmental pollution liability coverage for Solid Waste transported by the CONTRACTOR. The  
1815 Automobile Liability policy shall also be endorsed to add the Motor Carrier act endorsement  
1816 (MCS-90) TL 1005, TL 1007 and /or other endorsements required by federal or state authorities.

1817                    21.06 Waiver of Subrogation. CONTRACTOR hereby agrees to waive subrogation  
1818 against CITY which any insurer of CONTRACTOR may acquire from CONTRACTOR by virtue of  
1819 the payment of any loss. CONTRACTOR agrees to obtain any endorsement that may be  
1820 necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be  
1821 endorsed with a waiver of subrogation in favor of the CITY for all work performed by the  
1822 CONTRACTOR, its employees, agents and subcontractors.

1823                    21.07 Cancellation. Each insurance policy required by this clause shall be occurrence-  
1824 based or an alternate form as approved by the CITY and endorsed to state that coverage shall

1825 not be cancelled except after thirty (30) days' prior written notice has been given to the CITY. Ten  
1826 (10) days' notice applies to cancellation due to non-payment of premium.

1827 Any failure to comply with reporting provisions of the policies shall not affect  
1828 CONTRACTOR'S obligations to CITY, its officers, officials, employees, agents or volunteers.

1829 21.08 Claims Made Coverage. If General Liability or Hazardous Waste and  
1830 Environmental Impairment Liability coverage is written on a claims-made from:

1831 1. The "Retro Date" must be shown, and must be before the date of the contract or  
1832 the beginning of contract work.

1833 2. Insurance must be maintained and evidence of insurance must be provided for at  
1834 least five (5) years after completion of the contract of work.

1835 3. If coverage is canceled or non-renewed, and not replaced with another claims-  
1836 made policy form with a "Retro Date" prior to the contract effective date, the  
1837 CONTRACTOR must purchase "extended reporting" coverage for a minimum of five (5)  
1838 years after completion of contract work.

1839 21.09 Acceptability of Insurers. Insurance is to be placed with insurers licensed to  
1840 transact business in California with a current A.M. Best's rating of no less than A:VII. If pollution  
1841 and/or Environmental Impairment and/or Umbrella/Excess coverage are not available from an  
1842 admitted insurer, the coverage may be written with the CITY'S permission, by a non-admitted  
1843 insurance company. A Non-admitted company should have an A.M. Best's rating of A:X or higher

1844 21.10 Verification of Coverage. CONTRACTOR shall furnish the CITY with original  
1845 certificates and amendatory endorsements effecting coverage required by this clause. All  
1846 certificates and endorsements are to be received and approved by the CITY before work  
1847 commences. However, failure to obtain the required documents prior to the work beginning shall  
1848 not waive the CONTRACTOR'S obligation to provide them.

1849 21.11 Subcontractors. CONTRACTOR shall include all subcontractors as insureds  
1850 under its policies or require and verify that all subcontractors maintain insurance meeting all the  
1851 requirements of this contract.

1852 21.11.1 Proof of insurance shall be mailed to the following address or any  
1853 subsequent address as may be directed in writing by the CITY.

1854 **City of Chico**  
1855 **Attn: Risk Manager**  
1856 **P.O. Box 3420**  
1857 **Chico, CA 95927**  
1858

1859 21.12 Modification of Insurance Requirements. The insurance requirements provided in  
1860 this Agreement may be modified or waived by the CITY, in writing, upon the request of  
1861 CONTRACTOR, if the CITY determines such modification or waiver is in the best interest of CITY  
1862 considering all relevant factors, including exposure to CITY.

## 1863 **ARTICLE 22. Indemnification**

1864 22.01 Indemnification of the CITY. CONTRACTOR shall defend, with counsel  
1865 reasonably acceptable to the CITY, indemnify and hold harmless, to the fullest extent allowed by  
1866 law, CITY, its officers, officials, employees, volunteers, agents and assignees (collectively,  
1867 "Indemnitees"), from and against any and all loss, liability, penalties, forfeitures, claims, demands,

## Chico - Recology Commercial Collection Service Agreement

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1868 actions, proceedings or suits, in law or in equity, of every kind and description, (including, but not  
1869 limited to, injury to and death of any person and damage to property, or for contribution or  
1870 indemnity claimed by third parties) (collectively, "Loss") arising or resulting from: (i) the negligent  
1871 action or omission of the CONTRACTOR, its agents, employees, and/or subcontractors, in  
1872 exercising the privileges granted to it by this Agreement; (ii) the failure of the CONTRACTOR, its  
1873 agents, employees, and/or subcontractors to comply in all respects with the provisions and  
1874 requirements of this Agreement, applicable laws, ordinances and regulations, and/or applicable  
1875 permits and licenses; and (iii) the acts of CONTRACTOR, its agents, employees, and/or  
1876 subcontractors in performing services under this Agreement for which strict liability is imposed by  
1877 law. The foregoing indemnity shall apply regardless of whether such Loss is also caused in part  
1878 by any of the Indemnitees' negligence.

1879 The indemnities set forth in this Section shall not be limited by the insurance requirements  
1880 set forth in the Agreement.

1881 CONTRACTOR's indemnification of Indemnitees will not include indemnification for  
1882 Losses which arise as the result of the active negligence of Indemnitees, or the sole negligence  
1883 or willful misconduct of Indemnitees.

1884 22.02 The CONTRACTOR'S obligation to defend, hold harmless, and indemnify shall not  
1885 be excused because of the CONTRACTOR'S inability to evaluate liability or because the  
1886 CONTRACTOR evaluates liability and determines that the CONTRACTOR is not liable to the  
1887 claimant. The CONTRACTOR must respond within thirty (30) days to the tender of a claim for  
1888 defense and indemnity by the CITY, unless this time has been extended by the CITY. If the  
1889 CONTRACTOR fails to accept or reject a tender of defense and indemnity within thirty (30) days,  
1890 in addition to any other remedy authorized by law, so much of the money due the CONTRACTOR  
1891 by virtue of this Agreement as shall reasonably be considered necessary by the CITY, may be  
1892 retained by the CITY until final disposition has been made or the claim or suit for damages, or  
1893 until the CONTRACTOR accepts or rejects the tender of defense, whichever occurs first.

1894 With respect to third party claims against the CONTRACTOR indemnifiable under Section  
1895 22.01, the CONTRACTOR waives any and all rights of any type to express or implied indemnity  
1896 against the Indemnitees.

1897 22.03 Hazardous Substances Indemnification. The CONTRACTOR shall indemnify,  
1898 defend with counsel reasonably acceptable to the CITY, and hold harmless the Indemnitees from  
1899 and against all claims, damages (including but not limited to special, consequential, natural  
1900 resources and punitive damages), injuries, hazardous materials response, remediation and  
1901 removal costs, losses, demands, liens, liabilities, causes of action, suits, legal or administrative  
1902 proceedings, interest, fines, charges, penalties, attorney's fees for the adverse party and  
1903 expenses (including but not limited to attorney's and expert witness fees and costs incurred in  
1904 connection with defending against any of the foregoing or enforcing this indemnity) of any kind  
1905 whatsoever paid, incurred or suffered by, or asserted against CITY or its officers, officials,  
1906 employees, agents, assigns, or successors (collectively, "Claims") arising from or attributable to  
1907 any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial,  
1908 response, closure or other plan (regardless of whether undertaken due to governmental action)  
1909 concerning any Hazardous Waste released, spilled or disposed of by CONTRACTOR under this  
1910 Agreement. The foregoing indemnity is intended to operate as an agreement pursuant to Section  
1911 107(e) of CERCLA, 42 U.S.C. Section 9607(c) and California Health and Safety Code Section  
1912 25364, to defend, hold harmless and indemnify the CITY from liability. Notwithstanding the  
1913 foregoing, CONTRACTOR is not required to indemnify, defend or hold harmless under this  
1914 paragraph against Claims arising from CONTRACTOR'S delivery of materials collected under this



1915 Agreement to any processing, disposal, transfer or other facilities, or their handling at such  
1916 facilities or subsequent delivery to other locations, unless such Claims are due to  
1917 CONTRACTOR'S negligence or willful misconduct.

1918       22.04 CalRecycle Diversion Goals. CONTRACTOR agrees to indemnify, hold harmless,  
1919 and defend CITY, with counsel selected by CONTRACTOR and reasonably acceptable to CITY,  
1920 from and against all fines or penalties imposed by the California Department of Resources  
1921 Recycling and Recovery ("CalRecycle") due to CITY'S failure to meet the mandated diversion  
1922 goals specified in California Public Resources Code Section 41780 (as amended) with respect to  
1923 the materials collected by CONTRACTOR, if and to the extent the failure to meet such goals  
1924 results from the failure of the CONTRACTOR to perform its obligations under this Agreement.

1925       22.05 Consideration. It is specifically understood and agreed that the consideration  
1926 inuring to the CONTRACTOR for the execution of this Agreement consists of the promises,  
1927 payments, covenants, rights and responsibilities contained in this Agreement.

1928       22.06 Obligation. The execution of this Agreement by the CONTRACTOR shall obligate  
1929 the CONTRACTOR to comply with the foregoing indemnification provisions; however, the  
1930 collateral obligation of providing insurance must also be fully complied with as set forth in Article  
1931 21 above.

1932       22.07 Exception. Notwithstanding Sections 22.01, 22.02, 22.03 and 22.04,  
1933 CONTRACTOR'S obligation to indemnify, hold harmless and defend the Indemnitees shall not  
1934 extend to any Loss or Claims to the extent arising or resulting from acts or omissions constituting  
1935 willful misconduct or negligence on the part of Indemnitees.

1936       22.08 Damage by CONTRACTOR. If CONTRACTOR'S employees or subcontractors  
1937 cause any damage or loss to CITY property, including but not limited to CITY streets or curbs,  
1938 other than as a result of ordinary wear and tear, then CONTRACTOR shall repair such property  
1939 to the reasonable satisfaction of CITY, at CONTRACTOR'S sole cost and expense. If  
1940 CONTRACTOR fails to do so within a reasonable period after CITY notifies CONTRACTOR of  
1941 the damage or loss, then CITY may effect the repair, and CONTRACTOR shall reimburse CITY  
1942 for CITY'S reasonable cost of repairing such damage or loss. Such reimbursement is not in  
1943 derogation of any right of CITY to be indemnified by CONTRACTOR for any such damage or loss.

## 1944 **ARTICLE 23. Default of Agreement**

1945       23.01 Termination By CITY. The CITY may terminate this Agreement, except as  
1946 otherwise provided below in this Article, by giving the CONTRACTOR thirty (30) calendar days  
1947 advance written notice, to be served as provided in Article 40, upon the happening of any one of  
1948 the following events:

1949               23.01.1       The CONTRACTOR shall take the benefit of any present or future  
1950 insolvency statute, or shall make a general assignment for the benefit of creditors, or file a  
1951 voluntary petition in bankruptcy (court) or a petition or answer seeking an arrangement for its  
1952 reorganization or the readjustment of its indebtedness under the Federal bankruptcy laws or  
1953 under any other law or statute of the United States or any state thereof, or consent to the  
1954 appointment of a receiver, trustee or liquidator of all or substantially all of its property; or

1955               23.01.2       By order or decree of a Court, the CONTRACTOR shall be  
1956 adjudged bankrupt or an order shall be made approving a petition filed by any of its creditors or  
1957 by any of the stockholders of the CONTRACTOR, seeking its reorganization or the readjustment  
1958 of its indebtedness under the Federal bankruptcy laws or under any law or statute of the United

## Chico - Recology Commercial Collection Service Agreement

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1959 States or of any state thereof, and such judgment or order is not stayed or vacated within sixty  
1960 (60) calendar days after the entry thereof; or

1961                   23.01.3           By, or pursuant to, or under the authority of any legislative act,  
1962 resolution or rule or any order or decree of any Court or governmental board, agency or officer  
1963 having jurisdiction, a receiver, trustee or liquidator shall take possession or control of all or  
1964 substantially all of the property of the CONTRACTOR, and such possession or control shall  
1965 continue in effect for a period of sixty (60) calendar days; or

1966                   23.01.4           The CONTRACTOR has defaulted, by failing or refusing to pay in a  
1967 timely manner the liquidated damages or other monies due the CITY and said default is not cured  
1968 within thirty (30) calendar days of receipt of written notice by the CITY to do so; or

1969                   23.01.5           CONTRACTOR has defaulted, by failing or refusing to perform or  
1970 observe its obligations under this Agreement, and said default is not cured within thirty (30)  
1971 calendar days of receipt of written notice from the CITY to do so. If by reason of the nature of  
1972 such default, the same cannot be remedied within thirty (30) calendar days following receipt by  
1973 the CONTRACTOR of written demand from the CITY to do so, then the cure period shall be  
1974 extended for such additional period as is reasonably required to cure the default, provided that  
1975 the CONTRACTOR commences the remedy of such default within said thirty (30) calendar days  
1976 following such written notice, and having so commenced thereafter continues with diligence the  
1977 curing thereof. In any dispute concerning failure to commence remedying a default or diligence  
1978 in pursuing a cure, the CONTRACTOR shall have the burden of proof to demonstrate (a) that the  
1979 default cannot reasonably be cured within thirty (30) calendar days, and (b) that it is proceeding  
1980 with diligence to cure said default, and such default will be cured within a reasonable period of  
1981 time.

1982                   23.02 Termination By CONTRACTOR. The CONTRACTOR may terminate this  
1983 Agreement, except as otherwise provided below in this Article, by giving the CITY one-hundred  
1984 eighty (180) calendar days advance written notice for the default events specified in Section  
1985 23.02.01, or by giving the CITY sixty (60) calendar days advance written notice for the default  
1986 events specified in Section 23.02.02. Such notice shall be served as provided in Article 40.

1987                   23.02.1           CITY has defaulted, by failing or refusing to perform or observe its  
1988 obligations under the Agreement, excluding Sections 4.01 through 4.03, and said default is not  
1989 cured within ninety (90) calendar days of receipt of written notice from CONTRACTOR to do so.  
1990 If by reason of the nature of such default, the same cannot be remedied within ninety (90) calendar  
1991 days following receipt by the CITY of written demand from CONTRACTOR to do so, then the cure  
1992 period shall be extended for such additional period as is reasonably required to cure the default,  
1993 provided that the CITY commences the remedy of such default within ninety (90) calendar days  
1994 of receipt of written notice, and having so commenced thereafter continues with diligence the  
1995 curing thereof.

1996                   23.02.2           CITY has defaulted, by failing or refusing to perform or observe its  
1997 obligations under Sections 4.01 through 4.03, and said default is not cured within thirty (30)  
1998 calendar days of receipt of written notice from CONTRACTOR to do so. If by reason of the nature  
1999 of such default, the same cannot be remedied within thirty (30) calendar days following receipt by  
2000 the CITY of written demand from CONTRACTOR to do so, then the cure period shall be extended  
2001 for such additional period as is reasonably required to cure the default, provided that the CITY  
2002 commences the remedy of such default within thirty (30) calendar days within receipt of written  
2003 notice, and having so commenced thereafter continues with diligence the curing thereof.

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2005           23.03 Temporary Possession of CONTRACTOR'S Equipment. Notwithstanding  
2006 anything contained herein to the contrary, if the CONTRACTOR fails to provide Collection  
2007 Services for a period of three (3) consecutive Work Days for reasons other than Force Majeure,  
2008 on the fourth (4th) Work Day the CITY may take possession of the CONTRACTOR'S equipment,  
2009 customer account and service records, and other property used in providing Collection Services  
2010 under this Agreement in order to provide interim Collection Services until such time as the  
2011 CONTRACTOR is again able to perform Collection Services pursuant to this Agreement;  
2012 provided, however, if the CONTRACTOR is unable for any reason or cause to resume  
2013 performance of Collection Service at the end of thirty (30) consecutive calendar days of  
2014 nonperformance of Collection Services, then this Agreement may be terminated by the CITY upon  
2015 written notice to CONTRACTOR, and the CITY may retain possession of such equipment, records  
2016 and other property used in providing Collection Services on an interim basis until the CITY has  
2017 made other suitable arrangements for the provision of Collection Services, which may include  
2018 award of an agreement to another contractor. Notwithstanding any other provision in this  
2019 Agreement to the contrary, CITY'S right to take interim possession of, or make use of, any of  
2020 CONTRACTOR'S equipment, including, without limitation, vehicles, Carts, Bins and containers,  
2021 shall not allow the CITY to assign ownership of such vehicles, Carts, Bins and containers to  
2022 another contractor, and CITY acknowledges that the CONTRACTOR'S lender has a security  
2023 interest in such equipment. In addition, notwithstanding any other provision of this Agreement to  
2024 the contrary, CITY'S right to take possession of such equipment, records and other property (i)  
2025 shall be limited to one hundred eighty (180) days after the effective date of termination of this  
2026 Agreement, (ii) shall not apply regarding property needed for CONTRACTOR to service  
2027 customers outside of the CITY, and which is non-essential to the CITY's provision of solid waste  
2028 services, and (iii) is contingent on CITY paying a reasonable rental value for such property.

2029           23.03.1           CITY shall defend, with counsel reasonably acceptable to the  
2030 CONTRACTOR, indemnify and hold harmless, to the fullest extent allowed by law,  
2031 CONTRACTOR, its officers, officials, employees, volunteers, agents and assignees (collectively,  
2032 "Indemnitees"), from and against any and all loss, liability, penalties, forfeitures, claims, demands,  
2033 actions, proceedings or suits, in law or in equity, of every kind and description, (including, but not  
2034 limited to, injury to and death of any person and damage to property, or for contribution or  
2035 indemnity claimed by third parties) (collectively, "Loss") arising or resulting from the CITY's  
2036 negligent operation or possession of the CONTRACTOR's property pursuant to this Section.

2037           23.04 Diversion Not Default. Notwithstanding the foregoing or any other provision of this  
2038 Agreement to the contrary, CONTRACTOR'S failure to meet the diversion requirements set forth  
2039 in Article 5 shall not be a default entitling the CITY to terminate this Agreement (it being  
2040 understood that CITY shall have the remedies set forth in Article 2 (term extension) and Article  
2041 18 (liquidated damages) with respect to any such failure).

2042           23.04.1           In the event that the Agreement is terminated, CONTRACTOR shall  
2043 furnish the CITY with immediate access to all of its business records related to its customer and  
2044 billing accounts for collection services.

2045           23.05 Effective Date. In the event of the aforesaid events specified above, and except  
2046 as otherwise provided in said subsections, termination by CITY shall be effective upon the date  
2047 specified in the CITY'S written notice to the CONTRACTOR and upon said date this Agreement  
2048 shall be deemed immediately terminated, and the CITY shall have the right to call the performance  
2049 bond and shall be free to negotiate with other contractors for the operation of the herein specified  
2050 services.



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2051           23.06 Termination for Failure to Maintain Insurance. CITY may terminate this Agreement  
2052 in the event CONTRACTOR fails to provide and maintain the performance bond as required by  
2053 this Agreement, or if CONTRACTOR fails to obtain or maintain insurance policies endorsements  
2054 as required by this Agreement, or if CONTRACTOR offers or gives any gift prohibited by the  
2055 CITY's Municipal Code. Such termination shall not occur unless CONTRACTOR has been given  
2056 five (5) business days to cure said breach after receiving written notice from CITY, and has failed  
2057 to cure the breach within such period.

2058           23.07 Termination Cumulative. CITY'S right to terminate this Agreement is cumulative  
2059 to any other rights and remedies provided by law or by this Agreement.

2060           23.08 Force Majeure. Notwithstanding any other provision of this Agreement to the  
2061 contrary, a party shall be excused from performing its obligations hereunder in the event it is  
2062 prevented from so performing by reason of any acts of God, such as landslides, lightning, fires,  
2063 storms, floods, pestilence, freezing, and earthquakes; actual or perceived threats of terrorism,  
2064 explosions, power outages, sabotage, civil disturbances, acts of a public enemy, wars, blockades,  
2065 riots, or other industrial disturbances, eminent domain, condemnation or other taking, or other  
2066 events of a similar nature, not caused or maintained by such party, which event is not reasonably  
2067 within the control of the party claiming the excuse from its obligations due to such event, to the  
2068 extent such event has a significant and material adverse effect on the ability of the party to perform  
2069 its obligations thereunder. Force Majeure shall not include fuel shortages or labor disruptions  
2070 (e.g., strikes, work stoppage or slowdown, sickout, lockout, picketing or other concerted job action  
2071 conducted by CONTRACTOR'S employees or directed at CONTRACTOR or any of its  
2072 subcontractors) to the extent they last longer than seven (7) days. Force Majeure shall include a  
2073 Change in Law to the extent such Change in Law materially impedes a party's performance  
2074 hereunder. Notwithstanding the foregoing, (i) no failure of performance by any subcontractor of  
2075 CONTRACTOR shall be a Force Majeure unless such failure was itself caused by a Force  
2076 Majeure; (ii) except as provided herein, no event which merely increases CONTRACTOR'S cost  
2077 of performance shall be a Force Majeure; and (iii) no event, the effects of which could have been  
2078 prevented by reasonable precautions, including compliance with agreements and applicable laws,  
2079 shall be a Force Majeure.

## 2080 **ARTICLE 24. Modifications to the Agreement**

2081           24.01 Agreement Modifications and Changes in Law. The CITY and the CONTRACTOR  
2082 understand and agree that the California Legislature has the authority to make comprehensive  
2083 changes in Garbage, Recyclables, or Organic Waste Management legislation and that these and  
2084 other Changes in Law in the future which mandate certain actions or programs for counties or  
2085 municipalities may require changes or modifications in some of the terms, conditions or  
2086 obligations under this Agreement. The CONTRACTOR agrees that the terms and provisions of  
2087 the Municipal Code, as it now exists or as it may be amended in the future, shall apply to all of  
2088 the provisions of this Agreement and the Service Recipients of the CONTRACTOR located within  
2089 the Commercial Service Area; provided, however that the CITY will not amend the Municipal Code  
2090 in a way that is inconsistent with the Agreement unless compelled to do so by federal or state law.  
2091 In the event any future Change in Law, including state or federally mandated modifications to the  
2092 CITY Municipal Code, alters the rights or obligations of the CONTRACTOR or the services to be  
2093 provided by CONTRACTOR hereunder, then Maximum Service Rates as otherwise established  
2094 under this Agreement shall be adjusted as provided in Section 4.03. Nothing contained in this  
2095 Agreement shall require any party to perform any act or function contrary to law.

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2096           24.02 City-Directed Changes. CITY may direct CONTRACTOR to perform additional  
2097 services (including new diversion programs, additional public education activities, etc.), eliminate  
2098 programs, or modify the manner in which it performs existing services. Changes in the minimum  
2099 diversion requirement set forth in Article 5 of this Agreement is not among the changes that can  
2100 be directed by CITY. Direction of Garbage to a Disposal Facility other than that originally selected  
2101 by the CITY, direction of Recyclable Materials or Organic Waste to a processing facility other than  
2102 that selected by the CONTRACTOR, pilot programs and innovative services, which may entail  
2103 new collection methods, targeted routing, different kinds of services, different types of collection  
2104 vehicles, and/or new requirements for Service Recipients, are included among the kinds of  
2105 changes which CITY may direct. CONTRACTOR shall be entitled to an adjustment in its  
2106 compensation for providing such additional or modified services but not for the preparation of its  
2107 proposal to perform such services. CONTRACTOR shall not be required to begin implementing  
2108 a CITY-directed change until the associated Maximum Service Rate adjustment has been agreed  
2109 upon and has taken effect.

2110           24.03 Service Proposal. Within thirty (30) calendar days of receipt of a request for a  
2111 service change from the CITY under Section 24.02, or such longer time as may be reasonably  
2112 needed, CONTRACTOR shall submit a proposal to provide such service. At a minimum, the  
2113 proposal shall contain a complete description of the following:

2114                   24.03.1           Collection methodology to be employed (equipment, manpower,  
2115 etc.).

2116                   24.03.2           Equipment to be utilized (vehicle number, types, capacity, age,  
2117 etc.).

2118                   24.03.3           Labor requirements (number of employees by classification).

2119                   24.03.4           Type of carts or bins to be utilized.

2120                   24.03.5           Provision for program publicity, education, and marketing.

2121                   24.03.6           CONTRACTOR's proposed compensation.

2122           24.04 CONTRACTOR acknowledges and agrees that CITY may permit other companies  
2123 besides CONTRACTOR to provide additional services outside the scope of the services  
2124 contemplated by this Agreement (such as street sweeping or curbside collection of household  
2125 hazardous waste) if CONTRACTOR and CITY cannot agree on terms and conditions, including  
2126 compensation adjustments, for CONTRACTOR'S provision of such services, within one hundred  
2127 twenty (120) calendar days from the date when CITY first requests a proposal from  
2128 CONTRACTOR to perform such services, provided, however, that (i) the terms and conditions  
2129 offered by CITY to any other company are no more favorable to that company than the terms and  
2130 conditions offered to CONTRACTOR, and (ii) the services do not conflict with CONTRACTOR'S  
2131 exclusive rights under Section 3.01.

2132           24.05 Monitoring and Evaluation. If the CITY requests, the CONTRACTOR shall meet  
2133 with the CITY to describe the progress of each new program and other service issues arising from  
2134 the program. If applicable, CONTRACTOR shall document the results of the new programs on a  
2135 monthly basis, including at a minimum the tonnage diverted by material type, the end use or  
2136 processor of the diverted materials and the cost per ton for transporting and processing each type  
2137 of material and other such information reasonably requested by the CONTRACTOR and/or CITY  
2138 necessary to evaluate the performance of each program.

2139                   24.05.1           At each meeting, the CITY and CONTRACTOR shall have the  
2140 opportunity to discuss revisions to the program. The CITY shall have the right to terminate a

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2141 program if the CONTRACTOR is not complying with the terms and conditions agreed upon with  
2142 the CITY, and the termination is effected in accordance with such terms and conditions. Prior to  
2143 such termination, the CITY shall meet and confer with the CONTRACTOR for a period of up to  
2144 ninety (90) calendar days to resolve the CITY'S concerns. After such termination, the CITY may  
2145 utilize a third party to perform these services, provided that (i) the services are outside the scope  
2146 of the services contemplated by this Agreement (such as street sweeping or curbside collection  
2147 of household hazardous waste), and (ii) the services do not conflict with CONTRACTOR'S  
2148 exclusive rights under Section 3.01.

2149           24.06 Dispute Resolution. All disputes relating to service or compensation changes  
2150 relating to a Change in Law that meet the conditions specified in Section 4.03.3 shall, upon the  
2151 request of either party, be resolved by the following procedures:

2152                   24.06.1           The party desiring mediation shall first give written notice thereof to  
2153 the other party to this Agreement, specifying the dispute to be mediated.

2154                   24.06.2           The mediation shall be held at Chico, California, or at such other  
2155 location as may be mutually agreed among the parties. The mediation shall be conducted  
2156 according to and a mediator chosen pursuant to the rules of the American Arbitration Association.  
2157 Each side shall bear its own costs in the mediation. The cost of the mediator shall be shared  
2158 equally between the parties.

2159                   24.06.3           At least ten (10) business days before the date of the mediation,  
2160 each side shall provide the mediator with a statement of its position and copies of all supporting  
2161 documents. Each party shall send to the mediation one or more persons who has authority to  
2162 negotiate on behalf of the party. If a subsequent dispute will involve third parties, such as insurers  
2163 or subcontractors, they shall also be asked to participate in the mediation.

## 2164 ARTICLE 25. Legal Representation

2165           25.01 Acknowledgement. It is acknowledged that each party was, or had the opportunity  
2166 to be, represented by counsel in the preparation of and contributed equally to the terms and  
2167 conditions of this Agreement and, accordingly, the rule that a contract or Agreement shall be  
2168 interpreted strictly against the party preparing the same shall not apply herein due to the joint  
2169 contributions of both parties.

## 2170 ARTICLE 26. Financial Interest

2171           26.01 Representation. CONTRACTOR warrants and represents that (i) to its knowledge,  
2172 no elected official, officer, agent or employee of the CITY has a financial interest as defined in  
2173 California Government Code Section §87103, in this Agreement or the compensation to be paid  
2174 under it and, further, that (ii) no CITY employee who acts in the CITY as a "purchasing agent" as  
2175 defined in the appropriate Section of California Statutes, nor any elected or appointed officer of  
2176 the CITY, nor any spouse or child of such purchasing agent, employee or elected or appointed  
2177 officer, is a partner, officer, director or proprietor of the CONTRACTOR and, further, that (iii) no  
2178 such CITY employee, purchasing agent, CITY elected or appointed officer, or the spouse or child  
2179 of any of them, alone or in combination, has a "material interest" in the CONTRACTOR. "Material  
2180 interest" means direct or indirect ownership of more than five percent (5%) of the total assets or  
2181 capital stock of the CONTRACTOR.



2182 **ARTICLE 27. Contractor's Personnel**

2183           27.01 Personnel Requirements. The CONTRACTOR shall employ and assign qualified  
2184 personnel to perform all services set forth herein. The CONTRACTOR shall be responsible for  
2185 ensuring that its employees comply with all applicable laws and regulations and meet all federal,  
2186 state and local requirements related to their employment and position.

2187           27.01.1           The CITY may request the transfer of any employee of the  
2188 CONTRACTOR who materially violates any provision hereof, or who is wanton, negligent, or  
2189 discourteous in the performance of his duties.

2190           27.01.2           CONTRACTOR'S field operations personnel shall be required to  
2191 wear a clean uniform shirt bearing the CONTRACTOR'S name. CONTRACTOR'S employees,  
2192 who normally come into direct contact with the public, including drivers, shall bear some means  
2193 of individual identification such as a nametag or identification card.

2194           27.01.3           Each driver of a collection vehicle shall at all times carry a valid  
2195 California driver's license and all other required licenses for the type of vehicle that is being  
2196 operated.

2197           27.01.4           Each driver of a collection vehicle shall at all times comply with all  
2198 applicable state and federal laws, regulations and requirements.

2199           27.01.5           CONTRACTOR'S employees, officers, and agents shall at no time  
2200 be allowed to identify themselves or in any way represent themselves as being employees of the  
2201 CITY.

2202           27.01.6           The CONTRACTOR'S name and the Customer Service telephone  
2203 number shall be properly displayed on all collection vehicles.

2204 **ARTICLE 28. Exempt Waste**

2205           28.01 The CONTRACTOR shall not be required to collect or dispose of Exempt Waste,  
2206 but may offer such services. All such collection and disposal of Exempt Waste is not regulated  
2207 under this Agreement, but if provided by the CONTRACTOR shall be in strict compliance with all  
2208 federal, state and local laws and regulations.

2209 **ARTICLE 29. Independent Contractor**

2210           29.01 In the performance of services pursuant to this Agreement, CONTRACTOR shall  
2211 be an independent contractor and not an officer, agent, servant or employee of CITY.  
2212 CONTRACTOR shall have exclusive control of the details of the services and work performed  
2213 and over all persons performing such services and work. CONTRACTOR shall be solely  
2214 responsible for the acts and omissions of its officers, agents, employees, contractors and  
2215 subcontractors, if any. Neither CONTRACTOR nor its officers, employees, agents, contractors  
2216 or subcontractors shall obtain any right to retirement benefits, Workers Compensation benefits,  
2217 or any other compensation or benefits, which accrue, to CITY employees and CONTRACTOR  
2218 expressly waives any claim it may have or acquire to such compensation or benefits.

2219 **ARTICLE 30. Laws to Govern**

2220 30.01 The law of the State of California shall govern the rights, obligations, duties and  
2221 liabilities of CITY and CONTRACTOR under this Agreement and shall govern the interpretation  
2222 of this Agreement.

2223 **ARTICLE 31. Consent to Jurisdiction**

2224 31.01 The parties agree that any litigation between CITY and CONTRACTOR concerning  
2225 or arising out of this Agreement shall be filed and maintained exclusively in the Municipal or  
2226 Superior Courts of Butte County, State of California, or in the United States District Court for the  
2227 Northern District of California to the fullest extent permissible by law. Each party consents to  
2228 service of process in any manner authorized by California law.

2229 **ARTICLE 32. Assignment**

2230 32.01 No assignment of this Agreement or any right occurring under this Agreement shall  
2231 be made to any third party in whole or in part by the CONTRACTOR without the express written  
2232 consent of the CITY. The CITY shall have full discretion to approve or deny, with or without cause,  
2233 any proposed or actual assignment by the CONTRACTOR. Such approval shall not unreasonably  
2234 be withheld. Any assignment of this Agreement made by the CONTRACTOR without the express  
2235 written consent of the CITY shall be null and void and shall be grounds for the CITY to declare a  
2236 default of this Agreement. In the event of any assignment, the assignee shall fully assume all the  
2237 liabilities of the CONTRACTOR.

2238 32.02 The use of a subcontractor to perform services under this Agreement shall not  
2239 constitute delegation of CONTRACTOR'S duties provided that CONTRACTOR has received prior  
2240 written authorization from the City Representative to subcontract such services and the City  
2241 Representative has approved a subcontractor who will perform such services. CONTRACTOR  
2242 shall be responsible for directing the work of CONTRACTOR'S subcontractors and any  
2243 compensation due or payable to CONTRACTOR'S subcontractor shall be the sole responsibility  
2244 of CONTRACTOR. The City Representative shall have the right to require the removal of any  
2245 approved subcontractor for reasonable cause.

2246 32.03 For purposes of this Article when used in reference to CONTRACTOR,  
2247 "assignment" shall include, but not be limited to (i) a sale, exchange or other transfer of at least  
2248 fifty-one percent (51%) of CONTRACTOR'S assets dedicated to service under this Agreement to  
2249 a third party; (ii) a sale, exchange or other transfer of outstanding common stock of  
2250 CONTRACTOR to a third party provided said sale, exchange or transfer results in a change of  
2251 control of CONTRACTOR (with control being defined as ownership of more than fifty percent  
2252 (50%) of CONTRACTOR'S voting securities); (iii) any dissolution, reorganization, consolidation,  
2253 merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow  
2254 arrangement, liquidation, subcontracting or lease-back payments, or other transaction which  
2255 results in a change of control of CONTRACTOR; (iv) any assignment by operation of law,  
2256 including insolvency or bankruptcy, making assignment for the benefit of creditors, writ of  
2257 attachment for an execution being levied against this Agreement, appointment of a receiver taking  
2258 possession of CONTRACTOR'S property, or transfer occurring in the event of a probate  
2259 proceeding; and (v) any combination of the foregoing (whether or not in related or  
2260 contemporaneous transactions) which has the effect of any such transfer or change of control of  
2261 CONTRACTOR. As used herein, "third party" excludes affiliates of CONTRACTOR (i.e. direct or  
2262 indirect subsidiaries of Recology Inc.).

2263 32.04 CONTRACTOR acknowledges that this Agreement involves rendering a vital  
2264 service to CITY'S residents and businesses, and that CITY has selected CONTRACTOR to  
2265 perform the services specified herein based on (i) CONTRACTOR's experience, skill and  
2266 reputation for conducting its garbage, recyclable materials and organic Waste management  
2267 operations in a safe, effective and responsible fashion, at all times in keeping with applicable  
2268 environmental laws, regulations and best garbage, recycling and organic waste management  
2269 practices, and (ii) CONTRACTOR'S financial resources to maintain the required equipment and  
2270 to support its indemnity obligations to CITY under this Agreement. CITY has relied on each of  
2271 these factors, among others, in choosing CONTRACTOR to perform the services to be rendered  
2272 by CONTRACTOR under this Agreement.

### 2273 **ARTICLE 33. Compliance with Laws**

2274 33.01 In the performance of this Agreement, CONTRACTOR shall comply with all  
2275 applicable laws, regulations, ordinances and codes of the federal, state and local governments,  
2276 including without limitation the Municipal Code of the City of Chico.

2277 33.02 CITY shall provide written notice to CONTRACTOR of any planned amendment of  
2278 the CITY Municipal Code that would substantially affect the performance of CONTRACTOR'S  
2279 services pursuant to this Agreement. Such notice shall be provided at least thirty (30) calendar  
2280 days prior to the City Council's approval of such an amendment.

### 2281 **ARTICLE 34. Permits and Licenses**

2282 34.01 CONTRACTOR shall obtain, at its own expense, all permits and licenses required  
2283 by law or ordinance and maintain same in full force and effect throughout the term of this  
2284 Agreement. CONTRACTOR shall provide proof of such permits, licenses or approvals and shall  
2285 demonstrate compliance with the terms and conditions of such permits, licenses and approvals  
2286 upon the request of the City Representative.

### 2287 **ARTICLE 35. Ownership of Written Materials**

2288 35.01 CITY Materials. All reports, documents, brochures, public education materials, and  
2289 other written, printed, electronic or photographic materials developed by CITY or CONTRACTOR  
2290 for CITY'S use or for public dissemination in connection with the services to be performed under  
2291 this Agreement, whether developed directly or indirectly by CITY or CONTRACTOR, may be used  
2292 by CITY without limitation or restrictions on the use of such materials by CITY. CONTRACTOR  
2293 shall not use any such materials specific to CITY in connection with any project not connected  
2294 with this Agreement without the prior written consent of the City Representative. This Article 35  
2295 does not apply to ideas or concepts described in such materials and does not apply to the format  
2296 of such materials and does not apply to CONTRACTOR'S website.  
2297

2298 35.02 CONTRACTOR Materials. If CITY receives a request from a third Person to  
2299 review or copy material which CONTRACTOR has marked "confidential", CITY will Notify  
2300 CONTRACTOR promptly and allow CONTRACTOR to present arguments and facts to CITY in  
2301 support of CONTRACTOR's position that the material is entitled to an exemption from disclosure  
2302 under the California Public Records Act and should not be released. If CITY determines that the  
2303 material is not entitled to an exemption under this Agreement and that it must be released, CITY  
2304 will so advise CONTRACTOR before releasing that material so that CONTRACTOR may seek a  
2305 court order enjoining that release. If CITY determines that the material is entitled to that



2306 exemption, and the Person who requested the information files a legal action seeking its release,  
2307 CITY will promptly inform CONTRACTOR and will not oppose a motion by CONTRACTOR to  
2308 intervene in the action. CONTRACTOR must either intervene or accept the release of the  
2309 material. CITY will not have any obligation to defend the action and may release the material  
2310 sought without liability whatsoever for CITY.

## 2311 **ARTICLE 36. Waiver**

2312 36.01 Waiver by CITY or CONTRACTOR of any breach for violation of any term covenant  
2313 or condition of this Agreement shall not be deemed to be a waiver of any other term, covenant or  
2314 condition or any subsequent breach or violation of the same or of any other term, covenant or  
2315 condition. The subsequent acceptance by CITY of any fee, tax, or any other monies, which may  
2316 become due from CONTRACTOR to CITY shall not be deemed to be a waiver by CITY of any  
2317 breach for violation of any term, covenant or condition of this Agreement.

## 2318 **ARTICLE 37. Prohibition Against Gifts**

2319 37.01 CONTRACTOR shall not offer any CITY officer or designated employee any gifts  
2320 that are prohibited by the CITY's Municipal Code.

## 2321 **ARTICLE 38. Point of Contact**

2322 38.01 Contact for issues related to the management of this Agreement shall be between  
2323 the CONTRACTOR's General Manager and the City Representative.

## 2324 **ARTICLE 39. Conflict of Interest**

2325 39.01 CONTRACTOR shall comply with CITY requirements for conflict of interest and  
2326 will file all required disclosure statements.

## 2327 **ARTICLE 40. Notices**

2328 40.01 Except as provided herein, whenever either party desires to give notice to the  
2329 other, it must be given by written notice addressed to the party for whom it is intended, at the  
2330 place last specified and to the place for giving of notice in compliance with the provisions of this  
2331 paragraph. For the present, the parties designate the following as the respective persons and  
2332 places for giving of notice:

2333 As to the CITY:

2334 **City of Chico**  
2335 **City Manager**  
2336 **P.O. Box 3420**  
2337 **Chico, CA 95927**  
2338 **Telephone: (530) 896-7210**  
2339 **E-mail: CMWeb@chicoca.gov**

2340

2341 As to the CONTRACTOR:

2342  
2343 **Sal Coniglio, General Manager**  
2344 **Recology Butte Colusa Counties**  
2345 **2720 South Fifth Avenue**  
2346 **Oroville, CA 95965**

2347 With a copy to:

2348 **Recology Inc.**  
2349 **Attn: Legal Department**  
2350 **50 California Street, 24<sup>th</sup> Floor**  
2351 **San Francisco, CA 94111**

2352 40.02 Notices shall be effective when received at the address as specified above.  
2353 Changes in the respective address to which such notice is to be directed may be made by  
2354 written notice. Facsimile transmission is acceptable notice, effective when received, however,  
2355 facsimile transmissions received (i.e. confirmed transmitted) after 4:30 p.m. or on weekends or  
2356 holidays, will be deemed received on the next business day. Receipt is deemed to have taken  
2357 place within five (5) Work Days of notice mailed by U.S. Postal Service return receipt requested.  
2358 The original of items that are transmitted by facsimile equipment must also be mailed as required  
2359 herein.

2360 40.03 Notice by CITY to CONTRACTOR of a collection or other Service Recipient  
2361 problem or complaint may be given to CONTRACTOR orally by telephone at CONTRACTOR'S  
2362 local office with confirmation sent as required above by the end of the Work Day.

## 2363 **ARTICLE 41. Transition to Next Contractor**

2364 41.01 In the event CONTRACTOR is not awarded an Agreement to continue to provide  
2365 Collection Services following the expiration or early termination of this Agreement,  
2366 CONTRACTOR shall cooperate fully with CITY and any subsequent contractors to assure a  
2367 smooth transition of services described in this Agreement. Such cooperation shall include but not  
2368 be limited to transfer of computer data, files and tapes containing customer account and service  
2369 information; providing routing information, route maps, vehicle fleet information, and list of Service  
2370 Recipients; providing a complete inventory of all carts and bins; providing adequate labor and  
2371 equipment to complete performance of all Collection Services required under this Agreement;  
2372 offering to sell carts and bins to the subsequent contractor or CITY; taking all actions necessary  
2373 to transfer ownership of any sold carts and bins, as appropriate, to the subsequent contractor or  
2374 CITY, including transporting such containers to a location designated by the City Representative;  
2375 coordinating collection of materials set out in new containers if new containers are provided for a  
2376 subsequent Agreement before the expiration or early termination of this Agreement; and providing  
2377 other reports and data required by this Agreement.

## 2378 **ARTICLE 42. Contractor's Records**

2379 42.01 CONTRACTOR shall maintain any and all letters, books of account, invoices,  
2380 vouchers, canceled checks, and other records or documents evidencing or relating to charges for  
2381 services or expenditures and disbursements charged to Service Recipients for a minimum period  
2382 of five (5) years, or for any longer period required by law, from the date of final payment to  
2383 CONTRACTOR pursuant to this Agreement.

2384 42.02 CONTRACTOR shall maintain all documents and records, which demonstrate  
2385 performance under this Agreement for a minimum period of five (5) years, or for any longer period  
2386 required by law, from the date of termination or completion of this Agreement.

2387 42.03 Any records or documents required to be maintained pursuant to this Agreement  
2388 shall be made available for inspection or audit, at any time during regular business hours, upon  
2389 written request by the City Representative, the City Attorney, City Auditor, City Manager, or a  
2390 designated representative of any of these officers. Copies of such documents shall be provided  
2391 to CITY for inspection at the CITY offices when it is practical to do so. Otherwise, unless an  
2392 alternative site is mutually agreed upon, the records shall be available at CONTRACTOR'S  
2393 address indicated for receipt of notices in this Agreement. The CITY'S rights to inspect, audit or  
2394 review confidential or proprietary information of CONTRACTOR shall be subject to CITY entering  
2395 into a reasonable confidentiality agreement with CONTRACTOR. In addition, the CITY will take  
2396 reasonable measures, subject to the requirements of applicable law, to prevent the dissemination  
2397 of any such information to third parties, and will promptly notify CONTRACTOR upon receipt of a  
2398 request by a third party under the Public Records Act to review or obtain such information.

2399 42.04 Where CITY has reason to believe that such records or documents may be lost or  
2400 discarded due to the dissolution, disbandment or termination of CONTRACTOR'S business, CITY  
2401 may, by written request or demand of any of the above named officers, require that custody of  
2402 the records be given to CITY and that the records and documents be maintained by CITY. Access  
2403 to such records and documents shall be granted to any party authorized by CONTRACTOR,  
2404 CONTRACTOR'S representatives, or CONTRACTOR'S successor-in-interest.

## 2405 **ARTICLE 43. Entire Agreement**

2406 43.01 This Agreement and the Exhibits attached hereto constitute the entire Agreement  
2407 and understanding between the parties hereto, and it shall not be considered modified, altered,  
2408 changed or amended in any respect unless in writing and signed by the parties hereto.

## 2409 **ARTICLE 44. Severability**

2410 44.01 If any provision of this Agreement or the application of it to any person or situation  
2411 shall to any extent be held invalid or unenforceable, the remainder of this Agreement and the  
2412 application of such provisions to persons or situations other than those as to which it shall have  
2413 been held invalid or unenforceable, shall not be affected, shall continue in full force and effect,  
2414 and shall be enforced to the fullest extent permitted by law.

## 2415 **ARTICLE 45. Right to Require Performance**

2416 45.01 The failure of either party at any time to require performance by the other party of  
2417 any provision hereof shall in no way affect the right of such party thereafter to enforce same. Nor  
2418 shall waiver by either party of any breach of any provision hereof be taken or held to be a waiver  
2419 of any succeeding breach of such provision or as a waiver of any provision itself.

## 2420 **ARTICLE 46. All Prior Agreements Superseded**

2421 46.01 This document supersedes all prior negotiations, correspondence, conversations,  
2422 agreements, contracts and understandings, whether oral or written, applicable to the matters  
2423 contained in this Agreement. Accordingly, it is agreed that no deviation from the terms of this



2424 Agreement shall be predicated upon any prior representations, agreements, understandings or  
2425 contracts, whether oral or written.

## 2426 ARTICLE 47. Headings

2427 47.01 Headings in this document are for convenience of reference only and are not to be  
2428 considered in any interpretation of this Agreement.

## 2429 ARTICLE 48. Exhibits

2430 48.01 Each Exhibit referred to in this Agreement forms an essential part of this  
2431 Agreement. Each such Exhibit is a part of this Agreement and each is incorporated by this  
2432 reference.

## 2433 ARTICLE 49. Representations and Warranties

2434 The Parties, by acceptance of this Agreement, represents and warrants the conditions presented  
2435 in the Article, as of the date of CONTRACTOR'S signature hereon.

2436 49.01 Corporate Status. The CONTRACTOR is a corporation duly organized  
2437 (Delaware), validly existing and in good standing under the laws of the State of California ("State").  
2438 It is qualified to transact business in the State and has the power to own its properties and to carry  
2439 on its business as now owned and operated and as required by this Agreement.

2440 49.02 Corporate Authorization. CONTRACTOR has the authority to enter this  
2441 Agreement and perform its obligations under this Agreement. The Board of Directors of  
2442 CONTRACTOR (or the shareholders, if necessary) has taken all actions required by law, its  
2443 articles of incorporation, its bylaws, or otherwise, to authorize the execution of this Agreement.  
2444 The Person signing this Agreement on behalf of CONTRACTOR represents and warrants that  
2445 they have the authority to do so. This Agreement constitutes the legal, valid, and binding  
2446 obligation of the CONTRACTOR.

2447 49.03 Agreement Will Not Cause Breach. To the best of each Party's knowledge after  
2448 responsible investigation, the execution or delivery of this Agreement or the performance of their  
2449 respective obligations hereunder does not conflict with, violate, or result in a breach: (i) of any  
2450 applicable law or governmental regulation; or (ii) any term or condition of any judgment, order,  
2451 decree, of any court, administrative agency or other governmental authority, or any Agreement or  
2452 instrument to which it is a party or by which it or any of its properties or assets are bound, or  
2453 constitutes a default thereunder.

2454 49.04 No Litigation. To the best of each Party's knowledge after responsible  
2455 investigation, there is no action, suit, proceeding or investigation, at law or in equity, before or by  
2456 any court or governmental authority, commission, board, agency or instrumentality, pending or  
2457 threatened against it wherein an unfavorable decision, ruling or finding, in any single case or in  
2458 the aggregate would:

2459 49.04.1 Materially adversely affect the performance by it of its obligations  
2460 hereunder;

2461 49.04.2 Adversely affect the validity or enforceability of this Agreement; or

## Chico - Recology Commercial Collection Service Agreement

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2462                    49.04.3            Have a material adverse effect on the financial conditions of it, or  
2463 any surety or entity guaranteeing its performance under this Agreement.

2464                    49.05 No Adverse Judicial Decisions.            To the best of each Party's knowledge after  
2465 responsible investigation, there is no judicial decision binding upon it that would prohibit this  
2466 Agreement or subject this Agreement to legal challenge.

2467                    49.06 No Legal Prohibition. To the best of each Party's knowledge after reasonable  
2468 investigation, there is no Applicable Law in effect on the date it signed this Agreement that would  
2469 prohibit its performance of its obligations under this Agreement and the transactions contemplated  
2470 hereby.

2471                    49.07 CONTRACTOR'S Investigation.            CONTRACTOR has made an independent  
2472 investigation (satisfactory to it) of the conditions and circumstances surrounding the Agreement  
2473 and the work to be performed hereunder.            CONTRACTOR has taken such matters into  
2474 consideration in entering this Agreement to provide services in exchange for the compensation  
2475 provided for under the terms of this Agreement.

### 2476 **ARTICLE 50. Effective Date**

2477                    This Agreement shall become effective at such time as it is properly executed by the CITY and  
2478 the CONTRACTOR and the CONTRACTOR shall begin Collection Services, as covered herein,  
2479 on the Service Commencement Date.

2480

**Chico - Recology Commercial Collection Service Agreement**

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2481 IN WITNESS WHEREOF, the CITY and the CONTRACTOR have executed this Agreement on  
2482 the day and year first written above.

2483

2484

2485

2486 CITY:

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2490



Mark Orme, City Manager\*

2492

2493

2494

\*Authorized pursuant to City Council  
Ordinance No. 2502 adopted August 15, 2017.

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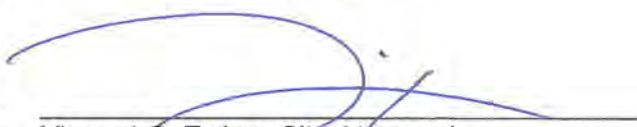
2499 APPROVED AS TO FORM:

2500

2501

2502

2503

  
Vincent C. Ewing, City Attorney\*

2505

2506

2507

\*Pursuant to The Charter of the  
City of Chico, Section 906(D)

2508

2509

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2511

2512 REVIEWED AS TO CONTENT:

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2514

2515

2516

  
Scott Dowell, Administrative Services Director\*

2518


2519

\*Reviewed by Finance and Information Systems

2520

2521

CONTRACTOR:



BY: Michael J. Sangiacomo

Title: President and CEO

**Recology.**  
Reviewed by:  
  
Legal



**Chico - Recology Commercial Collection Service Agreement**

Exhibit 1 CITY FACILITIES				
#	Type of Receptacle / No. of Cans	Location	Frequency	Hauler
<b>A. City Buildings (930-640-5465)</b>				
1.	1 ea. 3-yd. box	Municipal Building 5th and Main Streets	Twice/week	WM
2.	1 ea. 3-yd. box 1 ea. 2-yd cardboard recycling	Police Facility 1460 Humboldt Road	Twice/week	RBCC
3.	1 ea. 96-gallon	Stansbury House 307 W. 5th Street	Once/week	WM
4.	1 ea. 1.5-yd. box 1 ea. 96-gallon green waste	Fire Station No. 1 842 Salem Street	Once/week	WM
5.	2 ea. 96-gallon 1 ea. 96-gallon green waste	Fire Station No. 2 182 E. 5th Avenue	Once/week	WM
6.	1 ea. 96-gallon 1 ea. 96-gallon green waste	Fire Station #4 2405 Notre Dame Blvd.	Once/week	RBCC
7.	2 ea. 96-gallon 1 ea. 96-gallon green waste	Fire Station No. 5 1777 Manzanita A venue	Once/week	RBCC
8.	1 ea. 96-gallon 1 ea. 96 -gallon green waste	Fire Station No. 6 2544 Highway 32	Once/week	WM
9.	1 ea. 8-yd box	Municipal Services Center 901 Fir Street	Twice/week	RBCC
10.	1 ea. 4-yd box - cardboard only 2 ea. 96-gallon recycling	Municipal Services Center 901 Fir Street	Once/week	RBCC

**Chico - Recology Commercial Collection Service Agreement**

Exhibit 1 CITY FACILITIES				
#	Type of Receptacle / No. of Cans	Location	Frequency	Hauler
<b>B. Parking Structure (853-660-5330)</b>				
1.	1 ea. 96-gallon	Parking Structure 329 Salem Street	Twice/week	WM
<b>C. Chico Police Department (001-300-5465)</b>				
1.	1 ea. 4-yd box	1460 Humboldt Avenue North side of structure	Once/week	RBCC
<b>D. 2579 Fair Street (001-348-5465)</b>				
1.	1 ea. 4-yd box	Animal Shelter	3 days /week	WM
2.	1 ea. 3-yd cardboard recycling	Animal Shelter	Once/week	WM
<b>E. Chico Municipal Airport (856-691-5465)</b>				
1.	1 ea. 96-gallon	Fire Station No. 3 145 Boeing Avenue	Once/week	RBCC
2.	1 ea. 3-yd. box	Airport Terminal Building 150 Airpark Blvd.	Once/week	RBCC
<b>F. Water Pollution Control Plant (850-670-5465)</b>				
1.	1 ea. 3-yd. box	Headworks	3 days/week	WM
2.	1 ea. 3-yd. box	Headworks	Once/week	WM
<b>G. Amtrak Station (212-659-5465)</b>				
1.	1 ea. 96-gallon	Amtrak Station N/W corner 5th & Orange Street	3 days/week	WM
<b>H. Central Business District (CBD) (001-620-7374)</b>				
1.	24 ea. Trash Receptacles	Various locations downtown (see Attachment 1)	7 days/week	WM
2.	32 ea. Trash Receptacles	Various locations downtown (see Attachment 1)	7 days/week	WM



**Chico - Recology Commercial Collection Service Agreement**

Exhibit 1 CITY FACILITIES				
#	Type of Receptacle / No. of Cans	Location	Frequency	Hauler
3.	56 ea. Trash Receptacles	Clean & sanitize fifty-six (56) trash receptacle liners	Once/week	WM
<b>I. Miscellaneous Locations (001-620-7374)</b>				
1.	4 ea. Trash Receptacles	North Campus (see Attachment 2)	7 days/week	WM
2.	4 ea. Trash Receptacle Liners	Clean and sanitize four (4) trash receptacle liners	Twice/week	WM
3.	14 ea. Trash Receptacle	South Campus (see Attachment 3)	7 days/week	WM
4.	14 ea. Trash Receptacle Liners	Clean and sanitize fourteen (14) trash receptacle liners	Once/week	WM
5.	5 ea. Trash Receptacles	East side of Park Ave. between East Park Ave. and 20th St. (see Attachment 4)	7 days/week	WM
6.	5 ea. Trash Receptacle Liners	Clean and sanitize five (5) receptacle liners	Once/week	WM

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Exhibit 2 INITIAL CONTRACTOR DESIGNATED FACILITIES
Recology Butte Colusa Counties Oroville Transfer Station 2720 South 5 <sup>th</sup> Avenue Oroville California 95965
Recology Butte Colusa Counties Chico Yard (Vehicle/Container Maintenance and Storage) 3097 Southgate Lane Chico California 95928
Neal Road Landfill 1023 Neal Road Paradise California 95969
Recology Feather River Organics 3001 North Levee Road Marysville California 95901
Recology Yuba-Sutter 3001 North Levee Road Marysville California 95901
Old Durham Wood Company 8616 Durnel Drive California 95938
City of Chico Compost Facility (Waste Management) 4441 Cohasset Road Chico California 95973
Waste Management 2569 Scott Avenue Chico California 95928
North State Rendering 15 Shippee Road Oroville California 95965

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Exhibit 3

VEHICLE REPLACEMENT SCHEDULE

**Fleet Replacement and Fleet Refurbishment**

CONTRACTOR shall have a preventative maintenance program ensuring proper maintenance and refurbishment of vehicles and equipment. CONTRACTOR will manage an internal program which includes the following three main elements, preventative maintenance, vehicle condition reports, and BIT Inspections.

Daily route collection vehicles that have accumulated 350,000 miles and are over 10 years old shall: (a) Be completely and comprehensively assessed by a professional certified solid waste vehicle mechanic, including visual inspection and mechanical testing of all vehicles parts and systems; (b) Have all worn parts and systems replaced with new parts and systems; (c) Have all worn vehicle body and chassis parts, hydraulic systems, transmissions, differentials, electrical systems, engines, brake systems and emissions control systems reconditioned or replaced with new parts to achieve like-new operations; and (d) Be completely repainted and relabeled with appropriate signage.

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Exhibit 4							
MAXIMUM SERVICE RATES COMMERCIAL AND MFD SERVICE UNITS (OCTOBER 1, 2017 – JUNE 30, 2018)							
A. Garbage Collection Maximum Rates (monthly)							
Garbage Container Size	Collection Frequency						
	1	2	3	4	5	6	7
32 gal	\$18.14	\$36.28	\$54.43	\$72.57	\$90.71	\$108.85	\$152.39
64 gal	\$27.21	\$54.41	\$81.62	\$108.83	\$136.04	\$163.24	\$228.54
96 gal	\$38.34	\$76.68	\$115.02	\$153.36	\$191.69	\$230.03	\$322.05
300 gal	\$75.56	\$151.13	\$226.69	\$302.25	\$377.82	\$453.38	\$634.74
1 CY	\$55.76	\$111.51	\$167.27	\$223.02	\$278.78	\$334.54	\$468.35
1.5 CY	\$76.18	\$152.36	\$228.54	\$304.72	\$380.90	\$457.08	\$639.91
2 CY	\$96.79	\$193.58	\$290.37	\$387.15	\$483.94	\$580.73	\$813.02
3 CY	\$138.03	\$276.05	\$414.08	\$552.11	\$690.13	\$828.16	\$1,159.43
4 CY	\$179.25	\$358.51	\$537.76	\$717.02	\$896.27	\$1,075.53	\$1,505.74
6 CY	\$261.71	\$523.42	\$785.13	\$1,046.84	\$1,308.55	\$1,570.25	\$2,198.36
8 CY	\$344.16	\$688.33	\$1,032.49	\$1,376.66	\$1,720.82	\$2,064.98	\$2,890.98
B. Organics Collection Maximum Rates (monthly)							
Organics Container Size	Collection Frequency						
	1	2	3	4	5	6	7
32 gal	\$21.92	\$43.83	\$65.76	\$87.67	\$109.59	\$131.50	\$178.82
64 gal	\$34.76	\$69.51	\$104.27	\$139.03	\$173.79	\$208.55	\$281.40
96 gal	\$49.67	\$99.33	\$149.00	\$198.67	\$248.32	\$297.99	\$401.34



**Exhibit 4**  
**MAXIMUM SERVICE RATES**  
**COMMERCIAL AND MFD SERVICE UNITS**  
**OCTOBER 1, 2017 – JUNE 30, 2018)**

1 CY	\$79.59	\$159.18	\$238.77	\$318.35	\$397.94	\$477.54	\$635.18
2 CY	\$144.46	\$288.91	\$433.37	\$577.81	\$722.27	\$866.72	\$1,146.68
3 CY	\$209.53	\$419.05	\$628.57	\$838.10	\$1,047.62	\$1,257.15	\$1,659.92

**C. Permanent Roll-off Rates (per occurrence/pull)**

Service	Rate
Compactor	\$395.00 plus disposal cost*
Roll Top Container	\$395.00 plus disposal cost*
Open Top Container	\$287.00 plus disposal cost*

\*The disposal or processing facility's disposal charge for the material collected divided by 90% to account for franchise fees of 10%.

**D. Additional Services Maximum Rates**

Service	Rate
Additional Bulky Waste Collection	\$55.00 per cubic yard/occurrence
Extra Recyclable Materials Cart (all sizes)	\$24.00/month/cart
Recyclable Materials collected in Bins	80% of garbage rate for bin size/ collection frequency
Cart/Bin Return – each cart/bin	\$27.50 each cart/bin/occurrence
35 gallon - Extra Pickup/Each Container	\$27.05 each cart/occurrence
64 gallon - Extra Pickup/Each Container	\$27.05 each cart/occurrence
96 gallon - Extra Pickup/Each Container	\$27.05 each cart/occurrence
1 yard - Extra Pickup/Each Container	\$27.05 each bin/occurrence
1 1/2 yard - Extra Pickup/Each Container	\$40.57 each bin/occurrence

**Chico - Recology Commercial Collection Service Agreement**

Exhibit 4 MAXIMUM SERVICE RATES COMMERCIAL AND MFD SERVICE UNITS OCTOBER 1, 2017 – JUNE 30, 2018)	
2 yard - Extra Pickup/Each Container	\$54.09 each bin/occurrence
3 yard - Extra Pickup/Each Container	\$81.14 each bin/occurrence
6 yard - Extra Pickup/Each Container	\$108.18 each bin/occurrence
Deliver, Exchange or Remove Bins (after 1 <sup>st</sup> occurrence, bin not damaged)	\$82.50 each bin/occurrence
Deliver, Exchange or Remove Carts (after 1 <sup>st</sup> occurrence, cart not damaged)	\$38.50 each cart/occurrence
Cart Cleaning	\$44.00 each cart/occurrence
Bin Cleaning	\$82.50 each bin/occurrence
Enclosure Clean-up/ cubic yard	\$150.00 each occurrence
Service Restart with Bin/Cart Delivery	\$90.00 each occurrence
Service Restart without Bin/Cart Delivery	\$16.23 each occurrence
Container Overage (prior arrangement) per yard	\$55.00 each occurrence
Container Overage (no prior arrangement) per yard (after 2 <sup>nd</sup> notice)	\$81.14 each occurrence
Bulky Item with Freon – each item	\$44.00 each occurrence
Late Payment	Greater of 2.5% of invoice or \$5.00. Charge is per every 30 days
Payment by Check if rejected by Bank	\$40.00 each occurrence
Lock sale	\$27.50 each lock
Locked containers	\$7.70/lock/month
Contamination in Recycling or Organics Containers (after 2 <sup>nd</sup> notice)	\$54.09 each occurrence
Bin(s) in Gated Enclosure	\$7.70/lock/month



Exhibit 4 MAXIMUM SERVICE RATES COMMERCIAL AND MFD SERVICE UNITS OCTOBER 1, 2017 – JUNE 30, 2018)		
Bin Push Charges (requires CONTRACTOR's personnel to physically move Bin/Cart). CONTRACTOR reserves the right to decline push service due to excessive weight, extremely uneven surfaces, or other conditions which pose a hazard to CONTRACTOR personnel. These charges apply to all material types.	0-10 feet (total push distance) No Charge	11-25 feet (total push distance) \$1.15 per container per occurrence
	26-50 feet (total push distance) \$2.31 per container per occurrence	51-100 feet (total push distance) \$3.46 per container per occurrence
	101+ feet (total push distance): Amount to be determined by CONTRACTOR	
Scout / Stinger / Valet Truck services	Negotiated	
<b>Cost to Replace Lost, Stolen or Damaged Containers</b>		
32 Gallon Cart	\$48.00 each cart/occurrence after 1 <sup>st</sup> occurrence	
64 Gallon Cart	\$58.00 each cart/occurrence after 1 <sup>st</sup> occurrence	
96 Gallon Cart	\$67.00 each cart/occurrence after 1 <sup>st</sup> occurrence	
1 Yard Bin	\$506.00 each bin/occurrence	
2 Yard Bin	\$607.00 each bin/occurrence	
3 Yard Bin	\$697.00 each bin/occurrence	
4 Yard Bin	\$831.00 each bin/occurrence	
6 Yard Bin	\$966.00 each bin/occurrence	



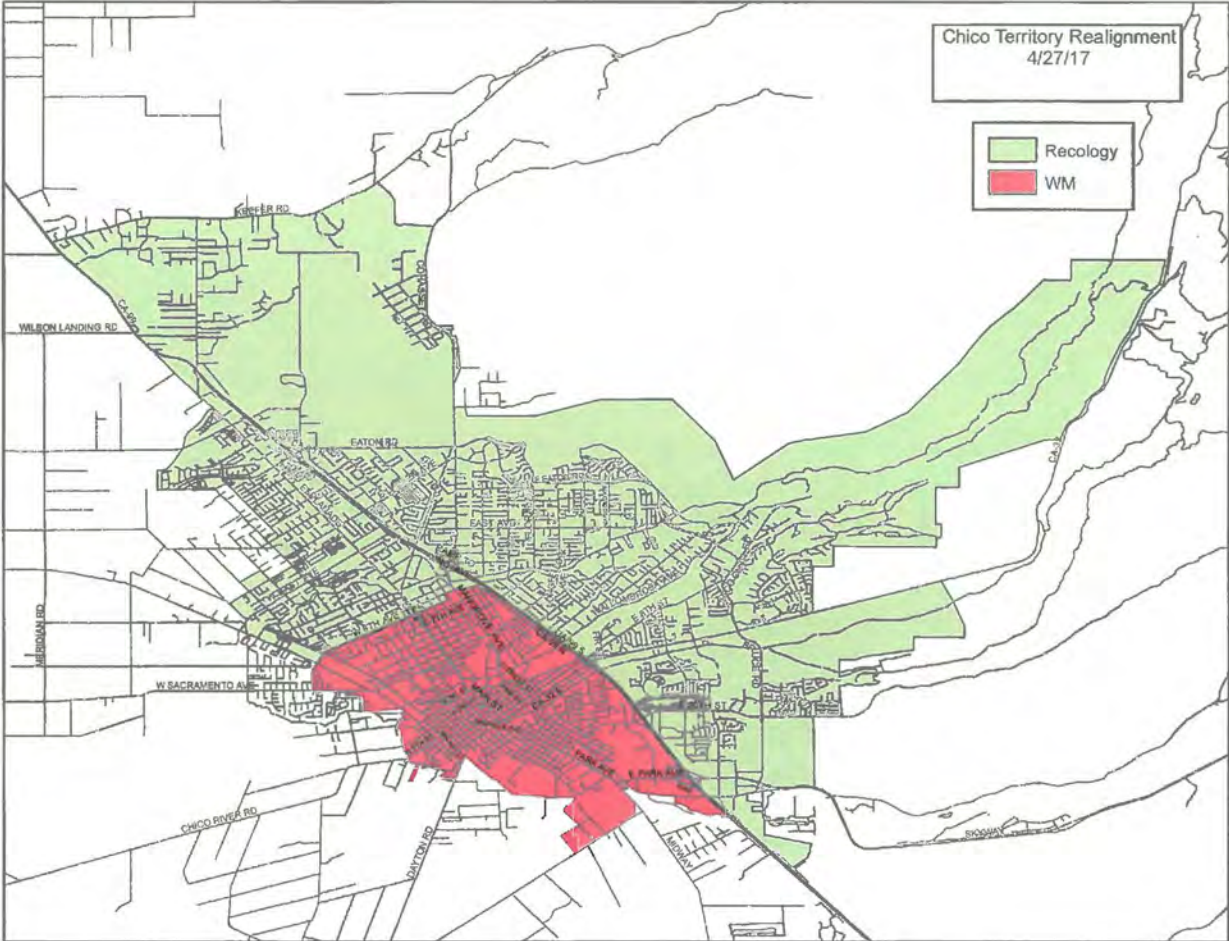
Exhibit 4 MAXIMUM SERVICE RATES COMMERCIAL AND MFD SERVICE UNITS (OCTOBER 1, 2017 – JUNE 30, 2018)	
10 Yard Debris Box	\$6,854.00 each debris box/occurrence
20 Yard Debris Box	\$8,315.00 each debris box/occurrence
25 Yard Debris Box	\$8,876.00 each debris box/occurrence
30 Yard Debris Box	\$9,775.00 each debris box/occurrence
40 Yard Debris Box	\$11,798.00 each debris box/occurrence

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Exhibit 5a  
COMMERCIAL SERVICE AREA

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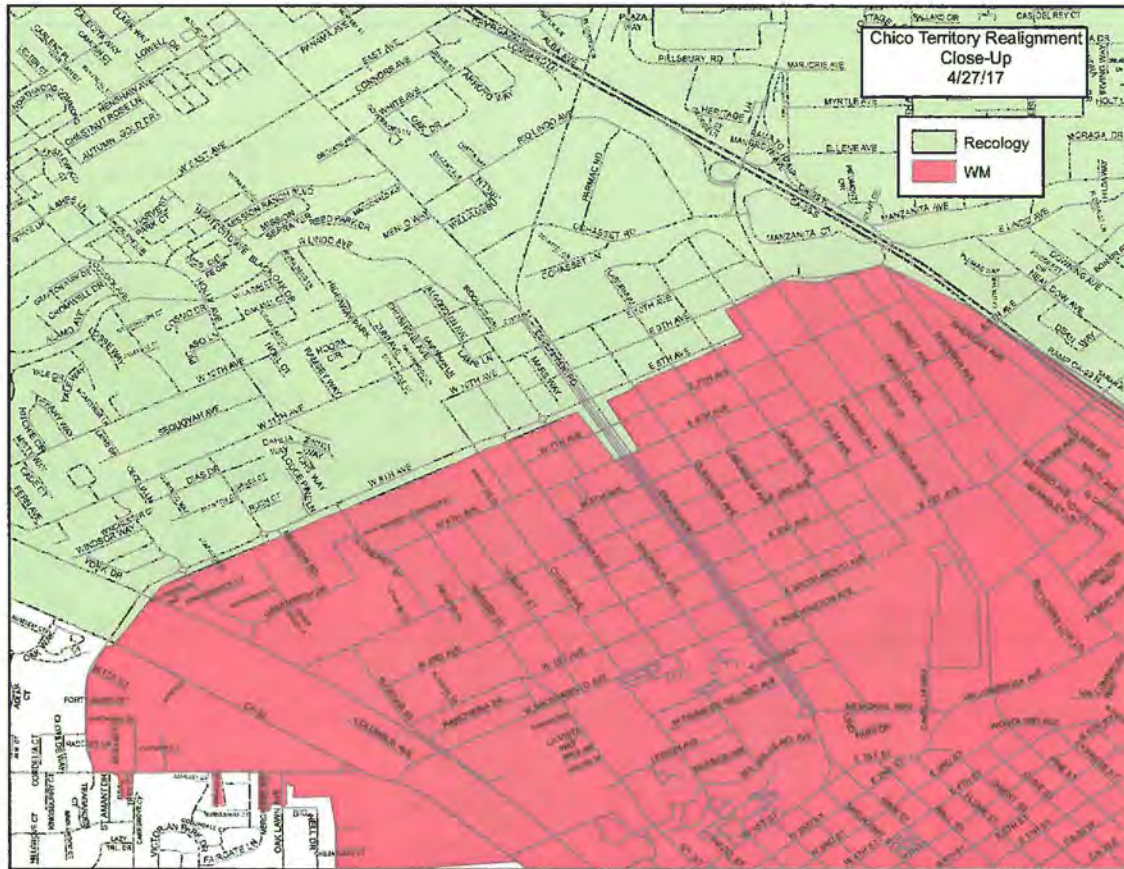
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Exhibit 5b  
COMMERCIAL SERVICE AREA CLOSE UP VIEW

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2539 Recology Butte Colusa Counties' (RBCC) exclusive Commercial Service Area for the City of  
2540 Chico is described as follows:

- 2541     ▪ All areas located east of Highway 99 within the incorporated areas of the City of Chico.  
2542     Additionally, all areas located north of the following southern border: E. Lindo Ave from  
2543     Hwy 99 west to E. 9<sup>th</sup> Ave to Palm Avenue then continuing west on 8<sup>th</sup> Avenue until the  
2544     intersection of West Sacramento Avenue. Additionally, both sides of Esplanade Ave north  
2545     of 6<sup>th</sup> Ave.

2546 Waste of California's (WM) exclusive Commercial Service Area for the City of Chico is described  
2547 as follows:

- 2548     ▪ All areas within the incorporated areas of the City of Chico located west of Highway 99  
2549     and south of the following northern border: E. Lindo Ave from Hwy 99 west to E. 9<sup>th</sup> Ave  
2550     to Palm Avenue then continuing west on 8<sup>th</sup> Avenue until the intersection of West  
2551     Sacramento Avenue, but excluding both sides of Esplanade Ave north of 6<sup>th</sup> Ave.