

COMMERCIAL COLLECTION SERVICE AGREEMENT

**Executed Between the City of Chico
and
USA Waste of California, Inc.**

This 28th day of September, 2017

Chico - Waste Management Collection Service Agreement

This page intentionally left blank.

TABLE OF CONTENTS

1
2 COMMERCIAL COLLECTION SERVICE AGREEMENT 1
3 ARTICLE 1. DEFINITIONS 6
4 ARTICLE 2. TERM OF AGREEMENT 12
5 ARTICLE 3. SERVICES PROVIDED BY THE CONTRACTOR 13
6 ARTICLE 4. CHARGES AND CONTRACTOR COMPENSATION 23
7 ARTICLE 5. DIVERSION REQUIREMENTS 28
8 ARTICLE 6. SERVICE UNITS 30
9 ARTICLE 7. RESERVED 31
10 ARTICLE 8. COMMERCIAL AND MFD COLLECTION SERVICES 31
11 ARTICLE 9. CITY COLLECTION AND OTHER SERVICES 33
12 ARTICLE 10. RESERVED 33
13 ARTICLE 11. COLLECTION VEHICLES 33
14 ARTICLE 12. CUSTOMER SERVICE 35
15 ARTICLE 13. PUBLIC OUTREACH SERVICES 35
16 ARTICLE 14. EMERGENCY SERVICE PROVISIONS 37
17 ARTICLE 15. RECORD KEEPING & REPORTING REQUIREMENTS 37
18 ARTICLE 16. NONDISCRIMINATION 39
19 ARTICLE 17. SERVICE INQUIRIES AND COMPLAINTS 39
20 ARTICLE 18. QUALITY OF PERFORMANCE OF CONTRACTOR 40
21 ARTICLE 19. CONTRACT COMPLIANCE AND PERFORMANCE REVIEWS 43
22 ARTICLE 20. PERFORMANCE BOND 44
23 ARTICLE 21. INSURANCE 44
24 ARTICLE 22. INDEMNIFICATION 46
25 ARTICLE 23. DEFAULT OF AGREEMENT 48
26 ARTICLE 24. MODIFICATIONS TO THE AGREEMENT 51
27 ARTICLE 25. LEGAL REPRESENTATION 53
28 ARTICLE 26. FINANCIAL INTEREST 53
29 ARTICLE 27. CONTRACTOR'S PERSONNEL 54

Chico - Waste Management Collection Service Agreement

30	ARTICLE 28. EXEMPT WASTE.....	54
31	ARTICLE 29. INDEPENDENT CONTRACTOR.....	54
32	ARTICLE 30. LAWS TO GOVERN	55
33	ARTICLE 31. CONSENT TO JURISDICTION	55
34	ARTICLE 32. ASSIGNMENT	55
35	ARTICLE 33. COMPLIANCE WITH LAWS.....	56
36	ARTICLE 34. PERMITS AND LICENSES.....	56
37	ARTICLE 35. OWNERSHIP OF WRITTEN MATERIALS.....	56
38	ARTICLE 36. WAIVER.....	57
39	ARTICLE 37. PROHIBITION AGAINST GIFTS.....	57
40	ARTICLE 38. POINT OF CONTACT	57
41	ARTICLE 39. CONFLICT OF INTEREST	57
42	ARTICLE 40. NOTICES.....	57
43	ARTICLE 41. TRANSITION TO NEXT CONTRACTOR.....	58
44	ARTICLE 42. CONTRACTOR'S RECORDS.....	58
45	ARTICLE 43. ENTIRE AGREEMENT	59
46	ARTICLE 44. SEVERABILITY	59
47	ARTICLE 45. RIGHT TO REQUIRE PERFORMANCE.....	59
48	ARTICLE 46. ALL PRIOR AGREEMENTS SUPERSEDED.....	59
49	ARTICLE 47. HEADINGS	60
50	ARTICLE 48. EXHIBITS	60
51	ARTICLE 49. REPRESENTATIONS AND WARRANTIES.....	60
52	ARTICLE 50. EFFECTIVE DATE.....	61
53	EXHIBIT 1 City Facilities	
54	EXHIBIT 2 Contractor Designated Facilities	
55	EXHIBIT 3 Vehicle Replacement Schedule	
56	EXHIBIT 4 Maximum Service Rates	
57	EXHIBIT 5 Commercial Service Area	
58		

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 USA Waste of California, Inc. dba Waste Management, a Delaware
63 corporation, hereinafter 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.

Chico - Waste Management Collection Service Agreement

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 "WM". **Exhibit 1** is
155 attached to and included 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.

Chico - Waste Management Collection Service Agreement

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. USA Waste of California, Inc. dba Waste Management, a Delaware
202 corporation.

203 1.34 County. Butte County, California.

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

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

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

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

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

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

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

Chico - Waste Management Collection Service Agreement

226 1.42 Garbage. All putrescible and non-putrescible solid, semi-solid and associated liquid
227 waste, as defined in California Public Resources Code Section 40191. Garbage does not include
228 those items defined herein as Recyclable Materials, Organic Waste, or Bulky Waste that have
229 been source-separated for purposes of diversion, or Exempt Waste.

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

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

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

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

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

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

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

Chico - Waste Management Collection Service Agreement

271 1.50 Large Green Waste. Oversized Green Waste such as tree trunks and branches with
272 a diameter of not more than two (2) feet and a length of not more than six (6) feet in its longest
273 dimension, and not weighing more than fifty (50) pounds, which are attributed to the normal
274 activities of a MFD, or City Service Unit. Large Green Waste must be generated by and at the
275 Service Unit wherein the Large Green Waste is collected.

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

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

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

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

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

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

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

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

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

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

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

Chico - Waste Management Collection Service Agreement

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

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

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

324 1.65 "Party" or "Parties" means the CITY and/or CONTRACTOR.

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

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

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

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

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

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

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

Chico - Waste Management Collection Service Agreement

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

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

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

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

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

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

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

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

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

384 ARTICLE 2. Term of Agreement

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

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

393 2.03 Performance Review prior to Each Five (5) Year Extension. If CONTRACTOR
394 requests a term extension as described in Section 2.02 above, then, at CITY's sole option, a
395 billing audit and performance review may be conducted with respect to that extension as
396 described in Article 19, and CONTRACTOR must pay the cost of the billing audit and performance
397 review subject to the maximum cost specified in such Article. Regardless of the outcome of this

398 billing audit and performance review, CITY will have no obligation to extend the term of the
399 Agreement.

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

401 **3.01 Grant of Exclusive Right.**

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

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

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

418 **3.02 Limitations to Scope of Exclusive Agreement.**

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

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

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

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

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

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

437 3.02.7 Construction and Demolition Debris where the owner or occupant of the
438 premises holds a building permit for the project, and such project was done by the owner,
439 occupant, or a licensed construction company, and, as an incidental part of a total service offered

Chico - Waste Management Collection Service Agreement

440 by the licensed company rather than as a hauling service, and where the owner, occupant, the
441 licensed company, or an authorized/permitted construction and demolition debris collection
442 contractor uses its own equipment and employees for the collection and transportation of such
443 Construction and Demolition Debris;

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

448 3.02.9 Hazardous Waste and other Exempt Waste regardless of its source.

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

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

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

474 3.05 Hours and Days of Collection.

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

484 3.05.2 City Collection Service shall be provided, commencing no earlier than 6:00
485 a.m., and terminating no later than 7:00 p.m., Monday through Friday, with the exception of City

Chico - Waste Management Collection Service Agreement

486 Sponsored Events as requested by the CITY. The hours, days, or both of collection may be
487 extended with the prior written consent of the City Representative.

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

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

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

505 3.07 Containers.

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

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

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

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

Chico - Waste Management Collection Service Agreement

531 3.07.4.1 Upon notification to the CONTRACTOR by the CITY or a
532 Service Recipient that the Service Recipient's Cart(s), or Bin(s), have been lost, stolen or
533 damaged beyond repair through no fault of the CONTRACTOR, the CONTRACTOR shall deliver
534 a replacement Cart(s), or Bin(s) to such Service Recipient within five (5) Work Days. The
535 CONTRACTOR shall maintain records documenting all Cart and Bin replacements occurring on
536 a monthly basis.

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

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

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

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

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

Chico - Waste Management Collection Service Agreement

578 3.07.8 Ownership of Bins. Ownership of Bins distributed by the CONTRACTOR
579 shall rest with the CONTRACTOR. In the case of the termination of the Agreement prior to the
580 expiration of the initial term or optional extension term due to the default of the CONTRACTOR
581 as set forth in Article 23 of this Agreement, the CITY shall have the right to take possession of
582 such Bins and to retain such possession until satisfactory arrangements can be made to provide
583 Collection Services using other equipment. Such time of possession shall be limited to one
584 hundred eighty (180) days after the effective date of termination. After such time, such Bins shall
585 be returned to CONTRACTOR, or, if the parties mutually agree, the CITY shall pay a reasonable
586 monthly rent to the CONTRACTOR for the CITY'S use of the equipment. Upon the receipt of
587 written notice from the CITY, CONTRACTOR shall submit to the City Representative an inventory
588 of Bins, including their locations.

589 3.07.9 Cleaning/Removal of Graffiti from Containers.

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

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

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

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

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

615 3.10 Processing and Disposal.

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

Chico - Waste Management Collection Service Agreement

624 CONTRACTOR to use. Failure to comply with this provision may result in the CONTRACTOR
625 being in default under this Agreement.

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

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

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

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

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

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

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

668 As part of CONTRACTOR'S Public Education Services under Article 13 of this Agreement,
669 CONTRACTOR has agreed to conduct recycling audits and provide outreach and support to

Chico - Waste Management Collection Service Agreement

670 commercial and multi-family accounts. Additionally, CONTRACTOR's route collection personnel
671 will report to CONTRACTOR's supervisors and/or Sustainability Support Staff if they observe
672 potential contamination problems, and/or insufficient collection capacity. For purposes of
673 determining if Recyclable Materials or Organic Waste are deemed to be contaminated, if, by visual
674 or digital inspection, Recyclable Materials are commingled with fifteen percent (15%) by weight
675 or volume of Garbage or Organic Waste, or if, by visual inspection, Organic Waste is commingled
676 with three percent (3%) by volume of Garbage or Recyclable Materials, then Recyclable Materials
677 and/or Organic Waste shall be deemed to be contaminated and CONTRACTOR may take the
678 following steps:

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

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

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

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

715 3.13.5 Service Re-start. After one (1) year, or a shorter time-period if appropriate,
716 the Service Recipient may request CONTRACTOR and the CITY to reinstate the discontinued

Chico - Waste Management Collection Service Agreement

717 service, and CONTRACTOR may charge a Container re-delivery fee as specified in **Exhibit 4** for
718 restarting the Recyclable Materials or Organic Waste Collection Service.

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

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

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

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

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

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

761 3.14.5 Ownership of Materials. Title to Garbage and Organic Waste shall pass to
762 CONTRACTOR at such time as said materials are placed in the CONTRACTOR'S collection

Chico - Waste Management Collection Service Agreement

763 vehicles by CONTRACTOR. Title to Recyclable Materials shall pass to CONTRACTOR at such
764 time as said materials are set out by the Service Recipient for collection.

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

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

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

785 3.15 Container Overage and Correction Procedures.

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

798 3.15.2 Prior Arrangements for Collection. If the Service Recipient has made prior
799 arrangements with CONTRACTOR for collection of Garbage, Recyclable Materials or Organic
800 Materials overages, CONTRACTOR shall collect such Overages as arranged, and may charge
801 the Service Recipient the Container Overage charge (prior arrangement) rate set forth in **Exhibit**
802 **4**.

803 3.15.3 No Prior Arrangements. If the Service Recipient has not made prior
804 arrangements with CONTRACTOR for collection of Garbage, Recyclable Materials or Organic
805 Materials Overage, then (a) CONTRACTOR may collect such Overage at no additional charge
806 as a courtesy, (b) CONTRACTOR may not collect the Overage and leave a tag explaining the
807 reason for non-collection of the Overage, (c) CONTRACTOR may collect the Overage (up to two
808 lifts) and charge the Service Recipient the Container Overage (no prior arrangement) rate set

Chico - Waste Management Collection Service Agreement

809 forth in **Exhibit 4**, but only if CONTRACTOR follows the procedure provided below, or (d)
810 CONTRACTOR may increase the capacity or frequency of collection of the existing Container to
811 match documented service needs, but only if CONTRACTOR follows the procedure provided
812 below.

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

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

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

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

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

Chico - Waste Management Collection Service Agreement

856 Service Recipient and CONTACTOR to resolve the dispute. Following such a meeting, the City
857 Manager will rule on the dispute within 15 calendar days, and the City Manager's decision on
858 resolving the dispute between and Service Recipient shall be final. If the City Manager rules in
859 favor of the Service Recipient, CONTRACTOR shall credit the disputed charge or increased
860 Maximum Service Rate. If the City Manager rules in favor of CONTRACTOR, CONTRACTOR
861 may charge Service Recipient the prior halted Container Overage charge and/or increased
862 Maximum Service Rate resulting from increasing the Container size or collection frequency, and
863 may follow the steps in Section 4.01.6 for collection of delinquent accounts.

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

869 ARTICLE 4. Charges and Contractor Compensation

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

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

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

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

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

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

Chico - Waste Management Collection Service Agreement

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

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

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

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

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

921 4.01.6.2.3. 1/3 of the Deferred Amount will be added to the Maximum Service
922 Rate (as adjusted) effective April 1, 2019.

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

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

934 4.02.1.1 Adjustment to Garbage Collection Maximum Rates.

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

Chico - Waste Management Collection Service Agreement

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

954 4.02.1.1.3. Allocated Costs between Collection and
955 Disposal. For the sole purpose of calculating adjustments to the Maximum Service Rates under
956 this Section 4.02.1.1, CONTRACTOR and CITY have agreed that the collection cost is equal to
957 seventy nine and eight tenths percent (79.8%) of the total Maximum Service Rates as listed in
958 **Exhibit 4 Section A**, and the disposal cost is equal to twenty and two tenths percent (20.2%) of
959 the total Maximum Service Rates as listed in **Exhibit 4 Section A**. Contractor and City have
960 agreed that these percentages shall remain constant during the term of this Agreement unless
961 mutually agreed to by the CITY and all contractors providing franchised collection service.

962 4.02.1.2 Adjustment to Organics Collection Maximum Rates.
963 CONTRACTOR may increase the Organics Collection Maximum Service Rates as listed in
964 **Exhibit 4 Section B** for all service recipients by the same percentage as the change in CPI. The
965 CPI adjustment shall be calculated using the change in the 12-month annual average of CPI index
966 values between the January 1st and December 31st of the prior year, and the January 1st and
967 December 31st of the year before the prior year (the prior previous year), each as published by
968 the U.S. Department of Labor, Bureau of Labor Statistics. Therefore, the first CPI adjustment
969 (effective July 1, 2018) will be based on the percentage change between the average index values
970 for the period of January 1, 2017, through December 31, 2017, (the previous year) and January
971 1, 2016, through December 31, 2016 (the prior previous year).

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

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

Chico - Waste Management Collection Service Agreement

993 Bureau of Labor Statistics. Therefore, the first CPI adjustment (effective July 1, 2018) will be
994 based on the percentage change between the average index values for the period of January 1,
995 2017, through December 31, 2017, (the previous year) and January 1, 2016, through December
996 31, 2016 (the prior previous year).

997 4.02.1.4 Rounding. Calculation of rates and determination of any
998 annual adjustments shall be made only in units of one cent (\$0.01) and shall not result in a
999 decrease to the rates currently in effect. Fractions of less than one cent (\$0.01) shall not be
1000 considered in making adjustments. The indices shall be truncated at four (4) decimal places for
1001 the adjustment calculations. If the CPI index, disposal rate for "Commercial Haulers" at the Neal
1002 Road Landfill, are no longer published, then for purposes of adjustments under this Section 4.02,
1003 such index/rate shall be replaced with the index/rate that most closely approximates it.

1004 4.02.1.5 New Maximum Service Rates. CONTRACTOR'S shall
1005 submit a request for an adjustment in the Maximum Service Rates to the CITY in the same form
1006 as **Exhibit 4**, for confirmation by the CITY that the CONTRACTOR's calculations are correct. The
1007 request for an adjustment to the Maximum Service Rates shall be submitted to the CITY by May
1008 1st of each Agreement Year beginning May 1, 2018. If the request is not submitted to the CITY
1009 by May 1st, the CONTRACTOR will be deemed to have waived its right to a rate adjustment for
1010 that year.

1011 4.02.1.6 CITY Approval of Maximum Service Rates. On or before
1012 June 1, 2018, and each June 1st annually thereafter during the term of this Agreement, the CITY
1013 Representative shall notify CONTRACTOR that CITY has confirmed CONTRACTOR's
1014 calculation of the adjustments to the affected Maximum Service Rates to take place on the
1015 subsequent July 1st, or, that the CITY has identified calculation errors that need to be rectified, in
1016 which case the parties shall cooperate in good faith to reconcile the discrepancy before the new
1017 Maximum Service Rates take effect on July 1st.

1018 4.02.1.7 Annual Rate Cap on Maximum Service Rates. Except as
1019 provided in Section 4.02.1.2.1 (Special Adjustment to Organics Collection Maximum Rates),
1020 Section 4.03 (Adjustment Due to Change in Law), Section 4.04 (Detailed Rate Review), Section
1021 4.05 (Adjustments Due to Change in Franchise Fee), or Section 24.02 (City-Directed Changes),
1022 under no circumstance shall the total increase to the Maximum Service Rates exceed five percent
1023 (5%) in one Agreement Year. In the event that total increase to the Maximum Service Rates as
1024 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
1025 five percent (5.00%) or is negative (below 0.00%), the total adjustment for that year shall equal
1026 five percent (5.00%) or zero percent (0.00%), respectively, and the amounts above five percent
1027 (5.00%) or below zero percent (0.00%) shall be added to the rate adjustment percentage in the
1028 following year, subject to the same floor and cap limitations and carryover. Additionally, in the
1029 event that substantial changes occur in landfill disposal practices that results in an increase to
1030 CONTRACTOR's disposal component costs greater than twenty percent (20%), CONTRACTOR
1031 may request an increase above five percent (5.00%) solely to adjust for such extraordinary
1032 increases to disposal costs. CONTRACTOR shall provide sufficient documentation of disposal
1033 total cost increases above twenty percent (20%).

1034 4.03 Adjustments Due to Change in Law.

1035 4.03.1 If a Change in Law occurs after the date hereof that results in an increase
1036 in CONTRACTOR's costs of performing its obligations under this Agreement, or a reduction in
1037 CONTRACTOR's Gross Revenue, then CITY and CONTRACTOR shall negotiate in good faith a
1038 reasonable and appropriate adjustment to Maximum Service Rates sufficient to offset
1039 CONTRACTOR's increased costs or reduced Gross Revenue resulting from the Change in Law.

Chico - Waste Management Collection Service Agreement

1040 4.03.2 The Parties may negotiate and agree on the amount of any Maximum
1041 Service Rate adjustment pursuant to this Section 4.03 without a Detailed Rate
1042 Review. CONTRACTOR shall bear the burden of justifying to CITY any adjustment due to a
1043 Change in Law and shall bear its own costs of preparing its request for an adjustment and
1044 supporting documentation. CITY may request from CONTRACTOR such further information as it
1045 reasonably deems necessary to fully evaluate CONTRACTOR'S request and make its
1046 determination whether CONTRACTOR has satisfied its burden, which determination shall not be
1047 unreasonably withheld. CITY shall notify CONTRACTOR of its determination within ninety (90)
1048 calendar days of receipt of the written request and all other additional information reasonably
1049 requested by CITY. Any such change will be implemented on the following July 1st, or within any
1050 other time frame agreed upon between CITY and CONTRACTOR. The adjustment in Maximum
1051 Service Rates shall be approved by the City Council and memorialized in a written amendment
1052 to this Agreement.

1053 4.03.3 Without limiting the foregoing, if the proposed annual increase in Maximum
1054 Service Rates resulting from a Change in Law exceeds five percent (5%), and if after negotiating
1055 in good faith for at least thirty (30) days the parties are still unable to agree on the amount of such
1056 increase, then either party, in addition to continuing to negotiate with the other party, may submit
1057 the matter to non-binding mediation upon the terms and conditions in Section 24.06.1.

1058 4.04 Detailed Rate Review. Only if requested by the CITY a Detailed Rate Review may
1059 be conducted provided that a pre-established methodology is agreed to by both the CITY and the
1060 CONTRACTOR.

1061 4.05 Adjustments Due to Changes in the Franchise Fee. In the event that CITY elects to
1062 increase the amount of fees provided for in Sections 4.06 below, such increase shall take effect
1063 on the next July 1st, and the CONTRACTOR shall be entitled to an additional adjustment as part
1064 of their regularly scheduled July 1st rate adjustment to cover the cost of those new fees. This
1065 additional adjustment shall be calculated using the following methodology, and such calculation
1066 must be included in the CONTRACTOR'S regular rate adjustment request submitted to the CITY
1067 by April 1st in order for the CONTRACTOR to be eligible to receive the additional rate adjustment:

1068 4.05.1.1 The CONTRACTOR shall calculate the additional rate
1069 adjustment percentage in accordance with the following formula:

$$1070 \quad RA = [(1 - FF(\text{old})) / (1 - FF(\text{new}))] - 1$$

1071 *where:*

1072 FF(old) = then-current Franchise Fee percentage (before giving effect to the
1073 Franchise Fee adjustment)

1074 FF(new) = new Franchise Fee percentage (after giving effect to the Franchise
1075 Fee adjustment)

1076 RA = percentage increase to be applied to each Maximum Service Rate
1077 (after giving effect to all other then-applicable adjustments) to reflect
1078 the change in the Franchise Fee

1079 All percentages in the above calculation to be expressed as fractions (i.e. 0.10
1080 for 10%).

1081 For example, if the Franchise Fee were increased from five percent (5%) to ten percent (10%),
1082 then each Maximum Service Rate would increase by an additional 5.56%, over and above any
1083 other then-applicable adjustments. If in that same year the CPI adjustment were 2.00%, and no

Chico - Waste Management Collection Service Agreement

1084 other adjustments were applicable, then the total Maximum Service Rate increase for that year
1085 would be 7.67% (1.0556 x 1.0200 = 1.0767).

1086 4.06 CONTRACTOR'S Payments to CITY. As consideration for the exclusive franchise
1087 granted by this Agreement, CONTRACTOR shall make payment to CITY of a Franchise Fee.
1088 Each payment shall be accompanied by an accounting, which sets forth CONTRACTOR'S Gross
1089 Revenues during the preceding quarter in sufficient detail to allow for an independent
1090 recalculation of payments.

1091 4.06.1 Franchise Fee. The Franchise Fee will be a percentage of
1092 CONTRACTOR'S Gross Revenue collected each calendar quarter under the terms of this
1093 Agreement. The Franchise Fee percentage shall be **Ten Percent (10%) of Gross Revenues**
1094 unless otherwise adjusted by CITY. CONTRACTOR shall make payment of the Franchise Fee to
1095 CITY on a quarterly basis with payments due on January 31st (covering the prior October,
1096 November and December), April 30th(covering the prior January, February, and March), July 31st,
1097 (covering the prior April, May, and June), and October 31st (covering the prior July, August, and
1098 September), of each Agreement Year, with the first payment due on January 31, 2018. In the
1099 event that CITY adjusts the Franchise Fee percentage, such adjustment shall take effect on the
1100 next July 1st, and the Maximum Service Rates will also be adjusted simultaneously and
1101 commensurately as provided above, to incorporate any such changes in the Franchise Fee
1102 percentage.

1103 4.06.2 No acceptance by CITY of any payment shall be construed as an accord
1104 that the amount is in-fact the correct amount, nor shall such acceptance of payment be construed
1105 as a release of any claim CITY may have against CONTRACTOR for any additional sums payable
1106 under the provisions of this Agreement. All amounts paid shall be subject to independent audit
1107 and recompilation by CITY. If, after the audit, such recompilation indicates an underpayment
1108 CONTRACTOR shall pay to CITY the amount of the underpayment and shall reimburse CiTY for
1109 all reasonable costs and expenses incurred in connection with the audit and recompilation within
1110 ten (10) Work Days of receipt of written notice from CITY that such is the case. If, after audit,
1111 such recompilation indicates an overpayment, CITY shall notify CONTRACTOR in writing of the
1112 amount of the overpayment, less costs and expenses incurred in connection with the audit and
1113 recompilation. CONTRACTOR may offset the amounts next due following receipt of such notice
1114 by the amount specified therein.

1115 **ARTICLE 5. Diversion Requirements**

1116 5.01 CONTRACTOR'S Diversion Requirements.

1117 5.01.1 CONTRACTOR shall fully implement CONTRACTOR'S required
1118 Recyclable Materials and Organic Waste diversion programs to meet a minimum amount of the
1119 Solid Waste diverted from landfill disposal as listed below:

1120 5.01.2 Thirty percent (30%) of all material collected by CONTRACTOR in each
1121 calendar year beginning January 1, 2019.

1122 5.01.3 Thirty-two percent (32%) of all material collected by CONTRACTOR in
1123 each calendar year beginning January 1, 2021.

1124 5.01.4 Thirty-five percent (35%) of all material collected by CONTRACTOR in
1125 each calendar year beginning January 1, 2024, and thereafter for the Term of this Agreement.

1126 5.01.5 CONTRACTOR will also assist the CITY in reaching CalRecycle's seventy-
1127 five percent (75%) goal, to the extent CONTRACTOR can do so without incurring additional

Chico - Waste Management Collection Service Agreement

1128 expense or interfering with CONTRACTOR's ability to perform its other obligations under this
1129 Agreement.

1130 5.02 Diversion Requirements Calculation. For purposes of determining if CONTRACTOR
1131 achieves CONTRACTOR'S diversion requirements, the Parties agree the annual diversion rate
1132 will be calculated using the following formula: "the tons of materials collected by CONTRACTOR
1133 from the provision of Collection Services in CITY that are sold or delivered to a recycler or re-
1134 user, or processor, divided by the total tons of materials collected in CITY by CONTRACTOR in
1135 each calendar year." Notwithstanding any other provision of this Agreement to the contrary, no
1136 Liquidated Damages shall be assessed against CONTRACTOR for failure to meet diversion
1137 requirements during a particular calendar year if during that calendar year CONTRACTOR has
1138 demonstrated good faith efforts to achieve the diversion requirements by (i) implementing public
1139 education efforts as outlined in Article 13, (ii) delivering all Recyclable Materials collected
1140 hereunder to a legally permitted Materials Recovery Facility, and (iii) delivering all Organic Waste
1141 collected hereunder to a legally permitted Organic Waste Processing Facility. In addition, in
1142 determining whether to assess Liquidated Damages for failure to meet diversion requirements,
1143 CITY may also take into account CONTRACTOR's other good faith efforts, changes in recyclable
1144 materials markets, availability of Organic Waste Processing Facilities, and documented changes
1145 in waste characterization.

1146 5.02.1 As part of the Quarterly Reports submitted in accordance with Section
1147 15.02.1, CONTRACTOR shall provide documentation to the CITY stating and supporting each
1148 calendar quarter's diversion rate. Diversion from other sources other than CONTRACTOR'S
1149 diversion shall not be counted as diversion achieved by CONTRACTOR.

1150 5.03 Use of Transformation Facility. CONTRACTOR may direct up to ten percent (10%)
1151 of the CITY'S total waste stream to a waste-to-energy facility for diversion purposes provided that
1152 such diversion is allowable and deemed to be diversion by CalRecycle. CONTRACTOR is not
1153 entitled to any additional compensation associated with use of any Transformation Facility.

1154 5.04 Use of Alternative Daily Cover (ADC). CONTRACTOR may utilize Organic Waste as
1155 Alternative Daily Cover (ADC) if higher use of Organic Waste is not feasible. However, any tons
1156 of materials Collected by CONTRACTOR that are ultimately used as ADC may only be counted
1157 as diversion if such use is deemed to be diversion by CalRecycle.

1158 5.05 Changes in the Market Conditions for Recyclable Materials. Upon notice to and prior
1159 approval by CITY, CONTRACTOR may deem additional materials or groups of materials
1160 Recyclable Materials if they become capable of recycling at CONTRACTOR'S facilities in or near
1161 the Commercial Service Area. CONTRACTOR reserves the right, upon written notice to and prior
1162 written approval by the CITY, to discontinue acceptance of any category of Recyclable Materials
1163 as a result of market conditions related to such materials. With regard to the preceding two
1164 sentences, the CITY's approval shall not be unreasonably withheld. Such CITY approval for
1165 reducing the types of Recyclable Materials collected shall not exceed 12 months at a time; if
1166 CONTRACTOR wishes to extend the period, CONTRACTOR shall again seek CITY approval as
1167 provided above.

1168 5.06 Compliance with Laws. CONTRACTOR's diversion programs set forth herein shall
1169 be implemented in a manner consistent with the Applicable Laws governing this Agreement
1170 (including AB 341, AB 939, AB 1594, AB 1826, SB 1016 and all amendments and related
1171 subsequent legislation, to the extent they apply to CONTRACTOR), and CONTRACTOR shall
1172 implement its diversion programs set forth herein without charging any costs or fees other than
1173 those set forth in **Exhibit 4**, as adjusted in accordance with the provisions of this Agreement.

Chico - Waste Management Collection Service Agreement

1174 5.07 Mutual Cooperation. CITY and CONTRACTOR shall reasonably cooperate in good
1175 faith with all efforts by each other to meet CITY'S diversion and other compliance requirements
1176 imposed by AB 939 and other Applicable Laws. In this regard, CITY'S obligations shall include,
1177 without limitation, making such petitions and applications as may be reasonably requested by
1178 CONTRACTOR for time extensions in meeting diversion goals, or other exceptions from the terms
1179 of Applicable Laws, and agreeing to authorize such changes to CONTRACTOR'S recycling or
1180 Solid Waste programs as may be reasonably requested by CONTRACTOR in order to achieve
1181 the diversion requirements set forth herein. CONTRACTOR shall provide such assistance as may
1182 reasonably be requested by CITY in preparing such petitions and applications. In addition,
1183 CONTRACTOR shall provide such assistance as may reasonably be requested by CITY in
1184 preparing for or participating in any hearing conducted by CalRecycle or any other regulatory
1185 agency relating to CITY'S failure to comply with the California Integrated Waste Management Act
1186 of 1989, as amended (including by AB 341, AB 1594 or AB 1826), and the rules and regulations
1187 thereunder, to the extent such failure results from CONTRACTOR'S failure to perform its
1188 obligations under this Agreement.

1189 5.08 Reporting. As may reasonably be requested by the CITY, CONTRACTOR shall
1190 provide data and information to CITY to assist CITY with the preparation of all reports and other
1191 information as may be required by CalRecycle or any other regulatory agency, in order to comply
1192 with AB 939 and other Applicable Laws, and to assist CITY in responding to inquiries from
1193 CalRecycle or any other regulatory agency, in so much as such data and information directly
1194 relates to portions of services under the terms of this Agreement.

1195 5.09 Indemnification. CONTRACTOR agrees that it will carry out its obligations
1196 specifically required under this Agreement in a manner consistent with Applicable Laws, including,
1197 but not limited to, AB 939, AB 341, AB 1594, AB 1826 and SB 1016, to the extent they apply to
1198 CONTRACTOR. In this regard, CONTRACTOR agrees that it will, in addition to any other
1199 requirements contained herein, at its sole cost and expense, to the extent legally permitted,
1200 defend, with counsel reasonably acceptable to CITY, indemnify, and hold harmless CITY and
1201 CITY'S officials, employees, and agents from and against all fines and/or penalties which may be
1202 imposed on CITY by CalRecycle or any other regulatory agency, to the extent such fines and/or
1203 penalties result from CONTRACTOR's failure or refusal to timely provide information relating to
1204 its operations which is required pursuant to this Agreement or the Applicable Laws, and such
1205 failure or refusal prevents or delays CITY from submitting reports required by the Applicable Laws
1206 including AB 939, AB 341, AB 1594, and AB 1826, in a timely manner. The indemnity in this
1207 Section 5.09 is in addition to the indemnity set forth in Section 22.03 relating to CITY'S failure to
1208 meet state-mandated diversion goals.

1209 5.10 Waste Generation/Characterization Studies. CONTRACTOR acknowledges that
1210 CITY may perform Solid Waste generation and disposal characterization studies periodically to
1211 comply with the requirements of the Applicable Laws, including AB 939. As may reasonably be
1212 requested by CITY, CONTRACTOR agrees to participate and cooperate with CITY and its agents
1213 and to accomplish studies, provided that such participation and cooperation can be accomplished
1214 at no additional cost to CONTRACTOR and without substantially interfering with
1215 CONTRACTOR'S operations.

1216 **ARTICLE 6. Service Units**

1217 6.01 Service Units shall include all the following categories of premises that are in the
1218 Commercial Service Area as of October 1, 2017, and all such Commercial Service Units, Multi-
1219 family Service Units and City Service Units that may be added to the Commercial Service Area

Chico - Waste Management Collection Service Agreement

1220 by means of annexation, new construction, or as otherwise set forth in this Agreement during term
1221 of this Agreement:

1222 6.01.1 MFD Service Units

1223 6.01.2 Commercial Service Units

1224 6.01.3 City Service Units

1225 6.01.3.1 Any question as to whether a premises falls within one of
1226 these categories shall be determined by the City Representative and the determination of the City
1227 Representative shall be final.

1228 6.02 Service Unit Changes. The CITY and CONTRACTOR acknowledge that during the
1229 term of this Agreement, the number of Service Units for which CONTRACTOR will provide
1230 Collection Services may increase or decrease, due to annexation, development, or other reasons.
1231 Any such change in Service Units shall be the responsibility of CONTRACTOR

1232 6.02.1 Service Unit Additions. CONTRACTOR shall provide services described
1233 in this Agreement to new Service Units within five (5) Work Days of receipt of notice from the
1234 CITY or new Service Unit to begin such service.

1235 6.03 Coordination with Street Sweeping. The CITY and CONTRACTOR acknowledge
1236 that CONTRACTOR may have to modify collection days to accommodate the CITY'S street
1237 sweeping schedule. CITY and CONTRACTOR shall cooperate in any changes to CITY'S street
1238 sweeping schedule so not to adversely impact CONTRACTOR's route operations.

1239 **ARTICLE 7. Reserved**

1240 **ARTICLE 8. Commercial and MFD Collection Services**

1241 8.01 Commercial and MFD Collection Services. Commercial Collection Services and
1242 MFD Collection Services will be governed by the terms and conditions set forth in this Article,
1243 except that Commercial Collection Services will not include Bulky Waste Collection Service. The
1244 provisions of this Article relating to Commercial Collection Services will apply equally to MFD
1245 Collection Services.

1246 8.02 Conditions of Service. The CONTRACTOR shall provide Commercial Garbage
1247 Collection Service to all Commercial Service Units in the Commercial Service Area who subscribe
1248 for it. If a Commercial Service Unit subscribes for Commercial Garbage Collection Service,
1249 CONTRACTOR shall offer Commercial Recycling Collection Service, and Commercial Organic
1250 Waste Collection Service, to that Commercial Service Unit.

1251 8.03 Container Sizes. CONTRACTOR shall offer Garbage Carts in 32, 64 and 96 gallon
1252 cart sizes, and Recyclable Materials and Organic Waste Carts in 64 or 96 gallon cart sizes.
1253 CONTRACTOR shall offer Garbage and Recyclable Materials Bins in 1, 2, 3, 4, 5, and 6 cubic
1254 yard sizes. CONTRACTOR shall offer Organic Waste Bins in 1, 2, and 3 cubic yard sizes. The
1255 size of the container and the frequency (above the minimum) of collection shall be determined
1256 between the Service Recipient and the CONTRACTOR. However, the size and frequency shall
1257 be sufficient to provide that no Garbage, Recyclable Materials, or Organic Waste Materials need
1258 be placed outside the Bin or Cart.

1259 8.04 Required Recyclables Materials Capacity. CONTRACTOR shall offer
1260 Commercial Recycling Collection Service at no additional cost to all Commercial Service Units in
1261 the Commercial Service Area that subscribe for Commercial Garbage Collection. For each

Chico - Waste Management Collection Service Agreement

1262 Service Unit, CONTRACTOR shall offer a minimum capacity of 90 gallons of Commercial
1263 Recycling Collection Service.

1264 8.05 Organic Materials Service. CONTRACTOR shall offer Organic Waste Collection
1265 Service on a subscription basis to all Commercial Service Units in the Commercial Service Area
1266 that subscribe for Commercial Garbage Collection. Charges for Commercial Organic Waste
1267 Collection Services and Multi-family Organic Waste Collection Service shall be in accordance with
1268 **Exhibit 4** of this Agreement.

1269 8.06 Accessibility. CONTRACTOR shall only be required to collect Garbage, Recycling,
1270 or Organic Waste Bins or Carts that are readily accessible to the CONTRACTOR'S crew and
1271 vehicles and not blocked. However, CONTRACTOR shall provide "push services" during the
1272 provision of Commercial Collection Services, as subscribed for by the Service Unit, at rates not
1273 exceeding those set forth in **Exhibit 4**. Push services shall include, but not be limited to, moving
1274 manually or by a specialized "scout" truck the Bins or Carts from their storage location for
1275 Collection and returning the Bins or Carts to their storage location.

1276 8.07 Manner of Collection. The CONTRACTOR shall provide Commercial Collection
1277 Service with as little disturbance as possible and shall leave any Bin or Cart at the same point it
1278 was originally located without obstructing alleys, roadways, driveways, sidewalks or mail boxes.

1279 8.08 Frequency of Service. Garbage, Recyclable Materials and Organic Waste Collection
1280 Services shall be provided as deemed necessary and as determined between the CONTRACTOR
1281 and the customer, but each such service (if received) shall be received no less than one (1) time
1282 per week with no exception for holiday(s) as set forth herein, except that Collection Service
1283 scheduled to fall on a holiday may be rescheduled as determined between the customer and the
1284 CONTRACTOR as long as the minimum frequency requirement is met.

1285 8.09 Contractor-Provided Containers. The CONTRACTOR shall provide containers as
1286 part of the Commercial Collection Service rates set forth in **Exhibit 4**. CONTRACTOR shall not
1287 be required to collect from Customer-provided containers, but may do so if it wishes. However,
1288 customers may own their Compactor, provided that the customer is completely responsible for its
1289 proper maintenance, and that such Compactor shall be of a type that can be serviced by the
1290 CONTRACTOR'S equipment.

1291 8.10 Non-Collection. CONTRACTOR shall not be required to collect any Commercial
1292 Garbage, Recyclable Material or Organic Material that is not placed in a Bin or Cart.
1293 CONTRACTOR shall also not be required to collect any Container that is blocked by debris, or if
1294 there is otherwise any type of obstruction that prevents CONTRACTOR from accessing the
1295 Container for collection. In the event of non-collection, CONTRACTOR shall provide Notice to the
1296 Service Recipient explaining why collection was not made.

1297 8.11 Compliance with AB 1826. As outlined in Article 13, the CONTRACTOR will develop
1298 and implement an organic waste recycling program consistent with the AB 1826 schedule, to be
1299 approved by the CITY. The CONTRACTOR will notify covered businesses of the requirements
1300 to comply with the law starting October 1, 2017. The CONTRACTOR will provide the volume of
1301 collection service that covered businesses require in order to be in compliance with the law.

1302 8.12 MFD Bulky Waste Collection Service. The CONTRACTOR shall provide MFD Bulky
1303 Waste Collection Service to all MFD Service Units in the Commercial Service Area whose Bulky
1304 Waste has been placed at a location agreed to by the CONTRACTOR and MFD Service Unit
1305 management, that will provide safe and efficient accessibility to the CONTRACTOR'S collection
1306 crew and vehicle. Each MFD Service Recipient in the Commercial Service Area shall be entitled
1307 to receive free Bulky Waste Collection Service a maximum of one (1) time per Agreement Year.

Chico - Waste Management Collection Service Agreement

1308 Each Bulky Waste Collection Service event shall be either a combination of loose items not
1309 exceeding an approximate equivalent of 0.5 cubic yards, or a single individual Large Item. In
1310 accordance with the "Additional Bulky Waste Collection" service rate as set in **Exhibit 4**,
1311 CONTRACTOR shall be compensated for the cost of Collecting Large Items in excess of the limits
1312 set above. MFD Service Unit management must call at least forty-eight (48) hours in advance to
1313 schedule MFD Bulky Waste Collection Service. Collection will occur on the day agreed to
1314 between the MFD Service Unit management and CONTRACTOR.

1315 ARTICLE 9. CITY Collection And Other Services

1316 9.01 CITY Collection Services. At no cost to the CITY, CONTRACTOR shall provide
1317 Garbage, Recycling, and Organic Waste Collection Service to the City Service Units listed as
1318 "WM" in **Exhibit 1** that are located in the Commercial Service Area. Such service shall be
1319 provided at the volume and frequency set forth in **Exhibit 1**. CITY may change the City Service
1320 Units receiving service and the volume and frequency of service by written notice to
1321 CONTRACTOR, provided the change does not increase CONTRACTOR'S total annual cost of
1322 providing services to City Service Units, determined by applying the Maximum Service Rates set
1323 forth in **Exhibit 4**. Except as otherwise expressly provided herein, CITY Collection Services shall
1324 be provided on the same terms and conditions as Commercial Collection Services.

1325 9.02 Abandoned Waste Notification. CONTRACTOR shall direct its collection vehicle
1326 drivers to note (i) the addresses of any premises at which the driver observes that Garbage,
1327 Recyclable Material, and/or Organic Waste Material is accumulating; and (ii) the address, or other
1328 location description, at which Garbage, Recyclable Material, and/or Organic Waste has been
1329 dumped in an apparently unauthorized manner. CONTRACTOR shall deliver the address or
1330 description to CITY within two (2) Work Days of such observation.

1331 9.03 Notification. The CONTRACTOR will notify the City Representative daily, by Fax
1332 and e-mail, of all situations that prevent or hinder collection from any City Service Unit, unless
1333 otherwise directed by CITY.

1334 9.04 City Special Events Program. CONTRACTOR shall at no charge to CITY provide a
1335 special events program pursuant to which it shall provide collection services having a maximum
1336 total value of **Six Thousand Two Hundred Fifty Dollars (\$6,250.00)** per Agreement Year to
1337 events selected by CITY. The maximum total annual value of this program will be escalated
1338 annually by the same percentage change as the percentage change in Maximum Service Rates
1339 under Section 4.02. The specific special events to be serviced, and the level of service to be
1340 provided at each event, will be as directed by the CITY, subject to the above maximum. The cost
1341 of servicing each event shall be agreed upon by CITY and CONTRACTOR before each event.
1342 The CITY will allocate the events evenly between the USA Waste of California, Inc. and Recology
1343 Butte Colusa Counties (up to \$6,250.00 each during the first year of the contract).

1344 ARTICLE 10. Reserved

1345 ARTICLE 11. Collection Vehicles

1346 11.01 General Provisions. All Cart and Bin collection vehicles used by CONTRACTOR
1347 in the performance of services under this Agreement shall be of a high quality. CONTRACTOR
1348 shall replace or refurbish its Collection vehicles in accordance with the replacement/replacement
1349 protocol schedule set forth in **Exhibit 3**. When commercially feasible, CONTRACTOR may
1350 operate CNG fueled collection vehicles, and may utilize its CNG fueled collection vehicles to

Chico - Waste Management Collection Service Agreement

1351 provide Collection; this CNG requirement will not apply to backup trucks or trucks typically used
1352 for manual collection (e.g., Bulky Items).

1353 11.02 Vehicle Registration, Licensing and Inspection. Upon request by the CITY,
1354 CONTRACTOR shall submit documentation to the CITY Representative to verify that each of the
1355 CONTRACTOR'S collection vehicles is in compliance with all registration, licensing and
1356 inspection requirements of the state, federal and local governmental agencies. Each vehicle shall
1357 comply, at all times, with all applicable statutes, laws or ordinances of any public agency.

1358 11.03 Clean Air Vehicles. During the term of this Agreement, to the extent required by
1359 law, CONTRACTOR shall provide for its collection vehicles to be in full compliance with all then-
1360 applicable local, State and federal clean air requirements, including, but not limited to, the
1361 California Air Resources Board Heavy Duty Engine Standards; the Federal EPA's Highway Diesel
1362 Fuel Sulfur regulations, and any other applicable air pollution control.

1363 11.04 On-Board Global Positioning Systems (GPS). CONTRACTOR may use collection
1364 vehicles equipped with on-board GPS systems that are linked to CONTRACTOR'S customer
1365 service systems.

1366 11.05 Vehicle Noise Level. All collection operations shall be conducted as quietly as
1367 possible and must comply with U.S. EPA noise emission regulations currently codified at 40 CFR
1368 Part 205, and other applicable State, County, and CITY noise control regulations.

1369 11.06 Safety Equipment. All collection equipment used by CONTRACTOR shall have
1370 appropriate safety markings including, but not limited to, highway lighting, flashing and warning
1371 lights, clearance lights, and warning flags. All such safety markings shall be subject to the
1372 approval of the CITY (if different from the markings commonly used by CONTRACTOR) and shall
1373 be in accordance with the requirements of the California Vehicle Code, as may be amended from
1374 time to time. All collection vehicles shall be equipped with audible back-up warning devices and
1375 visual back-up warning devices.

1376 11.07 Vehicle Signage and Painting. Unless otherwise agreed to with the CITY,
1377 Collection vehicles shall have signage in letters of contrasting color, at least four (4) inches high,
1378 on each side and the rear of each vehicle that clearly states the CONTRACTOR'S name, the
1379 CONTRACTOR'S customer service telephone number, and the number of the vehicle. No
1380 advertising shall be permitted other than the name of the CONTRACTOR except promotional
1381 advertisement of the Recyclable Materials and Organic Waste programs. CONTRACTOR shall
1382 repaint all vehicles (including vehicles striping) during the term of this Agreement on a frequency
1383 as necessary to maintain a positive public image as reasonably determined by the City
1384 Representative, but CONTRACTOR shall not be required to repaint any vehicle more than once
1385 every eight (8) years.

1386 11.08 Vehicle Maintenance. CONTRACTOR shall maintain collection vehicles in a clean
1387 condition and in good repair at all times and ensure that no collected materials, oil, grease, or
1388 other substances will blow, fall out, escape or leak out of the vehicle, with the exceptions of vehicle
1389 emission. All parts and systems of the collection vehicles shall operate properly and be
1390 maintained in a condition reasonably satisfactory to CITY. CONTRACTOR shall wash all
1391 collection vehicles in a frequency to maintain a clean appearance.

1392 11.09 Maintenance Log. CONTRACTOR shall maintain a maintenance log for all
1393 collection vehicles. The log shall at all times be accessible to CITY by physical inspection upon
1394 request of City Representative, and shall show, at a minimum, each vehicles' CONTRACTOR
1395 assigned identification number, date purchased or initial lease, dates of performance of routine

1396 maintenance, dates of performance of any additional maintenance, and description of additional
1397 maintenance performed.

1398 11.10 Reserve Equipment. The CONTRACTOR shall have available to it, at all times,
1399 reserve collection equipment. Such reserve equipment shall have adequate capacity to perform
1400 the contractual duties.

1401 **ARTICLE 12. Customer Service**

1402 12.01 Customer Service Program. CONTRACTOR shall provide all customer service
1403 functions, and shall develop, implement, and maintain a Customer Service Program to ensure
1404 that all services provided under this Agreement are provided at high quality.

1405 12.02 CONTRACTOR'S Office. The CONTRACTOR shall maintain an office that
1406 provides local or toll-free telephone access to residents and businesses of the CITY and is staffed
1407 by trained and experienced Customer Service Representatives (CSRs). Such office shall be
1408 equipped with sufficient telephones that all Collection Service related calls received during normal
1409 business hours are answered and shall have responsible persons in charge during collection
1410 hours and shall be open during such normal business hours, 8:00 a.m. to 5:00 p.m. Monday
1411 through Friday, except holidays. The CONTRACTOR shall provide either a telephone answering
1412 service or mechanical device to receive Service Recipient inquiries during those times when the
1413 office is closed. Calls received after normal business hours shall be addressed the next Work
1414 Day morning.

1415 12.03 Emergency Contact. The CONTRACTOR shall provide the CITY Representative
1416 with an emergency phone number where the CONTRACTOR can be reached outside of the
1417 required office hours with a two (2) hour response time.

1418 12.04 Multilingual/TDD Service. CONTRACTOR shall at all times maintain the capability
1419 of responding to telephone calls in English and Spanish.

1420 12.05 Service Recipient Calls. During office hours, CONTRACTOR shall maintain
1421 a telephone answering system capable of accepting at least ten (10) incoming calls at one (1)
1422 time. CONTRACTOR shall record all calls including any inquiries, service requests and
1423 complaints into a customer service log

1424 12.06 Website. CONTRACTOR shall develop and maintain a website dedicated to
1425 services provided in the CITY that is accessible by the public. The website shall include answers
1426 to frequently asked questions, listing and description of Recyclable Materials and Organic Waste,
1427 Collection Service schedules and maps, and other related topics. CONTRACTOR shall arrange
1428 for the CITY'S website to include an e-mail link to CONTRACTOR and a link to CONTRACTOR'S
1429 website. The CONTRACTOR'S website shall provide the public the ability to e-mail complaints to
1430 CONTRACTOR. The CONTRACTOR'S website shall also provide customers with the ability to
1431 request changes to service volume and collection frequency, and also the ability to request special
1432 services including Bulky Waste Collection. CONTRACTOR'S website shall also promote reuse
1433 and recycling. The CITY shall review with CONTRACTOR any changes to CONTRACTOR'S
1434 current website.

1435 **ARTICLE 13. Public Outreach Services**

1436 13.01 Public Outreach Services. The CITY and the CONTRACTOR will collaboratively
1437 develop a specific annual Waste Diversion and Sustainability Work Plan to guide the
1438 CONTRACTOR's waste diversion and sustainability support staff's work efforts. To accomplish

Chico - Waste Management Collection Service Agreement

1439 this, by October 15th, the CONTRACTOR will submit their proposed Waste Diversion and
1440 Sustainability Work Plan covering proposed activities for the coming calendar year. The CITY
1441 may then confirm and/or work collaboratively with the CONTRACTOR to revise the Waste
1442 Diversion and Sustainability Annual Work Plan. CONTRACTOR shall submit the final Waste
1443 Diversion and Sustainability Annual Work Plan year as part of their Annual Reports submitted in
1444 accordance with Section 15.02.2.

1445 13.01.1 The Waste Diversion and Sustainability Work Plan must include
1446 specific steps designed to increase diversion and participation for the CITY'S MFD and
1447 Commercial Service Units and may include annual campaigns, billing inserts, newsletters,
1448 participation at public events, and sponsorship of Earth Day activities. Campaigns should target
1449 certain diverted materials or "problem" areas of the CONTRACTOR'S Commercial Service Area
1450 where improvements can be maximized. Targets of outreach should be based on local trends
1451 and recycling patterns based on information obtained by both the City Representative and
1452 CONTRACTOR staff. The CONTRACTOR shall provide space in CONTRACTOR'S public
1453 outreach materials, such as mailers, flyers and newsletters, for the CITY to include
1454 announcements, community information, articles, and photographs.

1455 13.01.2 CONTRACTOR's diversion and sustainability services in the CITY
1456 will include activities such as helping CITY and commercial and multifamily customers establish
1457 recycling goals, and developing educational and promotional materials and performing recycling
1458 audits for commercial and multifamily customers. The CITY and the CONTRACTOR will develop
1459 in cooperation with one another, measurable goals for the CONTRACTOR's diversion and
1460 sustainability services. CONTRACTOR will conduct recycling and organic outreach, in effort to
1461 educate customers on AB 341 and AB 1826. CONTRACTOR will focus their public outreach and
1462 education efforts on ensuring that the customers are equipped with the information needed to
1463 meet the CITY's diversion rate. The CONTRACTOR may supplement its waste diversion and
1464 sustainability support staff with other employees of the CONTRACTOR who have skills and
1465 experience useful for the CITY's efforts regarding the waste reduction, waste diversion, Recycling,
1466 and Customer education programs.

1467 13.02 Sustainability Support Staff. CONTRACTOR will provide CONTRACTOR's staff
1468 resources to support waste diversion and sustainability programs, including performing recycling
1469 audits for, and providing outreach and support to, commercial and multi-family accounts.

1470 13.03 Annual Collection Service Notice. Each Agreement Year during the term of this
1471 Agreement, the CONTRACTOR shall publish and distribute notices to all to all MFD Service Units
1472 regarding MFD Collection Service, and to all Commercial Service Units regarding Commercial
1473 Collection Service. To the extent appropriate, based on the category of customer receiving the
1474 notice, it shall contain at a minimum: definitions of the materials to be collected, procedures for
1475 setting out the materials, collection and disposal options for unacceptable materials such as
1476 Hazardous Waste, maps of the CONTRACTOR's Commercial Service Area indicating the day of
1477 the week that Collection Service will be provided, and the CONTRACTOR's customer service
1478 phone number and website address. The notice shall be provided in English, and shall be
1479 distributed by the CONTRACTOR no later than April 1st of each Agreement Year.

1480 13.04 Additional Outreach Programs and Services. CONTRACTOR shall provide
1481 additional public outreach services and programs as requested by CITY at a price to be mutually
1482 agreed upon between the CONTRACTOR and the City Representative and included in Maximum
1483 Rates. In the event the CONTRACTOR and the City Representative cannot reach a mutually
1484 agreed upon price for the requested service or program, CITY shall have the right to procure the
1485 service of other vendors or contractors to provide the requested public outreach service.

1486 13.05 News Media Relations. When practicable, CONTRACTOR shall notify the City
1487 Representative by Fax, e-mail or phone of all requests for news media interviews related to the
1488 Collection Services program within twenty-four (24) hours of CONTRACTOR'S receipt of the
1489 request. When practicable, before responding to any inquiries involving controversial issues or
1490 any issues likely to affect participation or Service Recipient perception of services,
1491 CONTRACTOR will discuss CONTRACTOR'S proposed response with the City Representative.

1492 13.05.1 Copies of draft news releases or proposed trade journal articles by
1493 CONTRACTOR related to the Collection Services program shall be submitted to CITY for prior
1494 review and approval at least five (5) Work Days in advance of release, except where
1495 CONTRACTOR is required by any law or regulation to submit materials to any regulatory agency
1496 in a shorter period of time, in which case CONTRACTOR shall submit such materials to CITY
1497 simultaneously with CONTRACTOR'S submittal to such regulatory agency.

1498 13.05.2 Copies of articles related to the Collection Services program
1499 resulting from media interviews or news releases shall be provided to the CITY within five (5)
1500 Work Days after publication.

1501 **ARTICLE 14. Emergency Service Provisions**

1502 14.01 Emergency Services. In the event of a tornado, major storm, earthquake, fire,
1503 natural disaster, or other such event, the City Representative may grant the CONTRACTOR a
1504 variance from regular routes and schedules. As soon as practicable after such event, the
1505 CONTRACTOR shall advise the City Representative when it is anticipated that normal routes and
1506 schedules can be resumed. The City Representative shall make an effort through the local news
1507 media to inform the public when regular services may be resumed. The clean-up from some
1508 events may require that the CONTRACTOR hire additional equipment, employ additional
1509 personnel, or work existing personnel on overtime hours to clean debris resulting from the event.
1510 The CONTRACTOR shall receive additional compensation, above the normal compensation
1511 contained in this Agreement, to cover the costs of rental equipment, additional personnel,
1512 overtime hours and other documented expenses based on the rates set forth in **Exhibit 4** to this
1513 Agreement provided the CONTRACTOR has first secured written authorization and approval from
1514 the CITY through the City Representative.

1515 **ARTICLE 15. Record Keeping & Reporting Requirements**

1516 15.01 Record Keeping.

1517 15.01.1 Accounting Records. CONTRACTOR shall maintain full and
1518 complete financial, statistical and accounting records as required by this Agreement. Such
1519 records shall be subject to audit and inspection with prior sixty (60) day written request by the
1520 CITY. These records shall be distinguished from other records maintained by CONTRACTOR for
1521 the provision of other services outside the scope of this Agreement. CONTRACTOR shall
1522 maintain and preserve all applicable records for a period of not less than five (5) years following
1523 the close of each of the CONTRACTOR'S fiscal years.

1524 15.01.2 Tonnage Records. CONTRACTOR shall maintain records of the
1525 quantities of (i) Garbage, Recyclable Material, and Organic Waste collected, processed,
1526 composted, and disposed under the terms of this Agreement, and (ii) Recyclable Materials and
1527 Organic Waste, by material type, purchased, sold, donated or given for no compensation, and
1528 residue disposed.

Chico - Waste Management Collection Service Agreement

1529 15.01.3 Records. CONTRACTOR shall maintain all other records
1530 reasonably related to provision of Collection Services, whether or not specified in this Article 15
1531 or elsewhere in the Agreement.

1532 15.02 Reporting Requirements. Quarterly reports shall be submitted to the City
1533 Representative no later than thirty (30) calendar days after the end of the reporting quarter (i.e.,
1534 May 1st, August 1st, October 1st, and February 15th), and annual reports shall be submitted to the
1535 City Representative no later than forty-five (45) days after the end of each preceding Agreement
1536 Year (i.e., February 15th for the preceding calendar year). Quarterly and annual reports shall be
1537 submitted in hard copy, and shall be provided electronically via e-mail. Reports shall be submitted
1538 in a format mutually agreed upon between the CITY and CONTRACTOR.

1539 15.02.1 Quarterly Reports. Quarterly reports to the CITY shall include:

1540 15.02.1.1 Garbage, Recycling, and Organic Waste Data. A listing of
1541 the tonnage from all Collection Services, including Bulky Waste Collection Service, collected,
1542 diverted and disposed by the CONTRACTOR for the preceding quarter sorted between Service
1543 Units (i.e., Commercial, MFD, CITY, C&D). All tonnage data should be compared to the
1544 corresponding tonnage data from the prior year comparable period.

1545 15.02.1.2 Diversion Rate. CONTRACTOR shall provide
1546 documentation stating and supporting the calendar quarter's diversion rate, as calculated in
1547 accordance with the provisions of Article 5.

1548 15.02.1.3 Property Damage or Injury. Indicate instances of property
1549 damage or injury caused by CONTRACTOR to Service Recipients.

1550 15.02.1.4 Overweight Collection Vehicles. During normal collection
1551 activities (i.e., excluding periods of heavy rain), the number of incidents CONTRACTOR operated
1552 a collection vehicle on CITY streets that exceeds, by more than two thousand (2,000) pounds,
1553 the maximum weight allowed under the California Vehicle Code for such vehicle.

1554 15.02.1.5 Gross Revenue and Franchise Fees. A summary of the
1555 prior quarter's Gross Receipts and franchise fees paid broken down by the type Service Units
1556 (i.e., Commercial, MFD, CITY, C&D).

1557 15.02.2 Annual Reports. The annual report submitted to the CITY shall
1558 include the information required for quarterly reports in Sections 15.02.1.1 through 15.02.1.5
1559 summarized by quarter and averaged for the Agreement Year. For all annual reports beginning
1560 with the report for the second Agreement Year, the CONTRACTOR shall also include a historical
1561 comparison of the last Agreement Year and the average of all Agreement Years. The annual
1562 reports shall also specifically include:

1563 15.02.2.1 Public Education and Information Activities. CONTRACTOR
1564 shall report on all public education and information activities undertaken during the period,
1565 including distribution of bill inserts, collection notification tags, community information and events,
1566 and other activities related to the provision of Collection Services. This report shall discuss the
1567 impact of these activities on Recycling and Organic Waste program participation and provide
1568 details of events and activities planned for the next period.

1569 15.02.2.2 AB 341 and 1826 Compliance Data. CONTRACTOR shall
1570 report the total number of Commercial and/or Multi-family Service Units serviced, a summary of
1571 the number of accounts that appear to qualify as covered generators under AB 341 and /or AB
1572 1826, and upon request by the CITY, the number of containers, container sizes and frequency of

Chico - Waste Management Collection Service Agreement

1573 collection for Garbage, Recyclable Materials and Organic Waste for each of such Commercial
1574 and/or Multi-Family Service Units.

1575 15.02.2.3 Processing and Marketing Data. Recycling and Organic
1576 Waste processing and marketing issues or conditions occurring during the previous quarter (such
1577 as participation, setouts, contamination, etc.) and possible solutions, discussed separately for
1578 MFD, Commercial and CITY programs.

1579 15.02.2.4 Customer Service Data. Upon request by the CITY, a copy
1580 of the customer service log, including a summary of the type and number of praises, complaints
1581 and their resolution, and problems encountered with collection and processing activities and
1582 actions taken. Copies of a written record of all calls related to missed pickups and responses to
1583 such calls as well as type and number of Notices left at Service Recipient locations

1584 15.02.2.5 Gross Revenue and Franchise Fees. A summary of the
1585 prior year's Gross Receipts and franchise fees paid broken down by the type Service Units.

1586 15.02.2.6 Account Data. Account data broken down by the type of
1587 Service Units including the total number of accounts serviced, and the number of accounts,
1588 account names and addresses of collection locations per each service category.

1589 15.03 Additional Reporting. The CONTRACTOR shall furnish the CITY with any
1590 additional reports as may reasonably be requested by CITY, such reports to be prepared within
1591 a reasonable time following the request. In addition, CONTRACTOR shall furnish to CITY
1592 information regarding CONTRACTOR'S activities under this Agreement that is needed for CITY
1593 to prepare its reports to CalRecycle.

1594 ARTICLE 16. Nondiscrimination

1595 16.01 Nondiscrimination. In the performance of all work and services under this
1596 Agreement, CONTRACTOR shall not unlawfully discriminate against any person on the basis of
1597 such person's race, sex, color, national origin, religion, marital status, age, disability or sexual
1598 orientation. CONTRACTOR shall comply with all applicable local, state and federal laws and
1599 regulations regarding nondiscrimination, including those prohibiting discrimination in employment.

1600 ARTICLE 17. Service Inquiries and Complaints

1601 17.01 CONTRACTOR'S Customer Service. CONTRACTOR shall at all times
1602 provide office staff and office hours, including personnel to answer phones and phone answering
1603 capabilities when CONTRACTOR'S office is closed, as specified in Article 12 of this Agreement.
1604 All service inquiries and complaints regarding CONTRACTOR'S services shall be directed to the
1605 CONTRACTOR. A representative of the CONTRACTOR shall be available to receive the
1606 complaints during normal business hours. All service complaints will be handled by the
1607 CONTRACTOR in a prompt, courteous, and efficient manner. In the case of a dispute between
1608 the CONTRACTOR and a Service Recipient, the matter will be reviewed and a decision made by
1609 the City Representative.

1610 17.01.1 The CONTRACTOR will utilize a customer service log to maintain
1611 a record of all inquiries and complaints in a format agreed to by the CITY.

1612 17.01.2 For those complaints related to missed Collections that are received
1613 by 12:00 noon on a Work Day, the CONTRACTOR will return to the Service Unit address and
1614 collect the missed Carts or Bins before leaving the Commercial Service Area for the day. For
1615 those complaints related to missed collections that are received after 12:00 noon on a Work Day,

Chico - Waste Management Collection Service Agreement

1616 the CONTRACTOR shall have until the end of the following Work Day to resolve the complaint.
1617 For those complaints related to repair or replacement of carts or bins, the appropriate Articles of
1618 this Agreement shall apply.

1619 17.01.3 CONTRACTOR agrees that it is in the best interest of the CITY that
1620 all Garbage, Recyclable Materials, and Organic Waste be collected on the scheduled collection
1621 day. Accordingly, missed Collections will normally be collected as set forth herein regardless of
1622 the reason that the collection was missed. However, in the event a Service Recipient reports
1623 missed collection service more than two (2) times in any consecutive two (2) month period the
1624 City Representative will work with the CONTRACTOR to determine an appropriate resolution to
1625 that situation. In the event the CONTRACTOR believes any complaint to be without merit,
1626 CONTRACTOR shall notify the City Representative, either by Fax or e-mail. The City
1627 Representative will investigate all disputed complaints and render a decision.

1628 **ARTICLE 18. Quality of Performance of Contractor**

1629 18.01 Intent. CONTRACTOR acknowledges and agrees that one of CITY'S primary
1630 goals in entering into this Agreement is to ensure that the Collection Services are of the highest
1631 caliber, that Service Recipient satisfaction remains at the highest level, that required diversion
1632 levels are achieved, and that materials collected are reasonably put to the highest and best use
1633 to the extent feasible.

1634 18.02 Service Supervisor. CONTRACTOR has designated a supervisor to be in charge
1635 of the Collection Service within the Commercial Service Area. As soon as practicable before
1636 replacing the designated supervisor, CONTRACTOR shall notify CITY in writing of the name and
1637 qualifications of the new service supervisor. CONTRACTOR shall ensure that such replacement
1638 is an individual with sufficient qualifications and experience. The supervisor shall be available to
1639 the City Representative through the use of a mobile telephone at all times that CONTRACTOR is
1640 providing Collection Services. In the event the supervisor is unavailable due to illness or vacation,
1641 CONTRACTOR shall designate an acceptable substitute who shall be available and who has the
1642 authority to act in the same capacity as the supervisor. The service supervisor shall provide the
1643 CITY with an emergency phone number where the supervisor can be reached outside of normal
1644 business hours.

1645 18.03 Liquidated Damages. The parties further acknowledge that consistent and reliable
1646 Collection Service is of utmost importance to CITY and that CITY has considered and relied on
1647 CONTRACTOR'S representations as to its quality of service commitment in awarding the
1648 Agreement to it. The parties further recognize that some quantified standards of performance are
1649 necessary and appropriate to ensure consistent and reliable service and performance. The parties
1650 further recognize that if CONTRACTOR fails to achieve the performance standards, or fails to
1651 submit required documents in a timely manner, CITY, and CITY'S residents and businesses will
1652 suffer damages and that it is and will be impractical and extremely difficult to ascertain and
1653 determine the exact amount of damages. Therefore, without prejudice to CITY'S right to treat
1654 such non-performance as an event of default under Article 23, the parties agree that the liquidated
1655 damages amount defined in this Article represent reasonable estimates of the amount of such
1656 damages considering all of the circumstances existing on the effective date of this Agreement,
1657 including the relationship of the sums to the range of harm to CITY, customers and the community
1658 as a whole that reasonably could be anticipated and the anticipation that proof of actual damages
1659 would be costly or impractical. In placing their initials at the places provided, each party
1660 specifically confirms the accuracy of the statements made above and the fact that each party has

Chico - Waste Management Collection Service Agreement

1661 had ample opportunity to consult with legal counsel and obtain an explanation of the liquidated
 1662 damage provisions at the time that the Agreement was made.

1663 CITY Initial Here MO CONTRACTOR Initial Here [Signature]

1664 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

Chico - Waste Management Collection Service Agreement

LIQUIDATED DAMAGES			
Item		Amount if Not Cured in 30 Days	If Cured in 15 Days
i.	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

1665 18.04 Procedure for Review of Liquidated Damages. The City Representative may
 1666 assess liquidated damages pursuant to this Article 18 on a monthly basis. The City
 1667 Representative may issue a written notice to CONTRACTOR (“Notice of Assessment”) of the
 1668 liquidated damages assessed and the basis for each assessment. In order for liquidated damages
 1669 to be assessed with respect to any item listed above that cannot be cured, the Notice of
 1670 Assessment with respect to that item must be sent within 12 months after the item occurred.

1671 18.04.1 If CONTRACTOR cures those items within fifteen (15) Work Days
 1672 of receipt of the Notice of Assessment, then the Assessment shall be deemed to be cleared and
 1673 no Liquidated Damages will be assessed.

1674 18.04.2 For items that cannot be cured or are not cured within fifteen (15)
 1675 Work Days, the assessment shall become final unless, within thirty (30) Wok Days of the date of
 1676 the notice of assessment, CONTRACTOR provides a written request for a meeting with the City
 1677 Representative to present evidence that the assessment should not be made.

1678 18.04.3 The City Representative shall schedule a meeting between
 1679 CONTRACTOR and the City Manager or the City Manager’s designee as soon as reasonably
 1680 possible after timely receipt of CONTRACTOR’S request.

1681 18.04.4 The City Manager or the City Manager’s designee shall review
 1682 CONTRACTOR’S evidence and render a decision sustaining or reversing the liquidated damages
 1683 as soon as reasonably possible after the meeting. Written notice of the decision shall be provided
 1684 to CONTRACTOR.

1685 18.04.5 In the event CONTRACTOR does not submit a written request for
 1686 a meeting within thirty (30) calendar days of the date of the Notice of Assessment, the City
 1687 Representative’s determination shall be final and CONTRACTOR shall submit payment to CITY
 1688 no later than fifteen (15) calendar days following final determination. Or at the sole option of CITY,
 1689 if monies are owed to CONTRACTOR, CITY may deduct the liquidated damages from amounts
 1690 otherwise due to CONTRACTOR.

1691 18.04.6 CITY’S assessment or collection of liquidated damages shall not
 1692 prevent CITY from exercising any other right or remedy, including the right to terminate this
 1693 Agreement, for CONTRACTOR’S failure to perform the work and services in the manner set forth
 1694 in this Agreement.

1695 18.05 General Contingency Plan. In conjunction with the execution of this Agreement,
 1696 CONTRACTOR shall develop and provide a General Contingency Plan to address

1697 CONTRACTOR's program to minimize disruption of service during a labor disruption. The
1698 Contingency Plan shall be provided to CITY sixty (60) days prior to the Service Commencement
1699 Date.

1700 **ARTICLE 19. Contract Compliance and Performance**
1701 **Reviews**

1702 19.01 Contract Compliance and Performance Review

1703 19.01.1 Selection and Cost. The CITY may conduct up to two (2) contract
1704 compliance and performance reviews ("review") of the CONTRACTOR'S performance during the
1705 term of this Agreement: one conducted prior to the first five (5) year extension contemplated by
1706 Section 2.02, and one prior to the second five (5) year extension contemplated by Section 2.02.
1707 Such reviews paid for by CONTRACTOR will only be conducted if CONTRACTOR requests the
1708 applicable five (5) year extension. The reviews will be performed by a qualified firm under contract
1709 to the CITY. The CITY shall have the final responsibility for the selection of the firm but shall seek
1710 and accept comments and recommendations from the CONTRACTOR. CONTRACTOR will be
1711 responsible for reimbursing the cost of CITY's consultant up to a maximum of **Thirty Thousand**
1712 **Dollars (\$30,000.00)** per review, and starting in Agreement Year 2020 this amount will be
1713 adjusted annually by the same percentage change as the percentage change in CONTRACTOR's
1714 Maximum Service Rates under Section 4.02.

1715 19.01.2 Purpose. The review shall be designed to verify CONTRACTOR'S
1716 compliance with the reporting requirements and performance standards of the Collection Service
1717 Agreement, and verify the diversion percentages reported by the CONTRACTOR. The CITY (or
1718 its designated consultant) may utilize a variety of methods in the execution of the contract
1719 compliance and performance review, including, but not limited to, analysis of relevant documents,
1720 on-site and field observations, and interviews. The CITY (or its designated consultant) will review
1721 and document the items in the Agreement that require the CONTRACTOR to meet specific
1722 performance standards, submit information or reports, perform additional services, or document
1723 operating procedures, that can be objectively evaluated.

1724 19.01.3 CONTRACTOR'S Cooperation. CONTRACTOR shall cooperate
1725 fully with the review and provide all requested data required to be provided herein, including
1726 operational data and other data reasonably requested by the CITY within thirty (30) Work Days.
1727 Failure of the CONTRACTOR to cooperate or provide the requested documents in the required
1728 time shall be considered an event of default.

1729 19.01.4 Additional Contract Compliance and Performance Review. In the
1730 event that the Contract Compliance and Performance Review concludes that CONTRACTOR is
1731 not in compliance with all terms and conditions of this Agreement and such non-compliance is
1732 material, the CITY may conduct an Additional Contract Compliance and Performance Review to
1733 ensure that CONTRACTOR has cured any such area of non-compliance. CONTRACTOR shall
1734 be responsible for the cost of any such Additional Contract Compliance and Performance Review,
1735 subject to the maximum in Section 19.01.1.

1736 19.02 Cooperation with Other Program Reviews. If the CITY wants to collect program
1737 data, perform field work, conduct route audits to investigate customer participation levels and
1738 setout volumes and/or evaluate and monitor program results related to Garbage, Recyclable
1739 Materials and Organic Waste collected in the CITY by the CONTRACTOR, the CONTRACTOR
1740 shall cooperate with the CITY or its agent(s) as reasonably requested by CITY, provided that such

1741 cooperation can be accomplished at no additional cost to CONTRACTOR and without interfering
1742 with CONTRACTOR'S operations.

1743 **ARTICLE 20. Performance Bond**

1744 20.01 Performance Bond. A performance bond must be furnished by the
1745 CONTRACTOR within fifteen (15) calendar days of notification to the CONTRACTOR that the
1746 Agreement has been executed. The CONTRACTOR shall furnish to the CITY, and keep current,
1747 a performance bond in a form with language that is reasonably acceptable to the CITY, for the
1748 faithful performance of this Agreement and all obligations arising hereunder in an amount of **One**
1749 **Million Dollars (\$1,000,000.00)**.

1750 20.02 Renewal. Beginning on the Service Commencement Date, and each October 1st
1751 thereafter, CONTRACTOR shall have the performance bond renewed annually and be executed
1752 by a surety company that is an admitted surety company licensed to do business in the State of
1753 California and has an "A:VII" or better rating by A. M. Best or Standard and Poors, or that is
1754 otherwise acceptable to CITY.

1755 20.03 Letter of Credit. As an alternative to the performance bond required by Section
1756 20.01, CONTRACTOR may request that it deposit with CITY an irrevocable letter of credit in an
1757 amount as set forth in Section 20.01. CITY will have sole discretion whether to allow a Letter of
1758 Credit in lieu of the performance bond. If allowed, the letter of credit must be issued by an FDIC
1759 insured banking institution chartered to business in the State of California, in the CITY'S name,
1760 and be callable at the discretion of the CITY. Nothing in this Article shall, in any way, obligate the
1761 CITY to accept a letter of credit in lieu of the performance bond.

1762 **ARTICLE 21. Insurance**

1763 21.01 Insurance Policies. CONTRACTOR shall secure and maintain throughout the term
1764 of this Agreement insurance against claims for injuries to persons or damages to property, which
1765 may arise from or in connection with CONTRACTOR'S performance of work or services under
1766 this Agreement. CONTRACTOR'S performance of work or services shall include performance by
1767 CONTRACTOR'S employees, agents, representatives and subcontractors.

1768 21.02 Minimum Scope of Insurance. Insurance coverage shall be at least this broad:

1769 21.02.1.1 Commercial General Liability: Insurance Services Office
1770 (ISO) Occurrence Form CG 0001 or its equivalent, or, if approved by CITY, Claims Made Form
1771 No. CG 0002. Automobile Liability: Insurance Services Office Form No. CA 0001, or its
1772 equivalent, code 1 "any auto".

1773 21.02.2 Workers' Compensation Insurance as required by the State of
1774 California and Employers Liability Insurance.

1775 21.02.3 Hazardous Waste and Environmental Impairment Liability
1776 Insurance.

1777 21.03 Minimum Limits of Insurance. CONTRACTOR shall maintain insurance limits no
1778 less than:

1779 21.03.1 Commercial General Liability: **Five Million Dollars (\$5,000,000.00)**
1780 combined single limit per occurrence, **Ten Million Dollars (\$10,000,000.00)** annual aggregate;
1781 including products and completed operations coverage.

Chico - Waste Management Collection Service Agreement

1782 21.03.2 Automobile Liability: **Five Million Dollars (\$5,000,000.00)**
1783 combined single limit per accident for bodily injury and property damage.

1784 21.03.3 Workers' Compensation and Employers Liability: Workers'
1785 Compensation insurance as required by the State of California, with statutory limits, and
1786 Employers Liability insurance with limits of **One Million Dollars (\$1,000,000.00)** per accident.

1787 21.03.4 Hazardous Waste and Environmental Impairment Liability: **Ten**
1788 **Million Dollars (\$10,000,000.00)** per occurrence, **Twenty Million Dollars (\$20,000,000.00)**
1789 policy aggregate covering liability arising from the release of waste materials and/or irritants,
1790 contaminants or pollutants. Such coverage shall, if commercially available without involvement of
1791 CITY, automatically broaden in its form of coverage to include legislated changes in the definition
1792 of waste material and/or irritants, contaminants or pollutants.

1793 21.04 Deductibles and Self-Insured Retention. Any deductibles or self-insured retention
1794 shall be for the account of the CONTRACTOR and paid entirely by CONTRACTOR without
1795 contribution from the CITY.

1796 21.05 Endorsements. The liability policies are to contain, or be endorsed to contain, the
1797 following provisions:

1798 21.05.1 The CITY, its officers, employees, agents and volunteers are to be
1799 covered as additional insureds with respect to liability arising out of automobiles owned, leased,
1800 hired or borrowed by or on behalf of CONTRACTOR; products and completed operations of
1801 CONTRACTOR; liability arising out of work or operations performed by or on behalf of the
1802 CONTRACTOR, including material parts or equipment furnished in connection with such work or
1803 operations; and with respect to Hazardous Waste, Pollution and/or Environmental Impairment
1804 Liability.

1805 21.05.2 As respects to the services provided by CONTRACTOR under this
1806 Agreement, CONTRACTOR'S insurance coverage (except for Workers' Compensation) shall be
1807 primary insurance as respects CITY, its officers, officials, employees, agents and volunteers. Any
1808 insurance or self-insurance maintained by the CITY, its officers, officials, employees, agents or
1809 volunteers shall be excess of the CONTRACTOR'S insurance and shall not contribute with it.

1810 21.05.3 The CONTRACTOR'S insurance shall apply separately to each
1811 insured against whom claim is made or suit is brought, except with respect to the limits of the
1812 insurer's liability, and except for Workers' Compensation cover.

1813 21.05.4 The Automobile Liability policy shall be endorsed to delete the
1814 Pollution and/or the Asbestos exclusion, or documentation that the CONTRACTOR carries
1815 environmental pollution liability coverage for Solid Waste transported by the CONTRACTOR. The
1816 Automobile Liability policy shall also be endorsed to add the Motor Carrier act endorsement
1817 (MCS-90) TL 1005, TL 1007 and /or other endorsements required by federal or state authorities.

1818 21.06 Waiver of Subrogation. CONTRACTOR hereby agrees to waive subrogation
1819 against CITY which any insurer of CONTRACTOR may acquire from CONTRACTOR by virtue of
1820 the payment of any loss. CONTRACTOR agrees to obtain any endorsement that may be
1821 necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be
1822 endorsed with a waiver of subrogation in favor of the CITY for all work performed by the
1823 CONTRACTOR, its employees, agents and subcontractors.

1824 21.07 Cancellation. Each insurance policy required by this clause shall be occurrence-
1825 based or an alternate form as approved by the CITY and endorsed to state that coverage shall

Chico - Waste Management Collection Service Agreement

1826 not be cancelled except after thirty (30) days' prior written notice has been given to the CITY. Ten
1827 (10) days' notice applies to cancellation due to non-payment of premium.

1828 Any failure to comply with reporting provisions of the policies shall not affect
1829 CONTRACTOR'S obligations to CITY, its officers, officials, employees, agents or volunteers.

1830 21.08 Claims Made Coverage. If General Liability or Hazardous Waste and
1831 Environmental Impairment Liability coverage is written on a claims-made from:

1832 1. The "Retro Date" must be shown, and must be before the date of the contract or
1833 the beginning of contract work.

1834 2. Insurance must be maintained and evidence of insurance must be provided for at
1835 least five (5) years after completion of the contract of work

1836 3. If coverage is canceled or non-renewed, and not replaced with another claims-
1837 made policy form with a "Retro Date" prior to the contract effective date, the
1838 CONTRACTOR must purchase "extended reporting" coverage for a minimum of five (5)
1839 years after completion of contract work.

1840 21.09 Acceptability of Insurers. Insurance is to be placed with insurers licensed to
1841 transact business in California with a current A.M. Best's rating of no less than A:VII. If pollution
1842 and/or Environmental Impairment and/or Umbrella/Excess coverage are not available from an
1843 admitted insurer, the coverage may be written with the CITY'S permission, by a non-admitted
1844 insurance company. A Non-admitted company should have an A.M. Best's rating of A:X or higher

1845 21.10 Verification of Coverage. CONTRACTOR shall furnish the CITY with original
1846 certificates and amendatory endorsements effecting coverage required by this clause. All
1847 certificates and endorsements are to be received and approved by the CITY before work
1848 commences. However, failure to obtain the required documents prior to the work beginning shall
1849 not waive the CONTRACTOR'S obligation to provide them.

1850 21.11 Subcontractors. CONTRACTOR shall include all subcontractors as insureds
1851 under its policies or require and verify that all subcontractors maintain insurance meeting all the
1852 requirements of this contract.

1853 21.11.1 Proof of insurance shall be mailed to the following address or any
1854 subsequent address as may be directed in writing by the CITY.

1855 **City of Chico**
1856 **Attn: Risk Manager**
1857 **P.O. Box 3420**
1858 **Chico, CA 95927**
1859

1860 21.12 Modification of Insurance Requirements. The insurance requirements provided in
1861 this Agreement may be modified or waived by the CITY, in writing, upon the request of
1862 CONTRACTOR, if the CITY determines such modification or waiver is in the best interest of CITY
1863 considering all relevant factors, including exposure to CITY.

1864 ARTICLE 22. Indemnification

1865 22.01 Indemnification of the CITY. CONTRACTOR shall defend, with counsel
1866 reasonably acceptable to the CITY, indemnify and hold harmless, to the fullest extent allowed by
1867 law, CITY, its officers, officials, employees, volunteers, agents and assignees (collectively,
1868 "Indemnitees"), from and against any and all loss, liability, penalties, forfeitures, claims, demands,

Chico - Waste Management Collection Service Agreement

1869 actions, proceedings or suits, in law or in equity, of every kind and description, (including, but not
1870 limited to, injury to and death of any person and damage to property, or for contribution or
1871 indemnity claimed by third parties) (collectively, "Loss") arising or resulting from: (i) the negligent
1872 action or omission of the CONTRACTOR, its agents, employees, and/or subcontractors, in
1873 exercising the privileges granted to it by this Agreement; (ii) the failure of the CONTRACTOR, its
1874 agents, employees, and/or subcontractors to comply in all respects with the provisions and
1875 requirements of this Agreement, applicable laws, ordinances and regulations, and/or applicable
1876 permits and licenses; and (iii) the acts of CONTRACTOR, its agents, employees, and/or
1877 subcontractors in performing services under this Agreement for which strict liability is imposed by
1878 law. The foregoing indemnity shall apply regardless of whether such Loss is also caused in part
1879 by any of the Indemnitees' negligence.

1880 The indemnities set forth in this Section shall not be limited by the insurance requirements
1881 set forth in the Agreement.

1882 CONTRACTOR's indemnification of Indemnitees will not include indemnification for
1883 Losses which arise as the result of the active negligence of Indemnitees, or the sole negligence
1884 or willful misconduct of Indemnitees.

1885 22.02 The CONTRACTOR'S obligation to defend, hold harmless, and indemnify shall not
1886 be excused because of the CONTRACTOR'S inability to evaluate liability or because the
1887 CONTRACTOR evaluates liability and determines that the CONTRACTOR is not liable to the
1888 claimant. The CONTRACTOR must respond within thirty (30) days to the tender of a claim for
1889 defense and indemnity by the CITY, unless this time has been extended by the CITY. If the
1890 CONTRACTOR fails to accept or reject a tender of defense and indemnity within thirty (30) days,
1891 in addition to any other remedy authorized by law, so much of the money due the CONTRACTOR
1892 by virtue of this Agreement as shall reasonably be considered necessary by the CITY, may be
1893 retained by the CITY until final disposition has been made or the claim or suit for damages, or
1894 until the CONTRACTOR accepts or rejects the tender of defense, whichever occurs first.

1895 With respect to third party claims against the CONTRACTOR indemnifiable under Section
1896 22.01, the CONTRACTOR waives any and all rights of any type to express or implied indemnity
1897 against the Indemnitees.

1898 22.03 Hazardous Substances Indemnification. The CONTRACTOR shall indemnify,
1899 defend with counsel reasonably acceptable to the CITY, and hold harmless the Indemnitees from
1900 and against all claims, damages (including but not limited to special, consequential, natural
1901 resources and punitive damages), injuries, hazardous materials response, remediation and
1902 removal costs, losses, demands, liens, liabilities, causes of action, suits, legal or administrative
1903 proceedings, interest, fines, charges, penalties, attorney's fees for the adverse party and
1904 expenses (including but not limited to attorney's and expert witness fees and costs incurred in
1905 connection with defending against any of the foregoing or enforcing this indemnity) of any kind
1906 whatsoever paid, incurred or suffered by, or asserted against CITY or its officers, officials,
1907 employees, agents, assigns, or successors (collectively, "Claims") arising from or attributable to
1908 any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial,
1909 response, closure or other plan (regardless of whether undertaken due to governmental action)
1910 concerning any Hazardous Waste released, spilled or disposed of by CONTRACTOR under this
1911 Agreement. The foregoing indemnity is intended to operate as an agreement pursuant to Section
1912 107(e) of CERCLA, 42 U.S.C. Section 9607(c) and California Health and Safety Code Section
1913 25364, to defend, hold harmless and indemnify the CITY from liability. Notwithstanding the
1914 foregoing, CONTRACTOR is not required to indemnify, defend or hold harmless under this
1915 paragraph against Claims arising from CONTRACTOR'S delivery of materials collected under this

Chico - Waste Management Collection Service Agreement

1916 Agreement to any processing, disposal, transfer or other facilities, or their handling at such
1917 facilities or subsequent delivery to other locations, unless such Claims are due to
1918 CONTRACTOR'S negligence or willful misconduct.

1919 22.04 CalRecycle Diversion Goals. CONTRACTOR agrees to indemnify, hold harmless,
1920 and defend CITY, with counsel selected by CONTRACTOR and reasonably acceptable to CITY,
1921 from and against all fines or penalties imposed by the California Department of Resources
1922 Recycling and Recovery ("CalRecycle") due to CITY'S failure to meet the mandated diversion
1923 goals specified in California Public Resources Code Section 41780 (as amended) with respect to
1924 the materials collected by CONTRACTOR, if and to the extent the failure to meet such goals
1925 results from the failure of the CONTRACTOR to perform its obligations under this Agreement.

1926 22.05 Consideration. It is specifically understood and agreed that the consideration
1927 inuring to the CONTRACTOR for the execution of this Agreement consists of the promises,
1928 payments, covenants, rights and responsibilities contained in this Agreement.

1929 22.06 Obligation. The execution of this Agreement by the CONTRACTOR shall obligate
1930 the CONTRACTOR to comply with the foregoing indemnification provisions; however, the
1931 collateral obligation of providing insurance must also be fully complied with as set forth in Article
1932 21 above.

1933 22.07 Exception. Notwithstanding Sections 22.01, 22.02, 22.03 and 22.04,
1934 CONTRACTOR'S obligation to indemnify, hold harmless and defend the Indemnitees shall not
1935 extend to any Loss or Claims to the extent arising or resulting from acts or omissions constituting
1936 willful misconduct or negligence on the part of Indemnitees.

1937 22.08 Damage by CONTRACTOR. If CONTRACTOR'S employees or subcontractors
1938 cause any damage or loss to CITY property, including but not limited to CITY streets or curbs,
1939 other than as a result of ordinary wear and tear, then CONTRACTOR shall repair such property
1940 to the reasonable satisfaction of CITY, at CONTRACTOR'S sole cost and expense. If
1941 CONTRACTOR fails to do so within a reasonable period after CITY notifies CONTRACTOR of
1942 the damage or loss, then CITY may effect the repair, and CONTRACTOR shall reimburse CITY
1943 for CITY'S reasonable cost of repairing such damage or loss. Such reimbursement is not in
1944 derogation of any right of CITY to be indemnified by CONTRACTOR for any such damage or loss.

1945 ARTICLE 23. Default of Agreement

1946 23.01 Termination By CITY. The CITY may terminate this Agreement, except as
1947 otherwise provided below in this Article, by giving the CONTRACTOR thirty (30) calendar days
1948 advance written notice, to be served as provided in Article 40, upon the happening of any one of
1949 the following events:

1950 23.01.1 The CONTRACTOR shall take the benefit of any present or future
1951 insolvency statute, or shall make a general assignment for the benefit of creditors, or file a
1952 voluntary petition in bankruptcy (court) or a petition or answer seeking an arrangement for its
1953 reorganization or the readjustment of its indebtedness under the Federal bankruptcy laws or
1954 under any other law or statute of the United States or any state thereof, or consent to the
1955 appointment of a receiver, trustee or liquidator of all or substantially all of its property; or

1956 23.01.2 By order or decree of a Court, the CONTRACTOR shall be
1957 adjudged bankrupt or an order shall be made approving a petition filed by any of its creditors or
1958 by any of the stockholders of the CONTRACTOR, seeking its reorganization or the readjustment
1959 of its indebtedness under the Federal bankruptcy laws or under any law or statute of the United

Chico - Waste Management Collection Service Agreement

1960 States or of any state thereof, and such judgment or order is not stayed or vacated within sixty
1961 (60) calendar days after the entry thereof; or

1962 23.01.3 By, or pursuant to, or under the authority of any legislative act,
1963 resolution or rule or any order or decree of any Court or governmental board, agency or officer
1964 having jurisdiction, a receiver, trustee or liquidator shall take possession or control of all or
1965 substantially all of the property of the CONTRACTOR, and such possession or control shall
1966 continue in effect for a period of sixty (60) calendar days; or

1967 23.01.4 The CONTRACTOR has defaulted, by failing or refusing to pay in a
1968 timely manner the liquidated damages or other monies due the CITY and said default is not cured
1969 within thirty (30) calendar days of receipt of written notice by the CITY to do so; or

1970 23.01.5 CONTRACTOR has defaulted, by failing or refusing to perform or
1971 observe its obligations under this Agreement, and said default is not cured within thirty (30)
1972 calendar days of receipt of written notice from the CITY to do so. If by reason of the nature of
1973 such default, the same cannot be remedied within thirty (30) calendar days following receipt by
1974 the CONTRACTOR of written demand from the CITY to do so, then the cure period shall be
1975 extended for such additional period as is reasonably required to cure the default, provided that
1976 the CONTRACTOR commences the remedy of such default within said thirty (30) calendar days
1977 following such written notice, and having so commenced thereafter continues with diligence the
1978 curing thereof. In any dispute concerning failure to commence remedying a default or diligence
1979 in pursuing a cure, the CONTRACTOR shall have the burden of proof to demonstrate (a) that the
1980 default cannot reasonably be cured within thirty (30) calendar days, and (b) that it is proceeding
1981 with diligence to cure said default, and such default will be cured within a reasonable period of
1982 time.

1983 23.02 Termination By CONTRACTOR. The CONTRACTOR may terminate this
1984 Agreement, except as otherwise provided below in this Article, by giving the CITY one-hundred
1985 eighty (180) calendar days advance written notice for the default events specified in Section
1986 23.02.01, or by giving the CITY sixty (60) calendar days advance written notice for the default
1987 events specified in Section 23.02.02. Such notice shall be served as provided in Article 40.

1988 23.02.1 CITY has defaulted, by failing or refusing to perform or observe its
1989 obligations under the Agreement, excluding Sections 4.01 through 4.03, and said default is not
1990 cured within ninety (90) calendar days of receipt of written notice from CONTRACTOR to do so.
1991 If by reason of the nature of such default, the same cannot be remedied within ninety (90) calendar
1992 days following receipt by the CITY of written demand from CONTRACTOR to do so, then the cure
1993 period shall be extended for such additional period as is reasonably required to cure the default,
1994 provided that the CITY commences the remedy of such default within ninety (90) calendar days
1995 of receipt of written notice, and having so commenced thereafter continues with diligence the
1996 curing thereof.

1997 23.02.2 CITY has defaulted, by failing or refusing to perform or observe its
1998 obligations under Sections 4.01 through 4.03, and said default is not cured within thirty (30)
1999 calendar days of receipt of written notice from CONTRACTOR to do so. If by reason of the nature
2000 of such default, the same cannot be remedied within thirty (30) calendar days following receipt by
2001 the CITY of written demand from CONTRACTOR to do so, then the cure period shall be extended
2002 for such additional period as is reasonably required to cure the default, provided that the CITY
2003 commences the remedy of such default within thirty (30) calendar days within receipt of written
2004 notice, and having so commenced thereafter continues with diligence the curing thereof.

2005

Chico - Waste Management Collection Service Agreement

2006 23.03 Temporary Possession of CONTRACTOR'S Equipment. Notwithstanding
2007 anything contained herein to the contrary, if the CONTRACTOR fails to provide Collection
2008 Services for a period of three (3) consecutive Work Days for reasons other than Force Majeure,
2009 on the fourth (4th) Work Day the CITY may take possession of the CONTRACTOR'S equipment,
2010 customer account and service records, and other property used in providing Collection Services
2011 under this Agreement in order to provide interim Collection Services until such time as the
2012 CONTRACTOR is again able to perform Collection Services pursuant to this Agreement;
2013 provided, however, if the CONTRACTOR is unable for any reason or cause to resume
2014 performance of Collection Service at the end of thirty (30) consecutive calendar days of
2015 nonperformance of Collection Services, then this Agreement may be terminated by the CITY upon
2016 written notice to CONTRACTOR, and the CITY may retain possession of such equipment, records
2017 and other property used in providing Collection Services on an interim basis until the CITY has
2018 made other suitable arrangements for the provision of Collection Services, which may include
2019 award of an agreement to another contractor. Notwithstanding any other provision in this
2020 Agreement to the contrary, CITY'S right to take interim possession of, or make use of, any of
2021 CONTRACTOR'S equipment, including, without limitation, vehicles, Carts, Bins and containers,
2022 shall not allow the CITY to assign ownership of such vehicles, Carts, Bins and containers to
2023 another contractor, and CITY acknowledges that the CONTRACTOR'S lender has a security
2024 interest in such equipment. In addition, notwithstanding any other provision of this Agreement to
2025 the contrary, CITY'S right to take possession of such equipment, records and other property (i)
2026 shall be limited to one hundred eighty (180) days after the effective date of termination of this
2027 Agreement, (ii) shall not apply regarding property needed for CONTRACTOR to service
2028 customers outside of the CITY, and which is non-essential to the CITY's provision of solid waste
2029 services, and (iii) is contingent on CITY paying a reasonable rental value for such property.

2030 23.03.1 CITY shall defend, with counsel reasonably acceptable to the
2031 CONTRACTOR, indemnify and hold harmless, to the fullest extent allowed by law,
2032 CONTRACTOR, its officers, officials, employees, volunteers, agents and assignees (collectively,
2033 "Indemnitees"), from and against any and all loss, liability, penalties, forfeitures, claims, demands,
2034 actions, proceedings or suits, in law or in equity, of every kind and description, (including, but not
2035 limited to, injury to and death of any person and damage to property, or for contribution or
2036 indemnity claimed by third parties) (collectively, "Loss") arising or resulting from the CITY's
2037 negligent operation or possession of the CONTRACTOR's property pursuant to this Section.

2038 23.04 Diversion Not Default. Notwithstanding the foregoing or any other provision of this
2039 Agreement to the contrary, CONTRACTOR'S failure to meet the diversion requirements set forth
2040 in Article 5 shall not be a default entitling the CITY to terminate this Agreement (it being
2041 understood that CITY shall have the remedies set forth in Article 2 (term extension) and Article
2042 18 (liquidated damages) with respect to any such failure).

2043 23.04.1 In the event that the Agreement is terminated, CONTRACTOR shall
2044 furnish the CITY with immediate access to all of its business records related to its customer and
2045 billing accounts for collection services.

2046 23.05 Effective Date. In the event of the aforesaid events specified above, and except
2047 as otherwise provided in said subsections, termination by CITY shall be effective upon the date
2048 specified in the CITY'S written notice to the CONTRACTOR and upon said date this Agreement
2049 shall be deemed immediately terminated, and the CITY shall have the right to call the performance
2050 bond and shall be free to negotiate with other contractors for the operation of the herein specified
2051 services.

Chico - Waste Management Collection Service Agreement

2052 23.06 Termination for Failure to Maintain Insurance. CITY may terminate this Agreement
2053 in the event CONTRACTOR fails to provide and maintain the performance bond as required by
2054 this Agreement, or if CONTRACTOR fails to obtain or maintain insurance policies endorsements
2055 as required by this Agreement, or if CONTRACTOR offers or gives any gift prohibited by the
2056 CITY's Municipal Code. Such termination shall not occur unless CONTRACTOR has been given
2057 five (5) business days to cure said breach after receiving written notice from CITY, and has failed
2058 to cure the breach within such period.

2059 23.07 Termination Cumulative. CITY'S right to terminate this Agreement is cumulative
2060 to any other rights and remedies provided by law or by this Agreement.

2061 23.08 Force Majeure. Notwithstanding any other provision of this Agreement to the
2062 contrary, a party shall be excused from performing its obligations hereunder in the event it is
2063 prevented from so performing by reason of any acts of God, such as landslides, lightning, fires,
2064 storms, floods, pestilence, freezing, and earthquakes; actual or perceived threats of terrorism,
2065 explosions, power outages, sabotage, civil disturbances, acts of a public enemy, wars, blockades,
2066 riots, or other industrial disturbances, eminent domain, condemnation or other taking, or other
2067 events of a similar nature, not caused or maintained by such party, which event is not reasonably
2068 within the control of the party claiming the excuse from its obligations due to such event, to the
2069 extent such event has a significant and material adverse effect on the ability of the party to perform
2070 its obligations thereunder. Force Majeure shall not include fuel shortages or labor disruptions
2071 (e.g., strikes, work stoppage or slowdown, sickout, lockout, picketing or other concerted job action
2072 conducted by CONTRACTOR'S employees or directed at CONTRACTOR or any of its
2073 subcontractors) to the extent they last longer than seven (7) days. Force Majeure shall include a
2074 Change in Law to the extent such Change in Law materially impedes a party's performance
2075 hereunder. Notwithstanding the foregoing, (i) no failure of performance by any subcontractor of
2076 CONTRACTOR shall be a Force Majeure unless such failure was itself caused by a Force
2077 Majeure; (ii) except as provided herein, no event which merely increases CONTRACTOR'S cost
2078 of performance shall be a Force Majeure; and (iii) no event, the effects of which could have been
2079 prevented by reasonable precautions, including compliance with agreements and applicable laws,
2080 shall be a Force Majeure.

2081 **ARTICLE 24. Modifications to the Agreement**

2082 24.01 Agreement Modifications and Changes in Law. The CITY and the CONTRACTOR
2083 understand and agree that the California Legislature has the authority to make comprehensive
2084 changes in Garbage, Recyclables, or Organic Waste Management legislation and that these and
2085 other Changes in Law in the future which mandate certain actions or programs for counties or
2086 municipalities may require changes or modifications in some of the terms, conditions or
2087 obligations under this Agreement. The CONTRACTOR agrees that the terms and provisions of
2088 the Municipal Code, as it now exists or as it may be amended in the future, shall apply to all of
2089 the provisions of this Agreement and the Service Recipients of the CONTRACTOR located within
2090 the Commercial Service Area; provided, however that the CITY will not amend the Municipal Code
2091 in a way that is inconsistent with the Agreement unless compelled to do so by federal or state law.
2092 In the event any future Change in Law, including state or federally mandated modifications to the
2093 CITY Municipal Code, alters the rights or obligations of the CONTRACTOR or the services to be
2094 provided by CONTRACTOR hereunder, then Maximum Service Rates as otherwise established
2095 under this Agreement shall be adjusted as provided in Section 4.03. Nothing contained in this
2096 Agreement shall require any party to perform any act or function contrary to law.

Chico - Waste Management Collection Service Agreement

2097 24.02 City-Directed Changes. CITY may direct CONTRACTOR to perform additional
2098 services (including new diversion programs, additional public education activities, etc.), eliminate
2099 programs, or modify the manner in which it performs existing services. Changes in the minimum
2100 diversion requirement set forth in Article 5 of this Agreement is not among the changes that can
2101 be directed by CITY. Direction of Garbage to a Disposal Facility other than that originally selected
2102 by the CITY, direction of Recyclable Materials or Organic Waste to a processing facility other than
2103 that selected by the CONTRACTOR, pilot programs and innovative services, which may entail
2104 new collection methods, targeted routing, different kinds of services, different types of collection
2105 vehicles, and/or new requirements for Service Recipients, are included among the kinds of
2106 changes which CITY may direct. CONTRACTOR shall be entitled to an adjustment in its
2107 compensation for providing such additional or modified services but not for the preparation of its
2108 proposal to perform such services. CONTRACTOR shall not be required to begin implementing
2109 a CITY-directed change until the associated Maximum Service Rate adjustment has been agreed
2110 upon and has taken effect.

2111 24.03 Service Proposal. Within thirty (30) calendar days of receipt of a request for a
2112 service change from the CITY under Section 24.02, or such longer time as may be reasonably
2113 needed, CONTRACTOR shall submit a proposal to provide such service. At a minimum, the
2114 proposal shall contain a complete description of the following:

2115 24.03.1 Collection methodology to be employed (equipment, manpower,
2116 etc.).

2117 24.03.2 Equipment to be utilized (vehicle number, types, capacity, age,
2118 etc.).

2119 24.03.3 Labor requirements (number of employees by classification).

2120 24.03.4 Type of carts or bins to be utilized.

2121 24.03.5 Provision for program publicity, education, and marketing.

2122 24.03.6 CONTRACTOR's proposed compensation.

2123 24.04 CONTRACTOR acknowledges and agrees that CITY may permit other companies
2124 besides CONTRACTOR to provide additional services outside the scope of the services
2125 contemplated by this Agreement (such as street sweeping or curbside collection of household
2126 hazardous waste) if CONTRACTOR and CITY cannot agree on terms and conditions, including
2127 compensation adjustments, for CONTRACTOR'S provision of such services, within one hundred
2128 twenty (120) calendar days from the date when CITY first requests a proposal from
2129 CONTRACTOR to perform such services, provided, however, that (i) the terms and conditions
2130 offered by CITY to any other company are no more favorable to that company than the terms and
2131 conditions offered to CONTRACTOR, and (ii) the services do not conflict with CONTRACTOR'S
2132 exclusive rights under Section 3.01.

2133 24.05 Monitoring and Evaluation. If the CITY requests, the CONTRACTOR shall meet
2134 with the CITY to describe the progress of each new program and other service issues arising from
2135 the program. If applicable, CONTRACTOR shall document the results of the new programs on a
2136 monthly basis, including at a minimum the tonnage diverted by material type, the end use or
2137 processor of the diverted materials and the cost per ton for transporting and processing each type
2138 of material and other such information reasonably requested by the CONTRACTOR and/or CITY
2139 necessary to evaluate the performance of each program.

2140 24.05.1 At each meeting, the CITY and CONTRACTOR shall have the
2141 opportunity to discuss revisions to the program. The CITY shall have the right to terminate a

2142 program if the CONTRACTOR is not complying with the terms and conditions agreed upon with
2143 the CITY, and the termination is effected in accordance with such terms and conditions. Prior to
2144 such termination, the CITY shall meet and confer with the CONTRACTOR for a period of up to
2145 ninety (90) calendar days to resolve the CITY'S concerns. After such termination, the CITY may
2146 utilize a third party to perform these services, provided that (i) the services are outside the scope
2147 of the services contemplated by this Agreement (such as street sweeping or curbside collection
2148 of household hazardous waste), and (ii) the services do not conflict with CONTRACTOR'S
2149 exclusive rights under Section 3.01.

2150 24.06 Dispute Resolution. All disputes relating to service or compensation changes
2151 relating to a Change in Law that meet the conditions specified in Section 4.03.3 shall, upon the
2152 request of either party, be resolved by the following procedures:

2153 24.06.1 The party desiring mediation shall first give written notice thereof to
2154 the other party to this Agreement, specifying the dispute to be mediated.

2155 24.06.2 The mediation shall be held at Chico, California, or at such other
2156 location as may be mutually agreed among the parties. The mediation shall be conducted
2157 according to and a mediator chosen pursuant to the rules of the American Arbitration Association.
2158 Each side shall bear its own costs in the mediation. The cost of the mediator shall be shared
2159 equally between the parties.

2160 24.06.3 At least ten (10) business days before the date of the mediation,
2161 each side shall provide the mediator with a statement of its position and copies of all supporting
2162 documents. Each party shall send to the mediation one or more persons who has authority to
2163 negotiate on behalf of the party. If a subsequent dispute will involve third parties, such as insurers
2164 or subcontractors, they shall also be asked to participate in the mediation.

2165 **ARTICLE 25. Legal Representation**

2166 25.01 Acknowledgement. It is acknowledged that each party was, or had the opportunity
2167 to be, represented by counsel in the preparation of and contributed equally to the terms and
2168 conditions of this Agreement and, accordingly, the rule that a contract or Agreement shall be
2169 interpreted strictly against the party preparing the same shall not apply herein due to the joint
2170 contributions of both parties.

2171 **ARTICLE 26. Financial Interest**

2172 26.01 Representation. CONTRACTOR warrants and represents that (i) to its knowledge,
2173 no elected official, officer, agent or employee of the CITY has a financial interest as defined in
2174 California Government Code Section §87103, in this Agreement or the compensation to be paid
2175 under it and, further, that (ii) no CITY employee who acts in the CITY as a "purchasing agent" as
2176 defined in the appropriate Section of California Statutes, nor any elected or appointed officer of
2177 the CITY, nor any spouse or child of such purchasing agent, employee or elected or appointed
2178 officer, is a partner, officer, director or proprietor of the CONTRACTOR and, further, that (iii) no
2179 such CITY employee, purchasing agent, CITY elected or appointed officer, or the spouse or child
2180 of any of them, alone or in combination, has a "material interest" in the CONTRACTOR. "Material
2181 interest" means direct or indirect ownership of more than five percent (5%) of the total assets or
2182 capital stock of the CONTRACTOR.

2183 **ARTICLE 27. Contractor's Personnel**

2184 27.01 Personnel Requirements. The CONTRACTOR shall employ and assign qualified
2185 personnel to perform all services set forth herein. The CONTRACTOR shall be responsible for
2186 ensuring that its employees comply with all applicable laws and regulations and meet all federal,
2187 state and local requirements related to their employment and position.

2188 27.01.1 The CITY may request the transfer of any employee of the
2189 CONTRACTOR who materially violates any provision hereof, or who is wanton, negligent, or
2190 discourteous in the performance of his duties.

2191 27.01.2 CONTRACTOR'S field operations personnel shall be required to
2192 wear a clean uniform shirt bearing the CONTRACTOR'S name. CONTRACTOR'S employees,
2193 who normally come into direct contact with the public, including drivers, shall bear some means
2194 of individual identification such as a nametag or identification card.

2195 27.01.3 Each driver of a collection vehicle shall at all times carry a valid
2196 California driver's license and all other required licenses for the type of vehicle that is being
2197 operated.

2198 27.01.4 Each driver of a collection vehicle shall at all times comply with all
2199 applicable state and federal laws, regulations and requirements.

2200 27.01.5 CONTRACTOR'S employees, officers, and agents shall at no time
2201 be allowed to identify themselves or in any way represent themselves as being employees of the
2202 CITY.

2203 27.01.6 The CONTRACTOR'S name and the Customer Service telephone
2204 number shall be properly displayed on all collection vehicles.

2205 **ARTICLE 28. Exempt Waste**

2206 28.01 The CONTRACTOR shall not be required to collect or dispose of Exempt Waste,
2207 but may offer such services. All such collection and disposal of Exempt Waste is not regulated
2208 under this Agreement, but if provided by the CONTRACTOR shall be in strict compliance with all
2209 federal, state and local laws and regulations.

2210 **ARTICLE 29. Independent Contractor**

2211 29.01 In the performance of services pursuant to this Agreement, CONTRACTOR shall
2212 be an independent contractor and not an officer, agent, servant or employee of CITY.
2213 CONTRACTOR shall have exclusive control of the details of the services and work performed
2214 and over all persons performing such services and work. CONTRACTOR shall be solely
2215 responsible for the acts and omissions of its officers, agents, employees, contractors and
2216 subcontractors, if any. Neither CONTRACTOR nor its officers, employees, agents, contractors
2217 or subcontractors shall obtain any right to retirement benefits, Workers Compensation benefits,
2218 or any other compensation or benefits, which accrue, to CITY employees and CONTRACTOR
2219 expressly waives any claim it may have or acquire to such compensation or benefits.

2220 **ARTICLE 30. Laws to Govern**

2221 30.01 The law of the State of California shall govern the rights, obligations, duties and
2222 liabilities of CITY and CONTRACTOR under this Agreement and shall govern the interpretation
2223 of this Agreement.

2224 **ARTICLE 31. Consent to Jurisdiction**

2225 31.01 The parties agree that any litigation between CITY and CONTRACTOR concerning
2226 or arising out of this Agreement shall be filed and maintained exclusively in the Municipal or
2227 Superior Courts of Butte County, State of California, or in the United States District Court for the
2228 Northern District of California to the fullest extent permissible by law. Each party consents to
2229 service of process in any manner authorized by California law.

2230 **ARTICLE 32. Assignment**

2231 32.01 No assignment of this Agreement or any right occurring under this Agreement shall
2232 be made to any third party in whole or in part by the CONTRACTOR without the express written
2233 consent of the CITY. The CITY shall have full discretion to approve or deny, with or without cause,
2234 any proposed or actual assignment by the CONTRACTOR. Such approval shall not unreasonably
2235 be withheld. Any assignment of this Agreement made by the CONTRACTOR without the express
2236 written consent of the CITY shall be null and void and shall be grounds for the CITY to declare a
2237 default of this Agreement. In the event of any assignment, the assignee shall fully assume all the
2238 liabilities of the CONTRACTOR.

2239 32.02 The use of a subcontractor to perform services under this Agreement shall not
2240 constitute delegation of CONTRACTOR'S duties provided that CONTRACTOR has received prior
2241 written authorization from the City Representative to subcontract such services and the City
2242 Representative has approved a subcontractor who will perform such services. CONTRACTOR
2243 shall be responsible for directing the work of CONTRACTOR'S subcontractors and any
2244 compensation due or payable to CONTRACTOR'S subcontractor shall be the sole responsibility
2245 of CONTRACTOR. The City Representative shall have the right to require the removal of any
2246 approved subcontractor for reasonable cause.

2247 32.03 For purposes of this Article when used in reference to CONTRACTOR,
2248 "assignment" shall include, but not be limited to (i) a sale, exchange or other transfer of at least
2249 fifty-one percent (51%) of CONTRACTOR'S assets dedicated to service under this Agreement to
2250 a third party; (ii) a sale, exchange or other transfer of outstanding common stock of
2251 CONTRACTOR to a third party provided said sale, exchange or transfer results in a change of
2252 control of CONTRACTOR (with control being defined as ownership of more than fifty percent
2253 (50%) of CONTRACTOR'S voting securities); (iii) any dissolution, reorganization, consolidation,
2254 merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow
2255 arrangement, liquidation, subcontracting or lease-back payments, or other transaction which
2256 results in a change of control of CONTRACTOR; (iv) any assignment by operation of law,
2257 including insolvency or bankruptcy, making assignment for the benefit of creditors, writ of
2258 attachment for an execution being levied against this Agreement, appointment of a receiver taking
2259 possession of CONTRACTOR'S property, or transfer occurring in the event of a probate
2260 proceeding; and (v) any combination of the foregoing (whether or not in related or
2261 contemporaneous transactions) which has the effect of any such transfer or change of control of
2262 CONTRACTOR. As used herein, "third party" excludes affiliates of CONTRACTOR (i.e. direct or
2263 indirect subsidiaries of Waste Management, Inc.).

2264 32.04 CONTRACTOR acknowledges that this Agreement involves rendering a vital
2265 service to CITY'S residents and businesses, and that CITY has selected CONTRACTOR to
2266 perform the services specified herein based on (i) CONTRACTOR 's experience, skill and
2267 reputation for conducting its garbage, recyclable materials and organic Waste management
2268 operations in a safe, effective and responsible fashion, at all times in keeping with applicable
2269 environmental laws, regulations and best garbage, recycling and organic waste management
2270 practices, and (ii) CONTRACTOR'S financial resources to maintain the required equipment and
2271 to support its indemnity obligations to CITY under this Agreement. CITY has relied on each of
2272 these factors, among others, in choosing CONTRACTOR to perform the services to be rendered
2273 by CONTRACTOR under this Agreement.

2274 **ARTICLE 33. Compliance with Laws**

2275 33.01 In the performance of this Agreement, CONTRACTOR shall comply with all
2276 applicable laws, regulations, ordinances and codes of the federal, state and local governments,
2277 including without limitation the Municipal Code of the City of Chico.

2278 33.02 CITY shall provide written notice to CONTRACTOR of any planned amendment of
2279 the CITY Municipal Code that would substantially affect the performance of CONTRACTOR'S
2280 services pursuant to this Agreement. Such notice shall be provided at least thirty (30) calendar
2281 days prior to the City Council's approval of such an amendment.

2282 **ARTICLE 34. Permits and Licenses**

2283 34.01 CONTRACTOR shall obtain, at its own expense, all permits and licenses required
2284 by law or ordinance and maintain same in full force and effect throughout the term of this
2285 Agreement. CONTRACTOR shall provide proof of such permits, licenses or approvals and shall
2286 demonstrate compliance with the terms and conditions of such permits, licenses and approvals
2287 upon the request of the City Representative.

2288 **ARTICLE 35. Ownership of Written Materials**

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

2298
2299 35.02 CONTRACTOR Materials. If CITY receives a request from a third Person to review
2300 or copy material which CONTRACTOR has marked "confidential", CITY will Notify
2301 CONTRACTOR promptly and allow CONTRACTOR to present arguments and facts to CITY in
2302 support of CONTRACTOR's position that the material is entitled to an exemption from disclosure
2303 under the California Public Records Act and should not be released. If CITY determines that the
2304 material is not entitled to an exemption under this Agreement and that it must be released, CITY
2305 will so advise CONTRACTOR before releasing that material so that CONTRACTOR may seek a
2306 court order enjoining that release. If CITY determines that the material is entitled to that

2307 exemption, and the Person who requested the information files a legal action seeking its release,
2308 CITY will promptly inform CONTRACTOR and will not oppose a motion by CONTRACTOR to
2309 intervene in the action. CONTRACTOR must either intervene or accept the release of the
2310 material. CITY will not have any obligation to defend the action and may release the material
2311 sought without liability whatsoever for CITY.

2312 **ARTICLE 36. Waiver**

2313 36.01 Waiver by CITY or CONTRACTOR of any breach for violation of any term covenant
2314 or condition of this Agreement shall not be deemed to be a waiver of any other term, covenant or
2315 condition or any subsequent breach or violation of the same or of any other term, covenant or
2316 condition. The subsequent acceptance by CITY of any fee, tax, or any other monies, which may
2317 become due from CONTRACTOR to CITY shall not be deemed to be a waiver by CITY of any
2318 breach for violation of any term, covenant or condition of this Agreement.

2319 **ARTICLE 37. Prohibition Against Gifts**

2320 37.01 CONTRACTOR shall not offer any CITY officer or designated employee any gifts
2321 that are prohibited by the CITY's Municipal Code.

2322 **ARTICLE 38. Point of Contact**

2323 38.01 Contact for issues related to the management of this Agreement shall be between
2324 the CONTRACTOR's General Manager and the City Representative.

2325 **ARTICLE 39. Conflict of Interest**

2326 39.01 CONTRACTOR shall comply with CITY requirements for conflict of interest and
2327 will file all required disclosure statements.

2328 **ARTICLE 40. Notices**

2329 40.01 Except as provided herein, whenever either party desires to give notice to the
2330 other, it must be given by written notice addressed to the party for whom it is intended, at the
2331 place last specified and to the place for giving of notice in compliance with the provisions of this
2332 paragraph. For the present, the parties designate the following as the respective persons and
2333 places for giving of notice:

2334 As to the CITY:

2335 **City of Chico**
2336 **City Manager**
2337 **P.O. Box 3420**
2338 **Chico, CA 95927**
2339 **Telephone: (530) 896-7210**
2340 **E-mail: CMWeb@chicoca.gov**

2341

2342 As to the CONTRACTOR:

2343
2344 **USA Waste of California, Inc.**
2345 **MAGM/Public Sector Manager**
2346 **1333 E. Turner Road**
2347 **P.O. Box 241001**
2348 **Lodi, CA 95241-9501**
2349 **Telephone: 209-333-5613**
2350 **Facsimile: 209-369-6894**
2351 **Email: aoseguer@wm.com**
2352

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

Chico - Waste Management Collection Service 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

Chico - Waste Management Collection Service Agreement

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 - Waste Management Collection Service Agreement

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 - Waste Management Collection Service Agreement

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 **CITY:**

2486

2487

2488

2489



Mark Orme, City Manager*

2490

2491

2492 *Authorized pursuant to City Council

2493 Ordinance No. 2501 adopted August 15, 2017.

2494

2495

2496

2497

APPROVED AS TO FORM:


2498

2499

2500

2501

2502


Vincent C. Ewing, City Attorney*

2503

2504

2505 *Pursuant to The Charter of the

2506 City of Chico, Section 906(D)

2507

2508

2509

2510

REVIEWED AS TO CONTENT:

2511

2512

2513

2514

2515


Scott Dowell, Administrative Services Director*

2516

2517

2518

*Reviewed by Finance and Information Systems

2519

CONTRACTOR:

BY: Barry Skolnick

Title: President – Northern California Area
USA Waste of California, Inc.

Chico - Waste Management Collection Service Agreement

Exhibit 1a CITY FACILITIES				
#	Type of Receptacle / No. of Cans	Location	Frequency	Hauler
A. City Buildings (930-640-5465)				
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 Avenue	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 - Waste Management Collection Service Agreement

Exhibit 1a CITY FACILITIES				
#	Type of Receptacle / No. of Cans	Location	Frequency	Hauler
B. Parking Structure (853-660-5330)				
1.	1 ea. 96-gallon	Parking Structure 329 Salem Street	Twice/week	WM
C. Chico Police Department (001-300-5465)				
1.	1 ea. 4-yd box	1460 Humboldt Avenue North side of structure	Once/week	RBCC
D. 2579 Fair Street (001-348-5465)				
1.	1 ea. 4-yd box	Animal Shelter	3 days /week	WM
2.	1 ea. 3-yd cardboard recycling	Animal Shelter	Once/week	WM
E. Chico Municipal Airport (856-691-5465)				
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
F. Water Pollution Control Plant (850-670-5465)				
1.	1 ea. 3-yd. box	Headworks	3 days/week	WM
2.	1 ea. 3-yd. box	Headworks	Once/week	WM
G. Amtrak Station (212-659-5465)				
1.	1 ea. 96-gallon	Amtrak Station N/W corner 5th & Orange Street	3 days/week	WM
H. Central Business District (CBD) (001-620-7374)				
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 - Waste Management Collection Service Agreement

Exhibit 1a 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
I. Miscellaneous Locations (001-620-7374)				
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

2520

2521

Exhibit 1b				
CITY FACILITIES (SERVICE PROVIDED BY "WM")				
J. Various Park Sites (002-682-7375) Empty 134 trash cans				
#	# cans	Location	Frequency (Nov. 1 – Feb. 28)	Frequency (Mar. 1 – Oct. 31)
1.	6	Depot Park (No Map)	7 days/week	7 days/week
2.	4	Humboldt Neighborhood Park (No Map)	7 days/week	7 days/week
3.	7	Children's Playground (No Map)	7 days/week	7 days/week
4.	1	Bidwell Bowl Amphitheatre (No Map)	7 days/week	7 days/week
5.	3	Camellia Way (Map 1)	Monday & Friday	Monday & Thursday
6.	1	Kiwanis Area (Map 1)	Monday & Friday	Monday & Thursday
7.	1	4 th Street Entrance (Map 1)	Monday & Friday	Monday & Thursday
8.	1	Lost Park (Map 1)	Monday & Thursday	Monday & Thursday
9.	1	Annie's Glen (Map 1)	Monday & Friday	Monday & Thursday
10.	5	North Side of Sycamore Pool (Map 2)	Monday & Friday	7 days/week
11.	1	Horseshoe Pits (Map 2)	Monday & Friday	7 days/week
12.	13	Oak Grove Picnic Area (Map 2)	Monday & Friday	7 days/week
13.	6	Caper Acres (Map 2)	Monday & Friday	7 days/week
14.	1	Campfire Ring (Map 2)	Monday & Friday	7 days/week
15.	4	Cedar Grove (Map 3)	Monday & Friday	7 days/week
16.	1	Deer Pens (Map 4)	Monday & Friday	Monday & Thursday
17.	1	Vita Course (Map 2)	Monday & Friday	Monday & Thursday
18.	5	Centennial Picnic Sites (Map 5)	Monday & Friday	Monday & Thursday

Chico - Waste Management Collection Service Agreement

Exhibit 1b CITY FACILITIES (SERVICE PROVIDED BY "WM")				
19.	1	Horse Arena (Map 6)	Monday & Friday	Monday & Thursday
20.	1	Madrone A venue (No Map)	Monday & Friday	Monday & Thursday
21.	23	Peterson Drive Picnic Sites (Maps 2, 3, 4, & 5)	Monday & Friday	Monday & Thursday
22.	18	South Park Drive Picnic Sites (Maps 2, 3, & 4)	Monday & Friday	Monday & Thursday
23.	1	Parking Lot A (Map 6)	Monday & Friday	Monday & Thursday
24.	7	North Side of Five-Mile (Map 6)	Monday & Friday	Mon., Thurs., Sat., Sun.
25.	11	South Side of Five-Mile (Map 6)	Monday & Friday	Mon., Thurs., Sat., Sun.
26.	1	Parking Lot B (Map 6)	Monday & Friday	Monday & Thursday
27.	1	Centennial & Chico Canyon (Map 8)	Monday & Friday	Monday & Thursday
28.	2	Observatory (Map 7)	Monday & Friday	Monday & Thursday
29.	2	Rod & Gun Club (Map 7)	Monday & Friday	Monday & Thursday
30.	4	Parking Lot E (Map 7)	Monday & Friday	Monday & Thursday
K. As Needed Debris Box – 20, 30, 40 CY Boxes				

2522

Exhibit 2

INITIAL CONTRACTOR DESIGNATED FACILITIES

North Valley Disposal & Recycling (maintenance/storage/offices)
2569 Scott Ave
Chico, CA 95928

North Valley Bin Yard (bin/container storage)
320 Southgate Ave
Chico, CA 95928

Neal Rd. Landfill (disposal facility)
1023 Neal Rd, Chico
CA 95926

Anderson Landfill (disposal facility)
18703 Cambridge Rd
Anderson, CA 96007

North Valley MRF (transfer station)
2569 Scott Ave
Chico, CA 95928

Oroville Transfer Station [RBCC] (transfer station)
2720 South 5th Ave
Oroville, CA 95965

Central Valley Waste (MRF)
1333 E. Turner Rd
Lodi, CA 95816

Sacramento Recycling & Transfer Station (MRF)
8491 Fruitridge Rd
Sacramento, CA 95826

North Valley Organics [City of Chico] (compost facility)
4441 Cohasset Rd
Chico, CA 95973

North State Rendering (rendering plant WTE)
15 Shippee Rd
Oroville, CA 96965

Exhibit 3

VEHICLE REPLACEMENT SCHEDULE

CONTRACTOR shall replace collection vehicle as follows:

- Residential side-loaders – no later than 10 years after date first placed in service.
- Residential side-loader (mechanical) – no later than 15 years after date first placed in service
- Residential rear-loaders – no later than 15 years after date first placed in service
- Commercial side-loaders – no later than 12 years after date first placed in service
- Roll-offs – no later than 15 years after date first placed in service

2524

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 - Waste Management 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 st occurrence, bin not damaged)	\$82.50 each bin/occurrence
Deliver, Exchange or Remove Carts (after 1 st 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 nd 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 nd 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	
Cost to Replace Lost, Stolen or Damaged Containers		
32 Gallon Cart	\$48.00 each cart/occurrence after 1 st occurrence	
64 Gallon Cart	\$58.00 each cart/occurrence after 1 st occurrence	
96 Gallon Cart	\$67.00 each cart/occurrence after 1 st 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	

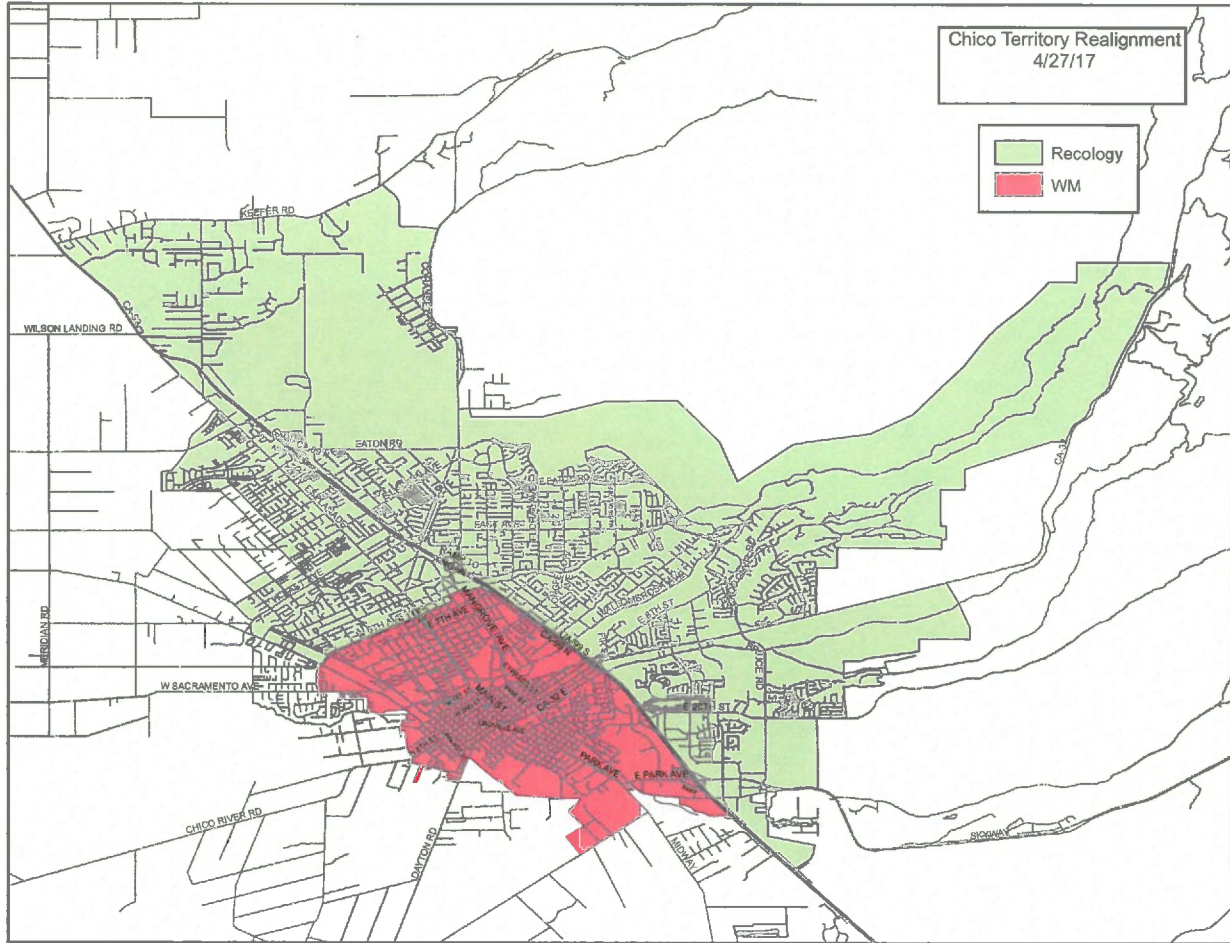
Exhibit 4 MAXIMUM SERVICE RATES COMMERCIAL AND MFD SERVICE UNITS (OCTOBER 1, 2017 – JUNE 30, 2018)	
10 Yard Debris Box	\$6,854.00 each debris box/occurrence
20 Yard Debris Box	\$8,315.00 each debris box/occurrence
25 Yard Debris Box	\$8,876.00 each debris box/occurrence
30 Yard Debris Box	\$9,775.00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

2526
2527

2528

Exhibit 5a
COMMERCIAL SERVICE AREA

2529



2530

