

DRAFT FRANCHISE AGREEMENT
for the
COLLECTION AND PROCESSING OF DISCARDED
MATERIALS
between
THE TOWN OF TRUCKEE, CALIFORNIA
and
TAHOE TRUCKEE DISPOSAL CO., INC.

June 29, 2018

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DISCARDED MATERIALS COLLECTION AND PROCESSING FRANCHISE AGREEMENT

This Discarded Materials Collection and Processing Franchise Agreement (the "Agreement") is entered into on the 29th day of June, 2018 by and between the Town of Truckee (hereinafter, the "Town"), and Tahoe Truckee Disposal Co., Inc., a California corporation, (hereinafter, the "Contractor") (together, the "Parties").

RECITALS

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 ("AB 939") and subsequent modifications thereto, established a solid waste (herein after called "Discarded Materials") management process that requires cities and other local jurisdictions to implement source reduction, reuse and Recycling as integrated waste management practices; and

WHEREAS, AB 939 authorizes and requires local agencies to make adequate provisions for Discarded Materials handling within their jurisdictions; and

WHEREAS, Section 40059 of the State Public Resources Code provides that the Town may determine aspects of Discarded Materials handling which are of local concern, including, but not limited to, frequency of Collection, means of Collection and Transportation, level of services, charges and fees and nature, location, and extent of providing Discarded Materials handling services and whether the services are to be provided by means of partially exclusive or wholly exclusive Agreements, contracts, licenses, permits or otherwise; and

WHEREAS, the Town is obligated to protect the public health and safety of the residents of the Town and arrangements by waste haulers for the Collection of Discarded Materials should be made in a manner consistent with the protection of public health and safety; and

WHEREAS, the Town and the Contractor are mindful of the provisions of the laws governing the safe Collection, Transport, Processing, and Disposal of Discarded Materials, including AB 939, AB 341, AB 1826, SB 1383, and the Resource Conservation and Recovery Act 42 U.S.C. 9601 et seq.; and

WHEREAS, the Town Council determines and finds that the public interest, health, safety and well-being would be served if the Contractor performs these services; and

WHEREAS, in accordance with Section 40059 of the State Public Resources Code, the Town Council is empowered to enter into agreements with any Person or corporation and to prescribe the terms and conditions of such agreements; and

WHEREAS, the Town entered into sole source negotiations with Contractor in late 2016, and Town Council authorized the execution of this Agreement on June 29, 2018; and

NOW THEREFORE, in consideration of the respective and mutual covenants and promises herein, and subject to all the terms and conditions hereof, the Parties agree as follows:

ARTICLE 1: GRANT AND ACCEPTANCE OF FRANCHISE

Section 1.1: Grant and Limitations of Exclusive Franchise

By the signing of this Agreement, the Town grants to Contractor, and Contractor accepts, an exclusive franchise within the corporate limits of the Town. The franchise granted to Contractor shall be the exclusive right to Collect, Transport, handle, Process, Recycle, and, Dispose of all Discarded Materials (including Mixed Materials, Yard Trimmings, Recyclable Materials, Construction & Demolition Debris and Food Scraps) generated by Residential, Commercial, and Town facility Premises in the Town, subject to the limitations described below in Section 1.1.A and except where otherwise precluded by Federal, State, and local laws and regulations.

A. **Limitations to Exclusivity.** The award of this Agreement shall not preclude the categories of Discarded Materials listed below from being delivered to and/or Collected and Transported by others, provided that nothing in this Agreement is intended to or shall be construed to excuse any Person from obtaining any authorization from the Town which is otherwise required by law:

1. Recyclable Materials. Other Persons shall maintain the right to accept donated Recyclable Materials and to compensate the service recipient for Recyclable Materials so long as there is no net payment made by the service recipient to such other Person;
2. Self-Hauled Materials. A Commercial business Owner or Occupant may Dispose of Discarded Materials generated in or on their own Premises using their own vehicles and equipment, and, with respect to a Commercial business, its own employees;
3. Donated Materials. Any items which are donated by the Generator to youth, civic, or charitable organizations;
4. Beverage Containers. Containers delivered for Recycling under the California Beverage Container Recycling and Litter Reduction Act, Section 14500, et seq. California Public Resources Code;
5. Materials Removed by Customer's Contractor as Incidental Part of Services. Discarded Materials removed from a Premises by a contractor (e.g., gardener, landscaper, tree-trimming service, construction contractor, Residential clean-out service), using its own employees, vehicles and equipment as an incidental part of the service being performed and such contractor is providing a service which is not included in the scope of this Agreement;
6. Animal, Grease Waste, and Used Cooking Oil. Animal waste and remains from slaughterhouse or butcher shops, grease, or used cooking oil;
7. Sewage Treatment By-Product. By-products of sewage treatment, including sludge, sludge ash, grit, and screenings;
8. Excluded Waste. Excluded Waste regardless of its source; and,
9. Materials Generated by State, County, and Federal Facilities. Materials generated by State, County, and Federal facilities located in the Town.

B. Contractor acknowledges and agrees that the Town may permit other Persons besides the Contractor to Collect any and all types of materials excluded from the scope of this Franchise, as set forth above, without seeking or obtaining approval of Contractor. If Contractor can produce evidence that other Persons are servicing Collection Containers or are Collecting and Transporting Discarded Materials in a manner that is not consistent with this Agreement or the Town's Municipal Code, it shall report the location where the service is being provided, the name and phone number of the Person or company providing the service to the Town Contract Manager along with Contractor's evidence. In such case, the Town may notify the Generator and Person providing service of Contractor's rights under this Agreement. In any such event, pursuant to Town Municipal Code Section 6.09.06, Contractor may bring a civil action to enforce this provision in its own name and without regard to any action taken by the Town.

C. This Agreement and scope of this Franchise shall be interpreted to be consistent with Applicable Law, now and during the Term of the Agreement. If future judicial interpretations of current law or new laws, regulations, or judicial interpretations limit the ability of the Town to lawfully contract for the scope of services in the manner and consistent with all provisions as specifically set forth herein, Contractor agrees that the scope of the Agreement will be limited to those services and materials which may be lawfully included herein and that the Town shall not be responsible for any lost profits or losses claimed by Contractor to arise out of limitations to the scope or provisions of the Agreement set forth herein. In such an event, it shall be the responsibility of Contractor to minimize the financial impact of such future judicial interpretations or new laws and the Contractor may meet and confer with Town and may petition for a Rate adjustment pursuant to Section 11.3.

ARTICLE 2: REPRESENTATIONS AND WARRANTIES OF THE PARTIES

Section 2.1: Representations and Warranties

The Parties, by acceptance of this Agreement, represent and warrant that:

- A. **Existence and Powers.** The Parties are duly organized and validly existing under the laws of the State of California, with full legal right, power, and authority to enter into and perform their obligations under this Agreement.
- B. **Due Authorization and Binding Obligation.** The Parties have duly authorized the execution and delivery of this Agreement. This Agreement has been duly executed and delivered and constitutes the legal, valid, and binding obligation of the Parties, enforceable against the Parties in accordance with its terms, except insofar as such enforcement may be affected by bankruptcy, insolvency, moratorium, and other laws affecting creditors' rights generally.
- C. **No Conflict.** Neither the execution, nor the performance by the Parties of their obligations under this Agreement: (1) conflicts with, violates, or results in a breach of any law or governmental regulations applicable to either Party; or, (2) conflicts with, violates, or results in a breach of any term or condition of any judgment, decree, franchise, agreement (including, without limitation, the certificate of incorporation of the Contractor), or instrument to which the Contractor or any Affiliate is a party or by which the Contractor or any Affiliate or any of their properties or assets are bound, or constitutes a default under any such judgment, decree, agreement, or instrument. Contractor represents it is unaware of any financial or economic interest of any public officer or employee of the Town relating to this Agreement.
- D. **No Litigation.** There is no action, suit, or other proceeding as of the Effective Date, at law or in equity, before or by any court or governmental authority, pending, or to the Parties' best knowledge, threatened against either Party which is likely to result in an unfavorable decision, ruling, or finding which would materially and adversely affect the validity or enforceability of this Agreement or any such agreement or instrument entered into by either Party in connection with the transactions contemplated hereby, or which would materially and adversely affect the performance by that Party of its obligations hereunder or by the Contractor under any such other agreement or instrument.
- E. **No Legal Prohibition.** The Parties have no knowledge of any Applicable Law in effect on the Effective Date which would prohibit the performance by either Party of this Agreement and the transactions contemplated hereby.
- F. **Contractor's Statements.** The Contractor's Proposal and any other supplementary information submitted to the Town, which the Town has relied on in awarding and entering this Agreement, do not: (i) contain any untrue statement of a material fact; or, (ii) omit to state a material fact that is necessary in order to make the statements made, in light of the circumstances in which they were made, not misleading.
- G. **Contractor's Investigation.** Contractor has made an independent investigation (satisfactory to it) of the conditions and circumstances surrounding the Agreement and the work to be performed

hereunder. Contractor has taken such matters into consideration in entering this Agreement to provide services in exchange for the compensation provided for under the terms of this Agreement.

- H. **Ability to Perform.** Contractor possesses the business, professional, and technical expertise to manage, Collect, Transport, Process and Dispose of Discarded Materials; and, Contractor possesses the equipment, facility, and employee resources required to perform this Agreement.

ARTICLE 3: TERM OF AGREEMENT

Section 3.1: Term of Agreement

The Term of this Agreement is from the Commencement Date of July 1, 2018 through June 30, 2028 and shall continue in full force for a period of ten (10) years, unless earlier terminated pursuant to this Agreement. The Agreement may be extended in accordance with Section 3.2 or terminated pursuant to Section 3.3, Section 3.4, or Article 13.

Section 3.2: Town's Option to Extend

This Agreement may be extended without amendment, at the Town's sole option, for a period of no less than one (1) year and no more than three (3) additional years for a total Term that does not exceed thirteen (13) years. If the Town desires to extend the Agreement, the Town shall provide the Contractor with written notice of its desire to extend the Agreement at least one hundred eighty (180) days before the expiration of the Term. Such notice by the Town shall specify the desired duration of the extension. Any other extensions to this Agreement shall be made by an amendment to this Agreement, approved by both Parties.

Section 3.3: Early Termination for Assignment

Contractor acknowledges that this Agreement involves rendering a vital service to Town's residents and businesses, and that Town has selected Contractor to perform the services specified herein based on Contractor's experience, skill and reputation for conducting services required under this Agreement in a safe, effective and responsible fashion, at all times in keeping with Applicable Law, regulations and best Discarded Materials and Diversion management practices. The Town has relied on each of these factors, among others, in choosing Contractor to perform the services under this Agreement for the period of time identified as the Term in Section 3.1. In the event that Contractor requests and Town approves assignment of this Agreement in accordance with Section 15.7, the Term shall be reduced by three (3) years.

Section 3.4: Termination for Failure to Implement Services

The Contractor has agreed herein, through either its own labor, equipment, and facilities or facilities provided by others, to implement various programs in order to expand the types of services provided to the Town. Failure to implement the services described in this Agreement upon the Commencement Date (or as otherwise specified by this Agreement) for any reason, shall constitute an Event of Default in accordance with Section 13.1 hereof.

ARTICLE 4: SCOPE OF SERVICES

Contractor shall perform the services described in this Article 4. This Article 4 describes the requirements for the services to be provided including the types and sizes of Containers to be provided by Contractor, available Service Levels and frequencies, acceptable and prohibited materials, and any additional services to be provided to Customers who subscribe to that program. Failure to specifically require an act necessary to perform the service does not relieve Contractor of its obligation to perform such act.

Section 4.1: Single-Family Services

Contractor shall provide the services described in this Section 4.1 to all Single-Family Customers within the Town. The Single-Family sector includes Town-approved Parcelized Multi-Family Customers. In accordance with the Municipal Code, all Owners of Single-Family dwellings must subscribe to Mixed Materials, Recyclable Materials, and Yard Trimmings Collection service, and may not elect to stop subscription.

- A. **Mixed Materials Collection.** Contractor shall Collect Mixed Materials in Customer-provided Cans one (1) time per week from Single-Family Customers and Transport all Mixed Materials to the Approved Processing Facility for Processing. The Single-Family Base Services Rate shall include the first 32-gallons of Mixed Materials Collection service per Single-Family Customer per week.

Containers:	Customer-provided Cans
Container Sizes:	32-gallons or smaller
Service Frequency:	One (1) time per week
Service Location:	Curbside, or Bear Shed
Acceptable Materials:	Mixed Materials
Prohibited Materials:	Excluded Waste (with the exception of Household Batteries, placed for Collection in accordance with this Section), Household Hazardous Waste
Additional Service:	Up to four (4) times per Rate Period, Contractor shall Collect up to 96-gallons of additional Mixed Materials secured in Cans, bags, or bundles and placed for Collection at Single-Family Premises at no additional charge from Customers who have scheduled such extra set-out capacity through Contractor's online customer service system prior to 12:00 a.m. on the Customer's scheduled regular Collection day. Contractor shall provide Customers email confirmation of the scheduled extra set-out upon scheduling. Contractor may charge the "Additional Mixed Materials" Rate approved by the Town for overages exceeding 96-gallons. In the event that a Customer sets-out less than 96-gallons of additional Mixed Materials on a scheduled extra set-out event (or fails to set materials out), the excess capacity shall not roll-over, and the Customer shall be deemed to have used the allotted extra set-out. Unused extra set-out events shall not carry forward to subsequent Rate Periods. This program shall be subject to the New Program Review provisions of Section 4.13. Contractor shall provide Customers next-day notification of any additional charges in accordance with Section 4.7.E. Contractor shall Collect and arrange for proper Disposal of discarded

Household Batteries placed for Collection in Customer-provided, clear, re-sealable or tie-close plastic bags on top of the Mixed Materials Container.

B. Recyclable Materials Collection.

1. Implementation of New Services. Contractor shall implement Recyclable Materials Collection service in Carts pursuant to Section 4.1.B.3 in accordance with the following anticipated schedule: (i) Glenshire Customers in October of Rate Period One; (ii) all Town Customers other than Glenshire Customers and Tahoe Donner Customers in October of Rate Period Two; and, (iii) Tahoe Donner Customers in October of Rate Period Three. The Town and Contractor shall meet and confer as requested by Town Contract Manager in order to assess the implementation and performance of the Recyclable Materials Cart service program. The Town and Contractor agree that the service description and implementation schedule (including Customer implementation groupings) provided in this Section 4.1.B may be modified, upon Town written approval, to ensure that Recyclable Materials Collection service is provided to all Customers in an efficient manner which supports the goals and objectives of the Town. Contractor shall not modify the services required by this Section without prior written notice and approval from the Town Contract Manager.

In accordance with Section 8.3.F, prior to the Commencement Date, Contractor shall conduct outreach to Single-Family Customers in Glenshire introducing the Recyclable Materials Cart program, and providing Customers the opportunity to refuse delivery of a Recyclable Materials Cart. Such communication shall include a statement that the Single-Family Base Services Rate includes provision of a Recyclable Materials Cart at no additional charge. Contractor shall provide the list of Customers refusing a Recyclable Materials Cart to Town. Contractor shall conduct, and provide Town with the results of subsequent outreach to all other Single-Family Customers prior to implementation of Recyclable Materials Cart service in their neighborhood in accordance with the schedule provided in this Section. Contractor shall deliver a Recyclable Materials Cart to all Customers who have not refused such Cart in advance, in accordance with the schedule provided in this Section. In the event that a Customer elects to refuse a Recyclable Materials Cart that has already been delivered to the Customer's Premises in accordance with this Section, Contractor shall remove the Cart at no additional charge.

2. Recyclable Materials Blue Bag Service. Contractor shall Collect Recyclable Materials in Customer-provided Blue Bags (tied and secured) one (1) time per week from Single-Family Customers and Transport all Recyclable Materials to the Approved Processing Facility for Processing. The Single-Family Base Services Rate shall include weekly Collection of Blue Bags from Single-Family Customers. Contractor shall continue providing Recyclable Materials Collection Service in Blue Bags in accordance with this Section 4.1.B.2 to Customers through the Term of this Agreement, unless otherwise directed by the Town Contract Manager in accordance with Section 4.1.B.1.

Containers:	Customer-provided Blue Bags
Container Sizes:	30-gallons or smaller
Service Frequency:	One (1) time per week on the same day as Mixed Materials Collection
Service Location:	Curbside, or Bear Shed
Acceptable Materials:	Recyclable Materials

Prohibited Materials: Mixed Materials, Organic Materials, Excluded Waste, Household Hazardous Waste
Additional Service: Contractor shall Collect all Blue Bags placed for Collection at Single-Family Premises for no additional charge.

3. Recyclable Materials Cart Service. Contractor shall Collect Recyclable Materials in Contractor-provided Carts one (1) time every-other week from Single-Family Customers and Transport all Recyclable Materials to the Approved Processing Facility for Processing. The Single-Family Base Services Rate shall include the first Cart of Recyclable Materials Collection service per Single-Family Customer per week.

Containers: Contractor-provided Carts
Container Sizes: 64-gallon (or similar size) Carts
Service Frequency: One (1) time every-other week on the same day as Mixed Materials Collection.
Service Location: Curbside, or Bear Shed
Acceptable Materials: Recyclable Materials
Prohibited Materials: Mixed Materials, Organic Materials, Excluded Waste, Household Hazardous Waste
Additional Service: Contractor shall provide one (1) additional Recyclable Materials Container to Single-Family Customers upon request and may charge the "Additional Recycling Cart" Rate approved by the Town. Contractor shall provide Customers next-day notification of any additional charges in accordance with Section 4.7.E.

- C. **Yard Trimmings Collection.** Contractor shall implement Yard Trimmings Collection service in Carts pursuant to Section 4.1.C in July of Rate Period One. The Town and Contractor shall meet and confer as requested by Town Contract Manager in order to assess the implementation and performance of the Yard Trimmings Cart service program. The Town and Contractor agree that the service description and implementation schedule provided in this Section 4.1.C may be modified, upon Town written approval, to ensure that Yard Trimmings Collection service is provided to all Customers in an efficient manner which supports the goals and objectives of the Town. Contractor shall not modify the services required by this Section without prior written notice and approval from the Town Contract Manager. In accordance with Section 8.3.F, prior to the Commencement Date, Contractor shall conduct outreach to Single-Family Customers introducing the Yard Trimmings Cart program, and providing Customers the option to select whether they would like to receive one (1), or two (2) Yard Trimmings Carts. Such communication shall include a statement that the Single-Family Base Services Rate includes provision of up to three (3) Yard Trimmings Carts upon separate request at no additional charge.

Contractor shall Collect Yard Trimmings in Contractor-provided Containers one (1) time every other week from Single-Family Customers and Transport all Yard Trimmings to the Approved Processing Facility for Processing. The Single-Family Base Services Rate shall include up to three (3) 96-gallon Carts of Yard Trimmings Collection service per Single-Family Customer every-other week. Yard Trimmings Collection service shall be offered from May 1 through October 31 of each year, unless Town and Contractor mutually agree otherwise to accommodate an early or late snow season.

Containers: Carts
Container Sizes: 96-gallons (or similar size)
Service Frequency: One (1) time every-other week on the same day as Mixed Materials Collection
Service Location: Curbside
Acceptable Materials: Yard Trimmings
Prohibited Materials: Mixed Materials, Food Scraps, Recyclable Materials, Excluded Waste, Household Hazardous Waste
Additional Service: Contractor shall provide up to three (3) Yard Trimmings Carts to Single-Family Customers, upon request, for no additional charge, and may charge the "Additional Yard Trimmings Cart" Rate approved by the Town for all other additional Carts. Contractor shall also make available the Yard Trimmings services identified in Sections 4.5.A, and 4.5.B.

- D. **Food Scraps Collection.** Contractor shall Collect Food Scraps in Customer-provided Yellow Bags placed inside the Mixed Materials Container one (1) time per week from Single-Family Customers and Transport all Food Scraps to the Approved Processing Facility, where Yellow Bags shall be separated from other Discarded Materials. Contractor shall subsequently Transport Yellow Bags to the Approved Food Scraps Processing Facility for additional Processing and Composting. The Single-Family Base Services Rate shall include weekly Collection of Yellow Bags from Single-Family Customers.

Containers: Yellow Bags placed inside the Mixed Materials Container
Container Sizes: 30-gallons or smaller
Service Frequency: One (1) time per week on the same day as Mixed Materials Collection
Service Location: Curbside, or Bear Shed, inside Mixed Materials Container
Acceptable Materials: Food Scraps
Prohibited Materials: Mixed Materials, Recyclable Materials, Yard Trimmings, Excluded Waste, Household Hazardous Waste

- E. **Bulky Item Collection.** Contractor shall offer Bulky Item Collection services to Single-Family Customers, on an on-call basis up to two (2) times per year (as requested by Customer), at no additional charge to Customers. Contractor shall schedule the Bulky Item Collection date within five (5) Business Days of Customer request (unless otherwise scheduled by Customer), and Contractor shall make reasonable efforts to schedule on-call Bulky Item Collections on a day that is convenient to the Customer. Contractor shall offer additional service levels and frequencies to Customers upon request for an additional charge, as approved by the Town. Contractor shall Transport all items Collected through this Section 4.1.E to the Approved Processing Facility, unless directed otherwise by the Town Contract Manager. Upon Town request, and at the Town's sole option, Contractor shall deliver items Collected through this Section 4.1.E to a reuse facility other than the Approved Processing Facility, make items Collected through the Bulky Item program available to an Approved Reuse Vendor, or otherwise cooperate with an Approved Reuse Vendor.

Containers: Not applicable
Service Level: Up to three (3) cubic yards of Recyclable Materials, E-Waste, and U-Waste, AND up to one (1) Bulky Item

Service Frequency:	Up to two (2) times per year (as requested by Customer)
Service Location:	Curbside
Acceptable Materials:	Recyclable Materials, Bulky Items, E-Waste, and U-Waste
Prohibited Materials:	Excluded Waste, any single item that exceeds two hundred (200) lbs. in weight, Household Hazardous Waste, or Organic Materials
Additional Service:	Contractor shall Collect additional items that exceed the above described service level, as requested by Customer, and may charge the Rate approved by the Town for such service. Contractor shall provide additional Collection events for a Customer beyond two (2) per year, as requested by Customer, and may charge the Rate approved by the Town for such service. Contractor shall provide Customers next-day notification of any additional charges in accordance with Section 4.7.E.
Other Requirements:	The Contractor shall provide the service to the Customer within five (5) Business Days of the Customer's requested service date, as mutually agreed upon by the Customer and Contractor. Contractor may charge the Rate approved by the Town for Freon removal. For purposes of this Section 4.1.E, U-Waste shall exclude any materials that may require the Contractor to maintain additional hauling permits or manifests related to Collection and Transport of U-Waste.

Section 4.2: Multi-Family Services

Contractor shall provide the services described in this Section 4.2 to all Multi-Family, and Collective Multi-Family Customers within the Town. The Multi-Family sector includes Multiple-Unit Dwellings with five (5) or more units, or other Residential Premises where Collection service is centralized, and shared by all units. Parcelized Multi-Family Customers will receive services equivalent to those outlined in Section 4.1 (Single Family Services) for each unit, unless they choose to receive centralized service, subject to the Other Services provisions outlined in Section 4.5 and the Property Tax Billing Provisions of Section 4.11.

A. **Mixed Materials Collection.** Contractor shall Collect Mixed Materials in Contractor-provided, or Customer-provided Containers not less than one (1) time per week from Multi-Family Customers and Transport all Mixed Materials to the Approved Processing Facility for Processing.

Containers:	Customer-provided Compactors Contractor-provided Carts, Bins, Drop Boxes
Container Sizes:	One (1) 64-Cart, or up to four (4) 96-gallon Carts (or similar size) 3-, 4-, and 6- cubic yard Bins; and, Drop Boxes or Compactors (as requested by Customer)
Service Frequency:	Weekly for Cart service; and up to five (5) times per week but not less than one (1) time per week, as requested by Customer, for Compactor, Bin, and Drop Box service
Service Location:	Curbside, Bear Shed, or other enclosure or Customer-selected service location at the Multi-Family Premises.
Acceptable Materials:	Mixed Materials
Prohibited Materials:	Excluded Waste, Household Hazardous Waste

- Additional Service:** Contractor shall allow Cart service subscription levels exceeding four (4) 96-gallon Carts upon Town approval. Upon Customer request and to accommodate periodic additional service needs, Contractor shall provide Collection service at a greater frequency than the Customer's regularly scheduled service, up to the maximum Service Level and Contractor may charge the appropriate Rate for the higher Service Level. Contractor shall provide Customers next-day notification of any additional charges in accordance with Section 4.7.E.
- Other Requirements:** If the Contractor identifies a Customer that consistently generates more Mixed Materials than can be accommodated by the currently subscribed-to Service Level, the Contractor is permitted to increase the subscribed-to Service Level and charge the associated approved Rate. Contractor shall consider three (3) overages out of four (4) sequential Collections as "consistent". Contractor shall Collect and arrange for proper Disposal of discarded Household Batteries placed for Collection in Customer-provided, clear, re-sealable or tie-close plastic bags on top of the Mixed Materials Container. Contractor shall, at Customer's request and for an additional charge, open and close gates, push and/or pull Containers, or perform other services as reasonably necessary to access and empty Containers.

B. Recyclable Materials Collection

1. Mixed Recyclables Collection. Contractor shall Collect Recyclable Materials in Contractor-provided Containers not less than one (1) time per week from Multi-Family Customers and Transport all Recyclable Materials to the Approved Processing Facility for Processing. Contractor shall provide Recyclable Material Collection services at no charge to Customers subscribing to Mixed Materials Collection service.

- Containers:** Contractor-provided Carts
- Container Sizes:** 64-, or 96-gallon (or similar size)
- Service Frequency:** Weekly
- Service Location:** Curbside or other Customer-selected service location at the Multi-Family Premises
- Acceptable Materials:** Recyclable Materials
- Prohibited Materials:** Mixed Materials, Organic Materials, Excluded Waste, Household Hazardous Waste
- Additional Service:** Contractor may limit a Customer's Recyclable Materials Service Level to a maximum of one hundred percent (100%) of the Customer's Mixed Materials Service Level. Upon Customer request and to accommodate periodic additional service needs, Contractor shall provide Collection service at a greater frequency than the Customer's regularly scheduled service, up to the maximum Service Level and Contractor may charge the appropriate Rate for the higher Service Level. Contractor shall provide Customers next-day notification of any additional charges in accordance with Section 4.7.E.

Other Requirements: Contractor shall, at Customer's request and for an additional charge, open and close gates, push and/or pull Containers, or perform other services as reasonably necessary to access and empty Containers.

2. Cardboard-Only Bin Collection. Contractor shall Collect Cardboard in Contractor-provided Containers not less than one (1) time per week from Multi-Family Customers and Transport all Cardboard to the Approved Processing Facility for Processing. Contractor may charge Customers the approved Rates for Cardboard Collection services.

Containers: Contractor-provided Bins
Container Sizes: 3-, 4-, and 6- cubic yard Bins
Service Frequency: Up to two (2) times per week but not less than one (1) time per week for 3-, and 4-cubic yard Bin service; and up to three (3) times per week but not less than one (1) time per week for 6-cubic yard Bin service, as requested by Customer
Service Location: Curbside or other Customer-selected service location at the Multi-Family Premises
Acceptable Materials: Cardboard
Prohibited Materials: Mixed Materials, Recyclable Materials, Organic Materials, Excluded Waste, Household Hazardous Waste
Additional Service: Upon Customer request and to accommodate periodic additional service needs, Contractor shall provide Collection service at a greater frequency than the Customer's regularly scheduled service, up to the maximum Service Level and Contractor may charge the appropriate Rate for the higher Service Level. Contractor shall provide Customers next-day notification of any additional charges in accordance with Section 4.7.E.
Other Requirements: Contractor shall, at Customer's request and for an additional charge, open and close gates, push and/or pull Containers, or perform other services as reasonably necessary to access and empty Containers.

C. Food Scraps Collection. Contractor shall Collect Food Scraps in Customer-provided Yellow Bags placed inside the Mixed Materials Container not less than one (1) time per week from Multi-Family Customers and Transport all Food Scraps to the Approved Processing Facility for Processing, where Yellow Bags shall be separated from other Discarded Materials. Contractor shall subsequently Transport Yellow Bags to the Approved Food Scraps Processing Facility for additional Processing and Composting. Contractor shall provide Yellow Bag Collection services at no charge to Customers subscribing to Mixed Materials Collection service.

Containers: Yellow Bags
Container Sizes: 30-gallons or smaller
Service Frequency: Aligned with each Customer's Mixed Materials service level (e.g. weekly for Cart service; and up to five (5) times per week but not less than one (1) time per week, as requested by Customer, for Compactor, Bin, and Drop Box service).
Service Location: Curbside, or other Customer-selected service location at the Multi-Family Premises, inside Mixed Materials Container
Acceptable Materials: Food Scraps

Prohibited Materials: Mixed Materials, Recyclable Materials, Yard Trimmings, Excluded Waste
Additional Service: Contractor shall Collect all Yellow Bags properly placed for Collection at Multi-Family Premises for no additional charge.

- D. **Bulky Item Collection** Contractor shall offer Bulky Item Collection Services to Multi-Family Customers, on an on-call basis, up to one (1) time per year per dwelling unit (as requested by Customer), at no additional charge to Customers (i.e. a Multi-Family complex with ten (10) units shall receive ten (10) Bulky Item Collection events per year). Contractor shall schedule the Bulky Item Collection date within five (5) Business Days of Customer request (unless otherwise scheduled by Customer), and Contractor shall make reasonable efforts to schedule on-call Bulky Item Collections on a day that is convenient to the Customer. Contractor shall offer additional service levels and frequencies to Customers upon request for an additional charge, as approved by the Town. Contractor shall Transport all items Collected through this Section 4.2:D to the Approved Processing Facility, unless directed otherwise by the Town Contract Manager. Upon Town request, and at the Town's sole option, Contractor shall deliver items Collected through this Section 4.2.D to a reuse facility other than the Approved Processing Facility, make items Collected through the Bulky Item program available to an Approved Reuse Vendor, or otherwise cooperate with an Approved Reuse Vendor.

Containers: Not applicable
Service Level: Up to three (3) cubic yards of Recyclable Materials, E-Waste, and U-Waste, AND up to one (1) Bulky Item
Service Frequency: Up to one (1) time per year per dwelling unit (as requested by Customer)
Service Location: Curbside
Acceptable Materials: Recyclable Materials, Bulky Items, E-Waste, and U-Waste
Prohibited Materials: Excluded Waste, any single item that exceeds two hundred (200) lbs. in weight, Household Hazardous Waste, or Organic Materials Food
Additional Service: Contractor shall Collect additional items that exceed the above described service level, as requested by Customer, and may charge the Rate approved by the Town for such service.
Contractor shall provide additional Collection events for a Customer beyond one (1) per unit per year, as requested by Customer, and may charge the Rate approved by the Town for such service. Contractor shall provide Customers next-day notification of any additional charges in accordance with Section 4.7.E.
Other Requirements: The Contractor shall provide the service to the Customer within five (5) Business Days of the Customer's requested service date, as mutually agreed upon by the Customer and Contractor. For purposes of this Section 4.2.D, U-Waste shall exclude any materials that may require the Contractor to maintain additional hauling permits or manifests related to Collection and Transport of U-Waste.

Section 4.3: Commercial Services

Contractor shall provide the services described in this Section 4.3 to all Commercial Customers within the Town.

- A. **Mixed Materials Collection.** Contractor shall Collect Mixed Materials in Contractor-provided, or Customer-provided Containers not less than one (1) time per week from Commercial Customers and Transport all Mixed Materials to the Approved Processing Facility for Processing. Subject to approval from the Town Contract Manager, in specific instances of remote Customer locations, Contractor may provide Commercial Customers subscribing to Cart service with Contractor-provided Containers of equivalent capacity to Customer's subscribed service level, which are designed to be serviced manually, in lieu of Carts.

Containers:	Contractor-provided Carts, Bins, Drop Boxes, Compactors
Container Sizes:	64-, or 96-gallon Carts (or similar size) 3-, 4-, and 6-cubic yard Bins; and, Drop Boxes or Compactors (as requested by Customer)
Service Frequency:	Weekly for Cart service; up to five (5) times per week but not less than one (1) time per week, as requested by Customer, for Compactor, Bin, and Drop Box service
Service Location:	Curbside, Bear Shed (upon Town approval), or other Customer-selected service location at the Commercial Premises.
Acceptable Materials:	Mixed Materials
Prohibited Materials:	Excluded Waste, Household Hazardous Waste
Additional Service:	Upon Customer request and to accommodate periodic additional service needs, Contractor shall provide Collection service at a greater frequency than the Customer's regularly scheduled service, up to the maximum Service Level and Contractor may charge the appropriate Rate for the higher Service Level. Contractor shall provide Customers next-day notification of any additional charges in accordance with Section 4.7.E. Contractor shall, at Customer's request and for an additional charge, open and close gates, push and/or pull Containers, or perform other services as reasonably necessary to access and empty Containers.
Other Requirements:	If the Contractor identifies a Customer that consistently generates more Mixed Materials than can be accommodated by the currently subscribed-to Service Level, the Contractor is permitted to increase the subscribed-to Service Level and charge the associated approved Rate. Contractor shall consider three (3) overages out of four (4) sequential Collections as "consistent". In the event that Town approves a Bear Shed as a Commercial Customer's Designated Collection Location, Contractor may charge the Customer the Town-approved Rate for 32-gallon Mixed Materials service multiplied by the number of 32-gallon Containers which the Bear Shed may accommodate.

- B. **Recyclable Materials Collection.**

1. **Mixed Recyclables Collection.** Contractor shall Collect Recyclable Materials in Contractor-provided Containers not less than one (1) time per week from Commercial Customers

and Transport all Recyclable Materials to the Approved Processing Facility for Processing. Contractor shall provide Recyclable Material Collection services at no charge to Customers subscribing to Mixed Materials Collection service.

Containers:	Contractor-provided Carts
Container Sizes:	64-, or 96-gallon (or similar size)
Service Frequency:	Weekly
Service Location:	Curbside, Bear Shed (upon Town approval), or other Customer-selected service location at the Commercial Premises.
Acceptable Materials:	Recyclable Materials
Prohibited Materials:	Mixed Materials, Organic Materials, Excluded Waste, Household Hazardous Waste
Additional Service:	Contractor may limit a Customer's Recyclable Materials Service Level to a maximum of one hundred percent (100%) of the Customer's Mixed Materials Service Level. Upon Customer request and to accommodate periodic additional service needs, Contractor shall provide Collection service at a greater frequency than the Customer's regularly scheduled service, up to the maximum Service Level and Contractor may charge the appropriate Rate for the higher Service Level. Contractor shall provide Customers next-day notification of any additional charges in accordance with Section 4.7.E.
Other Requirements:	Contractor shall, at Customer's request and for an additional charge, open and close gates, push and/or pull Containers, or perform other services as reasonably necessary to access and empty Containers.

2. Cardboard-Only Bin Collection. Contractor shall Collect Cardboard in Contractor-provided Containers not less than one (1) time per week from Commercial Customers and Transport all Cardboard to the Approved Processing Facility for Processing. Contractor may charge Customers the approved Rates for Cardboard Collection services.

Containers:	Contractor-provided Bins
Container Sizes:	3-, 4-, and 6- cubic yard Bins
Service Frequency:	Up to two (2) times per week but not less than one (1) time per week for 3-, and 4-cubic yard Bin service; and up to three (3) times per week but not less than one (1) time per week for 6-cubic yard Bin service, as requested by Customer
Service Location:	Curbside or other Customer-selected service location at the Commercial Premises
Acceptable Materials:	Cardboard
Prohibited Materials:	Mixed Materials, Recyclable Materials, Organic Materials, Excluded Waste, Household Hazardous Waste
Additional Service:	Upon Customer request and to accommodate periodic additional service needs, Contractor shall provide Collection service at a greater frequency than the Customer's regularly scheduled service, up to the maximum Service Level and Contractor may charge the appropriate Rate for the higher Service Level. Contractor shall provide Customers next-day notification of any additional charges in accordance with Section 4.7.E.

Other Requirements: Contractor shall, at Customer's request and for an additional charge, open and close gates, push and/or pull Containers, or perform other services as reasonably necessary to access and empty Containers.

C. Food Scraps Collection.

1. **Phase 1.** Beginning on the Commencement Date, Contractor shall Collect Food Scraps in Customer-provided Yellow Bags placed inside the Mixed Materials Container not less than one (1) time per week from Commercial Customers and Transport all Food Scraps to the Approved Processing Facility for Processing, where Yellow Bags shall be separated from other Discarded Materials. Contractor shall subsequently Transport Yellow Bags to the Approved Food Scraps Processing Facility for additional Processing. Contractor shall provide Yellow Bag Collection services at no charge to Customers subscribing to Mixed Materials Collection service. Contractor shall continue providing Food Scraps Collection in accordance with this Section 4.3.C.1 until otherwise directed by Town Contract Manager, at which point Contractor shall provide Food Scraps Collection service in accordance with Section 4.3.C.2.

Containers:	Yellow Bags
Container Sizes:	30-gallons or smaller
Service Frequency:	Aligned with each Customer's Mixed Materials service level
Service Location:	Curbside, or other Customer-selected service location at the Commercial Premises, inside Mixed Materials Container
Acceptable Materials:	Food Scraps
Prohibited Materials:	Mixed Materials, Recyclable Materials, Yard Trimmings, Excluded Waste, Household Hazardous Waste
Additional Service:	Contractor shall Collect all Yellow Bags placed for Collection at Commercial Premises for no additional charge.

2. **Phase 2.** Following one hundred eighty (180) days' notice from the Town Contractor Manager, or as otherwise agreed to in writing by Town and Contractor, Contractor shall Collect Food Scraps in Contractor-provided Containers not less than one (1) time per week from Commercial Customers and Transport all Food Scraps to the Approved Food Scraps Processing Facility for Processing. Contractor may charge Customers the approved Rates for Food Scraps Collection services.

Containers:	Contractor-provided Carts, Bins
Container Sizes:	64-gallon bear-resistant Carts (or similar size); and, 2- and 3- cubic yard bear-resistant Bins
Service Frequency:	Up to three (3) times per week but not less than one (1) time per week, as requested by Customer
Service Location:	Curbside or other Customer-selected service location at the Commercial Premises.
Acceptable Materials:	Food Scraps
Prohibited Materials:	Mixed Materials, Recyclable Materials, Yard Trimmings, Excluded Waste
Additional Service:	Upon Customer request and to accommodate periodic additional service needs, Contractor shall provide Collection service at a greater frequency than the Customer's regularly scheduled service, up to the maximum Service Level and Contractor may charge the appropriate

Rate for the higher Service Level. Contractor shall provide Customers same-day notification of any additional charges in accordance with Section 4.7.E.

Other Requirements: Contractor shall, at Customer's request and for an additional charge, open and close gates, push and/or pull Containers, or perform other services as reasonably necessary to access and empty Containers.

- D. **C&D Collection and Processing.** Contractor shall Collect mixed Construction and Demolition Debris, and C&D which has been source-separated into homogeneous material types (e.g., all metals, all inert materials, all wood waste, etc.) from Customers requesting such service on an on-call basis during the course of permitted construction and/or demolition projects within the Town. Contractor shall deliver C&D Collected from Customers to an appropriately permitted Processing Facility where the materials will be sorted for Recycling. Such Processing Facility shall be selected by the Contractor; however, the Contractor must demonstrate to the satisfaction of the Town that the Processing Facility consistently Recycles the minimum prevailing legislated percentage of all C&D Processed under this Agreement. In the event that the Processing Facility does not meet the prevailing legislated performance standard, Town may direct Contractor to use a different facility, and such direction shall not constitute a Town-directed Change in Scope.

Containers:	Drop Boxes
Container Sizes:	10-, 20-, or 30-cubic yard, Contractor-provided Drop Boxes
Service Frequency:	As requested by Customer, subject to the Town-approved Rate schedule Drop Boxes may incur rental charges after seven (7) days
Service Location:	Customer-selected service location
Acceptable Materials:	Construction and Demolition Debris
Prohibited Materials:	Food Scraps, Excluded Waste, Household Hazardous Waste
Additional Service:	Upon request, Contractor shall provide Customers and/or the Town with certification of the Recycling of C&D load(s), including the types of materials in the load and the percentage of the total load that was Recycled versus Disposed. Upon initiation of each new construction or demolition project within the Town for which Contractor has been requested to provide C&D Collection service, Contractor shall educate the Customer and/or Customer's employees on the legal requirements for and benefits of C&D Recycling, and encourage proper source-separation of C&D materials. Contractor may relocate Containers, or perform other services as reasonably necessary to access Containers, in order to provide C&D Collection service, and may charge the Town-approved Rate for such extra service.

Section 4.4: Special Event Services

Contractor shall provide Mixed Materials, Recyclable Materials, and Organic Materials services to the Special Events identified in Exhibit F at no cost to the event. In addition, Contractor shall provide the Special Event services to other Town-hosted or sponsored events upon thirty (30) days advance request by the Town Contract Manager. Special Event services include:

A. Coordinate with Event Applicant. Contractor shall work with the Special Event organizers to ensure that the event organizer has the necessary information and resources to ensure that Discarded Materials generated at the event will be handled in accordance with Town policies and Applicable Law.

B. Containers. Contractor shall provide and maintain Town-approved Containers for the aggregation of material removed from event Collection stations during the course of the event. Contractor shall provide Containers in sufficient number of appropriate type(s) for the needs of the event as determined by the event organizer. Contractor shall service Containers, as agreed-upon with the event organizer, and deliver Collected materials to the appropriate Approved Facility for Processing and Disposal.

C. Reporting. Within fourteen (14) days of the end of the event, Contractor shall submit a report to the Town Contract Manager and event organizer. The report shall include, at a minimum: the number of event Collection stations deployed at the event, and the tonnage of each material type (i.e., Mixed Materials, Recyclable Materials, and Organic Materials) Collected.

Contractor may, at its sole discretion and expense, coordinate with local youth, community, or charitable organizations to provide some or all of the required services. Regardless of Contractor's use of such an organization, Contractor shall be responsible for ensuring that service is provided to the Customer in a professional and timely manner.

For Special Events which are not identified in Exhibit F or otherwise hosted or sponsored by the Town, Contractor shall provide the above-described Special Event services at the request of the event organizer and may charge the appropriate Town-approved Rate(s) for such services.

Section 4.5: Other Services

A. Residential Yard Trimmings Bin Service. Contractor shall provide Residential Customers (not including Multiple-Unit Dwelling Customers receiving centralized service) with temporary Yard Trimmings Bin rental service up to two (2) times per year, upon Customer request, and may charge the Town-approved Rate for provision of such service. Contractor shall deliver a six (6) cubic yard Bin to a designated location determined by Contractor and Customer as scheduled by Contractor and Customer, and shall Collect the Bin on the same day of the following week. Such Bins are intended for Yard Trimmings only, and Contractor may charge Customer the Town approved Rate for Bins containing Mixed Materials, or other prohibited items. Such service shall be offered from May 1 through October 31 of each year (unless Town and Contractor mutually agree otherwise to accommodate an early or late snow season). In Rate Period One, Contractor shall not be required to provide more than five hundred (500) Yard Trimmings Bin rental events. In Rate Period Two, Contractor shall not be required to provide more than six hundred (600) Yard Trimmings Bin rental events. In all subsequent Rate Periods, Contractor shall not be required to provide more than seven hundred (700) Yard Trimmings Bin rental events. In the event that Town requests an adjustment to the maximum number of available Yard Trimmings Bin rentals in any Rate Period, Town and Contractor shall meet and confer to agree upon an adjustment to Rates for such service.

B. Yard Trimmings Drop-Off. Contractor shall, at no additional cost to Customers, with Proof of Residency required, accept up to six (6) cubic yards of source separated Yard Trimmings per Single-Family Customer per calendar year delivered to the Approved Processing Facility from May

1 through October 31 (unless Town and Contractor mutually agree otherwise to accommodate an early or late snow season). Contractor shall allow Customers to allocate the six (6) cubic yard limit among up to six (6) separate delivery events (for example, up to six (6), one (1) cubic-yard deliveries). Contractor shall allow a Customer's designee to participate in the Yard Trimmings Drop-Off program on a Customer's behalf, provided that the Customer contact Contractor in advance, upon which time Contractor shall provide Customer with a unique code, which the Customer's designee may use to participate in the program as described in this section. Contractor shall Process such Yard Trimmings as Organic Materials, in accordance with Section 5.2.

- C. **On Call 6-yd Mixed Materials Bin Service.** Contractor shall provide Customers with temporary Mixed Materials Bin rental service, upon Customer request, and may charge the Town-approved Rate for provision of such service. Contractor shall deliver a six (6) cubic yard Bin to a designated location determined by Contractor and Customer as scheduled by Contractor and Customer, and may incur rental charges after seven (7) days. Contractor may relocate Containers, or perform other services as reasonably necessary to access Containers, in order to provide Collection service, and may charge the Town-approved Rate for such extra service.
- D. **Town Facilities.** Contractor shall Collect Discarded Materials from Town facilities in the same manner as those services are provided to Commercial Customers. Contractor shall provide service to all Town facilities identified in Exhibit F as well as any future facilities owned and operated by the Town without charge to the Town. In the event that the growth in Town facility service requirements exceeds overall growth in the community, the provisions of Section 4.10 and 11.3 shall apply.
- E. **Public Litter Containers.** Contractor shall Collect Discarded Materials from the pedestrian convenience litter containers in the downtown area identified in Exhibit F, as well as any future public litter containers that are built, procured or otherwise added throughout the Term, as directed by Town. In the event that public litter containers are designed and able to store discarded Recyclable Materials and/or Organic Materials separately from Mixed Materials, Contractor shall not commingle the Collected Recyclable Materials and/or Organic Materials with Mixed Materials prior to Processing at the Approved Processing Facility. Contractor shall regularly clean and report maintenance issues of the public litter containers to the Town as part of weekly service. The Town is responsible for maintaining clear access to each public litter container. In the event that the growth in public litter container service requirements exceeds overall growth in the community, the provisions of Section 4.10 and 11.3 shall apply.
- F. **Holiday Trees.** The Contractor shall Collect all holiday trees which are cut into three-foot segments at maximum length, free of non-natural matter (e.g., tinsel, flocking, lights, stands, nails) and properly placed Curbside at Residential Premises (exposed to obvious view, clear of snow) on the regularly scheduled Day of Collection for two (2) weeks during the month of January, free of any additional charge to any Customer. Contractor will determine which weeks this service will be provided and give notice to all Customers. Such notice shall include, but not be limited to, the above specified conditions of the tree and shall also advise the customers that holiday trees that are discarded outside of the specified time will be subject to an additional charge. Contractor shall place up to four (4) thirty (30) cubic yard Drop Boxes at locations in the Town, as directed and identified by the Town Contract Manager, for holiday tree drop-off during the same period of time that holiday trees are Collected Curbside.

- G. **Illegal Dumping.** Contractor shall, at all times, take reasonable measures to keep the roads and streets in the Town free from litter from the operations of its Operating Assets. In addition, the Contractor shall provide within two (2) days of Town's request, Collection and Disposal service of Discarded Materials which have been illegally dumped, except where it is economically or technically infeasible to do so. Such service is not intended to include litter and is limited to non-private lands and non-forest service lands. It is also not intended to include the clean-up of an illegal dump site with an accumulation of Discarded Materials. Whenever possible, Town will utilize available resources to assist the Contractor in recovering the administrative and clean-up costs from the Person illegally dumping the Discarded Materials. Contractor shall not be required to Collect and Dispose of more than twenty (20) cubic yards per Agreement Year of such illegally dumped materials unless Contractor is compensated by the Town or the Person or Persons responsible for illegally dumping such materials at a mutually agreed upon hourly rate for providing such services. Contractor shall provide reasonable documentation to Town including photographs of waste removed, within five (5) days of completion of the requested service(s).
- H. **Public Education and Outreach.** The Contractor shall perform all public education and outreach activities as described in Exhibit G.
- I. **Building Plan Review.** Upon Town request, Contractor shall provide staff with the expertise to review building plans for new Residential or Commercial development projects during the Town's permit review process to verify the reasonableness of the space allocation and enclosure design for Discarded Materials Containers and the accessibility of such areas. For these plan reviews, the Contractor may be requested to visit the site and submit written recommendations for improvements to the design. Plan reviews shall be completed within two (2) weeks of the Town's request for such review. The Town anticipates approximately five (5) reviews may be requested annually. Contractor shall notify the Town Contract Manager of all requests for new service subscription (including, but not limited to "will serve" notices), and Town Contract Manager shall notify Contractor of requests for new development requiring Discarded Materials Collection service within the Town limits.
- J. **Container Sharing.**
1. Commercial Container Sharing. In special circumstances, for Customers with significant space limitations and upon approval by the Town Contract Manager and the Contractor, the Contractor shall permit Commercial Customers to share Discarded Materials service with other geographically proximate Commercial Customers. Such shared service shall be performed in accordance with Section 4.3 as if it were being provided to a single Customer, with the exception that Contractor shall require all Customers sharing a single service account to identify a "Primary Responsible Party" which will serve as the main point of contact for communication and billing from Contractor and the Town, along with a list of all addresses with which the Primary Responsible Party will share service.
2. Collective Multi-Family Container Sharing. Contractor shall permit Town-approved Residential Customers, which would otherwise be considered Single-Family Customers, to share Discarded Materials service with other geographically proximate Residential Customers as a single Collective Multi-Family Customer. Such shared service shall be performed in accordance with Section 4.2 as if it were being provided to a single Multi-Family Customer, with the exception that Contractor shall require all individual parcels sharing a Collective Multi-Family service account to identify a

"Primary Responsible Party" which will serve as the main point of contact for communications and billing from Contractor, along with a list of all addresses with which the Primary Responsible Party will share service. Any group of Residential Customers requesting to receive Collection service as a single Collective Multi-Family Customer must be approved by the Town Contract Manager prior to transitioning from individual to shared service. The Town shall collect via property taxes, and remit to Contractor Single-Family Base Services revenues for each parcel of the Collective Multi-Family Premises, and Contractor shall bill Collective Multi-Family Customers directly for all ancillary, additional, or alternative Collection Services or arrangements, net revenues received from Single-Family Base Services Rates provided by the Town, in accordance with Section 4.11.A. Contractor shall require that Collective Multi-Family Customers subscribe to a Service Level equating to a minimum of 32-gallons of Mixed Materials Collection Service per individual parcel per week.

- K. **Commercial Bulky Item Collection.** Contractor shall provide the Bulky Item Collection services described in Section 4.1.E to Commercial Customers, upon Customer request. Contractor shall charge the Rate approved by the Town for such service.
- L. **Compostable Organic Materials Bags.** At any time during the Term of this Agreement, the Town shall have the option to require that Contractor alter the provision of the Yellow Bag programs described in Sections 4.1.C, 4.1.D, 4.2.C, 4.2.D, and 4.3.C to include bags which are Compostable, if it is jointly determined by the Parties to be economically and operationally feasible. In the event that Town directs Contractor to implement such a program, the Town shall provide Contractor with sixty (60) days advanced notice, following which, Contractor shall submit to the Town Contract Manager a detailed implementation plan and schedule which shall include, at a minimum: Approved Food Scraps Processing Facility information, and public education and outreach. In the event that the implementation plan is determined by the Town Contract Manager to be inadequate, the Town Contract Manager may direct changes and improvements to the plan, provided that such changes do not result in a material cost impact to the Contractor.
- M. **Recyclables Drop-Off Site.** Contractor shall, at no additional charge to the Town or Customers, provide Drop Boxes at two (2) Town-approved locations within the Town for Collection of Recyclable Materials during the months of July and August of each year. Contractor shall provide Drop Boxes in number and size as determined in collaboration with the Town Contract Manager, and shall service such Drop Boxes as frequently as necessary to mitigate litter, overflow, and wildlife interference at each selected drop-off site. Each drop-off site shall specifically prohibit users from depositing Mixed Materials, Organic Materials, or Excluded Waste.

Contractor shall ensure Recyclable Materials Collected from the drop-off sites are Processed in accordance with Section 5.2. In the event that materials Collected from the drop-off sites cannot be Diverted from landfill Disposal, Contractor shall notify the Town Contract Manager of their intention to Dispose of the material. Such notice must include, at a minimum, the type of material in question, the volume of that material, and the Contractor's reasoning for their inability to Divert said material. The Town Contract Manager shall have up to five (5) Business Days from receipt of such notice to identify alternative means of Recycling the subject material prior to Contractor Disposing of it in a landfill.

Section 4.6: Collection Service Operating Requirements

- A. **Regular Hours of Service.** The Contractor shall schedule no Collections from any Residential Premises, or Commercial Premises situated within two hundred (200) feet of a Residential Premises, on any day earlier than 6:00 a.m. or later than 6:00 p.m. Contractor shall schedule no Collections from any Commercial Premises situated further than two hundred (200) feet from any Residential Premises on any day earlier than 5:30 a.m. or later than 6:00 p.m. The Town may, at its sole discretion, change the Collection times as required by the needs of the Customers or the Contractor.
- B. **Emergency Service.** Collection of Mixed Materials necessitated by an emergency, which the Town Contract Manager determines threatens the public health and safety within the Town, will be made by the Contractor at the direction of the Town Contract Manager. Such Emergency Services may be required outside of the regular Collection hours and schedule. If the Town requests the Contractor to provide Emergency Services, the Contractor will use the Contractor's good faith best efforts to respond to such a request. The Town shall reimburse the Contractor for all actual, documented and reasonable additional costs incurred in order to comply with the provisions of this Section.
- C. **Noise Levels.** The Contractor shall perform the Collection Services in a manner that minimizes the noise resulting from its equipment and personnel and shall ensure that it is in compliance with Applicable Law and the Town Municipal Code.
- D. **Service Holiday.** Collection of Discarded Materials shall not be required on December 25 of each year (or observed Christmas Day), except in case of emergency or as otherwise required by the Town Contract Manager. Whenever a regular Collection falls on observed Christmas Day, the Collection shall be made on the following working day, and Collections throughout the Town shall become current within one (1) week thereafter. Written notice of this policy shall be provided to Customers no more than thirty (30) days prior to such alternative service day. Contractor shall be required to Collect Discarded Materials on all other Holidays.
- E. **Preservation of Public Health and Safety.** The Contractor shall at all times operate in such a manner as to protect the public health and safety. The Contractor shall establish procedures and educate its employees as to such procedures regarding proper methods for the protection of the general public, including, but not limited to, arranging for the proper and legal Disposal of hazardous substances encountered during its performance under this Agreement.
- F. **Weight Restrictions.** In order to protect the health and safety of Contractor's employees, Contractor's obligation to service Containers shall be subject to the weight restrictions identified in Exhibit K.

Section 4.7: Standard of Performance

Contractor shall at all times comply with Applicable Law and provide services in a manner that is safe to the public and the Contractor's employees. Except to the extent that a higher performance standard is specified in this Agreement, Contractor shall perform services in accordance with Discarded Materials management practices common to California.

- A. **Clean Up and Avoiding Damage to Property.** The Contractor shall use due care to prevent littering, spills, or leaks of material placed for Collection. If any materials are littered, spilled, or leaked during Collection or Transportation, the Contractor shall clean up all material before leaving the site. The Contractor shall close all gates after making Collections and shall not do damage to or trespass upon private or public property. Failure to comply with the provisions of this Section may result in Liquidated Damages, subject to the provisions of Section 13.2.
- B. **Hazardous Waste.** The Contractor acknowledges its obligation to arrange for the Disposal of Hazardous Waste that inadvertently comes into its possession or control. The Contractor shall establish all reasonable practices for the screening and elimination of Hazardous Waste from the waste stream including, but not limited to, the training of personnel and the revision of such practices as necessary to reflect prudent waste screening considered to be good practice in the waste Collection and Disposal industry at the time.

If the Contractor finds what reasonably appears to be discarded Hazardous Waste or Household Hazardous Waste at a Designated Collection Location, the Contractor, in addition to the procedure outlined in the previous paragraph, shall either:

1. Notify the Owner or Generator, if such can be determined, that the Contractor may not lawfully Collect such waste and leave a tag specifying the nearest location available for such appropriate Disposal; or,
2. Follow such other procedure as the Town Contract Manager shall approve.

In the event of a threat to the public health and safety, the Contractor shall immediately contact the local fire department. The Contractor shall notify the Town Contract Manager of such incident within one (1) day.

C. **Employees:**

1. **Conduct and Uniform.** The Contractor shall take all steps necessary to ensure that its employees performing Collection Services conduct themselves in a safe, proper, and workmanlike manner, and that they work as quietly as possible. All such employees shall at all times of employment be dressed in uniforms with suitable identification.
2. **Driver Qualifications.** All drivers must have in effect a valid license, of the appropriate class, issued by the California or Nevada Department of Motor Vehicles. Contractor shall use the Class II California or Nevada Department of Motor Vehicles employer "Pull Notice Program" to monitor its drivers for safety.
3. **Safety Training.** Contractor shall provide suitable operational and safety training for all of its employees who operate Collection Vehicles or equipment. Contractor shall train its employees involved in Collection to identify, and not to Collect, Excluded Waste. Upon the Town Contract Manager's request, Contractor shall provide a copy of its safety policy and safety training program, the name of its safety officer, and the frequency of its trainings.

- D. **Improper Loading of Containers.** The Contractor may decline to Collect any Discarded Materials that have been left for Collection in any manner which would prohibit its safe Collection.

- E. **Record of Non-Collection and Additional Charges.** The Contractor shall meet and confer with the Town Contract Manager to determine the specific circumstances where adding photographic evidence would be practical and beneficial in providing backup documentation for Collection services. On or before July 1, 2019, Contractor shall provide to Town Contract Manager a proposal describing Contractor's plan for implementation of a system which will allow route drivers and other Contractor staff to provide photographic evidence of circumstances at Customer Premises which entitle Contractor to refuse Collection of Discarded Materials, and/or assess the Customer an additional charge. Implementation of the Contractor's plan to provide photographic evidence will be mutually agreed upon by Contractor and the Town Contract Manager.

Contractor shall establish and maintain a database of Customer email addresses, and shall provide next-day email notification to Customers who have authorized and provided contact information for email correspondence for all events requiring a notice of non-Collection (as further described in this Section) or additional charges.

When any Discarded Materials placed for Collection are not Collected by the Contractor, or Collection of such Discarded Materials entitle Contractor to charge the Customer an additional Rate (beyond the Rate for the Customer's subscribed Service Level), the Contractor shall provide next-day, email notification of such non-Collection or extra charges, or, if Customer has not authorized email correspondence, leave a tag listing the reasons for such non-Collection or additional charges, and a telephone number where the Customer may contact the Contractor. This information shall either be in writing or by means of a checked box on a form. The Contractor shall maintain within Contractor's system, a record of all such circumstances in which Collection is denied, and additional Rates charged. The records will be maintained within the Customer's account and include names and/or addresses of the Collection Premises involved, the date and the reason for non-Collection or additional charges, photographic evidence of the reason for non-Collection or additional charges (subject to the requirements of this Section), and the date and manner of disposition of each case. Contractor's records of non-Collection and additional charges shall be kept so that they may be conveniently inspected by the Town Contract Manager upon request. The records relating to any particular event of non-Collection shall be retained for a period of one (1) year following such tagging, the records related to additional charges shall be retained in accordance with Section 9.3.

- F. **Fees and Gratuities.** The Contractor shall not, nor shall it permit any agent, employee, or Subcontractor employed by it, to accept, request, solicit, or demand, either directly or indirectly, any compensation for the Collection of Discarded Materials or other Collection Services, except such compensation as is specifically provided for herein as approved by the Town.
- G. **Compliance with Applicable Law.** The Contractor shall comply with all Applicable Law relating to any aspect of the Collection Services or this Agreement, shall obtain and maintain all legal entitlements required for the Operating Assets and the Collection Services, shall comply with all valid acts, rules, regulations, orders, and directions of any Governmental Body applicable to the Operating Assets and the Collection Services provided hereunder, and shall pay all taxes in connection therewith.
- H. **Taxes and Utility Charges.** The Contractor shall pay all taxes lawfully levied or assessed upon or in respect of the Operating Assets or the Collection Services, or upon any part thereof or upon any revenues of the Contractor there from, and shall provide and pay the cost of all utilities necessary

for the operation of the Operating Assets and the provision of the Collection Services, when the same shall become due.

- I. **Contamination of Recyclable Materials and Organic Materials.** If Contractor identifies that a Customer's Recyclable Materials or Organic Materials Containers contain prohibited materials (as identified in Article 4), the Contractor may charge the appropriate "Additional Mixed Materials" Rate approved by the Town, provided that Contractor obtains photographic evidence of the contaminated Container(s) (if applicable, subject to the requirements of Section 4.7.E) and provides the Customer next-day notification of the additional charge in accordance with Section 4.7.E.

Section 4.8: Collection Locations

- A. **General.** The Contractor shall be responsible for the Collection of all Discarded Materials placed for Collection in a legal manner. The Contractor shall immediately notify the Town Contract Manager of any condition at or near any Designated Collection Location which creates a safety hazard or accessibility problem that cannot be resolved with the Customer. Upon authorization by the Town Contract Manager, the Contractor shall discontinue Collection for any such location until the safety hazard or accessibility problem is corrected. Contractor may charge the "Extra Pick-Up" Rate approved by the Town when a Collection Vehicle is required to return to the service location to complete Collection due to a safety hazard or access restriction caused by the Customer and documented with photographic evidence (if applicable, subject to the requirements of Section 4.7.E).

The Designated Collection Location for Residential Customers shall be Curbside, or in a Bear Shed within twenty-eight (28) feet of the edge of the roadway. The Designated Collection Location for Commercial Customers shall be Curbside, or in a Town-approved enclosure. In accordance with Section 8.3.F, prior to the Commencement Date, Contractor shall require that all Customers verify their Designated Collection Location. Contractor shall charge the appropriate approved Rate, in accordance with Exhibit J, for each Customer's selected Designated Collection Location.

- B. **Residential Bear Sheds.** For Residential Customers whose Designated Collection Location is within a Bear Shed, the Contractor shall be responsible for the removal and replacement of all Containers placed therein. The Contractor shall use sufficient care in the handling of such Containers so as to prevent any damage to the enclosure, the enclosure doors, and adjacent facilities or improvements. The Contractor shall promptly repair at its own expense any such enclosure or adjacent facilities or improvements damaged by the Contractor. The Town Contract Manager shall resolve any disputes relating to such damage, and the Contractor shall abide by such decision. Town Contract Manager shall maintain a list of Town-approved Bear Shed specifications. Contractor shall not be required to Collect from Bear Sheds which were installed after the Commencement Date which do not comply with the Town-approved list.
- C. **Commercial Enclosures.** For Commercial Customers whose Designated Collection Location is within an enclosure constructed pursuant to the requirements of any public agency having jurisdiction over the design, construction, and location/accessibility of such enclosures, the Contractor shall be responsible for the removal and replacement of all Containers placed therein. The Contractor shall use sufficient care in the handling of such Containers so as to prevent any damage to the enclosure, the enclosure doors, and adjacent facilities or improvements. The

Contractor shall promptly repair, at its own expense, any such enclosure or adjacent facilities or improvements damaged by the Contractor, which are of sufficient size and in accordance with Contractor required dimensions. The Town Contract Manager shall resolve any disputes between Contractor and Customers relating to such damage, and the Contractor shall abide by such decision.

Section 4.9: Other Wastes

The Parties acknowledge that this Agreement is granted only with respect to the Collection Services and does not include the Collection, Transportation, Processing, or Disposal of Hazardous Waste, Medical Waste, and Liquid Waste. The Parties further acknowledge that the provision by the Contractor of any services not specifically included within the Agreement are excluded from the protection and terms of this Agreement and may be the subject of competition among any and all legally authorized haulers.

Section 4.10: Changes in Scope of Collection Services

Pursuant to the Municipal Code, the Town may modify the scope of services performed by the Contractor pursuant to this Agreement. Town-directed changes to the Contractor's scope of services resulting from the Town's agreement(s) with any of the Approved Facilities shall be managed in accordance with this Section 4.10.

The Town shall provide written notice of any requested modification to the scope of services provided by Contractor pursuant to this Agreement, and the Contractor shall provide the Town with any information requested by the Town in connection with the proposed changes. The Contractor shall, within sixty (60) days after receipt of such notice by the Town, respond to the Town's request. The Contractor may seek additional compensation in the event the scope of services is modified in accordance with this Section 4.10. The need for and amount of additional compensation shall be calculated following a change in scope Rate review pursuant to Section 11.3.

Section 4.11: Billing

- A. **Property Tax Billing.** The Town shall be responsible for coordinating with the County to collect Single-Family Base Services Rates from Single-Family Customers, each parcel of Collective Multi-Family Customers, and Parcelized Multi-Family Customers through property taxes, and for remitting monthly payments to TTSD in accordance with Exhibit I. The Town shall be responsible for providing a clean and comprehensive list of all parcels that have been charged the Single-Family Base Services Rates through property taxes. This list should be sent to the Contractor by October 15th of each year, with an updated count describing any additions or deletions. Contractor shall bill Single-Family, Collective Multi-Family, and Parcelized Multi-Family Customers directly for all ancillary, additional, or alternative Collection Services or arrangements provided under this Agreement other than Single-Family Base Services, and be responsible for collecting billings at Rates set in accordance with Article 11 (for example, if a Single-Family Customer wishes to have two 32-gallon Mixed Materials Containers, the Town shall be responsible for collecting Rates for the first 32-gallons of service as part of the Single-Family Base Services Rate, and the Contractor shall be responsible for collecting Rates for the additional Container). Billing for Collection Services other than Single-Family Base Services shall be performed quarterly, in arrears, and on the basis of services rendered, and revenues from such billings shall be included in Gross Receipts.

In the event that a Customer requests to initiate Collection service, and Contractor must begin providing service prior to the Customer's account being placed on the property tax roll, Contractor shall bill the Customer for all services provided, including the Single-Family Base Services Rate, directly, until such time as the Customer's account may be placed on the tax roll. Contractor shall include documentation of all such new service requests in accordance with Exhibit D. On or before June 1 of each Agreement Year, the Town and Contractor shall reconcile the Contractor's account list with the Town's parcel list to ensure that all new Customers are transferred to property tax billing for Single-Family Base Services. Upon Town request, Contractor shall provide assurance that Contractor has ceased charging such new Customers the Single-Family Base Services Rate. Contractor shall continue to bill all such Customers for services other than the Single-Family Base Services.

- B. **Direct Billing.** Contractor shall bill all Multi-Family and Commercial Customers which are not billed through property taxes in accordance with Section 4.11.A, and be solely responsible for collecting billings at Rates set in accordance with Article 11. Billing shall be performed monthly, in arrears and on the basis of services rendered.
- C. **Payment Methods & Location.** Contractor's website shall provide Customers with the ability to pay their bills through an electronic check or credit card and include the ability for Customer billings to be automatically charged on a recurring basis. Contractor's online payment platform shall comply with the Payment Card Industry Data Security Standard (PCI Standard), as mandated and administered by the Payment Card Industry Security Standards Council. Contractor shall prepare, mail, and collect bills from Customers who decline to use such internet-based billing system. Contractor shall make arrangements to allow Customers to pay bills by cash, check, electronic check, money order, and credit card at its offices located at 645 West Lake Blvd, Ste 5, Tahoe City, CA from 8:00 a.m. to 4:30 p.m. and 900 Cabin Creek Road, Truckee, CA from 8:00 a.m. to 4:00 p.m. Monday through Friday excluding Holidays.
- D. **Billing Records.** Contractor shall maintain copies of all billings and receipts, each in chronological order, for the Term of this Agreement, for inspection and verification by the Town Contract Manager at any reasonable time but in no case more than five (5) Business Days after receiving a request to do so.
- E. **Responsible Parties.** For the purposes of determining the parties ultimately responsible for the purposes of billing, the Customer shall be deemed to be the Owner of the property
- F. **Bad Debt & Collections Procedures.** Invoices are due thirty (30) days following the date of the invoice. The date of the invoice shall not be prior to the first day of the service period for the billing. In the event that any account becomes more than forty-five (45) days past due, Contractor shall notify such Customer of the delinquency via written correspondence and telephone contact. This Section shall be subject to the New Program Review provisions of Section 4.13.
 - 1. **Bad Debt for Property Tax Billing.** Town, through property taxes, shall be responsible for collection of payment of Single-Family Base Services Rates from Single-Family, Collective Multi-Family, and Parcelized Multi-Family Customers with past due accounts ("bad debt") on behalf of the Contractor. The Town shall also assist Contractor with collection of bad debt for services beyond Single-Family Base Services, which have been billed by Contractor, provided that each such past due account owes no less than fifty dollars (\$50) per parcel (for

example, the minimum amount for a Collective Multi-Family Customer made of six parcels shall be \$300). The Town shall have no obligation to assist with collecting from past due accounts which owe less than fifty (\$50) dollars per parcel. Amounts due from Customers with past due accounts may include administrative and/or finance charges, in compliance with Applicable Law. Annually, Contractor shall provide the Town with a list of qualifying past-due accounts, and Town shall coordinate with the County to collect such bad debt through property taxes. For purposes of collecting past due amounts from Collective Multi-Family Customers, any eligible past due amount shall be divided equally among all participating parcels. The Town reserves the right to assess an additional administrative charge on bad debt revenues collected through property taxes, which it may assess in addition to the amounts remitted to Contractor. Town will include any collected Single-Family, Collective Multi-Family, and Parcelized Multi-Family bad debt amounts, net administrative charges, in its monthly remittances to Contractor, in accordance with Section 4.10.A. Contractor shall not discontinue Collection service to Single-Family, Collective Multi-Family, or Parcelized Multi-Family Customers for non-payment.

2. Bad Debt for Direct Billing. Contractor shall be responsible for collection of payment from Multi-Family and Commercial Customers with past due accounts ("bad debt") which are not billed through property taxes in accordance with Section 4.11.A. Contractor shall make reasonable efforts to obtain payment from delinquent accounts which may include issuance of late payment notices, telephone requests for payments, and assistance from attorneys and collection agencies. Amounts due from Customers with past due accounts may include administrative and/or finance charges, in compliance with Applicable Law. Contractor may discontinue service for any Multi-Family or Commercial Customer not billed through property taxes in accordance with Section 4.11.A whose account remains unpaid for thirty (30) days after the date of billing as long as the Customer has received a notice on a form approved by the Town stating that service will be discontinued fifteen (15) days from the date of the notice if payment is not made by that time.

Section 4.12: Transition to Next Contractor at End of Agreement

Contractor will take direction from the Town and cooperate with the subsequent contractor to assist in a timely and orderly transition of services from Contractor to subsequent contractor. In response to the Town's direction, Contractor shall provide then-current route lists, which identify each Customer on the route, its Service Level (number of Containers, Container sizes, frequency of Collection, scheduled Collection day), and any special Collection notes, and detailed then-current Customer account and billing information.

Section 4.13: New Program Review

Town and Contractor agree to meet and confer during Rate Period Three to review actual Rate Period One and Rate Period Two performance and results of the Mixed Materials overage program described in Section 4.1.A, and the collection of bad debt described in Section 4.11.F. Upon request from the Town Contract Manager, Contractor shall provide program reports and any other data reasonably required to assess the performance of such programs. In the event that the Parties agree that either program must be modified in order to meet the goals and objectives of the Town, the Parties shall document such modifications in writing, and address any resulting cost impacts during the Rate adjustment process for

Rate Period Four Rates. Nothing in this Section shall authorize Contractor to modify any provision of this Agreement without express written approval from the Town Contract Manager.

ARTICLE 5: PROCESSING AND TRANSFER

Section 5.1: Processing and Transfer Arrangements

The Contractor shall make its own Processing and Transfer arrangements, so long as such arrangements are in full compliance with this Agreement and Applicable Law. The Town may order the Contractor to modify or terminate its Processing and/or Transfer arrangements if:

- A. The Town determines that such arrangements threaten public health or safety, or
- B. The Town determines that the Town is not adequately protected from liability for the activities of the Processing or Transfer entities, or
- C. The Town determines that the Diversion levels of the particular facility causes the Town to be out of compliance with AB 939, AB 341, AB 1826, SB 1383 or any other regulations regarding Discarded Materials management, or the Contractor is Disposing of Recovered Materials in a manner or volume which does not result in Diversion credit to the Town.

In the event the Town directs the Contractor to modify or terminate waste Processing or Transfer arrangements, the Town acknowledges that the Contractor shall nonetheless be entitled to recover, through the Rates to be charged and authorized to be imposed hereunder, the reasonable costs of the Contractor incurred in implementing such Processing or Transfer arrangements, including, without limitation, increased processing fees and transportation costs (determined in accordance with generally accepted accounting principles).

Section 5.2: Materials Processing

- A. **Mixed Materials.** The Contractor shall have all Mixed Materials Collected in the Town Processed at the Approved Processing Facility with the goal of recovering Recovered Materials to be Recycled, and minimizing the amount of Residue that is generated and ultimately Disposed. Contractor shall ensure that all Blue Bags and Yellow Bags are separated from other Mixed Materials prior to further Processing of Mixed Materials.
- B. **Recyclable Materials.** The Contractor shall have all Recyclable Materials Collected in the Town Processed at the Approved Processing Facility with the goal of recovering Recovered Materials to be Recycled, and minimizing the amount of Residue that is generated and ultimately Disposed. Contractor shall ensure that all Recyclable Materials are Processed separately from Mixed Materials or other materials.
- C. **Yard Trimmings Processing.** The Contractor shall have all Yard Trimmings Collected in the Town Processed at the Approved Processing Facility with the goal of recovering Recovered Materials, and minimizing the amount of Residue that is generated and ultimately Disposed. Contractor shall ensure that all Yard Trimmings are Processed separately from Mixed Materials or other materials.
- D. **Food Scraps Processing.** The Contractor shall have all Food Scraps Collected in the Town Processed at the Approved Food Scraps Processing Facility with the goal of recovering Recovered Materials, and minimizing the amount of Residue that is generated and ultimately Disposed. Contractor shall ensure that all Food Scraps are Processed separately from Mixed Materials or other materials.

E. **Construction and Demolition Debris Processing.** The Contractor shall have all C&D Collected in the Town Processed at the Approved C&D Processing Facility with the goal of recovering Recovered Materials, and minimizing the amount of Residue that is generated and ultimately Disposed, in accordance with Section 4.4.D. Contractor shall ensure that all C&D is Processed separately from Mixed Materials or other materials.

F. **Bulky Item Reuse.** The Contractor shall deliver all Bulky Items Collected in the Town to the Approved Processing Facility prior to Transporting Bulky Items to the Approved Disposal Facility for Disposal. Upon Town request, and subject to identification of an Approved Reuse Partner and sufficient space at the Approved Processing Facility (or other location as approved by the Town), Contractor shall store Collected Bulky Items in a secure and protected area, and shall make the Bulky Items available for such Approved Reuse Partner to review for recovery and reuse. Contractor shall allow the Approved Reuse Partner to remove Bulky Items it determines are suitable for recovery and reuse from the Approved Processing Facility (or other Town-approved location) for no charge to the Approved Reuse Partner, Customers, or the Town.

Section 5.3: Recovered Materials Marketing

The Contractor shall be responsible for having Recovered Materials generated from Processing Discarded Materials Collected in the Town marketed by the Approved Facility, and shall be entitled to keep all resulting revenues. The Town shall have no obligation to provide financial assistance to Contractor in the event that revenues from marketing Recovered Materials are less than anticipated in Contractor's Proposal, or any other financial projection. Contractor's marketing strategy shall make reasonable business efforts to promote the highest and best use of materials presented in the waste management hierarchy established by AB 939. Where practical and cost-effective, the marketing strategy shall include use of local, regional, and domestic markets for Recovered Materials. Contractor shall make available to the Town Contract Manager any and all documentation of the final disposition of marketed Recovered Materials as well as certification that such materials have not been Disposed or incinerated.

Section 5.4: Title to Recovered Materials

As between the Parties, the Contractor has title to and liability for all Recovered Materials, and shall indemnify, defend, and hold harmless the Town from any property damage, personal injury, or consequential damages suffered by any Person from exposure to or as a result of Processing any Recovered Materials or subsequent product made from Recovered Materials based on any theory of liability. The Contractor shall promptly notify the Town of any claim by any Person arising out of the marketing, Disposal, or reuse of Recovered Materials.

ARTICLE 6: RESIDUAL WASTE DISPOSAL

Section 6.1: Disposal Arrangements

The Contractor shall make its own Disposal arrangements, so long as such arrangements are in full compliance with this Agreement and Applicable Law. The Town may order the Contractor to modify or terminate its Disposal arrangements if:

- A. The Town determines that such arrangements threaten public health or safety, or
- B. The Town determines that the Town is not adequately protected from liability for the activities of the Disposal entities.

In the event the Town directs the Contractor to modify or terminate Disposal arrangements, the Town acknowledges that the Contractor shall nonetheless be entitled to recover, through the Rates to be charged and authorized to be imposed hereunder, the reasonable costs of the Contractor incurred in implementing such Disposal arrangements, including, without limitation, increased Disposal fees and Transportation costs (determined in accordance with generally accepted accounting principles).

Section 6.2: Residual Waste Disposal

- A. **Disposal Generally.** The Contractor shall Transport and Dispose of all Residual Waste at the Approved Disposal Facility in accordance with the requirements of Applicable Law, and shall comply with the requirements, rules and regulations of the Owner or operator of the Approved Disposal Facility.
- B. **Disposal Records.** The Contractor shall keep and maintain such logs, records, manifest, bills of lading or other documents as the Town may deem to be necessary or appropriate to confirm compliance by the Contractor with this Agreement and shall retain all weight slips or other information provided to the Contractor's drivers by the Owner or operator of the Approved Disposal Facility.
- C. **Failure to Transport to Approved Disposal Facility.** The Contractor's failure to properly Transport, or cause to be Transported, Residual Waste as described herein is an Event of Default as described in Section 13.1.A of this Agreement, unless the failure is the result of an Uncontrollable Circumstance or such waste has been Diverted by means of alternative technology allowing AB 939 Diversion credit to the Town.
- D. **Flow Control Covenant.** The Contractor hereby waives any right which it may possess under Applicable Law to contest on any ground, constitutional, statutory, case law, administrative or otherwise: (a) the right, power, or authority of the Town to engage in the practice of legal "flow control" or to enter into or perform obligations under this Agreement; or, (b) the right, power, or authority of the Town to deliver or cause the delivery of all Residual Waste generated from the Processing of materials Collected within the Town to the Approved Disposal Facility in accordance with this Agreement.

ARTICLE 7: RECYCLING PROGRAM

Section 7.1: The Contractor's Responsibility for Implementation

The Contractor will implement its Recycling Plan (Exhibit C5) in a manner approved by the Town Contract Manager. In the event that the State of California Diversion or Recycling goals in existence at the time this Agreement is effective are increased, the Contractor will be obligated, at the request of the Town Contract Manager, to develop and submit for the Town's approval, suggested revisions to the Recycling Plan designed to enable the Town to meet the revised requirements, including estimated costs of implementation and targeted Diversion rates. After approval by the Town, the Recycling Plan will be revised and the Contractor will implement such revised Recycling Plan. Town acknowledges that the Contractor shall nonetheless be entitled to recover, through the Rates to be charged and authorized to be imposed hereunder, the reasonable costs of the Contractor incurred as the result of implementation of the revised Recycling Plan.

Section 7.2: Public Awareness

The Contractor shall, at its own expense, provide the public education and outreach services as described in Exhibit G. Any reference to the Town must be approved in advance by the Town Contract Manager. To the extent reasonably possible, the Contractor shall accommodate the inclusion of any Town-directed information on its regular billing statements upon the request of the Town Contract Manager without cost to the Town.

ARTICLE 8: OPERATING ASSETS

Section 8.1: Operating Assets

- A. **Obligation to Provide.** The Contractor shall acquire and maintain at its own cost and expense, Operating Assets which in number, nature, and capacity shall be sufficient to enable the Contractor to provide the Collection Services in accordance with the terms hereof and such assets shall be subject to inspection by the Town at any time.
- B. **Vehicle and Equipment Identification.** The Contractor's name, phone number, and Vehicle or equipment number shall be visibly displayed in letters not less than three (3) inches in height on both sides of its Vehicles or other Collection equipment used by the Contractor.
- C. **Vehicle Specifications, Maintenance, and Appearance.** All Vehicles shall be properly registered with the Department of Motor Vehicles of the State of California, shall be properly insured, shall be of a type approved by the Town, shall be kept clean and in good repair, and shall be continuously maintained in a watertight condition. Vehicles used to Collect or Transport Discarded Materials shall be kept covered at all times except when such material is actually being loaded or unloaded, or when the Vehicles are moving along a Collection route in the course of Collection. All Vehicles shall carry a broom, shovel, absorbent materials for oil spills, and operable fire extinguisher. Discarded Materials Collection Vehicles shall be washed at least once every seven (7) days and cleaned and painted as required to maintain a clean appearance. All Vehicles must be made available for inspection upon reasonable notice by the Town Contract Manager.
- D. **Spillage.** Any cover or screen shall be so constructed and used that Discarded Materials shall not blow, fall, or leak out of the Vehicle onto the street. In the event of a spill, leak, or loss of payload during transit, the Contractor shall immediately arrange for the clean-up and Transportation of the payload to the appropriate facility at the Contractor's sole cost and expense, shall pay any resulting fines, assessments, penalties, or damages resulting therefrom, and shall indemnify and hold harmless the Town in accordance with the procedures provided in Section 12.1 hereof from all loss-and-expense resulting therefrom. Failure to clean-up may result in Liquidated Damages (Section 13.2).
- E. **Computer System Compatibility.** The Contractor shall maintain records and data in an electronic format compatible with the versions of Microsoft Word and Excel currently in use by the Town at any given time during the Term of this Agreement. The Contractor will, at its cost and expense, if requested by the Town Contract Manager, provide any reports or data required by this Agreement via email, or through other electronic format. Raw or printed data may not be submitted as a substitute to the Contractor's obligation to provide various reports under this Agreement.

Section 8.2: Operation and Maintenance of the Operating Assets

The Contractor, at its cost and expense, shall at all times: 1) operate the Operating Assets properly and in a safe, sound, and economical manner; 2) maintain, preserve, and keep the Operating Assets in good repair, working order, and condition; 3) staff the Operating Assets with the appropriate number of licensed employees consistent with good management practice; and, 4) make all necessary and proper repairs, replacements, and renewals, so that at all times the operation of the Operating Assets may be properly and advantageously conducted. The Contractor shall maintain the safety of the Operating

Assets at a level consistent with Applicable Law, the Insurance Requirements, and prudent waste management practices.

Section 8.3: Containers

- A. **Town Regulations.** The Town shall approve the number, type, size, and other specific physical requirements for Containers. The Contractor shall not be required to Collect Discarded Materials from Containers which have not been approved by the Town.
- B. **General Requirements.** The Contractor shall supply the following Containers for each Customer type, based on Customer subscription preference and the provisions of Sections 4.1, 4.2, and 4.3, free of charge upon inception of Collection Services (except as otherwise provided in Section 4.1, 4.2, and 4.3):

Residential Customers	Commercial Customers
<ul style="list-style-type: none">• Recyclable Materials Cart• Yard Trimmings Cart• Bear Resistant Recyclable Materials Cart	<ul style="list-style-type: none">• Mixed Materials Cart• Recyclable Materials Cart• Mixed Materials Bin• Cardboard Bin• Food Scraps Bin• Drop Box• Bear Resistant Mixed Materials Cart• Bear Resistant Recyclable Materials Cart• Bear Resistant Food Scraps Cart• Bear-Resistant Bin

Contractor shall not be required to supply Residential or Commercial Customers with Blue Bags, or Yellow Bags, or Single-Family Customers with Mixed Materials Cans, all of which shall be Customer-provided. After emptying any Container, the Contractor shall replace the Container in an upright position at the place where such Container was placed for Collection. The Contractor shall handle Containers in a manner so as to prevent damage or spillage, and shall not throw, drop, or otherwise mishandle Containers during or after emptying them. The Contractor shall repair or replace, at its own expense and within five (5) Business Days, any Container which is damaged by the Contractor and which is no longer serviceable (e.g., broken wheels, cracked lid, broken axle, cracked or leaking body, etc.).

- C. **Containers for Single-Family Customers.** The Contractor shall provide, as an Operating Asset, the Containers required pursuant to Section 8.3.B at its own cost and expense. Each such Container shall be identified with the Contractor's name and phone number. All Carts shall be sturdy, water tight, and equipped with heavy-duty wheels and closeable lids. Upon Customer request, Contractor shall provide bear-resistant Carts, including appropriate locks and instructions on how to properly secure Discarded Materials against bears, to Single-Family Customers, and may charge the "Bear-Resistant Cart" Rate approved by the Town. The Contractor shall maintain the Containers in good repair, shall bear the cost of normal wear and tear (including wear and tear caused by snow and/or snow removal equipment), and shall replace the Containers as needed. The Contractor may charge a fee to Customers that have Containers that must be repaired or replaced due to other than normal wear and tear (including wear and tear caused by snow and/or

snow removal equipment) and will notify the Town Contract Manager if such fee has been charged. If repairs require removal of the Container from a Customer's Premises, the Contractor shall supply the Customer with a replacement Container. The Contractor shall, within seven (7) days, repair or replace damaged or dilapidated Containers. The Contractor shall provide the Containers required pursuant to this Section at its own cost and expense and any such Containers shall constitute Operating Assets. The Contractor shall promptly replace stolen Containers, provided that the Contractor shall only bear the cost of replacement of such Container the first time it is stolen; and, thereafter such cost of replacement shall be borne by the Customer.

- D. **Containers for Commercial Customers.** The Contractor shall provide, as an Operating Asset the Containers required pursuant to Section 8.3.B at its own cost and expense. Each such Container shall be identified with the Contractor's name and phone number, and all Bins shall be equipped with closeable and lockable lids. Contractor shall, upon Customer request and for an additional charge, supply a lock and key to each Bin Customer in the Town. Contractor shall, upon Customer request and for an additional charge, ensure that all Bins are locked after providing service if they were locked prior to servicing. Upon Customer request, Contractor shall provide bear-resistant Carts and Bins, including appropriate locks and instructions on how to properly secure Discarded Materials against bears, to Multi-Family and Commercial Customers, and may charge the "Bear-Resistant Cart," or "Bear-Resistant Bin" Rate approved by the Town. All Containers shall be designed and constructed to be watertight and prevent the leakage of liquids. The Contractor shall be responsible for the general maintenance and repair of Containers so provided, and shall provide an equivalent Container as replacement during repairs and maintenance. If repairing, maintenance, steam cleaning, and/or repainting is required as a result of abuse, neglect, or misuse on the part of any Customer, the Contractor may charge the Customer a fee to compensate for the cost thereof. The Contractor shall, within seven (7) days, repair or replace any stolen, damaged or dilapidated Container, provided that the Contractor shall only bear the cost of replacement of such Container the first time it is stolen and thereafter such cost of replacement shall be borne by the Customer.
- E. **Ownership of Containers.** With respect to Containers for Discarded Materials provided by the Contractor to Customers for regular, scheduled service in accordance with this Agreement, at the sole discretion of the Town, upon the expiration or early termination of this agreement and the selection of a new and different franchisee, the Town may acquire or purchase the Containers upon expiration or early termination of this Agreement for the net book value as of the date of expiration or termination of the Agreement, based on a ten (10) year straight-line depreciation. In the event that the Town desires to retain ownership of said Containers, the Town shall notify Contractor of such determination. Contractor shall be entitled to receive payment from the Town or a future franchisee to the Town, the remaining book value of such Containers based on a ten (10) year straight-line depreciation schedule with zero residual value. All Containers in service upon the expiration or termination of the Agreement shall be assumed to have been placed in service on the Commencement Date of this Agreement unless Contractor can provide specific evidence documenting the serial number (or other distinguishing inventory designation) of each and every Container placed in service after that date and accompanying invoices from Contractor's Container vendor(s) with matching identifying information. In the event that Town procures Containers (using grant moneys or other funding sources) which are used by Contractor for provision of services under this Agreement, such Containers shall remain the property of the Town, but shall be maintained and repaired by Contractor as needed.

- F. **Service Level Designation.** Prior to the Commencement Date, Contractor shall, through direct mail post-card, or other method of direct communication, require that all Customers verify their Designated Collection Location and requested Service Level for all materials Collected under this Agreement. Such direct communication shall, without limitation, provide Customers the ability to verify whether their Designated Collection Location is Curbside, within a Bear Shed, or within a Commercial enclosure, whether each Single-Family Customer wishes to refuse delivery of a Recyclable Materials Cart, and the number of Yard Trimmings Carts requested by each Single-Family Customer. Such service identification communication shall be structured such that inaction (i.e. no return mail or no online registration) by the Customer shall act as confirmation of the stated Service Level and Designated Collection Location.

Section 8.4: Vehicle Requirements

Contractor shall provide a fleet of Collection Vehicles sufficient in number and capacity to efficiently perform the work required by the Agreement in strict accordance with its terms. Contractor shall have available sufficient back-up Vehicles for each type of Collection Vehicle used to respond to scheduled and unscheduled maintenance, service requests, complaints, and emergencies. All such Vehicles shall have watertight bodies designed to prevent leakage, spillage, or overflow. All such Vehicles shall comply with all Federal, State, and local laws and regulations for year 2016 vehicles, including, without limitation, California Air Resources Board (CARB) clean fleet requirements set forth in 13 CCR 2020, 2021, 2021.1, and 2021.2, safety, and emissions requirements, and such compliance shall come at no additional cost to the Town or Customers during the Term of this Agreement.

Collection Vehicles shall present a clean appearance while providing service under this Agreement. Contractor shall inspect each Vehicle daily to ensure that all equipment is operating properly. Vehicles that are not operating properly shall be taken out of service until they are repaired and operate properly. Contractor shall repair, or arrange for the repair of, all of its Vehicles and equipment for which repairs are needed because of accident, breakdown or any other cause so as to maintain all equipment in a safe and operable condition.

ARTICLE 9: GENERAL REQUIREMENTS

Section 9.1: Public Access to the Contractor

- A. **Office Facilities.** The Contractor shall establish and maintain an office within twenty (20) miles of the Town offices through which the Contractor's representatives may be contacted, unless otherwise approved by the Town Contract Manager.
- B. **Office Hours.** The Contractor's office hours shall be, at a minimum, from 8:00 a.m. to 4:30 p.m. daily except Saturdays, Sundays, and Holidays. These hours may be altered with the approval of the Town Contract Manager.
- C. **Emergency Telephone Number.** The Contractor shall provide the Town with an emergency telephone number for use by the Town Contract Manager outside normal business hours. The Contractor shall have a representative, or an answering service to contact such representative, available at the emergency telephone number during all hours other than normal office hours.

Section 9.2: Service Complaints

- A. **Complaints to Contractor.** The Contractor shall maintain, during office hours, a complaint service and telephone answering system having an answering capacity satisfactory to the Town Contract Manager. All service complaints and billing complaints will be directed to the Contractor. The Contractor shall record all complaints in a log, including date, complainant name and address, and nature and resolution of complaint. This log shall be available for inspection by the Town Contract Manager during the Contractor's regular office hours. Copies thereof shall be furnished to the Town Contract Manager upon request.
- B. **Required Response to Complaints.** The Contractor, within twenty-four (24) hours of its receipt of notice from a Customer or the Town Contract Manager of a failure to provide any service(s) as required by the terms of this Agreement, shall provide such service in a manner consistent with the requirements of this Agreement.

Section 9.3: Accounting and Records

- A. **Maintenance and Audit of Records.** The Contractor shall maintain in its principal office, required in Section 9.1.A, full and complete financial statements and accounting records for operations under this Agreement. Contractor shall account for revenues received and expenses incurred as a result of this Agreement separate from the accounting for other operations performed by Contractor or its affiliates. Contractor shall also account for revenues and expenses related to services for which Contractor maintains an exclusive right under this Agreement separate from the accounting of services provided under this Agreement for which Contractor does not have an exclusive right. Gross Receipts derived from the Collection Services under this Agreement, whether such services are performed by the Contractor or by a Subcontractor, shall be recorded as revenues in the accounts of the Contractor. Upon demand, the Contractor shall permit the Town Contract Manager to examine and audit the books of account of the Contractor related to this Agreement, including any costs shared with other jurisdictions, at any and all reasonable times for the purpose of: (i) confirming Contractor's billings; and/or (ii) for the purposes of

confirming information presented in accordance with Exhibit B2. Upon request, the Contractor shall allow the Town Contract Manager to examine the reports of Gross Receipts and the invoices pertaining to any fee or charge approved by the Town Council for services provided under this Agreement. Such request shall be made at reasonable times and with reasonable notice. The Town will make efforts to hold all sensitive business information provided, including competitive costing information, confidential, to the extent reasonably possible in achieving the intended purposes.

In the event that a Special Circumstance Rate adjustment is requested, such records shall be subject to review at any reasonable time by an independent third party in accordance with appropriate professional standards, and inspection, for the primary purpose of reviewing changes in costs to the Contractor attributable to the Special Circumstance request. The Town Contract Manager shall select the independent third party as well as the scope of work for such review. The independent reviewer shall provide any and all drafts of its review to the Town and the Contractor. The Party requesting the Special Circumstance Rate review shall bear the cost of the review, unless the Review is requested by the Contractor as the result of the Town's modification in the scope of services provided by Contractor pursuant to this Agreement.

The Contractor shall maintain and preserve all cash, billing, and Disposal records throughout the Term of this Agreement and for a period of not less than three (3) years following expiration or early termination of the Agreement. The Contractor shall obtain, within one hundred twenty (120) days of a request by the Town Contract Manager: (1) complete, independently reviewed financial statements for the prior calendar year, including its balance sheet, statement of revenues and expenses, and statement of changes in cash position; and/or (2) a contract procedures audit, including an audit of allowable and non-allowable costs pursuant to Exhibit B; and provide all such resulting statements, reports, and findings to the Town Contract Manager. In the event that the Town Contract Manager requests Contractor's financial statements at a time when the final version is not available, Contractor shall provide the financial statements in draft form, shall indicate when the final version will be available, and shall provide the final version to the Town Contract Manager at such time as they are available. In the event that Contractor submits draft financial statements to the Town Contract Manager, Contractor shall also provide the final financial statements from the year prior to the pending financial statements.

- B. **Confidentiality.** The Town agrees to hold financial statements delivered pursuant to this Section as confidential and shall not disclose the same unless and to the extent disclosure is required pursuant to Applicable Law.

Section 9.4: Reporting

Contractor shall submit reports, at a minimum, as described in Exhibit D. Contractor shall submit quarterly reports within thirty (30) calendar days after the end of each calendar quarter. Contractor shall submit annual reports no later than forty-five (45) calendar days after the end of each calendar year. Contractor may propose report formats that are responsive to the objectives and audiences for each report, provided that all necessary report content is included. The format of each report shall be approved by the Town Contract Manager and such approval shall not be unreasonably withheld. Town Contract Manager may, from time to time during the Term, review and request changes to Contractor's report formats and content and Contractor shall not unreasonably deny such requests. Upon receipt of reports, Town shall provide confirmation of receipt within seven (7) days. The Contractor shall maintain

on file, at its business premises, documentation setting forth its routing and Collection system, a list or computer database of all Collection Premises in the Town, organized alphabetically or by address, and the identification of all services each receives. This information shall be updated and provided at no additional cost to the Town along with Contractor's annual report (as required in Exhibit D) and any time upon request of the Town Contract Manager. The Contractor shall cooperate with the Town to periodically monitor the average volume of Discarded Materials generated from each Collection Premises. Customer-specific records are subject to inspection, and copying by the Town during regular business hours with reasonable advance notice. Prior to the Commencement Date, Contractor shall provide Contractor's policies and procedures for allocating costs and operating data (e.g. tonnage) across Lines of Business and/or between neighboring jurisdictions to Town Contract Manager for review and approval. Contractor shall retain documentation of all historical allocation percentages and related supporting documentation used in the preparation of reports required by this Agreement, and shall provide to Town Contract Manager upon request. Reporting of Recovered Materials and Residual Waste is subject to availability of suitable information provided by Approved Facilities, in the event Contractor believes information provided by the Approved Facilities is unsuitable, Contractor shall notify the Town Contract Manager, and discuss an alternative approach to obtain such data.

Section 9.5: Regulatory Compliance

The Contractor shall provide, on a quarterly basis, all necessary reporting data requested by the Town relating to the Town's compliance requirements pertaining to AB 939, AB 341, AB 1826, and SB 1383. Such report shall be provided to the Town within thirty (30) days after the end of each quarter. The Contractor shall cooperate in activities requested by the Town to measure Diversion from landfills including, but not limited to, providing a location for conducting waste sorting at the Contractor's facility, and re-routing Vehicles on a temporary basis to facilitate composition analysis. Such report shall include, but not necessarily be limited to, throughput, recovery rates per material type, residue, costs, Recyclable Material commodity values, and final disposition of Recyclable Materials. The Contractor shall also supply any other information reasonably requested by the Town Contract Manager to meet State or Federal regulatory requirements as those requirements may be amended from time to time.

Section 9.6: Personnel and Subcontractors

- A. **Employment Practices.** The Contractor shall at all times maintain and follow employment practices in accordance with all state and federal laws and regulations, and shall indemnify the Town for any Legal Proceeding relating to its noncompliance with such laws or regulations.
- B. **Non-Discrimination.** In the performance of the terms of this Agreement, the Contractor shall not engage in nor permit such Subcontractors as it may employ to engage in discrimination against any employee or applicant for employment on the basis of race, sex, color, religion, ancestry, national origin, marital status, age or as a qualified individual with a disability. This prohibition shall pertain to employment, upgrading, demotion, or transfer; recruitment advertising; layoff or termination; rates of pay and other forms of compensation; selection for training, including apprenticeship, and any other action or inaction pertaining to employment matters.
- C. **Personnel.** The Contractor shall employ personnel sufficient in number, training, experience, and capability to ensure that the Collection Services required to be performed under this Agreement are properly carried out.

- D. **Subcontractors.** The Contractor shall not utilize any Affiliates or Subcontractors for the performance of the Collection Services except with the consent of the Town Contract Manager, which may be withheld or delayed if the Town Contract Manager determines, in their reasonable discretion, that such consent is not in the best interest of the public health, safety, or general welfare. In the event Subcontractors are utilized, the Contractor shall provide the Town with direct access to a designated representative from the Subcontractor, such designation not to be changed without prior approval of the Town Contract Manager, except in cases of termination of the employee. The Parties acknowledge the Town's direct contact with any Subcontractors in no way eliminates the Contractor's responsibility to fulfill its obligations under this Agreement.

Section 9.7: Town Contract Manager

The Town has designated the Town Contract Manager to be responsible for the monitoring and administration of this Agreement. Contractor shall meet and confer with the Town Contract Manager to resolve differences of interpretation and implement and execute the requirements of this Agreement in an efficient and effective manner that is consistent with the stated objectives of this Agreement.

From time to time, the Town Contract Manager may designate other agents at the Town to work with Contractor on specific matters. In such cases, those individuals shall be considered designates of the Town Contract Manager for those matters to which they have been engaged. Such designates shall be afforded all of the rights and access granted to the Town Contract Manager. In the event of a dispute between the Town Contract Manager's designate and Contractor, the Town Contract Manager's determination shall be conclusive, subject to the limits in the next paragraph.

In the event of dispute between the Town Contract Manager and the Contractor regarding the interpretation of, or the performance of services under, this Agreement, the Town Contract Manager's determination shall be conclusive except where each such determination results in a material impact to the Contractor's revenue and/or cost of operations. In the event of a dispute between the Town Contract Manager and the Contractor that results in such material impact to the Contractor, Contractor may appeal the determination of the Town Contract Manager to the Town Council, whose determination shall be conclusive. For the purposes of this definition, "material impact" is an amount equal to or greater than one-quarter of one percent (0.25%) of annual Gross Receipts under this Agreement.

The Town Contract Manager or his designate shall have the right to observe and review Contractor operations and Approved Facilities and enter the premises for the purposes of such observation and review, including review of Contractor's records related to this Agreement, during reasonable hours with reasonable notice. In no event shall Contractor prevent access to such Approved Facility premises for a period of more than three (3) days after receiving such a request.

The Town Contract Manager is authorized and empowered to adjust, settle, or compromise any controversy or charge arising from the operations under this Agreement, either on behalf of the Town, contractor, or the public, pursuant to the Municipal Code, subject to the third paragraph in this Section 9.7.

ARTICLE 10: TOWN FEES

Section 10.1: Town Fees

- A. **AB 939 Fee.** The Contractor shall pay an AB 939 Fee to the Town each quarter. The amount of the AB 939 Fee shall be eighteen thousand seven hundred and ninety-seven dollars (\$18,797) per calendar quarter in Rate Period One and shall be adjusted in subsequent Rate Periods pursuant to Section 10.2. The Town shall use the AB 939 Fee to offset expenses including costs related to providing public education and outreach, compliance monitoring, and to enforce the Franchise with respect to any violations by third parties, including initiating and/or assisting in prosecuting enforcement actions. The Town shall retain the sole right to set priorities for its compliance monitoring and enforcement among the Town personnel. This fee shall be a Pass-Through Cost.
- B. **Franchise Fee.** Pursuant to the Municipal Code, in consideration of the rights provided Contractor herein, Contractor shall pay Franchise Fees to the Town each quarter equal to the Town-approved percentage of Gross Receipts for all services performed under this Agreement (with the exception of Compactor lease and maintenance revenues). The Town-approved Franchise Fee percentage shall be four and sixty-one hundredths percent (4.61%) in Rate Period One, four and forty-nine hundredths percent (4.49%) in Rate Period Two, and five percent (5%) in all subsequent Rate Periods. This fee may be adjusted at the Town's sole option, by a Town Council resolution. This fee shall be a Pass-Through Cost. The Town shall deduct Franchise Fees from Single-Family Base Services revenues, collected in accordance with Section 4.11.A, prior to remitting such revenues to Contractor. A sample Franchise Fee calculation is provided in Exhibit I.
- C. **Administrative Fee.** The Contractor shall collect and pay an Administrative Fee to the Town each quarter. The amount of the Administrative Fee shall be three dollars and twenty-five cents (\$3.25) per Customer account per calendar month in Rate Period One and shall be adjusted in subsequent Rate Periods pursuant to Section 10.2. The Town shall use the Administrative Fee to offset the expenses related to managing and administering this Agreement and the services provided under it. The Town shall retain the sole right to set priorities for its contract administration among the Town personnel. The Town shall deduct Administrative Fees from Single-Family Base Services revenues, collected in accordance with Section 4.11.A, prior to remitting such revenues to Contractor. This fee shall be a Pass-Through Cost.
- D. **Other Fees.** The Town shall reserve the right to set other fees as it deems necessary, subject to Town Council approval. Such fees shall be Pass-Through Costs, the time and method of payment shall be consistent with those for the Franchise Fee, and the fee adjustment process shall be consistent with that specified in Section 10.2.

Section 10.2: Adjustment to Fees

Pursuant to the Municipal Code, the Town Council may adjust the fees established in this Article from time-to-time during the Term of this Agreement and such adjustments shall be included in the adjustment of Rates as described in Section 11.2 and Exhibit B. The Town acknowledges that the Contractor shall be entitled to recover, through the Rates to be charged and authorized to be imposed hereunder, the reasonable costs incurred by the Contractor due to the adjustment in the fees.

The amount of the AB 939 Fee for subsequent Rate Periods shall be adjusted annually by the annual percentage change in the CPI-U, calculated in accordance with the adjustment method described in Exhibit B, or shall be the amount specified by the Town. The amount of the Administrative Fee for subsequent Rate Periods shall be the amount specified by the Town. The Town acknowledges that the Contractor shall be entitled to recover, through the Rates to be charged and authorized to be imposed hereunder, the reasonable costs of the Contractor incurred due to the adjustment in the fees.

Section 10.3: Payment Schedule and Late Fees

Within thirty (30) days of the end of each calendar quarter, during the Term of this Agreement and including the final calendar quarter or portion thereof at the end of the Term of this Agreement, Contractor shall remit to Town all fees as described in this Article. Such fees shall be payable to Town and sent or delivered to the Town Contract Manager.

If such remittance is not paid to Town on or before the thirtieth (30th) day following the end of a calendar quarter, all fees due shall be subject to a delinquency penalty of three percent (3%), which attaches on the first day of delinquency. The delinquency penalty shall be increased an additional three percent (3%) and applied to both the original amount due as well as any delinquency penalties previously applied for each additional month the payment remains delinquent. For example, if the amount of the original fees owed equals one hundred thousand dollars (\$100,000) the initial delinquency amount applied on the first day of delinquency will be three thousand dollars (\$3,000) bringing the total amount to one hundred three thousand dollars (\$103,000). If that amount becomes past due for an additional month, the additional delinquency penalty shall be applied to the one hundred three thousand dollars (\$103,000) therefore, the new total amount due would be one hundred six thousand ninety dollars (\$106,090).

Each quarterly remittance to the Town shall be accompanied by a statement, in a form approved by the Town Contract Manager, listing the amount of each fee paid; calculation of each fee; and, statement of Gross Receipts, by Line of Business for the period Collected from all operations conducted or permitted by this Agreement. The Town Contract Manager may, at any time during the Term, request a detailed calculation of Gross Receipts which may include, but is not necessarily limited to, the number of Customers charged at each Service Level and Rate for each billing period.

The Town Contract Manager may, at any time during the Term or within three (3) years following the expiration or early termination of this Agreement, perform an audit of Contractor's billings and payment of fees. Contractor shall fully cooperate with the Town Contract Manager in any such audit. Should the Town or its agent perform this review and identify billing errors or other errors in payment of fees valued at two (2%) percent or more of Gross Receipts, Contractor shall, in addition to compensating the Town for lost fees and applicable delinquency penalties, reimburse the Town's cost of the review.

ARTICLE 11: CONTRACTOR'S COMPENSATION AND RATE SETTING

Section 11.1: General

The Contractor's compensation for performance of all its obligations under this Agreement shall be Gross Receipts. Contractor's compensation provided for in this Article shall be the full, entire and complete compensation due to Contractor pursuant to this Agreement for all labor, equipment, materials and supplies, Processing and Disposal fees, fees due to the Town, taxes, insurance, bonds, overhead, operations, profit, and all other things necessary to perform all the services required by this Agreement in the manner and at the times prescribed. Contractor's profit is not guaranteed, and nothing herein shall obligate the Town to provide any compensation to Contractor beyond Gross Receipts.

If Contractor's actual costs, including fees due to the Town, are more than Gross Receipts, Contractor shall not be compensated for the difference in actual costs and actual Gross Receipts. If Contractor's actual costs, including fees due to the Town, are less than the actual Gross Receipts, Contractor shall retain the difference.

Under this Agreement, Contractor shall have the right and obligation to charge and collect from Customers Rates that are approved by the Town pursuant to the Municipal Code for provision of services to Customers. The Rates for Rate Period One (Exhibit C3) are based on the Contractor's Proposal. Contractor's proposed costs and operating assumptions for Rate Period One are presented in Exhibit C2. Contractor shall charge Customers the Rates established by the Town, and shall not offer to provide any service for Rates above or below those established by the Town for a given level of service.

Nothing herein shall obligate the Town to provide compensation to Contractor other than Gross Receipts in the event that revenues from the sale of Recovered Materials (including CRV revenues) are less than anticipated in Contractor's Proposal or in the event that "processor" or "curbside supplemental" payments are reduced or eliminated by the State. Any such changes in the State payment program shall not be considered a Change in Law under this Agreement.

Section 11.2: Rates and Annual Adjustments

- A. **General.** Subject to compliance with the notice and public hearing requirements of Proposition 218, the Town shall be responsible for approving Rates as described in this Article. If at any time during the Term of the Agreement, the Contractor determines the need for a Rate that does not appear on the Town-approved Rate schedule in Exhibit C3, Contractor shall immediately notify the Town and request establishment of such Rate. For example, if a Customer requires Collection of Recyclable Materials in a fifteen (15) cubic yard Compactor five (5) times per week, and the Town-approved Rate schedule does not include this level of service, the Contractor must request that the Town approve a Rate for this level of service.

The Parties recognize that both the substantive (i.e. cost-of-service) and procedural (i.e. noticing) requirements of Proposition 218 apply to the Rates charged under this Agreement and that the application of those requirements may delay the establishment of Rates beyond the control of either Party. Both Parties shall act in good faith with regard to timely submittals and responses of information required to conduct cost-of-service analysis, customer noticing, and any other activity required to comply with the requirements of Proposition 218.

- B. Rates for Rate Period One.** Rates for Rate Period One, which are presented in Exhibit C3, were approved by the Town on or before the execution of the Agreement. The Rates for Rate Period One shall be effective from the Commencement Date of this Agreement through June 30, 2019.
- C. Rates for Subsequent Rate Periods.** Rates for subsequent Rate Periods shall be adjusted annually in accordance with this Section 11.2 and Exhibit B. Rates for Rate Periods Two, Three, Five, Six, Seven, Nine, Ten, and if the Term is extended, Rate Period Eleven and Thirteen shall be adjusted in accordance with Exhibit B1, Index-Based Rate Adjustment Methodology. Rates for Rate Periods Four, Eight, and if the Term is extended, Rate Period Twelve shall be adjusted in accordance with Exhibit B2, Cost-Based Rate Adjustment Methodology.

The index-based adjustment, which is described in Exhibit B1, involves calculating the Contractor's Total Annual Cost of Operations, along with Pass-Through Costs (such as Processing and Disposal costs), Town fees, and other expenses for the coming Rate Period. In the event that the calculation described in Exhibit B1 results in a calculated increase to Contractor's Total Annual Cost of Operations exceeding seven percent (7%), Contractor may elect to either: i) accept a Rate adjustment with Contractor's Total Annual Cost of Operations capped at a seven percent (7%) increase over the prior Rate Period; or, ii) require that a cost-based Rate adjustment be performed under the procedures described in Exhibit B2. In the event that Contractor requires a cost-based rate adjustment, Contractor shall be required to pay Town's costs of the cost-based rate adjustment review and may not influence or control the Town's selection of professional service provider(s) to perform such review.

The cost-based adjustment, which is described in Exhibit B2, involves a review of Contractor's actual costs and projection of costs for the coming Rate Period. This cost-based Rate adjustment shall be performed instead of the index-based rate adjustment for Rate Periods Four, Eight and, if the Term is extended, for Rate Period Twelve. Such Rate adjustment calculations shall be performed in strict conformance to the procedures described in Exhibit B2.

Upon Town request, Contractor shall be available to present any calculated adjustment to Rates to the Town Council prior to the adjusted Rates becoming effective. Any calculated adjustment to Rates exceeding seven percent (7%) shall be subject to the approval of the Town Council, who may either approve such adjustment or require that the scope and resultant cost of services be adjusted to allow a lesser Rate adjustment.

- D. Rate Structure.** Upon request from either Party, the Town and Contractor shall meet and confer to discuss changes to the relationship of individual Rates in comparison with other Rates. Any such changes would occur in conjunction with the annual Rate adjustment process described in Section 11.2.C or in conjunction with a Rate adjustment resulting from an extraordinary Rate adjustment in accordance with Section 11.3, and approval of any such changes shall be at the sole option of the Town. Changes to the Rates charged under the new structure shall be calculated in such a way that the revised Rate structure generates the same amount of total revenue when the number of current accounts at each Service Level are multiplied by the Rates charged for each Service Level and the total for all Service Levels are summed.

Section 11.3: Special Circumstances Rate Adjustments

It is understood that the Contractor accepts the risk for changes in cost of providing services and the Service Levels requested by Customers and therefore the Special Circumstance adjustments to Rates shall be limited to: (i) a Change in Law (as defined in Exhibit A); (ii) an increase or decrease in a direct per Ton surcharge assessed on the Collection, Transportation, Processing or Disposal of Discarded Materials by Federal, State or local regulatory agencies after the Effective Date of the Agreement (Surcharge); or (iii) a Town-directed change in scope (pursuant to Section 4.10). If a Change in Law, Surcharge, or a Town-directed change in scope occurs and an adjustment to Rates is desired, the Contractor or Town Contract Manager shall petition the Town Council for such an adjustment to the Rates (either increasing or decreasing the Rates) calculated in accordance with Section 11.2.

Contractor shall prepare an application, consistent with the content and format of Exhibit C2, for the extraordinary Rate adjustment calculating the net financial effect on its operations (both increases and decreases of costs and revenues) resulting from the Change in Law, Surcharge or Town-directed change in scope (but not resulting from unrelated changes in costs and revenues), clearly identifying all assumptions related to such calculations and providing the underlying documentation supporting the assumptions. The Town Contract Manager shall evaluate the application for reasonableness. As part of that review, the Town Contract Manager may request access to the financial statements and accounting records related to this Agreement, or shared operations maintained by the Contractor in order to determine the reasonableness of the Contractor's application. The Town may rely on the Contractor's Proposal and other information available to it as the basis for making reasonable assumptions regarding what those accounting and financial records would have shown and therefore the reasonableness of the Contractor's application. Contractor shall pay all reasonable costs incurred by the Town, including the costs of outside accountants, attorneys, and/or consultants, in order to make a determination of the reasonableness of the requested Rate adjustment; provided, however, that such costs will be treated as Pass-Through Costs and shall be included as an "Other Adjustment" as described in Section 2.F. of Exhibit B1, to the extent that the Special Circumstances Rate adjustment is approved.

In the event of such an application for Special Circumstances Rate adjustment, it is understood that the Contractor shall have the burden of demonstrating the reasonableness of the requested adjustment.

The Contractor may appeal the decision of the Town Contract Manager to the Town Council, which shall then make the final determination as to whether an adjustment to the Rates will be made, and if a Rate adjustment is permitted, the amount of the Rate adjustment.

With respect to any Special Circumstances Rate adjustment, the Town Council shall make the final determination as to whether an adjustment to the Rates will be made, and if a Rate adjustment is permitted, the amount of the Rate adjustment.

Section 11.4: Publication of Rates

The Contractor shall provide written notice to Customers of proposed Rate changes. Such written notice shall be delivered to all Customers as part of the next quarterly or monthly billing statement which Contractor sends to Customers. Contractor shall also publish such Rates in a convenient and easily found location on its website, upon request from the Town Contract Manager.

ARTICLE 12: INDEMNITY, INSURANCE, AND PERFORMANCE BOND

Section 12.1: Indemnification

- A. **General.** Contractor shall indemnify, defend with counsel acceptable to Town, and hold harmless (to the full extent permitted by law) Town and its officers, officials, employees, volunteers, and agents from and against any and all claims, liability, loss, injuries, damage, expense, and costs (including without limitation costs and fees of litigation, including reasonable attorneys' and expert witness fees) (collectively, "Damages") of every nature arising out of or in connection with Contractor's performance under this Agreement, or its failure to comply with any of its obligations contained in the Agreement, except to the extent such loss or damage was caused by the sole negligence or willful misconduct of the Town.
- B. **Excluded Waste.** Contractor acknowledges that it is responsible for compliance during the entire Term of this Agreement with all Applicable Laws. Contractor shall not store, Transport, use, or Dispose of any Excluded Waste except in strict compliance with all Applicable Laws.

In the event that Contractor negligently or willfully mishandles Excluded Waste in the course of carrying out its activities under this Agreement, Contractor shall at its sole expense promptly take all investigatory and/or remedial action reasonably required for the remediation of such environmental contamination. Prior to undertaking any investigatory or remedial action, however, Contractor shall first obtain the Town's approval of any proposed investigatory or remedial action. Should Contractor fail at any time to promptly take such action, the Town may undertake such action at Contractor's sole cost and expense, and Contractor shall reimburse the Town for all such expenses within thirty (30) days of being billed for those expenses, and any amount not paid within that thirty (30) day period shall thereafter be deemed delinquent and subject to the delinquent fee payment provision of Section 10.3. These obligations are in addition to any defense and indemnity obligations that Contractor may have under this Agreement. The provisions of this Section shall survive the termination or expiration of this Agreement.

Notwithstanding the foregoing, Contractor's duties under this subsection shall not extend to any claims arising from the Disposal of Mixed Materials at the Approved Disposal Facility, including, but not limited to, claims arising under Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) unless such claim is a direct result of Contractor's negligence or willful misconduct.

- C. **Environmental Indemnity.** Contractor shall defend, indemnify, and hold the Town harmless against and from any and all claims, suits, losses, penalties, damages, and liability for damages of every name, kind and description, including attorneys' fees and costs incurred, attributable to the negligence or willful misconduct of Contractor in handling Excluded Waste.
- D. **Related to AB 939, AB 341, AB 1826, and SB 1383.** Contractor's duty to defend and indemnify herein includes all fines and/or penalties imposed by CalRecycle if the requirements of AB 939, AB 341, AB 1826, and/or SB 1383 are not met by the Contractor with respect to the waste stream Collected under this Agreement and/or Contractor's other obligations under this

Agreement, and such failure is: (i) due to the failure of Contractor to meet its obligations under this Agreement; or, (ii) due to Contractor delays in providing information that prevents Contractor or the Town from submitting reports to regulators in a timely manner. Such duty to indemnify shall also be subject to the conditions and limitations set forth in Public Resources Code Section 40059.1 as though such Section applies to each of AB 939, AB 341, AB 1826, and SB 1383.

- E. **Related to Proposition 218.** Should there be a Change in Law or a new judicial interpretation of Applicable Law, including, but not limited to, Article XIII C and D of the California Constitution (commonly Proposition 218), which impacts the Rates for the Collection Services established in accordance with this Agreement, Contractor shall meet and confer with the Town to discuss the impact of such Change in Law on either Party's ability to perform under this Agreement.

If, at any time, a Rate adjustment determined to be appropriate by both the Town and Contractor to compensate Contractor for increases in costs as described in this Agreement cannot be implemented for any reason, Contractor shall be granted the option to negotiate with the Town, in good faith, a reduction of services equal to the value of the Rate adjustment that cannot be implemented. If the Town and Contractor are unable to reach agreement on such a reduction in services, then Contractor may terminate this Agreement upon one hundred eighty (180) days' prior written notice to the Town, in which case the Contractor and the Town shall each be entitled to payment of amounts due for contract performance through the date of termination.

Should a court of competent jurisdiction determine that the Contractor cannot charge and/or increase its Rates for charges related to any new or increased Franchise Fees and Governmental Fees and charges, Contractor shall reduce the Rates it charges Customers a corresponding amount and shall discontinue payment of any new or increased Franchise Fee, Governmental Fees, and/or charges which have been invalidated by the court.

This provision (i.e., Section 12.1) will survive the expiration or earlier termination of this Agreement and shall not be construed as a waiver of rights by the Town to contribution or indemnity from third parties.

Section 12.2: Insurance

General Requirements. Contractor shall, at its sole cost and expense, maintain in effect at all times during the Term of this Agreement not less than the following coverage and limits of insurance:

- A. **Coverages and Requirements.** During the Term of this Agreement, Contractor shall at all times maintain, at its expense, and shall require all of its subcontractors to maintain, the following coverages and requirements. The commercial general liability insurance shall include broad form property damage insurance.

1. Insurance coverage shall be with limits not less than the following:

Commercial General Liability no less broad than Insurance Services Office (ISO) form CG 00 01 – \$5,000,000 combined single limit per occurrence for bodily injury, personal injury, and property damage. If Contractor maintains higher limits than the specified minimum limits, Town requires and shall be entitled to coverage for the higher limits

maintained by the Contractor.

Automobile Liability – \$5,000,000 combined single limit per accident for bodily injury and property damage (include coverage for owned, hired, and non-owned Vehicles).

Workers' Compensation – Statutory Limits/Employers' Liability - \$1,000,000/accident for bodily injury or disease.

Employee Crime Coverage – \$500,000 per employee covering dishonesty, forgery, alteration, theft, disappearance, and destruction (inside or outside).

Pollution Legal Liability – \$2,000,000 per claim/occurrence and \$2,000,000 aggregate for bodily injury, property damage, and remediation of contaminated site, from the Effective Date of this Agreement through October 1, 2018. \$5,000,000 per claim/occurrence and \$5,000,000 aggregate for bodily injury, property damage, and remediation of contaminated site thereafter.

2. The Town, its officers, agents, employees, and volunteers shall be named as additional insured on all but the workers' compensation and professional liability coverages.
3. Said policies shall remain in force through the life of this Agreement and, with the exception of professional liability coverage, shall be payable on a "per occurrence" basis unless the Town's Risk Manager specifically consents in writing to a "claims made" basis. For all "claims made" coverage, in the event that the Contractor changes insurance carriers Contractor shall purchase "tail" coverage or otherwise provide for continuous coverage covering the Term of this Agreement and not less than three (3) years thereafter. Proof of such "tail" or other continuous coverage shall be required at any time that the Contractor changes to a new carrier prior to receipt of any payments due.
4. The Contractor shall declare all aggregate limits on the coverage before commencing performance of this Agreement, and the Town's Risk Manager reserves the right to require higher aggregate limits to ensure that the coverage limits required for this Agreement as set forth above are available throughout the performance of this Agreement.
5. The deductibles or self-insured retentions are for the account of Contractor and shall be the sole responsibility of the Contractor.
6. Contractor shall provide immediate written notice if (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; (3) or the deductible or self-insured retention is increased. In the event of any cancellation or reduction in coverage or limits of any insurance, Contractor shall forthwith obtain and submit proof of substitute insurance. Should Contractor fail to immediately procure other insurance, as specified, to substitute for any canceled policy, the Town may procure such insurance at Contractor's sole cost and expense.
7. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-VII, unless otherwise approved by the Town Risk Manager.

8. The policies shall cover all activities of Contractor, its officers, employees, agents and volunteers arising out of or in connection with this Agreement.
 9. For any claims relating to this Agreement, the Contractor's insurance coverage shall be primary, including as respects the Town, its officers, agents, employees, and volunteers. Any insurance maintained by the Town shall apply in excess of, and not contribute with, insurance provided by Contractor's liability insurance policy.
 10. The Contractor shall waive all rights of subrogation against the Town, its officers, employees, agents, and volunteers related to the performance of services under this Agreement.
 11. The General Liability policy must specify that where the named insured does not satisfy the self-insured retention, any additional insured may satisfy the self-insured retention.
 12. The General Liability policy shall cover inter-insured suits and include a "Separation of Insureds" or severability clause which treats each insured separately.
- B. Endorsements.** Prior to the Effective Date pursuant to this Agreement, Contractor shall furnish the Town Contract Manager with certificates or original endorsements reflecting coverage required by this Agreement. The certificates or endorsements are to be signed by a Person authorized by that insurer to bind coverage on its behalf. All certificates or endorsements are to be received by, and are subject to the approval of, the Town Risk Manager before work commences.
- C. Renewals.** During the Term of this Agreement, Contractor shall furnish the Town Contract Manager with certificates or original endorsements reflecting renewals, changes in insurance companies, and any other documents reflecting the maintenance of the required coverage throughout the entire Term of this Agreement. The certificates or endorsements are to be signed by a Person authorized by that insurer to bind coverage on its behalf.
- D. Workers' Compensation.** Contractor shall provide workers' compensation coverage as required by State law, and shall comply with Section 3700 of the State Labor Code.

Section 12.3: Performance Bond

Within seven (7) days of the Town's notification to Contractor that the Town has executed this Agreement, Contractor shall file with the Town a bond, payable to the Town, securing the Contractor's performance of its obligations under this Agreement and such bond shall be renewed annually if necessary so that the performance bond is maintained at all times during the Term. The principal sum of the bond shall be one million dollars (\$1,000,000) and shall be adjusted during the Rate adjustment processes for Rate Period Four, Rate Period Eight and if the Term is extended, Rate Period Twelve (subject to the requirements of Exhibit B2) to equal three (3) months of the prior Rate Period's annual Gross Receipts, or other amount as directed by the Town. The bond shall be executed as surety by a corporation authorized to issue surety bonds in the State of California that has a rating of A or better in the most recent edition of Best's Key Rating Guide, and that has a record of service and financial condition satisfactory to the Town. The bond shall be in the form attached as Exhibit E. The Town reserves the right, in its sole discretion, to either require or permit that the performance bond as described herein be replaced by a letter of credit, certificate of deposit, or other form of surety of an

equivalent dollar value. Any Town-requested adjustment to the amount of Contractor's performance bond shall be considered in the adjustment of Rates.

ARTICLE 13: DEFAULT, REMEDIES AND TERMINATION

Section 13.1: Default and Remedies

A. **Events of Default.** Each of the following shall constitute an Event of Default:

1. Any transaction, without any requirement of notice or cure opportunity, attempted or completed, not complying with the requirements of Section 15.7 hereof.
2. The failure by the Contractor for any reason to deliver to the Approved and/or Designated Facility(ies) the appropriate streams of all Discarded Materials Collected by the Contractor.
3. Any criminal conviction, plea bargain, or settlement, without any requirement of notice or cure opportunity, of Contractor, or any of its officers, managers, or employees related directly or indirectly to performance of this Agreement or any other agreement held with the Town. A criminal conviction shall be defined as a criminal conviction plea bargain, or settlement, from a court, municipality or regulatory agency of competent jurisdiction based on acts taken in his, her or its official capacity on behalf of Contractor with respect to:
 - a. Fraud or criminal offense in connection with obtaining, attempting to obtain, procuring or performing a public or private agreement related to municipal solid waste services of any kind (including Collection, hauling, Transfer, Processing, Composting or Disposal), including this Agreement or any amendment thereto; or,
 - b. Bribery or attempting to bribe a public officer or employee of a local, State, or federal agency; or,
 - c. Embezzlement, extortion, racketeering, false claims, false statements, forgery, falsification or destruction of records, obstruction of justice, knowingly receiving stolen property, theft, or misprision (failure to disclose) of a felony; or,
 - d. Unlawful disposal of Hazardous Waste or designated waste the occurrence of which any of Contractor Party knew or should have known; or,
 - e. Violation of antitrust laws, including laws relating to price-fixing, bid-rigging and sales and market allocation, and of unfair and anti-competitive trade practices laws, including with respect to inflation of Mixed Materials Collection, Transportation, Processing fees, or Disposal fees; or,
 - f. Violation of securities laws; or,
 - g. Felonies.
4. The written admission by the Contractor that it is bankrupt, or the filing by the Contractor of a voluntary petition under the Federal Bankruptcy Code, or the consent by the Contractor or

either Guarantor to the appointment by a court of a receiver or trustee for all or a substantial portion of its property or business, or the making by the Contractor of any arrangement with or for the benefit of its creditors involving an assignment to a trustee, receiver or similar fiduciary, regardless of how designated, of all or a substantial portion of the Contractor's property or business.

5. The final adjudication of the Contractor as bankrupt after the filing of an involuntary petition under the Bankruptcy Act, but no such adjudication shall be regarded as final unless and until the same is no longer being contested by the Contractor nor until the order of the adjudication is no longer appealable.
 6. The failure of the Contractor to provide or maintain the Performance Bond required pursuant to Section 12.3 hereof.
 7. Any failure by the Contractor to comply with Applicable Law, including the Town Municipal Code.
 8. Failure of the Contractor to timely implement the operational changes and adjusted Rates resulting from the Change in Law or Town-directed change in scope. The Contractor shall have thirty (30) days after notice of breach from the Town to implement the operational changes. Should the Contractor thereafter not implement the operational changes it shall be in default of this Agreement. In addition to being liable for all damages and penalties to the Town resulting from such default, the Town may terminate this Agreement in accordance with Section 13.1.B.
 9. Failure or refusal of the Contractor to perform any term, covenant, obligation or condition in this Agreement.
- B. **Notice of Default.** Upon a determination by the Town Contract Manager that an Event of Default has occurred, and except as set forth herein, the Town Contract Manager shall give written notice to the Contractor, describing a specific failure or refusal to perform by Contractor which will, unless corrected, constitute a material breach of this Agreement on the part of the Contractor and which will, in the Town's opinion, give the Town a right to terminate this Agreement for cause under this Section unless such default is corrected within thirty (30) days (or longer time period at the sole discretion of the Town Contract Manager). Notwithstanding the foregoing, Contractor shall not be entitled to the 30-day cure period for any violations of paragraphs 1, 3, 4, or 5 above, or for a violation of paragraph 8 following the 30-day period set forth therein. Any Event of Default under Section 13.1.A which results in Contractor's failure to perform service, and/or creates a public health and safety concern, shall be subject to a fifteen (15) day notice period.
- C. **Cure of Events of Default.** Contractor shall, within the 30-day cure period described in paragraph B, either correct or develop an action plan for correcting such breach or refusal to perform, to be approved by the Town Contract Manager. If Contractor has timely submitted an action plan to correct such default within a reasonable period of time, and the action plan has been approved by the Town Contract Manager, Contractor's act or omission shall not constitute an Event of Default for as long as the Contractor remains in compliance with the action plan and continues to take such steps to correct such default in a timely manner.

- D. **Right to Terminate Upon Default.** Not less than ten (10) days after providing written notice to the Contractor, and following the expiration of the cure period described in paragraph B if applicable, the Town Council shall conduct a hearing to determine if termination of the Agreement is in the best interests of the public health, safety, and general welfare of the citizens of the Town. If the Town Council makes such a determination, and the Contractor has not challenged, in accordance with Article 14, the Town's conclusion that such failure or refusal to perform has occurred or constitutes a material breach of this Agreement, the Contractor shall be deemed to have waived any right it may have under Applicable Law to notice of termination in excess of those notice provisions explicitly set forth herein. The Town Contract Manager may elect to suspend the Agreement following the Event of Default until such time as the Town Council determines whether the Agreement shall be terminated.
- E. **Town's Remedies Cumulative: Specific Performance.** The Town's right to terminate this Agreement under this Section 13.1 is not exclusive, and the Town's termination of the Agreement shall not constitute an election of remedies. Instead, they shall be in addition to any and all other legal and equitable rights and remedies which the Town may have, including but not limited to specific performance, and fees and expenses incurred by or on behalf of the Town in enforcing payment or performance of the Contractor's obligations hereunder if such non-performance results in a judicially determined Event of Default by the Contractor.
- F. **Possession of Property upon Termination or Suspension.** In the event of termination or suspension for default pursuant to Section 13.1.D, the Town shall have the right to take possession of any and all of Contractor's equipment and other property used or useful in the Collection, Transportation, Processing, and Disposal of Discarded Materials and the billing and collection of fees for these services and to use such property. The Town shall have the right to retain the possession of such property until such time as Contractor remedies the default or substitute services can be provided by another contractor. If the Town retains possession of Contractor's equipment or other property after the period of time for which Contractor has already been paid by means of bills issued in advance of providing service for the service involved, the Contractor shall be entitled to the reasonable rental value of such property (which shall be offset against any damages due the Town for the Contractor's default). Contractor shall furnish the Town with immediate access to all of its business records related to its Customers and billing of accounts for Collection Services.

Section 13.2: Liquidated Damages

- A. **General.** The Parties find that as of the time of the execution of this Agreement, it is impractical, if not impossible, to reasonably ascertain the extent of damages which shall be incurred by the Town as a result of a breach by Contractor of its obligations under this Agreement. The factors relating to the impracticability of ascertaining damages include, but are not limited to, the fact that: (i) substantial damage results to members of the public who are denied services or denied quality or reliable service; (ii) such breaches cause inconvenience, anxiety, frustration, and deprivation of the benefits of the Agreement to individual members of the general public for whose benefit this Agreement exists, in subjective ways and in varying degrees of intensity which are incapable of measurement in precise monetary terms; (iii) that exclusive services might be available at substantially lower costs than alternative services and the monetary loss resulting from denial of services or denial of quality or reliable services is impossible to calculate in precise monetary terms; and, (iv) the termination of this Agreement

for such breaches, and other remedies are, at best, a means of future correction and not remedies which make the public whole for past breaches.

- B. **Service Performance Standards; Liquidated Damages for Failure to Meet Standards.** The Parties further acknowledge that consistent, reliable Collection services are of utmost importance to the Town and that Town has considered and relied on Contractor's representations as to its quality of service commitment in awarding the Agreement to it. The Parties recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The Parties further recognize that if Contractor fails to achieve the performance standards, or fails to submit required documents in a timely manner, Town and its residents and businesses will suffer damages, and that it is, and will be, impractical and extremely difficult to ascertain and determine the exact amount of damages which Town will suffer. Therefore, without prejudice to Town's right to treat such non-performance as an event of default under this Section, the Parties agree that the Liquidated Damages amounts established in Exhibit H of this Agreement and the Liquidated Damage amounts therein represent a reasonable estimate of the amount of such damages considering all of the circumstances existing on the Effective Date of this Agreement, including the relationship of the sums to the range of harm to Town that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical.

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

Before assessing Liquidated Damages, Town shall give Contractor notice of its intention to do so. The notice will include a brief description of the incident(s) and non-performance. Town may review (and make copies at its own expense) all information in the possession of Contractor relating to incident(s) and/or non-performance. Town may, within ten (10) Business Days after issuing the notice, request a meeting with Contractor. Town may present evidence of non-performance in writing and through testimony of its employees and others relevant to the incident(s) and non-performance. Town Contract Manager will provide Contractor with a written explanation of their determination on each incident(s) and non-performance prior to authorizing the assessment of Liquidated Damages under this Section 13.2. The decision of Town Contract Manager shall be final and Contractor shall not be subject to, or required to exhaust, any further administrative remedies. In no event will liquidated damages in excess of \$1,000 be assessed unless the Contractor shall have been given a reasonable opportunity to meet with the Town Contract Manager or the Town Council and to present evidence in support of the Contractor's position.

- C. **Amount.** Town may assess Liquidated Damages for each calendar day or event, as appropriate, that Contractor is determined to be liable in accordance with this Agreement in the amounts specified in Exhibit H.
- D. **Timing of Payment.** Contractor shall pay any Liquidated Damages assessed by Town within ten (10) Business Days of the date the Liquidated Damages are assessed. If they are not paid within the ten (10) Business Day period, Town may proceed against the performance bond required by the Agreement, order the termination of the rights or "franchise" granted by this Agreement, or all of the above.

Section 13.3: Uncontrollable Circumstances

- A. **Excuse from Performance.** In the event that a Party is prevented from performing its obligations under this Agreement by an Uncontrollable Circumstance, it shall not constitute an Event of Default of this Agreement, so long as the Party in good faith has used its best efforts to perform its respective obligations.

The Party claiming excuse from performance shall, within five (5) days after such Party has notice of the effect of such cause, give the other Party notice of the facts constituting such cause and asserting its claim to excuse under this Section. Specifically, such information shall include the following:

1. The Uncontrollable Circumstance and the cause thereof (to the extent known);
2. The date the Uncontrollable Circumstance began and the cause thereof, its estimated duration, and the estimated time during which the performance of such Party's obligations hereunder will be delayed;
3. Its estimated impact on the other obligations of such Party under this Agreement; and
4. Potential mitigating actions which might be taken by the Contractor or Town and any areas where costs might be reduced and the approximate amount of such cost reductions.

While the delay continues, the Contractor or Town shall give daily notice to the other Party updating the information previously submitted.

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

- B. **Town's Right to Terminate.** The partial or complete interruption or discontinuance of the Contractor's services caused by one (1) or more of the events described in this Section 13.3 shall not constitute a default by the Contractor under this Agreement. Notwithstanding the foregoing, however, if the Contractor is excused from performing its obligations hereunder because of any Uncontrollable Circumstance for a period of thirty (30) days or more, the Town shall nevertheless have the right, in its sole discretion, to terminate this Agreement by giving sixty (60) days' notice.

- C. **Work Stoppages.** Notwithstanding anything in this Agreement to the contrary, any strikes, work stoppages, or other labor disputes or disturbances by employees of the Contractor or any of the Contractor's Subcontractors in connection with the Operating Assets or the Collection Services and which last beyond seven (7) days shall not constitute an Event of Default under Section 13.1.A.

However, in the event of such occurrence which prevents or diminishes the ability of Contractor to Collect, Transport, Process, and Dispose of any or all the Discarded Materials which it is obligated under this Agreement to Collect, Transport, Process, or Dispose of for a period of more than seventy-two (72) hours and the Town Contract Manager, in his or her discretion, finds that such accumulation endangers or menaces the public health, safety or welfare, then Town shall have the right, upon twenty-four (24) hours' notice to Contractor, to find the Contractor in default and to contract with any other third parties to Collect and Transport any and all Discarded Materials

which Contractor would otherwise be obligated to Collect and Transport pursuant to this Agreement. In such event, Contractor shall fully cooperate with Town and its third-party contractor to affect such transfer of operations in as smooth and efficient a fashion as is practicable. All costs, fees, rates or other expenses incurred by Town and/or its third-party contractor that exceed those that would have been incurred by Town had no such emergency arisen shall be the responsibility of the Contractor and shall be paid to Town within thirty (30) days of receipt of written notice to pay.

Section 13.4: Right to Demand Assurances of Performance

If the Town believes in good faith that the Contractor's ability to perform under the Agreement has been placed in substantial jeopardy by one (1) of the events enumerated below, the Town Contract Manager may, at their option and in addition to all other remedies the Town may have, require that Contractor provide Town Contract Manager with sufficient proof that none of the events enumerated below will, in fact, impair Contractor from performing its obligations under the Agreement:

- A. Contractor is the subject of any labor unrest, including work stoppages or slowdown, sick-out, picketing, lock-out, or other concerted job action;
- B. Contractor appears, in the reasonable judgment of the Town, to be unable to regularly pay its bills as they become due; or,
- C. Contractor is the subject of a civil or criminal judgment or order entered by a Federal, State, regional, or local agency for violation of an environmental law.

If the Contractor fails or refuses to provide to the Town adequate information to establish its ability to perform within thirty (30) days, such failure or refusal shall be an Event of Default for purposes of Section 13.1.A.

Section 13.5: Waiver of Defenses

In order to ensure the non-interruption of a vital public service, except as provided in Section 13.3, the Contractor acknowledges that it is solely responsible for providing the services described herein, and hereby irrevocably waives the following defenses to the payment and performance of its obligations under this Agreement: any defense based upon failure of consideration, contract of adhesion, impossibility or impracticability of performance, commercial frustration of purpose, or the existence, non-existence, occurrence or non-occurrence of any foreseen or unforeseen fact, event, or contingency that may be a basic assumption of the Contractor with regard to any provision of this Agreement.

ARTICLE 14: RESOLUTION OF DISPUTES

Should a dispute arise with respect to the performance and obligations of the Parties hereunder, at any time during the Term of this Agreement, the provisions of this Article as well as Section 9.7 shall apply. Either Party shall give the other written notice of such dispute. Such notice shall specify a date and location for the Parties to meet and confer in good faith to resolve any dispute that may arise. In the event such dispute cannot be resolved by the Parties themselves within thirty (30) days of such notice, either Party may propose the appointment of a mediator. If the other Party is in agreement, both Parties may refer the matter in dispute to such mediator for advice and non-binding mediation. If the mediator is unable, within thirty (30) days thereafter, to reach a determination as to the matter in dispute in a manner acceptable to the Parties hereto, the matter may be referred by either Party to a court of competent jurisdiction.

ARTICLE 15: MISCELLANEOUS PROVISIONS

Section 15.1: Relationship of the Parties

Neither Party to this Agreement shall have any responsibility whatsoever with respect to services provided or contract obligations or liabilities assumed by the other Party hereto, whether accrued, absolute, contingent or otherwise, or whether due or to become due. The Contractor is an independent Contractor and Agreement holder and nothing in this Agreement shall be deemed to constitute either Party a partner, agent or legal representative of the other Party or to create any fiduciary relationship between the Parties.

Section 15.2: Notice to Parties

All notices required or provided for in this Agreement shall be provided to the Parties at the following addresses, by personal delivery or deposit in the U.S. Mail, postage prepaid, registered or certified-mail, addressed as specified below. Notices delivered personally shall be deemed received upon receipt; mailed or expressed notices shall be deemed received five (5) days after deposit. A Party may change the address to which notice is given by giving notice as provided herein. If agreed upon by both Parties, either Party may provide email notification to the other Party, in which case such email notification shall constitute official notice and be deemed to have been duly given upon confirmation of receipt.

To Town:

Town of Truckee
Attn: Town Manager
10183 Truckee Airport Road
Truckee, CA 96161

To Contractor:

Tahoe Truckee Disposal Co.,
Attn: Truckee Contract Manager
P.O. Box 135
645 West Lake Boulevard, Suite 5
Tahoe City, CA 96145

Section 15.3: Actions of the Town in its Governmental Capacity

Nothing in this Agreement shall be interpreted as limiting the rights and obligations of the Town in its governmental or regulatory capacity, or as limiting the right of the Contractor to bring any legal action against the Town, not based on this Agreement, arising out of any act or omission of the Town in its governmental or regulatory capacity.

Section 15.4: Binding Effect

This Agreement shall bind and inure to the benefit of the Parties hereto and any successor or assignee acquiring an interest hereunder consistent with the provisions hereof.

Section 15.5: Amendments

Neither this Agreement nor any provision hereof may be changed, modified, amended or waived except by written agreement duly executed by both Parties.

Section 15.6: Further Assurance

Each Party agrees to execute and deliver any instruments and to perform any acts as may be necessary or reasonably requested by the other in order to give full effect to this Agreement.

Section 15.7: Assignment and Transfer of Agreement

- A. **Consent of the Town Required.** This Agreement shall not be transferred, sold, pledged, hypothecated, leased, or assigned, nor shall any of the rights or privileges herein be transferred, sold, pledged, hypothecated, leased, or assigned, either in whole or in part, nor shall title hereto or thereto, either legal or equitable, or any right, interest or property herein or therein, pass to or vest in any Person, except the Contractor, either by action or inaction of the Contractor, or by operation of law, without the prior written consent of the Town, which may be withheld or delayed in its sole and absolute discretion.

The Contractor shall provide written notice of any request to assign or transfer this Agreement, and shall provide the Town with any information requested by the Town in connection with the proposed transfer, including but not limited to information regarding the general business qualifications of the proposed assignee, as well as its ability to perform the Collection Services and a statement of its financial condition. The Contractor's notice of intention to assign this Agreement shall contain a statement of the allocation of dollars in the consideration to be paid by the assignee to the Contractor for (a) goodwill, (b) equipment, and (c) any other asset transfer which has any connection with said assignment, all as agreed upon by the Contractor and the assignee. The notice shall also contain a statement showing the method of payment for the consideration and whether the Contractor proposes to hold some security interest as security for the payment of the unpaid balance of the consideration.

The Town shall respond to any such request within ninety (90) days after receipt of any information requested by the Town pursuant to the preceding sentence, with the exception that Town shall have no obligation to consider or review requests for assignment which would take effect after July 1, 2023. The Contractor acknowledges that, prior to approving such a transfer, the Town must find that such a transfer is in the best interests of the public health, safety, and general welfare. Any attempt by the Contractor to effectuate any of the foregoing without such consent of the Town shall be null and void, and any effectuation of any of the foregoing without such consent of the Town shall constitute an Event of Default resulting in the immediate termination of this Agreement as provided in Section 13.1.A hereof.

- B. **Consolidation, Merger, Sale, Transfer, and Change in Control.** Subject to the provisions of Section 15.7.A above, the Contractor shall not, without the prior written consent of the Town which may

be withheld or delayed in its sole and absolute discretion, consolidate with or merge with another entity or permit one (1) or more other entities to consolidate with or merge into it unless such entity(ies) is (are) an Affiliate(s).

- C. **Transfer of Voting Stock.** The Town's prior written consent, which may be withheld or delayed in its sole and absolute discretion, shall be required for the sale or transfer by any means, whether by agreement or by operation of law (including transfers resulting from death, bankruptcy or divorce), of any of the voting stock of the Contractor. Notwithstanding the above, any such transaction between Contractor and an Affiliate shall not be considered an assignment or transfer for purposes of this Section 15.7, and the Town's consent to such transaction is not required.
- D. **Reimbursement of Cost Related to Assignment Review.** If the Contractor requests the consent of the Town for any transaction described in Section 15.7 hereof (except for those transactions permitted in subsections B., C., and F.), the proposed assignee, as a condition of assignment, shall reimburse the Town for all costs and expenses incurred by the Town in reviewing, examining, and analyzing the request, including all direct and indirect administrative expenses of the Town and consultants and attorney's fees and expenses (provided that Town shall notify and agrees to meet with Contractor if Town reasonably believes that such costs will exceed seventy-five thousand dollars (\$75,000)). Along with its written request for the review of the assignment, Contractor shall remit to Town an assignment review fee in the amount of one hundred thousand dollars (\$100,000) which shall be intended to compensate the Town for the costs of its review of the requested assignment. Such fee shall not be refundable to the Contractor in the event that the Town determines, in its sole discretion, that the proposed assignment is unacceptable. In the event that the Town's total costs for the review of the assignment exceed one hundred thousand dollars (\$100,000) the assignee shall compensate the Town for its actual and reasonable costs within thirty (30) days of receiving the Town's invoice. Such costs shall be supported with evidence of the expense or cost incurred.
- E. **Transfer Fee.** On the date the Town approves the Contractor's written request for an assignment, Contractor shall pay the Town a transfer fee in the amount of one percent (1%) of the Contractor's Gross Receipts for the most-recently completed Rate Period. The Town's approval of such an assignment shall be conditioned on the receipt of the transfer fee.
- F. **Exempt Transfers.** Notwithstanding any provision herein to the contrary, a transfer of voting stock (i) from a stockholder in Contractor to an Affiliate who is an Affiliate on the date of execution of this Agreement, (ii) between a stockholder in Contractor and any member of his or her immediate family (e.g. parents, siblings, children, spouses), (iii) between members of the same immediate family, or (iv) from a stockholder in Contractor to a trust, testamentary or otherwise, does not require the prior written consent of the Town and is not subject to any requirement herein for submittal of information, reimbursement of costs or the transfer fee.

Section 15.8: Interpretation

In this Agreement, unless the context otherwise requires:

- A. **References Hereto.** The terms "hereby," "hereof," "herein," "hereunder," and any similar terms refer to this Agreement, and the term "hereafter" means after, and the term "heretofore" means before, the date of execution of this Agreement.

- B. Gender and Plurality.** Words of the masculine gender mean and include correlative words of the feminine and neuter genders, and words importing the singular number mean and include the plural number and vice versa.
- C. Persons.** Words importing Persons include firms, companies, associations, general partnerships, limited partnerships, trusts, business trusts, corporations, non-profit corporations, and other legal entities, including Governmental Bodies, as well as individuals.
- D. Headings.** The table of contents and any headings preceding the text of the articles, sections, and subsections of this Agreement shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction, or effect.
- E. Entire Agreement.** This Agreement contains the entire agreement between the Parties hereto with respect to the transactions contemplated by this Agreement. Furthermore, nothing in this Agreement is intended to confer on any Person other than the Parties hereto and their respective successors and assigns hereunder any rights or remedies under or by reason of this Agreement.
- F. Reference to Days.** All references to days herein are to calendar days, including Saturdays, Sundays, and Holidays, except as otherwise specifically provided.
- G. Units of Measure.** Weights or volumes described herein may be reported in either metric or U.S. Standard terms of measurement, unless State or Federal law or regulation specifies the system of measurement to be used.
- H. Counterparts.** This Agreement may be executed in any number of original counterparts. All such counterparts shall constitute but one and the same Agreement.
- I. Applicable Law.** This Agreement shall be governed by and construed in accordance with Applicable Law. This Agreement is intended to be fully consistent with the requirements of the Truckee Municipal Code and any subsequent amendments thereto. In the event there is an inconsistency or conflict between this Agreement and the Municipal Code, the Municipal Code is controlling and shall substitute for the inconsistent provision.
- J. Severability.** If any clause, provision, subsection, section, or article of this Agreement shall be determined to be invalid by any court of competent jurisdiction, then the Parties hereto shall:
1. Promptly meet and negotiate a substitute for such clause, provision, section, or article which shall, to the greatest extent legally permissible, affect the intent of the Parties therein.
 2. If necessary or desirable to accomplish item (1) above, apply to the court having declared such invalidity for a judicial construction of the invalidated portion of this Agreement.
 3. Negotiate such changes in, substitutions for or additions to, the remaining provisions of this Agreement as may be necessary in addition to and in conjunction with items (1) and (2) above, to effect the intent of the Parties in the invalid provision. The invalidity of such clause, provision, subsection, section, or article shall not affect any of the remaining provisions hereof, and this Agreement shall be construed and enforced as if such invalid portion did not exist.

Section 15.9: Jurisdiction

Any lawsuits between the Parties arising out of this Agreement shall be brought and concluded in the courts of Nevada County in the State of California, which shall have exclusive jurisdiction over such lawsuits. With respect to venue, the Parties agree that this Agreement is made in and will be performed in Nevada County.

Section 15.10: Entire Agreement

This Agreement, including the Exhibits, represents the full and entire Agreement between the Parties with respect to the matters covered herein. Each of the Exhibits identified as Exhibits "A" through "M" is attached hereto and incorporated herein and made a part hereof by this reference.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the dates stated below:

TOWN OF TRUCKEE

Approved by:


Jeff Loux, Town Manager

Approved as to Form:


Andrew Morris Town Attorney

CONTRACTOR

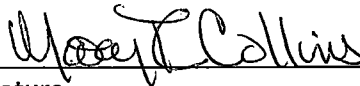
Reviewed and Accepted by Contractor


Signature

Silvano Achiro
Name

President
Title: [Must be: Chairperson of the Board,
President, or Vice President]

08/06/2018
Date


Signature

Mary Collins
Name

Treasurer
Title: [Must be: Secretary, Assistant Secretary, Chief
Financial Officer, or Treasurer]

08/06/2018
Date

EXHIBIT A: DEFINITIONS

EXHIBIT A DEFINITIONS

For purposes of this Agreement, unless a different meaning is clearly required, the following words and phrases shall have the following meanings respectively ascribed to them by this Exhibit and shall be capitalized throughout this Agreement:

"AB 341" means the California Jobs and Recycling Act of 2011 (Chapter 476, Statutes of 2011 [Chesbro, AB 341]), also commonly referred to as "AB 341", as amended, supplemented, superseded, and replaced from time to time.

"AB 939" means the California Integrated Waste Management Act of 1989 (Division 30 of the California Public Resources Code), also commonly referred to as "AB 939," as amended, supplemented, superseded, and replaced from time to time.

"AB 939 Fee" means the quarterly fee used to offset expenses including staffing costs related to providing public education and outreach, compliance, monitoring, and to enforce the Agreement with respect to any violations by third parties, including initiating and/or assisting in prosecuting enforcement actions.

"AB 1826" means the Organic Waste Recycling Act of 2014 (Chapter 727, Statutes of 2014 modifying Division 30 of the California Public Resources Code), also commonly referred to as "AB 1826," as amended, supplemented, superseded, and replaced from time to time.

"Administrative Fee" means the fee used to offset the expenses related to managing and administering this Agreement and the services provided under it.

"Affiliate(s)" means, as to any Person, any other Person directly or indirectly controlling or controlled by such first Person, or under direct or indirect common management or control with such first Person. As between any two (2) or more Persons, when ten percent (10%) of one is owned, managed, or controlled by another, they are hereunder Affiliates of one another. As of the Commencement Date of this Agreement, known Affiliates include: Placer County Eastern Regional Sanitary Landfill, Inc., a Nevada Corporation, and Cabin Creek Investments, LLC, a California limited liability company. Any changes to Affiliates shall be approved in writing by the Town prior to being considered Affiliates.

"Agreement" means this agreement for the Collection and Processing of Discarded Materials between the Town and the Contractor.

"Agreement Year" means a twelve-month period beginning on July 1 of each year and ending on the following June 30 each year during the Term of this Agreement, provided however, that the first Agreement Year will commence on the Commencement Date and the last Agreement Year will end on the date of termination of this Agreement.

"Applicable Law" means any law, rule, regulation, requirement, guideline, permit, action, determination, or order of any Governmental Body having jurisdiction, applicable from time to time to the Collection Services; the Operating Assets; the siting, design, acquisition, equipping, financing, Ownership, possession, testing, operation, or maintenance of any of the Operating Assets; or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, governmental protection, accommodation of the disabled, labor relations, mitigation monitoring plans, building codes, non-discrimination and the payment of minimum wages, the payment of per-ton

EXHIBIT A DEFINITIONS

charges on solid waste facilities imposed by a governmental entity other than the Town, and further including the Nevada County Code and the County Integrated Waste Management Plan and the Town's SRRE).

"Approved C&D Processing Facility" means the Eastern Regional Landfill Material Recovery Facility and Transfer Station located at Hwy 89 and Cabin Creek Road, Truckee, CA 96161.

"Approved Disposal Facility" means the Lockwood Regional Landfill, located at 2401 Canyon Way, Sparks, NV 89434.

"Approved Facilities" means the Approved C&D Processing Facility, Approved Disposal Facility, Approved Food Scraps Processing Facility, Approved Processing Facility, and the Approved Yard Trimmings Processing Facility.

"Approved Food Scraps Processing Facility" means the R.T. Donovan Co. Inc. located at 11600 Pyramid Way, Sparks, NV, 89441

"Approved Processing Facility" means the Eastern Regional Landfill Material Recovery Facility and Transfer Station located at Hwy 89 and Cabin Creek Road, Truckee, CA 96161.

"Approved Reuse Partner" means the materials reuse organization(s) selected or otherwise approved by the Town, which, in accordance with Section 5.2.F, shall have the ability to review and remove Bulky Items delivered to the Approved Processing Facility for reuse.

"Approved Yard Trimmings Processing Facility" means the Eastern Regional Landfill Material Recovery Facility located at Hwy 89 and Cabin Creek Road, Truckee, CA 96161.

"Bear Shed" means a Customer-provided enclosure designed to store Discarded Materials Containers in a manner that protects such materials from interference from bears and other wildlife.

"Blue Bag" means a Customer-provided plastic bag for storing Recyclable Materials prior to Collection. Blue Bags must be blue in color, be no larger than 30-gallons, and have a thickness of at least two (2) millimeters.

"Bin" means a Container with capacity of approximately two (2) to six (6) cubic yards, with a hinged lid (except for Bins used for the purposes of Sections 4.5.A and 4.5.C), and with wheels (where appropriate), that is serviced by a front end and/or rear-loading collection Vehicle.

"Bulky Items" means large and small household appliances, furniture, tires, carpets, mattresses, and similar large items which cannot be contained within a standard Container, or which do not fit in or may cause harm to collection Vehicles, excluding Excluded Waste.

"Business Days" mean days during which the Town offices are open to do business with the public.

"CalRecycle" means the Department of Resources Recycling and Recovery, and any Governmental Body which succeeds to its duties and powers under Applicable Law.

EXHIBIT A DEFINITIONS

"Can" means a Customer-provided container for storing Mixed Materials prior to Collection. A Can has a capacity of 32-gallons or less.

"Cardboard" means corrugated fiberboard consisting of a fluted corrugated sheet and one or two flat linerboards, as is often used in the manufacture of shipping containers and corrugated boxes. Cardboard is a subset of Recyclable Materials.

"Cart" means a plastic container for storing Discarded Materials prior to Collection with a hinged lid and wheels that is serviced by an automated or semi-automated Collection vehicle. A Cart has capacity of 32-, 64-, or 96-gallons (or similar volumes).

"CEQA" means the California Environmental Quality Act codified at California Public Resources Code Section 21000 et seq., as amended or superseded, and the regulations promulgated thereunder.

"Change in Law" means any of the following events or conditions which has a material and adverse effect on the performance by the Contractor of the Collection Services or on the cost to the Contractor therefor (except for payment obligations):

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

"Collect" or "Collection" (or any variation thereof) means the act of removing Discarded Materials from the place of generation in the Town of Truckee.

"Collection Premises" means the Residential Premises, Commercial Premises, or both for which the Contractor is authorized to provide Collection Services.

"Collection Services" means all of the duties and obligations of the Contractor regarding Collection of Discarded Materials under and pursuant to this Agreement.

"Collective Multi-Family" means and refers to any Town-approved group of five (5) or more adjacent and/or adjoining apartment-, condominium-, or townhouse-style Residential Premises, wherein each individual Premises has been assigned a distinct assessors' parcel number (APN) by the Nevada County Assessor's Office, and which would otherwise be considered distinct Single-Family or Parcelized Multi-Family Customers, which have elected to share and receive Multi-Family Collection service under this Agreement.

"Commencement Date" means the date specified in Section 3.1 when Collection, Transportation, Processing, and Disposal services required by this Agreement shall be provided.

EXHIBIT A DEFINITIONS

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

"Compactor" means a mechanical apparatus that compresses materials together with the Container that holds the compressed materials or the Container that holds the compressed materials if it is detached from the mechanical compaction apparatus. Compactors include ten (10) to thirty (30) cubic yard Drop Box Compactors serviced by roll-off Collection Vehicles.

"Composting" or "Compost" (or any variation thereof) means a controlled biological decomposition of Organic Materials yielding a safe and nuisance free compost product.

"Construction and Demolition Debris (C&D)" includes discarded building materials, packaging, debris, and rubble resulting from construction, alteration, remodeling, repair or demolition operations on any pavements, excavation projects, houses, Commercial buildings, or other structures, excluding Excluded Waste.

"Container(s)" mean Bins, Cans, Carts, Compactors, Drop Boxes, Blue Bags, Yellow Bags, and Special Event materials collection receptacles.

"Contractor" means Tahoe Truckee Disposal Co., Inc., organized and operating under the laws of the State.

"Contractor's Proposal" means the proposal to provide the services described in this Agreement, submitted to the Town by Contractor, which is attached to this Agreement as Exhibit C, and incorporated herein by reference.

"County" means the County of Nevada, California, a political subdivision of the State, acting through its Board of Supervisors.

"Curbside" means the location of a Collection Container for pick-up, where such Container is placed on the street or alley against the face of the curb.

"Customer" means Person who subscribes for service with Contractor.

"Customer Type" means the Customer's sector category including, but not limited to, Single-Family, Multi-Family, Commercial and Town Facilities.

"Designated Collection Location" refers to the location, at each Collection Premises where Containers of Discarded Materials are customarily placed for collection, all in accordance with Section 4.8 of the Agreement (for example, the Designated Collection Location for a Residential Customer may be Curbside, or in a Bear Shed).

"Discarded Materials" means Mixed Waste, Recyclable Materials, Yard Trimmings, Food Scraps, Bulky Items and C&D, individually or collectively.

EXHIBIT A DEFINITIONS

"Dispose" or "Disposal" (or any variation thereof) means the final disposition of Residual Waste at a Disposal site.

"Diversion" (or any variation thereof) means activities which reduce or eliminate the amount of Residual Waste to be Disposed including, but not limited to, Recycling, Composting, reuse, or other means of Processing.

"Drop Box" means an open-top Container with a capacity of ten (10) to thirty (30) cubic yards that is serviced by a roll-off Collection Vehicle.

"Effective Date" means the date on which the latter of the two Parties signs this Agreement and have satisfied all conditions to the effectiveness of this Agreement.

"Electronic Waste (E-Waste)" means discarded electronic equipment including, but not limited to, televisions, computer monitors, central processing units (CPUs), laptop computers, computer peripherals (including external hard drives, keyboards, scanners, and mice), printers, copiers, facsimile machines, radios, stereos, stereo speakers, VCRs, DVDs, camcorders, microwaves, telephones, cellular telephones, and other electronic devices. Some E-Waste or components thereof may be Hazardous Waste and thus require special handling, Processing, or Disposal.

"Emergency Services" means Mixed Materials Collection Services, other than those specified under this grant of Agreement, provided during or as a result of an emergency which threatens the public health or safety, as determined by the Town Contract Manager.

"Event of Default" means only the events described in Article 13.

"Excluded Waste" means Hazardous Waste, Medical Waste, U-Waste, E-Waste, volatile, corrosive, biomedical, infectious, biohazardous, and toxic substances or material, waste that Contractor reasonably believes would, as a result of or upon Disposal, be a violation of local, State or Federal law, regulation or ordinance, including land use restrictions or conditions, waste that cannot be Disposed of in California, Class III landfills, waste that in Contractor's reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Contractor or Town to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Residential Mixed Materials after implementation of programs for the safe Collection, Recycling, treatment, and/or Disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public Resources Code.

"Food Scraps" means those discarded materials that will decompose and/or putrefy including: (i) all kitchen and table food waste; (ii) animal or vegetable waste that is generated during or results from the storage, preparation, cooking or handling of food stuffs; (iii) discarded paper that is contaminated with food waste; and, (iv) fruit waste, grain waste, dairy waste, meat, and fish waste, and which are separated from Mixed Materials prior to Collection. Food Scraps are a subset of Organic Materials.

"Franchise Fee" means the fee paid by Contractor to the Town for the privilege to hold the rights granted by this Agreement.

"Generator" means any person that generates, produces, or discards Discarded Materials.

EXHIBIT A DEFINITIONS

"Glenshire" means the neighborhood within the Town limits commonly recognized as the Glenshire Devonshire Residents Association, as depicted in the map included in Exhibit L, including any adjacent or otherwise proximate Premises as mutually agreed upon by Town and Contractor.

"Governmental Body" means any federal, state, county, city or regional legislative, executive, judicial or other governmental board, agency, authority, commission, administration, court or other body, or any officer thereof acting within the scope of his or her authority.

"Governmental Fee" means any fee or surcharge imposed by a governmental entity other than the Town including without limitation the State, County, or Local Enforcement Agency. Governmental Fees are a component of the Tipping Fee.

"Gross Receipts" shall mean the sum of: (i) total cash receipts collected from Customers by the Contractor for provision of services for which there is a Town-approved Rate; and, (ii) moneys remitted to Contractor from the Town for the provision of services pursuant to this Agreement, (inclusive of all Franchise Fee and other pass-through components of the Rates) without any deductions. Gross Receipts do not include revenues from the sale of Recovered Materials or from Compactor lease and maintenance revenue, in accordance with Sections 10.1 and 9.3.A.

"Hazardous Waste" means:

- A. Any waste which by reason of its quality, concentration, composition, or physical, chemical, or infectious characteristics may do either of the following: cause, or significantly contribute to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness, or pose a substantial threat or potential hazard to human health or the environment when improperly treated, stored, transported, or disposed of, or otherwise mismanaged, or any waste which is defined or regulated as a Hazardous Waste, toxic substance, hazardous chemical substance or mixture, or asbestos under Applicable Law, as amended from time to time, including, but not limited to:
 - 1. The Resource Conservation and Recovery Act and the regulations contained in 40 CFR Parts 260-281.
 - 2. The Toxic Substance Control Act (15 U.S.C. Section 2601 et seq.) and the regulations contained in 40 CFR Parts 761-766.
 - 3. The California Health & Safety Code Section 25117 (West 1992 & Supp. 1998).
 - 4. The California Public Resources Code Section 40141 (West 1996).
 - 5. Future additional or substitute federal, state or local laws pertaining to the identification, treatment, storage, or disposal of toxic substances or Hazardous Wastes.
- B. Radioactive materials which are source, special nuclear, or by-product material as defined by the Atomic Energy Act of 1954 (42 U.S.C. Section 2011 et seq.) and the regulations contained in 10 CFR Part 40.

EXHIBIT A DEFINITIONS

"Household Batteries" means alkaline batteries that are typically found in common household items such as flashlights, cameras, and toys, and excludes rechargeable batteries or any type of battery found in a motorized or electric vehicle.

"Household Hazardous Waste" means waste materials determined by CalRecycle, the Department of Toxic Substances Control, the State Water Resources Control Board, or the Air Resources Board to be:

- A. Of a nature that they must be listed as hazardous in State statutes and regulations;
- B. Toxic/ignitable/corrosive/reactive; and/or,
- C. Carcinogenic/mutagenic/teratogenic,

which are discarded from Residential Premises as opposed to businesses. Household Hazardous Waste shall not include Excluded Waste.

"Holidays" means the observed holidays for each of the following: New Year's Day, Martin Luther King Day, President's Day, Good Friday, Memorial Day, Independence Day (July 4th), Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day and Christmas Day.

"Insurance Requirement" means any rule, regulation, code, or requirement issued by any fire insurance rating bureau or anybody having similar functions or by any insurance company which has issued a policy with respect to the Operating Assets or the Collection Services.

"Legal Proceeding" means every action, suit, litigation, arbitration, administrative proceeding, and other legal or equitable proceeding having a bearing upon this Agreement.

"Line of Business" means any of the following Collection Service categories provided by the Contractor: Single-Family Mixed Materials, Single-Family Recyclable Materials, Single-Family Yard Trimmings, Single-Family Food Scraps, Multi-Family Mixed Materials, Multi-Family Recyclable Materials, Multi-Family Food Scraps, Commercial Mixed Materials, Commercial Recyclable Materials, Commercial Food Scraps, Bulky Items, and C&D.

"Liquid Waste" means watered or dewatered sewage or sludge or oils and grease.

"Liquidated Damages" means the amounts due by Contractor for failure to meet specific quantifiable standards of performance as described in Section 13.2.

"Medical Waste" means materials, substances or items which may be reasonably considered infectious, pathological or biohazardous, originating from hospitals, public or private medical clinics, departments of research laboratories, pharmaceutical industries, blood banks, forensic medical departments, medical offices, mortuaries, veterinary facilities and other similar facilities, and includes, without limitation, equipment, instruments, utensils, fomites, laboratory waste (including pathological specimens and fomites attendant thereto), surgical facilities, equipment, bedding and utensils (including pathological specimens and disposal fomites attendant thereto), sharps (hypodermic needles, syringes, etc.), dialysis unit waste, chemotherapeutic waste, animal carcasses, offal and body parts, biological materials (vaccines, medicines, etc.), and other similar materials, but excluding any such waste which is

EXHIBIT A DEFINITIONS

determined by evidence reasonably satisfactory to the Contractor to have been rendered noninfectious, non-pathological and non-biohazardous.

"Mixed Materials" means all garbage, refuse, rubbish, and other materials and substances discarded or rejected as being spent, useless, worthless, or in excess to the Generator thereof at the time of such discard or rejection and which are normally discarded by or collected from Residential Premises, Commercial Premises and institutional establishments, which are acceptable at Class III landfills under Applicable Law, and which are originally discarded by the first Generator thereof and have not been previously Processed. Mixed Materials does not include source-separated Recyclable Materials, source-separated Organic Materials, Hazardous Waste, Household Hazardous Waste, Medical Waste, Liquid Waste, C&D, or self-hauled waste.

"Multiple-Unit Dwelling" means any building in the Town, other than a Single-Family dwelling, lawfully occupied for human shelter.

"Multi-Family" means any Multiple-Unit Dwelling with five (5) or more dwelling units, or other Residential dwelling where Collection service is centralized, and shared by multiple units, and/or refers to programs serving the Customers living in such properties.

"Municipal Code" means the Town's Codified Ordinances, as the same may be amended, supplemented, or modified from time to time.

"Occupant" means the Person who occupies a Premises.

"Operating Assets" means all real and personal property of all kinds, which is owned, leased, managed, or operated by or under contract to the Contractor for providing the Collection Services, including without limitation the Containers, Vehicles, Transfer stations, maintenance and storage facilities, administrative facilities, and other equipment, machinery, parts, supplies and tools.

"Organic Materials" means any combination of Food Scraps and Yard Trimmings.

"Owner" means the person holding the legal title or having a right to possession of the real property constituting the Collection Premises to which Discarded Materials Collection Service is provided or required to be provided hereunder.

"Parcelized Multi-Family" means and refers to any Town-approved individual unit of a Multiple-Unit Dwelling with five (5) or more units which would otherwise be classified as "Multi-Family," in the event that the dwelling unit has been assigned a distinct assessors' parcel number (APN) by the Nevada County Assessor's Office, separately subscribes to Collection service, and does not share service with other units in the building.

"Party or Parties" refers to the Town and Contractor, individually or together.

"Pass-Through Cost" means those Town Fees, Tipping Fees, Governmental Fees, and other costs, as specifically identified in Exhibit B, that Contractor may include in the determination of Contractor's Compensation but which are not included in the calculation of Contractor's allowable profit.

EXHIBIT A DEFINITIONS

"Person(s)" means any individual, firm, association, organization, partnership, corporation, trust, joint venture, or public entity.

"Premises" means any land or building in the Town where Discarded Materials are generated or accumulated.

"Process" or "Processing" means the removal of Recovered Materials from Discarded Materials at a Processing Facility for the purpose of making such Recovered Materials available for reuse, Recycling and/or marketing.

"Processing Facility" refers to any facility that removes Recovered Materials from Discarded Materials prior to the delivery of Residue from such Discarded Materials to a Disposal facility.

"Rate" means the dollar amount approved by the Town that the Town or Contractor may charge a Customer for providing services under this Agreement. A Rate has been established for each individual Service Level and the initial Rates for Rate Period One are presented in Exhibit C3. The Rates approved by Town are the exact Rates that the Town or Contractor may charge a Customer and neither the Town nor Contractor may charge any amount above or below the Rate approved by the Town for any given service or Service Level.

"Rate Period" means a twelve (12) month period, commencing July 1 and concluding June 30.

"Rate Period One" means the first Rate Period covered by this Agreement. Rate Period One shall begin on July 1, 2018 and shall end on June 30, 2019.

"Recovered Materials" means the products, excluding Residual Waste, produced and/or recovered by the Processing of Discarded Materials.

"Recyclable Materials" means newspaper, Cardboard, mixed color paper, white paper, junk mail, magazines, telephone books, paper bags, cereal and food boxes, egg cartons, plastic bottles and containers labeled #1-7, plastic milk containers, detergent containers, clear, brown, and green food and beverage container glass, cans of aluminum, steel, tin, food cans, empty aerosol cans, pipe tins or other materials having economic value contained within a load of Recyclable Materials which have been separated from Mixed Materials prior to Collection, and may also include any other type of Recyclable waste material agreed on by the Parties.

"Recycle," "Recyclable," or "Recycling" (or other variations thereof) means and refers to the Process of collecting, sorting, cleansing, treating, reconstituting, or otherwise Processing materials that are or would otherwise become Residual Waste and returning them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace.

"Recycling Plan" is the Contractor's recycling plan presented in Exhibit C5.

"Residential" shall mean of, from, or pertaining to a Single-Family Premises, Multi-Family Premises, Collective Multi-Family Premises, or Parcelized Multi-Family Premises, including Single-Family homes, apartments, condominiums, townhouse complexes, mobile home parks, and cooperative apartments.

EXHIBIT A DEFINITIONS

"Residual Waste" means any material remaining after the Processing, by any means and to any extent, of Discarded Materials.

"SB 1383" means the Short-Lived Climate Pollutants Act of 2016 (an act to add Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and to add Chapter 13.1 [commencing with Section 42652] to Part 3 of Division 30 of the Public Resources Code, relating to methane emissions); also commonly referred to as "SB 1383," as amended, supplemented, superseded, and replaced from time to time.

"Service Level" refers to the size of a Customer's Container and the frequency of Collection Services which form the basis for provision of and charges for service.

"Single-Family Base Services" means (i) the first thirty-two (32) gallons of Mixed Materials Collection service; (ii) the first Cart of Recyclable Materials Collection service provided as scheduled; (iii) the first three (3) Carts of Yard Trimmings service provided as scheduled; (iv) Yellow Bag service; and, (v) Blue Bag service provided to Single-Family Customers.

"Single-Family" means and refers to a dwelling designed for or occupied exclusively for human shelter by one (1) family. Two (2), three (3), and four (4) unit dwellings shall also be considered "Single-Family" dwellings provided that each individual dwelling unit separately subscribes to, and is billed for, Collection service.

"Special Circumstance" means a circumstance which, when occurring, permits, but does not require the Contractor or the Town to seek an adjustment in the Rates for Service, and which then requires Town Contract Manager to review such application and make a recommendation to the Town Council as to whether the Rate(s) should be adjusted up or down, or remain unchanged. The continuing need for any and all previously-approved Special Circumstance Rate adjustments shall be reviewed at the time of each subsequent Rate adjustment.

"Special Event" means a community gathering located in the Town at which Discarded Materials are generated, including but not limited to special events as defined in AB 2176 (Montanez, Chapter 879, Statutes of 2004), festivals, parades, and other organized celebrations. Special Events may be organized and/or sponsored by the Town or other public or private entities.

"Special Service" means a level of Mixed Materials Collection Service in excess of that offered by the Contractor as its basic level of service, at an additional cost to the Customer and may include, but is not limited to, backyard pickup, additional Containers, or more frequent Collections. "Special Service" does not mean the reasonable accommodation of an individual with a disability. The charge for any Special Service shall be reviewed by the Town Contract Manager.

"SRRE" means the Town's Source Reduction and Recycling Element approved by CalRecycle, as the element may be amended from time to time, all in accordance with AB 939 and regulations related thereto, as they may be amended from time to time.

"Subcontractor" means every person (other than employees of the Contractor) employed or engaged by the Contractor or any person directly or indirectly in privity with the Contractor (including every

EXHIBIT A DEFINITIONS

Subcontractor of whatever tier) for any portion of the Collection Services, whether for the furnishing of labor, materials, equipment, supplies, services, or otherwise.

"Tahoe Donner" means the neighborhood within the Town limits commonly recognized as the Tahoe Donner homeowners association, as depicted in the map included in Exhibit L, including any adjacent or otherwise proximate Premises as mutually agreed upon by Town and Contractor.

"Term" means the Term of this Agreement, including extension periods if granted, as provided for in Section 3.2.

"Tipping Fee" shall mean the amount charged for each Ton or unit of material delivered to an Approved Facility.

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

"Total Annual Cost of Operations" means an amount which represents the Contractor's calculated cost to provide the services required under this Agreement in a given Rate Year, net of profit and Pass-Through Costs, as described in Exhibit B.

"Town" means the Town of Truckee, California, a political subdivision of the State, acting through its Town Council.

"Town Contract Manager" means the Town Manager or their designated representative who is responsible for the administrative management of this Agreement.

"Town Fees" shall mean those fees described in Article 10 of this Agreement.

"Transfer" means the act of transferring the materials Collected by Contractor in their route Vehicles into larger Vehicles for Transport to other facilities for the purpose of Recycling or Disposing of such materials.

"Transport" or "Transportation" (or any variation thereof) means the act of conveyance of materials from one place to another.

"Uncontrollable Circumstance" means only one (1) or more of the following specified acts, events, or conditions, whether affecting the Operating Assets, the Approved Facilities, the Town, or the Contractor, to the extent that it materially and adversely affects the ability of the Contractor to perform any obligation under the Agreement (except for payment obligations), if such act, event or condition is beyond the reasonable control, and is not also the result of the willful or negligent act, error, or omission or failure to exercise reasonable diligence on the part of the Contractor, provided however, that the contesting in good faith or the failure in good faith to contest such action or inaction shall not be construed as willful or negligent action or a lack of reasonable diligence of the Contractor:

- A. An act of God (but not including reasonably anticipated weather conditions for the Town), hurricane, landslide, lightning, earthquake, fire, explosion, flood, sabotage or similar occurrence, acts of a public enemy, extortion, war, blockade or insurrection, riot or civil disturbance.

EXHIBIT A DEFINITIONS

- B. A Change in Law (as defined herein).
- C. Preemption of materials or services by a Governmental Body in connection with a public emergency or any condemnation or other taking by eminent domain of any portion of the Operating Assets.
- D. The first seven (7) days of a strike, work stoppage, or other labor dispute or disturbance by employees of the Contractor or any of the Contractor's Subcontractors in connection with the Operating Assets or the Collection Services, provided the Contractor has implemented a contingency plan satisfactory to the Town Contract Manager.

It is specifically understood that only the acts or conditions specified above shall constitute Uncontrollable Circumstances. Without limiting the generality of the foregoing, the Parties acknowledge that none of the following acts or conditions shall constitute Uncontrollable Circumstances:

- 1. General economic conditions, interest or inflation rates, currency and commodity market fluctuations or changes in the cost or availability of fuel, commodities, supplies, or equipment;
- 2. Changes in the financial condition of the Town, the Contractor, or any of its Affiliates, or any Subcontractor affecting their ability to perform their obligations;
- 3. The consequences of errors, neglect, or omission by the Contractor, any of its Affiliates, or any Subcontractor of any tier in the performance of the Collection Services;
- 4. The failure of the Contractor to secure patents or licenses in connection with the technology necessary to perform its obligations hereunder;
- 5. Union work rules, requirements, or demands which have the effect of increasing the number of employees employed in connection with the Operating Assets, or otherwise increase the cost to the Contractor of operating and maintaining the Operating Assets or providing the Collection Services;
- 6. Any strikes, work stoppages, lock-outs, or other labor disputes or disturbances by employees of the Contractor or any of the Contractor's Subcontractors in connection with the Operating Assets or the Collection Services and which last beyond seven (7) days;
- 7. Any failure of any Subcontractor to furnish labor, materials, service, or equipment for any reason;
- 8. Vehicle or equipment failure;
- 9. Any impact of prevailing wage law, customs, or practices on the Contractor's construction or operating costs; or,
- 10. Any act, event, or circumstance occurring outside of the United States.

EXHIBIT A DEFINITIONS

"Universal Waste (U-Waste)" means all wastes as defined by Title 22, Subsections 66273.1 through 66273.9 of the California Code of Regulations. These include, but are not limited to, Household Batteries, fluorescent light bulbs, mercury switches, and E-Waste.

"Vehicle" means any truck, rolling stock, or other vehicle used by the Contractor in connection with Collection Services.

"Yard Trimmings" means grass, lawn clippings, pine needles, shrubs, plants, weeds, small branches and other forms of organic materials generated from landscapes or gardens, separated from Mixed Materials prior to Collection. Yard Trimmings is a subset of Organic Materials.

"Yellow Bag" means a Customer-provided plastic bag for storing Food Scraps prior to Collection. Yellow Bags must be Yellow in color, be no larger than 30-gallons, and have a thickness of at least four (4) millimeters. In the event that the Town exercises its option under Section 4.5.L, Yellow Bags shall be Compostable.

EXHIBIT B: RATE ADJUSTMENT METHODOLOGY

B1. Index-Based Rate Adjustment Methodology

B2. Cost-Based Rate Adjustment Methodology

EXHIBIT B

RATE ADJUSTMENT METHODOLOGY

1. GENERAL

Subject to the terms herein, the Town shall adjust all Rates on an annual basis. Contractor shall submit its application for a Rate adjustment to the Town Contract Manager on or before February 1 of each Rate Period where Rates shall be adjusted using the index-based methodology described in Exhibit B1. Contractor shall submit its application on or before January 1 for any Rate Period where Rates shall be adjusted using the cost-based methodology described in Exhibit B2. Contractor's Rate application shall document all calculations and include all supporting schedules, documentation of per-Ton charges for Approved Facilities, documentation of changes in Governmental Fees at Approved Facilities (if applicable), and any other documentation or evidence determined by the Town Contract Manager to be reasonably necessary to ensure that the calculation of Rate adjustments has been performed in strict conformance to the requirements of this Exhibit B.

The Town shall make a good faith effort to approve Rates by June 1 of each year, and such Rates shall be effective on each subsequent July 1. If Rates are not effective by July 1 due to a delay caused solely by Town, Town shall allow Contractor to retroactively bill Customers for the amount of the Rate increase for any period of said delay that is solely caused by Town (subject to the Town's approval of how the retroactive adjustment is billed) or the Town may compensate the Contractor for lost Gross Receipts. In the case of a delayed Rate adjustment, the Contractor may bill the Customer during the next billing cycle to recoup the deferred Rate increase. If Rates are not effective by July 1 as a result of Contractor's delay in submitting the Rate application in a complete and accurate form, then prior Rates remain in effect until such adjustment is made and Contractor shall not be entitled to a retroactive adjustment for lost Gross Receipts.

The Parties acknowledge that the timing of changes to the Tipping Fees at Approved Facilities which are not owned or operated by Contractor or their Affiliate may not align with the review and adjustment of Rates under this Agreement. Notwithstanding any other provision in the Agreement or the Exhibits thereto, in the event that the Contractor is required to pay Tipping Fees which are different than those which were known and used to adjust Rates at the time Rates were most recently adjusted, the difference between the projected and actual costs related to such Tipping Fee difference will be included as an "Other Adjustment" in the subsequent Rate adjustment period for retro-active recovery of the full extent of the incurred costs. The "current approved" Tipping Fees shall be the Tipping Fees in place on January 1 immediately preceding the submission of the Rate Application unless agreed upon by Contractor and Town Contract Manager to utilize an impending increase to the Tipping Fees for the Rate Period in question which has been announced prior to January 1.

2. DEFINITIONS

Certain terms which are specific to this Exhibit (including Exhibits B1 and B2) are defined below:

- A. **"Actual Allowable Total Annual Cost of Operations"** means the Contractor's calculated Total Annual Cost of Operations, net non-allowable costs described in Section 2.A.2 of Exhibit B2.
- B. **"Annual Percentage Change"** means the annual percentage change in any of the indices defined herein calculated as described in the following paragraph.

EXHIBIT B

RATE ADJUSTMENT METHODOLOGY

The Annual Percentage Change for a cost index shall be calculated as the Average Index Value for the 12-month period ending October of the then-current Rate Period minus the Average Index Value for the 12-month period ending October of the most-recently completed Rate Period and the result of which shall be divided by the Average Index Value for the 12-month period ending October of the most recently completed Rate Period.

For example, if the Contractor is calculating the Labor-Related Costs in January 2020 to be effective for Rate Period Three (July 2020 through June 2021), the Annual Percentage Change for the ECI would be calculated as follows:

[(Average ECI for November 2018 through October 2019) minus
(Average ECI for November 2017 through October 2018)] divided by
(Average ECI for November 2017 through October 2018)

The calculated Annual Percentage Change shall be carried to three places to the right of the decimal and rounded to the nearest thousandths.

- C. **"Average Index Value"** means the sum of the monthly index values during the 12-month period ending in October divided by 12 (in the case of indices published monthly), the sum of the quarterly index values divided by 4 (in the case of indices published quarterly), or the sum of the bi-monthly index values divided by 6 (in the case of indices published bi-monthly).
- D. **"CPI-U"** means the Consumer Price Index, All Urban Consumers, all items, not seasonally adjusted West Region Area, Size Class B/C, compiled and published by the U.S. Department of Labor, Bureau of Labor Statistics.
- E. **"ECI"** means the Employment Cost Index, Total Compensation for Private industry workers in Pacific Index, not seasonally adjusted, compiled and published by the U.S. Department of Labor, Bureau of Labor Statistics.
- F. **"Fuel Index"** means the Producer Price Index-Commodities for #2 Diesel Fuel, not seasonally adjusted, compiled and published by the U.S. Department of Labor, Bureau of Labor Statistics.
- G. **"Motor Vehicle Maintenance and Repair Index"** means the Consumer Price Index, All Urban Consumers, Motor Vehicle Maintenance and Repair, not seasonally adjusted U.S. city average, compiled and published by the U.S. Department of Labor, Bureau of Labor Statistics.
- H. **"Rate Adjustment Factor"** means the amount, expressed as a percentage, by which each of the Rates are adjusted.
- I. **"Total Calculated Costs"** means the total amount to be used as a basis for determining the Rate Adjustment Factor. The Total Calculated Costs do not reflect or in any way guarantee the Gross Receipts that are to be generated by Rates or retained by the Contractor. Note that for determining Rates for Rate Period Two, Total Proposed Costs for Rate Period One shall be used for the calculations.

EXHIBIT B

RATE ADJUSTMENT METHODOLOGY

- J. **“Total Proposed Costs”** means Contractor’s total proposed operating costs to perform all services required under this agreement for Rate Period One, as documented in Exhibit C2.

Table 1 provides additional information about the four indices defined above.

TABLE 1*

	CPI-U	ECI	Fuel Index	Motor Vehicle Maintenance and Repair
Description	Consumer Price Index – All Urban Consumers	Employment Cost Index – Private Industry Workers	Producer Price Index – Commodities for #2 Diesel Fuel	Consumer Price Index – All Urban Consumers, Motor Vehicle Maintenance and Repair
Series ID	CUURX400SA0	CIU2010000000249I	WPU057303	CUUR0000SETD
Adjusted	Not seasonally adjusted	Not Seasonally adjusted	Not seasonally adjusted	Not seasonally adjusted
Area or Group	West Region – Size Class B/C	Private Industry, Pacific Census Division	Fuels and Related Products and Power	U.S. City average
Item	All items	Total Compensation All workers,	#2 Diesel fuel	Motor vehicle maintenance and repair
Base Period	December 1996 = 100	N/A	1982 = 100	1982-84 = 100
Periodicity	Monthly	Quarterly	Monthly	Monthly

* All indices published by the U.S. Bureau of Labor Statistics.

3. COST OF RATE ADJUSTMENT PROCESS

The Town may incur costs, including consulting and legal fees, when determining adjustments to the Rates in accordance with this Exhibit and may require the Contractor to pay for such costs within sixty (60) calendar days of receipt of the Town’s invoice for such costs. The Contractor may recover such costs through the Rates by treating the costs as an allowable Pass-Through Cost. Regardless of Contractor’s payment of costs associated with said review, the Town shall retain full and unimpeded discretion in selection of its agents to ensure, at a minimum, that no conflict of interest arises in the review of Contractor’s request. The Town retains the right to select its agents on the basis of their qualifications and experience and without regard to cost.

EXHIBIT B1

INDEX-BASED RATE ADJUSTMENT METHODOLOGY

1. GENERAL

The purpose of this exhibit is to describe and illustrate the method by which the Town will calculate the annual adjustment to Rates to reflect changes in various cost indices and changes to Disposal and Processing Costs based on Tonnages of materials Collected and changes in Tipping Fees. This index-based adjustment process shall be used to determine Rates for all Rate Periods beginning with Rate Period Two (July 1, 2019 through June 30, 2020) with the exception that the Rate adjustment process for Rate Periods Four and Eight and, if the Term is extended, for Rate Period Twelve shall involve a detailed review of actual costs, pursuant to Section 11.2 of the Agreement and Exhibit B2.

The index-based adjustment involves application of indices to various costs that comprise the Total Proposed Costs for Rate Period One (and to Total Calculated Costs for future Rate Periods) to determine the Total Calculated Costs for the coming Rate Period. In addition, Processing and Disposal costs shall be adjusted to reflect actual Tonnage Collected during the most-recently completed Rate Period.

The difference (measured as a percentage) between the Total Calculated Costs for the coming Rate Period and the Total Calculated Costs for the then-current Rate Period is the Rate Adjustment Factor. The Rate Adjustment Factor is applied to the current Rates to determine the Rates for the coming Rate Period.

In the event that the index-based adjustment as calculated by this Exhibit B1 results in a year-over-year decrease in Contractor's Total Annual Cost of Operations, the Town reserves the right to "roll-under" any resulting Rate reduction, such that there is no Rate adjustment in the Rate Period for which the decrease in Contractor's Total Annual Cost of Operations occurred, but the calculated reduction may be deferred to the following Rate Period, as a credit against future Rate increases.

2. ADJUSTMENT OF TOTAL CALCULATED COSTS

The cost categories of the main components of Total Calculated Costs are presented in detail in Exhibit C2 and Exhibit M. Adjustments to these components to calculate costs for the coming Rate Period shall be calculated as follows:

A. Total Annual Cost of Operations

1. **Labor-Related Costs.** The Labor-Related Costs component of Total Calculated Costs for the then-current Rate Period is multiplied by one plus the Annual Percentage Change in the ECI.
2. **Vehicle-Related Costs (excluding Fuel).** The Vehicle-Related Costs component of Total Calculated Costs for the then-current Rate Period is multiplied by one plus the Annual Percentage Change in the Motor Vehicle Maintenance and Repair Index.
3. **Fuel Costs.** The Fuel Cost component of Total Calculated Costs for the then-current Rate Period is multiplied by one plus the Annual Percentage Change in the Fuel Pricing Index.
4. **Other Costs.** The Other Costs component of the Total Calculated Costs for the then-current Rate Period is multiplied by one plus the Annual Percentage Change in the CPI-U.

EXHIBIT B1

INDEX-BASED RATE ADJUSTMENT METHODOLOGY

5. **Direct Depreciation.** The Direct Depreciation component of the Total Calculated Costs for the then-current Rate Period is multiplied by one plus the Annual Percentage Change in the CPI-U.
6. **Allocated Costs (Labor, Vehicle, Fuel, and Other Costs).** The Allocated Costs (Labor, Vehicle, Fuel, and Other Costs) component for the then-current Rate Period is multiplied by one plus the Annual Percentage Change in the CPI-U.
7. **Allocated Depreciation and Start-Up Costs.** The Allocated Depreciation and Start-Up Costs shall be \$13,531 per year for Rate Period Two through Ten, and are not annually adjusted. These costs shall be zero for all subsequent Rate Periods should the term be extended past Rate Period Ten.
8. **Total Annual Cost of Operations.** The Total Annual Cost of Operations for the coming Rate Period equals the sum of the costs calculated in subsections (1) through (7) above; or the Total Annual Cost of Operations from the prior Rate Period, multiplied by one and seven hundredths (1.07), whichever is less, provided that if the calculated Total Annual Cost of Operations results in a year-over-year decrease from the prior Rate Period, the Total Annual Cost of Operations shall be set to equal the Total Annual Cost of Operations from the prior Rate Period. In the event that the calculated Total Annual Cost of Operations is higher or lower than the Total Annual Cost of Operations used for purposes of adjusting Rates, the difference between the calculated Total Annual Cost of Operations, and the Total Annual Cost of Operations used shall be reflected as an adjustment to the Rate adjustment process for the subsequent Rate Period, in accordance with Section 2.F of this Exhibit B1.

B. Profit

Profit for the coming Rate Period shall be calculated by dividing the Total Annual Cost of Operations for the coming Rate Period (the value calculated in Section 2.A.8 above) by an operating ratio and subtracting from the result the Total Annual Cost of Operations for the coming year. The operating ratio shall be ninety and sixteen hundredths percent (90.16%) in Rate Period One, ninety and ninety-four hundredths percent (90.94%) in Rate Period Two, and ninety percent (90%) in all subsequent Rate Periods.

$$\text{Profit} = \frac{\text{Total Annual Cost of Operations for Coming Rate Period}}{\text{Operating Ratio}} - \text{Total Annual Cost of Operations for Coming Rate Period}$$

C. Pass-Through Costs (Excluded from the Calculation of Profit)

1. **Recyclable Materials Processing Costs.** The Recyclable Materials Processing Cost shall be calculated by multiplying the per Ton Recyclable Materials Tipping Fee at the Approved Processing Facility for the coming Rate Period by the total Tons of Recyclable Materials Collected for the most-recently completed Rate Period (with the exception of calculating Rates for Rate Period Two, which shall use Tons Collected during the most-recently completed 12-month period ending October 31).

EXHIBIT B1

INDEX-BASED RATE ADJUSTMENT METHODOLOGY

2. **Yard Trimmings Processing Costs.** The Yard Trimmings Processing Cost shall be calculated by multiplying the per Ton Yard Trimmings Tipping Fee at the Approved Yard Trimmings Processing Facility for the coming Rate Period by the total Tons of Yard Trimmings Collected for the most-recently completed Rate Period (with the exception of calculating Rates for Rate Period Two, which shall use Tons Collected during the most-recently completed 12-month period ending October 31).
3. **Food Scraps Processing Costs.** The Food Scraps Processing Cost shall be calculated by multiplying the per Ton Food Scraps Tipping Fee at the Approved Food Scraps Processing Facility for the coming Rate Period by the total Tons of Food Scraps Collected for the most-recently completed Rate Period (with the exception of calculating Rates for Rate Period Two, which shall use Tons Collected during the most-recently completed 12-month period ending October 31).
4. **C&D Processing Costs.** The C&D Processing Cost shall be calculated by multiplying the per Ton C&D Tipping Fee at the Approved C&D Processing Facility for the coming Rate Period by the total Tons of C&D Collected for the most-recently completed Rate Period (with the exception of calculating Rates for Rate Period Two, which shall use Tons Collected during the most-recently completed 12-month period ending October 31).
5. **Mixed Materials Processing Costs.** The Mixed Materials Processing Costs shall be calculated by multiplying the per-Ton Mixed Materials Tipping Fee at the Approved Processing Facility for the coming Rate Period by the total Tons of Mixed Materials Collected for the most-recently completed Rate Period (with the exception of calculating Rates for Rate Period Two, which shall use Tons Collected during the most-recently completed 12-month period ending October 31).
6. **Interest Expense.** The Interest Expense amount is \$158,756 in Rate Period Two through Ten, and shall only be adjusted to account for scheduled new program implementation which will occur in Rate Period Two and Rate Period Three, in the amounts shown in Exhibit C2. Interest expense shall be zero in any Rate Periods beyond Rate Period Ten, should the Term be extended.
7. **Direct Lease Costs.** The Direct Lease Costs amount is \$0.00 in Rate Period Two through Ten, is not annually adjusted, and shall remain unadjusted in any future Rate Periods should the Term be extended past Rate Period Ten.
8. **Allocated Lease Costs.** The Allocated Lease Costs amount is \$0.00 for Rate Period Two through Ten, is not annually adjusted, and shall remain unadjusted in any future Rate Periods should the Term be extended past Rate Period Ten.
9. **Total Pass-Through Costs.** Total Pass-Through Costs for the coming Rate Period are the sum of the amounts in Sections 2.C.1 through 2.C.8 above.

D. Total Calculated Costs before Town Fees/Payments

The Total Calculated Costs before Town Fees/Payments shall be the sum of the Total Annual Cost of Operations, Profit, and Total Pass-Through Costs for the coming Rate Period.

EXHIBIT B1

INDEX-BASED RATE ADJUSTMENT METHODOLOGY

E. Town Fees/Payments (Pass-Through Fees)

1. **Franchise Fee.** Franchise Fees for the coming Rate Period, beginning with Rate Period Three, shall equal 5% of the Total Calculated Costs, which shall be calculated for the purposes of adjusting Rates as Total Calculated Costs before Town Fees/Payments multiplied by five thousand eight hundred and twenty-four hundred thousandths (0.05824), or as otherwise directed by the Town. Franchise Fees for Rate Period Two shall equal four and forty-nine hundredths percent (4.49%) of the Total Calculated Costs, which shall be calculated for the purposes of adjusting Rates as Total Calculated Costs before Town Fees/Payments multiplied by five thousand three hundred and thirty-six hundred thousandths (0.05336), or as otherwise directed by the Town.
2. **AB 939 Fee.** The AB 939 Fees for the coming Rate Period shall equal the total AB 939 Fees paid to the Town in the most-recently completed Rate Period multiplied by 1 plus the Annual Percentage Change in the CPI-U, or as otherwise directed by the Town.
3. **Administrative Fee.** The Administrative Fees for the coming Rate Period shall equal the total Administrative Fees paid to the Town in the most-recently completed 12-month period multiplied by 1 plus the Annual Percentage Change in the CPI-U, or shall be the amount specified by the Town.
4. **Rate Application Review Costs.** An amount determined by the Town to reimburse the Contractor for payment of the Town's costs, including consulting and legal fees associated with determination of Rates under this Exhibit. Such Rate application review costs may or may not be one-time costs and shall not be included in subsequent Rate Periods if it is a one-time cost.
5. **Total Town Fees/Payments.** The Total Town Fees/Payments for the coming Rate Period shall equal costs calculated in Section 2.E.1 through 2.E.4 above; provided, however, that any adjustment in any such fee, whether pursuant to the relevant index or as the result of the decision of Town, shall be pass-through fees (which are excluded from the calculation of profit) and reflected in the Total Town Fees/Payments.

F. Other Adjustments

From time to time during the Term of the Agreement, it may be necessary to make other adjustments to the compensation calculations. For example, if the Contractor obtains grant funds or subsidies, the annual amount of funds Contractor received or is forecasted to receive shall be reflected as an adjustment. In such case, the adjustment would be a reduction to the Total Calculated Costs to reduce the Rates since Contractor has secured funds from other sources to cover a portion of the costs required to provide service to the Town.

G. Total Calculated Costs

The Total Calculated Costs for the coming Rate Period shall equal the sum of the Total Annual Cost of Operations, Profit, Total Pass-Through Costs, Total Town Fees/Payments, and Other Adjustments (if applicable), for the coming Rate Period.

EXHIBIT B1

INDEX-BASED RATE ADJUSTMENT METHODOLOGY

3. RATE ADJUSTMENT FACTOR

The Rate Adjustment Factor shall equal the Total Calculated Costs for the coming Rate Period divided by the Total Calculated Costs for the then-current Rate Period, which shall be rounded to the nearest thousandth. Note that when determining the Rate Adjustment Factor for Rate Period Two, the Rate Adjustment Factor shall equal the Total Calculated Costs for Rate Period Two divided by the Total Proposed Costs of \$6,822,670.44 for Rate Period One.

4. ADJUSTMENT OF RATES

Each then-current Rate shall be multiplied by the Rate Adjustment Factor to calculate the effective Rate for the coming Rate Period. The adjustment to each Rate shall be rounded to the nearest cent.

5. EXAMPLES

The following examples illustrate the index-based adjustment method for determining Rates for Rate Period Three. The dollar amounts shown are hypothetical amounts for Total Calculated Costs for Rate Period Two (July 1, 2019 through June 30, 2020) and the adjustment factors are based on assumed changes in the various indices between the average index values for the twelve (12) months ending October 2018 and for the twelve (12) months ending October 2019. Example A depicts a standard index-based adjustment, wherein the calculated Total Annual Cost of Operations increased less than seven percent (7%) over the prior Rate Period. Example B depicts an index-based adjustment wherein the calculated Total Annual Cost of Operations resulted in a decrease from the prior Rate Period.

A. EXAMPLE A

1. Assumptions for Example A:

Most-Recently Completed Rate Period = Rate Period One (July 1, 2018 through June 30, 2019)
Then-current Rate Period = Rate Period Two (July 1, 2019 through June 30, 2020)
Coming Rate Period = Rate Period Three (July 1, 2020 through June 30, 2021)
Recyclable Materials Processing Costs per Ton for the then-current Rate Period = \$76.00 per ton
Recyclable Materials Processing Costs per Ton for the coming Rate Period = \$76.00 per ton
Yard Trimmings Processing Costs per Ton for the then-current Rate Period = \$76.00 per ton
Yard Trimmings Processing Costs per Ton for the coming Rate Period = \$76.00 per ton
Food Scraps Processing Costs per Ton for the then-current Rate Period = \$55.00 per ton
Food Scraps Processing Costs per Ton for the coming Rate Period = \$58.00 per ton
C&D Processing Costs per Ton for the then-current Rate Period = \$76.00 per ton
C&D Processing Costs per Ton for the coming Rate Period = \$76.00 per ton
Mixed Materials Processing Costs for the then-current Rate Period = \$76.00 per Ton
Mixed Materials Processing Costs for the coming Rate Period = \$76.00 per Ton
Annual Percentage Change in the CPI-U = 0.040

EXHIBIT B1

INDEX-BASED RATE ADJUSTMENT METHODOLOGY

Annual Percentage Change in the ECI = 0.018

Annual Percentage Change in the Motor Vehicle Maintenance and Repair Index = 0.031

Annual Percentage Change in the Fuel Pricing Index = 0.074

Tonnages for the most-recently completed Rate Period:

Mixed Materials – 20,000 Tons

Recyclable Materials – 2,100 Tons

Yard Trimmings – 1,300 Tons

Food Scraps – 100 Tons

C&D – 250 Tons

Note: All values presented in this table are hypothetical and used for illustrative purposes only.

EXHIBIT B1 INDEX-BASED RATE ADJUSTMENT METHODOLOGY

TABLE 2
Example A: Calculation of Total Calculated Costs for Rate Period Three

	Rate Period Two Base Costs	New Service Implementation Costs	Total Costs	Adjustment Factor*	Rate Period Three
Annual Cost of Operations					
Labor-related costs	\$1,217,674	\$14,686	\$1,232,360	1 + 0.040	\$1,254,543
Vehicle-related costs (excluding fuel)	\$202,663	\$4,323	\$206,986	1 + 0.031	\$213,402
Fuel costs	\$140,485	\$9,142	\$149,627	1 + 0.074	\$160,700
Other Costs	\$77,189	\$0	\$77,189	1 + 0.040	\$80,277
Direct Depreciation	\$343,131	\$57,079	\$400,211	1 + 0.040	\$416,219
Allocated Costs (Labor, Vehicle, Fuel, and Other Costs)*	\$1,648,980	\$41,325	\$1,690,305	1 + 0.040	\$1,757,918
Allocated Costs (Depreciation and Start- Up)	\$13,531	\$0	\$13,531	N.A.	\$13,531
Total Annual Cost of Operations	\$3,643,654	\$126,555	\$3,770,209	N.A.	\$3,896,588
Profit (assuming operating ratio of 0.90)	\$404,850	\$14,062	\$418,912	N.A.	\$432,954
Pass-Through Costs					
Net Yard Trimmings Materials Processing Costs	\$92,749	\$0	\$92,749	1,300 x \$76.00	\$98,800
Net Recyclable Materials Processing Costs	\$157,531	\$0	\$157,531	2,100 x \$76.00	\$159,600
Net Food Scraps Materials Processing Costs	\$4,600	\$0	\$4,600	100 x \$55.00	\$5,500
Net C&D Materials Processing Costs	\$12,179	\$0	\$12,179	250 x \$76.00	\$19,000
Disposal Costs	\$1,472,587	\$0	\$1,472,587	20,000 x \$76.00	\$1,520,000
Interest Expense	\$122,420	\$9,164	\$131,585	N.A.	\$131,585
Direct Lease Costs	\$0	\$0	\$0	N.A.	\$0
Total Allocated Costs - Lease	\$0	\$0	\$0	N.A.	\$0
Total Pass-Through Costs	\$1,862,067	\$9,164	\$1,871,231	N.A.	\$1,934,485
Total Calculated Costs before Town Fees	\$5,910,572	\$149,780	\$6,060,352	N.A.	\$6,264,027
Town Fees/Payments*					
Franchise Fee	\$315,401	\$0	\$323,394	N.A.	\$364,790
AB 939	\$276,000	\$0	\$276,000	1 + 0.040	\$287,040
Administrative Fee	\$490,000	\$0	\$490,000	1 + 0.040	\$509,600
Rate Application Review Fee	\$35,000	\$0	\$35,000	N.A.	\$0
Total Town Fees/Payments	\$1,116,401	\$0	\$1,124,394	N.A.	\$1,161,430
Other Adjustments (as needed from time to time)	N.A.	N.A.	N.A.	N.A.	N.A.
Total Calculated Costs	\$7,026,973	\$149,780	\$7,184,746		\$7,425,457

* Fuel costs included in allocated costs shall be adjusted using the CPI-U not Fuel Index.

2. Example A: Calculation of the Rate Adjustment Factor and Adjusted Rate for Rate Period Three

Rate Adjustment Factor = $\$7,425,457 / \$7,026,973 = 1.057$

Single-Family Base Services Rate for Rate Period Three = $\$27.36 \times 1.054 = \28.92 , which would be effective July 1, 2020.

EXHIBIT B1

INDEX-BASED RATE ADJUSTMENT METHODOLOGY

B. EXAMPLE B

1. Assumptions for Example B:

Most-Recently Completed Rate Period = Rate Period One (July 1, 2018 through June 30, 2019)
Then-current Rate Period = Rate Period Two (July 1, 2019 through June 30, 2020)
Coming Rate Period = Rate Period Three (July 1, 2020 through June 30, 2021)
Recyclable Materials Processing Costs per Ton for the then-current Rate Period = \$76.00 per ton
Recyclable Materials Processing Costs per Ton for the coming Rate Period = \$76.00 per ton
Yard Trimmings Processing Costs per Ton for the then-current Rate Period = \$76.00 per ton
Yard Trimmings Processing Costs per Ton for the coming Rate Period = \$76.00 per ton
Food Scraps Processing Costs per Ton for the then-current Rate Period = \$55.00 per ton
Food Scraps Processing Costs per Ton for the coming Rate Period = \$55.00 per ton
C&D Processing Costs per Ton for the then-current Rate Period = \$76.00 per ton
C&D Processing Costs per Ton for the coming Rate Period = \$76.00 per ton
Mixed Materials Processing Costs for the then-current Rate Period = \$76.00 per Ton
Mixed Materials Processing Costs for the coming Rate Period = \$76.00 per Ton
Annual Percentage Change in the CPI-U = -0.012
Annual Percentage Change in the ECI = -0.014
Annual Percentage Change in the Motor Vehicle Maintenance and Repair Index = 0.031
Annual Percentage Change in the Fuel Pricing Index = 0.013
Tonnages for the most-recently completed Rate Period.
 Mixed Materials – 20,000 Tons
 Recyclable Materials – 2,100 Tons
 Yard Trimmings – 1,300 Tons
 Food Scraps – 100 Tons
 C&D – 250 Tons

EXHIBIT B1 INDEX-BASED RATE ADJUSTMENT METHODOLOGY

TABLE 3
Example B: Calculation of Total Calculated Costs for Rate Period Three

	Rate Period Two Base Costs	New Service Implementation Costs	Total Costs	Adjustment Factor*	Rate Period Three
Annual Cost of Operations					
Labor-related costs	\$1,217,674	\$14,686	\$1,232,360	1 + -0 014	\$1,215,107
Vehicle-related costs (excluding fuel)	\$202,663	\$4,323	\$206,986	1 + 0 031	\$213,402
Fuel costs	\$140,485	\$9,142	\$149,627	1 + 0 013	\$151,572
Other Costs	\$77,189	\$0	\$77,189	1 + -0 012	\$76,263
Direct Depreciation	\$343,131	\$57,079	\$400,211	1 + -0 012	\$395,408
Allocated Costs (Labor, Vehicle, Fuel, and Other Costs)*	\$1,648,980	\$41,325	\$1,690,305	1 + -0 012	\$1,670,022
Allocated Costs (Depreciation and Start- Up)	\$13,531	\$0	\$13,531	N A	\$13,531
Total Annual Cost of Operations	\$3,643,654	\$126,555	\$3,770,209	N A	\$3,735,305
Adjusted Total Annual Cost of Operations					\$3,770,209
Profit (assuming operating ratio of 0 90)	\$404,850	\$14,062	\$418,912	N.A.	\$418,912.07
Pass-Through Costs					
Net Yard Trimmings Materials Processing Costs	\$92,749	\$0	\$92,749	1,300 x \$76 00	\$98,800
Net Recyclable Materials Processing Costs	\$157,531	\$0	\$157,531	2,100 x \$76.00	\$159,600
Net Food Scraps Materials Processing Costs	\$4,600	\$0	\$4,600	100 x \$55 00	\$5,500
Net C&D Materials Processing Costs	\$12,179	\$0	\$12,179	250 x \$76 00	\$19,000
Disposal Costs	\$1,472,587	\$0	\$1,472,587	20,000 x \$76 00	\$1,520,000
Interest Expense	\$122,420	\$9,164	\$131,585	N A	\$131,585
Direct Lease Costs	\$0	\$0	\$0	N A	\$0
Total Allocated Costs - Lease	\$0	\$0	\$0	N.A.	\$0
Total Pass-Through Costs	\$1,862,067	\$9,164	\$1,871,231	N.A.	\$1,934,485
Total Calculated Costs before Town Fees	\$5,910,572	\$149,780	\$6,060,352	N A	\$6,123,605
Town Fees/Payments*					
Franchise Fee	\$315,401	\$0	\$323,394	N.A.	\$356,612
AB 939	\$276,000	\$0	\$276,000	1 + -0 012	\$272,688
Administrative Fee	\$490,000	\$0	\$490,000	1 + -0 012	\$484,120
Rate Application Review Fee	\$35,000	\$0	\$35,000	N.A.	\$0
Total Town Fees/Payments	\$1,116,401	\$0	\$1,124,394	N A	\$1,113,420
Other Adjustments (as needed from time to time)	N A	N A	N A	N A	N A
Total Calculated Costs	\$7,026,973	\$149,780	\$7,184,746		\$7,237,026

* Fuel costs included in allocated costs shall be adjusted using the CPI-U not Fuel Index.

2. Example B: Calculation of the Rate Adjustment Factor and Adjusted Rate for Rate Period Three

Total Annual Cost of Operations = \$3,735,305 < \$3,770,209; Adjusted Total Annual Cost of Operations = \$3,770,209 (Total Annual Cost of Operations from prior Rate Period)

EXHIBIT B1

INDEX-BASED RATE ADJUSTMENT METHODOLOGY

Rate Adjustment Factor = $\$7,237,026 / \$7,026,973 = 1.030$

Single-Family Base Services Rate for Rate Period Three = $\$27.36 \times 1.030 = \28.18 , which would be effective July 1, 2020.

Subsequent Rate Period Adjustment = $\$3,770,209 - \$3,735,305 = \$34,904$ cost savings to be applied as an "Other Adjustment" in the subsequent Rate Period adjustment calculations.

6. OTHER

If an index described in Section 2 is discontinued, the successor index with which it is replaced shall be used for subsequent calculations. If no successor index is identified by the Bureau of Labor Statistics, the index published by the organization which is most comparable shall be used.

EXHIBIT B-2

COST-BASED RATE ADJUSTMENT METHODOLOGY

1. GENERAL

The Town shall use the cost-based Rate adjustment method described in this Exhibit to determine Rates for Rate Periods Four and Eight and, if the Term is extended, for Rate Period Twelve. The cost-based adjustment involves review of the Contractor's actual cost of operations and operational statistics (staffing levels, routes, route hours, Customers and their service levels, etc.) to determine the Actual Allowable Total Annual Cost of Operations for the most-recently completed Rate Period and to forecast the Total Contractor's Compensation for the coming Rate Period. The difference (measured as a percentage) between the Total Contractor's Compensation for the coming Rate Period and the projected Gross Receipts (which is calculated based on most-recent Customer subscription levels at then-current Rates) is the Rate Adjustment Factor. The Rate Adjustment Factor is applied to the then-current Rates to determine the Rates for the coming Rate Period.

The intent of performing the cost-based adjustment is to examine the actual impact of changes in inflation or deflation, the number of Customers, and the Service Level of Customers.

In the event that the cost-based adjustment calculated in accordance with this Exhibit B2 results in a year-over-year decrease in Contractor's Total Annual Cost of Operations, the Town reserves the right to "roll-under" any resulting Rate reduction, such that there is no Rate adjustment in the Rate Period for which the decrease in Contractor's Total Annual Cost of Operations occurred, but the calculated reduction may be deferred to the following Rate Period, as a credit against future Rate increases.

A. Contractor's Rate Application

Contractor's Rate application for any Rate Period where Rates shall be adjusted using the cost-based methodology described in this Exhibit B2 shall include the information described in this Section 1.A. With the exception of the information identified in Subsections 1, 2, and 3 below, all other items listed may be requested by the Town Contract Manager at any time during the Term of the Agreement and Contractor shall comply with that request in a timely fashion.

1. **Rate Application Forms.** Contractor shall provide completed Rate Application Forms, the template for which is provided in Exhibit M. The information contained in Contractor's Rate Application Forms shall be specific to Contractor's obligations under this Agreement, and shall exclude any costs related to the provision of service to other public or private entities.
2. **Financial Statements.** Contractor's independently reviewed, consolidated financial statements for the calendar year prior to the most recently completed calendar year. For example, for purposes of adjusting the Rates for Rate Period Four (July 1, 2021 – June 30, 2022), on or before January 1, 2021, Contractor shall submit its Rate application, including consolidated, reviewed financial statements for calendar year 2019. The financial statements and footnotes shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP) consistently applied and fairly reflecting the results of operation and Contractor's financial condition. For each of the Contractor's Affiliates that performs part of the services hereunder, the Contractor shall also provide the Town with a copy of such Affiliate's (whose cost of services are not pre-

EXHIBIT B-2

COST-BASED RATE ADJUSTMENT METHODOLOGY

determined in this Agreement on a unit price basis, or by a governmental contractor) financial records, including but not limited to detailed invoices, supporting the cost of any such personnel, supplies, or services submitted within Contractor's Rate Application Forms. Contractor agrees that all financial transactions with all Affiliates involving costs related to the Contractor's performance under this Agreement shall be approved in advance in writing and disclosed in a separate disclosure letter to the Town. This letter shall include, but not be limited to, the following information:

- a. A general description of the nature of each Affiliate transaction, or type of transaction (if many similar transactions exist) shall be provided, as applicable. Such description shall include for each (or similar) transaction, amounts, specific Affiliate, basis of amount (how amount was determined), description of the allocation methodology used to allocate any common costs, and profit amount. Amounts shall be reconciled to the Affiliate disclosures made in Contractor's financial statements referred to in this Section.
 - b. At the Town's request, Contractor shall provide the Town with copies of working papers or other documentation deemed relevant by the Town relating to information shown in the annual disclosure letter, including but not limited to supporting documentation of any allocated overhead personnel, or other expenses.
3. **Financial Statement Reconciliation.** Contractor shall provide a schedule which clearly and accurately ties the amounts shown in Contractor's Rate Application Forms to Contractor's Financial Statements. Such schedule shall include any and all allocation factors and methodologies used to report cost and operating information for services provided to the Town under this Agreement separately from Contractor obligations related to other public or private entities. Such statement of reconciliation shall include:
- a. General explanation of the various allocation methodologies used for each Rate application line item.
 - b. Specific examples of each type of allocation used showing how an entry is reported in the general ledger and ties to the Rate application.
 - c. Statement indicating whether there have been any changes in allocation methods used since the last Rate application. If any allocation methods have changed clearly identify those changes.
4. **Operational Information.**
- a. Routes by Line of Business:
 1. Number of routes per day.
 2. Types of Vehicles.
 3. Crew size per route.
 4. Number of full time equivalent (FTE) routes.
 5. Number of accounts and cubic yards scheduled per route.
 6. Total route hours per Line of Business per year.

EXHIBIT B-2

COST-BASED RATE ADJUSTMENT METHODOLOGY

7. Average cost per route.
- b. Personnel:
 1. Organizational chart.
 2. Job classifications and number of employees (e.g., administrative, Customer service representatives, drivers, supervisors, educational staff).
 3. Wages by job classification.
 4. Number of FTE positions for each job classification.
 5. Number of hours per job classification per year.
- c. Productivity Statistics:
 1. Average number of accounts per route per day by Line of Business.
 2. Average number of setouts per route per day by Line of Business.
 3. Average Tons per route per day by Vehicle type (i.e. side-loader, front-loader, roll-off).
 4. Average cubic yards of Collection scheduled per route.
- d. Vehicles:
 1. List of Collection Vehicles including year purchased and mileage.
 2. Average age of mobile equipment with oldest and newest.
- e. Operational Changes:
 1. Number of routes.
 2. Staffing.
 3. Supervision.
 4. Collection services.
5. **Variance Analysis.** Provide the following variance analysis for each Line of Business. For any variances greater than five percent (5%) annually, Contractor shall provide sufficient rationale to support the variance:
 - a. Variance analysis comparing current Rate Period to each of the prior Rate Periods of Agreement.
 - b. Variance analysis comparing current Rate Period to each of the future projected Rate Periods.
6. **Projections.** Provide the following projection data:
 - a. Provide support for the basis for projected Gross Receipts and line item expenses, clearly indicate the supporting calculations and assumptions.
 - b. Provide support for Tonnage Collected in the most-recently completed Rate Period. Clearly indicate the supporting calculations and assumptions.

EXHIBIT B-2

COST-BASED RATE ADJUSTMENT METHODOLOGY

2. FORECASTING TOTAL CONTRACTOR'S COMPENSATION

The Total Contractor's Compensation for the coming Rate Period shall be forecasted in the manner described in this Section.

A. Forecasting Total Annual Cost of Operations

1. **Determine Actual Allowable Total Annual Cost of Operations.** Contractor's Rate Application Forms, financial statements, books, and records shall be reviewed to determine Contractor's Actual Allowable Total Annual Cost of Operations for the most-recently completed Rate Period to perform all the services in the manner required by this Agreement for each of the following cost categories:
 - a. Actual labor-related costs
 - b. Actual vehicle-related costs (excluding fuel and depreciation)
 - c. Actual fuel costs
 - d. Actual other costs (as defined in Exhibit M)
 - e. Direct depreciation costs
 - f. Actual allocated costs (labor, vehicle, general and administrative, and other costs)
 - g. Actual allocated costs (depreciation and start-up) (in the amount stated in Exhibit B1)
2. **Non-Allowable Costs.** The following list of non-allowable costs shall be deducted from the Contractor's actual costs when determining the Actual Allowable Total Annual Cost of Operations.
 - a. Labor, equipment, fuel, and start-up costs for personnel, vehicles, and facilities that are not specified in the proposal forms contained in Exhibit C2 (including costs associated with other contracts held by Contractor or Contractor's Affiliates).
 - b. Payments to directors and/or owners of Contractor unless the amount paid is reasonable compensation for services actually rendered. Reasonableness shall be determined based on available market pricing for similar services and shall be in the reasonable discretion of the Town.
 - c. Travel expenses and entertainment expenses (above five thousand dollars (\$5,000) annually in total), unless authorized in advance by the Town.
 - d. Payments to repair damage to public or private property for which Contractor is legally liable.
 - e. Fines or penalties of any nature.
 - f. Liquidated Damages assessed under this Agreement.
 - g. Federal or State income taxes.

EXHIBIT B-2

COST-BASED RATE ADJUSTMENT METHODOLOGY

- h. Cash donations or value of in-kind services provided to charitable, political, youth, civic, or other community organizations unless such donation has been previously approved in writing as an allowable expense by the Town Contract Manager.
 - i. Depreciation or interest expense for Collection vehicles, Containers, other equipment, offices and other facilities if such items are leased as specified in Exhibit C2.
 - j. Attorney's fees and other expenses incurred by Contractor in any court proceeding in which the Town and Contractor are adverse Parties.
 - k. Attorney's fees and other expenses incurred by Contractor arising from any act or omission in violation of this Agreement.
 - l. Attorneys' fees and other expenses incurred by Contractor in any court proceeding in which Contractor's own negligence, violation of law or regulation, or wrong doing are in issue and occasion, in whole or in part, the attorneys' fees and expenses claimed; and attorneys' fees and expenses incurred by Contractor in a court proceeding in which the legal theory or statute providing a basis of liability against Contractor also provides for separate potential liability for the Town derived from the action of its citizens or Rate payers (such as in a CERCLA lawsuit) unless the Contractor is found not liable in such claims and such claims arise from acts or occurrences within the Term of the Agreement.
 - m. Payments to Affiliates for products or services, in excess of the cost to the Affiliates for those products or services.
 - n. Goodwill.
 - o. Unreasonable profit sharing distributions.
 - p. Replacement costs for Containers that need to be replaced because the useful life of such Container was less than the Term.
 - q. Administrative costs greater than the administrative costs presented in Contractor's Proposal (Exhibit C2) adjusted annually by one plus the Annual Percentage Change in the CPI-U.
 - r. Bad debt write-offs in excess of two percent (2%) of annual Rate revenues.
3. **Forecast Total Annual Cost of Operations.** Forecasted Total Annual Cost of Operations for the coming Rate Period shall be calculated based on Actual Allowed Total Cost of Operations for the most-recently completed Rate Period determined in accordance with Sections 2.A.1 and 2.A.2 above. The forecasts shall be performed in the following manner:
- a. **Forecasted labor-related costs** shall be calculated for the coming Rate Period by

EXHIBIT B-2

COST-BASED RATE ADJUSTMENT METHODOLOGY

- (i) multiplying the allowed labor-related costs, both direct and allocated, for the most-recently completed Rate Period by one plus the Annual Percentage Change in the ECI, and (ii) multiplying the result of step one once more by one plus the Annual Percentage Change in the ECI.
- b. **Forecasted vehicle-related costs** (excluding fuel and depreciation costs) shall be calculated for the coming Rate Period by (i) multiplying the allowed vehicle-related costs, both direct and allocated, for the most-recently completed Rate Period by one plus the Annual Percentage Change in the Motor Vehicle Maintenance and Repair Index, and (ii) multiplying the result of step one once more by one plus the Annual Percentage Change in the Motor Vehicle Maintenance and Repair Index.
- c. **Forecasted fuel costs** shall be calculated for the coming Rate Period by (i) multiplying the allowed fuel costs, both direct and allocated, for the most-recently completed Rate Period by one plus the Annual Percentage Change in the Fuel Index, and (ii) multiplying the result of step one once more by one plus the Annual Percentage Change in the Fuel Index.
- d. **Forecasted other costs** shall be calculated for the coming Rate Period by (i) multiplying the allowed other-related costs, both direct and allocated, for the most-recently completed Rate Period by one plus the Annual Percentage Change in CPI-U, and (ii) multiplying the result of step one once more by one plus the Annual Percentage Change in the CPI-U.
- e. **Forecasted direct depreciation expense** shall be calculated for the coming Rate Period by (i) multiplying the allowed direct depreciation expense for the most-recently completed Rate Period by one plus the Annual Percentage Change in CPI-U, and (ii) multiplying the result of step one once more by one plus the Annual Percentage Change in the CPI-U.
- f. **Forecasted allocated labor-related, vehicle-related, general and administrative, and other costs** shall be calculated for the coming Rate Period by (i) multiplying the allowed other-related costs for most-recently completed Rate Period by one plus the Annual Percentage Change in CPI-U, and (ii) multiplying the result of step one once more by one plus the Annual Percentage Change in CPI-U.
- g. **Forecasted allocated depreciation and start-up expense** shall be the amount specified in Section 2.A.7 of Exhibit B1 for vehicles, Containers, and facilities.
- h. **Forecasted Total Annual Cost of Operations** for the coming Rate Period shall equal the sum of the following costs, which shall have been calculated in accordance with the procedures in this Exhibit B2:
- (1) Forecasted labor-related costs

EXHIBIT B-2

COST-BASED RATE ADJUSTMENT METHODOLOGY

- (2) Forecasted vehicle-related costs (excluding fuel and depreciation costs)
- (3) Forecasted fuel costs
- (4) Forecasted other costs
- (5) Forecasted direct depreciation expense
- (6) Forecasted allocated labor-related, vehicle-related, general and administrative, and other costs
- (7) Forecasted allocated costs for depreciation and start-up;

or the Total Annual Cost of Operations from the prior Rate Period, multiplied by one and seven hundredths (1.07), whichever is less, provided that if the calculated Total Annual Cost of Operations results in a year-over-year decrease from the prior Rate Period, the Total Annual Cost of Operations shall be set to equal the Total Annual Cost of Operations from the prior Rate Period. In the event that the calculated Total Annual Cost of Operations is higher or lower than the Total Annual Cost of Operations used for purposes of adjusting Rates, the difference between the calculated Total Annual Cost of Operations, and the Total Annual Cost of Operations used shall be reflected as an adjustment to the Rate adjustment process for the subsequent Rate Period, in accordance with Section 2.E of this Exhibit B2.

B. Forecast Profit

Contractor shall be entitled to Profit on Forecasted Total Annual Cost of Operations. Profit shall be calculated using an operating ratio of ninety percent (90%) as proposed by Contractor (except as otherwise provided in Section 2.B of Exhibit B-1). Profit shall be calculated using the following formula:

Profit = (Forecasted Total Annual Cost of Operations / Operating Ratio) – Forecasted Total Annual Cost of Operations

For example:

1. Assuming an operating ratio of 90%.
2. Assuming a Forecasted Total Annual Cost of Operations of \$1,000,000
3. Profit = (\$1,000,000 / 0.90) – \$1,000,000 = \$111,111.11

C. Forecast Pass-Through Costs

Pass-Through Costs for the coming Rate Period shall be forecasted in the following manner:

1. **Recyclable Materials Processing Costs.** The Recyclable Materials Processing Cost shall be calculated by multiplying the per-Ton Recyclable Materials Tipping Fee at the Approved Processing Facility for the coming Rate Period by the total Tons of Recyclable Materials Collected for the most-recently completed Rate Period.
2. **Yard Trimmings Processing Costs.** The Yard Trimmings Processing Cost shall be calculated by multiplying the per-Ton Yard Trimmings Tipping Fee at the Approved Yard Trimmings Processing Facility for the coming Rate Period by the total Tons of Yard Trimmings Collected for the most-recently completed Rate Period.

EXHIBIT B-2

COST-BASED RATE ADJUSTMENT METHODOLOGY

3. **Food Scraps Processing Costs.** The Food Scraps Processing Cost shall be calculated by multiplying the per-Ton Food Scraps Tipping Fee at the Approved Food Scraps Processing Facility for the coming Rate Period by the total Tons of Food Scraps Collected for the most-recently completed Rate Period.
4. **C&D Processing Costs.** The C&D Processing Cost shall be calculated by multiplying the per-Ton C&D Tipping Fee at the Approved C&D Processing Facility for the coming Rate Period by the total Tons of C&D Collected for the most-recently completed Rate Period.
5. **Mixed Materials Processing Costs.** The Mixed Materials Processing Costs shall be calculated by multiplying the per-Ton Mixed Materials Tipping Fee at the Approved Processing Facility for the coming Rate Period by the total Tons of Mixed Materials Processed for the most-recently completed Rate Period.
6. **Forecasted Interest Expense.** The Interest Expense amount is \$158,756 in Rate Period Two through Ten, and shall only be adjusted to account for scheduled new program implementation which will occur in Rate Period Two and Rate Period Three, in the amounts shown in Exhibit C2. Town and Contractor shall review and mutually agree upon interest expenses for any Rate Periods beyond Rate Period Ten, should the Term be extended.
7. **Forecasted Direct Lease Costs.** Direct Lease Costs are \$0.00 per year and shall not be adjusted over the Term of the Agreement, and shall be zero in any future Rate Period should the Term be extended past Rate Period Ten.
8. **Forecasted Allocated Lease Costs.** Allocated Lease Costs are \$0.00 per year and shall not be adjusted over the Term of the Agreement, and shall be zero in any future Rate Period should the Term be extended past Rate Period Ten.

D. Forecast Town Fees/Payments

Town fees shall be calculated in the manner described in Section 2.E of Exhibit B1.

E. Other Adjustments

Other adjustments may be calculated as needed in the manner described in Section 2.F of Exhibit B1.

3. PROJECTED GROSS RECEIPTS

Projected Gross Receipts at then-current Rates shall reflect projected annual Gross Receipts from all Customers based on then-current Rates and then-current Customer Service Levels.

EXHIBIT B-2

COST-BASED RATE ADJUSTMENT METHODOLOGY

4. RATE ADJUSTMENT FACTOR

The Rate Adjustment Factor shall equal the Forecasted Total Calculated Costs for the coming Rate Period divided by the projected Gross Receipts calculated in accordance with Section 2 herein. The Rate Adjustment Factor shall be rounded to the nearest thousandth.

5. ADJUSTMENT OF RATES

Each then-current Rate shall be multiplied by the Rate Adjustment Factor to calculate the effective Rate for the coming Rate Period.

EXHIBIT C: CONTRACTOR'S PROPOSAL

- C1. Technical Proposal
- C2. Cost Basis for Proposal
- C3. Initial Rates for Collection Services
- C4. Implementation Plan and Schedule
- C5. Contractors Recycling Plan
- C6. Approved Subcontractors

EXHIBIT C1: TECHNICAL PROPOSAL

EXHIBIT C-1

TECHNICAL PROPOSAL

The challenges and very unique service requirements associated with the Greater Lake Tahoe area include terrain, inclement weather, other seasonal factors, wildlife, high percentage of vacation homes and rentals, and tourism. Looking at the provision of collection services from a primarily size and scope perspective could lead one to believe that this should be a fairly straight forward and easily managed scope of work to execute. It is not, especially when you are as dedicated to top-notch customer service as TTSD. To break down and highlight the challenges associated with the above:



- *Terrain*

High altitude and narrow mountain roads make use of standard collection vehicles challenging. Large lots with homes set back considerable distances from the road adds considerable time to making collections even in the best weather.

- *Inclement Weather*

Snow and ice add in many variables to the provision of service. Chaining up/unchaining collection vehicles in order to leave/return to our operations base requires about one hour. Oftentimes, a driver must chain up multiple times to access routes—taking even more time away from collection activity itself.

Inclement weather dramatically impacts collection activity efficiency. Inaccessible streets often times cause route interruptions. Accumulated snow impedes visibility, and snow and ice atop containers adds weight and logistical challenges. Winter weather greatly impacts travel time due to road conditions, route and collection point access conditions, and road closures. Heavy power lines come down or are lower than normal creating a hazard for large trucks.

- *Other Seasonal Factors*

When it's not snowing there is tremendous yard waste production occurring in order to maintain defensible space. It is nearly impossible—given the current or many other yard waste collection options—to anticipate the amount of yard waste set out for collection on any one day.

- *Wildlife*

Bears are prevalent in many Truckee service locations. Roaming bears require the use of bear sheds for some residents and wildlife resistant containers for our commercial customers. Residential bear sheds require our drivers and helpers to travel atypically long distances to access containers. Bear shed locations, types, and access vary greatly throughout the service area, and on average, more than triples the time it takes to make a collection as compared to a more benign service environment.

EXHIBIT C-1

TECHNICAL PROPOSAL

- *Vacation/Rental Homes and Tourism*

Truckee has a high saturation of second and vacation rental homes. These secondary residence types come with their own set of challenges, including communications strategies for infrequent users, the creation of a fair rate matrix for customers, and set-out challenges associated with renters. Tourism and the associated traffic, cause lengthy drive times as trucks may be delayed in heavy traffic which also impacts route efficiencies. During both winter and summer, major holidays can cause tremendous routing delays.

- *Hot Ashes*

Many of the Truckee residential customers use wood burning fireplaces and stoves to heat their homes. TTSD frequently reminds customers to not place out hot ashes, yet the issue still exists. There is no way to know whether ashes are hot except to come in physical contact with the ash container. Hot ashes are a very real concern as they create two problems, burned drivers and/or truck fires.

TTSD's response to all of the above, within the context of the provision of excellent service, has been to evolve our service delivery systems, including safety preparedness, to meet and exceed each challenge. In particular, we feel a huge burden of responsibility in providing collection services that protect worker and public safety, as stated. Part of the evolution of service delivery is customer interaction: TTSD has built a customer-centric operation. We have taken the needs and preferences of our customers quite seriously—always doing what it takes for have them to be happy at the close of each interaction and completely satisfied with our services.

The operational approaches described on the following pages to address the Town's requested *Base* and *Enhanced* services have been thoughtfully vetted. Option A presents new equipment with the current approach that is tried and true and Option B presents new equipment and collection approaches that could bring some efficiencies. We've also introduced alternate ideas that marry the spirit of the scope of work the Town put forth, with options that may be more effective, accomplish the goal, and meet with greater customer acceptance. Because our approach to the provision of services is wound tightly around Truckee neighborhoods, it is best outlined in a chart. The included *Collection Approach* charts when taken with our proposed *Equipment List* paints a good picture of our response to *Base* and *Enhanced* proposals. Potential innovations are described in a separate subsection at the conclusion of *Section 3*.

Some neighboring waste services providers close their doors in response to storms. We may do this, but only when strictly necessary because safety is always our priority. However, our threshold for shutting the door is in exceedance of our neighbors' because of our more than 50-year history of doing the tough but honorable work of heaving and hauling discarded materials to help keep Truckee pristine. Day in and day out, for decades.

EXHIBIT C-1 TECHNICAL PROPOSAL



Collection Approach – Residential and Commercial

	Base Services	Enhanced Services
Single-Family Multi-Family* <i>*For MFD accounts featuring individually billed / cart- based MM service</i>	 <p>Customer-provided cans (MM). Blue bags (recyclables). Stickered green bags (yard waste).</p> <p>Option A: Various truck types (see list): - Frontloaders + Work Boxes - 4WD Fork trucks</p> <p>Option B: Various truck types (see list): - Frontloaders + Work Boxes - 4WD Fork trucks - Rearloaders</p>	 <p>Company-provided carts (MM). 64-g Carts or 18-g tubs (recyclables). 96-g Carts (yard waste – bi-weekly). Yellow bags (food waste). Premises with bear sheds – curbside service, cart provided upon customer request.</p> <p>Various truck types (see equipment list): - Frontloaders + Work Boxes - Automated 4WD Fork trucks - Curotto Can Automated Frontloader - Rearloaders</p>
Commercial Multi-Family** <i>**For MFD accounts featuring centrally-billed / shared / bin - based MM service</i>	 <p>Bin Collection: - MFD and Commercial Bins in 3-, 4-, 6 CY (mixed materials) - Standard Frontloaders Service Frequency: Up to 3 times/week</p> <p>Cart¹ Collection: - MFD and Commercial 64- and 96-gal carts (MM/blue/yellow bags) - May be blended with residential routes (see previous chart for equipment type). Service Frequency: Once weekly</p> <p>Bagged recyclables /food scraps placed in MM containers (bin or cart) by customer.</p>	 <p>Bin Collection: - MFD and Commercial Bins in 3-, 4-, 6 CY (mixed materials) - Standard Frontloaders Service Frequency: Up to 5 times/week</p> <p>Cart Collection: - MFD and Commercial 64- and 96-gal carts (MM/recyclables as requested) - May be blended with residential routes (see previous chart for equipment type). Service Frequency: Once weekly.</p> <p>Bagged food scraps placed in MM containers (bin or cart) by customer.</p>
Debris Box/ Compactor <i>For roll-off/compactor service – temporary and permanent.</i>	 <p>Debris Box Collection: - Debris boxes and customer-provided compactors of various sizes. - Metal 10-gauge metal debris boxes in standard sizes. - Temporary or permanent service. Service Frequency: Up to 3 times/week</p>	 <p>Debris Box Collection: - Debris boxes and customer-provided compactors of various sizes. - Metal 10-gauge metal debris boxes in standard sizes. - Temporary or permanent service. Service Frequency: Up to 3 times/week</p>

¹ 96-gallon commercial carts approved as replacement for cans in base proposal during procurement process.

EXHIBIT C-1 TECHNICAL PROPOSAL

Truckee Equipment List – Base and Enhanced

The following list represents the proposed equipment for the new *Agreement*. The start of a new contract affords TTSD and the Town to cost-effectively make replacements, which can be allocated across contracts due to cross-usage between jurisdictions, decreasing cost impacts to Truckee rate payers.

In redesigning the collection system, we introduced automation wherever practical, taking into account all of the service conditions enumerated in this section's *Overview*. This mix of equipment provides insurance that we can continue to reliably provide service year round, while introducing some additional efficiency.

Equipment List – Base Option A

Vehicle Type	Make	Model	Engine	Year	Condition	Quantity
Frontloader	Autocar	ACX	Diesel	2018	New	8
4WD Fork Truck	Ford	F550	Diesel	2018	New	5
Roll-Off	Autocar	ACX	Diesel	2018	New	2

Equipment List – Base Option B

Vehicle Type	Make	Model	Engine	Year	Condition	Quantity
Frontloader	Autocar	ACX	Diesel	2018	New	5
4WD Fork Truck	Ford	F550	Diesel	2018	New	5
Rearloader	Peterbilt	348	Diesel	2018	New	3
Roll-Off	Autocar	ACX	Diesel	2018	New	2

Equipment List – Enhanced

Vehicle Type	Make	Model	Engine	Year	Condition	Quantity
Frontloader	Autocar	ACX	Diesel	2018	New	4
Curotto Can Automated Frontloader	Autocar	ACX	Diesel	2018	New	3
Automated 4WD Fork Truck	Ford	F550	Diesel	2018	New	5
Rearloader	Peterbilt	348	Diesel	2018	New	6
Roll-Off	Autocar	ACX	Diesel	2018	New	2

General equipment specifications are included in the *Appendix* located at the conclusion of this proposal.

EXHIBIT C-1 TECHNICAL PROPOSAL

3 TECHNICAL PROPOSAL OVERVIEW / SAFETY

Safety is a huge priority for TTSD due to the conditions noted in the opening section of this *Overview*. Because of those, we have developed a robust, holistic, safety program that has been acknowledged by Cal-OSHA and our outside risk managers as being effective and comprehensive.

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

Workplace Hazards Evaluation

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

Employee Orientation

New employees are required to review the following documents, which at a minimum include: the Company's *Employee Handbook*, *Safety Policies and Procedures* manual, and *Injury and Illness Prevention Program (IIPP)*.

- *Safety Policies and Procedures Manual*
This manual is comprehensive, covering everything from all the components to the Company's safety orientation, to emergency procedures, accident/loss reporting procedures, and so forth. It is the Company's observation that when employees are fully informed about the high safety standards of the Company from the first day on the job, a strong effort is made by new employees to match their performance to those high standards.
- *Injury and Illness Prevention Program (IIPP)*
As required by law, the Company also has an IIPP. It is well organized, thorough, and OSHA compliant. The plan identifies hazards, as previously described, and identifies the various elements of the Company's overall safety program, such as safety practices, safety training, record keeping, and so forth.

EXHIBIT C-1

TECHNICAL PROPOSAL

Monitoring of Work Performance

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

Facility Inspections

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

Accident and Incident Management

TTSD dispatches a supervisor to the scene immediately when an accident or incident occurs. A report is completed by both supervisor and employee. Following the incident, the employee receives the appropriate retraining. The Safety Committee reviews the incident, also evaluating what, if any, disciplinary action shall be suggested for the employee. Depending on the incident, its severity, frequency, and so forth, the employee may be removed from route operations until they are able to sufficiently demonstrate a thorough understanding of the proper safety procedure.

Safety Meetings

Safety meetings are held once per month, and are conducted with input from TTSD's outside risk manager. OSHA topics are discussed in rotating order, and meetings are customized in that incidents—and how they could have been prevented—from the prior month are reviewed in an open, interactive format.

Required Postings and Signage

All materials that must be posted by law are posted on TTSD's employee bulletin board. TTSD checks this bulletin board regularly to ensure all such materials are neatly posted and easily readable. This is part of TTSD's monthly site inspections, described above.

Risk Management Resources

TTSD's internal risk manager and insurance company support all facets of safety. The resources provided by the insurance carrier are integral to TTSD's overall risk management. Some of these resource materials include: integrated safety management, including assessment and training; behavior modification and safety training for supervisors and managers; and safety leadership training.

EXHIBIT C-1

TECHNICAL PROPOSAL

Driver Appearance, Conduct, Compliance

Drivers will wear a clean, company-issued uniform daily. They will have on their persons at all times a valid and properly endorsed California or Nevada license, will act in a professional and responsible manner, and will comply with all applicable local, state, and federal laws and regulations. As the faces of TTSD, drivers are also a part of the customer service core that runs through the entire company.

Alcohol and Drug Testing

TTSD performs alcohol and drug testing per the Department of Transportation's testing procedures under the following circumstances:

- Pre-Employment Testing: TTSD requires alcohol and drug testing after hiring and prior to commencement of work.
- Post-Accident Testing: Alcohol and drug testing is required as soon as possible after any accident involving any employee. The Company reserves the right to continue testing attempts up to 32 hours after the time the accident occurred.
- Random testing: All employees who drive Company vehicles are subject to random alcohol and drug testing.
- Reasonable Suspicion Testing: TTSD requires alcohol and drug testing based on a supervisor's personal observations of the employee's appearance, behavior, speech, performance, manner, and/or body odor. Likewise, TTSD provides training for managers and supervisors on identification of symptoms and behaviors of alcohol and/or controlled substance use or abuse.
- Return-to-Work Testing: In the case where an employee has taken a leave of absence to participate in an approved drug or alcohol abuse rehabilitation program, the employee must submit to alcohol and drug testing prior to returning to work. Refusal to submit to alcohol and drug testing may result in immediate termination. Testing is contracted to and managed by an outside firm.

EXHIBIT C-1 TECHNICAL PROPOSAL

3 TECHNICAL PROPOSAL OVERVIEW/ CUSTOMER SERVICE

TTSD is known for its friendly customer service representatives and generous service. Doing the right thing for the community we have been a part of comes naturally to us. At TTSD, customer service isn't just a department, it's our culture. We are committed to providing excellent customer service to our customers and friends in Truckee with the utmost professionalism and courtesy from all of our Customer Service Representatives (CSRs), drivers, and management staff. Customer service is everyone's bottom line job and we behave accordingly.

General Protocols

Upon receipt of a call, the CSR opens the conversation with a friendly introduction and greeting. CSRs are trained to fully listen to the customer's request, ask clarifying questions, and then repeat the details back to the customer. Once the CSR has verified that they understand the nature of the call, they propose a solution. Once the issue has been resolved to the customer's satisfaction, the CSR then inputs all appropriate details into the customer service software system. We are committed to the permanent resolution of customer concerns with one phone call, and that's what we work toward each time.

- *Missed Collections*
Our goal is to have zero missed pickups. Our policy is that as long as we still have a driver in the area at the time a missed pickup is reported, we will return to service the customer that day. Even if we don't have a driver in the area we often will go back anyway. In the event we have left the area and we, we will send our Supervisor to get the missed items or we will pick up the material the next day. On the rare occasion that we are unable to pick up the material within one day, we may offer to pick up double the material the following week, at the customer's discretion.
- *Non-Collection Notices (NCNs)*
NCNs for cause include contamination, improper set out or other action that would prevent collection. For the new contract which is more performance oriented in terms of recycling and diversion, we will send our drivers out with NCNs that have two corresponding parts: one that is left with the customer and another that is submitted to dispatch. Communicating in a written manner and annotating all communication in our RouteDriver software system allows us to make sure we are informing our customers in a timely manner. If the customer contacts us regarding the NCN, CSRs can quickly lookup the reason for non-collection and provide appropriate assistance.
- *Multilingual Assistance*
We have multiple Spanish speaking CSRs to assist as needed. The Truckee-Tahoe region is home to many Spanish speaking residents to whom we owe the same great service experience.

EXHIBIT C-1

TECHNICAL PROPOSAL

The customer interaction chart on the following page conveys how the common call types are handled

EXHIBIT C-1 TECHNICAL PROPOSAL

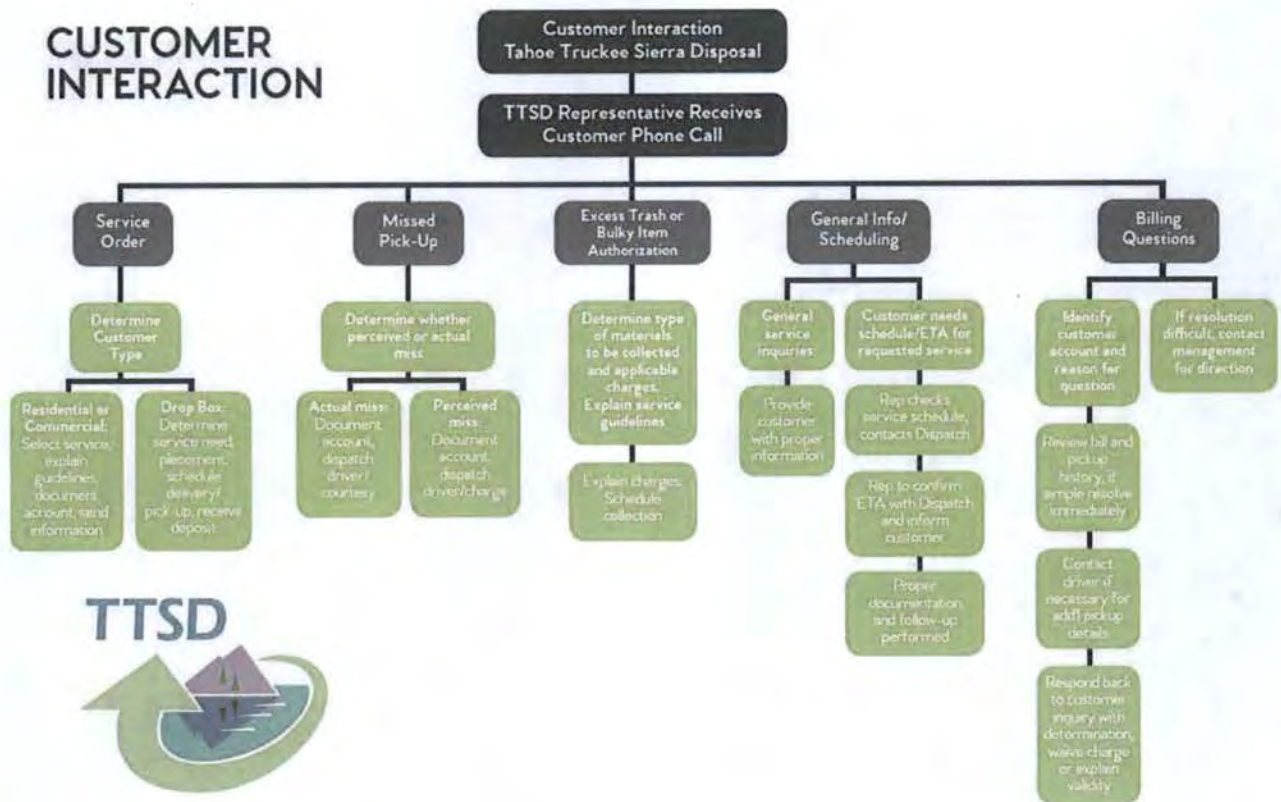


EXHIBIT C-1 TECHNICAL PROPOSAL

Information Technology

TTSD was an early adopter of customer relationship management and data tracking software in the waste industry. Seeing the need early on, TTSD hired its own IT professional (see Andy Larson's biography in *Section 2*) and continued the work owner David Achiro had previously begun. Two products have been developed and fully integrated with back office systems at TTSD: RouteDriver (our residential solution) and APEX (our commercial product).

Here are a few features associated with **RouteDriver**:

- Panasonic Tough-Book tablet computers are mounted in each truck and the screen presents each address. Drivers can see customer name, level of service, and a menu of collection items.
- Drivers record detailed pickup activity at each stop. Collection items (accessible via a button or drop down list) include but are not limited to:
 - ✓ Containers (cans, plastic bags, odd items).
 - ✓ Overages will prompt authorization to collect the materials.
 - ✓ Bear sheds/no bear sheds.
 - ✓ Bulky items (and type).
- A can value is assessed to each pickup item which tracks used/unused can credits for billing purposes.
- Customer service representatives can pull up accounts to view the financial transaction history and collection history by customer and can email that information to customers upon request.
- CSRs can also log customer notes which become a permanent part of the customer's account history.
-

The screenshot displays the RouteDriver software interface on a tablet. At the top, a status bar shows '7:00 *** ALIBIT MODEL *** ANDY LARSON Route: 180 Stop 1 of 329 [0.964] [Last Sync: 2/17/2017 5:15:42 PM]'. The main form contains the following fields:

- Account:** A161039
- Neighborhood:** TAHOE DONNER
- Old Book #:** 512801000
- Trips:** 0
- Occupant:** John & Sandra Ludwig
- Address:** 17080 SKI SLOPE WAY
- Description:** (empty field)
- Special Note:** (empty field)
- Acknowledged?:** (dropdown menu)

Navigation buttons include a left arrow, a right arrow, a 'Return' button, and a 'Search' button. Below the form is a grid of icons representing different collection items:

- 0 Regular** (trash can icon)
- 0 Extra** (trash can with bag icon)
- 0 Blue Bag** (blue bag icon)
- 0 45Gal** (large trash can icon)

Additional options include 'No Can: No', 'Empty: No', '0 Mess', 'Snow', and 'Block'. On the right side, there are fields for 'Trips: 0', 'Svc Charge', 'Unmarked Stops', and 'Other Item' with a 'Qty' field.

This is a screen shot of a customer account data.

EXHIBIT C-1 TECHNICAL PROPOSAL

APEX is a commercial billing system. We are currently field-testing a driver-interface application which would have it function in a parallel manner to *RouteDriver*. Currently APEX allows TTSD to accurately capture all activity associated with commercial service to produce accurate billings in an automated fashion.

Below is a screen shot of the *Dispatch* module screen.

Assigned To	Sequence	Work Order	Type	Product	Name	Location	Bus Type	Route	Neighborhood
	0	17544	Special Pickup	Box 30yd	HERITAGE COFFEEHOUSE/C	7000 NORTH LAKE	Truckee		
	0	17518	Final	Box 30yd	SAFARIWOODS-PAUL & PIERCE	5200 NORTH LAKE, GARRETT	Placer 3		
	0	17506	Final	Box 30yd	RICOLE HILSON	1102 NORTH LAKESIDE	Placer 3		NORTHSTAR
	0	17500	Change Service	Box 30yd	THALISSE BUILDERS/THALISSE	LOT 400 VILLANDRY	Placer 3	700 Main St	
	0	17578	Information	Cardboard 60yd	TANDEM TACKY HARBOR LLC (YAH)	100 NORTH LAKE BLVD	Placer 3	800 Cardboard M	
	0	16620	Switch	Box 30yd	S.M.C. CONTRACTING, INC. (S.M.C.)	PO BOX 3000 CHURCH ST. M	Placer 3		
	0	17002	Final	Box 30yd	NORTHSTAR B/TANDEM (NOR)	PO BOX 3000 CHURCH ST. M	Placer 3		
	0	17006	Box 30yd	Box 30yd	BRIAN CASEY CONSTRUCTION	10144 SOMERSET DR	Truckee		GLENDALE
	0	17034	Special Pickup	Box 30yd	BORGAL RIDGE CORP. (BORGAL)	MANT SHOP/ KITCHEN	Novato		
	0	17004	Final	Box 30yd	PANDY FISHER (FISHER)	10000 ESTATE DRIVE	Truckee		
	0	17046	Switch	Box 30yd	VOSSER GROUP INC	13000 MCRAE ROAD	Truckee		DONNER LAKE
	0	17410	Switch	Box 30yd	J & S CUSTOM HOMES / J & S CO	13801 SOMMER PASS RD	Truckee		DONNER LAKE
	0	17480	Switch	Box 30yd	HATT JUNCTION CONSTRUCTION	2040 SERPINE RD	Placer 3		SERPINE LAKES
	0	17540	Box 30yd	Box 30yd	CASTLE PEAK VILLAGES	2000 LAKE DRIVE, SERPINE	Placer 3		SERPINE LAKES
	0	17494	Final	Box 30yd	TANDEM TRUCKEE SCHOOLS	17100 SOMMER PASS ROAD	Truckee		

And this is of the customer service module:

Address: 7901 PLEUR DU LAC, TRUCKEE, CA 96161
Name: MARTIS CAMP CLUB
Alt: RED SHAW
Dispatch Note: RED PULLOUT

Service Class: Commercial
Neighborhood: Rate Plan: Placer 3
30 Day: **60 Day:** **90 Day:**
Invoice: \$0.00 **Unpaid:** \$180.48 **Balance:** \$180.48

Summary
Account Summary
 7-80301440-1 MARTIS CAMP CLUB Status: OK
 Rate Plan: Placer 3
 Service Location: 7901 PLEUR DU LAC, TRUCKEE, CA 96161
 Alt: RED SHAW
 Dispatch Note: RED PULLOUT
 Current Bill Cycle: 02/01/2017 - 02/28/2017
 Last Invoice: 28361 02/01/2017 \$1,330.51
 Current Balance: \$180.48
 Services: 6009 - 30 Cap 164 Gal 300 Qty: 2 Status: OK
 Bill Cycle: Monthly Amount
 Next Bill Due: 02/01/2017
 Services: 410011 - CB 8m 8yd 1000 Qty: 1 Status: OK
 Bill Cycle: Monthly Amount
 Next Bill Due: 02/01/2017
 Router: 780 Scheduler: Th, 02/01/2017
 Service: 10000 - 8m 8yd 2000 Qty: 1 Status: OK
 Bill Cycle: Monthly Amount
 Next Bill Due: 02/01/2017
 Router: 780 Scheduler: Th, 02/01/2017
 Router: 780 Scheduler: Th, 02/01/2017

EXHIBIT C-1

TECHNICAL PROPOSAL

Photos and GPS Technology

We plan to build in the ability to add additional service verification photos and integrate those within our customer database in our next iteration of *RouteDriver* and *APEX* to meet Town requirements for service and incident verification.

EXHIBIT C-1

TECHNICAL PROPOSAL

3.1 Single-Family Services

It is notable, with respect to single-family collection services, TTSD has in its existing collection approach eliminated multiple passes through the use of frontloaders with work boxes and automated Fork trucks. A one-pass approach is safer in inclement weather, minimizes street wear and tear, vehicle emissions, and is generally more efficient. Collection equipment for the new contract has also been selected based on the ability to bring materials to the collection vehicle from either side of the truck, eliminating the need to route the truck twice—down each side of each street. Our choice of collection vehicles also takes into account the needs of a rugged service area.

3.1

A: Mixed

Materials Collection

Single-Family Services

The information below summarizes basic service parameters and TTSD's approach to managing corollary transition matters in the *Enhanced* proposal.

Base Service: Mixed Materials Collection/Cans

- Customer's base rate provides for the servicing of one customer provided 32-gallon can of mixed materials, picked up once weekly, with an additional fee for service overages.
- TTSD will collect mixed materials placed curbside or in bear sheds, set out in cans, bags, or bundles.
- See our *Option A (current collection approach)* and *B (new approach)* in the following chart.
- To note in regard to *Option B*, while TTSD recognizes the efficiency that adding rearloaders to the mix of collection vehicles may bring, we want to point out that the Fork trucks are the most durable during intense winter storm events. During/after a major snow storm, often times the Fork trucks are the only route vehicles that can access certain streets.
- TTSD has recommended the Town consider a distance limit for bear shed service. Currently, drivers will collect from bear sheds placed within 28 feet of the edge of the roadway for no extra charge. Without a specified limit, current customers may be enticed to relocate their sheds further from the road and closer to their residence.

Enhanced Service: Mixed Materials Collection/Carts

- Contractor provided 32-, 64-, 96-gallon carts placed curbside (assumption for customers without bear sheds).
- Customers with bear sheds may request and receive cart service² instead of utilizing their own can inside of the shed.

EXHIBIT C-1

TECHNICAL PROPOSAL

- Based on overage data, we recommend a default cart size for mixed materials of 64 gallons. This would allow for greater inventory control and efficiency, although ultimately TTSD would confer with the Town to finalize the plan.

² TTSD assumes bear shed customers default service to be 32-gallons of mixed waste placed in cans or bags and in bear sheds.

EXHIBIT C-1

TECHNICAL PROPOSAL

- TTSD will utilize Automated 4WD Fork trucks for some cart collection activities. This fully-customized Class 5 truck has proven to be incredibly useful to access service locations via steep and curvy roadways, where a traditional frontloader or rearloader may not proceed.
- TTSD looks forward to developing a fair and adequate rate structure in the post-proposal process.

Transition to Enhanced Services

TTSD's goal is to create the smoothest possible transition through preparation based on our thorough understanding of customer needs and preferences. As stated, we recommend establishing a default cart size of 64-gallons for customers who do not make a service selection, which will ease the transition considerably while cutting down on non-seasonal, consistent overages. We will also:

- Refine our customer database to ensure we have updated address, telephone, and email information for every customer. Due to the collection of payments through property tax rolls, our database is incomplete for customers who do not take advantage of ancillary services for which we bill them directly.
- Co-develop with Town staff new collateral materials, including a direct-mailer with return postcard for service confirmation. This piece would include all information needed to make the proper cart size selection. Customers will also be able to phone in their service selection.
- Encourage the use of a three-month trial period in the default size cart (64 gallons), after which customers can re-subscribe and up- or down-size. This will greatly smooth transition.
- Deliver carts through a professionally-managed deployment of carts on a mutually agreed upon timeline.
- Deliver service guidelines with carts.
- Issue *Non-Collection/Corrective Action Notices* distributed consistently to customers with noncompliant set-outs.

The following chart summarizes the specific approach with respect to residential collection equipment based on current route boundaries and collection days. If the Town is interested in selecting the Enhanced approach to service, there may be some redrawing of route boundaries and re-routing with reassigned collection days to customers to most efficiently provide the mixed materials and recycle services on the same day to all Town residents. We would be happy to fully address this in the post-proposal process.



EXHIBIT C-1 TECHNICAL PROPOSAL

Collection Approach – Residential Base Scheduled Services



Base Service A

Base Service B

<p>Single-Family Multi-Family*</p> <p><small>*For MFD accounts featuring Individually billed / cart-based MM service.</small></p>	 <p><small>Customer-provided cans (MM). Blue bags (recyclables). Stickered green bags (yard waste).</small></p>	 <p><small>Customer-provided cans (MM). Blue bags (recyclables). Stickered green bags (yard waste).</small></p>
<p>Monday:</p> <ul style="list-style-type: none"> - Donner Lake - Sierra Meadows - Stops: 1,680 	<p>Mixed/ Recyclable Materials:</p> <ul style="list-style-type: none"> - Frontloaders + Work Boxes (2) - 4WD Fork truck (4) - Staged Frontloaders (1) <p>Yard Waste:</p> <ul style="list-style-type: none"> - Picked up on route in stickered green bags 	<p>Mixed/ Recyclable Materials:</p> <ul style="list-style-type: none"> - Rearloaders (2) - 4WD Fork truck (4) - Staged Frontloader (1) <p>Yard Waste:</p> <ul style="list-style-type: none"> - Picked up on route in stickered green bags
<p>Tuesday:</p> <ul style="list-style-type: none"> - Tahoe Donner - Stops: 5,710 	<p>Mixed/ Recyclable Materials</p> <ul style="list-style-type: none"> - Frontloaders + Work Boxes (3) - 4WD Fork truck (7) - Staged Frontloaders (4) <p>Yard Waste:</p> <ul style="list-style-type: none"> - Picked up on route in stickered green bags 	<p>Mixed/ Recyclable Materials</p> <ul style="list-style-type: none"> - Frontloaders + Work Boxes (1) - Rearloaders (3) - 4WD Fork truck (5) - Staged Frontloaders (3) <p>Yard Waste:</p> <ul style="list-style-type: none"> - Picked up on route in stickered green bags
<p>Wednesday:</p> <ul style="list-style-type: none"> - Meadow Park - Deerfield - Gateway - Stops: 1,160 	<p>Mixed/ Recyclable Materials</p> <ul style="list-style-type: none"> - Frontloaders + Work Boxes (1) - 4WD Fork truck (2) <p>Yard Waste:</p> <ul style="list-style-type: none"> - Picked up on route in stickered green bags 	<p>Mixed/ Recyclable Materials</p> <ul style="list-style-type: none"> - Rearloaders (2) - 4WD Fork truck (1) - Staged Frontloader (1) <p>Yard Waste:</p> <ul style="list-style-type: none"> - Picked up on route in stickered green bags
<p>Thursday:</p> <ul style="list-style-type: none"> - Glenshire - Sierra Meadows - Stops: 2,340 	<p>Mixed/ Recyclable Materials:</p> <ul style="list-style-type: none"> - Frontloaders + Work Boxes (2) - 4WD Fork truck (4) - Staged Frontloaders (3) <p>Yard Waste:</p> <ul style="list-style-type: none"> - Picked up on route in stickered green bags 	<p>Mixed/ Recyclable Materials:</p> <ul style="list-style-type: none"> - Frontloaders + Work Boxes (1) - Rearloaders (3) - 4WD Fork truck (1) <p>Yard Waste:</p> <ul style="list-style-type: none"> - Picked up on route in stickered green bags
<p>Friday:</p> <ul style="list-style-type: none"> - Prosser - Stops: 1,310 	<p>Mixed/ Recyclable Materials:</p> <ul style="list-style-type: none"> - Frontloaders + Work Boxes (1) - Staged Frontloaders (1) - 4WD Fork Trucks (3) <p>Yard Waste:</p> <ul style="list-style-type: none"> - Picked up on route in stickered green bags 	<p>Mixed/ Recyclable Materials:</p> <ul style="list-style-type: none"> - Rearloaders (1) - Staged Frontloaders (1) - 4WD Fork Trucks (3) <p>Yard Waste:</p> <ul style="list-style-type: none"> - Picked up on route in stickered green bags

In the above chart, reviewers will notice that equipment is shared between mixed and recyclable materials routes. This is also shown to summarize *Recyclable Materials Collection*, as described in the next subsection.

EXHIBIT C-1 TECHNICAL PROPOSAL

Collection Approach – Residential Enhanced Scheduled Services

Enhanced Services



Single-Family Multi-Family*

*For MFD accounts featuring
Individually billed / cart-based
MM service.



Contractor-provided 32-, 64-, 96-g Carts (MM).
64-g Carts or 18-g tubs (recyclables).
96-g Carts (yard waste – bi-weekly).
Customer-provided Yellow bags (food waste).
Premises with bear sheds – curbside service, cart provided upon customer request.

Monday:
- Donner Lake
- Tahoe Donner
- Stops: 3,270

Mixed Materials/ Bagged Food Scraps
- Rearloaders (3)
- Automated 4WD Fork trucks (2)
- Staged Frontloader (1)
Recyclable Materials:
Rearloader (2)
Yard Waste:
- Curotto Can Automated Frontloader (1)
(A and B weeks)

Tuesday:
- Tahoe Donner
- Stops: 3,710

Mixed Materials/ Bagged Food Scraps
- Rearloaders (4)
- Automated 4WD Fork trucks (2)
- Staged Frontloader (1)
Recyclable Materials:
Rearloader (2)
Yard Waste:
- Curotto Can Automated Frontloader (2)
(A and B weeks)

Wednesday:
- Meadow Park
- Deerfield
- Gateway
- Stops: 1,160

Mixed Materials/ Bagged Food Scraps
- Rearloaders (2)
Recyclable Materials:
Curotto Can Automated Frontloader (1)
Yard Waste:
- Curotto Can Automated Frontloader (1) (A
and B weeks)

Thursday:
- Glenshire
- Sierra Meadows
- Stops: 2,750

Mixed Materials/ Bagged Food Scraps
- Rearloaders (5)
Recyclable Materials:
-Rearloader (1)
-Curotto Can Automated Frontloader (1)
Yard Waste:
- Curotto Can Automated Frontloader (1) (A
and B weeks)

Friday:
- Prosser
- Stops: 1,310

Mixed Materials/ Bagged Food Scraps
- Rearloaders (2)
- Automated 4WD Fork trucks (2)
- Staged Frontloader (1)
Recyclable Materials:
Rearloader (1)
Yard Waste:
- Curotto Can Automated Frontloader (1)
(A and B weeks)

EXHIBIT C-1 TECHNICAL PROPOSAL

B: Recyclable Materials Collection

Single-Family Services

The information below summarizes basic service parameters and TTSD's approach to managing corollary transition matters in the *Enhanced* proposal. All efforts will be placed on generating higher diversion throughout the life of the term through consistent messaging to drive up customer participation, as well as the use of *Non-Collection/Corrective Action Notices*.

Base Service: Recyclable Materials Collection/ Blue Bags

- This service matches existing services.
- Customers may purchase blue recycling bags locally and place bagged recyclable materials next to their mixed materials containers.
- See our *Option A (current collection approach)* and *B (new approach)* in the following chart.

Enhanced Service: Recyclable Materials Collection/ Containers

- The *RFP* specifies 18-gallon tubs or 64-gallon carts.
- Our assumption is that about half of residents with bear sheds will select an 18-gallon tub, the remaining bear shed customers and those without bear sheds will receive a cart.
- Routes will be conducted such that mixed materials collection personnel remove recycling tubs from bear sheds, placing them visibly at curbside for recycling crews to empty then return to bear sheds.
- To gain efficiency and create a more uniform program, TTSD supports the encouragement of residents with bear sheds to subscribe to cart-based, curbside service. Servicing bear sheds more than once is very inefficient. Also, TTSD foresees that placing tubs near the curb during winter weather will not be effective because of issues with snow cover and snowplowing equipment. Tubs will also decrease the useful shed capacity for mixed materials and the related prevention of animal intrusion.

Transition to Enhanced Services

To avoid redundancy we haven't reiterated the steps outlined in the previous subsection, which would be taken as part of a holistic approach to introduce all services. We will also:

- Deliver containers (carts and tubs) through a professionally-managed deployment on a mutually agreed upon timeline.
- Deliver service guidelines with carts and tubs.
- Issue *Non-Collection/Corrective Action Notices* distributed consistently to customers with noncompliant set-outs.



EXHIBIT C-1

TECHNICAL PROPOSAL

To avoid redundancy, we have included the recycling summation in the previously displayed Collection Approach chart. This chart summarizes the specific approach with respect to equipment in the service areas.

C: Yard Trimmings Collection

Single-Family Services

The information below summarizes basic service parameters and TTSD's approach to managing corollary transition matters in the *Enhanced* proposal. We believe that yard trimmings collection service is probably the most challenging, yet most important to address, given the following:

- Variation in lot size and terrain that greatly impacts yard waste generation quantities and types, which show up street-side for collection. This also makes equity between rate payers a consideration.
- A one-size-fits-all approach may not work; we've developed strategies in the *Optional Proposal* we would like to review with the Town. Our strategies not only have costs in mind, but also the variety of needs for a diverse primary and second homeowner population.
- Defensible space is a real issue that needs to be addressed in the final yard trimmings plan.
- Serious seasonal fluctuations in the generation of yard waste present operational challenges that the final plan must also address.
- The type of material being generated by Truckee residents as yard trimmings is mainly pine needles and related duff, including dirt. This material specifically creates challenges as it is heavy and not compostable.
- See our *Option A (current collection approach)*, *B (new approach)* and *Enhanced* in the following chart.

Base Service: Yard Trimmings Collection/ Stickered Green Bags

- Bag-based collection program for up to 100 bags of yard trimmings per year.
- Green bags must be stickered or an overage charge applies. Stickers are to be distributed twice annually in accordance with the draft *Agreement*.
- Collection period for yard trimmings is May 1 through October 31 annually.
- Green bags are subject to a forty (40) pound weight limit.

For Town consideration: If we were to assume full participation, TTSD would collect on route over 44,000 bags of green waste per week during that six month period, based on current house counts each year. This essentially turns a regularly-scheduled weekly collection service into an ongoing clean-up program for half of each year. Everyone would pay for this program regardless of extent of use, and we would need additional collection vehicles ready to deploy to assist in the efforts. Also, we have to consider the health and safety of our drivers. The continual lifting of hundreds of bags is a serious concern. Worker's compensation claims impact rates and program sustainability. In the base cost, we assumed 100,000 season total bags, so about 3,800 bags per week. The annual green bag

counts range between 60,000-80,000 bags, based on our experience, these counts will increase without a weekly limit as described in the sticker

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program. We address these concerns in our *Optional Proposal*



Enhanced Service: Yard Trimmings Collection/ Containers

- Cart-based collection program featuring two 96-gallon carts serviced every other week. Upon customer request, a third cart will be issued at no additional charge.

Carted yard trimmings collection equalizes services among rate payers and creates a nicer street aesthetic with added uniformity. Given the amount of yard waste generated by Town residents this program may need supplementation as provided in our *Optional Proposal*.

Transition to Enhanced Services

To avoid redundancy, we haven't reiterated the steps outlined in the previous subsection, which would be taken as part of a holistic approach to introduce all services. We will also:

- Deliver carts through a professionally-managed deployment on a mutually agreed upon timeline. All containers will be delivered to residents simultaneously to decrease phone call volumes.
- Deliver service guidelines with all carts.
- Issue *Non-Collection/Corrective Action Notices* distributed consistently to customers with noncompliant set-outs.

The following chart summarizes the specific approach with respect to equipment in the service areas. If the Town is interested in selecting the Enhanced approach to service, some redrawing of route boundaries and re-routing, with the potential of reassigning collection days to customers, would likely need to occur. TTSD would be happy to address this in the post-proposal process, after the suite of selected services is determined.

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Yard Trimmings Collection Summary





	Option A – Current Approach  <i>Customer-provided Green Bags</i>	Option B – New Approach  <i>Customer-provided Green Bags</i>	Enhanced  <i>Contractor provided 96-gallon Cart</i>
Monday: - Donner Lake - Sierra Meadows or Tahoe Donner	Yard Waste: - Picked up on route in stickered green bags	Yard Waste: - Picked up on route in stickered green bags	Yard Waste: Curotto Can Automated Frontloader (2) (A and B weeks)
Tuesday: - Tahoe Donner	Yard Waste: - Picked up on route in stickered green bags	Yard Waste: - Picked up on route in stickered green bags	Yard Waste: Curotto Can Automated Frontloader (2) (A and B weeks)
Wednesday: - Meadow Park - Deerfield - Gateway	Yard Waste: - Picked up on route in stickered green bags	Yard Waste: - Picked up on route in stickered green bags	Yard Waste: Curotto Can Automated Frontloader (1) (A and B weeks)
Thursday: - Glenshire - Sierra Meadows	Yard Waste: - Picked up on route in stickered green bags	Yard Waste: - Picked up on route in stickered green bags	Yard Waste: Curotto Can Automated Frontloader (2) (A and B weeks)
Friday: - Prosser	Yard Waste: - Picked up on route in stickered green bags	Yard Waste: - Picked up on route in stickered green bags	Yard Waste: Curotto Can Automated Frontloader (1) (A and B weeks)

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3.1 D: Food Scraps Collection

Single-Family Services

Enhanced Service: Food Scraps Collection/ Yellow Bags

Bagged food waste syncs well with the way most homeowners operate in their kitchens, so this program may be well received by customers. However, there are several challenges associated with formalizing a food scraps collection program that would need to be discussed and resolved in the post-proposal process relating to existing infrastructure. It is TTSD's understanding that ultimately a Residential Yellow Bag program cannot be launched without an agreement from the Approved Processing Facility (Placer County) to sort the bags, as the current Commercial program is still in pilot stages. Other challenges/issues include:

- Although the incremental cost on the collection side of the program is negligible, infrastructure-related costs, such as the processing cost component of customer rates is not well established and involves inter-agency collaboration.
- An additional bag program for residents generates more plastic usage.
- Processing of yellow bags requires coordination between the Town and the Approved Processing Facility.

With respect to the above stated challenges, we will fully partner with the Town to fully develop the framework for a sustainable food scraps program. The *RFP* specifies this material is to be included in with mixed materials. Please see the chart in that section.

Transition to Enhanced Services

This particular service will need little additional instruction to achieve customer understanding and participation. We will clearly indicate program guidelines in our overall service guidelines. Also, a leaflet can be developed either for inclusion with bags where sold or posted in locations where bags are sold.

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3.1 E: Bulky Item Collection

Single-Family Services

Enhanced Service: Bulky Item Collection

Following are the parameters associated with the bulky item collection program:

- Single-family customers are entitled to two bulky item collections per year upon customer request, at no additional charge.
- TTSD will schedule the collection to occur in no more than five business days from the date of request unless requested by the customer. Collections will be scheduled according to route availability.
- Customers may place out at curbside and we will collect up to three cubic yards of mixed materials, recyclable materials, and e-waste, and up to one appliance or bulky item.
- No additional equipment is necessary for this program.

Appliances (non-Freon items), mattresses, clean wood, recyclable materials will be diverted. TTSD will track and report bulky item collection data. We have an established system of per item rates and data that may be of use in the development of this program.

3.2 Multi-Family Services

To avoid redundancy, multi-family services, unless otherwise indicated, if cart based will be serviced in the same manner and with the same equipment as indicated in *Section 3.1 – Single-Family Services*, or if bin-based will be serviced in the same manner and with the same equipment as indicated in *Section 3.3 – Commercial Services*.

The new contract has extensive public education and outreach activities associated with it. We anticipate that much of this effort will be placed on multi-family customers to generate additional diversion and maintain it over the life of the *Agreement*. Additional information is included in *Section 3.5G – Public Education and Outreach*.

3.2 A: Mixed Materials Collection

Multi-Family Services

Base Service: Mixed Materials Collection/ Carts (Bin/Compactor Roll-Off)

This service features the following container types:

- Contractor-provided 64- or 96-gallon carts and bins in sizes 3-, 4-, and 6-cubic yards, customer-provided compactors of various sizes.
- Service frequency, if cart service, is once weekly.
- Service frequency, if bin/compactor service, is up to three times weekly.

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Please refer to *Section 3.1A – Single-Family Mixed Materials Collection* for more information with respect to can collection. Refer to *Section 3.3A – Commercial Mixed Materials Collection* for more information with respect to bin collection. For efficiency, cart customers may be routed with residential routes while bin customers will be routed with commercial/multi-family routes.

Enhanced Service: Mixed Materials Collection/ Carts (Bin/ Compactor/ Roll-Off)

This service features the following container types:

- Contractor-provided 64- or 96-gallon carts; and bins in sizes 3-, 4-, and 6-cubic yards, customer-provided compactors of various sizes.
- Service frequency, if cart service, is once weekly.
- Service frequency, if bin/compactor service, is up to five times weekly.

Please refer to *Section 3.1A – Single-Family Mixed Materials Collection* for more information with respect to cart collection. Refer to *Section 3.3A – Commercial Mixed Materials Collection* for more information with respect to bin collection. For efficiency, cart customers may be routed with residential routes and bin customers will be routed with commercial routes.

Bin Sizes

It's important to note that in the *Enhanced Services* proposal, 1- and 2-cubic yard bins were listed. Due to serious safety concerns, TTSD respectfully chose to non-bid 1-2-cubic yard bins for Multi-Family and Commercial service offerings. Based on our experience, we have found these types of small bins to be unsafe and unstable for our area's conditions. During winter, these smaller profile bins are easily buried in snow. Also, due to icy conditions between the pockets and forks, the lighter bins frequently slide off into the truck's hopper when being dumped. To note, the counter-balance bear-resistant lid is not available for the 1-cubic yard bin. The 2-cubic yard Mixed Materials bin is subject to heaviness and prone to tipping. For these reasons we suggest offering multiple carts or 3-cubic yard or larger bins. As always, TTSD would encourage a dialogue if the Town found the non-bid questionable or wanted further clarification for our decision.

Transition to Enhanced Services

The distinction between *Base* and *Enhanced* services for multi-family mixed materials collection is service frequency. These service features will be offered to customers based on material generation rates, container access, and customer preference.

3.2 B: Recyclable Materials Collection

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Multi-Family Services

Base Service: Recyclable Materials Collection/ Blue Bags

Base recyclable materials collection, which mirrors single-family recyclable materials collection services, has one distinction, and that is service frequency. Since recyclable materials bags are to be placed in mixed materials containers—whether those are carts or bins of various sizes, the service frequency will be matched to the associated mixed materials collection schedule. The only change between *Base* and *Enhanced* is the service frequency. In the *Base* proposal, mixed materials contained in a mixed materials bin, drop-box, or compactor will be collected no less than once but up to three times per week, carts would be serviced once weekly.

Because multi-family bagged recyclable materials are to be placed in mixed materials containers, please refer to *Section 3.1A – Single-Family Mixed Materials Collection* for more information with respect to cart collection. Refer to *Section 3.3A – Commercial Mixed Materials Collection* for more information with respect to bin collection. For efficiency, cart customers may be routed with residential routes and bin customers will be routed with commercial routes.

Enhanced Service: Recyclable Materials Collection/ Containers (Cart/Bin)

The only distinction between this section and the above is service frequency. Under this *Enhancement*, mixed materials and hence recyclable materials may be collected up to five times weekly for bin/compactor customers.

Enhanced Service: Recyclable Materials Collection/ Containers (Dedicated Cart or Bin)

This *Enhancement* eliminates the bagged recyclable materials approach and features the placement of dedicated recyclable materials containers with multi-family customers. The service parameters are as follows:

- Contractor-provided carts in sizes 64- or 96-gallon and bins in sizes 3-, 4-, and 6-cubic yards capacity, and customer-provided compactors.
- Service frequency, if cart service, is once weekly.
- Service frequency, if bin service, is up to five times weekly.

Transition to Enhanced Services

We will ensure we remain in compliance with AB 818 through the systematic promotion of recyclable materials collection services for these generators starting in program year one. Multi-family complexes will be managed case by case. We'll monitor, track, and report progress and work steadily toward building a sustainable recycling program for these residents through the distribution of educational materials, on-site workshops, and information specifically pertaining to multi-family residents posted to the TTSD website. Graphics-rich collection point signage will

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be developed and posted where residents will see. New container labels will be developed and applied to recycling containers.

3.2C: Food Scraps Collection

Multi-Family Services

Base Service: Food Scraps Collection/ Yellow Bags

Base food scraps collection for multi-family customers mirrors single-family food waste collection services, but with the distinction of service frequency. Since yellow food scraps bags are to be placed in mixed materials containers—whether those are carts or bins of various sizes, the containers will be picked up on the frequency associated with the mixed materials collection schedule. The only change between *Base* and *Enhanced* is the service frequency—*Base* service being up to three times a week and *Enhanced* up to five for bins.

Please refer to *Section 3.1A – Single-Family Mixed Materials Collection* for more information with respect to cart collection. Refer to *Section 3.3A – Commercial Mixed Materials Collection* for more information with respect to bin collection. For efficiency, multi-family cart customers may be tacked on to residential routes and bin customers will be added to commercial routes.

This program, like all multi-family programs, will be closely monitored for participation and contamination. *Non-Collection/Corrective Action Notices* will be utilized to help educate complex managers and residents.

Processing of yellow bags requires coordination between the Town and the Approved Processing Facility.

Transition to Enhanced Services

While working with multi-family customers to expand recycling, we will ensure that each complex is introduced to all of TTSD's programmatic offerings, including food scraps collection. Our outreach materials will help customers understand the importance of compliance with AB 818 and all regulations governing recycling and waste diversion, starting in program year one.

As stated in the previous subsection, multi-family complexes will be managed case by case. We'll monitor, track, and report progress and work steadily toward building a sustainable recycling program for these residents through the distribution of educational materials, on-site workshops, and information specifically pertaining to multi-family residents posted to the TTSD website. New container labels will be developed and applied to mixed materials containers so that residents know where to place their bagged food waste.

3.2 D: Bulky Item Collection

Multi-Family Services

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Enhanced Service: Bulky Item Collection

Following are the parameters associated with the bulky item collection program:

- Multi-family customers are entitled to one bulky item collection per year per dwelling unit, at no additional charge.
- TTSD will schedule the collection to occur in no more than five business days from the date of request, unless the customer requests a later date.
- Customers may place out for collection up to three cubic yards of mixed materials, recyclable materials, e-waste and u-waste, and up to one appliance or bulky item.
- No additional collection equipment is necessary for this program.

Appliances (non-Freon items), mattresses, clean wood, and recyclable materials will be diverted. TTSD will track and report bulky item collection data.

We can also create custom events that may require additional pricing. For example, a complex may decide to replace all of the water heaters at once. We will work with the customer to determine what the best method of collection, if they would like to schedule a group event at an additional charge.






3.3 Commercial Services

Commercial collection services, with the exception of commercial food scraps collection, are well established in Truckee. Currently, customers enjoy reliable service as described in the operating parameters specified in the *RFP for Base services*. 96-gallon commercial carts were approved as replacement for cans in base proposal during procurement process. TTSD will focus primarily on ensuring all commercial customers participate in the recycling program and are introduced to the commercial food scraps program.

Additionally, we have outlined plans later in this section to create a dedicated commercial food scraps route. Based on the final menu of services the Town selects, we will reinvigorate Truckee commercial services through considerable outreach to businesses as outlined in this section without disruption to customers. Here's the summary of services again:

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	Base Services	Enhanced Services
<p>Commercial Multi-Family**</p> <p><i>*For MFD accounts featuring centrally-billed /shared/ bin-based MM service</i></p>	 <p>Bin Collection:</p> <ul style="list-style-type: none"> - MFD and Commercial Bins in 3-, 4-, 6 CY (mixed materials) - Standard Frontloaders - Service Frequency: Up to 3 times/week. <p>Cart³ Collection:</p> <ul style="list-style-type: none"> - MFD and Commercial 64- and 96-gal carts - May be blended with residential routes (see previous chart for equipment type). - Service Frequency: Once weekly. <p>Bagged recyclables and food scraps placed in mixed material containers (bin or cart) by customer.</p>	 <p>Bin Collection:</p> <ul style="list-style-type: none"> - MFD and Commercial Bins in 3-, 4-, 6 CY (mixed materials) - Standard Frontloaders - Service Frequency: Up to 5 times/week. <p>Cart Collection:</p> <ul style="list-style-type: none"> - MFD and Commercial 64- and 96-gal carts (MM/recyclables as requested) - May be blended with residential routes (see previous chart for equipment type). - Service Frequency: Once weekly. <p>Bagged food scraps placed in mixed material containers (bin or cart) by customer.</p>

³ 96-gallon commercial carts approved as replacement for cans in base proposal during procurement process

Bin Sizes

It's important to note that in the *Enhanced Services* proposal, 1- and 2-cubic yard bins were listed. Due to serious safety concerns, TTSD respectfully chose to non-bid 1-2-cubic yard bins for Multi-Family and Commercial service offerings. Based on our experience, we have found these types of small bins to be unsafe and unstable for our area's conditions. During winter, these smaller profile bins are easily buried in snow. Also, due to icy conditions between the pockets and forks, the lighter bins frequently slide off into the truck's hopper when being dumped. To note, the counter-balance bear-resistant lid is not available for the 1-cubic yard bin. The 2-cubic yard Mixed Materials bin is subject top-heaviness and prone to tipping. For these reasons we suggest offering multiple carts or 3-cubic yard or larger bins. As always, TTSD would encourage a dialogue if the Town found the non-bid questionable or wanted further clarification for our decision.

3.3 A: Mixed Materials Collection

Commercial Services

Base Service: Mixed Materials Collection/Cart⁴ (Bin/Compactor/Roll-Off) Commercial mixed materials collection features the following. Bin and cart collection information is also captured in the previous chart.

- Customer-provided compactors and Contractor-provided 64- and 96-gallon carts, bins in

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sizes 3-, 4-, and 6-cubic yard bins and drop boxes of various sizes.

- Cart service is once/weekly and up to three times/week for bins, drop boxes, and compactors.

Enhanced Service: Mixed Materials Collection/Cart (Bin/Compactor/Roll-Off)

The distinctions between commercial mixed materials collection – *Base* and *Enhanced* are:

- Cart service is once/weekly and up to five times/week for bins, drop boxes, and compactors.

Transition to Enhanced Services

TTSD will work one on one with each commercial business currently subscribing to can service, providing a free recycling opportunity assessment to help businesses right-size services, optimize recycling and diversion participation, and control costs. These activities will sync with the roll-out of cart service so that all commercial can customers receive their assessment, TTSD service recommendation, and have signed on for new services with sufficient lead time ahead of container deployment. We will offer to provide free on-site training for customers who need assistance to encourage proper recycling sorting behavior among workers. During trainings we can help resolve any blocks to diversion activities or contamination challenges.

3.3 B: Recyclable Materials Collection

Commercial Services

Base Service: Recyclable Materials Collection/Blue Bags

Commercial recyclable materials collection features the following. Bin and cart collection information is also captured in the previous chart.

- Customer-provided bags to be placed inside mixed materials containers, Customer-provided compactors and contractor-provided carts, bins, drop boxes.
- Base service is at least once weekly and up to three times/week for bins, drop boxes, and compactors.
- Enhanced service is up to five times/week for bins, drop boxes, and compactors.

Enhanced Service: Recyclable Materials Collection/Container (Cart/Bin)

The *Enhanced Service* for commercial recyclable materials collection includes a contractor-provided dedicated cart or bin. The features of this program are:

- Contractor-provided carts in 64- and 96-gallon sizes; and bins in sizes 3-, 4-, and 6-cubic yards.
- Cart service is available once weekly.
- Service under the *Enhanced/Base* program is up to three times/week; service under the *Enhanced/Enhanced* program is up to five times/week for bins, drop boxes, and compactors.

Transition to Enhanced Services

TTSD will work one on one with each commercial business, providing a free recycling opportunity assessment to help businesses right-size services, optimize recycling and diversion

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participation, and control costs. Through a planned effort and schedule, all commercial customers will receive an assessment, TTSD service recommendation, and have signed on for new services to sync with the contract start date. We will offer to provide free on-site training for customers who need assistance to encourage proper recycling sorting behavior among workers. During trainings we can help resolve any blocks to diversion activities or contamination challenges.

3.3 *C: Food Scraps Collection*

Commercial Services

Base Service: Food Scraps Collection/Yellow Bags

Commercial food scraps collection features the following. Bin and cart collection information is also captured in the previous chart.

- Customer-provided yellow bags to be placed inside mixed materials carts, compactors and contractor-provided bins, drop boxes.
- ☐ Service under the *Enhanced/Base* program is up to three times/week; service under the *Enhanced/Enhanced* program is up to five times/week for bins, drop boxes, and compactors.

Enhanced Service: Food Scraps Collection/ Containers

Similar to recyclable materials collection, the *Enhanced Service* associated with commercial food scraps collection includes the use of dedicated containers. Program features include:

- Contractor-provided carts in 64- and 96-gallon sizes; and bins in sizes 2- and 3-cubic yards.
- Source-separated Cart/Bin service will be available once weekly.

Bin Sizes

It is important to note that in the *Enhanced Services* proposal, 1-, 4-, and 6-cubic yard bins were listed. Due to a variety of concerns, TTSD respectfully chose to non-bid the 1-, 4-, and 6-cubic yard bins for the Food Scraps Collection service offerings. As described previously, the counter-balance bear-resistant lid is not available for the 1-cubic yard bin. For the larger bins, in size 4- and 6-cubic yards, the sheer weight of food

scraps prevents dumping. For these reasons we suggest offering carts and 2- or 3-cubic yard bins.

The reviewer will notice that TTSD has included the 2-cubic yard bin within the Food Scraps offering but not the Commercial and Multi-Family Mixed Material services. After thorough consideration, TTSD determined the 2-cubic yard bin will function to an acceptable level when used as



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a food scrap bin. The basis is that the food scrap bin will be heavy enough to be dumped effectively, without slipping off the forks as is typically the problem with small

bins during cold conditions. Also, TTSD has confirmed the 2-cubic yard bin is available in the counterbalance, wildlife-resistant style. Over years of experience, the counterbalance units have proved to be the most effective device prohibiting animal intrusion. The dense food scrap weight will help prevent tipping problems encountered with animal resistant small bins. As always, TTSD would encourage a dialogue if the Town wanted further clarification for our decision.

Transition to Enhanced Services

TTSD will work one on one with each commercial business, providing a free recycling opportunity assessment to help businesses right-size services, optimize recycling and diversion participation, and control costs. Through a planned effort and schedule, all commercial customers will receive an assessment, TTSD service recommendation, and have signed on for new services to sync with the contract start date. We will offer to provide free on-site training for customers who need assistance to encourage proper sorting behavior among workers. During trainings we can help resolve any blocks to diversion activities or contamination challenges.

With respect to the expanded food waste program, we will ensure that customers understand AB 1826 mandates to engage and enroll them in this program. Training materials, such as posters for interior collection points and employee instructional materials will be developed and distributed and will also be posted to our website in a downloadable format for customer use.

The Cost forms assume between 25-30 customers participating. TTSD has participated in a number of pilots and a commissioned study designed to prepare for the requirements of AB 1826. Based on our experience, we are very familiar with the food scrap generation of the area and have used this knowledge to prepare the estimates for this *Enhanced* service.

If the *Enhanced* food scraps service is selected, TTSD will make an upfront effort to engage sufficient customers to build enough density for a dedicated route. Dedicated food waste routes will direct haul materials to RT Donovan in Spanish Springs unless and until other more efficient food waste processing options become available for our mutual consideration. The costing for the *Enhanced* service, was based on assuming one, once weekly route, up to ten tons per week. There may be inefficiencies depending on customer count and participation levels which impact volume consistencies, due to the transportation of the material to a foodwaste processor. If a second route becomes necessary, without full absorption of the cost of transport, the costs may increase disproportionately to revenues.

3.3 D: C&D Collection and Processing

Commercial Services

TTSD has placed serious effort toward finding a solution for C&D collection and processing. The processing cost component of the gate rate at the Approved Processing Facility has not been

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developed for a pure C&D material stream, nor has a specific diversion rate been calculated for only C&D material yet. As a result, we are working to define a program guaranteeing a 75 percent diversion rate. TTSD feels confident that the Approved Processing Facility will establish procedures to comply with all prevailing State mandates.

These challenges being stated, TTSD will comply with all stated guidelines in the contract, and will take the following actions with customers to achieve a higher diversion rate:

- We will query our customers who call in for temporary debris boxes further to find out about the types and quantities of materials they intend to discard.
- In doing so, we will instruct customers on proper sorting and container needs to achieve the 75 percent diversion rate.
- We will work with the Town to make any necessary changes to its C&D permit regulations to assist in obtaining the Town's diversion goal.

3.4 Special Event Services

TTSD requests to review the specific needs of each event with the Town to ensure each may receive custom suited solutions, with adequate, yet efficient services.

Special events are those included in *Exhibit F* of the draft *Agreement*, which include:

- Truckee Day
- 4th of July Parade
- Truckee Thursday
- Christmas Tree Lighting
- Annual Public Agencies Block Parties
- Homecoming Parade
- Reno-Tahoe Odyssey Relay

3.4A: Event Collection Stations

Special Event Services

TTSD requests to review the specific needs of each event with the Town to ensure each may receive custom suited solutions, with adequate, yet efficient services.

3.4B: Collection Station Monitors

Special Event Services

TTSD requests to review the specific needs of each event with the Town to ensure each may receive custom suited solutions, with adequate, yet efficient services.

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3.4C: Containers

Special Event Services

TTSD requests to review the specific needs of each event with the Town to ensure each may receive custom suited solutions, with adequate, yet efficient services.

3.4 D: Public Education Booth

Special Event Services

TTSD requests to review the specific needs of each event with the Town to ensure each may receive custom suited solutions, with adequate, yet efficient services.

3.5 Other Services

The *RFP* requires a response on the following *Other Services*. Unless otherwise specified, each of these is part of the *Base* proposal. They are considered in the order presented in the *RFP*:

- Residential Yard Trimmings Bin Service
- Yard Trimmings Drop-Off
- Town Facilities
- Public Litter Containers
- Holiday Trees
- Illegal Dumping
- Public Education and Outreach
- Building Plan Review
- Commercial Container Sharing
- Commercial Bulky Item Collection
- Compostable Organic Materials Bags
- Multi-family Recycling Toolkit (Enhancement)
- Recyclables Drop-Off Facility (Enhancement)

3.5 A: Residential Yard Trimmings – Bin Service

Other Services

The following are the key features of the *Base* proposal's residential yard trimmings – bin service program, which is for all residential customers, exclusive of multi-family customers subscribing to centralized service, with a temporary yard trimmings bin rental service. The following parameters apply as per the *RFP*:

- Service includes the delivery of a 6-cubic yard bin to a designated location as determined between the customer and TTSD.
- Service is available at no additional charge up to twice per year.
- Service is offered between May 1 and October 31 of each year.

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We do understand and believe that additional outlets for discarding yard trimmings is necessary to minimize the impacts of yard trimmings set outs on curbside collection routes throughout the roughly six-month period. As a bidder on this work we did not assume 100 percent participation. Our cost proposal assumes 12,000 bins per season, which represent fifty percent participation. It is difficult to predict usage for a free program. In our experience, programs that do not charge at least a nominal fee to the user are subject to inefficiencies and abuse. Delivery requirements to accommodate fifty percent usage would be 460 bins per week during the service period. It is likely this program will be heavily used and promoted by landscapers and other yard maintenance contractors who have demonstrated abuse of the current green bag program, owing to its free nature. The current uncontrolled green bag program has proved it's difficult to prevent material from being hauled into Truckee from outside jurisdictions. A similar no-charge yard trimmings bin program, will invite repeated patterns.

In addition to maximum participation being logistically infeasible, it would also have a tremendous negative impact on traffic. Unlimited usage would require procurement and storage of hundreds of containers that would not be used in the off-season.

We believe, as put forward in our *Optional Proposal* included at the end of this *Section*, that there is a way to provide this service to those customers who need it, while maintaining overall efficiencies.

3.5 *B: Yard Trimmings Drop-Off*

Other Services

The service conditions associated with this *Base* proposal program include the following:

- The acceptance up to six-cubic yards of yard trimmings per customer each calendar year at ERL.
- The material can be brought to an approved processing facility (we assume ERL) for offloading in six one-yard increments during the period May 1 through October 31 annually.
- There is no additional charge to the customer.

We propose issuing each customer coupons. These can be downloaded from the customer's online account or direct-mailed.

3.5C: Town Facilities

Other Services

The following Town facilities, as listed in *Exhibit F*, will receive collection services in the same manner that commercial customers receive them. Please refer to *Section 3.3* for more information.

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3.5D: Public Litter Containers

Other Services

TTSD will continue providing collection from the Town's downtown litter containers. Under and Enhanced scenario we understand that at some point the Town may designate certain containers for the collection of recyclable materials, culling out such materials from mixed materials for diversion. In this case we will collect and process these materials separately.

The *RFP* states that the Contractor shall continue providing collection for up to 60 public litter containers as identified in *Exhibit F*. However, these are not listed in *Exhibit F*. We would like to document the locations of all current public litter containers to ensure a proper baseline inventory of containers and understanding of the scope of work.

3.5E: Holiday Trees

Other Services

TTSD will continue to collect unadorned, untreated holiday trees cut into 3-ft lengths for the two-week period in January specified in the *RFP*. These trees are collected with our standard route collection vehicles.

We will also place up to four 30-cubic yard drop boxes at locations to be determined by the Town during the same two-week period in January the Town established for curbside collection of holiday trees.

In our *Optional* proposal, TTSD recommends a one week period for curbside collection, while expanding the timeframe for the placed drop boxes to better accommodate the widespread timing needs of the customers.

3.5F: Illegal Dumping

Other Services

As indicated in the draft *Agreement*, TTSD drivers will continue to keep the roads and streets in the Town free from litter that is a direct result of our trucks. We tend to see ourselves as stewards of the Town's cleanliness. Because of this, our drivers are instructed to report to Dispatch any illegally dumped materials observed to gain approval for collection. As indicated in the *Agreement*, TTSD will, within two days of the Town's request, collect and dispose of any discarded materials that have been illegally dumped unless it is deemed unfeasible or unsafe. We are aware of the 20 cubic yard annual obligation.

3.5 G: Public Education

Other Services

The Town has included a very comprehensive public education plan included in the draft *Agreement* as *Exhibit G*. The scope of these services requires a dedicated public education and outreach specialist, which does not yet exist at TTSD. We embrace the opportunity to recruit,

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hire, and dedicate a new outreach specialist to fulfill these responsibilities and have included the FTE position in the pricing forms.

Here are the basic elements of the administrative and staffing plan/roles associated with the

Public Education Plan.

General Administration

- Meet at least once per year with Town Manager.
- Distribute instructional materials as needed.
- Town facilities – provide all printed information to Town.
- Develop/utilize corrective action notices/keep records.
- All materials – printed and online – must be available in English and Spanish.

Staffing Plan and Staff Roles

- Develop partnerships with and incorporate Town program and educational activities into contractor activities.
- Prepare proposals and presentation to town council/staff upon request.
- Participate in community activities.
- Oversee customer satisfaction of all program services.
- Ensure compliance with agreement and regulatory agencies.
- Perform annual visits to identify service needs of every customer (excluding SFDs), conducting Recycling Opportunity Assessments of customer locations and facilities.
- Manage follow-up to assessments for additional training, and so forth.
- Plan service needs for special events and large venues/reduce disposed waste.
- Create/distribute reports as required by agreement or requested by Town manager.

TTSD will work closely with Town staff to develop a cohesive family of materials that revolves around a pertinent theme, refreshed annually or as needed. Instructional materials will emphasize seasonal precautions and guidelines to ensure safe and efficient collection. TTSD will also collaborate with the Town Manager to develop reporting schedules and formats that meet Town needs. Furthermore, TTSD's Public Education and Outreach Coordinator will make presentations, conduct required/requested trainings with various customers, and will proactively work to make community events successful.

Sector-Specific Activities

Also included in *Exhibit G* is a table which enumerates sector-specific activities which represent the minimum requirements to be performed by TTSD under the terms of the new *Agreement*. Rather than restate or recreate the chart included in that *Exhibit*, TTSD agrees to the schedule and looks forward to promoting the Town's image of sustainability through the activities included therein.

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3.5H: Building Plan Review

Other Services

TTSD will provide staff with expertise to review building plans for new residential or commercial development projects during the Towns permit review process to verify the reasonableness of the space allocation and enclosure design for discarded materials containers and the accessibility to these areas. Currently, TTSD does advise on these matters on an informal basis. We believe the process is valuable, especially when considering the concept of dedicated containers for recyclable materials and food scraps. Additionally, TTSD can provide the Town planning staff dimension requirements for enclosures.

3.5I: Commercial Container Sharing

Other Services

Shared service can be a valuable tool when troubleshooting a space constrained area. In circumstances approved by the Town, TTSD will provide shared service to its customers as described in the draft *Agreement*.

3.5J: Commercial Bulky Item Collection

Other Services

TTSD will provide this service to commercial customers upon request. The service will parallel the service provided to multi-family customers described in *Section 3.2D*. Please refer to that section. TTSD will charge for such service based on established rates.

3.5K: Compostable Organic Materials Bags

Other Services

TTSD understands that the Town has the right to require the use of compostable green and or yellow bags in lieu of the non-compostable bags now in use. As indicated in the draft *Agreement*, TTSD will, if determined to be economically and operationally feasible, prepare and submit to the Town Contract manager a detailed implementation plan and schedule. These are to include information regarding the approved organics processing facility as well as education and outreach measures.

3.5 L: Multi-Family Recycling Toolkit

Other Services – Enhanced Service

As indicated in the draft *Agreement*, TTSD will produce *Multi-Family Recycling Toolkits* for distribution to tenants either directly or through landlords—which is likely dependent upon complex size. Tenants and landlords will be made aware of the availability of these kits through information posted to our website and billing inserts.



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TTSD will make every reasonable business effort to ensure complexes are stocked with a sufficient number of toolkits at all times and that they understand the program and are conforming to program guidelines. TTSD will track usage of kits by complex to help analyze their effectiveness. Kit components will include the MFD tote bag for interior collection of recyclable materials (if tenants so desire). These will be stuffed with the following items:

- Introductory letter featuring programs
- Guide for property managers
- Door hangers
- Recycling container labels
- Schedule of workshops and community outreach events

3.5 M: Recyclables Drop-Off Facility

Other Services – Enhanced Service

TTSD has reviewed the parameters associated with this service and understands the Town is looking to supplement the recycling service void following discontinuance and withdrawal of the private recycling center from the Town of Truckee. TTSD is willing to discuss the establishment of a conveniently located recyclables drop-off location within the Town's borders. As a suggestion, the Town Hall or the Town's corporation yard might function well for this purpose.

If this *Enhanced Service* is selected, the following responsibilities and features are associated with the drop-off facility:

- TTSD is to host the drop-off facility at no additional charge to Town or Customers.
- TTSD and the Town are to set access hours.
- TTSD is to secure all necessary permits. We assume that the selected site will be properly zoned and have the appropriate entitlements to allow us to obtain the necessary permits without excessive expense. During discussion with the Town, it was understood the facility would be placed on Town property.
- We understand and will enforce the rule against the acceptance of mixed materials.
- Source-separated bins would accommodate a variety of materials, including: Recyclable Materials, Yard Trimmings, source-separated cardboard, and E-waste.
- Any consistent illegal dumping or contamination would be means to review with the Town Contract Manager and if problems persisted, the affected bins may be removed.

3.6 Collection Service Operating Requirements

To avoid redundancy, TTSD simply acknowledges its agreements with the *Collection Service Operating Requirements* included in the draft *Agreement*, including information pertaining to:

- Regular Hours of Service
 - Residential Routes: 6:00am-6:00pm
 - Commercial Routes: 5:30am-6:00pm

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- Emergency Service
- Noise Levels
- Holidays
 - Collection not required on Christmas Day
- Preservation of Public Health and Safety

3.7 Standard of Performance

To avoid redundancy, TTSD simply acknowledges its agreements with the *Standard of Performance* included in the draft *Agreement*, including information pertaining to:

- Clean Up and Avoiding Damage to Property
- Hazardous Waste
- Employees – Conduct and Uniform, Driver Qualifications, and Safety Training (information included in this proposal)
- Improper Loading of Containers
- Record of Non-Collection and Additional Charges
- Fees and Gratuities
- Compliance with Applicable Law
- Taxes and Utility Charges
- Contamination of Recyclable and Organic Materials

3.8 Collection Locations

To avoid redundancy, TTSD simply acknowledges its agreements with the *Collection Locations* included in the draft *Agreement*, including information pertaining to:

- General
- Residential Bear Sheds
 - *TTSD recommends adhering to current distance requirement of placement within 28 feet of roadway.*
- Commercial Enclosures

3.9 Other Wastes

As stated in the *RFP*, TTSD:

Acknowledges that this Agreement is granted only with respect to the Collection Services and does not include the Collection, transportation, Processing, or Disposal of Hazardous Waste, Medical Waste, and Liquid Waste. TTSD further acknowledges that the provision of any services not specifically included within the Agreement are excluded from the protection of the Agreement and may not be the subject of competition among any and all legally authorized haulers.

3.10 Changes in Scope of Collection Services

As stated in the *RFP*, TTSD understands that the Town may modify the scope of services performed by TTSD pursuant to the subject *Agreement*. The draft *Agreement* states:

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The Town shall provide written notice of any requested modification to the scope of services provided by Contractor pursuant to this Agreement, and the Contractor shall provide the Town with any information requested by the Town in connection with the proposed changes. The Contractor shall, within sixty (60) days after receipt of such notice by the Town, respond to the Town's order. The Contractor may seek additional compensation in the event the scope of services is modified in accordance with this Section 4.10. The need for and amount of additional compensation shall be calculated following a change in scope Rate review pursuant to Section 11.3.

Also TTSD proposes to add additional language pertinent to this section:

Town acknowledges that the Approved Processing Facility is subject to the jurisdiction of the County of Placer (the "County"), and that such Facility's Processing methods and/or the Approved Facilities it uses to Process specific types of Discarded Materials may be changed by the County. Any such change required by the County, as well as any change in such Facility's Processing methods or in the Approved Facilities it uses that is directed by Town (including any direction by Town to have a specific type of Discarded Materials delivered directly to a different Approved Facility rather than the Approved Processing Facility), shall constitute a Town-directed modification in the scope of services provided by Contractor pursuant to this Agreement.

3.11 Billing

TTSD currently maintains direct billing for commercial customers and a subset of residential customers. Residential customers who pay for base service via tax rolls but incur extra charges are direct-billed, as are residential customers not parcel-charged. Billing statements are printed and mailed from a third party mailing house after account/billing information is uploaded by TTSD's IT Manager. By employing the use of a mailing house, TTSD has streamlined its efforts, resulting in billing statements presented to customers quicker and more efficiently. Online bill-pay and paperless statements are currently offered to Residential customers. TTSD strives to keep aware of any new billing techniques or systems to aid in the timely collection of customer balances.

3.11 A: Single-Family Billing

Billing

Concurrent with the draft *Agreement*, TTSD single-family billing efforts and features include:

- Coordination between Town and Nevada County for collection of base single-family rates through property taxes for each parcel of single-family, collective multi-family, and parcelized multi-family customers.
- Contractor bills single-family and parcelized multi-family customers for all residential ancillary collection services over and above the base services in arrears.
- Contractor direct bills in advance, any single-family customer for base service not charged on tax roll.
- Responsible for collection of money owed relative to above TTSD billings, franchise fee payments to be reported quarterly.

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3.11 B: Multi-Family and Commercial Billing

Billing

We also agree and adhere to the multi-family and commercial guidelines:

- Contractor bills all collective multi-family and commercial customers.
- Solely responsible for collections at rates set.
- Performed quarterly, in arrears and on the basis of services rendered.

3.11 C: Payment Methods/ Locations

Billing – Base

Billing procedures include:

- Customers may submit payments in person or by phone during regular business hours.
- Contractor accepts: cash, check, money orders or Visa, Mastercard or Discover credit cards payments.

Billing – Enhanced

TTSD agrees to these billing enhancements:

- Contractor will provide customers the ability to pay online via ACH or credit card (Visa, Mastercard or Discover).
- Billing statements will include instructions for customers to access their account online through the Contractor's main webpage (www.waste101.com).
- Customers may choose to select an online Auto-Pay option for recurring payments, a one-time payment, and/or subscribe to paperless e-statements.

3.11D: Billing Records

As indicated in the draft *Agreement*, TTSD will maintain copies of billings/receipts in chronological order for the term of the *Agreement*.

3.11E: Responsible Parties

Billing

The owner of the subject property receiving service shall be deemed responsible for satisfying the billed amounts.

3.11 F: Bad Debt + Collection Procedures

EXHIBIT C-1 TECHNICAL PROPOSAL

Billing

The following constitutes TTSD's bad debt and collection procedures.

1. Residential Bad Debt
 - a. Charges direct billed by TTSD, that are unpaid by the customer, shall be submitted to the Town for collection as past due via the Nevada County property tax bills.
 - b. The account may owe no less than \$50 to be submitted for past due collection.
 - c. The Contractor is entitled to the entire balance due.
 - d. The Town may assess an additional fee to each past due customer.
2. Commercial Bad Debt
 - a. The Contractor shall have the option to discontinue Collective Multi-Family or Commercial customers whose account remains past due after a 15 day notice has been sent, advising the customer of the past due balance.
 - b. Customers may incur late fees, finance charges, and reinstatement charges while their account is past due or after service discontinuation.

3.12 Transition to Next Contractor at End of Agreement

At the conclusion of TTSD's contract term with the Town of Truckee, if for any reason another waste services provider is selected to implement service, TTSD will provide pertinent data and assist with a smooth transition.

3.13 Optional/Cost Savings Proposal

TTSD presents the following mix of services which we think will help streamline Truckee collection activities, bring uniformity to programs, and allow us to bring consistency to the services we provide through the metering of materials collected on-route made possible by a few easy changes. Being connected with our customer base, we do expect a high degree of customer acceptance.

The ideas listed in the Single-Family and Multi-Family columns are not standalone and can be selected piecemeal along with the final suite of residential services. Any of these modifications may be expanded upon in further detail during the post proposal process between TTSD and the Town.

Note: Shaded areas indicate a cost/pricing impact and have been displayed in the *Optional* cost forms as incrementally compared to the *Base Option A*.

Service	Single-Family	Multi-Family 5+ Units with centralized service and billing.	Commercial
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EXHIBIT C-1 TECHNICAL PROPOSAL

<i>Mixed Materials</i>	Limit distance to service bear sheds. TTSD suggests the current distance of 28-feet from roadway.	Not applicable.	96-gallon carts – limit 4/customer, serviced 1x/week, however up to 2x/week in defined downtown corridor area.
<i>Recyclable Materials</i>	If cart option selected, use blue bags instead of tubs for bear shed customers. Recycling carts remain available to bear shed customers.	Offer Cardboard only bins up to 3x/week for source-separated cardboard recycling while offering 64- and 96-gallon recycling carts serviced 1X/week. Carts may contain cardboard and/or other recyclable materials. No mixed recycling bins offered.	Offer Cardboard only bins up to 3x/week for source-separated cardboard recycling while offering 64- and 96-gallon recycling carts serviced 1X/week. Carts may contain cardboard and/or other recyclable materials. No mixed recycling bins offered.
<i>Yard Trimmings</i>	<ul style="list-style-type: none"> • Expanded self-haul drop-off with online coupon. • Limitation on green bags usage implemented via fewer stickers or per bag charge. • Yard trimming bins available with a limit of 2,000 per year. 	Single-family service levels available per unit. Not to be shared or pooled by HOA.	Not applicable.

EXHIBIT C-1 TECHNICAL PROPOSAL

Service	Single-Family	Multi-Family 5+ Units with centralized service and billing.	Commercial
<i>Holiday Trees</i>	Provide curbside collection during one (1) week of January, while providing placed 30-cubic yard containers for four (4) weeks.	Same program as single-family.	Not applicable.
<i>Recyclables Drop-Off Facility</i>	Provide a mixed recycling container for placement at Town Hall; Recyclable Materials Only	Same program as single-family.	Not applicable.
<i>Customer Service Requirements</i>	Tags recorded on route via computer with system reports replacing physical log book. Photo evidence only required to support extra charges over 6 cans/ bags.	Tags recorded on route via computer with system reports replacing physical log book. Photo evidence only required to support extra charges over 6 cans/ bags. Streamline Multi-Family outreach, with once annual visits.	Tags recorded on route via computer with system reports replacing physical log book. Photo evidence only required to support extra charges over 6 cans/ bags.

3.13: Optional Proposal Detail

Single-Family

Mixed Materials: For Single-Family residential customers subscribing to bear shed service, TTSD recommends a distance limit matched to the current requirement of 28-feet from the roadway. This distance allows for rate consistency while not burdening the costs for further travel that may be required for only a subset of customers who would effectively be subsidized by all rate payers. If a distance requirement is not established, existing customers may be given incentive to move their sheds closer to their homes and further from the street. Furthermore, long retrieval distances decrease route efficiency while increasing risks to property and worker safety.

Recyclable Materials: TTSD recommends against 18-gallon recycling tubs, due to the major service issues related to recycling tubs. TTSD proposes blue bags as an alternative for those customers who have a bear shed and do not want a recycle cart. If the *Enhanced* option was selected, TTSD would strongly encourage all customers, regardless of bear shed status, to employ the recyclable cart option. For those customers who have a bear shed but cannot make use of the cart, blue bag offering would create route efficiency while still providing a recycling outlet to bear shed customers under *Enhanced* services. TTSD foresees that placing tubs near the curb during winter weather will not be effective because of issues with snow cover and snowplowing equipment. Tubing will also decrease the useful shed capacity for mixed materials.

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For this reason, any uncontained items are subject to wind, weather and animal intrusion, further demonstrating the benefits of the blue bag for this situation.

Yard Trimmings: To accommodate the variety of primary and second home owner needs, TTSD proposes a three pronged approach; including self-haul drop-off expansion, limitation on green bag quantities and limitations on yard trimming bin rentals. As part of this approach, self-haul yardage limits are proposed to increase to 12-cubic yards, reflecting the most efficient means of disposal. TTSD proposes self-haul coupons be provided online for customers to print. In our careful assessment, the stickered approach as described in the *Base Option A and B* would expand, rather than curtail the usage of plastic green bags. We recommend either fewer issued stickers or the previously explored Pay-As-You-Throw model, nominally charging the actual users. Our suggested alternatives provide mechanisms to limit the green bags set curbside. The third prong of this holistic approach includes limiting the yard trimmings bin availability to 2,000 per year. The limit to 2,000 yard trimmings bins could be accomplished by a first come-first serve process or by charging a fee per use. This idea might ensure those who actually need the service are those who enlist it.

Please note, in 2014-2015 extensive studies were undertaken at the direction of Town staff in regard to more viable greenwaste options. At last minute, the Staff Report was withheld from presentation to Town Council, with the idea that these items would be tabled until later and fully addressed during future collaboration. Due to staff turnover, the model was never revisited. We will send a copy of that report under separate cover. The report attempted to address the inequities of green bags abuse, most notably in the Tahoe Donner area. Coincidentally, it should also be noted, the Pay-As-You-Throw option was brought up independently in a September 2015 meeting by the Tahoe Donner HOA Board as a potential option to address their green bag blight concerns. It may be worthwhile to explore Tahoe Donner HOA's receptivity to any green waste program approach, as over thirty-five percent of the volumes are generated from that area.

Holiday Trees: The *Optional* chart presented curbside collection during one (1) week of January, while providing four (4) placed 30-cubic yard containers for four (4) weeks. The expansion of the dates in which the 30-cubic yard containers are available is intended to provide greater access to second homeowners who may vacate the area before January. This suggestion models the current approach which has been well-received by residents. Keeping the curbside service offering to one week in January reduces the overall impact of double servicing each route, including the limit of noise and added disturbance of extra trucks in residential neighborhoods.

Recyclables Drop-off Facility: The suggestion includes providing a mixed recycling container for placement at Town Hall. The *Optional* approach limits the variety of material accepted to only recyclable items, representing a diversion from the *RFP* description while thoughtfully considering a helpful alternative to the closure of the private recycling outfit.

Customer Service Requirements: We will record non-compliant set-outs on route via the onboard truck computer generating system reports which will replace a physical log book. To minimize the time consuming efforts of requiring photographic evidence to support every extra charge, TTSD proposes photos required for only those occasions when the overage exceeds six

(6) cans/bags.

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TECHNICAL PROPOSAL

Multi-Family

Multi-Family Yard Trimmings: Similar service will be made available as described under the Single-family *Optional* approach on a per unit basis, not to be shared or pooled by HOA.

Multi-Family Recyclable Materials: TTSD would like to offer 64- and 96-gallon recycling carts serviced 1X/week combined with Cardboard only bins for source-separated cardboard recycling. Carts may also contain cardboard and/or other recyclable materials. The bin service would be available to cardboard only material with collection frequency up to 3x/week, no mixed recycling bins would be available.

Multi-Family Holiday Trees: Same service available as described under Single-family *Optional* service.

Multi-Family Recyclables Drop-off Facility: Same service available as described under Single-family *Optional* service.

Multi-Family Customer Service Requirements: We will record non-compliant set-outs on route via the onboard truck computer generating system reports which will replace a physical log book. As a means of streamlining Multi-Family outreach we would suggest once annual site visits. To minimize the time consuming efforts of requiring photographic evidence to support every extra charge, TTSD proposes photos required for only those occasions when the overage exceeds six (6) cans/bags

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TECHNICAL PROPOSAL

Commercial

Commercial Mixed Materials: Acknowledging tight space constraints within the downtown Truckee corridor, TTSD proposes 96-gallon cart service availability up to two times per week for corridor cart customers. Over the past few years, TTSD has thoroughly evaluated the issue of space downtown with Town staff and has devised this offering to alleviate problems associated with the downtown corridor. This proposal is intended to assist the Town in addressing an issue specific to the downtown corridor. The increased service frequency would not be offered in any other areas of Town, outside of the specifically defined downtown corridor, in order to satisfy service needs in an efficient manner.

Commercial Recyclable Materials: TTSD prefers to offer 64- and 96-gallon recycling carts serviced 1x/week combined with Cardboard only bins for source-separated cardboard recycling. Carts may also contain cardboard and/or other recyclable materials. The bin service would be available to cardboard only material with collection frequency up to 3x/week, no mixed recycling bins would be available. This approach has the benefit that the source-separated cardboard bins contents may pass through the Approved Processing Facility with no tipping fee, resulting in disposal cost reductions. Source-separated cardboard routing costs are shared cross-jurisdictionally, further benefiting the Town's program.

Commercial Customer Service Requirements: We will record non-compliant set-outs on route via the onboard truck computer generating system reports which will replace a physical log book. To minimize the time consuming efforts of requiring photographic evidence to support every extra charge, TTSD proposes photos required for only those occasions when the overage exceeds six (6) cans/bags or one (1) cubic yard.

EXHIBIT C2: COST BASIS FOR PROPOSAL

EXHIBIT C-2 TECHNICAL PROPOSAL

YEAR 1 BASE SERVICES -- FINAL SELECTED SERVICE LEVELS -- REFLECTING ADJUSTED '18-'19 ERL TIPPING F								
REPORT FOR 12-MONTH PERIOD From July 1, 2018 - June 30, 2019	Can Service	Containerized Yard Trimming Collection	Bulky Item Collection	Yard Trimmings Bin Rental @ 500	Containerized Recyclables Collection - Glenshire	Bin Service	Commercial Cardboard	Commercial Mixed Recycling Carts 1x
	Mixed Materials, Blue Bags, (Green Bags)	(In place of Green Bags)				Mixed Materials, Blue Bags, Yellow Bags		
Annual Cost of Operations								
Labor-Related Costs	\$656,656	\$0	\$27,536	\$12,821	\$918	\$151,792	\$36,713	\$78,018
Vehicle-Related Costs	\$123,904	\$4,108	\$1,999	\$1,838	\$597	\$44,874	\$11,668	\$23,764
Fuel Costs	\$61,572	\$9,411	\$1,205	\$1,279	\$1,090	\$26,346	\$7,395	\$24,890
Other Costs	\$70,305	(\$37,566)	\$0	\$0	\$0	\$2,276	\$0	\$0
Direct Depreciation	\$152,387	\$105,265	\$2,766	\$6,013	\$15,354	\$122,464	\$33,362	\$46,458
Total Allocated Costs - Labor, Vehicle, Fuel & Other	\$1,113,359	\$62,169	\$6,152	\$6,238	\$12,549	\$338,849	\$14,600	\$16,555
Total Allocated Costs - Depreciation & Start-Up	\$9,471	\$0	\$0	\$0	\$0	\$2,706	\$0	\$0
Total Annual Cost of Operations	\$2,437,854	\$123,387	\$39,759	\$27,991	\$27,498	\$689,507	\$103,739	\$189,683
Profit	\$270,873	\$13,718	\$4,418	\$3,110	\$3,055	\$76,590	\$11,527	\$21,076
Pass-Through Costs								
Net Yard Trimmings Materials Processing Costs	\$95,500	\$132,678		\$21,000		\$0		
Net Recyclable Materials Processing Costs	\$134,238					\$0		
Net Food Scraps Materials Processing Costs	\$0					\$0		
Net C&D Materials Processing Costs	\$0					\$0		
Disposal Costs	\$536,250	(\$78,000)	\$5,352			\$705,120		
Interest Expense	\$56,493	\$16,362	\$586	\$985	\$2,373	\$41,551	\$6,188	\$9,718
Direct Lease Costs	\$0					\$0		
Total Allocated Costs - Lease	\$0					\$0		
Total Pass-Through Costs	\$622,481	\$71,040	\$5,938	\$21,985	\$2,373	\$749,471	\$6,188	\$9,718
Total Costs before Town Fees	\$3,331,208	\$208,137	\$50,114	\$53,085	\$32,928	\$1,515,568	\$121,454	\$220,476

EXHIBIT C-2 TECHNICAL PROPOSAL

REPORT FOR 12-MONTH PERIOD From July 1, 2018 - June 30, 2019	Town Facilities	Recyclables Drop-off Facility	Special Events	Drop Box, Compactors			TOTAL
	Mixed Materials, Blue Bags, Yellow Bags, Public Litter Containers		Mixed Materials, Recyclable Materials, Organic Materials	Subscription Roll-Off (Compactors & Debris Boxes)	On-Call Roll-Off	On-Call 6-yard Dumpsters	
Annual Cost of Operations							
Labor-Related Costs	\$52,125	\$1,146	\$8,834	\$44,172	\$28,110	\$30,519	\$1,337,326
Vehicle-Related Costs	\$7,837	\$133	\$2,033	\$3,800	\$3,728	\$8,563	\$239,696
Fuel Costs	\$6,568	\$264	\$1,212	\$9,433	\$6,015	\$5,246	\$182,028
Other Costs	\$483	\$0	\$138	\$662	\$422	\$453	\$17,373
Direct Depreciation	\$12,223	\$1,869	\$2,426	\$14,537	\$17,258	\$11,840	\$544,226
Total Allocated Costs - Labor, Vehicle, Fuel & Other	\$53,086	\$543	\$4,101	\$32,162	\$49,300	\$28,095	\$1,719,773
Total Allocated Costs - Depreciation & Start-Up	\$0	\$0	\$0	\$1,333	\$0	\$0	\$13,331
Total Annual Cost of Operations	\$94,346	\$3,978	\$18,743	\$108,121	\$104,832	\$84,717	\$4,053,937
Profit	\$10,483	\$442	\$2,083	\$12,013	\$11,648	\$9,413	\$450,440
Pass-Through Costs							
Net Yard Trimmings Materials Processing Costs	\$0		\$897	\$0	\$0	\$0	\$250,073
Net Recyclable Materials Processing Costs	\$27,439		\$0	\$0	\$0	\$0	\$161,677
Net Food Scraps Materials Processing Costs	\$0		\$0	\$0	\$0	\$0	\$0
Net C&D Materials Processing Costs	\$0		\$0	\$0	\$13,426	\$0	\$13,426
Disposal Costs	\$22,714	\$3,761	\$390	\$137,046	\$69,416	\$40,404	\$1,442,453
Interest Expense	\$3,934	\$396	\$896	\$5,702	\$6,794	\$4,228	\$159,028
Direct Lease Costs	\$0		\$0	\$0	\$0	\$0	\$0
Total Allocated Costs - Lease	\$0		\$0	\$0	\$0	\$0	\$0
Total Pass-Through Costs	\$54,106	\$4,157	\$2,185	\$142,748	\$89,636	\$44,632	\$2,026,639
Total Costs before Town Fees	\$158,935	\$8,377	\$23,012	\$262,883	\$206,117	\$138,762	\$6,531,056

Incremental Costs of Additional Enhanced Services Planned for Future Implementation (Expressed in Year 1 Cost Amounts)			
Containerized Recyclables Collection - ROT	Containerized Recyclables Collection - Tahoe Donner	Commercial Containerized Food Scraps Collection	Yard Trimmings Bin Rental Each Add'l Inc of 100
Targeted Implementation Year 2	Targeted Implementation Year 3	Targeted Implementation Year 1-5	Targeted Implementation Years 2 & 3
\$14,686	\$1,836	\$91,786	\$2,524
\$4,323	\$119	\$87,163	\$368
\$9,142	\$2,986	\$29,282	\$256
\$0	\$0	\$0	\$0
\$37,079	\$55,323	\$94,705	\$1,203
\$41,325	\$45,409	\$26,727	\$1,248
\$0	\$0	\$0	\$0
\$126,555	\$105,673	\$329,664	\$5,598
\$14,062	\$11,741	\$36,629	\$622
			\$4,200
		\$45,045	
\$9,164	\$8,384	\$10,021	\$197
\$9,164	\$8,384	\$55,066	\$4,397
\$149,780	\$125,798	\$421,359	\$10,617

EXHIBIT C3:
INITIAL RATES FOR
COLLECTION SERVICES

EXHIBIT C3

INITIAL RATES FOR COLLECTION SERVICES

Sector	Service	Size	Vol	Freq	Rate Period 1	Rate Period 2	Rate Period 3
					FY18-19*	FY19-20*	FY20-21*
RES	MIXED MATS	1st Can		1	\$ 24.74	\$ 25.68	\$ 26.52
RES	MIXED MATS	2nd Can		1	\$ 13.70	\$ 14.22	\$ 14.68
RES	MIXED MATS	Extra Can		EA	\$ 4.87	\$ 5.05	\$ 5.22
RES	MIXED MATS**	Trip 28'-55'		1	\$ 14.60	\$ 15.16	\$ 15.65
RES	MIXED MATS**	Trip 56'-80'		1	\$ 29.20	\$ 30.31	\$ 31.29
RES	MIXED MATS**	Trip 81'-105'		1	\$ 43.80	\$ 45.47	\$ 46.94
RES	RECYCLABLES	Contaminated	Gal	EA	\$ 12.28	\$ 12.75	\$ 13.16
RES	YARD TRIMS	6 CY		EA	\$ 70.00	\$ 70.00	\$ 70.00
COM	MIXED MATS	One 32 Gal		1	\$ 30.37	\$ 28.66	\$ 29.59
COM	MIXED MATS	One 64 Gal		1	\$ 56.89	\$ 59.06	\$ 60.97
COM	MIXED MATS	Two 64 Gal		1	\$ 113.78	\$ 118.12	\$ 121.94
COM	MIXED MATS	Three 64 Gal		1	\$ 170.68	\$ 177.18	\$ 182.92
COM	MIXED MATS	One 96 Gal		1	\$ 83.41	\$ 86.59	\$ 89.40
COM	MIXED MATS	Two 96 Gal		1	\$ 166.83	\$ 173.18	\$ 178.79
COM	MIXED MATS	Three 96 Gal		1	\$ 250.24	\$ 259.77	\$ 268.19
COM	MIXED MATS	Four 96 Gal		1	\$ 333.66	\$ 346.36	\$ 357.59
COM	RECYCLABLES	Contaminated	Gal	EA	\$ 33.44	\$ 34.71	\$ 35.84
COM	CART SWAP OUT***	32, 64, 96 Gal		EA	\$ 61.42	\$ 63.76	\$ 65.82
COM	REMOVE/RETURN	32, 64, 96 Gal		EA	\$ 92.58	\$ 96.11	\$ 99.22

* All Rates are stated in FY 18-19 dollars. Rates are not inclusive of the Town-approved Administrative Fee.

** Trip Rates also subject to difficulty factors, as provided in supplemental Trip Fee Matrix.

*** In excess of one (1) exchange per six (6) months.

**** No Franchise Fee will be collected on Commercial Cardboard, Commercial Mixed Recycling, or Commercial Food Scraps Collection in Rate Period One or Rate Period Two.

Customer-requested 64-gallon Wildlife-resistant Carts:

\$60 one-time set-up fee; \$12/month ongoing rental cost.

Wildlife-resistant Cart prices will be reviewed annually, relative to TTSD's cost to provide.

Residential customer-requested additional 64-gallon recycling cart:

\$20 one-time set-up fee; ongoing monthly service is equivalent to the 2nd can rate.

The one-time set-up fee is subject to the annual contract adjustment, to be adjusted in rounded-down, whole dollar increments.

Residential Yard Trimmings cart Removal/Return placement fee:

Equivalent to a monthly trip fee as stated in Exhibit J.

Residential request to remove a cart:

A cart may be picked up one time for free. Any subsequent request to deliver or pick-up a cart will incur a redelivery fee of \$52.50.

EXHIBIT C3

INITIAL RATES FOR COLLECTION SERVICES

Commercial recycling capacity in excess of MSW capacity:

Additional commercial recycling capacity will be charged at 50% of the corresponding mixed materials cart rate.

Sector	Service	Size	Vol	Freq	Rate Period 1 FY18-19*	Rate Period 2 FY19-20*	Rate Period 3 FY20-21*
SUBSCRIPTION BIN SERVICES							
COM	MIXED MATS		3 YD	1	\$ 304.37	\$ 325.61	\$ 335.06
COM	MIXED MATS		3 YD	2	\$ 574.76	\$ 614.87	\$ 632.72
COM	MIXED MATS		3 YD	3	\$ 845.33	\$ 904.33	\$ 930.58
COM	MIXED MATS		4 YD	1	\$ 390.66	\$ 417.92	\$ 430.05
COM	MIXED MATS		4 YD	2	\$ 715.72	\$ 765.67	\$ 787.90
COM	MIXED MATS		4 YD	3	\$ 1,040.75	\$ 1,113.39	\$ 1,145.70
COM	MIXED MATS		6 YD	1	\$ 564.89	\$ 604.31	\$ 621.85
COM	MIXED MATS		6 YD	2	\$ 1,106.24	\$ 1,183.45	\$ 1,217.80
COM	MIXED MATS		6 YD	3	\$ 1,647.72	\$ 1,762.72	\$ 1,813.88
COM	MIXED MATS		6 YD	4	\$ 2,212.49	\$ 2,366.91	\$ 2,435.61
COM	MIXED MATS		6 YD	5	\$ 2,753.96	\$ 2,946.17	\$ 3,031.69
COM	MIXED MATS COMP		3 YD	1	\$ 565.58	\$ 605.05	\$ 622.62
COM	MIXED MATS COMP		4 YD	1	\$ 754.09	\$ 806.73	\$ 830.14
COM	MIXED MATS COMP		6 YD	1	\$ 1,131.15	\$ 1,210.10	\$ 1,245.22
COM	CARDBOARD		3 YD	1	\$ 30.45	\$ 32.57	\$ 33.52
COM	CARDBOARD		3 YD	2	\$ 57.49	\$ 61.50	\$ 63.28
COM	CARDBOARD		4 YD	1	\$ 39.07	\$ 41.79	\$ 43.01
COM	CARDBOARD		4 YD	2	\$ 71.56	\$ 76.56	\$ 78.78
COM	CARDBOARD		6 YD	1	\$ 56.50	\$ 60.44	\$ 62.19
COM	CARDBOARD		6 YD	2	\$ 110.62	\$ 118.34	\$ 121.78
COM	CARDBOARD		6 YD	3	\$ 164.41	\$ 175.89	\$ 180.99
COM	FOOD SCRAPS		64 GAL	1	\$ 28.45	\$ 29.53	\$ 30.49
COM	FOOD SCRAPS		64 GAL	2	\$ 56.89	\$ 59.06	\$ 60.97
COM	FOOD SCRAPS		64 GAL	3	\$ 85.34	\$ 88.59	\$ 91.46
COM	FOOD SCRAPS		2 YD	1	\$ 101.46	\$ 108.54	\$ 111.69
COM	FOOD SCRAPS		2 YD	2	\$ 191.59	\$ 204.96	\$ 210.91
COM	FOOD SCRAPS		2 YD	3	\$ 281.78	\$ 301.44	\$ 310.19
COM	FOOD SCRAPS		3 YD	1	\$ 152.18	\$ 162.81	\$ 167.53
COM	FOOD SCRAPS		3 YD	2	\$ 287.38	\$ 307.44	\$ 316.36
COM	FOOD SCRAPS		3 YD	3	\$ 422.66	\$ 452.16	\$ 465.29

* All Rates are stated in FY 18-19 dollars. Rates are not inclusive of the Town-approved Administrative Fee.

****No Franchise Fee will be collected on Commercial Cardboard, Commercial Mixed Recycling, or Commercial Food Scraps Collection in Rate Period One or Rate Period Two

EXHIBIT C3 INITIAL RATES FOR COLLECTION SERVICES

Sector	Service	Size	Vol	Freq	Rate Period 1 FY18-19*	Rate Period 2 FY19-20*	Rate Period 3 FY20-21*
ON-CALL BIN SERVICES							
COM	MIXED MATS - EXTRA		3 YD	EA	\$ 103.40	\$ 110.61	\$ 113.82
COM	MIXED MATS - EXTRA		4 YD	EA	\$ 133.88	\$ 143.22	\$ 147.38
COM	MIXED MATS - EXTRA		6 YD	EA	\$ 161.74	\$ 173.03	\$ 178.05
COM	MIXED MATS - PULLOUT		ANY	EA	\$ 19.72	\$ 21.09	\$ 21.71
COM	MIXED MATS - EXTRA YD		ANY	EA	\$ 34.08	\$ 36.45	\$ 37.51
COM	LOCK/UNLOCK (MTLY SUB)		ANY	MO	\$ 37.45	\$ 40.06	\$ 41.23
COM	LOCK/UNLOCK (PER OCC)		ANY	EA	\$ 11.50	\$ 12.31	\$ 12.66
COM	CLEAN MESS (PU)		ANY	EA	\$ 77.18	\$ 82.57	\$ 84.97
COM	CLEAN MESS (FL, R/O)		ANY	EA	\$ 147.34	\$ 157.63	\$ 162.20
COM	BIN CLEANING		ANY	EA	\$ 50.12	\$ 53.62	\$ 55.17
COM	BIN SWAP OUT**		3,4,6 YD	EA	\$ 73.51	\$ 78.64	\$ 80.92
COM	REJECT/CANCEL		3,4,6 YD	EA	\$ 73.51	\$ 78.64	\$ 80.92
COM	RELOCATION		3,4,6 YD	EA	\$ 73.51	\$ 78.64	\$ 80.92
COM	REMOVE/RETURN		3,4,6 YD	EA	\$ 105.26	\$ 112.61	\$ 115.88
COM	LIDDED TEMP		6 YD	EA	\$ 100.25	\$ 107.24	\$ 110.36
COM	PU TRUCK TIME		PER HOUR		\$ 92.19	\$ 98.63	\$ 101.49
COM	FL TRUCK TIME		PER HOUR		\$ 148.27	\$ 158.62	\$ 163.22
COM	PU WAIT TIME		PER 10 MIN		\$ 13.83	\$ 14.79	\$ 15.22
COM	FL WAIT TIME		PER 10 MIN		\$ 24.71	\$ 26.44	\$ 27.20

* All Rates are stated in FY 18-19 dollars. Rates are not inclusive of the Town-approved Administrative Fee

** In excess of one (1) exchange per six (6) months

EXHIBIT C3

INITIAL RATES FOR COLLECTION SERVICES

Sector	Service	Size	Vol	Freq	Rate Period 1 FY18-19*	Rate Period 2 FY19-20*	Rate Period 3 FY20-21*
SUBSCRIPTION ROLL-OFF SERVICE							
COM	MIXED MATS R/O	20 YD	1		\$ 2,166.08	\$ 2,317.26	\$ 2,384.52
COM	MIXED MATS R/O	30 YD	1		\$ 2,659.88	\$ 2,845.53	\$ 2,928.12
COM	MIXED MATS COMP	10 YD	1		\$ 1,874.76	\$ 2,005.61	\$ 2,063.82
COM	MIXED MATS COMP	15 YD	1		\$ 2,812.16	\$ 3,008.44	\$ 3,095.76
COM	MIXED MATS COMP	15 YD	2		\$ 5,624.33	\$ 6,016.87	\$ 6,191.51
COM	MIXED MATS COMP	20 YD	1		\$ 3,749.57	\$ 4,011.27	\$ 4,127.70
COM	MIXED MATS COMP	25 YD	1		\$ 4,686.93	\$ 5,014.05	\$ 5,159.58
COM	MIXED MATS COMP	30 YD	1		\$ 5,624.34	\$ 6,016.89	\$ 6,191.53
ON-CALL ROLL-OFF SERVICE							
COM	DEBRIS BOX	6 YD	EA		\$ 165.27	\$ 176.80	\$ 181.93
COM	DEBRIS BOX	ROCK	EA		\$ 423.89	\$ 453.48	\$ 466.64
COM	DEBRIS BOX	20 YD	EA		\$ 500.25	\$ 535.16	\$ 550.70
COM	DEBRIS BOX	30 YD	EA		\$ 614.29	\$ 657.17	\$ 676.24
COM	DB RENTAL	6 YD	EA		\$ 73.51	\$ 78.64	\$ 80.92
COM	DB RENTAL	20/30/ROCK YD	EA		\$ 140.35	\$ 150.15	\$ 154.51
COM	BOX SWAP OUT**	20/30/ROCK YD	EA		\$ 140.35	\$ 150.15	\$ 154.51
COM	REJECT/CANCEL	20,30 YD	EA		\$ 140.35	\$ 150.15	\$ 154.51
COM	RELOCATION	20,30 YD	EA		\$ 140.35	\$ 150.15	\$ 154.51
COM	REMOVE/RETURN	20/30/ROCK YD	EA		\$ 172.10	\$ 184.12	\$ 189.46
COM	LIDDED TEMP	20 YD	EA		\$ 184.78	\$ 197.68	\$ 203.42
COM	RO TRUCK TIME	PER HOUR			\$ 148.27	\$ 158.62	\$ 163.22
COM	RO WAIT TIME	PER 10 MIN			\$ 24.71	\$ 26.44	\$ 27.20
COM	OVERLOAD - BASE	20/30/ROCK YD	EA		\$ 59.61	\$ 63.77	\$ 65.62
COM	OVERLOAD - EACH ADDTL 100LBS	PER TON			\$ 11.92	\$ 12.75	\$ 13.12

* All Rates are stated in FY 18-19 dollars. Rates are not inclusive of the Town-approved Administrative Fee.

** In excess of one (1) exchange per six (6) months.

**EXHIBIT C4:
IMPLEMENTATION PLAN
AND SCHEDULE**

EXHIBIT C4

IMPLEMENTATION PLAN AND SCHEDULE

RESIDENTIAL

Green Waste

June 11-22: Green waste carts will be delivered to all residents who opted-in prior to May 30. Residents who opt-in after May 30, will be delivered their cart on the following monthly delivery date.

June 25-29: A clean sweep will occur and be charged to the Town FY 17/18.

July 2: Beginning the service week of July 2, yard waste carts will be serviced on the same day as mixed waste, on alternating weeks through October 26.

July 1-August 3: Any green bags left out will be tagged and left in place, until a customer authorizes a charge. The tag will indicate charge per bag, and alternatives (utilize green cart; free drop off at ERL; use one extra). The customer will also be notified electronically via electronic database if possible.

Once a customer has authorized a charge, all green bags left out regardless of quantity, will be picked up and charged the per bag rate unless a scheduled overage has been applied.

If a driver notices repeated contamination, TTSD will contact the resident and the Town.

Free Drop-Off at ERL

Beginning in July, customers will be able to obtain a coupon on the online customer portal.

Recycling

Sep 10-28: Recycling carts will be delivered to residents in Glenshire who have opted-in prior to August 15. Any residents who opt-in after August 15 will be delivered their cart on the following monthly delivery date.

October 4: First service of Glenshire recycling carts on an alternating week basis.

If a driver notices repeated contamination of the recycling cart, TTSD will notify the customer and the Town.

Year 2-3 rollout will be TBD. TTSD and the Town will meet to determine the subsequent rollout.

If a resident no longer wants to utilize a cart, they may call TTSD for the cart to be removed.

COMMERCIAL

Businesses need to make their selection for new recycling and mixed waste services by July 1, 2018.

Recycling:

July 23-27: Commercial recycling carts delivered.

Commercial mixed waste carts may be delivered earlier if customers have indicated wanting to begin new services prior to August 1.

Beginning August 1, commercial recycling carts will be serviced on a weekly basis, on Thursdays. TTSD will notify the Town and customers if this day changes. The paper route and glass route will be discontinued and replaced with the recycling route.

If a driver notices repeated contamination of the recycling cart, TTSD will notify the customer and the Town.

Mixed Waste Carts:

July 23-27: Commercial mixed waste carts will be delivered.

Commercial mixed waste carts may be delivered earlier if customers have indicated wanting to begin new services prior to August 1.

Beginning August 1, commercial mixed waste carts will be serviced on a weekly basis on Wednesday of each week. TTSD will communicate with the Town and customers if the service day changes.

EXHIBIT C4

IMPLEMENTATION PLAN AND SCHEDULE

If a customer places a customer-provided can after August 1, TTSD will tag and leave the can. The customer needs to place the materials in their mixed waste cart or call TTSD to order a cart.

Food Waste:

Businesses need to make their food waste cart selection by November 1, 2018.

December 10-21: Food waste carts will be delivered with explicit directions that the carts will not begin service until January 1, 2019.

Beginning January 1, 2019, food waste carts will be serviced up to three times per week, pending customer subscription.

Cardboard:

Cardboard dumpsters will continue to be serviced.

**EXHIBIT C5:
CONTRACTOR'S RECYCLING
PLAN**

EXHIBIT C5 CONTRACTOR'S RECYCLING PLAN

Recycling Collection- Residential

TTSD will collect curbside recyclable materials every other week for Truckee residents participating in the recycling cart services. All recycling cart program participants will receive 65-gallon brown carts with blue lids. Collection vehicles will be curbside-equipped trucks or rear loader trucks.

TTSD will also collect curbside recyclable materials weekly for Truckee residents using blue bags. Blue bags will be collected in the same vehicle collecting mixed solid waste.

Recycling Collection- Multi-Family Units

Multi-Family unit recycling will be collected in 64- and 96-gallon carts, the amount of which will depend on the number of occupied units and available space for containers for each complex. Town of Truckee staff will contact all property managers or owners at the onset of the program to describe the program and determine the size and placement of the appropriate recycling container(s). TTSD will work with property management as a partner to assist and support them throughout the term of the Agreement. Cart sizes may be adjusted as needed throughout the term of the Agreement to cater to the changing needs of each complex.

Recycling Collection- Commercial

A waste assessment will be performed by Town of Truckee staff with all commercial accounts to determine the types and amounts of recyclables each establishment will be generating to develop a personalized recycling plan. TTSD personnel will assist in completing new service subscriptions. Container sizes and collection frequencies can be proposed for each account. All container sizes found in Section 4.3 of the Agreement will be made available. The objective will be to encourage and maximize recycling. Combined, the commercial recycling strategy will reduce the volume of solid waste going into the landfill and will make great strides in compliance with AB 341. Geographically proximate commercial accounts may opt to share recycling containers upon approval by TTSD and the Town.

Recycling- General

Commingled recyclable materials collected in carts and bins will be transported to the Materials Recovery Facility. At the Materials Recovery Facility, recyclable materials will be sorted by material type and transported to a recycling facility with the purpose of making such recovered materials available for reuse, recycling and/or marketing.

TTSD will work with the Town of Truckee to develop and implement an effective public education and outreach program. As Town residents and businesses become accustomed to separating materials, TTSD will monitor the quality of the commingled recycling materials. TTSD will work with the Town of Truckee to adjust the public education and outreach program as needed to increase recyclable material quality and quantity.

Acceptable Recyclable Materials for Blue Cart Collection

The table below illustrates the types of materials that are acceptable for recycling in the recycling carts.

Material	Acceptable	Not Acceptable
Beverage Containers	All types	N/A
E-waste	N/A	All types
Glass	Clear, brown, and green food and beverage containers	Architectural glass, automotive glass

EXHIBIT C5

CONTRACTOR'S RECYCLING PLAN

Metal	Rinsed aluminum cans; food containers; steel; tin	Pans, cans or packaging containing food
Paper	Newspaper; cardboard, mixed color paper; white paper, magazines; junk mail; paper bags; phone books	Paper soiled with food
Plastics	Plastic bottles and containers labeled #1-7; milk containers; detergent containers	
Other	N/A	Hazardous waste, dead animals, diapers, medical waste, foam, clothing, shoes, fiberglass

Recyclables Drop-Off Sites

TTSD will provide two Drop Boxes at two Town-approved locations within the Town for collection of recyclable materials during the months of July and August each year. TTSD shall ensure recyclable materials collected from the drop-off sites are processed in accordance with Section 5.2.

Eastern Regional Landfill Drop-Off Facility

Eastern Regional Landfill will be open to the public Monday through Saturday 8:00AM to 4:00PM. Signage and on-site staff will direct the public to separate their materials and dispose of them in the correct locations. Items accepted for drop-off include batteries, electronic waste, household hazardous waste, and mattresses; Eastern Regional Landfill may designate specific days for drop-off of certain material types.

Bulky Item Management

TTSD will offer Bulky Item collection to residential customers on an on-call basis up to two times per year as requested by customer at no additional charge. TTSD will transport collected bulky items to the Eastern Regional Landfill or to a reuse facility upon Town request, if available.

Electronic Waste Management

CRT's are collected in 30-yd bins with all other e-waste segregated in metal cages for shipment to California Electronic Asset Recovery (CEAR) for recycling. Categories include: Tablets, laptops, CPUs, printers, scanners, stereo equipment, telephones, and other miscellaneous electric items. Microwave ovens are not processed as E-Waste.

Green Waste and Wood Waste Management

Green waste is ground up and used for either cogen or wood chips. Pine needles are sold to the public. Ski resorts use pine needles for building up their ski slopes.

Metal Management

Metals are stored in piles on top of the landfill. When sufficient quantities accumulate, processors pick up and transport metals to processing facilities. Primary vendors used are Simms Metals and Schnitzer Steel.

EXHIBIT C5

CONTRACTOR'S RECYCLING PLAN

Waste Tire Management

Scrap tires are stored on site in both 6-yd and 30-yd boxes. When a sufficient quantity of tires has accumulated (a walking-floor trailer full), a subcontractor hauls the tires to Waste Recovery West in Sacramento for recycling.

Source Separation and Diversion

The cart system requires waste generators to separate materials at the time the waste is generated. The public education and outreach program will encourage residents and businesses to separate recyclable materials into recycling containers. In addition, non-residential waste generators will have an economic incentive to divert as much recyclable material as possible.

EXHIBIT C6: APPROVED SUBCONTRACTORS

The Contractor has not proposed the use of any Subcontractors for the provision of Collection services to be provided under this Agreement.

EXHIBIT D: REPORTING REQUIREMENTS

EXHIBIT D

REPORTING REQUIREMENTS

Records shall be maintained in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed. In the event that reports are required in a spreadsheet format, Contractor shall retain all formulas and links used in the spreadsheet itself (e.g. not "pasted values"). Reports are intended to compile recorded data into useful forms of information that can be used to, among other things:

1. Determine and set Rates and evaluate the financial efficacy of operations.
2. Evaluate past and expected progress towards achieving the Contractor's Diversion goals and objectives.
3. Provide concise and comprehensive program information and metrics for use in fulfilling reporting requirements under the AB 939, AB 341, AB 1826, and SB 1383.
4. Determine needs for adjustment to programs.
5. Evaluate Customer service and complaints.

Quarterly Report Content

Quarterly reports shall be presented by Contractor to show the following information for each month in the reported quarter and include a quarterly average. In addition, each quarterly report shall show the past four (4) quarters average for data comparison (the first three (3) quarters of the Agreement shall only include the available quarterly information).

1. Tonnage Report

- Tonnage delivered to each Approved Facility by Line of Business, subtotalling and clearly identifying those Tons that are Disposed and those that are recovered.
- Units of E-Waste, U-Waste, and Bulky Items Collected by Customer Type.
- Recovered Materials Tonnage marketed (by commodity and including average commodity value for each) and Residual Waste Tonnage Disposed.

2. Customer Report

- Number of total Customers by Line of Business.
- List of new Customers, by Customer Type, indicating each new Customer's start date, and clearly identifying Single-Family Customers which Contractor is directly billing the Single-Family Base Services Rate.
- List of Single-Family Customers which have been transferred to the Town for billing purposes (e.g. Single-Family Customers which the Contractor had previously directly billed the Single-Family Base Services Rate), indicating each Customer's start date, and date of transfer.
- Number of Containers at each Service Level by Line of Business. Summarizing the total gallons of Can, or Cart service, cubic yards of Bin service, and pulls and cubic yards or Tons of Drop Box and Compactor service by Line of Business. Report should calculate the average volume of service

EXHIBIT D

REPORTING REQUIREMENTS

received per: Single-Family Customer; Multi-Family dwelling unit; Commercial Customer; and, Drop-Box Customer.

- Number of Bulky Item Collection events by Customer Type.

3. Town Services Report

- Town facility Diversion rate report (i.e. volume of service material type received by each Town facility and the percentage of the total Service Levels that are for Diversion services relative to the total).
- Summary report on the programs offered to Town as described in Section 4.5 of the Agreement focused on when each service was provided and any issues/concerns identified.

4. Customer Service Report

Town Contract Manager and Contractor will meet no less than monthly during Rate Period One to discuss new program implementation, customer service issues, and trends. The Contractor shall deliver the following information beginning July 1st, 2019, upon request from the Town Contract Manager.

- Number of Customer calls listed separately by complaints and inquiries (where inquiries include requests for Recycling information, Rate information, etc.). For complaints, list the number of calls separately by category (e.g., missed pickups, scheduled cleanups, billing concerns, damage claims, etc.).
- Number of new service requests for each Line of Business.
- Number of events of Contractor leaving tags and providing email notification for non-Collection or additional charges summarized by the reason for the non-Collection or additional charge (e.g., prohibited materials, overages, improper set-out, Hazardous Waste, etc.).

5. Education and Outreach Report

- Provide a status report of Contractor's actual activities completed compared to requirements described in Exhibit G. For each completed item, document the results including what date the activity was performed.
- Summarize the Recycling opportunity assessments provided by Contractor to Customers (reporting Multiple-Unit Dwellings separately from Commercial) by identifying the number of Recycling opportunity assessments conducted each month in the most-recently completed quarter, and contact information including address, contact names, telephone number of Persons contacted, number of units (for Multiple-Unit Dwellings), and the Discarded Materials Service Level (by material type) for each complex. Include any Service Level changes resulting from such visits.

6. Pilot and New Programs Report

For each pilot and/or new program, provide activity related and narrative reports on goals, milestones, and accomplishments. Describe problems encountered, actions taken and any recommendations to facilitate progress. Describe vehicles, personnel, and equipment utilized for each program.

EXHIBIT D

REPORTING REQUIREMENTS

7. Revenue Report

Provide a statement detailing Contractor's Gross Receipts from all operations conducted or permitted pursuant to this Agreement as required by Section 9.3.

Maintain a list of Customers that are forty-five (45) or more calendar days past due and include the following information for each delinquent account: name; service address; contact information; number of days the account is delinquent; and method(s) the Contractor has used to attempt collection of the bad debt including date of such attempt(s).

Annual Report Content

The annual report shall be the fourth quarterly report plus the following additional information.

1. Summary Assessment

Provide a summary assessment of the programs performed under this Agreement from Contractor's perspective relative to the financial and operational status of the program. The operational status assessment shall reflect how well the program is operating in terms of efficiency, economy, and effectiveness in meeting all the goals and objectives of this Agreement, particularly the Town's Diversion priorities. Provide recommendations and plans to improve. Highlight significant accomplishments and problems.

2. Vehicle Inventory

Provide a listing of all Vehicles used in performing services under this Agreement including the license plate number, VIN, make, model, model year, purchase date, engine overhaul/rebuild date (if applicable), tare weight, and mileage at December 31.

3. Recovered Materials Markets

Contractor shall include a listing of markets for Recovered Materials and the end use of these materials. This type of information is intended to help the Town gauge the sustainability of Recycling markets and the ultimate destination of all types of materials Collected.

EXHIBIT E:
FORM OF
PERFORMANCE
BOND

EXHIBIT E

FORM OF PERFORMANCE BOND

This Exhibit will be inserted upon final approval by the Town and Contractor, which shall occur no later than September 30, 2018

**EXHIBIT F:
TOWN SERVICE
LOCATIONS AND
SPECIAL EVENTS**

EXHIBIT F

TOWN SERVICE LOCATIONS AND SPECIAL EVENTS

Contractor shall provide service to the Town facilities identified herein, each "Truckee Thursday" event, and up to eight (8) additional Special Events, as requested by Town, in accordance with Sections 4.4 and 4.5 of the Agreement. Contractor shall also provide service to future Town facilities as further referenced in Section 4.5 of the Agreement. A list of anticipated annual Special Events is included below, however such list is provided by way of example only.

Town Facilities:

- Town Hall (10183 Truckee Airport Road)
- Public Works Corporation Yard (10969 Stevens Lane)
- Cardboard containers at Nevada County Sheriff Station (10879 Donner Pass Road)
- All public litter container locations within the Town (as of the Effective Date, the Town estimates up to sixty (60) locations)

Example Special Events:

- Truckee Day (June)
- 4th of July Parade (July) 4th of July Fireworks at Donner Lake (July) Each Truckee Thursday event (estimated 11 per year) (June – August)
- Christmas Tree Lighting (November - December)
- Annual Public Agencies Block Parties (Fall)
- Big Truck Day (Fall)

**EXHIBIT G:
PUBLIC EDUCATION
AND OUTREACH**

EXHIBIT G

PUBLIC EDUCATION AND OUTREACH

1. General Administration

The Town places the utmost importance on effective public outreach and education in helping residents and businesses fully understand options for and benefits of source reduction, reuse, and Recycling. General provisions are as follows:

- A. The Town Contract Manager and Contractor shall meet a minimum of one (1) time per calendar quarter to discuss services, outreach, and educational campaigns including any changes needed to the Contractor's existing outreach materials.
- B. Contractor shall distribute instructional information, public education, and promotion materials during any implementation of new or enhanced services. This shall entail, at a minimum, distributing program literature with delivery of Containers.
- C. All Town facilities shall receive any and all public education and outreach materials and services provided to Single-Family, Multi-Family, and Commercial Customers. Contractor shall provide all printed public education materials to Town offices and facilities to have available for the public that visits those facilities and shall replenish the materials as requested by the Town Contract Manager.
- D. In accordance with Section 4.7.E of the Agreement, Contractor shall develop and utilize corrective action notices that will also function as non-Collection and courtesy notices, and shall be utilized in clear instances of Customer non-compliance, or to notify Customers of extra charges. Contractor shall develop and maintain a system of keeping records of and following up with Customers who receive non-Collection notices during Collection of materials.
- E. Contractor shall make all printed (including online) public education and outreach materials (including all materials required by this Exhibit G) available in English and Spanish.

2. Staffing Plan and Staff Roles

To best achieve the highest possible level of public education and awareness, Contractor has proposed to employ one quarter (0.25) of one (1) full-time equivalent employee to coordinate and implement all public education and outreach activities required by this Agreement. The public education and outreach staff shall, at a minimum, perform the following tasks:

- A. Work to develop partnerships with and incorporate Town program and educational activities into Contractor activities, and vice versa;
- B. Prepare proposals and presentations to Town Council and staff upon request;
- C. Participate and represent Contractor in community activities;
- D. Oversee Customer satisfaction of all program services, as described in the Agreement;
- E. Ensure compliance with the Agreement and regulatory agencies having jurisdiction over Contractor's activities;

EXHIBIT G

PUBLIC EDUCATION AND OUTREACH

- F. Perform annual visits to identify the service needs of every Customer, other than Single-Family Customers, by conducting "Recycling opportunity assessments" of Customer locations and facilities, as requested and in conjunction with Town staff;
- G. Manage follow up Recycling opportunity assessments to conduct a more comprehensive investigation and educational process after the initial review;
- H. Helping plan service needs for Special Events and large venues with a focus on reducing the Disposal of materials resulting from such events or venues; and,
- I. Creating and distributing reports as required under this Agreement and/or requested by Town Contract Manager.

3. Sector-Specific Activities

The following tables present the public education and outreach activities to be performed by Contractor as minimum requirements under this Agreement.

{Remainder of page intentionally left blank}

EXHIBIT G

PUBLIC EDUCATION AND OUTREACH

Public Education and Outreach | All Sectors

The following general public education and outreach materials shall each be produced for the benefit of all Customer Types that receive Collection service from the Contractor.

Activity	Description	Distribution/Frequency
Truck-Side Advertising	Throughout the Term, the Town may develop truck-side advertising campaigns to educate the public about Contractor's programs under this Agreement. Town shall coordinate with Contractor to provide content, and Contractor shall produce and install the resulting truck-side signage for each side of each vehicle it operates in performing services under this Agreement.	Upon Town Request.
Website	Contractor shall prepare a section of its website where it will present Customers with a list of the services available to them under this Agreement, and "how-to" information for participating in Contractor-provided programs including proper Container set-outs. The website shall also provide service-related announcements such as messages about new or seasonal services, the on-call clean-up and Bulky Item pick-up services, proper handling of Household Hazardous Waste, etc., and links for additional resources.	At least thirty (30) days prior to Commencement Date. Updated no less than two (2) times per year.

EXHIBIT G
PUBLIC EDUCATION AND OUTREACH

Public Education and Outreach | Single-Family Education and Outreach Activities

Activity	Description	Distribution/Frequency
Corrective Action Notices – Single-Family	Contractor shall produce a Single-Family Customer oriented corrective action notice for use in instances where the Customer includes prohibited materials in a Container, fails to properly prepare or set-out Containers, or to notify Customers of extra charges in accordance with Section 4.7.E of the Agreement.	As needed, provided by email for all Customers who have elected to receive communications by email or via on-route tag for Customers who have declined email communication.
Seasonal Program Notifications – Single-Family	Contractor shall provide written notification to each Single-Family Customer advertising each seasonal or periodic program (e.g. holiday tree Collections). The notification shall inform Customers of the schedule, acceptable and prohibited materials, and set-out requirements for the program.	At least fourteen (14) days prior to event via email for all Customers who have elected to receive email communications, and via direct mail for all other Customers.
Program Announcements	On each notice provided to Customers, Contractor shall include a brief statement to Single-Family Customers providing service-related announcements such as messages about new services, the on-call clean-up and Bulky Item pick-up services, proper handling of Household Hazardous Waste, etc.	Included in Customer notice, which shall be provided by email for all Customers who have elected to receive communications by email.

EXHIBIT G
PUBLIC EDUCATION AND OUTREACH

Public Education and Outreach | Multi-Family Education and Outreach Activities

Activity	Description	Distribution/Frequency
Corrective Action Notices – Multi-Family	Contractor shall produce a Multi-Family Customer oriented corrective action notice for use in instances where the Customer includes prohibited materials in a Container, fails to properly prepare or set-out Containers, or to notify Customers of extra charges, in accordance with Section 4.7.E of the Agreement.	As needed, provided by email for all Customers who have elected to receive communications by email or via on-route tag for Customers who have declined email communication.
Seasonal Program Notifications – Multi-Family	Contractor shall provide written notification to each Multi-Family Customer advertising each seasonal or periodic program (e.g. holiday tree Collections). The notification shall inform Customers of the schedule, acceptable and prohibited materials, and set-out requirements for the program.	At least fourteen (14) days prior to event via email for all Customers who have elected to receive email communications, and via direct mail for all other Customers.
Program Announcements	On each bill or notice, Contractor shall include a brief statement to Multi-Family Customers providing service-related announcements such as messages about new services, the on-call clean-up and Bulky Item pick-up services, proper handling of Household Hazardous Waste, etc.	Included in Customer bill and/or notice, which shall be provided by email for all Customers who have elected to receive communications by email.

EXHIBIT G
PUBLIC EDUCATION AND OUTREACH

Activity	Description	Distribution/Frequency
Recycling Opportunity Assessments	Contractor shall coordinate with the Town Contract Manager and other related Town staff to assist the Town in conducting Recycling opportunity assessments wherein Contractor meets with the property manager of each Multi-Family Premises in the Town to promote Recyclable Materials and Organic Materials Collection, up to two (2) times per Multi Family Premises, as requested by Town Contract Manager. The assessments will consist of a visual waste assessment and evaluation (sorting waste by categories) of Mixed Waste, Recyclable Materials, and Organic Materials, and documentation (photos, written summary and classification of materials). Data will be used to illustrate increased opportunities for Diversion. Contractor will check the adequacy of the level of Recyclable Materials and Organic Materials service, verify Container and public area signage is adequate.	Upon Town request, up to two (2) times per Multi-Family Premises

EXHIBIT G PUBLIC EDUCATION AND OUTREACH

Public Education and Outreach | Commercial Education and Outreach Activities

Activity	Description	Distribution/Frequency
Corrective Action Notices – Commercial	Contractor shall produce a Commercial Customer oriented corrective action notice for use in instances where the Customer includes prohibited materials in a Container, fails to properly prepare or set-out Containers, or to notify Customers of extra charges in accordance with Section 4.7.E of the Agreement.	As needed.
Program Announcements	On each bill, Contractor shall include a brief statement to Commercial Customers providing service-related announcements such as messages about new services, the on-call clean-up and Bulky Item pick-up services, proper handling of Household Hazardous Waste, etc.	Included in Customer bill, which shall be provided by email for all Customers who have elected to receive communications by email.
Recycling Opportunity Assessments	Contractor shall coordinate with the Town Contract Manager and other related Town staff to assist in conducting Recycling opportunity assessments wherein Contractor meets with the manager of each Commercial Premises in the Town to promote Recyclable Materials and Organic Materials Collection, up to two (2) times per year per Commercial Premises, as requested by Town Contract Manager. The assessments will consist of a visual waste assessment and evaluation (sorting waste by categories) of Mixed Waste, Recyclable Materials, and Organic Materials, and documentation (photos, written summary and classification of materials). Data will be used to illustrate increased opportunities for Diversion. Contractor will check the adequacy of the level of Recyclable Materials and Organic Materials service, and verify Container and public area signage is adequate.	Upon Town request, up to two (2) times per year per Commercial Premises.

EXHIBIT G PUBLIC EDUCATION AND OUTREACH

Public Education and Outreach | Schools

The Town shall be primarily responsible for providing outreach to schools. Contractor shall not be required to perform the following activities unless requested to do so by the Town Contract Manager.

Description	Purpose	Distribution/Frequency
Technical Assistance	Provide on-going technical assistance to schools and the Town to improve existing school Recycling and Organic Materials programs.	At Town Request.
School Presentations	Cooperate with Town to develop and implement a curriculum and/or education resources to teach children how to Recycle and Compost at school and at home.	At Town Request.
Facility Tours	Promote, coordinate, and work with Approved Facility operators to conduct educational field trips to the Approved Facilities.	At Town Request, as reasonably possible due to availability of Approved Facilities.

**EXHIBIT H:
PERFORMANCE
STANDARDS AND
LIQUIDATED
DAMAGES**

EXHIBIT H

PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

The Town wishes to establish standards of performance under the Agreement in each of the five (5) "Performance Areas" listed below. Contractor may be assessed Liquidated Damages in the event Contractor fails to fulfill its obligations with regards to the events listed in this Exhibit in accordance with the terms and conditions of the Agreement, the time frame for accomplishing each event, and nature of the responsibility associated with the event unless otherwise stated in this Exhibit. Refer to Section 13.2 of the Agreement for procedures for assessing Liquidated Damages. Liquidated Damages, if assessed, shall only be assessed for the number of events, days, or other measure in excess of the acceptable performance level. The Parties acknowledge that conditions may arise during the Term of this Agreement that may cause the Town to require additional performance standards and Liquidated Damages. In such event the Contractor agrees to meet upon request from the Town Contract Manager to discuss service and/or performance concerns, and collaborate with Town to achieve a reasonable solution.

Defined Terms

Certain terms that are specific to this Exhibit are defined below:

"Complaint" shall mean each written or orally communicated statement made by any Person, whether to Town or Contractor, alleging: (1) non-performance, or deficiencies in Contractor's performance, of its duties under this Agreement; or, (2) a violation by Contractor of this Agreement.

"Service Opportunity" shall mean each individual scheduled opportunity the Contractor has to Collect from a Container at a Customer's location. For Can or Cart Customers, any number of Blue Bags placed for Collection shall equate to a single Service Opportunity each. For example, a Single-Family Customer which receives weekly Mixed Materials Collection service one (1) Mixed Materials Container, and places four (4) Blue Bags per week would have a total of two (2) Service Opportunities each week ([1 Container + 1 Blue Bag Collection Collection] x 1 time per week = 2 Service Opportunities). Collection of Blue Bags and Yellow Bags placed inside Mixed Materials Containers shall not be considered separate Service Opportunities. Service Opportunities shall be calculated based on the subscription levels presented in Contractor's most recent Quarterly Report to Town.

Performance Area: Service Quality and Reliability

Specific Performance Measure	Definition	Acceptable Performance Level	Liquidated Damage Amount
Missed Collections	Each Service Opportunity where Contractor fails to Collect a Container from a Customer who properly placed said Container for Collection.	Less than three (3) per one hundred (100) Service Opportunities	\$50/Event
Failure to Correct Missed Collections	Each "Missed Collection" as defined above which is not Collected by the end of the Business Day following the receipt of the Customer complaint about the Missed Collection.	No acceptable failure level	\$50/Event

EXHIBIT H

PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

Specific Performance Measure	Definition	Acceptable Performance Level	Liquidated Damage Amount
Failure to Clean-Up Spillage	Each failure by Contractor to clean up: (1) any items or materials spilled during the Collection of a Container; or, (2) any fluids spilled or leaked from a Container or Collection vehicle prior to leaving the Collection location.	Less than five (5) per one thousand (1,000) Service Opportunities	\$100/Event
Damage to Property	Each event of damage to either public or private property as a result of Collection activity, including without limitation curbs, sidewalks, landscapes, Container enclosures, Bear Sheds, gates, signs, light fixtures, and overhead wires and cables.	Less than two (2) per one thousand (1,000) Service Opportunities	\$250/Event
Excessive Noise or Discourteous Behavior	Each Complaint received that is related to either noise during Collection activity or the behavior of Contractor's employees.	Less than five (5) per one thousand (1,000) Service Opportunities	\$250/Event
Inaccurate Billing	Each Complaint received where the Contractor billed a Customer an inaccurate amount. Inaccurate billing may include either over- or under-charging of the Customer relative to the approved Rates for services.	Less than five (5) per one thousand (1,000) bills issued.	\$100/Event, up to \$1,000 for systemic billing errors.

Performance Area: Customer Service

Specific Performance Measure	Definition	Acceptable Performance Level	Liquidated Damage Amount
Failure to Commence Service	Any failure by Contractor to deliver a Container and/or begin providing Collection to a Customer, at the level of service requested by said Customer, within seven (7) calendar days of receiving such request. This may include a new Customer receiving new service or an existing Customer requesting a change in or addition to existing service levels.	Less than one (1) per one hundred (100) Service Requests	\$50/Event
Failure to Replace Container	Any failure by Contractor to replace a damaged or defaced Container within seven (7) calendar days of receiving such a request from a Customer.	No acceptable failure level	\$50/Event

EXHIBIT H

PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

Specific Performance Measure	Definition	Acceptable Performance Level	Liquidated Damage Amount
Failure to Resolve Complaint	Any failure by Contractor to resolve or remedy a Complaint within seven (7) calendar days of receiving such Complaint.	Less than one (1) per one hundred (100) Complaints	\$100/Event
Failure to Answer Phones	Any failure by Contractor to answer a telephone call from a Customer during normal business hours. A call is not considered to be answered if the Customer does not speak with a live operator. A call is considered to be answered if the Customer hangs-up or abandons the call following a hold time of less than three (3) minutes.	Less than five (5) per one thousand (1,000) calls received under this Agreement	\$50/Event
Excessive Call Center Hold Time	Each occurrence of a call being placed "on hold" for more than three (3) minutes.	Less than two (2) per one thousand (1,000) calls received under this Agreement	\$50/Event
Unauthorized Hours of Operation	Each occurrence of Contractor Collecting from Customers during unauthorized hours.	Less than two (2) per one thousand (1,000) Service Opportunities	\$50/Event

Performance Area: Education and Outreach

Specific Performance Measure	Definition	Acceptable Performance Level	Liquidated Damage Amount
Failure to Perform Education and Outreach Activities	Each individual failure by Contractor to develop, produce, and distribute public education material or perform outreach activities in the form and manner required under Exhibit G to this Agreement.	No acceptable failure level	\$500/Activity
Failure to Provide Recycling Opportunity Assessments	Each individual failure to provide Recycling opportunity assessments in the manner required under Exhibit G to this Agreement.	No acceptable failure level	\$50/Customer

EXHIBIT H

PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

Performance Area: Facilities

Specific Performance Measure	Definition	Acceptable Performance Level	Liquidated Damage Amount
Delivery to Non-Approved Facility	Each individual occurrence of delivering materials to a facility other than the Approved Facility designated for each material type under Section 5 of this Agreement.	No acceptable failure level	\$100/Ton
Disposal Without Processing	Each individual occurrence of delivering Mixed Materials, Recyclable Materials, Organic Materials, C&D, or Bulky Items set out for Collection by the Customer for Disposal without prior Processing.	No acceptable failure level	\$500/Ton
Mixing Materials During Collection	Each individual Container that is Collected by Contractor in a vehicle intended or designated for the purpose of Collecting a different material type (e.g. Recyclable Materials Collected in Mixed Materials vehicle, Mixed Materials Collected in Organic Materials vehicle, etc.)	No acceptable failure level	\$100/Container

Performance Area: Reporting

Specific Performance Measure	Definition	Acceptable Performance Level	Liquidated Damage Amount
Late Report	Each occurrence of a report, as required under Exhibit D to this Agreement, being submitted after the due date. Reports shall be considered late until they are submitted in a complete and accurate format.	Less than seven (7) calendar days after report due date or notification of incomplete report	\$250/Day
Failure to Maintain or Provide Access to Records	Each occurrence of Town Contract Manager requesting information required to be maintained by Contractor where Contractor fails to provide such information.	Less than seven (7) calendar days after report due date	\$500/Event

EXHIBIT H

PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

Specific Performance Measure	Definition	Acceptable Performance Level	Liquidated Damage Amount
Inaccurate Reporting	Each occurrence of Contractor providing inaccurate information or reporting to Town under or in regard to this Agreement. Typographical, cell reference, mathematical, and/or logic errors shall not be considered legitimate excuses from this requirement, nor shall ignorance. Errors self-reported and corrected in a timely manner by the Contractor will not be subject to be defined as "Inaccurate Reporting".	No acceptable failure level	\$500/Event

By placing each Party's designee's initials at the places provided, each Party specifically confirms the accuracy of the statements made above and the fact that each Party has had ample opportunity to consult with legal counsel and obtain an explanation of Liquidated Damage provisions of the time that the Agreement was made.

Contractor

Town

Initial Here: _____

Initial Here: _____

EXHIBIT I:
SAMPLE FRANCHISE
FEE CALCULATION

EXHIBIT I

SAMPLE FRANCHISE FEE CALCULATION

The Contractor shall pay Franchise Fees equaling a Town-approved percentage of Gross Receipts in accordance with Section 10.1.B of the Agreement. The following sample invoices depict how Franchise Fees and other fees will be calculated and transmitted between the Town and Contractor.

{Remainder of page intentionally left blank}

EXHIBIT I

SAMPLE FRANCHISE FEE CALCULATION

Example 1 – Sample Quarterly Invoice:



Tahoe Truckee Sierra Disposal

P O. Box 135 ~ Tahoe City, CA 96145-0135 ~ Ph: (530) 583-7800 ~ Fax: (530) 583-0804

October 31, 2018

Town of Truckee
Kim Szczurek, Administrative Services
10183 Truckee Airport Road
Truckee, CA 96161-3306

RE. Quarterly Franchise Fee Payment

Period Ending 9/30/2018

Date Remitted 10/31/2018

Dear Kim:

Enclosed is a check for payment of collection fees due to the Town of Truckee for the quarter ending September 30, 2018. Total amounts for the period calculate as follows:

Line of Business:	Gross Revenue	Applicable Franchise Fee	Franchise Fee Amount
Residential Services:			
Residential Base Service on taxes	\$ 928,800.00	5.0%	
Residential Base Service not on taxes	\$ 20,000.00	5.0%	\$ 1,000.00
Supplemental/Extra Residential Service	\$ 75,000.00	5.0%	\$ 3,750.00
Greenwaste-only 6-yd. dumpsters	\$ 14,000.00	5.0%	\$ 700.00
Multi-Family Subscription Service	\$ 3,000.00	5.0%	\$ 150.00
Commercial Services			
Commercial MSW Service	\$ 600,000.00	5.0%	\$ 30,000.00
Commercial Cardboard Service	\$ 12,500.00	5.0%	\$ 625.00
Commercial Food Scraps (target start date 1/1/19)	\$ 22,500.00	5.0%	\$ 1,125.00
Debris Box & Roll-off Service	\$ 200,000.00	5.0%	\$ 10,000.00
Nontaxable Revenues	\$ 20,000.00	0.0%	\$ -
Total	\$ 1,895,800.00		\$ 47,350.00
Plus: Commercial AB939 Fee - Quarterly Amount Due:			\$ 18,000.00
Plus: Commercial Admin Fee (# of accounts billed per month x \$3.25)			\$ 5,000.00
Plus: TTSD Collected Residential Admin Fee (# of accounts x \$3.25)			\$ 500.00
Total Remittance:			\$ 70,850.00

Please call me at (530) 583-7805 if you have any questions in this regard.

Sincerely,

Kelli Hare
Accountant

EXHIBIT I

SAMPLE FRANCHISE FEE CALCULATION

Example 2 – Sample Monthly Invoice:



Tahoe Truckee Sierra Disposal

P O. Box 135 ~ Tahoe City, CA 96145-0135 ~ Ph: (530) 583-7800 ~ Fax: (530) 583-0804

Town of Truckee
Kim Szczurek, Administrative Services
10183 Truckee Airport Road
Truckee, CA 96161-3306

Invoice Date: 07/01/18

Invoice Due Date: 07/20/18

Month of Service July 2018

Account Number: 166553

Residential Base Service Collection Invoice

Invoicing details for the month of July 2018 are displayed below.

Residential Single-Family Parcel Charges	Per Parcel Annual	Months Per Year	Per Parcel Monthly	Parcel Count	Monthly Amount Due to TTSD
Total Collected via Prop Taxes	\$ 348.60	12	\$ 29.05	12,000	\$ 348,600.00
less: Administrative Fee	\$ 39.00	12	\$ 3.25	12,000	\$ (39,000.00)
net total revenues					\$ 309,600.00
Less: Franchise Fee	5%				\$ (15,480.00)
Monthly Amount due: Residential Single-Family Services					\$ 294,120.00

Please remit the total due to Tahoe Truckee Sierra Disposal, PO Box 135, Tahoe City, CA 96145.

Please call me at (530) 583-7805 if you have any questions in this regard.

Sincerely,

Kelli Hare
Accountant

**EXHIBIT J:
SCHEDULE OF
SPECIAL
CONDITIONS FOR
CUSTOMERS**

EXHIBIT J

SCHEDULE OF SPECIAL CONDITIONS FOR CUSTOMERS

TTSD - Town of Truckee Trip Fee Rate Matrix

Total Monthly Standard Trip Fee Rate - '18-'19 \$ 14.60

Trip Fee by Foot:

Distance Traveled from Curb:

28-55
55-80
80-105
Each Additional 25 feet walking **

Distance Zone	Difficulty Factor *		
	1.00	1.50	2.00
1	\$ 14.60	\$ 21.90	\$ 29.20
2	\$ 29.20	\$ 43.80	\$ 58.40
3	\$ 43.80	\$ 65.70	\$ 87.60
4+	\$ 14.60	\$ 21.90	\$ 29.20

Note: Extra garbage requiring additional trips will be charged incrementally, proportionate to the number of additional trips required.

Trip Fee by Vehicle:

Distance Traveled from Curb: ***

28-150
150-275
275-400
Each Additional 125 feet by vehicle **

Distance Zone	Difficulty Factor *		
	1.00	1.50	2.00
1	\$ 14.60	\$ 21.90	\$ 29.20
2	\$ 29.20	\$ 43.80	\$ 58.40
3	\$ 43.80	\$ 65.70	\$ 87.60
4+	\$ 14.60	\$ 21.90	\$ 29.20

* Considerations in determining the applicable difficulty factor include, but are not limited to, the following:

Gates, Stairs, Steepness of grade, Narrow Drive (no turn-around), Road condition (unpaved, etc.), Special Enclosures, Blocked Access, Seasonal conditions, Special Requests.

** TTSD may, though is not required, to provide service beyond the individual distance categories specified.

*** Adjacent customers on shared driveways actively subscribing to trip fee service may request to reduce the distance measured to be from nearest active trip fee end-point, instead of the total measured distance from public roadway.

TTSD may charge up to the amounts above; in certain cases, TTSD may lower the actual rates charged to reflect ease of access considerations or to meet competition, at TTSD's discretion. TTSD is not obligated to provide distance service in situations deemed by TTSD to be unsafe and/or impractical to service.

Additional Terms of Service:

By subscribing to service, customer grants access over its property and indemnifies TTSD from any damage to surfaces incurred in the normal course of trash service operations, including delivering, servicing and retrieving. Customer indemnifies TTSD for any damage to asphalt, concrete, brick, wood or earthen driveways, pads, roadways or other surfaces where garbage is placed or removed, including damages resulting from truck weights. TTSD relies on customer's proper containerization of waste, including any liquids and semi-solids, and so bears no responsibility for leaks caused by such items improperly placed in garbage. Company may require a signed release & waiver as condition of providing service. Pets must be tethered.

**EXHIBIT K:
WEIGHT LIMITS BY
CONTAINER TYPE**

EXHIBIT K

WEIGHT LIMITS BY CONTAINER TYPE

Applicable weight limits are described in pounds (LBS), by container size in the following chart:

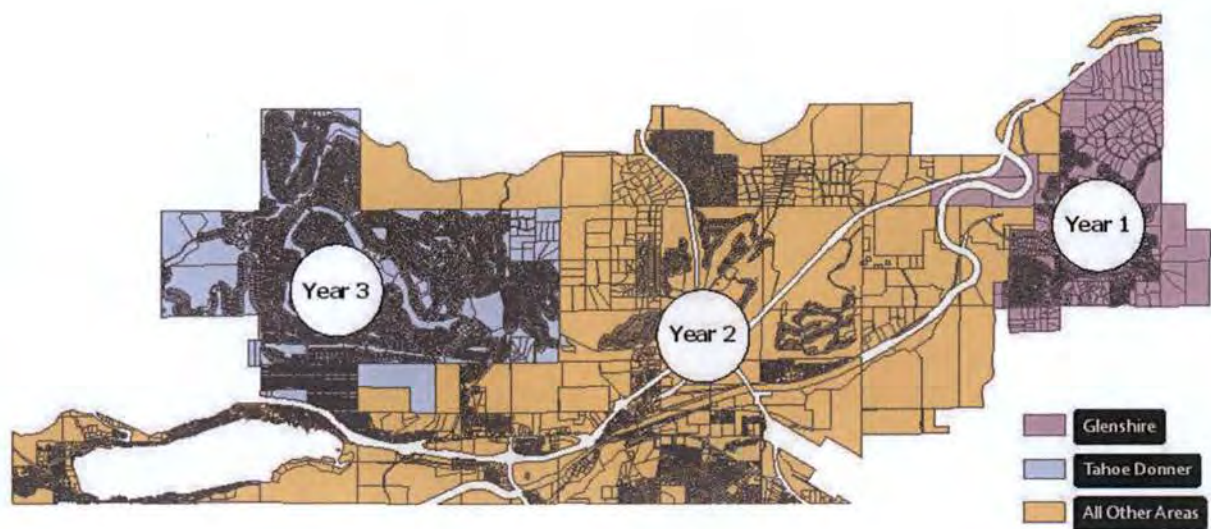
Container Type	Container Size/Item	Weight Limit (LBS)
Bag	Blue Bag (30Gal)	40
Bag	Yellow Bag (30Gal)	40
Bag or Box	Extra (Bag, Box, Etc...)	40
Can	32 Gallon Can	51
Cart	32 Gallon Cart	60
Cart	64 Gallon Cart	200
Cart	96 Gallon Cart	300
Bin	2yd Bin	2,000
Bin	3yd Bin	2,000
Bin	4yd Bin	2,000
Bin	6yd Bin	2,000
Roll-off	10yd Rock Box	14,000
Roll-off	20yd Drop Box	8,000
Roll-off	30yd Drop Box	10,000
Per Item	Bulky Item	200

Containers or items deemed overweight may be Collected and the applicable overweight charges issued. The Contractor shall maintain the right for non-Collection for any overweight Containers or items. It is the Customer's responsibility for unloading excess material for safe Collection and Transport.

**EXHIBIT L:
MAP OF SERVICE
AREAS FOR
CONTAINERIZED
RECYCLABLES
IMPLEMENTATION**

EXHIBIT L
MAP OF SERVICE AREAS FOR CONTAINERIZED RECYCLABLES IMPLEMENTATION

NEW TRASH AND RECYCLING SERVICES ROLL OUT



**EXHIBIT M:
RATE APPLICATION
FORMS TEMPLATE**

EXHIBIT M

RATE APPLICATION FORMS TEMPLATE

		Containerized Recyclables Collection - Glenshire	Containerized Recyclables Collection - TD	Containerized Recyclables Collection - ROT	Containerized Yard Trimming Collection	Yard Trimmings Bin Rental @ 2K	Bulky Item Collection	Commercial Containerized Food Scraps Collection
ENHANCED SERVICES COSTS								
Labor-Related Costs (include regular & pool personnel)								
Regular Wages								
Overtime Wages								
Holiday Wages								
Vacation Wages								
Sick Leave Wages								
Workers Compensation Insurance Premiums								
Workers Compensation Claims								
Health & Welfare								
Pension/ Retirement Benefits								
Payroll Taxes								
Other (boots, gloves & ear plugs)								
Total Labor-Related Costs								
Vehicle-Related Costs (do not include depreciation)								
Tires & Tubes								
Parts & Supplies (fluid, oil, etc.)								
Outside Repairs								
Taxes & Licenses								
Other (Please List) - Vehicle Insurance								
Total Vehicle-Related Costs								
Fuel Costs								
Other Costs								
Liability & Property Damage Insurance								
Equipment Insurance								
Training & Safety Programs								
Uniforms								
Outreach Printing & Postage								
Printed Forms								
Licenses & Fees								
Outside Services								
Total Other Costs								
Direct Depreciation								
Container Depreciation								
Route Vehicle Depreciation								
Other Depreciation								
Total Direct Depreciation								
Allocated Costs - Labor, Vehicle, Fuel & Other Costs								
From General and Administrative (68)								
From Vehicle Maintenance (68)								
From Container Maintenance (68)								
Total Allocated Costs - Labor, Vehicle, Fuel & Other Costs								
Start-Up Costs and Allocated Depreciation								
Depreciation From General and Administrative (68)								
Depreciation From Vehicle Maintenance (68)								
Depreciation From Container Maintenance (68)								
Total Start-Up Costs and Allocated Depreciation								
Total Annual Cost of Operations								
Profit (Enter % Operating Ratio i.e. 95%)								
Pass-Through Costs								
Disposal Cost								
Net Processing Costs								
Net Yard Trimmings Materials Processing Costs *								
Net Recyclable Materials Processing Costs								
Net Food Scraps Materials Processing Costs								
Net C&D Materials Processing Costs								
Total Net Processing Costs								
Interest Expense								
Direct Lease Costs								
Route Vehicles								
Other (Please List)								
Total Direct Lease Costs								
Allocated Lease Costs								
From General and Administrative (68)								
From Vehicle Maintenance (68)								
From Container Maintenance (68)								
Total Allocated Lease Costs								
Total Pass-Through Costs								
Total Costs Before Town Fees								
Cost Reductions to Base Services (if any) *								
Net Costs Before Town Fees								

*Cost reductions may include costs for fewer mixed materials route and labor hours, avoided disposal costs, etc. Please include value as a negative amount.

EXHIBIT M

RATE APPLICATION FORMS TEMPLATE

Form continued from previous page

		Commercial Cardboard	Recyclables Drop-off Facility	Commercial Mixed Recycling Carts 1x	Inc. Comm Mixed Recycling Cart Avail Freq. from 1x up to 3x	Inc. Comm MSW Cart Avail Freq. from 1x up to 3x	TOTAL
ENHANCED SERVICES COSTS							
Labor-Related Costs (include regular & pool personnel)							
Regular Wages							
Overtime Wages							
Holiday Wages							
Vacation Wages							
Sick Leave Wages							
Workers Compensation Insurance Premiums							
Workers Compensation Claims							
Health & Welfare							
Pension / Retirement Benefits							
Payroll Taxes							
Other (boots, gloves & ear plugs)							
Total Labor Related Costs							
Vehicle-Related Costs (do not include depreciation)							
Tires & Tubes							
Parts & Supplies (fluid, oil, etc.)							
Outside Repairs							
Taxes & Licenses							
Other (Please List) - Vehicle Insurance							
Total Vehicle-Related Costs							
Fuel Costs							
Other Costs							
Liability & Property Damage Insurance							
Equipment Insurance							
Training & Safety Programs							
Uniforms							
Outreach Printing & Postage							
Printed Forms							
Licenses & Fees							
Outside Services							
Total Other Costs							
Direct Depreciation							
Container Depreciation							
Route Vehicle Depreciation							
Other Depreciation							
Total Direct Depreciation							
Allocated Costs - Labor, Vehicle, Fuel & Other Costs							
From General and Administrative (68)							
From Vehicle Maintenance (68)							
From Container Maintenance (68)							
Total Allocated Costs - Labor, Vehicle, Fuel & Other Costs							
Start-Up Costs and Allocated Depreciation							
Depreciation From General and Administrative (68)							
Depreciation From Vehicle Maintenance (68)							
Depreciation From Container Maintenance (68)							
Total Start-Up Costs and Allocated Depreciation							
Total Annual Cost of Operations							
Profit (Enter % Operating Ratio; i.e. 95%)							
Pass-Through Costs							
Disposal Cost							
Net Processing Costs							
Net Yard Trimmings Materials Processing Costs *							
Net Recyclable Materials Processing Costs							
Net Food Scraps Materials Processing Costs							
Net C&D Materials Processing Costs							
Total Net Processing Costs							
Interest Expense							
Direct Lease Costs							
Route Vehicles							
Other (Please List)							
Total Direct Lease Costs							
Allocated Lease Costs							
From General and Administrative (68)							
From Vehicle Maintenance (68)							
From Container Maintenance (68)							
Total Allocated Lease Costs							
Total Pass-Through Costs							
Total Costs Before Town Fees							
Cost Reductions to Rate Services (if any)*							
Net Costs Before Town Fees							
*Cost reductions may include costs for fewer mixed materials route and labor hours, avoided disposal costs, etc. Please include value as a negative amount.							