



BILL NO. B-25

ORDINANCE NO. 2012-26

AN ORDINANCE OF THE CITY OF FRESNO, CALIFORNIA, WHICH GRANTS TO MID VALLEY DISPOSAL (MID VALLEY), AN EXCLUSIVE FRANCHISE FOR THE COLLECTION OF RESIDENTIAL SOLID WASTE, RECYCLABLE MATERIALS, AND ORGANIC MATERIALS WITHIN THE CITY OF FRESNO

THE COUNCIL OF THE CITY OF FRESNO (THE "CITY") DOES ORDAIN AS FOLLOWS:

SECTION 1. This Ordinance effectuates the terms and conditions set forth in the form of the Franchise Documents executed by the City and Mid Valley Disposal (Mid Valley).

SECTION 2. Whenever in this ordinance the words or phrases hereinafter in this section defined are used, they shall have the respective meanings assigned to them in the following definitions; and words or phrases not hereinafter in this section defined, but which are defined in any Franchise Document, as herein defined, shall have the same meanings herein, as so defined in such Franchise Documents (unless, in the given instance, the context wherein they are used shall clearly import a different meaning):

- (a) "Contractor" shall mean Mid Valley.
- (b) "Franchise Documents" shall mean and shall include all of the following:
 - (1) Article XIII of the Charter of the City of Fresno.
 - (2) Chapter 6, Article 2, of the Fresno Municipal Code.
 - (3) The Franchise Agreement for Residential Solid Waste, Recyclable Materials, and Organic Materials.
 - (4) The written acceptance of the granting of an Exclusive Franchise to Contractor.
 - (5) Resolution No. 2012-216, Resolution of Intention to Grant a Franchise to Mid Valley.
 - (6) This Ordinance.

Date Adopted: 12/20/2012
Date Approved: 12/20/2012
Effective Date: 1/20/2013

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Ordinance granting Mid Valley Disposal
An Exclusive Franchise for the Collection
of Residential Solid Waste

Ordinance No. 2012-26



(7) Any and all documents which are referred to, defined, or described in any of the foregoing as "Franchise Documents."

(c) "Franchise Fee" shall mean the fee paid by the Contractor to the City for the privilege to hold the exclusive rights granted by the Franchise Agreement and as defined within Provision 10.1 of the Exclusive Franchise Agreement.

SECTION 3. Exclusive Franchise authorizing and permitting the Contractor to do all things described by the Franchise Documents is hereby granted to Mid Valley.

SECTION 4. The term of the Exclusive Franchise Agreement shall be expressly stated in Exhibit "A" which is hereby incorporated by reference.

SECTION 5. Contractor shall pay to the City all franchise fees and other fees that are due and payable pursuant to the Franchise Agreement.

SECTION 6. EFFECTIVE DATE. This ordinance shall become effective and in full force and effect at 12:01 a.m., on the thirty-first day after its final passage.

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* * * * *

STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
CITY OF FRESNO)

I, YVONNE SPENCE, City Clerk of the City of Fresno, certify that the foregoing ordinance was adopted by the Council of the City of Fresno, at a regular meeting held on the 20th day of December, 2012.

AYES : Borgeas, Brand, Westerlund, Olivier
NOES : Baines, Quintero, Xiong
ABSENT : None
ABSTAIN : None

Mayor Approval: Ashley Sweany December 20, 2012
Mayor Approval/No Return: N/A, 2012
Mayor Veto: N/A, 2012
Council Override Vote: N/A, 2012

YVONNE SPENCE, CMC
City Clerk

BY Yvonne Spence
Deputy

APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE

BY David P. Hale
Chief Assistant

Rev. 11/29/12



December 20, 2012

Council Adoption: 12/20/2012
Mayor Approval:
Mayor Veto:
Override Request:

TO: MAYOR ASHLEY SWEARENGIN
FROM: YVONNE SPENCE, CMC
City Clerk

SUBJECT: TRANSMITTAL OF COUNCIL ACTION FOR APPROVAL OR VETO

At the Council meeting of 12/20/12, Council adopted the attached Ordinance No. 2012-26 entitled to **Grant Mid Valley Disposal an Exclusive Franchise for the Collection of Residential Solid Waste Recyclable Materials, and Organic Materials within the City of Fresno** Item No. 5:00 PM, by the following vote:

Ayes : Borgeas, Brand, Westerlund, Olivier
Noes : Baines, Xiong, Quintero
Absent : None
Abstain : None

Please indicate either your formal approval or veto by completing the following sections and executing and dating your action. Please file the completed memo with the Clerk's office on or before January 2, 2013. In computing the ten day period required by Charter, the first day has been excluded and the tenth day has been included unless the 10th day is a Saturday, Sunday, or holiday, in which case it has also been excluded. Failure to file this memo with the Clerk's office within the required time limit shall constitute approval of the ordinance, resolution or action, and it shall take effect without the Mayor's signed approval.

Thank you.

APPROVED/NO RETURN: _____

VETOED for the following reasons: (Written objections are required by Charter; attach additional sheets if necessary.)


Ashley Swearengin, Mayor

Date: 12/20/12

COUNCIL OVERRIDE ACTION:

Date: _____

Ayes :
Noes :
Absent :
Abstain :



FRANCHISE AGREEMENT

BETWEEN

THE CITY OF FRESNO

AND

MID VALLEY DISPOSAL

FOR

**RESIDENTIAL SOLID WASTE,
RECYCLABLE MATERIALS, AND
ORGANIC MATERIALS SERVICES**

DECEMBER 13, 2012



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- C Contractor's Proposal
- D Implementation Plan
- E City-Approved Subcontractors
- F Public Education and Community Outreach Programs
- G Schedule of Liquidated Damages
- H City-Approved Maximum Permissible Customer Rates
- I Sample Reporting Forms
- J Intentionally Deleted
- K Contractor's Faithful Performance Bond
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- M Cost-Based Rate Adjustment Methodology



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1 **FRANCHISE AGREEMENT**

2 **BETWEEN**

3 **THE CITY OF FRESNO**

4 **AND**

5 **MID VALLEY DISPOSAL**

6 **RESIDENTIAL SOLID WASTE, RECYCLABLE MATERIALS, AND**

7 **ORGANIC MATERIALS SERVICES**

8 **CITY-WIDE**

9
10 THIS FRANCHISE AGREEMENT is made and entered into as of December 13, 2012, by and
11 between the City of Fresno, a municipal corporation ("City"), and Mid Valley Disposal, Inc.
12 ("Contractor").

13
14 **RECITALS**

15
16 This Agreement is entered into with reference to the following facts and circumstances:

17
18 **WHEREAS;** the Legislature of the State of California (the "State"), by enactment of the
19 California Integrated Waste Management Act of 1989 ("Act") and subsequent additions and
20 amendments (codified at California Public Resources Code Section 40000 et seq.), has declared
21 that it is in the public interest to authorize and require local agencies to make adequate provisions
22 for Solid Waste Collection within their jurisdiction; and,

23
24 **WHEREAS;** the Legislature has found and declared that the amount of Solid Waste generated in
25 the State, coupled with diminishing landfill space and potential adverse environmental impacts
26 from landfilling and the need to conserve natural resources, have created an urgent need for State
27 and local agencies to enact and implement an aggressive integrated waste management program.
28 The State has, through enactment of the Act, directed the responsible State agency, and all local
29 agencies, to promote diversion of materials from landfill Disposal and to maximize the use of
30 feasible waste reduction, re-use, Recycling, and Composting options in order to reduce the
31 amount of Solid Waste that must be Disposed; and,

32
33 **WHEREAS;** pursuant to the powers granted the City as a charter city by Article XI, Section 5(a)
34 of the California Constitution and Article XIII of the Fresno City Charter, the City has
35 determined that the public health, safety, and well-being require that an exclusive right be
36 awarded to a qualified contractor to provide for the Collection of Solid Waste, Recyclable
37 Materials, and Organic Materials generated by Residential Premises, except for Collection of
38 materials excluded in the City's Municipal Code, and other services related to meeting the Act's
39 fifty percent (50%) diversion goal and other requirements of the Act; and,

40
41 **WHEREAS;** pursuant to Article XIII of the Fresno City Charter, as implemented by Article 2 of
42 Chapter 6 of the City's Municipal Code, the City has the authority to provide for the Collection



1 and Disposal of Solid Waste through a franchise agreement with a Solid Waste Collection
2 provider; and

3
4 **WHEREAS;** the City has conducted a competitive request for proposals process to solicit the
5 best value proposal for providing services under this Agreement and Contractor was selected
6 through that process; and

7
8 **WHEREAS;** the City Council has determined, based on its investigation of the Contractor's past
9 performance, that Contractor, by demonstrated experience, reputation and capacity, is qualified
10 to perform Collection of Solid Waste, Recyclable Materials, and Organic Materials within the
11 corporate limits of the City, and the Transportation of such material to appropriate places of
12 Processing, Recycling, Composting, and/or Disposal; and City Council desires that Contractor be
13 engaged to perform such services on the basis set forth in this Agreement; and

14
15 **WHEREAS,** this Agreement has been developed by and is satisfactory to the Parties,

16
17 **NOW, THEREFORE,** in consideration of the mutual promises, covenants, and conditions
18 contained in this Agreement and for other good and valuable consideration, the Parties agree as
19 follows:

20
21 **ARTICLE 1.**
22 **DEFINITIONS**

23
24 For purposes of this Agreement, unless a different meaning is clearly required, the following
25 words and phrases shall have the following meanings respectively ascribed to them by this
26 Article and shall be capitalized throughout this Agreement. When not inconsistent with the
27 context, words and phrases used in the present tense include the future, and words and phrases
28 used in the singular number include the plural number.

29
30 **"Act"** means the California Integrated Waste Management Act of 1989 (Division 30 of the
31 California Public Resources Code), as amended, supplemented, superseded, and replaced from
32 time to time.

33
34 **"Affiliate"** means all businesses (including corporations, limited liability corporations, limited
35 and general partnerships and sole proprietorships) which are directly or indirectly related to
36 Contractor by virtue of direct or indirect Ownership interest or common management. An
37 Affiliate shall include a business in which Contractor has a direct or indirect Ownership interest,
38 a business that has a direct or indirect Ownership interest in Contractor, and/or a business that is
39 also Owned, controlled or managed by any business or individual, which has a direct or indirect
40 Ownership interest in Contractor. For the purposes of this definition, "Ownership" means
41 ownership as defined in the constructive ownership provisions of Section 318(a) of the Internal
42 Revenue Code of 1986, as in effect on the date here, provided that 10 percent shall be substituted
43 for 50 percent in Section 318(a)(2)(C) and in Section 318(a)(3)(C) thereof; and Section
44 318(a)(5)(C) shall be disregarded. For purposes of determining Ownership under this paragraph
45 and constructive or indirect ownership under Section 318(a), Ownership interest of less than ten
46 percent (10%) shall be disregarded and percentage interests shall be determined on the basis of



1 the percentage of voting interest of value which the ownership interest represents, whichever is
2 greater.

3
4 **“Agreement”** means this Agreement between the City and Mid Valley Disposal, Inc. for
5 Residential Solid Waste, Recyclable Materials, and Organic Materials Services in the City,
6 including all Exhibits, and any future amendments hereto.

7
8 **“Alternative Daily Cover”** or **“ADC”** means cover material used to cover compacted Solid
9 Wastes in a Disposal Site other than Organic Materials and other than at least six (6) inches of
10 earthen material, placed on the surface of the active face of the refuse fill area at the end of each
11 operating day to control vectors, fires, odors, blowing litter, and scavenging, as defined in
12 California Code of Regulations Title 27, Section 20690.

13
14 **“Applicable Law”** means all Federal, State, and local laws, regulations, rules, orders,
15 judgments, degrees, permits, approvals, or other requirement of any governmental agency having
16 jurisdiction over the Collection, Transportation, Processing, and Disposal of Solid Waste,
17 Recyclable Materials, and Organic Materials that are in force on the Effective Date and as they
18 may be enacted, issued or amended during the Term of this Agreement.

19
20 **“Approved Organic Materials Processing Site”** means any of the following facilities: 1) Mid
21 Valley Disposal Recycling and Transfer Station located at 15300 West Jensen Avenue, Kerman,
22 California; 2) Green Valley Recycling located at 2365 East North Avenue, Fresno, California; or,
23 3) West Coast Waste located at 3077 South Golden State Frontage Road, Fresno California all of
24 which have been approved by the City Contract Manager.

25
26 **“Approved Recyclable Materials Processing Site”** means any of the following facilities: 1)
27 Mid Valley Disposal Recycling and Transfer Station located at 15300 West Jensen Avenue,
28 Kerman, California; 2) Sunset Waste Paper MRF located at 2721 South Elm Avenue, Fresno,
29 CA 93706; 3) Cedar Avenue Recycling and Transfer Station located at 3457 South Cedar
30 Avenue, Fresno, California; and, 3) Waste Management Tulare County MRF located at 26951
31 Road 140, Visalia, California all of which have been approved by the City Contract Manager.

32
33 **“Billings”** means any and all statements of charges for services rendered, howsoever made,
34 described or designated by Contractor, or made by other for City or Contractor, presented to
35 Customers served by Contractor for the Collection of Solid Waste, Recyclable Materials, and
36 Organic Materials in the City.

37
38 **“Bulky Items”** means large discarded items including, but not limited to, major appliances,
39 furniture, carpets, mattresses, and other oversize materials whose large size precludes or
40 complicates their handling by normal Collection, Processing, or Disposal methods, but can be
41 Collected without the assistance of special loading equipment (such as forklifts or cranes) and
42 without violating Collection vehicle legal load limits. Bulky Items do not include abandoned
43 automobiles, large auto parts, or trees.

44
45 **“Business Days”** mean days during which City offices are open to do business with the public.
46



1 "Cart" means a rigid plastic container with a hinged lid and wheels with capacity of up to
2 ninety-six (96) gallons.

3
4 "CERCLA" means the Comprehensive Environmental Response, Compensation and Liability
5 Act of 1980, 42 USC §9601 et seq.

6
7 "Change in Law" means any of the following events or conditions which has a material and
8 adverse effect on the performance by the Parties of their respective obligations under this
9 Agreement (except for payment obligations):

- 10
11 a. The enactment, adoption, promulgation, issuance, modification, or written change in
12 administrative or judicial interpretation on or after the effective date of any
13 Applicable Law; or
14
15 b. The order or judgment of any governmental body, on or after the Effective Date, to
16 the extent such order or judgment is not the result of willful or negligent action, error
17 or omission or lack of reasonable diligence or of the Contractor, whichever is
18 asserting the occurrence of a Change in Law. The contesting in good faith or the
19 failure in good faith to contest any such order or judgment shall not constitute or be
20 construed as such a willful or negligent action, error or omission or lack of
21 reasonable diligence.

22
23 "City" means the City of Fresno, a municipal corporation, and all the territory lying within the
24 municipal boundaries of the City as presently existing or as such, boundaries may be modified
25 during the Term.

26
27 "City Contract Manager" means the City's Solid Waste Manager or their designee. The Solid
28 Waste Manager may designate certain individuals or agents of the City as the City Contract
29 Manager for specific issues, projects, or requirements. In the event of a dispute between a
30 designee and Contractor, the Solid Waste Manager's determination shall be final. In the event
31 that the "Solid Waste Manager" position is eliminated or reclassified, City Manager or their
32 designee shall notify Contractor of the appropriate replacement title or individual.

33
34 "City's Municipal Code" means the City of Fresno Municipal Code.

35
36 "Collection" (or variation thereof) means the act of collecting Solid Waste, Recyclable
37 Materials, Organic Materials, and other material at the place of generation.

38
39 "Commencement Date" means the date specified in Section 3.1.

40
41 "Commercial" shall mean of, from, or pertaining to non-Residential Premises where business
42 activity is conducted, including, but not limited to, retail sales, services, wholesale operations,
43 manufacturing, charity, and Industrial operations, but excluding businesses conducted upon
44 Residential property which are permitted under applicable zoning regulations and are not the
45 primary use of the property.

46



- 1 **“Commingled”** means a mix of Recyclable Materials.
2
- 3 **“Complaint”** means written or orally communicated statements made by members of the public,
4 Customers, Owners, or Occupants of properties served by Contractor, or officers, employees or
5 agents of City alleging non-performance or deficiencies in Contractor’s performance, or
6 otherwise alleging a violation by Contractor of the provisions of this Agreement.
7
- 8 **“Composting”** or **“Compost”** includes a controlled biological decomposition of Organic
9 Materials yielding a safe and nuisance free Compost Product.
10
- 11 **“Compost Product”** means the product resulting from the controlled biological decomposition
12 of Organic Materials that are Source Separated from the Solid Waste stream, or which are
13 separated at a centralized facility.
14
- 15 **“Contract Management and Enforcement Fee”** means the fee paid by the Contractor to the
16 City to reimburse the City’s costs of monitoring and enforcing the provisions of this Agreement,
17 both relating to Contractor’s obligations and Customers’ activities.
18
- 19 **“Construction and Demolition Debris** or **“C&D”** includes discarded building materials,
20 packaging, and rubble resulting from construction, remodeling, repair or demolition operations
21 on any pavements, houses, Commercial buildings, or other structures.
22
- 23 **“Contaminants”** means those chemicals, waste, or other materials that render normally
24 Recyclable Materials and/or Organic Materials unusable or cause them to lose their market
25 value.
26
- 27 **“Contractor”** means Mid Valley Disposal, Inc. and its officers, directors, employees, agents,
28 Affiliates, companies, and Subcontractors.
29
- 30 **“Contractor’s Compensation”** means the monetary compensation received by Contractor in
31 return for providing services in accordance with this Agreement as described in Article 11.
32
- 33 **“Contractor Party”** shall mean Contractor, officers, directors, or management or fiscal
34 employees (where “management employee” means any employee with direct or indirect
35 responsibility for direction and control over the Contractor’s activities under this Agreement and
36 “fiscal” employee means an employee with direct or indirect responsibility and control duties
37 relating to financial matters under this Agreement).
38
- 39 **“Contractor’s Proposal”** means the proposal submitted by Contractor and received on October
40 12, 2012 by the City in response to the City’s request for proposals for Residential Solid Waste,
41 Recyclable Materials, and Organic Materials Collection Services and certain supplemental
42 written materials, which are included as Exhibit C and are incorporated by reference. Should any
43 conflict arise between the Contractor’s Proposal and this Agreement, the Agreement shall
44 control.
45
- 46 **“Criminal Activity”** means those activities described in Section 14.11.1.



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“Customer” means the Person to whom Contractor submits billing invoices and from whom Contractor collects payment for Collection services provided to a Premises. The Customer may be the Occupant or Owner of the Premises.

“Delivery” means placement of Solid Waste, Recyclable Materials, or Organic Materials by a Generator in a receptacle and/or at a location that is designated for Collection pursuant to the City's Municipal Code.

“Designated Disposal Location” means the Orange Avenue Disposal Company, Inc. Cedar Avenue Recycling and Transfer Station (“CARTS”) located at 3457 South Cedar Avenue, Fresno, California. The City may, at its sole discretion at any time during the Term of this Agreement, specify a different Designated Disposal Location, in accordance with Section 4.5. All Solid Waste shall be Transported to the Designated Disposal Location except for the residue from the Processing of Recyclable Materials or Organic Materials, which may be delivered to a Disposal Site selected by Contractor.

“Designated Landfill Site” means the County of Fresno American Avenue Landfill located at 18950 W. American Avenue, Kerman, California which shall be the Designated Landfill Site until the termination or earlier expiration of the City's disposal agreement with the County of Fresno dated August 24, 1993 and terminating June 30, 2014. Upon the termination or earlier expiration of the City's disposal agreement with the County of Fresno, the City may, in its sole discretion and subject to the requirements of Section 6.3, designate an alternate Designated Landfill Site or may approve a landfill site proposed by Contractor.

“Designated Waste” means non-Hazardous Waste which may pose special Disposal problems because of its potential to contaminate the environment and which may be Disposed of only in Class II Disposal Sites or Class III Disposal Sites pursuant to a variance issued by the California Department of Health Services.

“Discarded Materials” means Solid Waste, Recyclable Materials, or Organic Materials placed by a Generator in a receptacle and/or at a location that is designated for Collection pursuant to the City's Municipal Code.

“Disposal” or “Dispose” (or variation thereof) means the final disposition of Solid Waste at a Disposal Site.

“Disposal Component” means the portion of each Rate required to recover the Contractor's costs associated with Disposing of Solid Waste at a Disposal Site. The initial Disposal Component of each Rate is listed in Exhibit H. The Disposal Component shall be adjusted in accordance with Section 11.3.C for Rate Periods using the index-based adjustment to Rates. The Disposal Component shall be adjusted in accordance with Exhibit M for Rate Periods using the cost-based adjustment to Rates.

“Disposal Site” means a facility for ultimate Disposal of Solid Waste.



1 "Effective Date" has the meaning ascribed in Section 3.1.

2
3 "Electronic Waste" has the meaning ascribed in Section 5.7.

4
5 "Federal" means belonging to or pertaining to the national general government of the United
6 States; or founded on or organized under the constitution of the United States.

7
8 "Fee Component" means the portion of each Rate required to recover the Contractor's costs
9 associated with payment of City Fees, as described in Article 10. The initial Fee Component of
10 each Rate is listed in Exhibit H. The Fee Component shall be adjusted in accordance with
11 Section 11.3.E for Rate Periods using the index-based adjustment to Rates. The Fee Component
12 shall be adjusted in accordance with Exhibit M for Rate Periods using the cost-based adjustment
13 to Rates.

14
15 "Food Scraps" means food scraps such as those Discarded Organic Materials that will
16 decompose and/or putrefy including: (i) all kitchen and table food waste, and animal or
17 vegetable waste that attends or results from the storage, preparation, cooking or handling of food
18 stuffs, and (ii) paper waste contaminated with food (such as, but not limited to, paper plates,
19 napkins, pizza boxes, and paper towels contaminated with food). Food Scraps is a subset of
20 Organic Materials

21
22 "Franchise" is the exclusive right and privilege of Contractor to Collect, Transport, Process, and
23 Dispose Solid Waste, Recyclable Materials, and Organic Materials from Residential Customers
24 in the City in accordance with the terms and conditions of this Agreement.

25
26 "Franchise Fee" means the fee paid by Contractor to City for the privilege to hold the exclusive
27 rights granted by this Agreement.

28
29 "Generator" means any Person as defined by the Public Resources Code, whose act or process
30 produces Solid Waste, Recyclable Materials, or Organic Materials as defined in the Public
31 Resources Code, or whose act first causes Solid Waste to become subject to regulation.

32
33 "Green Waste" means those Discarded Materials that will decompose and/or putrefy, including
34 but not limited to, green trimmings, grass, weeds, leaves, prunings, branches, dead plants, brush,
35 tree trimmings, dead trees, small pieces of unpainted and untreated wood, and other types of
36 organic waste. Green Waste is a subset of Organic Materials. Green Waste placed in a Cart for
37 Collection shall not exceed six (6) inches in diameter and five (5) feet in length.

38
39 "Gross Receipts" means the actual monies remitted to Contractor by Customers, which shall be
40 determined in accordance with Generally Accepted Accounting Principles.

41
42 "Hazardous Substance" means any of the following: (a) any substances defined, regulated or
43 listed (directly or by reference) as "Hazardous Substances", "hazardous materials", "Hazardous
44 Wastes", "toxic waste", "pollutant" or "toxic substances" or similarly identified as hazardous to
45 human health or the environment, in or pursuant to (i) CERCLA; (ii) the Hazardous Materials
46 Transportation Act, 49 USC §1802, et seq.; (iii) the Resource Conservation and Recovery Act,



1 42 USC §6901 et seq.; (iv) the Clean Water Act, 33 USC §1251 et seq.; (v) California Health
2 and Safety Code §§25110 et seq., 25281, and 25316; (vi) the Clean Air Act, 42 USC §7401
3 et seq.; and (vii) California Water Code §13050; (b) any amendments, rules or regulations
4 promulgated thereunder to such enumerated statutes or acts currently existing or hereafter
5 enacted; and (c) any other hazardous or toxic substance, material, chemical, waste or pollutant
6 identified as hazardous or toxic or regulated under any other Applicable Law currently existing
7 or hereinafter enacted, including, without limitation, friable asbestos, polychlorinated biphenyl's
8 ("PCBs"), petroleum, natural gas and synthetic fuel products, pesticides, herbicides, and by-
9 products.

10
11 **"Hazardous Waste"** means all substances defined as Hazardous Waste, acutely Hazardous
12 Waste, or extremely Hazardous Waste by the State in Health and Safety Code §25110.02,
13 §25115, and §25117 or in the future amendments to or recodifications of such statutes or
14 identified and listed as Hazardous Waste by the U.S. Environmental Protection Agency (EPA),
15 pursuant to the Resource Conservation and Recovery Act (42 USC §6901 et seq.), all future
16 amendments thereto, and all rules and regulations promulgated thereunder.

17
18 **"Holidays"** are defined as New Year's Day, Labor Day, Thanksgiving Day, and Christmas Day.

19
20 **"Infectious Waste"** means biomedical waste generated at hospitals, public or private medical
21 clinics, dental offices, research laboratories, pharmaceutical industries, blood banks, mortuaries,
22 veterinary facilities and other similar establishments, as described in Health and Safety Code
23 Section 25117.5. Infectious Waste shall not include home health care biomedical waste.

24
25 **"Liquidated Damages"** means the amounts due by Contractor for failure to meet specific
26 quantifiable standards of performance as described in Section 13.5 and Exhibit G.

27
28 **"Maximum Permissible Rates"** means the maximum Rates Contractor is permitted to charge
29 pursuant to this Agreement.

30
31 **"Multi-Family"** means any Residential Premises with five (5) or more units.

32
33 **"Occupant"** means the Person who occupies a Premises.

34
35 **"Operating Component"** means the portion of each Rate required to recover the Contractor's
36 operating costs associated with providing services under this Agreement.

37
38 **"Organic Materials"** means those Discarded Materials that will decompose and/or putrefy and
39 that the City's Municipal Code permits, directs, and/or requires Generators to separate from
40 Solid Waste and Recyclable Materials for Collection in specially designated Carts for Organic
41 Materials Collection. Initially, Organic Materials include only Green Waste. During the period
42 of October 2014 through January 2015, Contractor shall implement a full organic materials
43 program to include Food Scraps with Green Waste. No Discarded Material shall be considered
44 Organic Materials, however, unless such material is separated from Solid Waste and Recyclable
45 Material.



- 1 "Owner" means the Person holding legal title to the land or building.
2
3 "Parent Company" refers to a company owning more than fifty percent (50%) of the shares of
4 another company (subsidiary) or a company that has management control over such subsidiary.
5
6 "Party" or "Parties" refers to the City and Contractor, individually or together.
7
8 "Person" means any individual, firm, association, organization, partnership, corporation,
9 business trust, joint venture, the United States, the State, the County of Fresno, and special
10 purpose districts.
11
12 "Premises" means any land or building in the City where Solid Waste, Recyclable Materials, or
13 Organic Materials are generated or accumulated.
14
15 "Processing" (or variation thereof) means to prepare, treat, or convert through some special
16 method.
17
18 "Processing Component" means the portion of each Rate required to recover the Contractor's
19 costs associated with Processing of Recyclable Materials and Organic Materials at a Processing
20 Site.
21
22 "Processing Site" means any plant or site used for sorting, cleansing, treating or reconstituting
23 Recyclable Materials or Organic Materials to make such material available for beneficial use.
24
25 "Rate(s)" means the service charges and Special Charges for services under this Agreement that
26 Contractor bills and collects from each Customer receiving service under this Agreement.
27
28 "Rate Period" means a twelve (12) month period, commencing January 1 and concluding
29 December 31, except that Rate Period 1 shall commence on the Commencement Date and
30 conclude December 31, 2013.
31
32 "Recyclable Materials" means those Discarded Materials that State Law or the City Code
33 permits, directs and/or requires Generators to set out in Recyclables Materials Cart for Collection
34 for the purpose of Recycling. No Discarded Materials shall be considered Recyclable Materials
35 unless such material is separated from Solid Waste and Organic Materials. Recyclable Materials
36 shall include, but not be limited to: newspaper (including inserts, coupons, and store
37 advertisements); mixed paper (including office paper, computer paper, magazines, junk mail,
38 catalogs, brown paper bags, brown paper, paperboard, paper egg cartons, telephone books,
39 grocery bags, colored paper, construction paper, envelopes, legal pad backings, shoe boxes, soap
40 boxes, cereal and other similar food boxes); chipboard; cardboard; paper milk cartons; glass
41 containers of any color (including glass bottles and jars all colors); aluminum cans; fabric
42 softener containers; steel, tin or bi-metal cans; plastic containers (clear or green plastic soda and
43 water bottles, plastic containers and bottles and plastic bags with no. 1, 2 or 3 on the bottom);
44 and food containers from potato salad, pasta salad, whipped cream, etc.
45



1 **“Recycle” or “Recycling”** means the process of sorting, cleansing, treating and reconstituting of
2 Discarded Materials at a Recyclable Materials Processing Site for the purpose of returning such
3 materials to the economy in the form of raw materials for new, reused or reconstituted products.
4

5 **“Related-Party Entity”** means any Affiliate that has financial transactions with Contractor
6 pertaining to this Agreement that has been approved by the City.
7

8 **“Residential”** shall mean all Premises with less than five (5) units designed or used for
9 residence or dwelling, whether permanent or temporary in nature.
10

11 **“Salvageable Material”** means those Discarded Materials that may be reused in their existing
12 form or may be reused after some form of Processing including, but not limited to, lightly used
13 clothing, toys, furniture, building supplies, Organic Materials and Recyclable Materials.
14

15 **“Single-Family”** means each unit used for or designated as a Single-Family Premises, including
16 each unit of a duplex, triplex, townhouse or condominium which receives individual Solid
17 Waste, Recyclable Materials, and/or Organics Materials Collection services.
18

19 **“Solid Waste”** means Source Separated Solid Waste as defined in California Public Resources
20 Code, Division 30, Part 1, Chapter 2, §40191 and regulations promulgated thereunder and those
21 Discarded Materials that the City Code requires Generators within the City to set out for
22 Collection. Excluded from the definition of Solid Waste are Construction and Demolition Debris
23 (C&D), Hazardous Waste, Infectious Waste, Designated Waste, Source Separated Recyclable
24 Materials, Source Separated Organic Materials, and radioactive waste. Solid Waste includes
25 Salvageable Materials only when such materials are included for Collection in a Solid Waste
26 Cart.
27

28 **“Source Separated”** means the segregation, by the Generator, of materials designated for
29 separate Collection from other materials. For example, recyclables may be Source Separated
30 from Solid Waste.
31

32 **“Special Charges”** means the specific service-related charges provided in Exhibit H, and that
33 Contractor shall bill Customers if appropriate.
34

35 **“Specialty Recyclable Material”** means material that can be or will be Collected for purposes
36 of Recycling by any Person other than the Contractor. Such Specialty Recyclable Material may
37 include, but is not limited to, scrap metal, high-grade paper (including office mixed paper),
38 pallets, mattresses, textiles, industrial plastics, precious metals, and plastic film.
39

40 **“State”** means the State of California.
41

42 **“Subcontractor”** means a party who has entered into a contract, express or implied, with the
43 Contractor or Guarantor for the performance of an act that is necessary for the Contractor’s
44 fulfillment of its obligations under this Agreement.
45



1 "Term" means the Term of this Agreement, including extension periods if granted, as provided
2 for in Article 3.

3
4 "Ton" or "Tonnage" means a unit of measure for weight equivalent to two thousand (2,000)
5 standard pounds where each pound contains sixteen (16) ounces.

6
7 "Transfer Station" means a permitted facility utilized to receive Solid Waste and Organic
8 Materials, to temporarily store, separate, Recover, convert or otherwise process the materials
9 comprising the Solid Waste, and to load Solid Waste and Organic Materials into Transfer
10 Vehicles for Transport to the Disposal Site or an Approved Processing Site.

11
12 "Transportation" (or variation thereof) means the act of transporting or state of being
13 transported.

14
15 **ARTICLE 2.**
16 **REPRESENTATIONS AND**
17 **WARRANTIES OF THE**
18 **CONTRACTOR**

19
20 The Contractor, by acceptance of this Agreement, represents and warrants the conditions
21 presented in this Article.

22
23 **2.1 CORPORATE STATUS**

24 Contractor is a Corporation, duly organized, qualified to transact business, and validly existing
25 and in good standing under the laws of the State of California. It has the power to own its
26 properties and to carry on its business as now owned and operated and as required by this
27 Agreement.

28
29 **2.2 CORPORATE AUTHORIZATION**

30 Contractor has the authority to enter this Agreement and perform its obligations under this
31 Agreement. The Contractor has taken all actions required by law, its articles of organization, its
32 operating agreement, or otherwise, to authorize the execution of this Agreement. The Person
33 signing this Agreement on behalf of Contractor represents and warrants that he/she has have
34 authority to do so; the Corporate Secretary's Certification in Exhibit A confirms this; and the
35 Notary's Certification in Exhibit B is completed. This Agreement constitutes the legal, valid,
36 and binding obligation of the Contractor.

37
38 **2.3 AGREEMENT WILL NOT CAUSE BREACH**

39 To the best of Contractor's knowledge after reasonable investigation, the execution or delivery of
40 this Agreement or the performance by Contractor of its obligations hereunder does not conflict
41 with, violate, or result in a breach: (i) of any law or governmental regulation applicable to
42 Contractor; or (ii) any term or condition of any judgment, order, or decree of any court,
43 administrative agency or other governmental authority, or any Agreement or instrument to which



1 Contractor is a party or by which Contractor or any of its properties or assets are bound, or
2 constitutes a default thereunder.
3

4 **2.4 NO LITIGATION**

5 To the best of Contractor's knowledge after reasonable investigation, there is no action, suit,
6 proceeding or investigation, at law or in equity, before or by any court or governmental
7 authority, commission, board, agency or instrumentality decided, pending or threatened against
8 Contractor wherein an unfavorable decision, ruling or finding, in any single case or in the
9 aggregate, would:

- 11 A. Materially, adversely affect the performance by Contractor of its obligations hereunder;
- 12
- 13 B. Adversely affect the validity or enforceability of this Agreement; or
- 14
- 15 C. Have a material adverse effect on the financial condition of Contractor, or any surety or
- 16 entity guaranteeing Contractor's performance under this Agreement.
- 17

18 **2.5 NO ADVERSE JUDICIAL DECISIONS**

19 To the best of Contractor's knowledge after reasonable investigation, there is no judicial decision
20 that would prohibit this Agreement or subject this Agreement to legal challenge.
21

22 **2.6 NO LEGAL PROHIBITION**

23 To the best of Contractor's knowledge after reasonable investigation, there is no Applicable Law
24 in effect on the date Contractor signed this Agreement that would prohibit the Contractor's
25 performance of its obligations under this Agreement and the transactions contemplated hereby.
26

27 **2.7 CONTRACTOR'S STATEMENTS**

28 The Contractor's Proposal in Exhibit C and any other supplementary information submitted to
29 the City, which the City has relied on in awarding and entering this Agreement, do not: (i)
30 contain any untrue statement of a material fact, or (ii) omit to state a material fact that is
31 necessary in order to make the statements made, in light of the circumstances in which they were
32 made, not misleading.
33

34 The Contractor agrees to implement all proposed services and initiatives included in their
35 Proposal (Exhibit C). Contractor shall, prior to March 4, 2013, execute an amendment to its
36 Commercial and Multi-Family Solid Waste, Recyclable Materials, and Organic Materials
37 Services Franchise Agreement (hereinafter "CSW Franchise") with the City. That amendment
38 shall document the Contractor's Proposal to provide bundled Solid Waste, Recyclable Materials,
39 and Organic Materials Collection Services to certain Multi-Family Customers serviced under the
40 CSW Franchise at the same rates as are provided to Customers under this Agreement. The
41 revised Maximum Permissible Rates shall become effective for Multi-Family Customers' April
42 2013 services.
43



1 **2.8 CONTRACTOR'S INVESTIGATION**

2 Contractor has made an independent investigation (satisfactory to it) of the conditions and
3 circumstances surrounding the Agreement and the work to be performed hereunder. Contractor
4 has considered such matters in entering this Agreement to provide services in exchange for the
5 compensation provided for under the terms of this Agreement.
6

7 **2.9 ABILITY TO PERFORM**

8 Contractor possesses the business, professional, and technical expertise to provide the services
9 described in this Agreement. Contractor possesses the equipment, facility(ies), and employee
10 resources required to perform its obligations under this Agreement.
11

12 **2.10 VOLUNTARY USE OF DESIGNATED FACILITIES**

13 The Contractor, without constraint and as a free-market business decision in accepting this
14 Agreement, agrees to use the Designated Disposal Location for the purposes of Disposing of all
15 Solid Waste Collected in the City. Such decision by Contractor in no way constitutes a restraint
16 of trade notwithstanding any Change in Law regarding flow control limitations or any definition
17 thereof.
18

19 **ARTICLE 3.**
20 **TERM OF AGREEMENT**
21

22 **3.1 EFFECTIVE DATE AND COMMENCEMENT DATE**

23 This Agreement shall become effective on the date set forth in the preamble to this Agreement
24 (the "Effective Date").
25

26 The Commencement Date shall be March 4, 2013. Contractor shall commence provision of the
27 Collection, Transportation, Processing, and Disposal services required by this Agreement on the
28 Commencement Date.
29

30 Between the Effective Date and Commencement Date, Contractor shall perform all activities
31 necessary to prepare itself to start all services required by this Agreement on the Commencement
32 Date. Such activities shall allow Contractor to transition Customers and services, which are
33 provided by the City prior to the Commencement Date, to Contractor on the Commencement
34 Date.
35

36 **3.2 CONDITIONS TO EFFECTIVENESS OF AGREEMENT**

37 The obligation of City to permit this Agreement to become effective and to perform its
38 undertakings provided for in this Agreement is subject to the satisfaction of all the conditions
39 below, each of which may be waived, in written form, in whole or in part by City.
40

41 **A. Accuracy of Representations.** The representations and warranties made in Article 2 of
42 this Agreement are true and correct on and as of the Effective Date.
43



1

B. Absence of Litigation. There is no litigation pending on the Effective Date in any court challenging the award or execution of this Agreement or seeking to restrain or enjoin its performance.

2

3

4

C. Furnishings of Insurance and Performance Bond. Contractor has furnished evidence of the insurance and performance bond required by Article 12 that is satisfactory to the City.

5

6

7

8

D. Effectiveness of City Council Action. The City Council shall have taken action approving this Agreement and all Parties shall have signed the Agreement pursuant to Applicable Law prior to or on the Effective Date, provided that no restraining order of any kind has been issued.

9

10

11

12

13

3.3 TERM

The Term of this Agreement shall continue in full force for a period of eight (8) years and nine (9) months from 12:01 a.m. on the Commencement Date to midnight of November 30, 2021 unless the Agreement is extended by City Council pursuant to Section 3.4 or terminated in accordance with Section 13.2.

14

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19

3.4 OPTION TO EXTEND TERM

At the City Council's sole discretion, the City shall have the option to extend this Agreement for up to two (2) periods ranging from one (1) to five (5) years each. The total of all extension periods shall equal no more than ten (10) years. If the City extends the Agreement, it shall give written notice to Contractor one hundred eighty (180) calendar days prior to the initial expiration date or extended expiration date of this Agreement. The City's written notice shall specify the number of years by which it elects to extend the Term of this Agreement and the revised expiration date of the Agreement.

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ARTICLE 4.

SCOPE OF AGREEMENT

29

30

31

4.1 SCOPE OF AGREEMENT

This Franchise granted to Contractor shall be exclusive with regards to Collection, Transporting, Processing, and Disposal of Residential Solid Waste, Recyclable Materials, and Organic Materials generated in the City, except as described in Section 4.2 or except where otherwise precluded by Applicable Law.

32

33

34

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36

37

The Contractor, or its Subcontractor(s), shall be responsible for the following services:

38

39

A. Collecting all Solid Waste generated by Residential Premises in the City.

40

41

B. Collecting all Recyclable Materials and Organic Materials generated by Residential Premises in the City and placed by Generator for Collection in Contractor-provided Carts.

42

43

44



- 1
2 C. Transporting all Solid Waste Collected in accordance with this Agreement to the
3 Designated Disposal Location.
4
5 D. Transporting all Recyclable Materials Collected in accordance with this Agreement to the
6 Approved Recyclable Materials Processing Site.
7
8 E. Transporting, Processing, and marketing all Organic Materials Collected in the City by
9 Contractor to the Approved Organic Materials Processing Site.
10
11 F. Furnishing all labor, supervision, vehicles, Carts, other equipment, materials, supplies,
12 and all other items and services necessary to perform its obligations under this
13 Agreement.
14
15 G. Paying all expenses related to provision of services required by this Agreement including,
16 but not limited to, taxes, regulatory fees, Disposal and Processing fees, utilities, etc.
17
18 H. Providing all services required by this Agreement in a thorough and professional manner
19 so that Owners and/or Occupants are provided timely, reliable, courteous, and high-
20 quality service at all times.
21
22 I. Performing all services in full accordance with the Contractor's Proposal and this
23 Agreement at all times using best industry practice for comparable operations. If the
24 Contractor's Proposal and this Agreement conflict, this Agreement shall prevail.
25
26 J. Implementing all services in accordance with the implementation plan in Exhibit D.
27
28 K. Complying with Applicable Law.
29
30 L. Performing or providing all other services necessary to fulfill its obligations under this
31 Agreement.
32

33 The enumeration and specification of particular aspects of service, labor, or equipment
34 requirements shall not relieve Contractor of the duty of accomplishing all other aspects necessary
35 to fulfill its obligations under this Agreement whether such requirements are enumerated
36 elsewhere in the Agreement or not.
37

38 4.2 LIMITATIONS TO SCOPE

39 The materials listed below in this section may be collected and transported by other Persons:
40 Except as set forth in paragraph "C" below, Contractor is not authorized by this Agreement to
41 Collect or Transport any of the following:
42

- 43 A. **Other Franchisees.** Materials which are included in the scope of City's exclusive
44 Commercial or non-exclusive roll-off agreement, or other franchise or service agreements
45 which are Collected by a Person holding such a franchise agreement.
46



- 1 **B. Construction and Demolition Debris.** Construction and Demolition Debris removed
2 from Premises by a franchisee of the City for roll-off collection services or a company
3 licensed by the City to provide such Collection services in the City.
4
- 5 **C. Commodities.** Recyclable Materials, Organic Materials, and Specialty Recyclable
6 Materials which Owner or Occupant: (1) separates from Solid Waste, (2) places in a Cart
7 which is not provided by Contractor, and (3) sells, donates, or is otherwise compensated
8 for by a collector;
9
- 10 **D. Materials Hauled by Owner or Occupant, or its Contractor.** Solid Waste, Recyclable
11 Materials, Organic Materials, C&D, and Specialty Recyclable Materials that are removed
12 from any Premises by the Owner or Occupant and are Transported to a Disposal Site or
13 Processing Site by (i) the Owner or Occupant of such Premises, by a full-time employee
14 of Owner or Occupant that uses the Owner's or Occupant's equipment to transport
15 materials; or (ii) by a contractor whose removal of the Solid Waste, Recyclable Materials,
16 Organic Materials, C&D, and/or Specialty Recyclable Materials are incidental to the
17 service being performed and such contractor removes materials at no additional or
18 separate fee;
19
- 20 **E. Donated Materials.** Source Separated Recyclable Materials, Organic Materials, and
21 Specialty Recyclable Materials generated in the City that are donated by the Generator to
22 youth, civic, neighborhood, charitable, or other nonprofit organizations;
23
- 24 **F. Containers Recycled.** Beverage containers delivered for Recycling under the California
25 Beverage Container Recycling and Litter Reduction Act, Section 14500, et seq.
26 California Public Resources Code;
27
- 28 **G. Animal and Grease Waste.** Animal waste and remains from slaughterhouse or butcher
29 shops, or grease waste for use as tallow;
30
- 31 **H. Sewage Treatment By-Product.** By-products of sewage treatment including sludge,
32 sludge ash, grit, and screenings;
33
- 34 **I. Hazardous Wastes.** Hazardous Waste and Designated Waste regardless of its source;
35
- 36 **J. State, Federal, and Public School Wastes.** Materials generated by State and Federal
37 agencies and public schools located in the City.
38

39 Contractor acknowledges and agrees that the City may allow other Persons besides the
40 Contractor to Collect any and all types of materials excluded from the scope of this Franchise, as
41 set forth above, without seeking or obtaining approval of Contractor. If other Persons are
42 servicing Collection Carts or are Collecting and Transporting Solid Waste, Recyclable Materials,
43 and/or Organic Materials in a manner that is not consistent with the City's Municipal Code,
44 Contractor shall report the location and the name of the Person or company to the City Contract
45 Manager along with Contractor's evidence of the violation of the exclusivity of this Franchise.



1 The City is under no obligation to act upon receipt of notice. Contractor's reporting is not in lieu
2 of any other rights it has, or may have, to enforce its legal rights.

3
4 This Agreement and scope of this Franchise shall be interpreted to be consistent with Applicable
5 Law, now and during the Term of the Agreement. If future judicial interpretations of current law
6 or new laws, regulations, or judicial interpretations limit the ability of the City to lawfully
7 provide for the scope of services as specifically set forth herein, Contractor agrees that the scope
8 of the Agreement will be limited to those services and materials which may be lawfully provided
9 and that the City shall not be responsible for any lost profits or losses claimed by Contractor to
10 arise out of limitations of the scope of the Agreement set forth herein. In such an event, it shall
11 be the responsibility of Contractor to minimize the financial impact of such future judicial
12 interpretations or new laws.

13

14 4.3 SUBCONTRACTING

15 Contractor shall not engage any Subcontractors for Collection, Transportation, Processing, or
16 Disposal of Solid Waste, Recyclable Materials, or Organic Materials without the prior written
17 consent of the City Contract Manager. As of the Effective Date of this Agreement, the City has
18 approved Contractor's use of the Subcontractors listed in Exhibit E. Contractor's use of
19 Subcontractor(s) does not in any way limit the Contractor's obligations under this Agreement.
20 The City reserves the right to require Contractor to replace a Subcontractor in the event of a
21 regulatory or criminal judgment against a Subcontractor and a legal judgment against a
22 Subcontractor that is related to performance under this Agreement.

23

24 4.4 OWNERSHIP OF MATERIALS

25 Once Solid Waste, Recyclable Materials, and Organic Materials are placed in Carts at the
26 Collection location, ownership and the right to possession of such materials shall transfer directly
27 from the Generator to Contractor. Once Solid Waste, Recyclable Materials, or Organic Materials
28 are deposited by Contractor at a Disposal Site, Transfer Station, or Processing Site, such
29 materials shall become the property of the Owner or operator of the facility.

30

31 Subject to Section 4.5 and City's contractual obligations pursuant to any contract between
32 Contractor and City for the Processing or Disposal of Solid Waste, Recyclable Materials, or
33 Organic Materials, City may obtain ownership or possession of Solid Waste, Recyclable
34 Materials, or Organic Materials placed for Collection upon written notice to Contractor of its
35 intent to do so. However, nothing in this Agreement shall be construed as giving rise to any
36 inference that City has such ownership or possession unless such written notice has been given to
37 Contractor.

38

39 Ownership shall not limit police or duly authorized law enforcement from inspection of Solid
40 Waste, Recyclable Materials, and Organic Materials placed in Carts as necessary in performance
41 of their duties. Contractor specifically waives any and all necessity for search warrant, probable
42 cause or exigent circumstances to exist for any such inspection.

43



1 **4.5 CITY-DIRECTED CHANGES TO SCOPE**

2 **A. Types of Changes.** Subject to Council approval, the City Contract Manager may direct
3 Contractor to perform additional services or modify the manner in which existing
4 services are performed (i.e., City Contract Manager requests, reviews, and submits to
5 Council for approval), provided that the City-directed changes do not substantially
6 eliminate the Contractor's right, as described in and limited by this Agreement, to Collect
7 Solid Waste, Recyclable Materials, and Organic Materials in the City. For example, and
8 without limitation, the City Contract Manager may request the following:
9

- 10 1. Collection of certain materials, which were originally Solid Waste, but during the
11 Term can, in the reasonable opinion of the City Contract Manager, be economically
12 Recycled, Composted, or beneficially used including, but not limited to, energy or
13 fuel production;
- 14 2. Inclusion of new diversion programs, which necessarily reduce the amount of Solid
15 Waste Collected;
- 16 3. Expansion of public education activities;
- 17 4. Elimination of programs;
- 18 5. Modification of the manner in which Contractor performs existing services;
- 19 6. Performance of pilot programs;
- 20 7. Implementation of innovative services, which may entail new Collection methods,
21 targeted routing, different kinds of services, different types of Collection vehicles,
22 and/or new requirements for Generators;
- 23 8. Use of a Disposal Site that is different from the Designated Disposal Location in
24 accordance with Section 6.3.
- 25 9. Use of a Recyclables Processing Site that is different from the Approved Recyclable
26 Materials Processing Site in accordance with Section 6.1.
- 27 10. Use of an Organic Materials Processing Site that is different from the Approved
28 Processing Site in accordance with Section 6.2.E.

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39 **B. Procedure for Making Changes in Scope.** Contractor shall present, within thirty (30)
40 calendar days of the City Contract Manager's written request or another date agreed to by
41 the City Contract Manager, a written proposal for the change in scope of services in a
42 format and at a level of detail specified by the City Contract Manager. At a minimum,
43 the proposal shall contain a complete description of the following:
44

- 45 1. Collection methodology to be employed, or modifications to current Collections
46 methods (equipment, manpower, etc.).



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2. Equipment to be utilized, modified, or eliminated (vehicle number, types, capacity, age, etc.).
3. Labor requirements (number of employees by classification).
4. Type of materials and Carts to be utilized.
5. Change in Transportation, Processing, and/or Disposal costs.
6. Provision for program publicity, education, and/or marketing.
7. Five-year projection of the financial results of the program's operations in a balance sheet and operating statement format including documentation of the key assumptions underlying the projections and the support for those assumptions, giving full effect to the savings or costs to existing services.
8. Plans for implementing the service change in a format and at a level of detail specified by the City Contract Manager.
9. Proposed Rates that reflect the service change with supporting documentation of the calculation and justification for the change in Rates.

The City Contract Manager shall review the Contractor's proposal for the change in scope of services. If the Contractor's proposal is desirable to the City and approved by the City Council, the City Contract Manager may negotiate with the Contractor to amend the Agreement to reflect the change in scope. If the Contractor's proposal is not desirable to the City, the City Contract Manager shall provide a written response to the Contractor identifying the City's reasons for not wanting to negotiate with the Contractor.

If the City elects to negotiate with the Contractor and the Contractor and City Contract Manager cannot agree on terms and conditions of such services in 180 calendar days from the date when City Contract Manager first requests a proposal from Contractor to perform such services, Contractor shall forfeit its exclusive right to Collect such material from Generators or provide the services under consideration. Thereafter, the City may, but is not required to, provide the service with its own forces or solicit proposals from one or more other parties for such service and Contractor may be invited to submit a proposal during the process. If the City elects to solicit proposals from one or more other parties, City shall not enter into a separate agreement with any other party unless they provide a better value to the City than was offered by Contractor's proposal.

If the City and Contractor reach an agreement on the change in scope, the City and Contractor shall also agree to performance standards and expected results of such change in scope, as well as the basis for termination of the program. Any change in scope shall be memorialized in an amendment to this Agreement approved by City Council. In the event the Contractor does not provide the services in a manner materially consistent with



1 or better than the agreed upon performance standards and expected results, the City shall
2 have the right to terminate the new program or service and provide the service with its
3 own forces or retain a third party to provide the service. Performance standards and
4 expected results may focus on program costs, the cost per Ton of materials diverted, level
5 of participation in the program, comparison of costs to other similar programs, volume of
6 material diverted, and other factors.

7
8 **C. Adjustment to Contractor's Compensation.** If the City Contract Manager directs a
9 change in scope, Contractor shall be entitled to an adjustment in its compensation as
10 agreed to by City and as described in Section 11.6. Contractor shall not be compensated
11 for proposal preparation costs or additional costs incurred related to the negotiation of its
12 proposal for the City-requested change in scope.

13
14 **D. Implementation of New Services.** The Contractor's implementation of the new or
15 modified services shall be managed by Contractor in such a manner as to ensure a timely,
16 smooth, and seamless transition such that Customers and/or Generators do not experience
17 disruption in Collection services. Contractor shall be responsible for managing
18 implementation of Collection service changes, or changes in the Designated Disposal
19 Location, Approved Organic Materials Processing Site, Approved Recyclable Materials
20 Processing Site and/or other related services and shall do so in accordance with a City
21 Contract Manager-approved implementation plan.

22
23 **E. Monitoring and Evaluation of Changes in Scope.** Contractor shall document its
24 compliance with the agreed-upon performance standards and the program results of the
25 service changes on a monthly basis, including, for example, the Tonnage diverted by
26 material type, the end use or processor of the diverted materials, and the cost per Ton for
27 Transporting and Processing each type of material and other such information requested
28 by the Contractor and/or City Contract Manager necessary to evaluate the performance of
29 the change in scope.

30
31 If the City Contract Manager requests, the Contractor shall meet with the City to describe
32 the progress of the implementation of the change in scope. At each meeting, the City and
33 Contractor shall have the opportunity to revise the services or program based on mutually
34 agreed-upon terms in accordance with provisions of this Section. The City shall have the
35 right to terminate a program if, in its reasonable judgment, the Contractor is not achieving
36 the program's mutually agreed-upon performance standards and expected results. Before
37 such termination, the City Contract Manager shall meet and confer with the Contractor
38 for a period not to exceed one hundred eighty (180) calendar days to resolve the City's
39 concerns. Thereafter, the City may provide the service with its own forces or utilize a
40 third party to perform these services, if the City reasonably believes the third party can
41 improve on Contractor's performance and/or cost. Notwithstanding these changes,
42 Contractor shall continue the program during the meet and confer period and, thereafter,
43 until the third party takes over the program.

44
45 **4.6 CITY'S RIGHT TO PERFORM SERVICES AND POSSESS EQUIPMENT**
46



1 **4.6.1 General**

2 The City, in its reasonable judgment, may determine a period of emergency if both of the
3 following conditions occur: (i) Contractor, for any reason whatsoever, fails, refuses, or is unable
4 to perform its Collection obligations, at the time and in the manner provided in this Agreement,
5 for a period of more than forty-eight (48) hours, and (ii) the City finds that such failure, refusal,
6 or inability endangers or menaces the public health, safety, or welfare. If the City determines a
7 period of emergency, then the City shall have the right during the period of such emergency, and
8 no longer, to (i) perform, or cause to be performed, such services with its own or other personnel
9 without liability to Contractor; and/or (ii) take temporary possession of and use any or all of
10 Contractor's equipment used to provide Collection, Transportation, Processing, and Disposal
11 services under this Agreement. If the City chooses to exercise such rights, the City shall provide
12 written notice to the Contractor twenty-four (24) hours prior to its plans to exercise its rights.
13 Such notice shall describe the Contractor's failure, refusal, or inability to perform its Collection
14 obligations detailing the obligations the City contends Contractor did not perform and of the
15 City's intent to perform Collection services and/or possess Contractor's equipment. The City
16 agrees that it assumes complete responsibility for the proper and normal use of such equipment
17 and facilities while in its possession.

18
19 Contractor agrees that in such event:

- 20
21 **A.** It shall take direction from the City Contract Manager to affect the transfer of possession
22 of equipment to the City for City's use.
23
24 **B.** It shall, if able to and City Contract Manager so requests, keep in good repair and
25 condition all of such equipment, provide all motor vehicles with fuel, oil and other
26 service, and provide such other service as may be necessary to maintain said equipment
27 in satisfactory operational condition subject to compensation as provided in this Section
28 4.6.1.
29
30 **C.** Subject to provisions of any labor agreements then in effect, if able, Contractor shall
31 provide the services of all or any personnel necessary for the Collection, Transportation,
32 Processing, and Disposal operations including, if City so desires, employees then
33 employed by Contractor. Contractor further agrees, if it is able, and City Contract
34 Manager so requests, to furnish City the services of any or all management or office
35 personnel employed by Contractor whose services are necessary for Collection,
36 Transportation, Processing, and Disposal operations and for the Billing and collection of
37 fees for these services.
38

39 If the interruption or discontinuance of service is caused by any of the reasons listed in this
40 Section 4.6.1 or in Section 13.7, and where the City can perform services and the Contractor
41 cannot, the City shall pay to Contractor two hundred dollars (\$200) per day for use of each
42 Collection vehicle and the reasonable rental value of other equipment and facilities, possession
43 of which is taken by the City, for the period of the City's possession, if any, which extends
44 beyond the period of time for which Contractor has rendered bills to Customers in advance of
45 service. The City shall be responsible for the fueling and preventative maintenance activities
46 during such a period. Should Contractor's equipment require repair beyond fueling and



1 preventative maintenance, City shall deduct from any rental payment to Contractor the actual
2 cost of such repairs performed by City or it's selected third-party vendor.

3
4 Except as otherwise expressly provided in the previous paragraph, the City's exercise of its rights
5 under this Article: (i) does not constitute a taking of private property for which compensation
6 must be paid; (ii) will not create any liability on the part of City to Contractor except for City's
7 intentional wrongful acts or negligence; and (iii) does not exempt Contractor from the indemnity
8 provisions of Article 12, which are meant to extend to circumstances arising under this Section.

9
10 **4.6.2 Duration of City's Possession**

11 City has no obligation to maintain possession of Contractor's equipment and/or continue its use
12 in Collection, Transportation, Processing, and Disposal for any period of time and may, at any
13 time, in its sole discretion, relinquish possession to the Contractor.

14
15 The City's right to retain temporary possession of Contractor's equipment; and to provide
16 Collection services, shall continue until Contractor can demonstrate to the City's satisfaction that
17 it is ready, willing and able to resume such services or for one hundred eighty (180) calendar
18 days, whichever occurs first.

19
20 **4.7 TRANSITION TO NEXT CONTRACTOR AT END OF AGREEMENT**

21 If applicable, before expiration or earlier termination of this Agreement, Contractor will take
22 direction from the City Contract Manager and/or subsequent contractor to assist in an orderly
23 transition of services from Contractor to City or subsequent contractor. In response to the City
24 Contract Manager's direction, Contractor shall provide route lists (which identify each Customer
25 on the route, its service level and scheduled Collection day, and any special Collection notes)
26 and detailed Customer account and Billing information. Contractor may, but shall not be
27 obliged, to sell Collection vehicles, equipment, or facilities to the next contractor. Failure to
28 cooperate with and/or provide information during the transition period may result in Liquidated
29 Damages in accordance with Section 13.5 and Exhibit G.

30
31 **4.8 CITY FREE TO NEGOTIATE WITH THIRD PARTIES**

32 The City may investigate all options for Collection, Transportation, Processing, and Disposal
33 services that will be scheduled to commence after the expiration of the Term or earlier
34 termination of this Agreement. Without limiting the generality of the foregoing, the City may
35 solicit proposals from Contractor and from third parties for the provision of Collection,
36 Transportation, Processing, or Disposal of Solid Waste, Recyclable Materials, and Organic
37 Materials, and any combination thereof. The City may negotiate and execute agreements for
38 such services that will take effect upon the expiration or earlier termination of this Agreement.

39
40 **ARTICLE 5.**
41 **COLLECTION SERVICES**

42
43 **5.1 SOLID WASTE COLLECTION**



1 Contractor acknowledges that the City is committed to diverting materials from Disposal through
2 the implementation of source reduction, reuse, Recycling, Composting, education, and other
3 programs. The City may implement, in accordance with Section 4.5 or through the City's efforts,
4 new programs that may impact the overall quantity or composition of Solid Waste to be
5 Collected by Contractor. Such changes may result in the substantial reduction or elimination of
6 Solid Waste Collected for Disposal.

7
8 Contractor shall Collect Solid Waste in Contractor-provided Carts once per week from
9 Residential Premises and Transport all Solid Waste to the Designated Disposal Site for Disposal.
10 Contractor shall provide each Customer with a 64-, or 96-gallon Cart (or similar sizes approved
11 by the City) as requested by the Customer. If a Customer requests a second Solid Waste Cart,
12 Contractor shall provide the Cart to the Customer for regular weekly Collection service. The
13 Contractor shall charge the Customer for the extra Solid Waste Cart at the Rate approved by the
14 City shown in Exhibit H.

16 5.2 RECYCLABLE MATERIALS COLLECTION

17
18 Contractor shall Collect Recyclable Materials that are Commingled in the Customer's
19 Recyclable Materials Collection Cart provided that the Customer has Source Separated the
20 Recyclable Materials from Solid Waste. The Contractor may also Collect individual Source
21 Separated Recyclable Materials including, but not necessarily limited to, cardboard, beverage
22 containers, office paper, or scrap metal to reduce either (i) the cost to the Customer of receiving
23 the service; or, (ii) the level of contamination in Commingled Recyclable Materials. Collection
24 of individual Source Separated Recyclable Materials shall not excuse Contractor from offering
25 and providing Commingled Source Separated Recyclable Materials Collection services to all
26 Customers.

27
28 Contractor shall Collect all Recyclable Materials from Residential Premises once each week on
29 the regularly scheduled Solid Waste Collection day. Contractor shall supply each Residential
30 Customer with one (1) Cart for storage and Collection of Recyclable Materials. The Contractor
31 shall provide each Customer a 96-gallon Cart (or similar size approved by the City). If a
32 Customer requests a second Recyclables Cart, Contractor shall provide the Cart to the Customer
33 for regular weekly Collection service. The Contractor shall charge the Customer for the extra
34 Recyclables Cart at the Rate approved by the City in Exhibit H.

35
36 The City's Municipal Code requires all Residential Customers to participate in a Recycling
37 program. In the event that a Customer refuses Recyclable Materials Collection services or Carts
38 provided by Contractor, Contractor shall notify the City Contract Manager of such refusal for
39 reporting purposes.

40
41 In accordance with Section 4.5, the City Contract Manager may request Contractor to modify its
42 scope of service to include Collection of recyclable materials in addition to those defined in
43 Article 1. If the City Contract Manager requests Collection of additional recyclable materials,
44 the Contractor shall not receive additional compensation for such service if the recyclable
45 materials are placed by Generator in the existing Recyclable Materials Cart.



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5.3 ORGANIC MATERIALS COLLECTION

Contractor shall Collect Organic Materials that are placed in the Customer’s Organic Materials Collection Cart provided that the Customer has Source Separated the Organic Materials from Solid Waste and Recyclable Materials.

Contractor shall Collect Organic Materials from each Residential Customer once each week on the regularly scheduled Solid Waste Collection day. Organic Materials shall be Collected and Transported to the Approved Organic Materials Processing Site. Contractor shall instruct Customers as to the types of organic materials accepted for Collection (and those prohibited); any necessary preparation of Green Waste (such as the cutting of large items). Contractor shall notify Customers who fail to follow these instructions. In cases of extreme or repeated failure to comply with the instructions, Contractor shall notify the City of the Customer’s violation.

The City’s Municipal Code requires all Residential Customers to participate in an Organic Materials program. In the event that a Customer refuses Organic Materials Collection services or Carts provided by Contractor, Contractor shall notify the City Contract Manager of such refusal for reporting purposes.

Contractor shall add Food Scraps to the Organic Materials Collection program between October 2014 and January 2015 with all Customers having access to the program no later than January 31, 2015. Contractor may, at its sole discretion, phase the implementation of the program on a route-by-route basis during this time. Contractor shall prepare a unique public education and outreach campaign for the expansion of this program. Such education and outreach campaign shall include, at a minimum, direct mailings to each Customer, messages through the Contractor’s and City’s existing social media platforms, and local news media coverage (e.g. newspaper, radio, television).

In accordance with Section 4.5, the City Contract Manager may request Contractor to modify its scope of service to include Collection of organic materials in addition to those defined in Article 1. If the City Contract Manager requests Collection of additional organic materials, the Contractor shall not receive additional compensation for such service if the organic materials are placed by Generator in the existing Organic Materials Cart.

Contractor shall Collect Christmas trees from Customers during the first two weeks of each calendar year. Christmas trees shall be Collected on the Customer’s regular Collection day during the designated week. Contractor shall notify Customers of the availability of this program and all program requirements during December of each year and may use existing public education materials or bill inserts to provide such information. Christmas trees shall be collected from a curbside location near the Customer’s Organic Materials Cart.

5.4 SCHEDULED NEIGHBORHOOD CLEAN-UP



2 A. **General Requirements.** Contractor shall provide one (1) neighborhood clean-up events
3 throughout the City so that each Customer has an opportunity to participate in one (1)
4 event per year. This program shall be operated at no additional charge to Customers.

5 The Contractor shall schedule, promote, manage, staff, and operate the neighborhood
6 clean-up services. Contractor shall promote the service no less than one (1) week prior to
7 the scheduled events through direct mail to all customers in the neighborhood scheduled
8 for the event. The City shall approve all advertisements or public announcements related
9 to the neighborhood clean-up service.

10 Contractor shall operate this program in a manner that prioritizes the reuse and recycling
11 of materials collected. Contractor shall work with non-profits to collect and reuse
12 materials from this program for donation or resale to the greatest extent practical.

13
14
15 B. **Accepted Materials.** During each neighborhood clean-up event, Customers may set out
16 and Contractor shall Collect an unlimited volume of:

- 17 1. Bulky Items that are less than two hundred (200) pounds and seven (7) feet in length;
18 2. Solid Waste, Recyclable Materials, and Organic Materials which are properly
19 bagged and contained; and,
20 3. Salvageable Materials.

21 Contractor may reject: liquids or sludges; materials (other than Bulky Items) which
22 exceed five (5) feet in length and are not bundled; painted or stained wood; automotive
23 batteries; used motor oil; pesticides; Hazardous Waste; or Infectious Waste. Contractor
24 may reject a single item that weights more than two hundred (200) pounds. Contractor
25 may also reject un-containerized materials, materials that are not bundled, or other items
26 that exceed the Collection abilities as determined by the Contractor and approved by the
27 City.
28

29
30 Each Customer shall be instructed to place all items to be Collected by Contractor in a
31 serviceable location adjacent to the Premises by 6:00 a.m. on pick-up day to ensure
32 Collection.
33

34 **5.5 SERVICE ASSISTANCE PROGRAM**

35 In addition to any other obligation required by State or Federal laws, Contractor shall provide the
36 following special service assistance to qualifying senior and disabled Customers who request
37 such assistance. Contractor shall Collect Solid Waste, Recyclable Materials, and Organic
38 Materials Carts from and return those Carts back to a location specified by the qualifying
39 Customer (e.g. side- or back-yard). Contractor may require an application and/or liability waiver
40 from each Customer requesting such service, provided that such application is approved by the
41 City Contract Manager. At the commencement of this Agreement, Contractor shall immediately
42 accept the applications provided by the City for Customers receiving service assistance prior to
43 the commencement of this Agreement.
44

45 The following qualifications may be used to qualify Customers for special assistance:

- 46 a. The Customer must be either over sixty two (62) years old or physically disabled; and,



- 1 b. The Customer must have a signed note from a medical doctor documenting their
2 inability to place their Carts curbside; and,
3 c. There should be no able-bodied person residing at the Customer's Premises.
4

5 **5.6 USED MOTOR OIL AND FILTER COLLECTION**

6 Contractor shall provide containers and Collect used motor oil and oil filters once per week from
7 Customers who request it if the Customers place the oil in one-gallon translucent plastic
8 containers with screw tops provided by the Contractor. Contractor shall provide the used motor
9 oil container to a Residential Customer on that Customer's next regular service day at no
10 additional cost to Customer. Generators shall be instructed to place the used oil and filters
11 adjacent to its Recyclables Cart. Upon Collection of used motor oil from a Generator,
12 Contractor shall leave a clean, empty, usable motor oil container adjacent to the Recyclables
13 Cart. Contractor shall not be required to Collect more than two gallons of used motor oil per
14 Customer per week.

15
16 Contractor shall provide containers and Collect used motor oil filters once per week in plastic
17 disposable resealable zipper bags which are at least six (6) Mil thick (0.006 inches thick).
18 Contractor shall provide the used oil filter zipper bags to Customers upon request on that
19 Customer's next regular service day, at no additional cost. Generators shall be instructed to
20 place the used oil filter in the Recycling Cart or adjacent to the Recycling Cart at the
21 Contractor's preference.
22

23 The City shall cooperate with Contractor to secure grant funds through CalRecycle's "Used Oil
24 Payment Program" to provide for the used oil and filter collection containers, resealable zipper
25 bags, and education for the used oil program. Contractor shall be responsible for preparing any
26 required grant application(s) and interacting with the grant administrators, as appropriate. In the
27 event that CalRecycle terminates or modifies the Used Oil Payment Program in such a way that
28 significantly reduces or eliminates these funds, the City and Contractor shall meet and confer
29 regarding the most appropriate response to the reduction in funds. In the event that Contractor
30 fails to meet grant application requirements or deadlines, Contractor shall not be relieved of their
31 obligations to provide this service.
32

33 **5.7 ON-CALL ELECTRONIC WASTE COLLECTION**

34 Contractor shall Collect Electronic Waste from Customers, upon request. Electronic wastes
35 collected under this program shall include, at a minimum: televisions, portable electronic
36 devices, computer monitors, computers, and computer peripherals. Contractor shall establish an
37 on-line and telephonic request system whereby Customers may request Collection of Electronic
38 Waste on their next regularly scheduled service day. Contractor shall work to maximize the
39 Recycling of Electronic Wastes Collected under this Agreement and in all cases shall comply
40 with Applicable Laws regarding the handling and disposal of these materials.
41

42 **5.8 ON-CALL TEXTILE RECYCLING COLLECTION**

43 Contractor shall provide containers and Collect textiles from Customers, upon request. Textiles
44 collected under this program shall include, at a minimum: used clothing and shoes. Contractor



1 shall establish an on-line and telephonic request system whereby Customers may request
2 Collection of textiles on their next regularly scheduled service day. Upon receipt of the
3 Customer's request, Contractor shall distribute a textile recycling bag to the Customer.
4 Customers shall be instructed regarding the preparation of textiles for recycling and placement of
5 the textile recycling bag for Collection by the Contractor. Contractor may implement this
6 program on a pilot basis for a subset of Customers during calendar year 2013. Starting on
7 January 1, 2014, Contractor shall make this program available to all Customers.
8

9
10 **ARTICLE 6.**
11 **PROCESSING AND DISPOSAL**

12 **6.1 RECYCLABLE MATERIALS PROCESSING**

13
14 **A. Processing.** Contractor has selected the Approved Recyclable Materials Processing Site
15 and secured sufficient capacity there to Process Recyclable Materials Collected under this
16 Agreement. Contractor shall provide the City Contract Manager, upon request, with
17 documentation demonstrating availability of such capacity. Contractor shall pay all costs
18 associated with Transporting Recyclable Materials to the Approved Recyclable Materials
19 Processing Site as well as any Processing costs.
20

21 Contractor agrees to Transport and deliver all Recyclable Materials it Collects in the City
22 to the Approved Recyclable Materials Processing Site. Residue from the Recyclable
23 Materials shall be Disposed of by Contractor at the Designated Disposal Site or a
24 Disposal Site selected by Contractor. Notwithstanding any other contract or agreement
25 between Contractor and City, Contractor shall pay all costs associated with disposal of
26 residue from the Recyclable Materials it Collects.
27

28 Contractor, or its Subcontractor, shall cause the Approved Recyclable Materials
29 Processing Site(s) to be in full regulatory compliance at all times, including but not
30 limited to compliance with all required permits. Contractor shall provide copies of
31 notices of violation or permit modifications to the City Contract Manager within five (5)
32 Business Days of receipt.
33

34 If Contractor elects to use a Processing Site that is different from the Approved
35 Recyclable Materials Processing Site, it shall secure prior written approval from the City
36 Contract Manager, which approval must be obtained at least ninety (90) days prior to use
37 of such site(s) and will not be unreasonably withheld by the City. The City shall not
38 compensate the Contractor for any Transfer/Transportation and Processing costs
39 associated with the use of Processing Site(s) different than the Approved Recyclable
40 Materials Processing Site(s). In the event that Contractor elects to use a new Processing
41 Site, Contractor shall be obligated to compensate the City for any lost revenues resulting
42 from said election including, but not necessarily limited to, per ton payments from the
43 Contractor or Approved Recyclable Materials Processing Site for the Recyclable
44 Materials delivered there and/or increases in tipping fees resulting from the reduction in
45 the volume of material handled at such facility.



1
2 **B. Transfer.** If Contractor uses a Transfer Station for Recyclable Materials, Contractor
3 shall select the Transfer Station and secure sufficient capacity to transfer Recyclable
4 Materials Collected under this Agreement. Contractor shall provide the City Contract
5 Manager, upon request, with documentation demonstrating availability of such capacity.
6 All costs associated with Transporting Recyclable Materials to the Transfer Station as
7 well as any transfer costs including any governmental fees shall be paid by Contractor.
8 Contractor shall not use any Transfer Station unless it has first obtained written approval
9 of the Transfer Station from the City Contract Manager at least five (5) days prior to use
10 of the Transfer Station. Said approval shall not be unreasonably withheld by the City.

11
12 If the Contractor (i) Transports Recyclable Materials to a Transfer Station where the
13 materials will be unloaded from Collection vehicles and loaded into large-capacity
14 vehicles and Transported to the Processing Site(s), or (ii) pulls two or more Collection
15 trailers in tandem with one (1) truck, and the Contractor is unable to do so, then the
16 Contractor shall be responsible for making other Transportation arrangements. In such
17 event, Contractor shall not be compensated for any additional costs. If the Contractor
18 plans to change its transfer method, Contractor shall obtain written approval from the
19 City Contract Manager prior to making the change. The City Contract Manager's
20 approval shall authorize the transfer method and the facility(ies) Contractor proposes to
21 use.

22
23 **C. Marketing.** The Contractor or Subcontractor shall be responsible for the marketing of
24 Recyclable Materials it Collects in the City. Contractor shall prepare Recyclable
25 Materials for market or develop end uses for materials that maximize diversion credits
26 according to the regulations established by the Act. Contractor shall not use any
27 Recyclable Materials for the purposes of ADC or any other on-site landfill utilization or
28 for transformation fuel, unless prior written approval is obtained from the City Contract
29 Manager.

30
31 Contractor shall prepare and maintain a City Contract Manager-approved marketing plan
32 for all Recyclable Materials it Collects in the City. The plan shall be in place on or
33 before the Commencement Date of this Agreement. The marketing plan shall fully
34 describe the Contractor's marketing methods and approach, targeted primary and
35 contingent markets (noting use of domestic versus export markets), pricing policy and
36 assumed salvage value for Recyclable Materials products, and contingency plans if
37 market conditions are severe.

38
39 Contractor shall provide proof to the City Contract Manager that all Recyclable Materials
40 Collected are marketed for use in such a manner that materials shall be considered as
41 diverted in accordance with the State regulations established by the Act. All residual
42 material from the Processing activities that is not marketed for use shall be accounted for
43 as Disposal Tonnage at a permitted Disposal Site.

44
45 **D. Disposal of Recyclable Materials Prohibited.** Recyclable Materials may not be
46 Disposed of in lieu of Processing and Marketing the material, without the prior written



1 approval of the City Contract Manager. If Contractor believes that it cannot divert the
2 Recyclable Materials from Disposal, then it shall prepare a written request for approval to
3 Dispose of such material. Such request shall contain the basis for its belief, describe the
4 Contractor's efforts to arrange for the diversion from Disposal of such material, the
5 period required for such Disposal, the incremental costs or cost savings resulting from
6 such Disposal, and any additional information supporting the Contractor's request. The
7 City Contract Manager shall consider the Contractor's request and inform Contractor in
8 writing of its decision within thirty (30) calendar days of receipt of the Contractor's
9 request.

10
11 **E. City Right to Select Processing Site.** The City reserves the right to direct Contractor to
12 Recyclable Materials Processing Site(s) other than that selected by Contractor in the
13 event that the Contractor and/or the Approved Recyclable Materials Processing Site is not
14 operating in accordance with this Agreement and/or Applicable Law. City Contract
15 Manager shall provide written notice to Contractor not less than ninety (90) days before
16 effective date of the change and Contractor shall have ninety (90) days following such
17 notice to either bring the Approved Recyclable Materials Processing Site into compliance
18 with the requirements of this Agreement and/or Applicable Law. Should the Contractor
19 be unsuccessful in their attempts to do so, only then will the Contractor be required to use
20 the City-selected Processing Site(s).

21 22 **6.2 ORGANIC MATERIALS PROCESSING**

23
24 **A. Processing.** Contractor shall select Processing Site(s) and secure sufficient capacity to
25 Process Organic Materials Collected under this Agreement. Contractor shall provide the
26 City Contract Manager, upon request, with documentation demonstrating availability of
27 such capacity. Contractor shall pay all costs associated with Transporting Organic
28 Materials to the Processing Sites as well as any Processing costs. The Processing Site
29 selected by Contractor shall be approved in writing by the City Contract Manager at least
30 ninety (90) days prior to use of such site.

31
32 Contractor agrees to Transport and deliver all Source Separated Organic Materials it
33 Collects in the City to the Approved Processing Site. Residue from the Organic
34 Materials shall be Disposed of by Contractor at the Designated Disposal Site or a
35 Disposal Site selected by the Approved Organic Materials Processing Site.

36
37 Contractor, or its Subcontractor, shall cause the Approved Processing Site to be in full
38 regulatory compliance at all times, including but not limited to compliance with all
39 required permits. Contractor shall provide copies of notices of violation or permit
40 modifications to the City Contract Manager within five (5) Business Days of receipt.

41
42 If Contractor elects to use a Processing Site that is different from the Approved
43 Processing Site agreed-upon at the Execution Date, it shall secure prior written approval
44 from the City Contract Manager and such approval will not be unreasonably withheld.
45 The City shall not compensate the Contractor for any Transfer/Transportation and



1 Processing costs associated with the use of a Processing Site different from the Approved
2 Processing Site.

- 3
4 **B. Transfer.** If Contractor uses a Transfer Station for Organic Materials, Contractor shall
5 select the Transfer Station and secure sufficient capacity to transfer Organic Materials
6 Collected under this Agreement. Contractor shall provide the City Contract Manager,
7 upon request, with documentation demonstrating availability of such capacity. All costs
8 associated with Transporting Organic Materials to the Transfer Station as well as any
9 transfer costs shall be paid by Contractor. Contractor agrees to use Approved Transfer
10 Station and such site approval shall be obtained from the City Contract Manager at least
11 five (5) days prior to use of such site.

12
13 If the Contractor (i) Transports Organic Materials to a Transfer Station where the
14 materials will be unloaded from Collection vehicles and loaded into large-capacity
15 vehicles and Transported to the Processing Site(s), or (ii) pulls two or more Collection
16 trailers in tandem with one (1) truck, and the Contractor is unable to do so, then the
17 Contractor shall be responsible for making other Transportation arrangements. In such
18 event, Contractor shall not be compensated for any additional costs. If the Contractor
19 plans to change its transfer method, Contractor shall obtain written approval from the
20 City Contract Manager prior to making the change. The City Contract Manager's
21 approval shall authorize the transfer method and the facility(ies) Contractor proposes to
22 use.

- 23
24 **C. Marketing.** The Contractor or Subcontractor shall be responsible for the marketing of
25 Organic Materials it Collects in the City. Contractor shall make end products (Compost
26 or mulch) or develop end uses for materials that maximize diversion credits according to
27 the regulations established by the Act. Contractor shall not use any Organic Materials for
28 the purposes of ADC or any other on-site landfill utilization or for transformation fuel,
29 unless prior written approval is obtained from the City Contract Manager.

30
31 Contractor shall prepare and maintain a City Contract Manager-approved marketing plan
32 for all Organic Materials it Collects in the City. The plan shall be in place on or before
33 the Commencement Date of this Agreement. The marketing plan shall fully describe the
34 Contractor's marketing methods and approach, targeted primary and contingent markets,
35 pricing policy and assumed salvage value for Organic Materials products, and
36 contingency plans if market conditions are severe.

37
38 Contractor shall provide proof to the City Contract Manager that all Organic Materials
39 Collected is marketed for use in such a manner that materials shall be considered as
40 diverted in accordance with the State regulations established by the Act. All residual
41 material from the Processing activities that is not marketed for use shall be accounted for
42 as Disposal Tonnage at a permitted Disposal Site. No Organic Materials shall be
43 transported to a domestic or foreign location if Disposal of such material is its intended
44 use.



1 D. **Disposal of Organic Materials Prohibited.** Source Separated Organic Materials may
2 not be Disposed of in lieu of Composting the material, without the expressed written
3 approval of the City Contract Manager. If Contractor believes that it cannot divert the
4 Organic Materials from Disposal, then it shall prepare a written request for approval to
5 Dispose of such material. Such request shall contain the basis for its belief, describe the
6 Contractor's efforts to arrange for the diversion from Disposal of such material, the
7 period required for such Disposal, the incremental costs or cost savings resulting from
8 such Disposal, and any additional information supporting the Contractor's request. The
9 City Contract Manager shall consider the Contractor's request and inform Contractor in
10 writing of its decision within thirty (30) calendar days. If the City Contract Manager
11 approves such request and the difference in the cost of such Disposal compared to the
12 diversion is greater than ten thousand dollars (\$10,000) per year, then the Contractor's
13 Compensation shall be adjusted in accordance with Section 11.6.
14

15 E. **City Right to Select Processing Site.** The City reserves the right to direct Contractor to
16 Processing Site(s) other than that selected by Contractor. In such case, the Contractor
17 shall be released from its indemnification obligation in Section 12.1 as it relates to
18 actions or negligence of the Owner and operator of the City-selected Processing Site(s),
19 and the City shall adjust Contractor's Compensation in accordance with procedures for a
20 City-directed change in scope in accordance with Section 4.5. City Contract Manager
21 shall provide written notice to Contractor not less than ninety (90) days before effective
22 date of the change.
23

24 6.3 SOLID WASTE DISPOSAL

25 Contractor shall Transport to and Dispose of all Solid Waste Collected in the City at the
26 Designated Disposal Location. Contractor shall pay all costs associated with the
27 Transfer/Transport and Disposing of Solid Waste. Contractor shall maintain accurate records of
28 the quantities of Solid Waste Transported to the Designated Disposal Location and will
29 cooperate with the City Contract Manager in any audits or investigation of such quantities or
30 their composition. The Parties acknowledge that the Designated Disposal Location is
31 responsible for delivering all Solid Waste which remains after Processing at the Designated
32 Disposal Location to the Designated Landfill Site, pursuant to the Services Agreement between
33 Orange Avenue Disposal Company, Inc. and the City dated February 25, 2004.
34

35 Contractor shall cooperate with the operator of the Designated Disposal Location with regard to
36 operations therein, including for example, complying with directions from the operator to unload
37 Collection vehicles in designated areas, accommodating to maintenance and operations and
38 construction of new facilities, cooperating with Hazardous Waste exclusion and load checking
39 programs, and so forth.
40

41 Once the City's current contract with the Designated Landfill Site expires, the City may either
42 designate a facility it has arranged or it may approve a facility that the Contractor has arranged.
43 In either case, Contractor's Compensation shall be adjusted in accordance with Sections 4.5 and
44 11.6. For the purposes of adjusting costs related to Collection vehicles driving to and from the
45 Designated Disposal Location, the incremental change in mileage between the Designated



1 Disposal Location and the new site shall be measured from the City's geographic centroid at the
2 intersection of Ashlan Avenue and Blackstone Avenue.

3
4 Contractor may Dispose of residue from Organic Materials at any Disposal Site selected by the
5 Contractor.

6
7 In the event the Contractor arranges for an alternative Disposal Site, any Disposal Site used by
8 Contractor must be designed and constructed in accordance with 23 California Code of
9 Regulations Section 2510 et seq. ("Subchapter 15"). Contractor shall ensure that any such
10 landfill (other than the Designated Disposal Location) has been issued all permits from federal,
11 state, regional, county and municipal agencies necessary for it to operate as a Class III Sanitary
12 Landfill and is in full compliance with those permits at all times. Contractor shall provide copies
13 of notices of violation or permit modifications to the City Contract Manager within five (5)
14 Business Days of receipt.

15
16 **ARTICLE 7.**
17 **OTHER SERVICES**
18

19 **7.1 PUBLIC EDUCATION**

20 Contractor shall work with Customers to improve the Recyclable Materials and Organic
21 Materials Collection programs. Contractor shall make diligent efforts including, but not limited
22 to, all plans described in Contractor's Proposal to increase the amount of Recyclable Materials
23 and Organic Materials Collection services provided to Customers.

24
25 In conjunction with the City, Contractor shall develop, implement, and maintain a public
26 education program to educate the community and promote source reduction, reuse, Recycling,
27 Composting, and other services required by this Agreement. Contractor's public education
28 program shall at a minimum provide information to Customers in accordance with the specific
29 requirements described in Exhibit F. Educational media shall include, but not be limited, to
30 newsletters, bill inserts, flyers, door hangers, notification tags, and direct contact. Information
31 shall be provided for initial start of new services, to solicit feedback about the service and
32 suggested improvement/change, and to educate Customers about source reduction, reuse, and
33 Recycling opportunities. Materials shall be printed on paper containing the highest levels of
34 recycled content material as is reasonably practical with a minimum requirement of thirty
35 percent (30%) post-consumer content.

36
37 All public education materials required in this Section and Exhibit F shall be printed in English,
38 Spanish, Hmong, and any other language(s) requested by the City Contract Manager, provided
39 that such languages are used in City-produced public education and outreach materials.

40
41 Contractor shall obtain the City Contract Manager's approval of all public education materials
42 prior to printing, distribution, advertising, posting, or mailing. The City Contract Manager may,
43 in his/her sole discretion, provide Contractor with educational media developed to create a
44 consistent message throughout the City. Contractor shall be responsible for all reproduction and
45 distribution costs associated with materials provided by City Contract Manager.



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If Contractor fails to perform some or all of the requirements of the public education program described in this Section and in Exhibit F, the Contractor shall pay the City Liquidated Damages as described in Section 13.5 and Exhibit G.

During the Term of the Agreement, the Contractor shall employ no less than one (1) full-time public education coordinator dedicated to implementing its public education program. This position may be filled by Contractor's personnel or personnel from a Subcontractor. The City Contract Manager shall be notified of the public education coordinator's name and contact information two (2) months prior to the Commencement Date. The public education coordinator shall not be responsible for outreach or technical assistance to Multi-Family and Commercial Customers or to Contractor's customers outside of the City.

7.2 BILLING

A. General. Contractor shall bill all Customers and collect Billings in accordance with this Section 7.2.

The Contractor shall prepare, distribute, and collect bills (or shall issue written receipts for cash payments) for Collection services provided by Contractor. Bills for service shall be mailed to Customers monthly following provision of service. The City shall have the right to review, and approve the Billing format.

Contractor shall arrange to allow its Customers to pay bills through the following means: check; cash; credit card; internet payment service; or, automatic withdrawal from banking account.

Contractor shall maintain electronic copies of all Billings and receipts, each in chronological order, for three (3) years for inspection and verification by City, its employees, officers or agents at any reasonable time upon request. The Contractor may, at its option, maintain those records in computer form, on microfiche, or in any other manner, provided that the records can be preserved and easily retrieved for inspection and verification in a timely manner.

Contractor shall be responsible for collection of payment from Customers with past due accounts ("bad debt"). Contractor shall make reasonable efforts to obtain payment from delinquent accounts through issuance of late payment notices, telephone requests for payments, and assistance from collection agencies. This parties to this Agreement have assumed, based on the City's prior experience, a bad debt level of 1.25% of gross annual billings; in the event that level exceeds 1.25% for any Rate Period, then the parties shall meet and confer to evaluate strategies, which may include, but are not necessarily limited to, amending this Agreement or adjusting the Contractor's rates, to address the problem.

Bills are due on the last day of the period for which services are provided under that bill. 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. Should any account become more than ninety (90) days past due, Contractor



2 shall provide notice to the Customer via written correspondence, with a copy to the City
3 Contract Manager, that service may be discontinued if the account becomes more than
4 120 days past due. Should any account become more than one hundred twenty (120) days
5 past due, Contractor may discontinue providing service to the Customer including, at the
6 sole option of the Contractor, removing the Cart from the Customer's service location. In
7 the event that Contractor removes a Cart from the Customer's service location,
8 Contractor may charge the Customer a cart replacement fee, in accordance with the
9 Maximum Permissible Rates established by this Agreement. No less than three (3)
10 Business Days prior to discontinuing service to a Customer, Contractor shall notify the
11 City Contract Manager of the address, service level, service frequency, and delinquent
12 billing amount. Contractor may withhold service from a delinquent account until past
13 delinquencies are paid in full. Upon restoring service to a previously delinquent account,
14 Contractor may require a deposit from the Customer not to exceed one (1) month's
15 billings at the Customer's service level.

16 Billing shall be performed on the basis of services rendered and this Agreement shall
17 create no obligation on the part of any Person on the sole basis of the ownership of
18 property. Nothing in this Section 7.2 shall be interpreted in such a way that would allow
19 Contractor to bill for, or require an Owner to pay for, services without regard to the use
20 of those services or the occupancy of the Owner's Premises.

21 Contractor may request, subject to the approval of the City Contract Manager, a change
22 in the timing of billings (e.g., changing from monthly to quarterly).

23
24
25 **B. Bill Inserts.** City Contract Manager may direct Contractor to produce and insert mailers
26 (which shall be a single sheet of paper no larger than eight and one half inches by eleven
27 inches (8.5" x 11") relating to service with the bills. The mailers shall be printed on
28 double-sided, post-consumer-content paper and shall fit in standard envelopes.
29 Contractor also agrees to insert with the Billings, mailers describing activities of the City
30 government. City Contract Manager will provide not less than thirty (30) calendar days'
31 notice to Contractor before the mailing date of any proposed mailing to permit Contractor
32 to make appropriate arrangements for inclusion of the City's materials. City Contract
33 Manager will provide Contractor the mailers at least fifteen (15) calendar days before the
34 mailing date. The cost of such inserts and any additional postage shall either be paid for
35 by the City or included in the costs upon which Rates are based.

36
37 **C. Review of Billings.** Contractor shall review its Billings to Customers to determine (i) if
38 the amount the Contractor is Billing each Customer is correct in terms of the level of
39 service (i.e., frequency of Collection, size of Cart, location of Cart) Contractor is
40 providing such Customer, and (ii) that all parties receiving service are invoiced for
41 service. Contractor shall review all Customer accounts at least every other year, unless
42 City Contract Manager directs Contractor to do otherwise. Contractor shall submit to
43 City Contract Manager every year, a written report of the billing review thirty (30) days
44 after the end of each Rate Period. The scope of the review, the Contractor's work plan,
45 and the format of the report (including supporting exhibits) shall be submitted to the City
46 Contract Manager for approval no later than sixty (60) days prior to commencement of



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the Billing review process. The City may perform this review itself or through use of an agent. Should City or its agent perform this review and identify billing errors valued at one percent (1%) or more of annual Gross Receipts, Contractor shall, in addition to compensating City for lost fees, reimburse the City's cost of the review, up to one hundred thousand dollars (\$100,000) in the City.

D. Senior Discount Program. Contractor shall administer a senior discount program. The "Senior Citizen Rates" listed in City-approved Maximum Permissible Rate schedule shall be the Maximum Permissible Rates for Customers qualifying for this program. Prior to enrolling any Customer in this program, Contractor may require documentation from the Customer that they are over sixty two (62) years old and meet California Public Utilities Commission poverty level guidelines.

7.3 CUSTOMER SERVICE PROGRAM

7.3.1 Program Requirements

A. Availability of Representatives. A representative of the Contractor shall be available from 8 a.m. to 5 p.m. Monday through Friday to communicate with the public in person and by telephone. A message machine or voicemail service shall be available for Customers to leave messages during non-business hours. Calls received during non-business hours shall be returned no later than noon of the following Business Day. Contractor shall also maintain an after-hours telephone number allowing 24-hour per day access to Contractor management by City in the event of an emergency involving Contractor's equipment or services including, but not necessarily limited to, fires, blocked access, or property damage.

B. Telephone. Contractor shall maintain a telephone system in operation at its office from 7 a.m. to 6 p.m. and shall have staff available to answer calls. Contractor shall install telephone equipment sufficient to handle the volume of calls experienced on the busiest days and such telephone equipment shall be capable of recording the responsiveness to calls. Recording of Contractor's responsiveness to calls shall include, at a minimum, all items included in the Customer service standards listed in Exhibit G and Liquidated Damages identified in Section 13.5 and Exhibit G. If Persons are unable with reasonable effort to reach Contractor's office by phone, or are subject to waiting time "on hold" of more than three (3) minutes prior to reaching a Customer service representative, City Contract Manager may require that Contractor install additional telephone lines or hire additional Customer service representatives. An answering machine or voicemail service shall record Customer calls and voice messages between 5:00 p.m. and 8:00 a.m. Liquidated Damages may be levied for Contractor's failure to meet Customer service standards provided in Exhibit G in accordance with Section 13.5.

C. Web Site. Contractor shall develop and maintain a web site that is accessible by the public and that describes services provided in the City. The site shall include answers to frequently asked questions, service Rates, Recyclable Materials and Organic Materials program specifications, and other related topics. Contractor's web site shall provide the



1 public the ability to e-mail Contractor questions, service requests, or Complaints.
2 Contractor's web site shall provide the Customers with the ability to pay their bills
3 through an electronic check or credit card and include the ability for Customer Billings to
4 be automatically charged to payment mechanism on a recurring basis.

5
6 **D. Customer Satisfaction Survey.** The City may conduct a Customer satisfaction survey
7 as frequently as once each year.

8
9 **E. Training.** Customer service representatives shall receive training during each quarter of
10 the calendar year on City-specific service requirements. During the training, a City-
11 specific Collection service and fee information sheet, training agenda, and associated
12 documentation shall be provided to employees. A copy of all training materials and sign-
13 in sheet documenting all employees attending the training shall be provided to the City
14 Contract Manager within five (5) Business Days of each training event.

15
16 **F. Local Office.** Throughout the Term of this Agreement Contractor shall maintain a local
17 office within a twenty-five (25) mile radius of City Hall that may be located in either the
18 City or County of Fresno, where all Customer service personnel and operations shall be
19 housed for Customers served under this Agreement.

20
21 **7.3.2 Service Complaints**

22 Contractor shall be responsible for the prompt and courteous attention to, and prompt and
23 reasonable resolution of, all Complaints. Contractor shall record in a separate log, approved as
24 to form in writing by City Contract Manager, all Complaints, noting the name and address of
25 complainant, date and time of Complaint, nature of Complaint, and nature and date of resolution.
26 The Contractor shall retain this Complaint log for the Term. In addition, Contractor shall
27 compile a summary statistical table of the Complaint log, satisfactory to the City Contract
28 Manager, and submit the table to City Contract Manager each month.

29
30 Contractor shall respond to all Complaints received within twenty-four (24) hours, weekends and
31 Holidays excluded. In particular, if a Complaint involves a failure to Collect Solid Waste,
32 Recyclable Materials or Organic Materials from a Premises in the City, Contractor shall Collect
33 the material in question within twenty-four (24) hours of receipt of the Complaint, provided that
34 Generator has properly placed materials for Collection in accordance with the City's Municipal
35 Code. Liquidated Damages may be levied for Contractor's failure to meet the service Complaint
36 standard and additional Customer service standards provided in Exhibit G in accordance with
37 Section 13.5.

38
39 **7.4 PROVISION OF EMERGENCY SERVICES**

40 Contractor shall provide emergency services at the City Contract Manager's request in the event
41 of major accidents, disruptions, or natural calamities. Emergency services may include, but are
42 not limited to, assistance handling salvaged materials, Processing, Composting, or Recycling
43 materials, or Disposing of Solid Waste following a major accident, disruption, or natural
44 calamity. Contractor shall be capable of providing emergency services within twenty-four (24)
45 hours of notification by the City Contract Manager or as soon thereafter as is reasonably
46 practical in light of the circumstances. Emergency services, which exceed the Contractor's



1 obligations, shall be compensated in accordance with Section 11.6. If Contractor cannot provide
2 the requested emergency services, the City shall have the right to take possession of the
3 Contractor's equipment for the purposes of providing emergency services.
4

5 **ARTICLE 8.**
6 **STANDARDS AND REQUIREMENTS**
7 **FOR SERVICES, EQUIPMENT, AND**
8 **PERSONNEL**
9

10 **8.1 COLLECTION HOURS AND SCHEDULES**

11
12 **A. Hours of Collection.** Collection shall only occur between the hours of 6:00 a.m. and
13 6:00 p.m., Monday through Friday. The City Contract Manager may require
14 modifications to hours for Collection to resolve noise Complaints, and, in such case, the
15 City Contract Manager may change the allowable Collection hours.
16

17 **B. Collection Route Schedules.** Contractor shall provide City Contract Manager with route
18 maps and daily Collection schedules. Such maps and schedules shall be reviewed and
19 approved by the City Contract Manager. Contractor shall not permit any Customer's
20 service to lapse more than seven (7) calendars days during a Collection schedule change.
21

22 **C. Holiday Collection Schedule.** Contractor, at its sole discretion, may choose not to
23 provide Collection services on a Holiday. In such event, Contractor shall provide
24 Collection services on the day following the Holiday. The Contractor shall provide
25 Customers notice of Holiday-related changes in Collection schedules at least two weeks
26 prior to the change.
27

28 **D. Contingency Plan.** Contractor shall submit to City Contract Manager, on or before the
29 Commencement Date, a written contingency plan demonstrating Contractor's
30 arrangements to provide vehicles and personnel and to maintain uninterrupted service
31 during mechanical breakdowns, and in case of natural disaster or other emergencies.
32

33 **8.2 COLLECTION STANDARDS**

34
35 **8.2.1 Implementation of Services**

36 The Contractor's implementation of the new services required under this Agreement shall occur
37 in a smooth and seamless manner so that Customers and/or Generators do not experience
38 disruption in Collection services. Contractor shall be responsible for managing implementation
39 of new Collection services and other related services and shall do so in accordance with the
40 implementation plan in Exhibit D.
41

42 **8.2.2 Servicing Carts**

43 Contractor shall pick up and return each Cart to the location where the Generator properly placed
44 the Cart for Collection. Contractor shall place the Carts upright with lids properly secured or



1 closed. The City may levy Liquidated Damages for repeat occurrences of Cart misplacement in
2 accordance with Section 13.5 of this Agreement.

3
4 Contractor shall use due care when handling Carts. Carts shall not be thrown from trucks,
5 roughly handled, damaged, or, broken.

6
7 Contractor shall Collect Carts from a disabled Customer's side- or back-yard at no additional
8 charge to the Customer. Customers may be required by Contractor to demonstrate their disabled
9 status with a doctor's note indicating the reasons that such Customer is unable to place their own
10 Cart at the curb and return it each week.

11
12 **8.2.3 Weighing Materials Separately from Other Jurisdiction**

13 Solid Waste, Recyclable Materials, and Organic Materials Collected in the City shall not be
14 mixed with other materials collected from other jurisdictions before the material generated
15 within the City has been accurately weighed and recorded.

16
17 **8.2.4 Instructions to Customer**

18 Contractor shall instruct Customers as to any requirements for the proper separation of materials
19 or placement of Carts for Solid Waste, Recyclable Materials, and Organic Materials. If
20 Customers are not adhering to Contractor's instructions, Contractor shall notify such Customers.
21 In cases of extreme or repeated failure to comply with the instructions, Contractor may decline to
22 pick-up the Solid Waste, Recyclable Materials, or Organic Materials provided that Contractor
23 leaves a tag at least two inches by six inches (2" x 6") in size attached to the Cart indicating the
24 reason for refusing to Collect the material and identifying the steps Customer and/or Generator
25 must take to recommence Collection service. If Recyclable Materials or Organic Materials set
26 out for Collection contain twenty-five percent (25%) or five percent (5%), respectively, or
27 greater by volume of Solid Waste, Contractor shall Collect materials and leave a warning notice
28 for the Customer. Contractor shall report to the City Contract Manager any warning notices
29 issued to Customers within one (1) Business Day of issuance. Contractor shall provide direct
30 person-to-person education and outreach to Customers with repeated contamination notices.

31
32 **8.2.5 Overages**

33 Contractor shall direct its employees not to Collect Solid Waste beyond each Customer's
34 subscription level of service unless the business office of Contractor has granted prior
35 authorization to make such Collection.

36
37 **8.2.6 Care of Private Property**

38 Contractor shall not damage private or City-owned property. Contractor shall ensure that its
39 employees: (i) close all gates opened in making Collections, unless otherwise directed by the
40 Generator; (ii) do not cross landscaped areas; (iii) do not climb or jump over hedges and fences;
41 and, (iv) check for and avoid obstructions or impediments including, but not limited to, lighting,
42 plumbing, wiring, or signage prior to operating Collection equipment.

43
44 City shall refer Complaints about private property damage to Contractor. Contractor shall repair
45 all damage to private or City-owned property caused by its employees. In the event of repeat



1 occurrences of property damage, the Contractor shall pay Liquidated Damages in accordance
2 with Section 13.5.

3
4 **8.2.7 Litter Abatement**

5
6 **A. Minimization of Spills.** Contractor shall use due care to prevent Solid Waste,
7 Recyclable Materials, Organic Materials, vehicle oil, and vehicle fuel from being spilled
8 or scattered during the Collection or Transportation process. If any materials are spilled
9 or scattered during Collection, the Contractor shall promptly clean-up all spilled and
10 scattered materials.

11
12 Contractor shall not transfer loads from one (1) vehicle to another on any public street,
13 unless it is necessary to do so because of mechanical failure, hot load (combustion of
14 material in the truck), accidental damage to a vehicle, or unless approved by the City
15 Contract Manager.

16
17 **B. Clean-Up.** During Collection, the Contractor shall clean-up litter in the immediate
18 vicinity of any Cart storage area (including the areas where Carts are delivered for
19 Collection) whether or not Contractor has caused the litter. Each Collection vehicle shall
20 carry protective gloves, a broom, and shovel at all times for the purpose of cleaning up
21 litter. Cat-litter or similar absorbent material shall be used by Contractor for cleaning up
22 liquid spills. The Contractor shall discuss instances of repeated spillage not caused by it
23 with the Customer of the Premise where spillage occurs, and Contractor shall report such
24 instances to City Contract Manager.

25
26 **8.2.8 Noise**

27 All Collection operations shall be conducted as quietly as possible and shall conform to
28 applicable Federal, State, county, and City noise level regulations. All such vehicles shall
29 comply with U.S. Environmental Protection Agency (EPA) noise emission regulations and other
30 applicable noise control regulations. Any vehicle that does not comply with noise level
31 requirements shall be prohibited from performing services under this Agreement.

32
33 Contractor will promptly resolve any Complaints of noise during the morning or evening hours
34 of the day to the satisfaction of the City Contract Manager. In the event of repeat occurrences of
35 noise levels in excess of fifty (50) decibels, the Contractor shall pay Liquidated Damages in
36 accordance with Section 13.5.

37
38 **8.3 VEHICLE REQUIREMENTS**

39
40 **8.3.1 General**

41 On the Commencement Date of this Agreement, Contractor shall take possession of Collection
42 vehicles previously owned by the City and Contractor shall pay the City the sales price specified
43 in Exhibit L. Prior to Contractor taking possession of the Collection Vehicles, City shall ensure
44 that each vehicle is in such a condition that it would pass California Highway Patrol BIT
45 inspection criteria. Contractor shall be responsible for paying all taxes and fees associated with
46 the transfer of ownership of the Collection Vehicles. Although the Contractor is required to take



1 ownership of and possession of the Collection vehicles previously owned by the City, the
2 Contractor is not obligated to use such Collection vehicles to provide the Collection services
3 required by this Agreement. The Contractor may sell the Collection vehicles previously owned
4 by the City or use such vehicles to provide services in the City or other jurisdictions. If
5 Collection vehicles previously owned by the City are to be used in the City to provide services
6 under this Agreement, all City-specific paint schemes, logos, phone numbers, advertising, or
7 other identification shall be removed from the vehicles within one hundred eighty (180) days of
8 the Commencement Date. If Collection vehicles previously owned by the City are to be sold or
9 transferred to operations in another jurisdiction, all City-specific paint schemes, logos, phone
10 numbers, advertising, or other identification shall be removed from the vehicles prior to sale or
11 transfer.
12

13 At all times during the Term of the Agreement, Contractor shall provide a fleet of Collection
14 vehicles sufficient in number and capacity to efficiently perform the work required by the
15 Agreement in strict accordance with its terms. Contractor shall have available sufficient back-up
16 vehicles for each type of Collection vehicle used to respond to Complaints and emergencies.
17 Vehicles shall be owned or leased by Contractor.
18

19 **8.3.2 Specifications**

20 All vehicles used by Contractor in providing Collection services shall be registered with the
21 California Department of Motor Vehicles. All such vehicles shall have watertight bodies
22 designed to prevent leakage, spillage or overflow.
23

24 As required by law, Contractor shall comply with State and Federal regulations including, but
25 not limited to: (i) the California Air Resources Board Heavy Duty Engine Standards, contained
26 in CCR Title 13, Section 2020 et seq; and, (ii) the Federal Environmental Protection Agency's
27 Highway Diesel Fuel Sulfur regulations (Section 209(b) of the Clean Air Act, as amended, 42
28 U.S.C. 7543(b)). In addition, Contractor shall comply with all San Joaquin Valley Air Pollution
29 Control District, State, and Federal regulations related to emissions controls using engines,
30 vehicles, and/or control technologies that meet or exceed the 2011 or later model year vehicle
31 and engine requirements. If Contractor needs to convert, retrofit, or replace its Collection
32 vehicles to be in full compliance with local, State and Federal clean air requirements (including
33 compliance with requirements for 2011 or later model year vehicles) in effect on the
34 Commencement Date of the Agreement, the costs for such changes shall be the sole
35 responsibility of the Contractor and shall not be reimbursed through a change in Contractor's
36 Compensation or Rates. To the extent that clean air requirements become more or less stringent
37 after the Commencement Date of the Agreement, Contractor Compensation or Rates may be
38 adjusted upward or downward as specified in Section 11.5.
39

40 **8.3.3 Vehicle Identification**

41 Contractor's name, local telephone number, and a unique vehicle identification number for each
42 vehicle shall be prominently displayed on all vehicles, in letters and numbers that are a minimum
43 of four inches (4") high. Contractor shall not place the City's logo on its vehicles nor shall
44 Contractor paint their vehicles in a way that, in the reasonable judgment of the City Contract
45 Manager, would cause the public to mistake Contractor's vehicles with those that the City uses
46 for utility services operations. Should City Contract Manager determine that vehicle paint



1 schemes are unacceptable, Contractor shall repaint or cause offending vehicles to be repainted
2 within ten (10) Business Days or be removed from service until the City Contract Manager's
3 concern is resolved.

4
5 **8.3.4 Inventory**

6 Contractor shall furnish sufficient equipment to provide all service required by this Agreement in
7 a timely fashion. Contractor shall furnish the City Contract Manager a written inventory of all
8 vehicles used in providing service, and shall update the inventory report annually. The inventory
9 shall list all vehicles by manufacturer, ID number, date of acquisition, type, capacity, decibel
10 rating, average weight of load, and average loaded axle weights.

11
12 **8.3.5 Cleaning and Maintenance**

13
14 **A. General.** Contractor shall maintain all of its properties, facilities, and equipment in a
15 safe, neat, clean and operable condition at all times.

16
17 **B. Cleaning.** Collection vehicles shall be thoroughly washed and thoroughly steam cleaned
18 to present a clean appearance of the exterior and interior compartment of the vehicle.
19 City Contract Manager may inspect vehicles at any time to determine compliance with
20 cleanliness requirements. Contractor shall make vehicles available to City Contract
21 Manager for inspection, in the event that City Contract Manager requests such an
22 inspection. Best practices shall be utilized to minimize odor.

23
24 **C. Maintenance.** Contractor shall inspect each vehicle daily to ensure that all equipment is
25 operating properly. Vehicles that are not operating properly shall be taken out of service
26 until they are repaired and operate properly. Contractor shall perform all scheduled
27 maintenance functions in accordance with the manufacturer's specifications and schedule
28 or in accordance with California Highway Patrol standards, whichever are more stringent.
29 Contractor shall keep accurate records of all vehicle maintenance, recorded according to
30 date and mileage, the nature of the repair, the signature of a maintenance supervisor that
31 the repair has been properly performed. These records shall be made available to the City
32 Contract Manager upon request to the extent necessary to perform the inspections
33 described in Sections 8.8 and 9.1.3.

34
35 **D. Repairs.** Contractor shall repair, or arrange for the repair of, all of its vehicles and
36 equipment for which repairs are needed because of accident, breakdown or any other
37 cause so as to maintain all equipment in a safe and operable condition. Contractor shall
38 keep accurate records of all vehicle maintenance, recorded according to date and mileage,
39 the nature of the repair, the signature of a maintenance supervisor that the repair has been
40 properly performed. These records shall be made available to the City Contract Manager
41 upon request to the extent necessary to perform the inspections described in Sections 8.8
42 and 9.1.3.

43
44 **E. Storage.** Contractor shall arrange to store all vehicles and other equipment in safe and
45 secure location(s) in accordance with City's applicable zoning regulations.
46



1 **8.3.6 Operation**

2 Vehicles shall be operated in compliance with the State Vehicle Code, and all applicable safety
3 and local ordinances. Contractor shall not load vehicles in excess of the manufacturer's
4 recommendations or limitations imposed by State or local weight restrictions for vehicles and
5 roads. Contractor shall have each Collection vehicle weighed as necessary (e.g., after major
6 repairs) at the Designated Disposal Location, Transfer Station, Approved Recyclable Materials
7 Processing Site, or Approved Recyclable Materials Processing Site to determine the unloaded
8 weight ("tare weight") of the vehicle. Contractor vehicles shall be permitted on City streets only
9 during the Collection hours described in Section 8.1.A subject to reasonable allowances for
10 travel to and from Contractor's corporation yard.
11

12 **8.4 CART REQUIREMENTS**

13
14 **A. General.** On the Commencement Date of this Agreement, all Carts used by the City to
15 Collect Solid Waste, Recyclable Materials, and Organic Materials from Residential
16 Customers shall become property of the Contractor; and the Contractor shall purchase
17 such Carts from the City by paying the City the sales price specified in Exhibit L.
18 Contractor shall be responsible for paying all taxes and fees associated with the transfer
19 of ownership of the Carts. The City shall leave such Carts at each Customer's service
20 location for immediate use by Contractor and to minimize disruptions in service to
21 Customers. Contractor may elect to use the Carts previously owned by the City or to
22 replace such Carts. If Contractor chooses to replace Carts, the Contractor shall remove
23 the Carts previously owned by the City and reuse or Recycle the Carts. If Contractor
24 chooses to sell or transfer Carts to another operation, Contractor must remove all City-
25 specific identification prior to such sale or transfer.
26

27 Contractor shall provide Carts to all Customers at no additional charge as part of its
28 services. Carts shall be designed and constructed to be watertight and prevent the
29 leakage of liquids. All Carts shall meet applicable Federal, State, and local regulations
30 for safety and be covered with industry-standard attached lids. The useful life of Carts
31 shall be equal to or longer than the Term of the Agreement. All Carts shall prominently
32 display Contractor's name and telephone number.
33

34 **B. Cleaning and Maintenance.** Contractor shall maintain Cart inventory in a safe,
35 serviceable, and functional condition. Customers using shall be responsible for cleaning
36 Carts in use on their Premises. If Contractor is notified by Customer that their Cart is
37 impacted by graffiti, Contractor shall remedy the situation within forty-eight (48) hours.
38

39 **C. Repair and Replacement.** Contractor shall repair or replace all Carts damaged by
40 Collection operations within a one (1) week period. If the repair or replacement cannot
41 be completed within one (1) week, the Contractor shall notify Customer and a Cart of the
42 same size or larger shall be made available until the proper Cart can be replaced.
43

44 At no additional cost, Contractor shall replace Customer Carts that have been stolen or
45 damaged. Contractor shall allow Customer to exchange Carts for a Cart of a different
46 size one time per year at no additional cost.



1
2 Should Customers request Cart replacement for any additional reason not mentioned
3 herein, Contractor shall make new or refurbished Carts available to Customer. Contractor
4 may charge Customers for such Cart replacement in accordance with City-approved
5 Maximum Permissible Rates
6

- 7 **D. City's Rights to Carts.** Upon expiration or early termination of this Agreement, all
8 Carts acquired by Contractor and put into service at Customer's Premises before the first
9 (1st) anniversary of the Commencement Date shall become property of the City. All
10 Carts purchased or leased and put into service at Customers' Premises on or after the first
11 (1st) anniversary of the Commencement Date that have not been fully depreciated shall
12 be available to the City for purchase, at the City's option, at the Carts' net book value
13 based on a ten (10) year useful life.
14

15 At its sole discretion, the City may elect not to exercise its rights, in whole or part, with
16 regard to this Section 8.4.D and, in such case, the Carts shall become the property of the
17 Contractor upon the expiration date of this Agreement or date of its earlier termination of
18 this Agreement. In such case, Contractor shall be responsible for removing all Carts in
19 service from Premises in accordance with the City-approved plan for transitioning
20 services from Contractor. Should Contractor fail to remove Carts within three (3)
21 Business Days, City may assume ownership of them or sell them to a third party who
22 would remove them from the Premises.
23

24 **8.5 PERSONNEL**
25

- 26 **A. General.** Contractor shall furnish such qualified drivers, mechanical, supervisory,
27 Customer service, clerical and other personnel as may be necessary to provide the
28 services required by this Agreement in a safe and efficient manner.
29

- 30 **B. Hiring of City Employees.** Forty-five (45) calendar days prior to the Commencement
31 Date, Contractor shall offer employment to all City employees that filled one hundred
32 fifty nine (159) City Residential solid waste positions. Any City employee offered a
33 position must pass a physical, which physical shall not exceed the standards set by
34 Contractor for all its employees in similar positions. Contractor shall have no obligation
35 to hire a City employee that fails the physical. In the Contractor's written employment
36 offer, Contractor shall describe the wages and benefits Contractor will provide such City
37 employees. On or before the Commencement Date, Contractor shall employ the City
38 employees that accepted the Contractor's employment offer and shall guarantee
39 employment of such Persons for a period of twelve (12) months, except that Contractor
40 may terminate any employee for cause, as defined by Contractor in the written
41 employment offer. In the event that a City employee fails a California Department of
42 Motor Vehicles background check or pre-employment drug and alcohol screening or that
43 any employee is terminated for cause, Contractor shall be relieved of the obligation to
44 employ that specific City employee. In such a case, Contractor shall be required to extend
45 an offer of employment to another City employee within that job classification under the
46 same terms and conditions set forth above.



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- C. **Approval of Management.** Contractor recognizes the importance of establishing a successful relationship between its management and City Contract Manager. Therefore, the Contractor will allow the City Contract Manager the right to approve the selection of the Contractor's field representative and the Contractor's responsible officer as designated by the Contractor, provided that the City Contract Manager's approval is not unreasonably withheld. The City Contract Manager shall have the right to request the Contractor to replace the Person that serves as the City's main contact with Contractor (e.g., field representative and the Contractor's responsible officer as designated by the Contractor pursuant to Section 14.10), if Liquidated Damages levied for events listed in Exhibit G, with the exception of damages levied for Collection reliability and Collection quality events items 1, 3, and 8 of Exhibit G, in any three- month period exceed two thousand dollars (\$2,000) or if Liquidated Damages levied for Collection reliability and Collection quality events items 1, 3, and 8 of Exhibit G in any three-month period exceed forty-five thousand dollars (\$45,000). If replacement of the field representative and the Contractor's responsible officer as designated by the Contractor pursuant to Section 14.10 is requested by the City Contract Manager, the Contractor shall have ninety (90) calendar days to replace the field representative or responsible officer and shall seek the City Contract Manager's approval of the replacement manager prior to hiring such Person.

- D. **Provision of Field Supervision.** Contractor shall designate at least one (1) qualified full time equivalent employee for every fifteen (15) full time equivalent routes as supervisor of field operations and such Person shall devote at least seventy percent (70%) of his or her time in the field checking on Collection operations, including responding to Complaints.

- E. **Driver Qualifications.** All drivers shall be trained and qualified in the operation of Collection vehicles they operate and must have in effect a valid license, of the appropriate class, issued by the State Department of Motor Vehicles. Contractor shall use the Class B California Department of Motor Vehicles employer "Pull Notice Program" to monitor its drivers for safety.

- F. **Customer Service Representative Training.** Customer service representatives shall be trained on specific City service requirements, a minimum of once per quarter. A City information sheet shall be provided to each Customer service representative for easy reference of City requirements and general Customer needs. The information sheet, training agenda, employee sign-in sheet, and associated documentation shall be forwarded to the City each quarter after the training.

- G. **Safety Training.** Contractor shall provide suitable operational and safety training for all of its employees who operate Collection vehicles or equipment or who are otherwise directly involved in such Collection. Contractor shall train its employees involved in Collection to identify, and not to collect, Hazardous Waste or Infectious Waste.



1 **H. No Gratuities.** Contractor shall not permit its employees to accept, solicit, or demand
2 directly or indirectly, any additional compensation, or gratuity from Customers or
3 members of the public for Collection. If any Contractor employee is found to have
4 accepted compensation in exchange for providing services at no charge or for a reduced
5 charge, such employee shall, at a minimum, be reassigned to a position which prevents
6 them from providing service directly to Customers.
7

8 **I. Employee Conduct and Courtesy.** Contractor shall use its best efforts to assure that all
9 employees present a neat appearance and conduct themselves in a courteous manner.
10 Contractor shall regularly train its employees in Customer courtesy, shall prohibit the use
11 of loud or profane language, and shall instruct Collection employees to perform the work
12 as quietly as possible. If any employee is found not to be courteous or not to be
13 performing services in the manner required by this Agreement, Contractor shall take all
14 appropriate corrective measures. The City Contract Manager may require Contractor to
15 reassign an employee, if the employee has conducted himself or herself inconsistently
16 with the terms of this Agreement.
17

18 **J. Uniforms.** While performing services under this Agreement, all of the Contractor's
19 employees performing field service shall be dressed in clean uniforms that include the
20 employee's name and/or employee number, and Contractor's name, as approved by the
21 City Contract Manager. No portion of this uniform may be removed while working. No
22 portion of the uniform shall contain advertising from the public sector.
23

24 **8.6 HAZARDOUS WASTE INSPECTION AND HANDLING**

25
26 **A. Inspection Program and Training.** Contractor shall develop a load inspection program
27 that includes the following components: (i) Personnel and training; (ii) Load checking
28 activities; (iii) Management of wastes; and (iv) Record keeping and emergency
29 procedures.
30

31 Contractor's load checking personnel, including its Collection vehicle drivers, shall be
32 trained in (i) the effects of Hazardous Substances on human health and the environment;
33 (ii) identification of prohibited materials; and (iii) emergency notification and response
34 procedures. Collection vehicle drivers shall inspect Carts before Collection to identify
35 and exclude Hazardous Waste from Collection. Contractor shall, at a minimum, conduct
36 load checks on one percent (1%) of all loads delivered to the Designated Disposal
37 Location.
38

39 **B. Response to Hazardous Waste Identified During Collection.** If Contractor determines
40 that material placed in any Cart for Collection is Hazardous Waste, Designated Waste, or
41 other material that may not legally be Disposed of at the Designated Disposal Location or
42 handled at the Approved Organic Materials Processing Site, Approved Recyclable
43 Materials Processing Site, or Transfer Station, or presents a hazard to Contractor's
44 employees, the Contractor shall have the right to refuse to accept such material. In such a
45 case, the Contractor shall contact the Generator and request Generator to arrange proper
46 Disposal. If the Generator cannot be reached immediately, the Contractor shall, before



1 leaving the Premises, attach a tag to the Containers at least two inches by six inches (2" x
2 6") in size, which indicates the reason for refusing to Collect the material and lists the
3 phone number for the Fresno County Environmental Health Department.
4

5 Contractor's environmental technician shall be notified to handle the issue with the
6 Generator. The Contractor's environmental technician shall be notified by the Contractor
7 and shall guide the Generator to safely containerize the Hazardous Waste and shall
8 explain the Generator's options for proper disposition of such material. Under no
9 circumstances shall Contractor's employees knowingly Collect Hazardous Waste or
10 remove unsafe or poorly containerized Hazardous Waste from a Collection Cart.
11

12 If Hazardous Waste is found in a Collection Cart or Collection area that could possibly
13 result in imminent danger to people or property, the Contractor shall immediately notify
14 the City's Fire Department using the 911 emergency number. The Contractor shall notify
15 the City of any Hazardous Waste identified in Carts or left at any Premises within
16 twenty-four (24) hours of identification of such material.
17

- 18 **C. Response to Hazardous Waste Identified at Disposal Site or Processing Site.** If
19 materials Collected by Contractor are delivered to a facility owned by Contractor for
20 purposes of transfer, Processing, or Disposal, load checkers and equipment operators at
21 such facility shall conduct inspections in areas where Collection vehicles unload Solid
22 Waste, Recyclable Materials, or Organic Materials to identify Hazardous Wastes.
23 Facility personnel shall remove these materials for storage in approved on-site hazardous
24 materials storage container(s). Contractor shall make reasonable efforts to identify and
25 notify the Generator. Contractor shall arrange for removal of the Hazardous Wastes by
26 permitted haulers in accordance with Applicable Laws and regulatory requirements.
27

28 If the unacceptable material is delivered to the Designated Disposal Location, Approved
29 Organic Materials Processing Site, Approved Recyclable Materials Processing Site, or
30 Transfer Station by Contractor before its presence is detected, and the Generator cannot
31 be identified or fails to remove the material after being requested to do so, the Contractor
32 shall arrange for its proper Disposal and pay for costs of such Disposal. If identification
33 of the generator can be determined, the Contractor shall make a good faith effort to
34 recover the cost of Disposal from the Generator, and the cost of this effort, as well as the
35 cost of Disposal shall be chargeable to the Generator.
36

- 37 **D. Regulations and Record Keeping.** Contractor shall comply with emergency
38 notification procedures required by Applicable Laws and regulatory requirements. All
39 records required by regulations shall be maintained at the Contractor's facility. These
40 records shall include: waste manifests, waste inventories, waste characterization records,
41 inspection records, incident reports, and training records.
42

43 **8.7 NON-DISCRIMINATION**

44 Contractor shall not discriminate in the provision of service or the employment of Persons
45 engaged in performance of this Agreement because of race, color, religion, sex, age, physical
46 handicap, or medical condition in violation of any Applicable Law.



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8.8 COMMUNICATION AND COOPERATION WITH CITY

- A. **Communications.** If requested, the Contractor shall meet with the City Contract Manager at least once each month to discuss service issues. The Contractor's field representative and the Contractor's responsible officer as designated by the Contractor shall have e-mail and cellular telephone capabilities to enable the City Contract Manager and the Contractor's field representative and the Contractor's responsible officer to communicate via e-mail and/or cellular telephone.
- B. **Inspection by City.** The City or their designated representatives shall have the right to observe and review Contractor operations and enter Premises for the purposes of such observation and review during business hours upon twenty-four (24) hours notice.
- C. **Cooperate with City-Initiated Studies.** Contractor shall cooperate with and assist the City or its agent with performance of City-initiated studies of Solid Waste, Recyclable Materials, and Organic Materials such as, but not limited to, waste generation, characterization, and composition studies.

8.9 YEAR 4 CONTRACTOR PERFORMANCE REVIEW

Within one hundred eighty (180) days following the end of Rate Period 3, the City shall undertake a review of the Contractor's performance under this Agreement. Contractor shall cooperate fully with the performance review and provide, within thirty (30) days of request, all operational, financial and other information deemed reasonably necessary or convenient by the City Contract Manager for purposes of conducting the performance review. The Contractor's failure to cooperate or provide all requested information shall be considered an event of default as provided in Section 13.1.A. The performance review shall be performed by a qualified independent third party consultant with expertise in the solid waste and recycling industry in California. Such consultant shall be selected by the City in its sole discretion. Contractor shall reimburse City up to fifty thousand dollars (\$50,000) for the actual and reasonable costs incurred in conducting the review.

A. **Scope of Performance Review.** The performance review shall evaluate Contractor's performance under this Agreement within six major areas, each of which formed a basis for the City's selection of Contractor for the award of this Agreement. The scope of the performance review shall include all or any portion of the following:

- 1) **Fee Audit.** City's consultant shall audit the fees paid by Contractor to City, as required under Article 10 for, at least, the most recently concluded Rate Period to determine the accuracy and completeness of Contractor's payments to the City. This audit will review Contractors Billings to and receipts from Customers to determine: (i) if the amount the Contractor is Billing each Customer is correct in terms of the level of service (i.e., size of Cart, location of Cart) Contractor is providing such Customer; (ii) that the Customers receiving service are invoiced for the level of service they receive; and (iii) that the Contractor has accurately calculated the



1 amount of the fees paid to the City including all Customers served and receipts under
2 this Agreement.

- 3
4 2) **Rate Increase Review.** For each Rate category, City's consultant shall compare the
5 Rate charged by Contractor during Rate Period 4 with the Rate charged by
6 Contractor during Rate Period 1 of this Agreement to determine the percentage
7 increase in each Rate during the first four (4) Rate Periods of the Agreement.
8
- 9 3) **Customer Satisfaction Survey.** City's consultant shall mail, with return postage
10 pre-paid, or otherwise conduct a customer satisfaction survey to all of Contractor's
11 Customers served under this Agreement. At a minimum, the survey shall include the
12 question, "Considering your experience with Contractor over the past four years, are
13 you generally satisfied with the services provided by Contractor?" and respondents
14 shall only be allowed to answer "yes" or "no". At the request of the City Contract
15 Manager or the Contractor, the customer satisfaction survey may also include
16 questions which request feedback regarding various services provided by contractor
17 and the Customers' level of satisfaction with those.
18
- 19 4) **Complaint Review.** City's consultant shall review Contractor's customer service
20 systems, reports, and Complaint logs maintained by Contractor as required under
21 Section 7.3.2 of this Agreement for, at least, the Rate Period immediately preceding
22 the performance review. Additionally, City's consultant shall determine the total
23 number of service opportunities requested by Customers under this Agreement for
24 the same time period. A service opportunity includes: 1) any time that a Customer
25 has a regularly scheduled Collection of any individual container on a given day; and,
26 2) when Customers receive service of multiple Carts, each Cart shall also be counted
27 as a separate service opportunity. For example, a Customer subscribing to weekly
28 Collection of Solid Waste, Recyclable Materials and Organic Materials shall be
29 determined to have three service opportunities per week. The purpose of this review
30 is to determine the level of total complaints relative to the number of total service
31 opportunities during the review period.
32
- 33 5) **Employee Review.** City's consultant shall review Contractor's employment
34 litigation history, California Department of Industrial Relations complaint history,
35 Occupational Safety and Health Administration complaint history, and/or the records
36 of any other applicable employee-related regulatory agency to establish Contractor's
37 record of handling employee grievances, claims, or other formal complaints. City's
38 consultant shall review Contractor's personnel records to determine compliance with
39 the requirements of Section 8.5.B (Hiring of City Employees).
40
- 41 6) **Diversion Program Review.** City's consultant shall review Contractor's
42 implementation, promotion, and operation of programs required by Article 5 of this
43 Agreement as well as the public education and outreach requirements of Section 7.1
44 and Exhibit F. The City's consultant shall also solicit input from Department of
45 Resources, Recycling, and Recovery (CalRecycle) staff responsible for overseeing
46 the City's implementation of programs under AB 939 and AB 32 to determine their



1 level of satisfaction with Contractor's implementation of diversion and education
2 programs.

- 3
4 7) **Default and Liquidated Damages Review.** City's consultant shall review any and
5 all notices of breach or default resulting from this Agreement as well as any and all
6 liquidated damages assessed upon Contractor since the Commencement Date.

7
8 **B. Minimum Standards of Performance.** The minimum standards of performance, for the
9 purposes of this performance review, are as follows for each area under review:

- 10
11 1) **Fee Audit.** Contractor's payments to the City shall not be more than five percent
12 (5%) less than the fees due to City as calculated during the fee audit.
13
14 2) **Rate Increase Review.** No Rate charged by Contractor shall have increased by
15 more than ten percent (10%) from Rate Period 1 to Rate Period 4.
16
17 3) **Customer Satisfaction Survey.** At least seventy-five percent (75%) of responding
18 Customers shall have responded "yes" to the question, "Considering your experience
19 with Contractor over the past three years, are you generally satisfied with the
20 services provided by Contractor?"
21
22 4) **Complaint Review.** The total number of Complaints received by Contractor shall
23 not exceed one percent (1%) of the total service opportunities during the review
24 period.
25
26 5) **Employee Review.** The Contractor shall have maintained full compliance with the
27 requirements of Section 8.5.B of this Agreement and shall have no adverse
28 judgment, settlement, determination, or ruling in any employee law suit, grievance,
29 complaint, or claim related to operations under this Agreement.
30
31 6) **Diversion Program Review.** The Contractor shall have: 1) fully implemented all
32 Collection, public education, and outreach programs within six (6) months of the
33 Commencement Date; 2) continued to consistently perform such services as required
34 by this Agreement; and, 3) there shall be no fine(s), compliance order, or local
35 assistance plan issued or pending from any State agency regulating AB 939 or AB 32
36 compliance. Contractor shall not be held responsible for any such fine, order, or plan
37 that was the result of a program or programs which are not the responsibility of
38 Contractor as described in this Agreement.
39
40 7) **Default and Liquidated Damages Review.** The Contractor shall have no more than
41 one (1) notice of default and/or no more than twenty thousand dollars (\$20,000) of
42 liquidated damages assessed during the period between the Effective Date and the
43 commencement of the performance review.

44
45 **C. Remedies.** In the event that Contractor fails to meet any of the minimum performance
46 standards established in Section 8.9.B above, Contractor shall be determined to be in



1 breach of this Agreement as defined in Section 13.1.A. The City Contract Manager shall
2 notify the Contractor in writing of the City's determination that the Contractor has failed
3 to meet the minimum performance standards established including each of the specific
4 contractual requirements for which the City finds the Contractor in breach.
5

6 Contractor shall be entitled to the opportunity to cure a breach resulting from Section
7 8.9.B.1 by remitting payment in full to the City within thirty (30) days of receipt of a
8 notice of breach. The payment shall include the amount determined to be underpaid plus
9 any late fees as described in Section 10.4. In addition, Contractor shall, within (30) days
10 of receipt of a notice of breach demonstrate, to the satisfaction of the City Contract
11 Manager, that any systematic issues in Contractor's operations or information systems
12 which caused the underpayment have been resolved.
13

14 Contractor shall be entitled to the opportunity to cure a breach resulting from Section
15 8.9.B.2 by: 1) reducing its Rates for Rate Period 4 such that no Rate is more than fifteen
16 percent (15%) higher than that same Rate in Rate Period 1, and 2) waiving Contractor's
17 right to rate increases as allowed under Section 11.2 for Rate Periods 5 and 6.
18

19 Contractor shall not be entitled to the opportunity to cure a breach resulting from Sections
20 8.9.B.3 through 8.9.B.7 as no remedy can be reasonably made on a retroactive basis for
21 failures to perform under those requirements.
22

23 **D. Determination of Default.** The City Council shall review the results of the performance
24 review and consider any evidence presented by the Contractor in connection therewith.
25 In the event that a breach of contract has been identified in two (2) or more of the seven
26 (7) areas of the review defined in Section 8.9.A, and such breach has not been remedied
27 as described in Section 8.9.C, the City Council may determine that a significant event of
28 default has occurred and may, in their sole discretion, terminate this Agreement by giving
29 written notice of termination to the Contractor, either by mail or personal service. Any
30 termination of this Agreement by the City, resulting solely from the performance review
31 contemplated by this Section 8.9, shall be effective as of a date set by the City but may
32 not become effective less than seven hundred thirty (730) days from Contractor's receipt
33 of such notice of termination.
34

35 **8.10 YEAR 7 FRANCHISE SYSTEM REVIEW**

36 Within one hundred eighty (180) days following the end of Rate Period 6, the City may
37 undertake a review of the efficacy of the exclusive franchise system for providing service to
38 Residential Customers within the City. Contractor shall cooperate fully with the review and
39 provide, within thirty (30) days of request, all operational, financial and other information
40 deemed reasonably necessary or convenient by the City Contract Manager for purposes of
41 conducting the review of the franchise system. The City Council shall have the sole discretion in
42 determining if such a review is warranted and in determining the scope of such a review.
43



1
2 **ARTICLE 9.**
3 **RECORD KEEPING AND REPORTING**

4 **9.1 GENERAL**

5
6 **9.1.1 Maintenance of Records**

7 Contractor shall maintain accounting, operational, statistical, and other records related to its
8 performance as shall be necessary to develop reports required by this Agreement, to support any
9 claim by Contractor under Section 11.5, and to respond to any reasonable request of the City
10 under Sections 4.5 or 11.5. Also, Contractor agrees to conduct data collection, information and
11 record keeping, and reporting activities needed to comply with and to meet the reporting and
12 Solid Waste program management needs of City, the Act, and other Applicable Laws, and the
13 requirements of this Agreement.

14
15 Because it is not possible to accurately anticipate all of the conditions giving rise to the need for
16 information, to the extent such requirements are set out in this and other Articles of this
17 Agreement, they shall not be considered limiting or necessarily complete. In particular, this
18 Article is intended to only highlight the general nature of records and reports and their minimum
19 requirements and is not meant to comprehensively define the format or content of such records
20 and reports. Further, with the written direction by or approval of City Contract Manager, the
21 records and reports to be maintained and provided by Contractor in accordance with this and
22 other Articles of the Agreement shall be adjusted in number, format, or frequency, even if such
23 adjustment results in significant additional costs to the Contractor.

24
25 To adjust Contractor's Compensation in the event of City-directed changes (in accordance with
26 Section 4.5) or in the event of special Rate review (in accordance with Section 11.5) and support
27 its obligations under Section 11.6, Contractor must maintain accurate, detailed, financial and
28 operational information in a consistent format, and must make such information available to the
29 City Contract Manager in a timely fashion.

30
31 **9.1.2 Retention of Records**

32 Unless otherwise required in this Article, Contractor shall retain all records and data required to
33 be maintained by this Agreement for the Term of this Agreement plus five (5) years after its
34 expiration or earlier termination. Records and data shall be in chronological and organized form
35 and readily and easily accessible. At the City Contract Manager's request, records and data
36 required to be maintained that are specifically directed to be retained shall be retrieved in a
37 timely manner by Contractor and made available to the City Contract Manager. Records shall be
38 maintained in both electronic and hard copy format.

39
40 Records and data required to be maintained that are not specifically directed to be retained and
41 that are not material to a special Rate review or required for the determination of the Contractor's
42 performance, need not be retrieved by Contractor. In such a case and when such records and
43 data are required to but are not retained by the Contractor, the City may make reasonable
44 assumptions regarding what information is contained in such records and data, and such
45 assumption(s) shall be conclusive in whatever action the City takes.



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9.1.3 Inspection of Records

The City, its auditors and other agents, shall have the right, during regular business hours, and with twenty-four (24) hours written notice identifying the information desired and the types of records that may contain that information, to conduct on-site inspections of accounting systems, payroll tax reports, specific documents or records required by this Agreement, or any other similar records or reports of the Contractor and all companies conducting operations addressed in this Agreement, that the City shall deem, at its sole discretion, necessary to evaluate annual reports, Rate review applications, and the Contractor's performance provided for in this Agreement. The City may make copies of any documents it deems relevant to this Agreement.

9.1.4 Record Security

Contractor shall maintain adequate record security to preserve records from events that can be reasonably anticipated such as a fire, theft, water-intrusion, or an earthquake. Electronically-maintained data and records shall be protected, backed-up (i.e., tape or other digital media copies of the electronic records), and stored in an off-site location. In no case should less than two copies of digital records be maintained and each copy must be maintained in separate locations.

9.2 RECORDS

9.2.1 Financial and Operational Records

Contractor shall maintain accurate and complete accounting records containing the underlying financial and operating data relating to and showing the basis for computation of all costs associated with providing services. The accounting records shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP) consistently applied. Financial and operational records shall be maintained in sufficient detail to support the review of Contractor's Rate application requests under Section 11.3 and Exhibit M. Should City Contract Manager determine that records were not maintained in sufficient detail to clearly support Contractor's request, City shall have no obligation to approve an adjustment to Rates.

9.2.2 Collection Service Records

Records shall be maintained by Contractor for City relating to:

- A. Customer services and Billing;
- B. Tonnage of Solid Waste, Recyclable Materials, and Organic Materials Collected listed by Processing Site or Disposal Site where such materials were delivered;
- C. Routes;
- D. Facilities, equipment and personnel used;
- E. Facilities and equipment operations, maintenance and repair;
- F. Recyclable Materials and Organic Materials Collection participation; and,



1 G. End use and markets for processed Recyclable and Organic Materials.

2
3 **9.2.3 Transfer, Processing, and Disposal Records**

4 Contractor shall maintain records of transfer, Disposal, and Processing of all Solid Waste,
5 Recyclable Materials, and Organic Materials Collected by Contractor. At a minimum, records
6 shall include: Collection vehicle license plate numbers, Collection vehicle number, date and
7 time, load weight, and tare weight.

8
9 **9.2.4 Other Programs Records**

10 Records for other programs including, but not limited to, public education and outreach activities
11 shall be tailored to specific needs. In general, the records shall include:

12
13 A. Plans, tasks, and milestones; and

14
15 B. Accomplishments such as dates, activities conducted, and numbers of participants and
16 responses.

17
18 **9.2.5 Customer Service Records**

19 In order to facilitate the City's determination of Contractor's performance, records shall be
20 maintained by Contractor for City detailing, at a minimum:

21
22 A. Number of calls, e-mails, web site originated contacts, faxes, and letters received;

23
24 B. Average hold time for calls; percentage of calls answered within thirty (30) seconds;
25 percentage of calls answered within three (3) minutes;

26
27 C. Categories of calls, e-mails, web site originated contacts, faxes, and letters (i.e.,
28 compliments, Complaints, missed pickups, damage, etc.);

29
30 D. Customer service representative training materials and record of training;

31
32 E. Complaint log (which shall also include all service requests) noting the name and address
33 of Complainant/service request, date and time of Complaint/service request, nature of
34 Complaint/service request, and nature and date of resolution; and,

35
36 F. Log of new Customers.

37
38 **9.2.6 CERCLA Defense Records**

39 City views its ability to defend itself against CERCLA and related litigation as a matter of great
40 importance. For this reason, the City regards its ability to prove where Solid Waste Collected in
41 the City was taken for transfer or Disposal, as well as where it was not taken, to be matters of
42 concern. Contractor shall maintain, retain and preserve records which can establish where Solid
43 Waste Collected in the City was transferred and/or Disposed (and therefore establish where it
44 was not). Contractor shall provide these records to the City Contract Manager at the expiration
45 or early termination of this Agreement, in an organized and indexed manner rather than
46 destroying or disposing of them.



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9.3 GENERAL 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. Reports are intended to compile recorded data into useful forms of information that can be used to, among other things:

- A. Approve Rates;
- B. Evaluate the financial efficacy of operations;
- C. Evaluate past and expected progress towards achieving the Contractor's diversion goals and objectives;
- D. Determine needs for adjustment to programs; and,
- E. Evaluate Customer service and Complaints.

Contractor may propose report formats that are responsive to the objectives and audiences for each report. The format of each report shall be approved by City Contract Manager. Contractor agrees to mail a copy of all reports and submit all reports on computer discs or by e-mail in a format compatible with City's software and computers, in the event it may do so at no significant additional cost. Contractor will provide a certification statement, under penalty of perjury, by the responsible Contractor official, that the report being submitted is true and correct to the best knowledge of such official after their reasonable inquiry.

Monthly reports shall be submitted within thirty (30) calendar days after the end of the reporting month. Quarterly reports shall be submitted within forty-five (45) calendar days after the end of the report quarter. Annual reports shall be submitted no later than forty-five (45) calendar days after the end of the each Rate Period.

All reports shall be submitted to:

Solid Waste Manager
City of Fresno
1325 E. El Dorado
Fresno, CA 93706

9.4 MONTHLY REPORTS

Reports shall present the following information electronically in a Microsoft Excel-compatible format, or in such other formatted as directed by the City Contract Manager. Exhibit I includes sample data reporting forms. The City Contract Manager may review and approve Contractor's report formats and content and may change the frequency of reporting (e.g., from monthly to quarterly, quarterly to monthly, etc.) for items listed in this Section 9.4.



- 1 **A. Solid Waste Services.** Total Tonnage Collected and Disposed.
- 2
- 3 **B. Recyclable Materials Services.** Tonnage Collected and Delivered to Approved
- 4 Recyclable Materials Processing Site.
- 5
- 6 **C. Organic Materials Services.** Tonnage Collected, Delivered to Approved Organic
- 7 Materials Processing Site, and Processed. If the Processing Site handles Organic
- 8 Materials Collected in the City and from other parties, provide a description of how the
- 9 quantities of Organic Materials are tracked and allocated to the City.
- 10
- 11 **D. Clean-Up Services.** Number of Collections; Tonnage of material Collected, Tonnage of
- 12 material Delivered to the Approved Recyclable Materials Processing Site; Tonnage of
- 13 material Delivered to the Approved Organic Materials Processing Site; Tonnage of
- 14 material provided to thrift stores, non-profits, or other re-use organizations; quantity of
- 15 any Household Hazardous Waste and/or E-Waste items collected; and, Tonnage of
- 16 material Delivered for Disposal.
- 17

18 **Customer Service**

- 19
- 20 1. Number of Customer, Generator, or other Person calls, emails, faxes, web site
- 21 originated contacts, and letters by category (e.g., missed pickups, scheduled clean-
- 22 ups, Billing concerns, damage claims, etc.)
- 23 2. Number of Complaints and number of Complaints for which problem was not
- 24 corrected or Customer was not satisfied within five (5) Business Days of receiving
- 25 the Complaint. Provide explanations on Complaints for which corrective action did
- 26 not occur within five (5) Business Days.
- 27 3. Customer service summary that provides monthly and year-to-date Customer service
- 28 performance statistics corresponding to the performance standards set for Liquidated
- 29 Damages items 1 through 22 in Exhibit G. Significant trends and variances from the
- 30 standards should be noted and explained.
- 31

32 **E. Account Information.** In table format, the number of Customers and service levels for

33 all material types (including billing codes).

34

35 **F. AB 939 County Surcharge – Collection and Reporting.** Contractor acknowledges that

36 City is a party to that certain AB 939 Memorandum of Understanding with the County of

37 Fresno and various other jurisdictions dated January 6, 2008 (the "AB 939 MOU"), and

38 further acknowledges having received and reviewed a copy of the AB 939 MOU. The

39 Parties agree that Contractor is a "Jurisdiction's Hauler", as that term is used in Part IV,

40 Section H of the AB 939 MOU. Contractor shall comply with all requirements of Part

41 IV, Section H of the AB 939 MOU that are applicable to a Jurisdiction's Hauler,

42 including but not limited to submittal of specified reports and, to the extent applicable,

43 payment of the AB 939 Surcharge (as that term is defined in the AB 939 MOU).

44

1 **9.5 QUARTERLY REPORTS**

2 Reports shall present the following information by each month's data in the reported quarter and
3 include a quarterly average. In addition, each quarterly report shall show the past four (4)
4 quarters average for data comparison (the first three (3) quarters of the Agreement shall only
5 include the available quarterly information.) Refer to Exhibit I for sample reporting forms.

6
7 **A. Solid Waste Services**

- 8
9 1. Quarterly summary of monthly report required in Section 9.4.A.
10 2. Number of accounts collected by service level.

11
12 **B. Recyclable Materials Services**

- 13
14 1. Quarterly summary of monthly report required in Section 9.4.B.
15 2. Number of accounts collected.

16
17 **C. Organic Materials Service**

- 18
19 1. Quarterly summary of monthly report required in Section 9.4.C.
20 2. Number of accounts collected.

21
22 **D. Customer Service**

- 23
24 1. Quarterly summary of monthly report required in Section 9.4.D.
25 2. Customer Service overview sheet, training agenda, and other training supplements
26 provided at the quarterly Customer service meeting.
27 3. Call center reports documenting the number of calls received per month (or quarter),
28 the percentage of calls answered within thirty (30) seconds, and the percentage of
29 calls answered within three (3) minutes.

30
31 **E. Education Activities**

- 32
33 1. Public education materials produced and total number of each distributed.
34 2. Dates, times, and group names of meetings attended to educate Customers on the
35 Recyclable Materials and Organic Materials Collection programs, in accordance with
36 Exhibit F.
37 3. Account address, Customer name, service levels, and service changes (if any) for
38 each waste audit performed as a requirement of Section 7.1.

39
40 **F. Pilot and New Programs.** For each pilot and/or new program, activity-related and
41 narrative reports on goals and milestones and accomplishments; description of problems
42 encountered, actions taken, and any recommendations to facilitate progress; and
43 description of vehicles, personnel, and equipment utilized for each program.
44



1 **G. Summary Assessment**

- 2
- 3 1. Summary assessment of the overall Solid Waste, Recyclable Materials, and Organic
- 4 Materials program from Contractor's perspective relative to financial and operating
- 5 status of program. Description of the status is to relate to how well the program is
- 6 operating for efficiency, economy, and effectiveness relative to meeting all the goals
- 7 and objectives of this Agreement including particularly the Contractor's diversion
- 8 goals.
- 9 2. Recommendations and plans to improve.
- 10 3. Highlights of significant accomplishments and problems.
- 11

12 **H. Other Reports.** Provide a summary, including number of events or incidents and

13 Tonnage Collected (if applicable) for the following:

14

- 15 1. Instructions to Customers (Section 8.2.4)
- 16 2. Hazardous Waste incidents (Section 8.6.B)
- 17

18 **9.6 ANNUAL REPORTS**

19

20 **9.6.1 Annual Report Requirements**

21 The annual report shall be in the form of the quarterly reports and shall provide the same type of

22 information as required pursuant to Section 9.5, summarized for the preceding four (4) quarters.

23 The annual report shall also include a complete inventory of equipment used to provide all

24 service.

25

26 **9.6.2 Contractor Officers and Board Members**

27 Provide a list of Contractor's officers and members of its board of directors with the annual

28 report.

29

30 **9.6.3 Related-Party Entities**

31 Contractor agrees that all financial transactions with all Related-Party Entities shall be approved

32 by the City Contract Manager in advance in writing. Related-Party Entities approved on the

33 Effective Date of this Agreement are identified in the definition of Related-Party Entities in

34 Article 1. If the Contractor proposes to amend the list of approved Related-Party Entities, the

35 Contractor shall submit a letter to the City Contract Manager identifying any additional Related-

36 Party Entities and the nature of the relationship Contractor intends to have with such party(ies),

37 and requesting approval of the Related-Party Entity(ies). Annually, the Contractor shall submit a

38 letter to the City Contract Manager disclosing the Related-Party Entities with which the

39 Contractor has had financial transactions.

40

41 **9.6.4 Operational Information**

42 In addition to requirements stated elsewhere in this Agreement, the annual report shall include

43 the following information:

44

45 **A. Routes by Material Type**

46



- 1 1. Number of routes per each day of the week
- 2 2. Type of vehicle used on each route
- 3 3. Crew size per route
- 4 4. Number of full-time equivalent (FTE) routes
- 5 5. Number of accounts per route
- 6 6. Total hours per Material Type per day and per year

7

8 **B. Personnel**

9

- 10 1. Organization chart
- 11 2. Job classifications and number of employees (e.g., administrative, Customer service
- 12 representatives, drivers, route supervisors, Customer education staff, Recycling
- 13 outreach staff)
- 14 3. Number of full-time equivalent (FTE) positions for each job classification
- 15 4. Number of hours per job classification per day and per year

16

17 **C. Productivity Statistics**

18

- 19 1. Number of accounts per Material Type
- 20 2. Tons per route per day

21

22 **D. Operational Changes (from prior-year report)**

23

- 24 1. Number of routes
- 25 2. Staffing
- 26 3. Supervision
- 27 4. Collection services.

28

29 **E. Billing and Account Information**

30

- 31 1. Billing review report in accordance with Section 7.2.D.
- 32 2. Account information listing each Customer, Customer address and contact
- 33 information, service level (Cart size and Collection frequency), and day(s) of
- 34 Collection.

35

36 **9.6.5 Financial Information**

37 The financial information in this Section 9.6.5 shall be provided by Contractor on July 1 of Rate
38 Periods 4 and 8, and Rate Periods 13 (if the Term is extended beyond 10 years) and 17 (if the
39 Term is extended beyond 15 years), with its application for a cost-based Rate adjustment
40 pursuant to Section 11.4. At such time, Contractor shall deliver to the City Contract Manager
41 Contractor's financial statements for the most-recently completed year and profit and loss
42 statements for the most-recently completed Rate Period. If Contractor keeps separate financial
43 statements and profit and loss statements relating solely to this Agreement, only those statements
44 need be disclosed. Financial statements shall show Contractor's results of operations, including
45 the specific revenues and expenses in connection with the operations provided for in this
46 Agreement. The financial statements shall be prepared in accordance with Generally Accepted



1 Accounting Principles (GAAP) consistently applied and fairly reflecting the results of operations
2 and Contractor's financial condition. City shall use its best efforts to maintain the confidentiality
3 of Contractor's financial information.
4

5 **9.7 LOCAL, DISABLED VETERAN, AND MINORITY BUSINESS PURCHASING**

6 Contractor shall implement and maintain purchasing practices and supplier relationships that
7 favor the use of vendors and service providers within the City and particularly minority and
8 disabled veteran owned businesses. Contractor agrees to engage with local chambers of
9 commerce and the City to identify opportunities to develop supplier relationships with local,
10 disabled veteran, and minority-owned businesses. Along with Contractor's annual report to the
11 City, Contractor shall include a listing of local vendors and service providers, identifying the
12 approximate amounts spent (in aggregate, detail is not required for each vendor) with each of the
13 following types of businesses during the reporting year: 1) businesses within the City; 2)
14 disabled-veteran owned businesses; and, 3) minority-owned businesses.
15

16 **9.8 EVENT-SPECIFIC REPORTING**

17
18 **A. Hazardous Waste.** As required by and subject to the limitations of Section 8.6, the
19 Contractor shall notify the County of Fresno Fire Department Hazardous Materials
20 response team of any Hazardous Waste identified in Carts or left at any Premises within
21 twenty-four (24) hours of identification of such material.
22

23 **B. Warning Notices for High Level of Contaminants.** As required by Section 8.2.4,
24 Contractor shall report to the City Contract Manager any warning notices issued to
25 Customers for high levels of Contaminants found in the Recyclable Materials or Organic
26 Materials Carts. The report shall be delivered to the City Contract Manager within one
27 (1) Business Day of issuance of the warning notice. City shall have no obligation to
28 respond to such notices, nor shall it be obligated to interact with Customer in any way.
29

30 **ARTICLE 10.**
31 **FRANCHISE FEES AND OTHER FEES**
32

33 **10.1 FRANCHISE FEE**

34 In consideration of the exclusive rights provided Contractor herein, Contractor shall pay
35 Franchise Fees to the City each month equal to fifteen percent (15%) of actual Gross Receipts
36 remitted by Customers for Collection services provided in the City.
37

38 **10.2 OTHER FEES AND PAYMENTS**

39
40 **A. Contract Management and Enforcement Fee.** The Contractor shall pay the City a
41 Contract Management and Enforcement Fee each month equal to one half percent (0.5%)
42 of actual Gross Receipts remitted by Customers for Collection services provided under
43 this Agreement. The City shall use the fee to offset expenses related to contract



1 management, compliance, monitoring, and enforcement. The City shall retain the sole
2 right to set priorities for its contract monitoring and enforcement among City personnel
3 and/or contractors. Unless otherwise adjusted by City subject to Section 10.3, this fee
4 shall be adjusted annually in accordance with Section 11.3.E.
5

6 **B. Recyclable Materials Payment.** The Contractor shall pay the City a Recyclable
7 Materials Payment each quarter equal to eight dollars (\$8) for each ton of Recyclable
8 Materials Collected by Contractor and delivered to the Approved Recyclable Materials
9 Processing Site during the preceding quarter.
10

11 **C. Signing Fee.** The Contractor shall pay the City a signing fee equal to one million five
12 hundred thousand dollars (\$1,500,000) within ten (10) Business Days of the City's
13 execution of this Agreement.
14

15 **D. Other Fees.** The City may set or adjust other fees as it deems necessary. The amount,
16 time, and method of payment and adjustment process will be set in a manner similar to
17 that for other fees described in this Article, and Rates shall be adjusted in accordance
18 with Section 11.5 to reflect new fees.
19

20 **E. Procurement Reimbursement Payment.** The Contractor shall reimburse the City for its
21 costs related to the procurement and negotiation of this Agreement in the amount of three
22 hundred thousand dollars (\$300,000) within ten (10) Business Days of the City's
23 execution of this Agreement.
24

25 **10.3 ADJUSTMENT TO FEES**

26 City reserves the right to unilaterally adjust the fees established in this Article at any time during
27 the Term of this Agreement, subject to City obligation to adjust Rates in accordance with Section
28 11.5.
29

30 **10.4 PAYMENT SCHEDULE AND LATE FEES**

31 On or before the last day of each month during the Term of this Agreement, Contractor shall
32 remit to City Franchise Fees and other fees as described in this Article. If such remittance is not
33 paid to the City on or before the last day of any month, Contractor shall pay the fees due plus
34 interest compounded daily, where interest shall be calculated using the annual yield rate for the
35 California Local Agency Investment Fund (LAIF) most-recently published by the California
36 State Treasurer's office.
37

38 Each monthly remittance to City shall be accompanied by a statement itemizing each fee paid;
39 detailing calculation of all fees; and stating actual Gross Receipts by Service Type, for the
40 monthly period collected from all operations conducted or permitted by this Agreement. Each
41 remittance including all supporting documentation shall be provided to:
42

43 Attn: City Controller
44 Finance Department
45 City of Fresno



1 2600 Fresno Street
2 Fresno, CA 93706

3
4 **ARTICLE 11.**
5 **CONTRACTOR'S COMPENSATION**
6 **AND RATES**
7

8 **11.1 CONTRACTOR'S COMPENSATION**

9 The Contractor's Compensation for performance of all its obligations under this Agreement shall
10 be the actual Gross Receipts remitted to Contractor by Customers less fees due to the City in
11 accordance with Article 10. Contractor's Compensation provided for in this Article shall be the
12 full, entire, and complete compensation due to Contractor pursuant to this Agreement for all
13 labor, equipment, materials and supplies, Processing and Disposal fees, taxes, insurance, bonds,
14 overhead, operations, profit and all other things necessary to perform all the services in the
15 manner required by this Agreement.

16
17 If Contractor's costs are more than actual Gross Receipts retained by Contractor, Contractor shall
18 not be compensated for the difference in costs and revenues. If Contractor's costs are less than
19 the actual Gross Receipts retained by the Contractor, Contractor shall retain the difference. In
20 addition, calculations of Rates shall not be adjusted for variances of actual costs or revenues
21 during prior periods of time.

22
23 The Rates for Rate Period 1 and 2 were set by Contractor and approved by the City.
24 Contractor's proposed costs for Rate Periods 1 and 2 and operating assumptions are presented in
25 Exhibit C. Rates for subsequent Rate Periods shall be adjusted in accordance with this Article
26 11.

27
28 Under this Agreement, Contractor shall have the right and obligation to charge and collect from
29 Customers the Rates set by Contractor, which Rates shall not exceed the City approved
30 Maximum Permissible Rates, which are contained in Exhibit H. The Contractor shall bill
31 Customers and collect payments in accordance with Section 7.2.
32

33 **11.2 RATE ADJUSTMENT PROCESS**

34
35 **A. General.** The City shall be responsible for adjusting the Maximum Permissible Rates as
36 described in this Article. If at any time during the Term of the Agreement, the Contractor
37 determines the need for a Rate that does not appear on the City-approved Maximum
38 Permissible Rate schedule, Contractor shall immediately notify the City Contract
39 Manager and request establishment of such Rate.
40

41 **B. Rates Determined On or Before Execution of the Agreement.** Maximum Permissible
42 Rates for Rate Period 1, which are presented in Exhibit H, were determined by Contractor
43 and were approved by City Council resolution on or before the execution of the
44 Agreement. The Rates for Rate Period 1 are effective March 1, 2013 through the
45 conclusion of Rate Period 2, December 31, 2014. The Operating Component portion of



1 Rates for Rate Period 1 and 2, as per Exhibit H, shall be not be adjusted to reflect either
 2 increases or decreases in costs from those anticipated by Contractor.
 3

4 **C. Annual Adjustment Process.** The Maximum Permissible Rates shall be adjusted
 5 annually, commencing with Rate Period 3 through the remaining Term of this Agreement
 6 including any extension periods. The adjustments to the Maximum Permissible Rates
 7 shall be determined using one of two methodologies: (1) an index-based adjustment, or
 8 (2) cost-based adjustment.
 9

10 The index-based adjustment, which is described in Section 11.3, involves use of various
 11 cost adjustment factors (such as the percentage change in the consumer price index and
 12 the current Disposal Site tipping fee) to calculate adjusted Rates.
 13

14 The cost-based adjustment, which is described in Exhibit M, involves a detailed review
 15 of the Contractor's actual costs of service and determination of adjusted Rates to reflect
 16 Contractor's actual costs; provided however, the Operating Component portion of the
 17 Rate adjustment does not exceed five percent (5%).
 18

19 Below is a table that specifies when the two Rate adjustment methods shall be used. In
 20 the event that the City elects to extend the Term of this Agreement for less than five (5)
 21 years per extension, City may require a cost-based review during each extension
 22 regardless of the dates described in the table below.
 23

Rate Period	Commencement Date of Rate Period	Adjustment Method Used to Determine Rates for the Rate Period	Rate Adjustment Application Submittal Date
1	March 1, 2013	Not Applicable	Not Applicable
2	January 1, 2014	Not Applicable	Not Applicable
3	January 1, 2015	Index-Based	October 1, 2014
4	January 1, 2016	Index-Based	October 1, 2015
5	January 1, 2017	Cost-Based	July 1, 2016
6	January 1, 2018	Index-Based	October 1, 2017
7	January 1, 2019	Index-Based	October 1, 2018
8	January 1, 2020	Index-Based	October 1, 2019
9	January 1, 2021	Cost-Based	July 1, 2020
10*	January 1, 2022	Index-Based	October 1, 2021
11*	January 1, 2023	Index-Based	October 1, 2022
12*	January 1, 2024	Index-Based	October 1, 2023
13*	January 1, 2025	Cost-Based	July 1, 2024
14*	January 1, 2026	Index-Based	October 1, 2025
15*	January 1, 2027	Index-Based	October 1, 2026
16*	January 1, 2028	Index-Based	October 1, 2027
17*	January 1, 2029	Cost-Based	July 1, 2028
18*	January 1, 2030	Index-Based	October 1, 2029
19*	January 1, 2031	Index-Based	October 1, 2030

*Applicable only if the Term is extended pursuant to Section 3.4.



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11.3 INDEX-BASED ADJUSTMENT OF RATES

A. Annual Adjustment. Subject to the terms herein, the Contractor shall be entitled to an annual adjustment of all Rates, with the exception of Rates in Rate Period 2, which shall not be adjusted. Each Rate, excluding Special Charges, includes an Operating Component, Disposal Component, Processing Component, and Fee Component, which are annually adjusted. The City Council shall make a good faith effort to approve Maximum Permissible Rates by November 1 of each year, and such Rates shall be effective on each subsequent January 1. If Rates are not adjusted by November 1, then prior Rates remain in effect until such adjustment is made.

The first adjustment is scheduled to take effect January 1, 2015 subject to City Council approval. Each Rate is annually adjusted as specified in Section 11.3.B through 11.3.F, with the exception of Special Charges adjusted in accordance with Section 11.3.G.

B. Adjustment of the Operating Component. The Operating Component of each Rate shall be adjusted annually by the Operating Cost Factor (the "OCF") using the following methodology. The OCF shall not exceed two percent (2%) during Rate Periods 3 and 4. The OCF shall not exceed three percent (3%) during any Rate Period after Rate Period 5.

Step 1. Calculate the Labor-Related Factor of the OCF by calculating the 12-month percentage change in the most-recently published Employment Cost Index ("ECI") compiled and published by the U.S. Department of Labor, Bureau of Labor Statistics (the "DOL") or its successor agency, using the following Bureau of Labor Statistics' parameters:

- Compensation – Total Compensation
- Ownership – Private Industry
- Periodicity – Index Number
- Group – 210 - Service-Producing Industries
- Seasonally Adjusted

For example, assuming:

1. Most-recently published ECI (third quarter 2011) = 163.5
2. ECI published 12 months prior (third quarter 2010) = 158.6

Labor-Related Factor = $((163.5-158.6)/158.6) = 0.0309 = 3.1\%$

The factor shall be rounded to the nearest tenth (10th) percent.

Step 2. Calculate the Fuel Factor of the OCF by calculating the percentage change in the average annual per gallon fuel cost. The average annual per gallon fuel cost shall be calculated by dividing the total fuel cost for the preceding twelve months by the number of gallons purchased during the preceding twelve



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months. The most recent average annual per gallon fuel cost shall be compared to the prior twelve month's average annual per gallon fuel cost to determine the percentage change. For the purposes of this calculation, only liquefied natural gas (LNG) purchased at the City-owned LNG fueling station shall be considered. For the purposes of the first rate adjustment, the initial per gallon fuel cost shall be one dollar and thirty seven cents (\$1.37). Neither the initial per gallon fuel cost nor the average annual per gallon fuel cost shall include state or federal fuel sales taxes for the purposes of this calculation.

For example,

1. Most-recent twelve month average annual per gallon fuel cost = \$147,000 (total fuel cost for preceding twelve months) / 100,000 (total gallons of fuel purchased during preceding twelve months) = \$1.47
2. Prior twelve month average annual per gallon fuel cost = \$1.37

$$\text{Fuel Factor} = ((1.47-1.37)/1.37) = 0.0729 = 7.3\%$$

The factor shall be rounded to the nearest tenth (10th) percent.

Step 3. Calculate the Other Factor of the OCF by calculating the 12-month percentage change in the most-recently published Consumer Price Index – All Urban Consumers (CPI-U) compiled and published by the DOL or its successor agency, using the following Bureau of Labor Statistics' parameters:

- Not Seasonally Adjusted
- Area – Los Angeles-Riverside-Orange County, CA
- Item – All Items
- Base Period – 1982-84=100

For example, assuming:

1. Most-recently published CPI-U (November 2011) = 193.2
2. CPI-U published 12 months prior (November 2010) = 190.6

$$\text{Other Factor} = ((193.2-190.6)/190.6) = 0.0136 = 1.4\%$$

The factor shall be rounded to the nearest tenth (10th) percent.

Step 4. Calculate the OCF as follows:

$$\text{OCF} = (31.3\% \times \text{Labor-Related Factor calculated in Step 1 above}) + (14.7\% \times \text{Fuel Factor calculated in Step 2 above}) + (54.0\% \times \text{Other Factor calculated in Step 3 above})$$

For example, assuming:

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1. Proposed labor-related costs are 31.3% of proposed total annual operating costs.
2. Proposed fuel costs are 14.7% of proposed total annual operating costs.
3. Proposed other costs are 54.0% of proposed total annual operating costs.
4. Labor-Related Factor = 3.1% (as calculated in the example in Step 1)
5. Fuel Factor = 10.4% (as calculated in the example in Step 2)
6. Other Factor = 1.4% (as calculated in the example in Step 3)

$$OCF = (31.3\% \times 3.1\%) + (14.7\% \times 7.3\%) + (54.0\% \times 1.4\%) = 0.0280 = 2.8\%$$

The OCF shall be rounded to the nearest tenth (10th) percent.

Step 5. Calculate Adjusted Operating Component for each Rate as follows:

If OCF calculated in Step 4 is less than two percent (2%) in Rate Periods 3 and 4 or three percent (3.00%) in any other Rate Period:

Adjusted
Operating Cost
Component = Then-current Operating Component x (1 + OCF)

If OCF calculated in Step 4 is greater than two percent (2.00%) in Rate Periods 3 and 4 or three percent (3.00%) in any other Rate Period:

Rate Periods 3 and 4	Adjusted Operating Component	=	Then-current Operating Component x (1 + 0.02)
Rate Periods 5 and Later	Adjusted Operating Component	=	Then-current Operating Component x (1 + 0.03)

For example, assuming:

1. Then-current Operating Component = \$20.00
2. Operating Cost Factor = 3.0% (as calculated in Step 5 above) but is capped at 2.0%; therefore:

$$\text{Adjusted Operating Component} = \$20.00 \times (1 + 0.02) = \$20.40$$

The Adjusted Operating Component shall be rounded to the nearest cent.

C. Adjustment of the Disposal Component. The Disposal Component of each Rate will be adjusted to reflect any percentage change in the per-Ton tipping fee charge at the Designated Disposal Location. The adjustment shall equal:



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$$\text{Adjusted Disposal Component} = \text{Then-current Disposal Component} \times \left(\frac{\text{Current Designated Disposal Location Disposal Fee}}{\text{Prior Designated Disposal Location Disposal Fee}} \right)$$

For example, assuming:

- 1. Then-current Disposal Component = \$2.00
- 2. Current Designated Disposal Location Disposal Fee = \$30.00 per Ton
- 3. Prior Designated Disposal Location Disposal Fee = \$28.80 per Ton

$$\text{Adjusted Disposal Component} = \$2.00 \times (\$30.00 / \$28.80) = \$2.08$$

The Adjusted Disposal Component shall be rounded to the nearest cent.

The Prior Designated Disposal Location Disposal Fee is the fee last used to set Rates. The initial Designated Disposal Location Disposal Fee in this Agreement is \$34.68 per Ton; this fee shall be used as the prior Designated Disposal Location Disposal Fee for the first adjustment of the Disposal Component. The Parties acknowledge that the timing of changes to the Designated Disposal Location Disposal Fee may not align with the review and adjustment of Maximum Permissible Rates under this Agreement. In the event that the Contractor begins to pay a new Disposal Fee at the Designated Disposal Location prior to the adjustment of Maximum Permissible Rates under this Agreement, the adjustment to the Disposal Component shall consider that period. Alternatively, the City reserves the right to adjust Maximum Permissible Rates at any time during the year in order to address the Disposal Component alone without adjusting any other component of rates.

D. Adjustment of the Processing Component. The Processing Component of each Rate shall be adjusted as follows:

- 1. **Solid Waste Collection Rates.** For Solid Waste Collection Rates, the Processing Component shall equal \$0.00; therefore, no adjustment to the Processing Component shall be made.
- 2. **Recyclable Materials Collection Rates.** For Recyclable Materials Collection Rates, the Processing Component shall equal \$0.00; therefore, no adjustment to the Processing Component shall be made.
- 3. **Organic Materials Collection Rates.** If adjusting Organic Materials Collection Rates, the Processing Component shall be adjusted by the twelve (12) month percentage change in the most-recently published Consumer Price Index – All Urban Consumers (CPI-U) compiled and published by the DOL or its successor agency, using the following Bureau of Labor Statistics’ parameters:

- Not Seasonally Adjusted



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- Area – Los Angeles-Riverside-Orange County, CA
- Item – All Items
- Base Period – 1982-84=100

The adjustment shall be as follows:

Adjusted Processing Component = Current Processing Component x (1 + percent change in CPI-U)

For example, assuming:

1. Current Processing Component = \$2.00
2. Most-recently published CPI-U (November 2011) = 193.2
3. CPI-U published 12 months prior to most-recently published CPI index (November 2010) = 190.6

Adjusted Processing Component = \$2.00 x [1 + ((193.2-190.6)/190.6)] = \$2.03

The Adjusted Processing Component shall be rounded to the nearest cent.

E. Adjustment of the Fee Component. The adjusted Fee Component of each Rate shall be calculated as follows:

Adjusted Fee Component = ((Adjusted Operating Component + Adjusted Disposal Component + Adjusted Processing Component) / (1 - 15.5%) - (Adjusted Operating Component + Adjusted Disposal Component + Adjusted Processing Component))

For example, assuming:

1. The Rate being adjusted is a Solid Waste Collection Rate
2. Adjusted Operating Component = \$20.40 (as calculated in Step 5 of Section 11.3.B)
3. Adjusted Disposal Component = \$2.08 (as calculated in Section 11.3.C)
4. Adjusted Processing Component = \$0.00 (as calculated in Section 11.3.D.1)

Adjusted Fee Component = ((\$20.40 + \$2.08 + \$0.00) / (1 - 0.155)) - (\$20.40 + \$2.08 + \$0.00) = \$4.12

The Adjusted Fee Component shall be rounded to the nearest cent.

F. Calculation of Adjusted Rate. Adjusted Rates shall be calculated as follows:



Adjusted Rate = Adjusted Operating Component + Adjusted Disposal Component + Adjusted Processing Component + Adjusted Fee Component

For example, assuming:

1. The Rate being adjusted is a Solid Waste Collection Rate
2. Adjusted Operating Component = \$20.40 (as calculated in Step 5 of Section 11.3.B)
3. Adjusted Disposal Component = \$2.08 (as calculated in Section 11.3.C)
4. Adjusted Processing Component = \$0.00 (Recycling) + \$2.03 (Organics) (as calculated in Section 11.3.D)
5. Adjusted Fee Component = \$4.28 (as calculated in Section 11.3.E)

Adjusted Collection Rate = \$20.40 + \$2.08 + \$2.03 + \$4.12 = \$28.63

G. Adjustment of Special Charges. Special Charges shall be adjusted annually on the first day of the Rate Period by the same amount as calculated in accordance with Step 5 of Section 11.3.B.

For example:

1. Then-Current Special Charge Amount = \$50.00
2. Operating Cost Factor = 3.9% (as calculated in Step 5 of Section 11.3.B)

Adjusted Special Charge Amount = \$50.00 x (1 + 0.039) = \$51.95

The adjustment shall be rounded to the nearest cent.

H. Change in the ECI, PPI, or CPI-U. If the ECI, PPI, or CPI-U is discontinued or revised during the Term by the DOL, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the ECI, PPI, or CPI-U had not been discontinued or revised.

11.4 ANNUAL RATE APPLICATION PROCESS

A. Application Date and Content

1. **Index-Based Rate Adjustment Methodology.** On October 1, prior to the commencement of the Rate Period for which Rates are to be determined using the index-based Rate adjustment method, Contractor shall submit at least three (3) copies of its application requesting the Rate adjustment for the coming Rate Period along with all supporting documentation used to justify Contractor's request. For example, on October 1, 2014, the Contractor shall submit three (3) copies of its application for the Rate Adjustment to be effective for Rate Period 3. The application shall present the calculations, as described in Section 11.3, and all supporting documentation for the calculations and adjusted Rates. The application shall also present the Rates for the then-current Rate Period (e.g., Rate Period 2) and



1 the proposed Rates for the coming Rate Period (e.g., Rate Period 3). The City
2 Contract Manager shall review all calculations provided by Contractor to verify their
3 accuracy and conformance to this Agreement.
4

- 5 **2. Cost-Based Adjustment Methodology.** On July 1, prior to the commencement of
6 the Rate Period for which Rates are to be determined using the cost-based Rate
7 adjustment method, Contractor shall submit three (3) copies of its application
8 requesting the Rate adjustment for the coming Rate Period. For example, on July 1,
9 2016, the Contractor shall submit its application for the Rate Adjustment to be
10 effective for Rate Period 5.
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12 The application shall present the Contractor's actual total annual cost of operations,
13 profit, pass-through costs, City fees, the total Contractor's Compensation for the
14 most-recently completed Rate Period and forecast of the same cost items for the
15 coming Rate Period in accordance with the procedures described in Exhibit M.
16 Contractor shall assemble, provide, and submit such information that is necessary to
17 support the actual costs presented and the calculation of the assumptions made by
18 Contractor with regard to forecasting the total annual cost of operations, profit, pass-
19 through costs, City fees, and the total Contractor's Compensation for the coming
20 Rate Period. The actual costs shall be based on the financial statements for the most-
21 recently-completed Rate Period, which shall be submitted in accordance with the
22 requirements of Section 9.6.5. In addition, the application shall present the
23 Contractor's calculation of the Rate adjustment factor, present each Rate for the
24 then-current Rate Period, and each proposed Rate for the coming Rate Period.
25 Lastly, the application shall include operational data listed in Section 9.6.4
26

27 If the City Contract Manager requests additional information beyond that provided
28 by the Contractor in its application, the Contractor shall provide all information
29 requested by the City Contract Manager during its review of the application,
30 including, but not limited to, all information from related parties requested by the
31 City Contract Manager regarding any transactions between Contractor and any
32 Related-Party Entity pertaining to Contractor's performance under this Agreement.
33

- 34 **B. City Review of Application.** The Contractor's Rate application shall be reviewed by the
35 City Contract Manager. The City Council may approve Maximum Permissible Rates to
36 reflect the adjustments made in accordance with Exhibit M, for the Rate Periods during
37 which that process is used. The City Council shall act in good faith to approve such
38 Maximum Permissible Rates by the commencement date of the Rate Period. The
39 adjusted Rates shall not take effect until the City Council has approved such Rates. In the
40 event that the City Council does not approve the adjustment to maximum Permissible
41 Rates for any reason, the City and Contractor shall meet and confer in good faith to
42 determine an acceptable alternative to the Rate adjustment. Such alternatives may
43 include, but are not necessarily limited to, identifying cost savings within Contractor's
44 operation or reductions in service that are comparable to the revenue increases that would
45 have resulted from a Rate adjustment.
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C. **Failure to Adjust Rates by January 1.** If the Contractor submits its Rate application on or before the Rate application date identified in Section 11.2, and the City does not adjust Rates to be effective on or before January 1 of a Rate Period, the City shall include a surcharge on the Rates that shall be effective for the remainder of the Rate Period to recover revenues lost by the Contractor, if any. To determine the amount of lost revenues, if any, the City and Contractor shall meet and confer to determine the effect the delay in adjusting Rates has on the Contractor's revenue. The assessment of the revenue impact shall consider the Contractor's billing cycle (e.g., impact to Customers billed in advance and to Customers billed in arrears), the ability of Contractor to delay issuance of bills, the payment cycle of Customers, and other variables.

If the Contractor does not submit the application on or before the Rate application date identified in Section 11.2, Rates may not be adjusted by January 1. In such case, all Rates shall be adjusted as soon as practical following approval by the City Council. If the Contractor does not submit the application by the Rate application date identified in Section 11.2, no retroactive adjustment will be made to allow the Contractor to recover revenues that it would have collected, had the Rate adjustment been implemented in accordance with the prescribed schedule.

11.5 SPECIAL RATE REVIEW

A. Eligible Items. The Contractor is entitled to apply to the City Contract Manager for consideration of a special Rate review, or the City Contract Manager may initiate such a review, should one or more of the following occur and should such occurrence have a material effect on the Contractor's cost of service:

1. Documented significant changes in the cost to provide services required in this Agreement as a result of an agreed-upon, City-directed change in scope, as provided for under Section 4.5.
2. Flood, earthquake, other acts of nature, war, civil insurrection, riots, or other similar catastrophic events beyond the control of Contractor.
3. Change in Law that: (1) was not reasonably known to the Contractor before the Effective Date, (2) the Contractor substantiates, and (3) results in a direct increase or decrease of more than five percent (5%) in Contractor's cost of providing services required by this Agreement.
4. City-initiated changes to the amount of Franchise Fees or other fees in accordance with Article 10.
5. Actual costs directly incurred for the provision of legal defense to the City as required under Section 12.2 of this Agreement, if not prohibited by law.

B. Ineligible Items. The Contractor will not be compensated over the Term for:

1. Increases in the cost of Solid Waste, Recyclable Materials, or Organic Materials Collection, Transportation, Processing, or Disposal costs that may be impacted by



1 change in Approved Transfer Station or Approved Processing Site operating
2 conditions, unless such change is initiated by or at the direction of the City.

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4 2. Decreases in Revenues from the sale of Recyclable Materials or Organic Materials.
5
6 3. Growth or decline in the number of Customers or their subscription levels.
7
8 4. Changes in the number of accounts related to Cart sizes or frequency of Collection.
9
10 5. Change in the composition of Solid Waste, Recyclable Materials, or Organic
11 Materials.

12
13 **C. Review of Costs.** If the Contractor or the City requests a special Rate review, the City
14 shall have the right to review any or all financial and operating records of Contractor and
15 Related-Party Entities. Contractor shall pay the City for costs associated with the review
16 incurred by the City and its agents unless the review is initiated by the City. Regardless
17 of Contractor's payment of costs associated with the review, City shall retain full and
18 unimpeded discretion in selection of its agents to ensure, at a minimum, that no conflict
19 of interest arises in the review of Contractor's request. City retains the right to select its
20 agents on the basis of their qualifications and experience and without regard to cost.

21
22 **D. Submittal of Request.** The Contractor must submit its request for a special review of
23 Rates, and reasonable cost and operational data, in a form and manner specified by the
24 City Contract Manager at least six (6) months before the proposed effective date of any
25 Rate adjustment.

26
27 If City is requesting a special Rate review, the City Contract Manager shall notify the
28 Contractor at least seven (7) months before the proposed effective date of any Rate
29 adjustment. Upon such notification, Contractor shall, within thirty (30) calendar days,
30 submit reasonable cost and operational data as requested by the City Contract Manager,
31 in a form and manner specified by the City Contract Manager.

32
33 **E. Burden of Justification.** Contractor shall bear the burden of justifying to the City by
34 substantial evidence any entitlement to current, as well as increased, Maximum
35 Permissible Rates pursuant to this Section 11.5. If the City Contract Manager determines
36 that the Contractor has not met its burden, the Contractor may request one (1) hearing
37 with the City Manager, or their designee, to produce additional evidence. Upon such
38 request, the City Manager, or their designee, shall conduct the hearing. The City shall
39 bear the burden of justifying, by substantial evidence, any entitlement to decreased
40 Maximum Permissible Rates pursuant to this Section 11.5.

41
42 **F. Approval of Request.** Based on evidence the Contractor and/or the City submit, the City
43 Council may approve some, all or none of the requested increase or decrease in the
44 Maximum Permissible Rates. In the event the City denies Contractor's request, or
45 grant's the City's request for a decrease in the Maximum Permissible Rates, and
46 Contractor disputes that the decision is supported by substantial evidence, Contractor



1 shall have the right to present its claim in a court of competent jurisdiction, in the
2 jurisdiction as defined in Article 14.4.

3
4 **G. Compensation.** Contractor shall bear their own costs for participating in such review
5 and such costs may be reimbursed through Rates charged Customers.
6

7 **11.6 RATES FOR CHANGES IN SCOPE**

8 In the event either the City or Contractor requests a change in scope in accordance with Section
9 4.5, the Contractor shall furnish the City Contract Manager with projected operational and cost
10 data for the change in scope to support any adjustment to Rates. For the purposes of analyzing
11 cost impacts of changes in scope, the Contractor's profit shall be calculated using an operating
12 ratio of ninety-two percent (92%). The City reserves the right to require that the Contractor
13 supply any additional cost data or other information it may reasonably need to ascertain the
14 appropriate Rate adjustment, if any, for the change in scope. The City Contract Manager shall
15 review this operational and cost data, and the City Council shall establish Rates for the change in
16 scope, if warranted.

17
18 The granting of any change in scope shall be contingent upon City approval and establishment of
19 new Rates. The City shall adjust Rates, in good faith, coincident with any adjustment made
20 pursuant to this Section so that the change in scope and the corresponding Rates become
21 effective on the same date.
22

23 **11.7 NOTICE OF RATE ADJUSTMENTS**

24 The Contractor shall provide all Customers with advance written notice of approved Rate
25 changes, in the form of a bill insert at least thirty (30) days before the effective date of such
26 changes.
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28

29 **ARTICLE 12.**
30 **INDEMNITY, INSURANCE, AND**
31 **PERFORMANCE BOND**

32 **12.1 GENERAL INDEMNIFICATION**

33 Contractor shall indemnify, defend with counsel acceptable to the City, protect and hold
34 harmless the City and each of its officers, officials, employees, volunteers, consultants, and
35 agents (collectively, indemnitees) from and against all claims, damages (including but not
36 limited to special, consequential, natural resources and punitive damages), injuries, costs,
37 (including without limit any and all response, remediation and removal costs), losses, demands,
38 debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines,
39 attorney's fees, charges, penalties, and expenses (including without limit attorneys' expert
40 witness fees and costs incurred in connection with defending against any of the foregoing or in
41 enforcing this indemnity), (collectively, "Damages") of any kind whatsoever paid, incurred or
42 suffered by, or asserted against, indemnitees arising from or attributable to the acts or omissions
43 of Contractor whether or not negligent or otherwise culpable, in connection with or related to
44 the performance of this Agreement, including without limit damages arising from or attributable



1 to any operations, repair, clean-up or detoxification, or other plan (regardless of whether
2 undertaken due to governmental action) concerning any Hazardous Substance or Hazardous
3 Waste Collected in the City. Notwithstanding the foregoing, however, Contractor shall not be
4 required to indemnify the City for the costs for any claims arising from the Disposal of Solid
5 Waste at the Designated Disposal Location, or from Processing of Recyclable Materials at the
6 Approved Recyclable Materials Processing Site, including, but not limited to, claims arising
7 under CERCLA unless the claim is a direct result of Contractor's actions or negligence. This
8 indemnity afforded indemnitees, shall only be limited to exclude coverage for intentional
9 wrongful acts and negligence of indemnitees, and as provided below. The foregoing indemnity
10 is intended to operate as an Agreement pursuant to Section 42 USC §9607(e) of CERCLA and
11 California Health and Safety Code §25364, to defend, protect, hold harmless, and indemnify City
12 from liability.

13
14 If Contractor should subcontract any portion of the work to be performed under this Agreement,
15 Contractor shall require each subcontractor to indemnify, hold harmless, and defend the
16 indemnitees in accordance with the terms of the preceding paragraph.

17
18 This provision is in addition to all other provisions in this Agreement and is intended to survive
19 the expiration or earlier termination of this Agreement. Nothing in this paragraph shall prevent
20 City from seeking indemnification or contribution from Persons or entities other than
21 indemnitees, for any liabilities incurred by City or the indemnitees. Contractor's Guaranty
22 Agreement (Exhibit J) shall extend to the indemnification obligation hereunder.

23
24 **12.2 ARTICLE XIII INDEMNIFICATION**

25
26 Should there be a Change in Law or a new judicial interpretation of Applicable Law, including,
27 but not limited to, Article XIII C and D of the California Constitution (Commonly Proposition
28 218), which impacts the City's ability to set or change Rates for the Collection services provided
29 under this Agreement, Contractor agrees to meet and confer with City to discuss the impact of
30 such Change in Law on either Party's ability to perform under this Agreement.

31
32 The City shall not be in default of this Agreement, if it is determined by a court of competent
33 jurisdiction, that it lacks the authority to set Rates and/or increase Rates for charges related to
34 providing service, pursuant to this Agreement. Should a court of competent jurisdiction
35 determine that the City lacks authority to set and/or increase Rates for charges related to
36 Franchise Fee, other City fees, governmental fees and charges then Contractor shall reduce the
37 Rates it charges Customers a corresponding amount, providing said fees, Rates and/or charges
38 disallowed by the court are not related to the cost of providing service hereunder and had been
39 incorporated in the Rates charged by Contractor to its Customers.

40
41 Nothing herein is intended to imply that California Constitution, Articles XIII C and D, apply to
42 the setting of Rates for the services provided under this Agreement; rather this Section is
43 provided merely to allocate risk of loss as between the Parties.



1 The Proposition 218 indemnification shall not extend to indemnification related to City fees
2 described in Article 10 of the Agreement or any City fees established in accordance with Section
3 10.2.
4

5 **12.3 INDEMNIFICATION RELATED TO PERSONNEL**

6 Contractor shall defend, hold harmless, and indemnify the City and each of its officers, officials,
7 employees, volunteers, consultants, and agents, for all loss, damages, liability, claims, suits, costs
8 or expenses whatsoever, including reasonable attorneys' fees, regardless of the merits or
9 outcome of any such claim or suit arising from or in any manner related to the City's request to
10 remove or reassign any employee pursuant to Section 8.5. This Section 12.3 shall survive the
11 termination or expiration of this Agreement.
12

13 City shall defend, hold harmless, and indemnify the Contractor and each of its officers for all
14 claims, suits, costs or expenses including reasonable attorneys' fees, regardless of the merits or
15 outcome of any such claim or suit, arising from compensation, pension, or other benefit due an
16 employee by the City solely as a direct result of his or her prior employment with the City.
17

18 **12.4 INSURANCE**

19 **12.4.1 Minimum Scope of Insurance**

20 Coverage shall be at least as broad as:
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- 23 A. The most current version of Insurance Services Office (ISO) Commercial General
24 Liability Coverage Form CG 00 01, which shall include insurance for "bodily injury,"
25 "property damage" and "personal and advertising injury" with coverage for premises and
26 operations, products and completed operations, and contractual liability.
27
- 28 B. Insurance Services Office form number CA 0001 covering Automobile Liability, code 1
29 "any auto", and endorsement CA 0025.
30
- 31 C. Workers' Compensation insurance as required by the State Labor Code and Employers
32 Liability insurance.
33
- 34 D. Either: Employee Blanket Fidelity Bond; or, Commercial Crime Insurance which shall be
35 at least as broad as the most current version of Insurance Service Office (ISO) Crime and
36 Fidelity Form CR 00 20.
37
- 38 E. Pollution Legal Liability insurance.
39

40 **12.4.2 Minimum Limits of Insurance**

41 Contractor shall maintain limits no less than:
42

- 43 A. Commercial General Liability: \$10,000,000 combined single limit per occurrence for
44 bodily injury, personal injury, and property damage.
45



- 1 B. Automobile Liability: \$10,000,000 combined single limit per accident for bodily injury
- 2 and property damage.
- 3
- 4 C. Workers' Compensation and Employers Liability: Workers' compensation limits as
- 5 required by the State Labor Code and Employers Liability limits of \$1,000,000 per
- 6 accident.
- 7
- 8 D. Employee Blanket Fidelity Bond: \$500,000 per employee, covering dishonesty, forgery,
- 9 alteration, theft, disappearance, destruction (inside or outside); or, Commercial Crime
- 10 Insurance with limits of liability of not less than \$1,000,000 per occurrence.
- 11
- 12 E. Pollution Legal Liability: \$5,000,000 for bodily injury, property damage, and
- 13 remediation of contaminated site.
- 14

15 **12.4.3 Deductibles and Self-Insured Retentions**

16 Any deductibles or self-insured retentions must be declared to and approved by the City. At the
 17 option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured
 18 retentions as respects the City, its officials and employees; or the Contractor shall procure a bond
 19 guaranteeing payment of losses and related investigations, claim administration and defense
 20 expenses.

21

22 **12.4.4 Other Insurance Provisions**

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

- 24
- 25 A. Commercial General Liability, Commercial Auto Liability and Pollution Legal Liability
- 26 coverages:
- 27
- 28 1. The City and each of its officers, officials, employees, agents, consultants, and
- 29 volunteers are to be covered as additional insureds as respects: liability arising out of
- 30 activities performed by or on behalf of the Contractor; products and completed
- 31 operations of the Contractor; premises owned, leased or used by the Contractor; or
- 32 automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall
- 33 contain no special limitations on the scope of protection afforded to the City, its
- 34 officials, employees, or volunteers. The automobile liability is endorsed to contain
- 35 MCA-90 coverage.
- 36
- 37 2. The Contractor's insurance coverage shall be primary insurance as respects the City,
- 38 its officials, employees, and volunteers. Any insurance or self-insurance maintained
- 39 by the City, its officers, officials, employees, agents, consultants, or volunteers shall
- 40 be excess of the Contractor's insurance and shall not contribute with it.
- 41
- 42 3. Any failure to comply with reporting provisions of the policies shall not affect
- 43 coverage provided to the City, its officers, officials, employees, agents, consultants,
- 44 or volunteers.
- 45



1 4. Coverage shall state that the Contractor's insurance shall apply separately to each
2 insured against whom claim is made or suit is brought, except with respect to the
3 limits of the insurer's liability.
4

5 B. Workers' Compensation and Employers Liability Coverage. The insurer shall agree to
6 waive all rights of subrogation against the City, its officers, officials, employees, agents,
7 consultants, and volunteers for losses arising from work performed by the Contractor for
8 the City.
9

10 C. Employee Blanket Fidelity Bond or Commercial Crime Insurance should be endorsed to
11 name the City as a loss payee.
12

13 D. All Coverages. Each insurance policy required by this clause shall be endorsed to state
14 that coverage shall not be suspended, voided, canceled by either Party, reduced in
15 coverage or in limits except after thirty (30) calendar days' prior written notice by
16 certified mail, return receipt requested, has been given to the City.
17

18 12.4.5 Acceptability of Insurers

19 The insurance policies required by this Section 12.4 shall be issued by an insurance company or
20 companies authorized to do business in the State and with a rating in the most recent edition of
21 Best's Insurance Reports of size category VII or larger and a rating classification of A- or better;
22 or authorized by the City's Risk Manager.
23

24 12.4.6 Verification of Coverage

25 Contractor shall furnish Contractor's insurance agent a copy of these insurance specifications as
26 found in this Article 12.4, and direct the agent to provide the City with certificates of insurance
27 and with original endorsements affecting coverage required by this clause. Issuance of
28 documentation indicates the Contractor's insurance complies with these provisions. The
29 certificates and endorsements for each insurance policy are to be signed by a Person authorized
30 by that insurer to bind coverage on its behalf. The certificates and endorsements are to be
31 received and approved by the City before work commences. Upon request of City, Contractor
32 shall immediately furnish City with a complete copy of any insurance policy required under this
33 Agreement, including all endorsements, with said copy certified by the underwriter to be a true
34 and correct copy of the original policy. This requirement shall survive expiration or termination
35 of this Agreement.
36

37 12.4.7 Required Endorsements

38
39 A. The Workers' Compensation policy shall contain an endorsement in substantially the
40 following form:
41

42 "Thirty calendar days' prior written notice shall be given to the City of Fresno in the
43 event of cancellation, reduction in coverage, or non-renewal of this policy. Such notice
44 shall be sent to:
45



1 Solid Waste Manager
2 City of Fresno
3 1325 E. El Dorado
4 Fresno, CA 93706
5

6 **B.** The Commercial General Liability, Commercial Auto Liability and Pollution Legal
7 Liability insurance policies shall contain endorsements in substantially the following
8 form:

9
10 1. "Thirty calendar days' prior written notice shall be given to the City of Fresno in the
11 event of cancellation, reduction in coverage, or non-renewal of this policy. Such
12 notice shall be sent to:

13
14 Solid Waste Manager
15 City of Fresno
16 1325 E. El Dorado
17 Fresno, CA 93706
18

19 2. "The City of Fresno, its officers, officials, employees, agents, consultants, and
20 volunteers are additional insureds on this policy." The City requires form CG2010
21 1185.
22

23 3. "This policy shall be considered primary insurance as respects any other valid and
24 collectible insurance maintained by the City of Fresno, including any self-insured
25 retention or program of self-insurance, and any other such insurance shall be
26 considered excess insurance only."
27

28 4. "Inclusion of the City of Fresno as an insured shall not affect the City's rights as
29 respects any claim, demand, suit or judgment brought or recovered against the
30 Contractor. This policy shall protect Contractor and the City in the same manner as
31 though a separate policy had been issued to each, but this shall not operate to
32 increase the Contractor's liability as set forth in the policy beyond the amount shown
33 or to which the Contractor would have been liable if only one (1) Party had been
34 named as an insured."
35

36 **12.4.8 Delivery of Proof of Coverage**

37 Simultaneously with the execution of this Agreement, Contractor shall furnish the City
38 certificates of each policy of insurance required hereunder, in form and substance satisfactory to
39 City. Such certificates shall show the type and amount of coverage, effective dates and dates of
40 expiration of policies and shall have all required endorsements. If the City Contract Manager
41 requests, copies of each policy, together with all endorsements, shall also be promptly delivered
42 to City Contract Manager.
43

44 Renewal certificates will be furnished periodically to City Contract Manager to demonstrate
45 maintenance of the required coverage throughout the Term.
46



1 **12.4.9 Other Insurance Requirements**

2
3 A. If Contractor should subcontract any portion of the services to be performed under this
4 Agreement, Contractor shall require each subcontractor to provide insurance protection in
5 favor of City and each of its officers, officials, employees, agents, consultants, and
6 volunteers in accordance with the terms of Section 12.4, except that any required
7 certificates and applicable endorsements shall be on file with Contractor and City prior to
8 the commencement of any services by the subcontractor.

9
10 B. If at any time during the life of the Agreement or any extension, Contractor or any of its
11 subcontractors fail to maintain any required insurance in full force and effect, Contractor
12 shall be in breach of the Agreement until notice is received by City that the required
13 insurance has been restored to full force and effect and that the premiums therefore have
14 been paid for a period satisfactory to City. Any failure to maintain the required insurance
15 shall be sufficient cause for City to terminate this Agreement. No action taken by City
16 pursuant to this section shall in any way relieve Contractor of its responsibilities under
17 this Agreement.

18
19 If Contractor fails to procure and maintain any insurance required by this Agreement, the City
20 may take out and maintain, at the Contractor's expense, such insurance as it may deem proper
21 and deduct the cost thereof from any monies due the Contractor.

22
23 The Commercial General Liability, Commercial Auto Liability and Pollution Legal Liability
24 insurance policies shall be written on an occurrence form. If Contractor is unable to purchase
25 Pollution Legal Liability insurance on an occurrence form and must purchase such insurance on
26 a claims made form:

- 27
28 1. The "Retro Date" must be shown, and must be before the Effective Date of the
29 Agreement or the commencement of work by Contractor.
30
31 2. The policy shall be endorsed to provide not less than a 5-year discovery period. This
32 requirement shall survive expiration or termination of the Agreement.
33
34 3. If coverage is canceled or non-renewed, and not replaced with another claims-made
35 policy form with a "Retro Date" prior to the Effective Date of the Agreement, Contractor
36 must purchase "extended reporting" coverage for a minimum of five (5) years following
37 the expiration or termination of the Agreement.
38
39 4. A copy of the claims reporting requirements must be submitted to City for review.
40
41 5. These requirements shall survive expiration or termination of this Agreement.
42

43 **12.5 PERFORMANCE BOND**

44 On or before the Effective Date of this Agreement, Contractor shall file with the City a bond,
45 payable to the City, securing the Contractor's faithful performance of its obligations under this
46 Agreement and such bond shall be renewed annually if necessary so that the performance bond is



1 maintained at all times during the Term. The principal sum of the bond shall be six million five
2 hundred thousand dollars (\$6,500,000.00). The bond shall be executed by a corporation
3 authorized to issue surety bonds in the State, with a financial condition and record of service
4 satisfactory to the City. The performance bond is included in Exhibit K.
5
6

7 **ARTICLE 13.**
8 **DEFAULT AND REMEDIES**
9

10 **13.1 EVENTS OF DEFAULT**

11 Each of the following shall constitute an event of default ("Event of Default") hereunder:
12

- 13 **A.** Contractor fails or refuses to perform its obligations under this Agreement, or future
14 amendments to this Agreement, and: (i) if the failure or refusal has created an imminent
15 threat to public health and is not cured within two (2) Business Days after receiving
16 notice from the City specifying the breach; or (ii) in the case of any other breach of the
17 Agreement, the breach continues for more than thirty (30) calendar days after written
18 notice from the City for the correction thereof. Where such breach cannot be cured
19 within such thirty (30) day period, Contractor shall not be in default of this Agreement if
20 Contractor shall have commenced such action required to cure the particular breach
21 within ten (10) calendar days after such notice, and it continues such performance
22 diligently until completed.
23
- 24 **B.** Any representation, warranty, or disclosure made to City by Contractor in connection
25 with or as an inducement to entering into this Agreement or any future amendment to this
26 Agreement, which proves to be false or misleading in any material respect, as of the time
27 such representation or disclosure is made;
28
- 29 **C.** There is a seizure or attachment (other than a pre-judgment attachment) of, or levy
30 affecting possession of, the operating equipment of Contractor, including without limit its
31 vehicles, Carts, maintenance or office facilities, or any part thereof of such proportion as
32 to substantially impair Contractor's ability to perform under this Agreement and which
33 cannot be released, bonded, or otherwise lifted within forty-eight (48) hours excluding
34 weekends and Holidays;
35
- 36 **D.** Contractor files a voluntary petition for debt relief under any applicable bankruptcy,
37 insolvency, debtor relief, or other similar law now or hereafter in effect, or shall consent
38 to the appointment of or taking of possession by a receiver, liquidator, assignee (other
39 than as a part of a transfer of equipment no longer useful to Contractor or necessary for
40 this Agreement), trustee (other than as security for an obligation under a deed of trust),
41 custodian, sequestrator (or similar official) of the Contractor for any part of Contractor's
42 operating assets or any substantial part of Contractor's property, or shall make any
43 general assignment for the benefit of Contractor's creditors, or shall fail generally to pay
44 Contractor's debts as they become due or shall take any action in furtherance of any of
45 the foregoing;



- 1
- 2 E. A court having jurisdiction shall enter a decree or order for relief in respect of the
3 Contractor, in any involuntary case brought under any bankruptcy, insolvency, debtor
4 relief, or similar law now or hereafter in effect, or Contractor shall consent to or shall fail
5 to oppose any such proceeding, or any such court shall enter a decree or order appointing
6 a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the
7 Contractor or for any part of the Contractor's operating equipment or assets, or orders the
8 winding up or liquidation of the affairs of Contractor;
9
- 10 F. Contractor fails to provide reasonable assurances of performance as required under
11 Section 13.8.
12

13 **13.2 RIGHT TO TERMINATE UPON DEFAULT**

14 Upon a default by Contractor, the City may terminate this Agreement within ten (10) Business
15 Days of the default but no later than one hundred eighty (180) calendar days after the default.
16 Such termination shall be effective ten (10) Business Days following the City Contract
17 Manager's written notice to Contractor. Contractor may, within ten (10) Business Days of receipt
18 of such notice, file, in writing, via certified mail, to the City Manager's office, a request for a
19 hearing of the City Council to appeal the decision of the City Contract Manager. If Contractor
20 files such a request, the City Council shall hear the appeal within thirty (30) calendar days of
21 receipt of Contractor's request. If the City Council upholds the City Contract Manager's
22 recommendation for termination of this Agreement, such termination will become effective ten
23 (10) Business Days from the date of the City Council's determination without rights to any
24 further hearing, suit or legal action which, Contractor hereby expressly waives. The decision of
25 the City Council is final.
26

27 **13.3 POSSESSION OF PROPERTY UPON TERMINATION**

28 In the event of termination for default, the City shall have the right to take possession of any and
29 all of Contractor's equipment used in the Collection, Transportation, Processing, and Disposal of
30 Solid Waste, Recyclable Materials, or Organic Materials and the Billing and collection of fees
31 for these services and to use such property. For a period of up to one hundred eighty (180)
32 calendar days from termination, the City shall have the right to retain the possession of such
33 property until other suitable arrangements can be made for the provision of Solid Waste,
34 Recyclable Materials, or Organic Materials Collection services, which may include the award of
35 an Agreement to another waste hauling company. If the City retains possession thereof after the
36 period of time for which Contractor has already been paid by means of bills issued in advance of
37 providing service for the class of service involved, the Contractor shall be entitled to the
38 reasonable rental value, not to exceed two hundred dollars (\$200) per day for vehicles, of such
39 property (which shall be offset against any damages due the City for the Contractor's default and
40 any costs incurred by City to maintain such equipment).
41

42 In addition to any rights set forth in Section 8.4.D, City shall have the sole option, but not the
43 obligation, to purchase Contractor's equipment (including but not limited to the vehicles
44 acquired by Contractor from City pursuant to Section 8.3.1 of this Agreement) at its net book
45 value, in the event of termination for default or termination pursuant to Section 13.2.



2 Contractor shall furnish the City with immediate access to all of its business records related to its
3 Customers and Billing of accounts for Collection services.
4

5 **13.4 CITY'S REMEDIES CUMULATIVE; SPECIFIC PERFORMANCE**

6 The City's right to terminate the Agreement under Section 13.2 and to take possession of the
7 Contractor's properties under Section 13.3 are not exclusive, and the City's termination of the
8 Agreement and/or the imposition of Liquidated Damages shall not constitute an election of
9 remedies. Instead, these rights shall be in addition to any and all other legal and equitable rights
10 and remedies which the City may have.
11

12 By virtue of the nature of this Agreement, the urgency of timely, continuous and high quality
13 service, the lead time required to effect alternative service, and the rights granted by City to the
14 Contractor, the remedy of damages for a breach hereof by Contractor is inadequate and City shall
15 be entitled to injunctive relief.
16

17 **13.5 LIQUIDATED DAMAGES**

18
19 **A. General.** The Parties find that as of the time of the execution of this Agreement, it is
20 impractical, if not impossible, to reasonably ascertain the extent of damages which shall
21 be incurred by City as a result of a breach by Contractor of its obligations under this
22 Agreement. The factors relating to the impracticability of ascertaining damages include,
23 but are not limited to, the fact that: (i) damage may result to members of the public who
24 are denied services or denied quality or reliable service; (ii) such breaches cause
25 inconvenience, anxiety, frustration, and deprivation of the benefits of the Agreement to
26 individual members of the general public for whose benefit this Agreement exists, which
27 are incapable of measurement in precise monetary terms; (iii) the monetary loss resulting
28 from denial of services or denial of quality or reliable services is impossible to calculate
29 in precise monetary terms; and (iv) the termination of this Agreement for such breaches,
30 and other remedies are, at best, a means of future correction and not remedies which
31 make the public whole for past breaches.
32

33 **B. Service Performance Standards; Liquidated Damages for Failure to Meet**
34 **Standards.** The Parties further acknowledge that consistent, reliable Solid Waste,
35 Recyclable Materials, and Organic Materials Collection service is of utmost importance
36 to City and that City has considered and relied on Contractor's representations as to its
37 quality of service commitment in awarding the Agreement to it. The Parties recognize
38 that some quantified standards of performance are necessary and appropriate to ensure
39 consistent and reliable service and performance. The Parties further recognize that if
40 Contractor fails to achieve the performance standards, or fails to submit required
41 documents in a timely manner, City and its residents will suffer damages and that it is
42 and will be impractical and extremely difficult to ascertain and determine the exact
43 amount of damages which City will suffer. Therefore, without prejudice to City's right to
44 treat such non-performance as an event of default under this Section 13.5, the Parties
45 agree that the Liquidated Damages amounts established in Exhibit G and the following



2 Liquidated Damage amounts represent a reasonable estimate of the amount of such
 3 damages considering all of the circumstances existing on the Effective Date of this
 4 Agreement, including the relationship of the sums to the range of harm to City that
 5 reasonably could be anticipated and that proof of actual damages would be costly or
 6 impractical.

7 Contractor agrees to pay (as Liquidated Damages and not as a penalty) the amounts set
 8 forth in Exhibit G.

9
 10 City may determine the occurrence of events giving rise to Liquidated Damages through
 11 the observation of its own employees or representative or investigation of Complaints by
 12 Customers, Occupants, and Generators.

13
 14 Before assessing Liquidated Damages, City Contract Manager shall give Contractor
 15 notice of its intention to do so. The notice will include a brief description of the
 16 incident(s) and non-performance. The City Contract Manager may review (and make
 17 copies at its own expense) all information in the possession of Contractor relating to
 18 incident(s) and non-performance. City Contract Manager may, within ten (10) calendar
 19 days after issuing the notice, request a meeting with Contractor. City Contract Manager
 20 may present evidence of non-performance in writing and through testimony of its
 21 employees and others relevant to the incident(s) and non-performance. City Contract
 22 Manager will provide Contractor with a written explanation of his or her determination
 23 on each incident(s) and non-performance prior to authorizing the assessment of
 24 Liquidated Damages under this Section 13.5. The decision of City Contract Manager
 25 shall be final and Contractor shall not be subject to, or required to exhaust, any further
 26 administrative remedies.

27
 28 **C. Amount.** City may assess Liquidated Damages for each calendar day or event, as
 29 appropriate, that Contractor is determined to be liable in accordance with this Agreement
 30 in the amounts specified in Exhibit G subject to annual adjustment described below. If
 31 the amount of Liquidated Damages for any three (3) month period exceeds the thresholds
 32 established in Section 8.5.C, the City Contract Manager shall have the right to request
 33 replacement of the Contractor's field representative and the Contractor's responsible
 34 officer as designated by the Contractor as described in Section 8.5.C.

35
 36 The amount of Liquidated Damages specified in Exhibit G shall be adjusted annually on
 37 the first day of the Rate Period. Liquidated Damage amounts shall be adjusted by the
 38 OCF calculated in accordance with Step 4 of Section 11.3.B in an index-based
 39 adjustment Rate Period or with Exhibit M Section 4.A in a cost-based adjustment Rate
 40 Period, or five percent (5%), whichever is less. The adjustment shall equal:

41
 42 If OCF is less than five percent (5.00%):

43
 44 Adjusted Liquidated Damage Amount = Then-current Liquidated Damage Amount x (1 + OCF)



1 If OCF greater than five percent (5.00%):

2
3 Adjusted Liquidated = Then-current Liquidated Damage Amount x (1 + 0.05)
4 Damage Amount

5 For example:

- 6 1. Then-Current Liquidated Damage Amount = \$150.00
7 2. Operating Cost Factor = 4.3% (as calculated in Step 5 of Section 11.3.B)

8
9 Adjusted Liquidated Damage Amount = \$150.00 x (1 + 0.043) = \$156.45

10
11 The adjustment shall be rounded to the nearest cent.

12
13 **D. Timing of Payment.** Contractor shall pay any Liquidated Damages assessed by City
14 within ten (10) calendar days of the date the Liquidated Damages are assessed. If they
15 are not paid within the ten (10) day period, the Contractor shall pay the City the
16 Liquidated Damage payment due plus interest compounded daily, where interest shall be
17 calculated using the annual yield rate for the California Local Agency Investment Fund
18 most-recently published by the State Treasurer's office. The City Contract Manager shall
19 send written notice to the Contractor and the Contractor's performance bond company
20 stating Contractor's failure to pay Liquidated Damages and the City's right to terminate
21 the Agreement and proceed against the performance bond if payment is not received
22 within ninety (90) days of the date Liquidated Damages were assessed.

23
24 If the Liquidated Damages payment is thirty (30) days past due, the Contractor shall pay
25 the City double the Liquidated Damages payment due plus interest compounded daily,
26 where interest shall be calculated as described above. If the Liquidated Damages
27 payment is sixty (60) days or more past due, the City Contract Manager shall notice the
28 Contractor and the Contractor's performance bond company of the City's intent to
29 terminate the Agreement and proceed against the performance bond if Liquidated
30 Damages are not paid within ninety (90) days of the date of assessment. If the Liquidated
31 Damages payment is ninety (90) days or more past due and the City provided Contractor
32 with 30-day advance written notice of its intent to terminate the Agreement for failure to
33 pay Liquidated Damages, the City may terminate the Agreement, in which case the
34 provisions of Section 13.3 shall apply and the City may proceed against the performance
35 bond required by the Agreement.

36
37 **13.6 AB 939 AND AB 341-RELATED DAMAGES**

38 Contractor shall pay its proportional share of all fines and/or penalties imposed by the State if the
39 requirements of the Act are not met by the City.

40
41 If the damages considered by this Section 13.6 are to be assessed, the Contractor's proportional
42 share shall be determined in relationship to performance of contractor(s) in the other City-
43 designated service areas. For example, if the fine or penalty assessed is based on a failure to
44 implement a residential program covered by this Agreement and Contractor fails to implement



1 the program, Contractor shall be determined to be 100% responsible. However, in the event that
2 the fine or penalty is based on failure to implement programs for which the Contractor has no
3 control (e.g. Commercial or Multi-Family programs, City's purchasing policies, establishment of
4 ordinances, etc.), Contractor shall not be responsible for payment of such fines. However, this
5 release from responsibility shall not apply to such Commercial or Multi-Family programs where
6 Contractor is separately obligated to payment of such fines. The proportional share shall be
7 determined in the City's sole discretion and shall not be subject to appeal or litigation.

8
9 If fines and/or penalties are imposed by the State, Contractor shall only be liable if: (i)
10 Contractor failed to implement all programs required by this Agreement and described in Exhibit
11 C; (ii) Contractor failed to perform public education and outreach responsibilities required under
12 this Agreement including, but not limited to those described in Section 7.1; or, (iii) Contractor
13 delayed providing information that prevented Contractor or City from submitting reports
14 required by the State in a timely manner.

16 13.7 EXCUSE FROM PERFORMANCE

17 The Parties shall be excused from performing their respective obligations hereunder if they are
18 prevented from so performing by reason of floods, earthquakes, other acts of nature, war, civil
19 insurrection, riots, acts of any government (including judicial action), and other similar
20 catastrophic events which are beyond the control of and not the fault of the Party claiming
21 excuse from performance hereunder. Labor unrest, including but not limited to strike, work
22 stoppage or slowdown, sick-out, picketing, or other concerted job action conducted by
23 Contractor's employees or directed at Contractor is not an excuse from performance and
24 Contractor shall be obligated to continue to provide service notwithstanding the occurrence of
25 any or all of such events.

26
27 The Party claiming excuse from performance shall, within two (2) Business Days after such
28 Party has notice of such cause, give the other Party notice of the facts constituting such cause and
29 asserting its claim to excuse under this Section.

30
31 If either Party validly exercises its rights under this Section, the Parties hereby waive any claim
32 against each other for any damages sustained thereby.

33
34 The partial or complete interruption or discontinuance of Contractor's services caused by one or
35 more of the events described in this Article shall not constitute a default by Contractor under this
36 Agreement. Notwithstanding the foregoing, however, (i) the existence of an excuse from
37 performance will not affect the City's rights under Section 4.6; and (ii) if Contractor is excused
38 from performing its obligations hereunder for any of the causes listed in this Section for a period
39 of thirty (30) calendar days or more, the City shall nevertheless have the right, in its sole
40 discretion, to terminate this Agreement by giving ten (10) calendar days notice to Contractor
41 unless Contractor has demonstrated, by the thirtieth (30th) calendar day, to the satisfaction of the
42 City that the Contractor will resume services no later than the sixtieth (60th) day following the
43 date service was interrupted or discontinued by Contractor. If the City terminates the Agreement
44 under this provision, the provisions of Section 13.3 shall apply.



13.8 RIGHT TO DEMAND ASSURANCES OF PERFORMANCE

2 If Contractor (i) is the subject of any labor unrest including work stoppage or slowdown, sick-
3 out, picketing or other concerted job action; (ii) appears in the reasonable judgment of City to be
4 unable to regularly pay its bills as they become due; or (iii) is the subject of a civil or criminal
5 judgment or order entered by a Federal, State, regional or local agency for violation of an
6 Applicable Law, and the City believes in good faith that Contractor's ability to perform under the
7 Agreement has thereby been placed in substantial jeopardy, the City may, at its option and in
8 addition to all other remedies it may have, demand from Contractor reasonable assurances of
9 timely and proper performance of this Agreement, in such form and substance as the City
10 Contract Manager believes in good faith is reasonably necessary in the circumstances to
11 evidence continued ability to perform under the Agreement. If Contractor fails or refuses to
12 provide satisfactory assurances of timely and proper performance in the form and by the date
13 required by City Contract Manager, such failure or refusal shall be an event of default for
14 purposes of Section 13.1.

**ARTICLE 14.
OTHER AGREEMENTS OF THE
PARTIES**

14.1 RELATIONSHIP OF PARTIES

21 The Parties intend that Contractor shall perform the services required by this Agreement as an
22 independent Contractor engaged by City and not as an officer or employee of the City nor as a
23 partner of or joint venturer with the City. No employee or agent of Contractor shall be, or shall
24 be deemed, an employee or agent of the City. Except as expressly provided herein, Contractor
25 shall have the exclusive control over the manner and means of conducting the Solid Waste,
26 Recyclable Materials, and Organic Materials Collection, Transportation, Processing, and
27 Disposal services performed under this Agreement, and all Persons performing such services.
28 Contractor shall be solely responsible for the acts and omissions of its officers, employees,
29 Subcontractors, and agents. Neither Contractor nor its officers, employees, Subcontractors, and
30 agents shall obtain any rights to retirement benefits, workers' compensation benefits, or any other
31 benefits which accrue to City employees, by virtue of their employment with the City.

14.2 COMPLIANCE WITH LAW

34 Contractor shall at all times, at its sole cost, comply with all Applicable Laws, permits and
35 licenses of the United States, the State and the City and with all applicable regulations
36 promulgated by Federal, State, regional or local administrative and regulatory agencies, now in
37 force and as they may be enacted, issued or amended during the Term.

14.3 GOVERNING LAW

40 This Agreement shall be governed by, and construed and enforced in accordance with, the laws
41 of the State of California.



1 **14.4 JURISDICTION**

2 Any lawsuits between the Parties arising out of this Agreement shall be brought and concluded
3 in the courts of Fresno County in the State of California, which shall have exclusive jurisdiction
4 over such lawsuits, including the United States District Court for the Eastern District of
5 California and/or the Fresno County Superior Court.

6
7 With respect to venue, the Parties agree that this Agreement is made in and will be performed in
8 Fresno County.
9

10 **14.5 BINDING ON SUCCESSORS**

11 The provisions of this Agreement shall inure to the benefit to, and be binding on, the successors
12 and permitted assigns of the Parties.
13

14 **14.6 ASSIGNMENT**

15 Neither Party shall assign its rights nor delegate or otherwise transfer its obligations under this
16 Agreement to any other Person without the prior written consent of the other Party. Any such
17 assignment made without the consent of the other Party shall be void and the attempted
18 assignment shall constitute a material breach of this Agreement.
19

20 For purposes of this Section, "assignment" shall include, but not be limited to: (i) a sale,
21 exchange or other transfer of substantially all of Contractor's local, regional, and/or company
22 assets dedicated to service under this Agreement to a third party; (ii) a sale, exchange, or other
23 transfer of ten percent (10%) or more of the local, regional, and/or company assets or ownership
24 of Contractor to a Person except that no cumulative sale, exchange, or transfer of ownership may
25 exceed twenty percent (20%) during the Term of the Agreement; (iii) any reorganization,
26 consolidation, merger, recapitalization, voting trust, pooling agreement, escrow arrangement,
27 liquidation or other transaction to which Contractor or any of its members is a party that results
28 in a change of ownership or control of ten percent (10%) or more of the value or voting rights in
29 the local, regional, and/or company ownership interests of Contractor; (iv) divestiture of an
30 Affiliate (e.g., trucking company, materials recovery facility, Transfer Station, Disposal Site,
31 Compost Site, Recyclables Processing Site, etc.) used by Contractor to fulfill its obligations
32 under this Agreement; and, (v) any combination of the foregoing (whether or not in related or
33 contemporaneous transactions) that has the effect of any such transfer or change of local,
34 regional, and/or company ownership and/or control of Contractor. For purposes of this Section,
35 the term "proposed assignee" shall refer to the proposed transferee(s) or other successor(s) in
36 interest pursuant to the assignment.
37

38 Contractor acknowledges that this Agreement involves rendering a vital service to City's
39 residents and businesses, and that City has selected Contractor to perform the services specified
40 herein based on: (1) Contractor's experience, skill, and reputation for conducting its Solid Waste,
41 Recyclable Materials, and Organic Materials management operations in a safe, effective, and
42 responsible fashion at all times in keeping with Applicable Laws, regulations, and good waste
43 management practices; and, (2) Contractor's financial resources on a local, regional, and/or
44 company to maintain the required equipment and to support its indemnity obligations to the City



1 under this Agreement. The City has relied on each of these factors, among others, in choosing
2 Contractor to perform the services to be rendered by Contractor under this Agreement.

3
4 If Contractor requests City's consideration of and consent to an assignment, City may deny or
5 approve such request in its complete discretion. No request by Contractor for consent to an
6 assignment need be considered by City unless and until Contractor has met the following
7 requirements. The City may, in its sole discretion, waive one (1) or more of these requirements.

- 8
9 A. On the date the Contractor submits a written request for the City's written consent
10 of an assignment, Contractor shall pay the City a transfer fee in the amount of two
11 hundred fifty thousand dollars (\$250,000).
12
13 B. In addition to the transfer fee, Contractor shall pay City its expenses for attorney's
14 fees and investigation costs necessary to investigate the suitability of any
15 proposed assignee, and to review and finalize any documentation required as a
16 condition for approving any such assignment.
17
18 C. Contractor shall furnish City Contract Manager with audited financial statements
19 of the proposed assignee's operations for the immediately preceding three (3)
20 operating years.
21
22 D. Contractor shall furnish City Contract Manager with satisfactory proof: (i) that the
23 proposed assignee has at least ten (10) years of Solid Waste, Recyclable
24 Materials, and Organic Materials management experience on a scale equal to or
25 exceeding the scale of operations conducted by Contractor under this Agreement;
26 (ii) that in the last five (5) years, the proposed assignee has not suffered any
27 citations or other censure from any Federal, State, or local contractor having
28 jurisdiction over its waste management operations due to any significant failure to
29 comply with State, Federal, or local waste management laws and that the assignee
30 has provided the City Contract Manager with a complete list of such citations and
31 censures; (iii) that the proposed assignee has at all times conducted its operations
32 in an environmentally safe and conscientious fashion; (iv) that the proposed
33 assignee conducts its Solid Waste, Recyclable Materials, and Organic Materials
34 management practices in accordance with sound waste management practices in
35 full compliance with all Federal, State, and local laws regulating the Collection,
36 Transportation, Processing, and Disposal of Solid Waste, Recyclable Materials,
37 and Organic Materials, including Hazardous Waste as identified in Chapter II of
38 Division 4.5 of Title 22 of the California Code of Regulations; and, (v) that any
39 other information required by City Contract Manager demonstrates that the
40 proposed assignee can fulfill the terms of this Agreement in a timely, safe, and
41 effective manner.
42
43 E. Contractor shall provide the City Contract Manager with any and all additional
44 records or documentation that, in the City Contract Manager's sole determination,
45 would facilitate the review of the proposed assignment.
46



2 Under no circumstances shall the City consider or permit an assignment if the assignment would
3 result in one (1) Person including, but not limited to, Parent Companies, company affiliates, or
4 Related-Party Entities holding exclusive franchises for Residential and both Commercial
5 franchise service areas in the City.

6 Under no circumstances shall any proposed assignment be considered by the City if Contractor is
7 in default at any time during the period of consideration. If, in the City Contract Manager's sole
8 determination, there is any doubt regarding the compliance of the Contractor with the
9 Agreement, City Contract Manager may require an audit of the Contractor's compliance and the
10 costs of such audit shall be paid by Contractor in advance of the performance of said audit.
11

12 **14.7 PARTIES IN INTEREST**

13 Nothing in this Agreement, whether express or implied, is intended to confer any rights on any
14 Persons other than the Parties to the Agreement and their representatives, successors and
15 permitted assigns.
16

17 **14.8 WAIVER**

18 The waiver by either Party of any breach or violation of any provisions of this Agreement shall
19 not be deemed a waiver of any breach or violation of any other provision nor of any subsequent
20 breach of violation of the same or any other provision. The subsequent acceptance by either
21 Party of any monies which become due hereunder, shall not be deemed to be a waiver of any
22 pre-existing or concurrent breach, or violation by the other Party of any provision of this
23 Agreement.
24

25 **14.9 NOTICE PROCEDURES**

26 All notices, demands, requests, proposals, approvals, consents, and other communications which
27 this Agreement requires, authorizes or contemplates all, except as provided in Section 4.6.1, shall
28 be in writing and shall either be personally delivered to a representative of the Parties at the
29 address below or deposited in the United States mail, first class postage prepaid, addressed as
30 follows:
31

32 **A. If to City:**

33 Solid Waste Manager
34 City of Fresno
35 1325 E. El Dorado
36 Fresno, CA 93706
37

38 **B. If to Contractor:**

39 Joseph Kalpakoff
40 15300 W Jensen Ave
41 Kerman, CA 93630
42

43 The address to which communications may be delivered may be changed from time to time by a
44 notice given in accordance with this Section.
45



2 Notice shall be deemed given on the day it is personally delivered or, if mailed, three (3)
3 calendar days from the date it is deposited in the mail.

4 **14.10 REPRESENTATIVES OF THE PARTIES**

5 References in this Agreement to the "City" shall mean the City Council and all actions to be
6 taken by the City shall be taken by the City Council except as provided below. The City Council
7 may delegate, in writing, authority to the City Manager, the Director of Public Utilities
8 Department, and/or to other City officials and may permit such officials, in turn, to delegate in
9 writing some or all of such authority to subordinate officers. By approving this Agreement, the
10 City Council has delegated to the City Contract Manager the specific authority granted the City
11 Contract Manager by the terms of this Agreement. The Contractor may rely upon actions taken
12 by such delegates if they are within the scope of the authority properly delegated to them.

13
14 The Contractor shall, by the Effective Date, designate in writing a responsible officer who shall
15 serve as the representative of the Contractor in all matters related to the Agreement and shall
16 inform the City Contract Manager in writing of such designation and of any limitations upon his
17 or her authority to bind the Contractor. The City may rely upon action taken by such designated
18 representative as actions of the Contractor unless they are outside the scope of the authority
19 delegated to him/her by the Contractor as communicated to City.
20

21 **14.11 CRIMINAL ACTIVITY OF CONTRACTOR**

22 23 **14.11.1 Criminal Activity**

24 For purpose of this Section, Criminal Activity shall mean any of the following events or
25 circumstances:
26

27 **A. Convictions.** The entry against any Contractor Party of a criminal conviction or a
28 permanent mandatory or prohibitory injunction from a court, municipality or regulatory
29 agency of competent jurisdiction based on acts taken in his or her official capacity on
30 behalf of Contractor relating to:

- 31
32 1. Fraud or criminal offense in connection with obtaining, attempting to obtain,
33 procuring or performing a public or private agreement related to municipal Solid
34 Waste, Recyclable Materials, or Organic Materials services of any kind (including
35 Collection, Transportation, transfer, Processing, Composting or Disposal), including
36 this Agreement or any amendment thereto;
- 37
38 2. Bribery or attempting to bribe a public officer or employee of a local, State, or
39 Federal agency;
- 40
41 3. Embezzlement, extortion, racketeering, false claims, false statements, forgery,
42 falsification, or destruction of records, obstruction of justice, knowingly receiving
43 stolen property, theft, or misprision (failure to disclose) of a felony;
- 44



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4. Unlawful disposal of Hazardous Waste or Designated Waste the occurrence of which any of Contractor Party knew or should have known;
5. 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 fees for Solid Waste, Recyclable Materials or Organic Materials Collection, Transportation, Processing, or Disposal;
6. Violation of securities laws;
7. Felonies.

B. Pleas. Entry of a plea of “guilty,” “nolo contendere,” or “no contest” by a Contracting Party based on acts taken in his, her, or its official capacity on behalf of Contractor with respect to the conduct described in preceding subdivision (1) of this Section.

14.11.2 Notice

Contractor shall notify City Contract Manager in writing within five (5) calendar days of occurrence of any Criminal Activity.

14.11.3 Contractor’s Cure

Upon occurrence of any Criminal Activity, Contractor shall immediately do or cause to be done all of the following:

- A.** Terminate from employment or remove from office any offending individual Contractor Party, unless otherwise directed or ordered by a court or regulatory agency of competent jurisdiction or authority, and unless that termination would constitute a breach of any labor agreement entered into by Contractor, and
- B.** Eliminate participation by any individual offending Contractor Party in any management, supervision, or decision activity that affects or could affect, directly or indirectly, the performance of the Contractor under this Agreement.

14.11.4 Transfer and Hiring

Contractor shall not allow or cause to be allowed the hire or transfer of any individual from any Parent Company or subsidiary company or business entity of Contractor who has committed Criminal Activity as a Contractor representative, field supervisor, officer, or director who is directly or indirectly responsible for performance of this Agreement without obtaining prior written consent of City Contract Manager, following full disclosure to City Contract Manager of the facts and circumstances surrounding such Criminal Activity.

14.11.5 City’s Remedy

In the event of any occurrence of Criminal Activity, the City, in its sole discretion, may terminate the Agreement within thirty (30) calendar days written notice to Contractor, or may impose other sanctions (which may include financial sanctions, temporary suspensions, or any



1 other condition deemed appropriate short of termination) as it will deem proper, in the following
2 events:

3
4 A. Contractor fails to comply with the foregoing obligation of this Section 14.11, or

5
6 B. The Criminal Activity concerns or relates directly or indirectly to this Agreement.

7
8 Contractor shall be given the opportunity to present evidence in mitigation during the thirty (30)
9 calendar day notice period.
10

11 **14.12 PUBLIC HEARING ON CONTRACTOR'S PERFORMANCE**

12 At any time, but no more than once annually, the City may hold a public hearing; at which
13 Contractor may be required by City to respond to information requests related to, attend, and
14 participate in, a review the Contractor's performance and to solicit feedback from the public
15 regarding Contractor's performance of services under this Agreement. The purpose of the public
16 hearing shall be to provide for discussion and review of technological, economic, and regulatory
17 changes in order to achieve a continuing, state-of-the-art Collection, Transportation, Processing,
18 and Disposal system and to ensure services are being provided with adequate quality,
19 effectiveness, and economy. Input provided during the public hearing may be used by the City at
20 its discretion.
21

22 **ARTICLE 15.**

23 **MISCELLANEOUS AGREEMENTS**

24

25 **15.1 ENTIRE AGREEMENT**

26 This Agreement, including the Exhibits, represents the full and entire Agreement between the
27 Parties relating to the matters covered herein.
28

29 **15.2 SECTION HEADINGS**

30 The article headings and section headings in this Agreement are for convenience of reference
31 only and are not intended to be used in the construction of this Agreement nor to alter or affect
32 any of its provisions.
33

34 **15.3 REFERENCES TO LAWS**

35 All references in this Agreement to laws shall be understood to include such laws as they may be
36 subsequently amended or recodified, unless otherwise specifically provided.
37

38 **15.4 INTERPRETATION**

39 This Agreement shall be interpreted and construed reasonably and neither for nor against either
40 Party, regardless of the degree to which either Party participated in its drafting.
41



1 **15.5 AMENDMENT**

2 This Agreement may not be modified or amended in any respect except in writing signed by both
3 Parties.
4

5 **15.6 SEVERABILITY**

6 If any non-material provision of this Agreement is for any reason deemed to be invalid and
7 unenforceable, the invalidity or unenforceability of such provision shall not affect any of the
8 remaining provisions of this Agreement, which shall be enforced as if such invalid or
9 unenforceable provision had not been contained herein.
10

11 **15.7 COUNTERPARTS**

12 This Agreement may be executed in counterparts, each of which shall be considered an original.
13

14 **15.8 EXHIBITS**

15 Each of the Exhibits identified as Exhibit "A" through "M" is attached hereto and incorporated
16 herein and made a part hereof by this reference. In the event that requirements, obligations,
17 privileges, or entitlements of the Exhibits conflict with those described in the Agreement, the
18 Agreement shall control.
19

20 IN WITNESS WHEREOF, the Parties have caused the Agreement to be executed on the day and
21 year first above written.
22

23 **CITY OF FRESNO**
24 A California Municipal Corporation
25
26

CONTRACTOR
Mid Valley Disposal, Inc.

27 _____
28 MARK SCOTT
29 City Manager
30

JOSEPH KALPAKOFF
Vice President

31 APPROVED AS TO FORM:
32 FRANCINE KANNE
33 Interim City Attorney
34

35 By: _____
36 _____ City Attorney
37

38 ATTEST:
39 YVONNE SPENCE, CMC
40 City Clerk
41
42 _____
43



EXHIBIT A

SECRETARY'S CERTIFICATION



**ATTACHMENT 8
SECRETARY'S CERTIFICATION**

The undersigned, being the Secretary of _____ Mid Valley Disposal _____, a California Corporation ("the Company"), do hereby certify that the following resolution was adopted by the Board of Directors of the Company and that such resolution has not been amended, modified or rescinded and is in full force and effect as of the date hereof:

RESOLVED, that ___Natalie Kalpakoff_____ be, and hereby is, authorized to execute, by and on behalf of the Company, any and all agreements, instruments, documents or papers, as he/she may deem appropriate or necessary, pertaining to or relating to the Franchise Agreement between the City of Fresno and Company for Residential Solid Waste, Recyclable Materials, and Organic Materials Services in Service Area No. ___ and that any such action taken to date is hereby ratified and approved.

Dated: 10-8-12

Natalie Kalpakoff
Signature
Sec.
Title



EXHIBIT B
NOTARY'S CERTIFICATION



NOTARY'S CERTIFICATION

STATE OF CALIFORNIA

COUNTY OF _____

On _____, _____, before me, the undersigned, a Notary Public in and for the State of California, personally appeared _____, known to me to be the _____ of Contractor that executed the within instrument on behalf of the Contractor therein named, and acknowledged to me that such Contractor executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County of _____ this _____ day of _____, _____.

Notary Public

My Commission Expires:



EXHIBIT C

CONTRACTOR'S PROPOSAL



Executive Summary

Mid Valley Disposal (MVD) is a privately held local recycling and solid waste management company that has been in business in Fresno County since 1997. MVD principals play active roles in the management and execution of daily operations, and are extensively involved in the communities they serve. These individuals embody generations of collection and processing experience; they have also acquired several contracts—including commercial collection operations, South District, in Fresno through the competitive bidding process. MVD's successful start-ups have enabled the Company to develop and refine an experienced, competent implementation team that will employ its hard-earned knowledge to launch and manage friendly, high-diversion collection programs for Fresno residents.

Signing Fee

MVD will, upon contract execution, pay a signing fee to the City of Fresno in the amount of \$500,000 for any District awarded independently, or a total of \$1,500,000 if awarded both Districts North and South.

Unrivaled Local Experience and Innovation

MVD owner-managers are entrepreneurial, inventive, and play active roles in shaping the resource recovery industry, staying current on trends and markets. MVD operates in 11 local jurisdictions. For this particular proposal, MVD has provided five relevant references: City of Avenal, City of Coalinga, Fresno County Unincorporated Area, City of Kerman, and Kings County. These are found in *Section 1* and include collection details such as number of accounts, programs offered, corresponding tonnages, and collection system used. Also, MVD has provided five service initiation examples—one for the implementation of multi-family recycling in seven communities—to assure the City of its ability to implement the subject scope of services.

To further assure the City, also included in *Section 2* is a scorecard that records the commitments MVD made to the City of Fresno during implementation of the commercial contract and MVD's performance on each item listed. Evaluators should note that, in a six month snapshot, MVD significantly increased diversion in this sector as indicated in *Section 2*, and through its robust integrated processing facility and proactive, consistent outreach initiatives will do the same for its Fresno residential customers.

All of this experience benefits the City of Fresno in the following ways:

- The stability and know-how, including an experienced management team, achieved through managing successful long-term municipal relations in all jurisdictions serviced.
Section 1. See also MVD's support letters following the Cover Letter.
- Guaranteed recyclable materials processing capacity throughout the term of the *Agreement* at MVD's Materials Recovery Facility. MVD assertively sources, processes, and markets recyclable commodities materials through direct interaction with material buyers. To ensure expansion capacity throughout the term of the *Agreement*, MVD is proactively quadrupling the size of its





material recovery facility and upgrading its system to more efficiently hand the recyclables it processes as well as expand processing capabilities.

- A comprehensive recycling program which includes the addition of several new materials as well as special drives—such as for textile recycling—that will engage residents and keeps participation high and stable throughout the contract term.
- Guaranteed organic materials processing capacity once its integrated organics processing facility comes fully on line in 2013 – 2014. This new facility will include covered composting and anaerobic digestion operations in order to deal with the full range of organics and agricultural waste products so prevalent in the local area. MVD will also scrub and compress the biogas mined from the AD process to fuel its own fleet of clean vehicles.
- A robust education and outreach program delivered through an organized team of Outreach Specialists to continually increase diversion levels. The effectiveness of the program is evident in the diversion rates in the experience examples and references provided in *Section 1*. The program also features a schools education component, which reached over 10,000 students last year.

Section 2.8 – Public Education and Outreach Plan.

Enhancements and Added Value

The City could consider that, in the *Unrivaled Experience and Innovation* information, above, MVD has already included certain enhancements, such as its own investment in facilities infrastructure which will assist the City in meeting its zero waste objectives and provide for ample, guaranteed processing capacity throughout the contract term, additional recyclable materials collected at no additional charge, or the provision of an education and outreach program proven to get higher participation and diversion.

In addition to those things, however, MVD is offering the following value-added enhancements as detailed in *Section 3*:

Multi-Family Commercial Rate Adjustment

Under the current Commercial Franchise Agreement between the City of Fresno and MVD, automated cart services for multi-family structures with more than four units are included as part of the commercial rate schedule. If MVD were awarded the Residential Franchise Agreement for Service Area 2, MVD will gain operational efficiencies in servicing these customers, and will pass along the reduced costs associated with those efficiencies to customers by lowering rates for multi-family complexes with 10 or more units to the 96 gallon residential rate schedule for cart service. Based on MVD estimates, this reduction would affect over 1,400 customers with the projected savings to these customers estimated to be over \$175,000 annually.



Curbside Textile Collection and Recycling

Beginning on the operations start date, MVD will provide Fresno residents an opportunity to conveniently recycle their unwanted clothing. Beginning with an on-call approach to textile recycling, in year two MVD will pilot adding textiles to the curbside recycling program. To accomplish this, MVD will partner with the local textile recycling company The SOEX Group. The SOEX Group's core business and mission is Re-Wear, Re-Use, and Re-Cycle. The SOEX Group will recycle textiles collected turning them into raw material fibers that are then used to make new industrial products.

Curbside E-Waste Collection

MVD will collect electronics at the curb at no additional cost. Large unbroken electronic items may be placed at the curb and small electronic items must be placed inside a plastic bag. Residents must contact MVD 24 hours in advance to schedule e-waste collection.

Sponsorship of Recycled Art

MVD has enjoyed the partnerships it has created with schools through sponsorship of calendar and grocery bag art projects. These projects have incentivized students to display their talents and promote conservation and recycling simultaneously. Partnering with organizations such as Fresno Art Hop, Creative Fresno, and Fresno Community College Art classes, MVD will create an environmental awareness on a different level and creative mindset.

Online Reuse Connection

MVD will create a web page for Fresno community organizations, charities, and schools to post their wish lists. MVD residents and businesses with reusable equipment, furniture, supplies, and toys will be directed to this page to connect with an organization or group that needs the item they wish to discard. Participants will make direct contact with one another; however, MVD will request but not require donors to complete a simple on line form to log their donations so that MVD can provide a report to the City.

Payment Drop Box

MVD will provide a locking drop box at the City's Utilities Billing and Collection Division located on the first floor of City Hall, as well as at the Manchester office as a convenience to customers. MVD will check and remove the contents of lock boxes once per week. MVD will also include comment cards at each location so that residents and business owners/managers can submit suggestions for service improvements to MVD. MVD will share this information with the City.

Community Involvement and Sponsorships

In addition to the multiple community events and organizations MVD already supports through sponsorships, MVD pledges an additional \$15,000 annually to new community sponsorships.



Preparedness

As was the case on the Fresno commercial collection contract implementation, MVD will take a very structured, thorough, and orderly approach to implementing residential services in Fresno. The Company has found that extensive employee training is key to a smooth transition, and MVD will take great care in educating drivers, customer service representatives, and managers about the new program. In meeting its own standards for implementation, the *Implementation Plan* for this project places a lot of weight on the training of all employees.

Summary

MVD believes the combination of its experience, the unique features presented in this proposal, as well as its highly competitive *Cost Proposal* present an excellent option for the City of Fresno's thoughtful consideration. MVD also believes that the added value inherent in the expansion of its integrated materials recovery complex the new technology it is introducing will benefit Fresno in many immeasurable ways. MVD looks forward to the post proposal process and potential partnership with the City of Fresno to produce excellent outcomes for Fresno residents, while significantly and steadily increasing diversion.



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1 Company Description

1.0 Overview

Mid Valley Disposal (MVD) is an independently owned and operated local business with generations of experience in providing residential, commercial, and industrial recyclable materials, organic materials, and solid waste collection and processing services. The Kalpakoff family has been successfully operating solid waste management businesses in California for the past four generations. Today, Mid Valley Disposal is being operated by the third (Jay Kalpakoff) and fourth generations (Joseph and Jonathan Kalpakoff).

Reviewers will note MVD's relevant experience and competence, as relayed throughout this section, in the privatization of solid waste collection contracts, acquisition of collection contracts through both the competitive bid and procurement processes, implementation of recycling programs for all generators types, as well as the delivery of education and outreach to residential customers. MVD currently provides commercial collection services to Fresno in its South District. As described herein, the privatization of Fresno's commercial collection routes and service initiation in this district went more smoothly than is typical, and the relationships built with City staff and the community will support the implementation of residential collection services should the City award a contract to MVD.

MVD prides itself in doing what it promises it will do. A careful examination of MVD proposals to post-award results will bear this out for reviewers. A *Proposal Promise Report Card* is included in this section to add context to the data presented describing MVD's service implementation experience.

The Company's successes are continually solidified and built upon through dedication to educating customers about MVD recycling programs. The effectiveness of MVD programs is quantifiable and responsible for driving up recycling participation in the communities it serves. Company owners pride themselves in finding markets for atypical materials and materials more common to the local area than perhaps in coastal jurisdictions, such as agricultural commodities (see Section 2). MVD sees its connection to the local community and local businesses as foundational to its own sustainability.

MVD is continually reinventing itself to match the needs of its customers. In addition to the unique yet pragmatic programs MVD has already developed for its customers, the Company is currently in the process of updating its facility to include integrated organics processing. To ensure community acceptance through the reduction of odors and preservation of air quality, MVD is employing a covered composting solution and anaerobic digestion technology. This state-of-the-art technology will allow MVD to assist its customers with achieving their zero waste goals.



1 Company Description

1.1 Business Structure

Mid Valley Disposal, Inc. (MVD) is a California S-Corporation formed in 1997, is authorized to do business and does do business in California, and is the legal entity that will execute the *Agreement*.

MVD is comprised of four principals who are also managers: Jay Kalpakoff, Roy Mendrin, Joseph Kalpakoff, and Jonathan Kalpakoff. MVD owners are identified below by name, interest, and board/officer positions held.

Owner Name	Ownership Interest	Board Position
Jay Kalpakoff	71%	President
Joseph Kalpakoff	15%	Vice President
Roy Mendrin	9%	Vice President – Operations
Natalie Kalpakoff		Secretary
Jonathan Kalpakoff	5%	Owner

Together, these individuals possess over 60 years of resource recovery and solid waste management experience. The Company now has five local collection contracts and is permitted to provide collection services in rural Fresno County areas. MVD prides itself in being locally owned and operated.

No creditor is owed a debt greater than ten percent of the Company's total assets.



1 Company Description

1.2 Description of Proposer's Experience

The objective of *Section 1.2* is to document MVD's experience in providing solid waste collection and management services similar to those the City of Fresno has requested in its *RFP*. This information is relayed through a series of five profiles located at the end of this subsection that document MVD's current collection contract statistics. All municipal customers—including those administering commercial contracts only are listed below. More information is provided on five municipal customers to serve as official references in this section; however, MVD invites the City to contact any reference on this page to inquire about the quality of MVD's service. MVD's current service area is shown on the map following this listing.

City of Avenal
Since 2000
Current Recycling Rate: 61%

City Manager - Melissa Whitten avenalcm@cityofavenal.com
Phone (559) 386-5766

City of Coalinga
Since 2004
Current Recycling Rate: 55%

City Manager – Darrel Pyle dpyle@coalinga.com
Phone (559) 935-1533

City of Fresno
Since 2011
Current Recycling Rate:

Contract Manager – Jerry Schuber jerry.schuber@fresno.gov
Phone (559) 621-1801
Commercial Collection Services – South District

City of Huron
Since 2001
Current Recycling Rate: 53%

City Manager – Jerry Forde gforde415@yahoo.com
Phone (559) 945-2241

City of San Joaquin
Since 2001
Current Recycling Rate: 52%

City Manager – Cruz Ramos cruzramos@sebastiancorp.net
Phone (559) 693-4311

City of Mendota
Since 2003
Current Recycling Rate: 32%

City Manager – Bryce Atkins citymanager@ci.mendota.ca.us
Phone (559) 266-6456

City of Kerman
Since 2008
Current Recycling Rate: 51%

City Manager – Luis Patlan lpatlan@cityofkerman.org
Phone (559) 846-9450

City of Firebaugh
Since 2009
Current Recycling Rate: 54%

City Manager – Laura Weyant citymanager@ci.firebaugh.ca.us
Phone (559) 659-2043



Section 1 – Company Description

MVD operates by permit in the following rural areas:

Armona Community Service District

Since 2008

Kings County Unincorporated

Since 2000

Fresno County Unincorporated

Since 2006

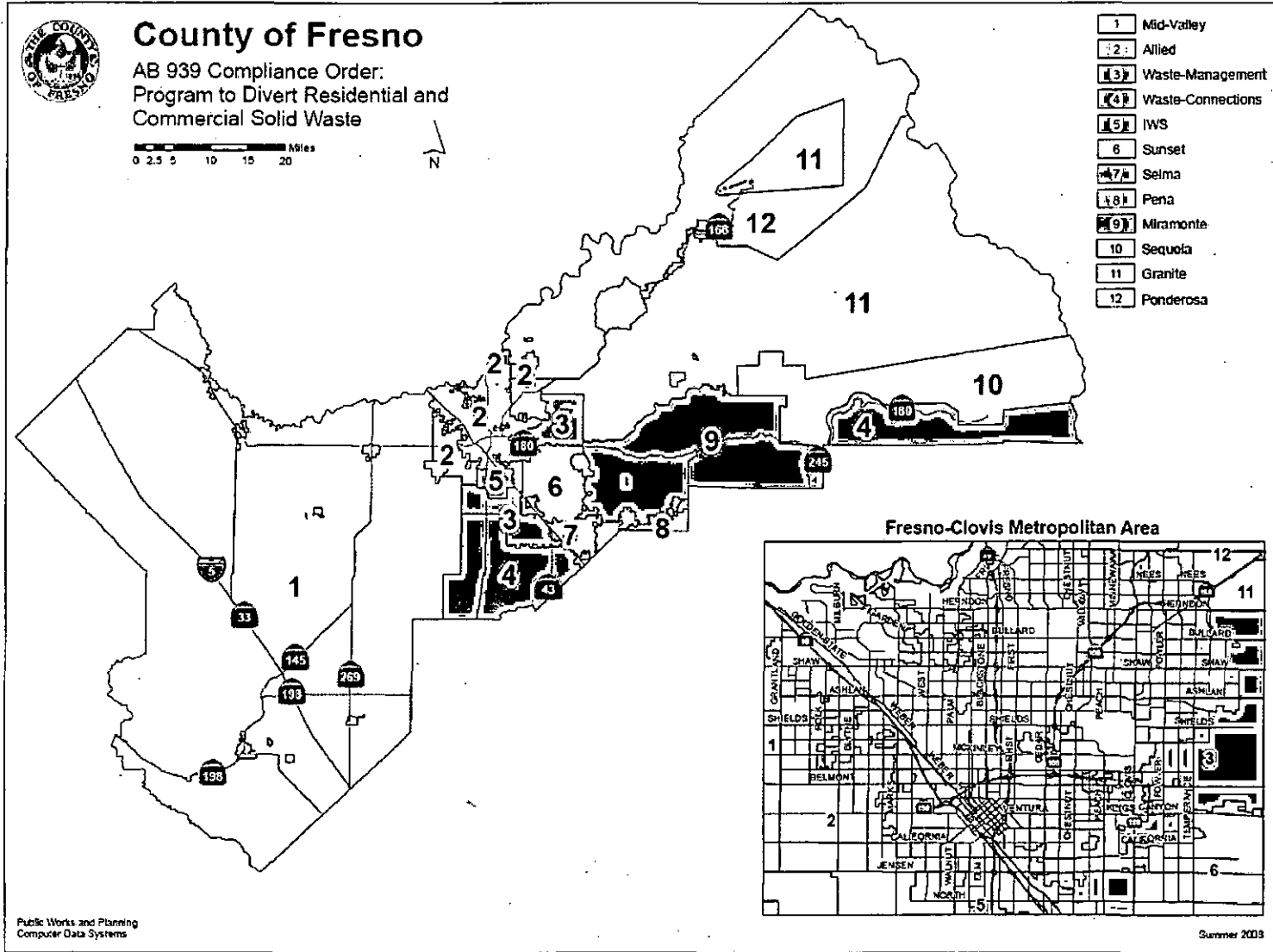
Kettleman Community Service District

Since 2006

Although not all of MVD's residential contracts are profiled later in this section in keeping with the City's request to provide three to five references, the following table provides summary data on all residential accounts serviced.

Jurisdiction	Residential Accounts
Armona Community Service District	1098
City of Avenal	1728
Coalinga	3400
City of Firebaugh	1250
Fresno County Unincorporated	1793
City of Huron	675
City of Kerman	2801
Kettleman Community Service District	410
County of Kings	2182
City of Mendota	1200
City of San Joaquin	620
Total Residential Customers	17,157

Section 1 – Company Description





It is also important to note that each of the above contracts was obtained through dedication, vision, and hard work. In 2000 MVD strategized a five-, ten, and 15-year growth plan in which the Company completed in just five years. Its goal: to establish long term contracts with each of the five cities in Western Fresno County and to secure a permit to operate in the rural areas. With that objective met, MVD developed a state-of-the-art material recovery facility and transfer station in Kerman, which is now being expanded to include integrated organics processing.



MVD has made a thorough review of the *RFP* to ensure it meets the City of Fresno's stated qualifications and that the Company can assist the City in meeting its zero waste objectives. MVD believes that it is well-equipped to take on the scope of work conveyed in the *RFP*, and that the creative ideas outlined in this proposal will enable the City to reach its diversion goals as well.

The following is a list of services MVD currently provides to its customers:

- ✓ Residential recycling and organics collection and processing services.
- ✓ Residential solid waste collection services.
- ✓ Commercial recycling collection and processing services.
- ✓ Commercial solid waste collection services.
- ✓ Bulky item collection and reuse facilitation, recycling, or disposal.
- ✓ Community clean-up events (high diversion)
- ✓ Public education and outreach
- ✓ Construction and demolition recycling

And, especially for this City of Fresno project, MVD is providing additional value through the implementation of several enhancements, such as curbside collection of textiles in order to facilitate the City's goal of 75 percent diversion. This is discussed in the *Public Education and Outreach Plan*.

MVD has provided five residential references on the following pages.



City of Avenal

The City of Avenal is the largest city in Kings County with a population of 15,505 and encompassing 19.4 square miles. MVD provides a full range of residential collection services which include a true organics program. In addition to the residential collection services provided, MVD also provides commercial solid waste and recycling collection and provides roll-off service.

Sector/Program	Materials Collected	Units Served/ Annual Tons	Equipment Used/ Collection System	Processing/Transfer/ Disposal Site
RESIDENTIAL PROGRAM INFORMATION				
Residential Single-family Solid Waste Collection	MSW	1728/ 2008.70 tons	(1) Automated Side-loader vehicles; 96-gallon carts	Avenal Landfill
Residential Single-family Recycling Collection and Processing	Newspaper; mixed paper; OCC; glass bottles/jars; tin/aluminum cans; plastics 1-7; scrap metal.	1728/ 624.25 tons	(1) Automated Side-loader vehicles; 96-gallon carts	Mid Valley MRF
Residential Multi-family Recycling Collection and Processing	Same as above.	24 complexes - 725 units/ Tons included in SFD figure	Shares SFD collection equipment, above.	Avenal Landfill
Residential Organics Collection	Clean yard waste mixed with food waste.	1728/ 806.54 tons	(1) Automated Side-loader vehicles; 96-gallon carts	Mid Valley MRF



CITY OF COALINGA
The Sunny Side of the Valley

City of Coalinga

The City of Coalinga has a population of 13,380 and encompasses 5.94 square miles. MVD provides a full range of residential collection services which include a true organics program. In addition to the residential collection services provided, MVD also provides commercial solid waste and recycling collection and provides roll-off service.

Sector/Program	Materials Collected	Units Served/ Annual Tons	Equipment Used/ Collection System	Processing/Transfer/ Disposal Site
RESIDENTIAL PROGRAM INFORMATION				
Residential Single-family Solid Waste Collection	MSW	3400/ 2631.86 tons	(1) Automated Side-loader vehicles - 96-gallon carts	Avenal Landfill
Residential Single-family Recycling Collection and Processing	Newspaper; mixed paper; OCC; glass bottles/jars; tin/aluminum cans; plastics 1-7; scrap metal.	3400/ 1083.30 tons	(1) Automated Side-loader vehicles; 96-gallon carts	Mid Valley MRF
Residential Multi-family Recycling Collection and Processing	Same as above.	38 complexes - 850 units/ Tons included in SFD figure	Shares SFD collection equipment, above.	Avenal Landfill
Residential Organics Collection	Clean yard waste mixed with food waste.	3400/ 1731.83 tons	(2) Automated Side-loader vehicles	Mid Valley MRF



Fresno County Unincorporated

MVD provides a full range of residential collection services to 1,793 residential customers in the unincorporated area in Fresno County, which includes a true organics program. In addition to the residential collection services provided, MVD also provides commercial solid waste and recycling collection to over 2,400 accounts and provides roll-off service.

Sector/Program	Materials Collected	Units Served/ Annual Tons	Equipment Used/ Collection System	Processing/Transfer/ Disposal Site
RESIDENTIAL PROGRAM INFORMATION				
Residential Single-family Solid Waste Collection	MSW	1793/ 2627.77 tons	(2) Automated Side-loader Split Body vehicles 96-gallon carts (1) Automated Side-loader vehicles 96-gallon carts	American Ave
Residential Single-family Recycling Collection and Processing	Newspaper; mixed paper; OCC; glass bottles/jars; tin/aluminum cans; plastics 1-7; scrap metal.	1686/ 1393.51 tons	(2) Automated Side-loader Split Body vehicles 96-gallon carts (1) Automated Side-loader vehicles 96-gallon carts	Mid Valley MRF
Residential Multi-family Recycling Collection and Processing	Same as above.	115 complexes - 6000 units/ Tons included in SFD figure	Shares SFD collection equipment, above.	Mid Valley MRF
Residential Organics Collection	Clean yard waste mixed with food waste.	188/ 110.20 tons	(1) Automated Side-loader vehicles	Mid Valley MRF



City of Kerman

The City of Kerman has a population of 13,544 and encompasses 3.2 square miles. MVD provides a full range of residential collection services which include a true organics program. In addition to the residential collection services provided, MVD also provides commercial solid waste and recycling collection and provides roll-off service.

Sector/Program	Materials Collected	Units Served/ Annual Tons	Equipment Used/ Collection System	Processing/Transfer/ Disposal Site
RESIDENTIAL PROGRAM INFORMATION				
Residential Single-family Solid Waste Collection	MSW	2801/ 2897.07 tons	(1) Automated Side-loader vehicles –96-gallon carts	American Ave
Residential Single-family Recycling Collection and Processing	Newspaper; mixed paper; OCC; glass bottles/jars; tin/aluminum cans; plastics 1-7; scrap metal.	2801/ 756.63 tons	(1) Automated Side-loader vehicles; 96-gallon carts	Mid Valley MRF
Residential Multi-family Recycling Collection and Processing	Same as above.	41 complexes - 815units/ Tons included in SFD figure	Shares SFD collection equipment, above.	American Ave
Residential Organics Collection	Clean yard waste mixed with food waste.	2801/ 2123.17 tons	(1) Automated Side-loaders	Mid Valley MRF



County of Kings

MVD provides solid waste collection to 2,182 residential customers in the unincorporated area of Kings County. In addition to the residential collection services provided, MVD also provides commercial collection to 703 accounts and roll-off service.

Sector/Program	Materials Collected	Units Served/ Annual Tons	Equipment Used/ Collection System	Processing/Transfer/ Disposal Site
RESIDENTIAL PROGRAM INFORMATION				
Residential Single-family Solid Waste Collection	MSW	2182/ 2608.71 tons	(2) Automated Side- loader vehicles – 20-, 32-, 64-, 96-gallon carts	KWRA



1 Company Description

1.3 Description of Proposer's Service Initiation Experience

The following *Service Initiation Experience* examples correspond to services the City of Fresno seeks. The examples appear in the following order.

Example	Jurisdiction	Descriptor
1	Fresno	Privatization of Commercial Solid Waste and Recycling Collection Services
2	Coalinga	Privatization of Solid Waste Collection Services
3	Kerman	Implementation of City-Wide Recycling Program
4	Firebaugh	Implementation of Commercial Collection Services
5	Kerman, Mendota, San Joaquin, Firebaugh, Coalinga, Huron, Avenal	Implementation of Multi-Family Recycling



Service Initiation Experience Example No. 1
City of Fresno Privatization of Commercial Collection Services

City of Fresno

Address	1325 E. El Dorado Street	State	CA	Zip Code	
City	Fresno	Telephone		559-621-1452	
Contact Name	Jerry Schuber				
Commencement Date of Services	December 5, 2011				

Scope

- ✓ Privatize commercial collection in southern district of the City.
- ✓ Procure the City's trucks.
- ✓ Procure displaced workers.
- ✓ Create educational materials in multiple languages.
- ✓ Update MVD's website to include City of Fresno information.
- ✓ Create a multi-media outreach strategy plan.
- ✓ Produce and apply interior and exterior enclosure signage/labels.
- ✓ Community meetings – advertise and hold 30 days prior to the contract start date.
- ✓ Business Association meetings – hold 30 days prior to the start-up.

Account Information

Commercial customers: 6,000

MVD services an estimated 7500 recycling and trash metal bins and 5000 recycling, trash, and green waste carts. These totals include commercial, industrial, and multi-family customers.

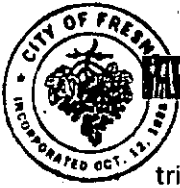
Transition Summary

MVD Managers, Supervisors, Mechanics, Customer Service Representatives, Recycling Coordinators, and Truck Drivers worked diligently to ensure the implementation of services went as smoothly and as organized as possible.

MVD began exclusive service within the City of Fresno on December 5th with close to 6000 commercial customers. The contract was awarded to two different haulers splitting sections of the City of Fresno service area.

MVD bills commercial accounts directly on a monthly billing cycle. The customer has the option to pay their bill online through our website, or by phone with Visa, MasterCard, and Discover, or by mail.

MVD procured a total of 20 trucks from the City of Fresno, 25 truck drivers, and two office staff. The driver training included 3-4 orientation meetings, safety meetings, safety videos, proper post- and pre-



trip inspections, truck familiarization and training. Supervisors and Managers spent 8-10 hours meeting with drivers to find out the areas they were already familiar with and conducting site visits to learn routes and service areas.

The City of Fresno commercial routes were provided to MVD two weeks before the start date. The route information included customer name, address, type of service and frequency. The information was then transferred to an excel report and MVD created new routes using the information provided by the City of Fresno Public Utilities Department. The routes were created based on mapping, number of hours it would take the driver to complete a daily route and the number of containers to be serviced daily.

For the first few weeks the managers and supervisors spent one on one time with the drivers providing detailed maps and meeting with the drivers before and after their day to answer questions and concerns. The drivers also received a detailed route with a map included. On a daily basis the drivers, dispatchers, customer service representatives communicate and work together to provide our customers with efficient reliable service. The customer's concerns and complaints are also sorted out and dealt with on a daily basis with our customer service representatives answering calls.

The initial outreach information was provided to each customer by a letter sent out from the City of Fresno during the month of October. A second letter was sent out by MVD on November 8th, informing the customer of the new hauler and service area. The letter also requested customer's to contact MVD if they have a locked enclosure/gate in order to pick up keys and remotes. A postcard was sent out to the customer providing day of service.

MVD became proud members of the Central Valley Hispanic Chamber, The Greater Fresno Chamber, and the Fresno Metro Black Chamber before starting services. This provided MVD with resources necessary to provide outreach to local business owners regarding the implementation. MVD Outreach Staff attended monthly mixers, luncheons, and other events to introduce our company and the new services within the City of Fresno.

MVD also included e-blast in each of the chamber electronic newsletters. This partnership between business associations like the chambers will create additional opportunities for outreach throughout the City of Fresno. MVD created a multi-media advertising plan to target each of the requirements from the City of Fresno. A checklist of accomplishments is tracked to monitor the outreach completed.



City of
FRESNO

Department of Public Utilities

Solid Waste Management Division
1325 El Dorado Street
Fresno, California 93706-2014
559-621-1452 – FAX 559-266-1009
www.fresno.gov



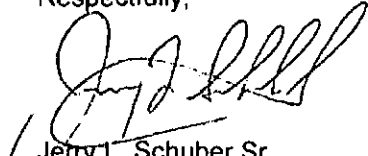
July 24, 2012

To whom it may concern;

In December 2011, Mid Valley Disposal became one of two franchised haulers for the City of Fresno. The contracts were awarded through a request for proposal and terms of the agreement were outlined in a lengthy negotiation process. To date Mid Valley has satisfactorily met the obligations of the agreement and continues to work with city staff to fulfill those obligations.

Should you have any questions please feel free to call me @ 559 621-1801. Thank you.

Respectfully,


Jerry L. Schuber Sr.
Solid Waste Manager



A Nationally Accredited Public Utility Agency



**Service Initiation Experience Example No. 2
Implementation of Citywide Recycling Programs**

City of Coalinga: Diversion Rate – 55%

Address	155 W. Durian Avenue		
City	Coalinga	State	CA
Contact Name	Darrel L. Pyle	Telephone	559-935-1533
Commencement	2004		
Date of Services			

Scope

- ✓ Procured City’s collection vehicles, containers, and employees.
- ✓ Implemented single-family collection services with an automated 3-cart system.
- ✓ Implemented commercial solid waste and recycling services.
- ✓ Implemented a comprehensive community education program.

Account Information

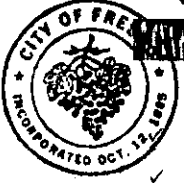
Single-family customer accounts: 3,400
Multi-family units: 850
Commercial accounts: 300

Transition Summary

In 2004, when the City of Coalinga issued a *Request for Proposals* to privatize its solid waste, recycling, and yard waste collection contract, MVD was awarded the contract. At that time the City provided only solid waste collection (no recycling collection services). MVD proposed services for all generators: residential and commercial solid waste, recyclable materials collection, yard waste collection services, and recyclable materials processing.

Also, as part of the contract, MVD was to conduct waste audits of all premises city-wide and provide containers right-sized to the new services. MVD took an assertive approach with the residential waste stream by offering only 64 gallons for solid waste in order to shift recoverable materials to the recycling stream to the greatest possible extent. A rate model was developed for commercial generators such that they were/are charged only for solid waste containers; recycling collection services were/are provided at no charge.

The City’s equipment was procured by MVD, and the operation of their existing solid waste system was transitioned in 30 days. The following 45 days MVD delivered 10,000 new residential carts while implementing a new 3-cart system. In addition to commencing solid waste collection, the terms of the contract also called for the following changes:



SFD solid waste collection decreased from a 96-gallon cart to a 64-gallon cart.

- ✓ Weekly SFD recyclable materials and yard waste collection with 96-gallon containers.
- ✓ Commercial recycling at all businesses.
- ✓ Convenient drop-off location for residents' bulky items.
- ✓ Recycling collection and education at all government buildings.
- ✓ Partnered with local thrift stores for unwanted furniture and discarded items.
- ✓ Implemented two annual cleanup days at no additional charge to residents.
- ✓ Opened a CRV buy-back center.



Service Initiation Experience Example No. 3
Implementation of Citywide Recycling Programs

Kerman: Diversion Rate – 51%

Address	850 S. Madera Avenue			Zip
City	Kerman	State	CA	Code
Contact Name	Ron Manfredi, City Manager	Telephone	559-846-9387	
Commencement Date of Services	2008			

Scope

- ✓ Transition between contractors: SFD solid waste, recyclable materials, and organic materials collection services.
- ✓ Simultaneous universal recycling roll-out for MFD and Commercial customers.
- ✓ MFD technical assistance

Account Information

2801 SFD Customer Accounts
 41 complexes, 815 MFD Units
 329 Commercial Accounts

Transition Summary

In August 2008, the City of Kerman awarded the contract for exclusive collection services to Mid Valley Disposal. It was a great accomplishment to gain the contract with the City of Kerman for a few reasons. First, MVD expanded operations by building a new Material Recovery Facility located in the City of Kerman. Second, the City of Kerman was located in the west region of Fresno County, which is the area MVD primarily served. Finally, the City of Kerman was in great need of implementing a commercial recycling program to meet state requirements, and MVD was confident it had the experience and dedication to assist the City meet this goal successfully.

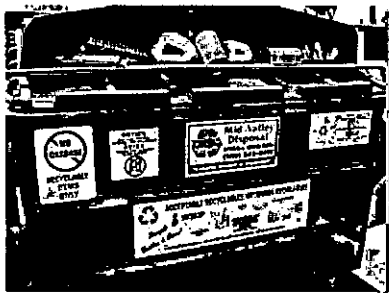
MVD promptly began to strategically plan the implementation of the City of Kerman’s new “Pay As You Throw” commercial recycling program. The Company hired additional staff to assist with the initial education efforts. Three staff members conducted waste audits to target every business in the City of Kerman. Each auditor was responsible for targeting a section of the City and checked current services to determine the size recycling bin or cart to propose. Auditing staff had a route sheet with the services the business received and also a proposed waste audit form to complete after audit was complete. Staff also provided each business with a recycling guide, which included photos and listed the acceptable materials to be placed in a recycling bin or cart.



The feedback was primarily positive and businesses seemed to be ready for a change. The City Manager also sent out a letter to businesses informing of the change and the importance of participating in the commercial recycling program. The support of the City Manager was very important to implement this new program.

Once the recycling services were determined through waste audits, delivery of bins and carts began the end of July 2008 and Mid Valley Disposal began collection services with businesses by August 4, 2008.

In addition to conducting a waste audit/site visit with each business during implementation, MVD Outreach Staff conducted a total of 51 site visits during 2009 and a total of 114 site visits this year. On a side note, there approximately over 165 commercial businesses, excluding multi-family and schools (these programs are tracked separately). The Company has monitored the commercial program each year and have increased recycling tonnage since implementation (please refer to tonnage report included at the conclusion of this *Example*).



The multi-family program is also crucial in increasing recycling efforts within the City of Kerman. MVD received grant funding from Cal Recycle to fully implement a multi-family recycling program in the City of Kerman and six additional cities served by MVD. The City of Kerman's multi-family recycling program start date was June 2, 2009. MVD staff continues to visit each complex and monitors progress. Results show that overall program is a success.

MVD staff provides ongoing education by delivering new education materials for tenants. The education materials are available at the manager's office, where tenants can view them when a paying their rent. Education flyers are also placed in application packets for new tenants. MVD also attends events coordinated by two complexes located in Kerman.

MVD has also fully implemented a construction and demolition recycling program with the City of Kerman Planning Department. MVD staff and City staff work closely to make sure contractors follow the City's C&D recycling ordinance. Contractors are required to rent a roll-off bin through MVD or must self haul to our transfer station in Kerman. MVD staff tracks diversion from each C&D project in Kerman and provides contractor with a diversion report at the end of each project. The program has shown success with projects diverting over 60-80 percent of materials from C&D projects.

The schools in the Kerman Unified School District have also improved recycling efforts with MVD school recycling program. MVD Outreach Staff is very active within each campus making sure that recycling containers are full of recyclables. Each campus has recycling containers located near cafeteria to capture cardboard. The schools in Kerman also have on campus recycling 96-gallon carts which are conveniently located near each hall way for classrooms to recycle. The Kerman School recycling program requires students to participate and move carts to the collection point and return them back to their appropriate location. Teachers and students have also formed recycle clubs that monitor programs and report back to MVD when technical assistance is needed.



MVD has reach over 1000 students by conducting classroom presentations and school assemblies. MVD has also donated education materials to school events and fund raisers.

This year MVD will also partner with the City of Kerman and six additional cities served by MVD to purchase a recycling robot that will be used for education purposes. This will be an exciting acquisition to our education program.

In addition to beginning solid waste collection, the terms of the contract also called for the changes listed below, all of which MVD successfully implemented.

- ✓ New three-cart systems for each residential home (refuse, recycling, and green waste). Carts are gray with different color lids.
- ✓ SFD recyclable materials, yard waste, and refuse weekly collection.
- ✓ Fully implement a commercial recycling program.
- ✓ Provide each business with new refuse bins or carts.
- ✓ Fully implement multi-family recycling program (six complexes).
- ✓ Fully implement a school recycling program.
- ✓ Fully implement C&D program.
- ✓ Provide twice a year community cleanup events for collection of bulky material, green waste, and e-waste.
- ✓ Complete annual reports on behalf of the City to Cal Recycle.
- ✓ Contamination program (monitor residential program with tagging system).

In conclusion MVD successfully implemented residential, commercial, and school recycling programs for the City of Kerman. These programs have proven success with the results of the Cal Recycle Annual Report calculated 2009 disposal amount decreasing to reach the City diversion goal.



January 3, 2012

783 S. Madera Avenue
Kerman, CA 93630
559.846-6343

To Whom It May Concern:

Re: Mid Valley Disposal, Inc.

The Kerman Chamber of Commerce is pleased to recommend Mid Valley Disposal, Inc. for your waste disposal and recycling services. Mid Valley Disposal (MVD) has been in business in our area since 1997; they are a "community minded" company providing a service as well as supporting community events and organizations.

Business Attributes:


- a) locally owned
- b) committed to customer service
- c) efficient, reliable solid waste and green waste collection
- d) provider of recycling collection
- e) friendly, personable employees
- f) provider of education presentations for businesses, schools and organizations
- g) proprietor of a Material Recovery Facility and Transfer Station
- h) providing jobs

Mid Valley Disposal is meeting the waste collection and recycle needs of the household owner, small and large businesses, commercial, construction and the rural agriculture owner.

Just this past fall, I personally had the opportunity to experience the exceptional service provided by MVD in the recycling of paper trays (raisin harvest). MVD employees responded the same day my husband made the call for pickup service!

On behalf of the Kerman Chamber of Commerce, with affirmation I highly recommend Mid Valley Disposal Inc. for waste disposal collection and recycle services.

Regards,


Linda Geringer
Executive Director
Kerman Chamber of Commerce

www.kermanchamber.org

Email: kmchmbr@sebastiancorp.net



Service Initiation Experience Example No. 4 Implementation of Commercial Collection Services

City of Firebaugh: Diversion Rate – 54%

Address	133 P Street				
City	Firebaugh	State	CA	Zip Code	93622
Contact Name	Laura Weyant, City Manager	Telephone			559-659-2043
Commencement Date of Services	2009				

Scope

- ✓ Transition between contractors: SFD solid waste, recyclable materials, and organic materials collection services.
- ✓ Simultaneous universal recycling roll-out for MFD and Commercial customers.
- ✓ MFD technical assistance

Account Information

1250 SFD Customer Accounts
 450 MFD Units
 226 Commercial Accounts

Transition Summary

Mid Valley Disposal began exclusive collection service with the City of Firebaugh February 1st 2009. To begin services the Company purchased two contracts with the original hauler. The contracts included the City of Firebaugh and Fresno County. In addition to gaining two new contracts with the City of Firebaugh, MVD implemented new recycling programs to remove the City from a non-compliance order from Cal Recycle.

MVD was prepared to take on the challenge of fully implementing recycling programs within the City of Firebaugh and inherit the current non-compliance order and changing old habits of the community which did not include recycling.

MVD began implementing the 3-cart single family program February 1, 2009, by implementing a residential education program. The education program began with showcasing the 3-carts that would soon be delivered to each residence in front of City Hall. The display also included posters for each cart showing pictures of the materials accepted. In addition, Mid Valley Disposal contacted the local Spanish television station for an interview to inform residents of the new residential program. Mid Valley Disposal also created an education flyer that showed the three carts along with photos of the





materials accepted in each cart. This education flyer was mailed out with the utility bill and sent to each single family residential customer.

On February 9th MVD began the three-cart distribution to each home. Along with cart delivery, residents received a guideline flyer, calendar for collection day, and a letter from Mid Valley Disposal providing residents with information regarding new program and contact information for questions.

On June 10, 2009 MVD staff also conducted a contamination analysis with the newly implemented residential program. This required staff to lift each cart and view the materials that were disposed. The program provided Mid Valley Disposal results of program implementation. Staff was able to find target information to improve the new program after four months of implementation.

MVD continues improve the effectiveness of this residential program by providing information to residents during events, mailers, school presentations, and the contamination program. With regards to the contamination program, this program continues with drivers leaving a contamination tag on the cart where unacceptable materials were identified and the driver delivers a detachable portion of the tag to an Outreach Specialist, which than follows up with the customer by sending out a letter and residential education brochure.

The commercial program began with 175 bins and carts switched out within two weeks of our contract beginning. The previous hauler supplied very outdated containers and no recycling bins or carts. Mid Valley Disposal delivered a new attractive refuse collection bin or cart to each business. Prior to delivery of refuse service a waste audit was conducted to make sure the customer received proper services.

Shortly after switching out the refuse bins, Mid Valley Disposal then began the implementation of recycling services with each business with door to door site visits and waste audits. Each business was informed of the importance of adding recycling services along with the City non-compliance order. After determining the size container appropriate for each business another site visit was conducted with each business to provide education materials for employees. Education materials included laminated posters with photos and bilingual text to post in areas visible for employees. We also made sure to speak to business owners and employees about the waste stream and materials that should recycle.

MVD Outreach Staff continues education efforts with each business by conducting quarterly site visits to make sure that recycling guidelines are followed and also to provide technical assistance as needed. Some of the business share questions and concerns, request office recycling containers, and additional education materials during site visits.

The multi-family pilot program implementation began September 1, 2009. MVD staff first met with apartment managers at two different complexes. They both agreed to participate with the multi-family recycling pilot program. MVD conducted a door to door distribution of education materials for each tenant during the same week the 3-yard recycling bins were delivered for each complex. Ongoing visits area conducted to monitor program on a quarterly basis.



Mid Valley Disposal also assisted the City to implement a Construction and Demolition recycling program that will require contractors requesting a permit from the City's Planning Department to follow the City's C&D ordinance.

In addition to beginning solid waste collection, the terms of the contract also called for the changes listed below, all of which MVD successfully implemented.

- ✓ New carts for each residential home (refuse, recycling, and green waste). Previous hauler provided residents with refuse service only and residents used their own containers for the collection of refuse.
- ✓ SFD recyclable materials, yard waste, and refuse weekly collection
- ✓ Fully implement a commercial recycling program
- ✓ Provide each business with new refuse bins or carts
- ✓ Implement a pilot program with multi-family complex
- ✓ Fully implement a school recycling program
- ✓ Fully implement C&D program
- ✓ Provide twice a year community cleanup events for collection of bulky material, green waste, and e-waste
- ✓ Complete annual reports on behalf of the City to Cal Recycle
- ✓ Complete quarterly reports to Cal Recycle as part of the requirement of the non-compliance order

In conclusion MVD successfully implemented a residential, commercial, and school recycling program for the City of Firebaugh. These programs have proven success with the results of the Cal Recycle Annual Report calculated 2009 disposal amount decreasing to reach the diversion goal. As a result of the successful recycling programs the City of Firebaugh is expected to be taken off compliance at the end to the year.



Service Initiation Experience Example No. 5

Implementation of Multi-Family Recycling Program

Kerman, Mendota, San Joaquin, Firebaugh, Coalinga, Huron, Avenal

See Section 1.2 for contact information.

Scope

- ✓ Implementation of new program for Multi-family residents
- ✓ Education efforts
- ✓ Multi-Family Recycling Program technical assistance

Account Information

3,038 MFD Units

Transition Summary

On November 2008 the Department of Conservation granted Mid Valley Disposal a total of \$95,578 through the Multi-Family Grant. The project charge was to full implementation of a recycling program within 27 multi-family communities located in the Westside rural area of Fresno and Kings County. The grant funding received facilitated the implementation of successful multifamily programs, which are currently proving effective. Such implementations initiated in the beginning of the year of 2009 after receiving the grant amount. The financial assistance was fairly dispersed throughout the given communities.

Implementation consisted of properly educating the inhabitants regardless of age range. Guidance material, along with frequent authentic interest in making the multifamily programs progress were supplied by MVD. Primarily, MVD found it essential to meet with the multifamily homes' managers and discuss various aspects of the program implementation. Two important factors were available space for containers and cooperation. We wanted to reach an agreement for proper placement of the bins in to amplify chances of program success. MVD informed managers of its ability to provide technical assistance, ongoing education, and personally deliver door-to-door guidance material along with packets of collateral materials.

Introductory packets and indoor six-gallon containers were distributed, to aide in the increase of residential participation. Visual guideline flyers which were translated in English/Spanish were helpful as well, as were refrigerator magnets with colorful pictures. These items helped to raise awareness and identification of household recyclable materials. Incentives were also included in the introductory package, such as reusable water bottles, which were made from recycled material. Because most tenants work during the day, MVD tried to find the most convenient time to schedule a formal presentation to provide verbal guidance and use this time to answer any pending questions on behalf of the residents.



MVD strictly enforced the routine audits which are currently still a part of its program and provide additional assistance upon request. Since implementation, a total of 142 site visits have been conducted, along with four presentations. MVD also participated in two events held by the multi-family complexes.

MVD has found education to be a key factor in creating a sustainable recycling program. MVD faced the challenge to change the negative perception that a recycling program is creates inconvenience in a multi-family community. Apartment managers seemed to think recycling bins could be used as an extra garbage bin. Managers were also concerned of the increase in scavenging created with placement of a recycling bin. Once apartment managers learned the program was free and MVD was going to provide customized bins to reduce contamination and scavenging, along with the ongoing free education and technical assistance the Company gained their support to begin implementation. The recycling bin labels covered half of the space of the front bin, were attractive, and showed tenants the acceptable recyclable materials before they disposed recyclables. The unit recycling container was also an incentive in that it provided participants with a container that was small enough to place on their kitchen counters to fill up with recyclables before disposing in the collection recycling bins.

The multi-family recycling program success continues with MVD staff readily available to managers in need of technical assistance. MVD staff visits each of the participants on a regular basis. Staff attends events held by apartments and also is working towards implementing a recycling club with children living in the multi-family communities. These efforts ensure the multi-family recycling program to reduce waste and increase recycling efforts annually in each of the participating communities.



1 Company Description

1.4 Litigation, Regulatory Actions, and Liquidated Damages

MVD has only one item to report per the *RFP* request in §1.4 – *Information Regarding Litigation, Regulatory Actions, and Payment of Liquidated Damages*. On November 10, 2008, a citation was issued to MVD by the Air Resources Board for failure to have the proper paperwork available pertaining to the Agency's smoke test reporting on two of its forty-eight vehicles. Even though MVD was later able to locate the necessary documentation for the ARB, the Agency would not revoke its total fine of \$8,000. Hence, per the order, MVD paid \$6,000 to the ARB, \$1,000 to the Peralta Community College District, and \$1,000 to the California Pollution Control Financing Authority.



Company Description

1.5 Financial Statements

Please note that MVD's audited financial statements are included under separate cover. See the envelope marked *Financial Statements*.

Financing Plan

Please see the letter from Union bank on the following page. MVD has banked with Union Bank for the past seven years. As indicated, Union Bank will finance the entire asset list associated with this project. MVD will pay for the signing fee, discussed in the *Cover Letter* and *Executive Summary*, and start-up expenses with cash.



National Environmental Services Group
7108 N. Fresno Street, Suite 100
Fresno, CA 93720
559 436-2743

October 5, 2012

Mid-Valley Disposal
Mr. Joseph Kalpakoff,
Vice President & General Manager
15300 W. Jensen Ave
Kerman, CA 93630

Re.: City of Fresno – RFP for new contract

Dear Mr. Kalpakoff:

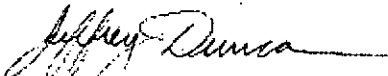
Based on the information you have provided to Union Bank, N.A. ("Bank") including historical financial statements for Mid-Valley Disposal along with a copy of the Request for Proposal for the new City of Fresno residential services contract, we would be interested in providing a long term credit facility sufficient to finance the acquisition of rolling stock, carts, containers and equipment required to service the City of Fresno contract. The amount of the credit facility is not expected to exceed Fourteen Million Dollars (\$14,000,000.00) and would provide financing for two distinct Service Areas.

It is our understanding that the City of Fresno contract will be for a minimum term of eight years and nine months commencing on or about March 4, 2013. A loan commitment and funding of the credit facility is subject to the Bank's receipt and satisfactory review of (i) the final City of Fresno contract agreement; (ii) projected financial statements based upon obtaining the City of Fresno Contract, along with data supporting the fact that the contract provides Mid-Valley Disposal with an adequate income stream over the contract term to service the debt under the Bank's credit facilities; and (iii) final Bank credit approval.

We look forward to working with you on the financing request for the new City of Fresno contract.

Very Truly Yours,

UNION BANK, N.A.


Jeffrey Duncan
Vice President



1 Company Description

1.6 Key Personnel

The objective of this section is to provide the City with sufficient background information on MVD managers who are responsible for executing the scope of services in strict compliance with the *RFP* and final *Agreement*. Not only will they meet the stated requirements, but they intend to exceed the City's expectations. MVD sets forth the credentials and reputable standing of these individuals in the industry as human collateral in exchange for the opportunity to provide the City of Madera with solid waste and recycling services that:

- maximize diversion/minimize disposal;
- maintain exceptional standards for customer service;
- provide high quality service at highly competitive rates;
- comply fully with all State recycling-related legislation, including recent/emergent legislation such as AB 341, AB 32, and AB 818; and
- that respect the State's goal of resource conservation and associate waste stream management hierarchy of a) waste reduction; b) reuse; c) recycling; d) transformation; and e) landfilling.

MVD recognizes that establishing a successful relationship between the City and MVD management is extremely important. Therefore MVD only recruits and retains the most qualified individuals for all positions. Key personnel are also held fully responsible for generating productive working relationships and accurate reports and updates to City staff in a manner and on a schedule acceptable to the City.

"Mid Valley Disposal is a good corporate citizen. The firm and its employees are active in our community, take a leading role in our Chamber of Commerce and are supportive in our schools. MVD is a locally owned and operated company; ready to serve the central valley. Their ownership and investment is in the central valley and their growth will benefit our communities."

*Roy Manfredi,
City Manager, Kerman*

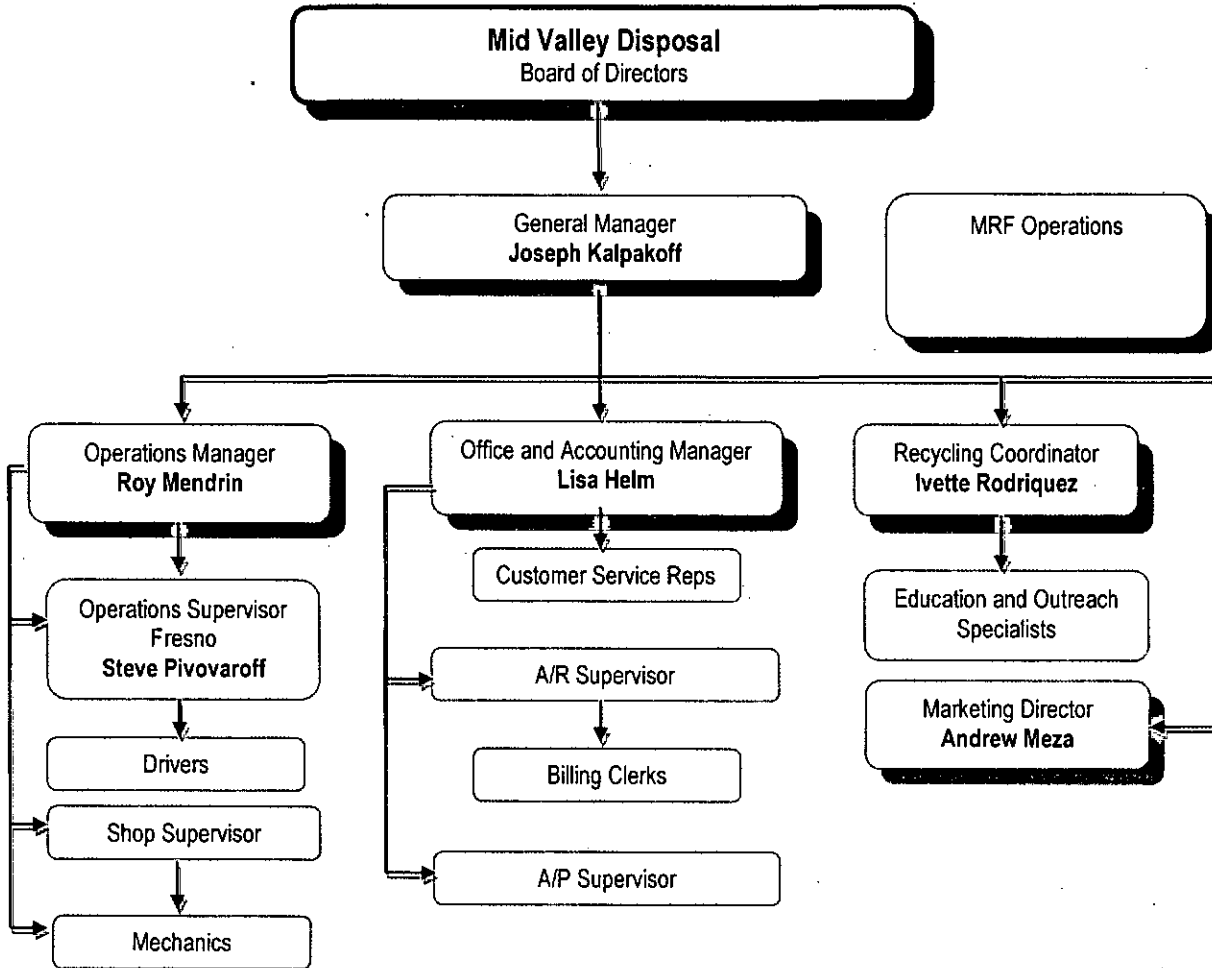
In addition to the key personnel described throughout this section, MVD notes that existing drivers and helpers are critical to a smooth transition and commits to hiring and fully training to MVD's high standards all qualified workers displaced due to the privatization.

As is demonstrated by the letters of acknowledgement from MVD's other jurisdictions included with the *Cover Transmittal*, MVD has the ability to implement and manage operations that reflect a strong understanding of State recycling mandates and trends, ongoing operational excellence, and outstanding customer service.

Key personnel are conveyed in the *Organization Chart* on the following page, which is followed by their individual biographies and current responsibilities.



Organization Chart





Staff Profile

President and CFO

Jay Kalpakoff
559-843-2467 ext 102

Biography

Jay began working in the recycling and solid waste industry in Los Angeles in 1972. He owned and managed a hauling company for over 20 years prior to relocating to the Central Valley and establishing Mid Valley Disposal. His knowledge of the industry and dedication to staying in front of regulatory change has taken MVD from a one-truck operation (1997) to a more than 75-truck operation.

Position	Time Period	Key Responsibilities
	1997 - Present	<ul style="list-style-type: none">✓ Oversee all financial obligations including: CPCFA financing, banking covenants, loans, and equipment leases.✓ Manages day to day finances including: cash flow, investments, payroll obligations, billing, and accounts receivable.✓ Provides vision and guidance relative to MVD's overall direction.✓ Participates as part of MVD's senior management team.





Staff Profile

Vice President and Director, Business Development

Joseph Kalpakoff


559-843-2467 ext 103

Biography

Joseph manages all of MVD’s municipal contracts and is responsible for implementing all municipal recycling and organics programs. He plays a key role in recruiting and retaining the best employees, manages public relations, and ensures compliance with all regulating agencies. Joseph keeps current with changes in environmental law both locally and at the state level. He provides AB 939 reporting to several jurisdictions MVD serves.

Implementation Experience

Joseph attends pre-bid meetings and oversees all RFP processes. If selected, Joseph assembles and oversees the implementation team, requiring accountability from the team to ensure strict adherence with contract requirements and jurisdiction expectations. Joseph works side by side with each department manager during implementation to ensure the accuracy and timing of each start-up task.

Position	Time Period	Key Responsibilities
	2006- Current	<ul style="list-style-type: none"> ✓ Recently implemented new City of Fresno exclusive franchise including re-routing, new employee transitions, and contract management. ✓ Designed and developed MRF, Transfer Station, and new corporate offices. ✓ Implemented Fresno County exclusive franchise, re-designed all routes to include use of the MRF and transfer stations. ✓ Procured the City of Kerman contract and acquired Firebaugh Disposal. ✓ Administers and oversees 13 exclusive solid waste and recycling contracts since 1999; ensures compliance.
	MVD <i>Business Development, Municipal Contract Manager</i>	2001-2006
MVD <i>Operations Manager</i>	1999-2001	<ul style="list-style-type: none"> ✓ Implement City of Avenal contract and assist in developing and implementing recycling programs as directed in a non-compliance order. ✓ Responsibilities included: Budgeting, human resources, oversight of daily collection operations, administer safety training and associated documentation.

Education

Bachelor of Science, Arizona State University, Mass Communications; Minor, Business Administration




Staff Profile

Vice President, Operations

Roy Mendrin
559-843-2467 ext 104

Biography

Roy began his career in the solid waste industry in Fresno County in 1980. His market knowledge and experience in operations has been essential in developing MVD business. He oversees all daily operations, including commercial and residential routing, construction and demolition contracts, and personnel-related matters.

Position	Time Period	Key Responsibilities
	1997-Current	<ul style="list-style-type: none"> ✓ Recently procured 20 frontloader collection vehicles form the City of Fresno and developed preventive maintenance program for LNG trucks. ✓ Manages all aspects of our fleet maintenance including: equipment acquisition, expenses, vehicle maintenance programs, and container maintenance. ✓ Oversees day to day operations in our shop including hiring and managing mechanics.
Golden State Disposal, Owner	1980-1992	<ul style="list-style-type: none"> ✓ Owned a small fleet of collection vehicles providing service in unincorporated Fresno County.




Staff Profile

Operations Manager – Materials Recovery Facility

Jonathan Kalpakoff
559-843-2467 ext 106

Biography

Jonathan's career in the solid waste industry began in 1992 when he began working for his father's company in Montebello, California. He started at Metropolitan Waste Disposal as a driver and quickly fell in love with the industry. Through his 20 years in the industry, he has been involved with every aspect solid waste. He now works at Mid Valley Disposal as a MRF manager and is involved in every part of the day-to-day operations of the MRF, including hiring, employee retention, and equipment acquisition. Since Jonathan has become manager of MRF operations, he has been able to maintain a near flawless CalRecycle inspection review record.

Position	Time Period	Key Responsibilities
	2005-Present	<ul style="list-style-type: none"> ✓ Involved in construction of MRF ✓ Oversees green waste, compost, and biofuel ✓ Productions and marketing ✓ Oversees hiring & employee retention of MRF, as well as all other aspects ✓ Monthly reporting to LEA for diversion numbers and tonnages ✓ Product marketing for export and import ✓ Finding sustainable end users for recovered recyclable materials ✓ Maintain good standing with all local jurisdictions
	MVD 1997-2005	<ul style="list-style-type: none"> ✓ Involved in the training of employees ✓ Welded, maintenance of bins ✓ Drove F/L, S/L, Roll-off trucks ✓ Scale house operations ✓ Equipment & truck acquisition ✓ Truck Maintenance
Crown Shortload Concrete Company	1994-1997	<ul style="list-style-type: none"> ✓ Owned and operated all facets of business
Orange Disposal	1993-1994	<ul style="list-style-type: none"> ✓ Operated Roll-off trucks ✓ Scale house operations ✓ Operated buy back center at transfer station
Metropolitan Waste Disposal	1992-1993	<ul style="list-style-type: none"> ✓ Driver



Staff Profile

Operations Supervisor - Fresno

Steve Pivovaroff

559-237-9425

Biography

Steve grew up in the waste and recycling industry working at his grandfather's business in Southern California. Since 1995, Steve has been working full-time in the industry. He has held various positions such as Helper, Driver, Baler, Weigh Master, Dispatcher, Supervisor, Operations Manager, and has even been a business owner himself. Steve brings a vast knowledge of waste collection, safety training, and routing experience to MVD.

Implementation Experience

During the Fresno commercial start-up, Steve conducted several four-hour training sessions with all staff to ensure proper safety and personnel placements, which has resulted in excellent employee morale and quality customer service. He rerouted driver routes to create a balanced work week for all drivers, which has also reduced truck traffic and MVD's carbon footprint. Steve also performed over 200 hours of pre-implementation surveying of account requirements, including meeting with customers and conducting safety analyses. During transition, Steve conducted daily meetings with MVD employees to review daily assignments and address questions and concerns, which created trust amongst new employees, boosted customers' service awareness, and facilitated ongoing communication throughout transition and beyond.

Position



Time Period

2011 - Present

Key Responsibilities

- ✓ Oversees collection operations in the City of Fresno.
- ✓ Conducts safety meetings and oversees monthly safety incentive program.
- ✓ Routes customer accounts to optimize safety, efficiency, and productivity.
- ✓ Manages dispatch operations.
- ✓ Trains new employees in Encore software application.
- ✓ Performs safety route audits.

Diversion Solutions
President

2006 – 2011

- ✓ Responsible for accounts payable and receivable.
- ✓ Trained new drivers in equipment safety.
- ✓ Managed customer service and dispatch.
- ✓ Designed company website and SEO for new business.
- ✓ Updated company software to improve AB939 tracking.

Haul Away Rubbish
Administrative Support

2005 – 2006

- ✓ Performed IT upgrade.
- ✓ Managed disposal and diversion tracking.
- ✓ Rerouted over 6,000 stops, improving service delivery.
- ✓ Assisted owners in daily operations.



Fresno Operations Supervisor - Continued

Steve Pivovaroff
559-237-9425

<u>Position</u>	<u>Time Period</u>	<u>Key Responsibilities</u>
Federal Disposal Operations Manager	2003 – 2005	<ul style="list-style-type: none">✓ Oversaw collection operations in the City of Tustin.✓ Prepared City reports for AB939 compliance and reporting.✓ Implemented multi-family recycling.✓ Managed accounts receivable and collections.✓ Performed safety meetings and safety incentive program.



Staff Profile

Recycling and Commercial Technical Assistance Manager

Ivette Rodriguez

559-843-2467 ext 115

Biography

Ivette has over nine years of experience in the recycling and solid waste industry, and began her career with the City of Fresno recycling program as an education specialist. In 2004 she came to work for MVD. Some of Ivette’s accomplishments include producing a successful grant proposal to the Department of Conservation for over \$1m for a state-of-the-art sort system in 2005. In 2006 she assisted MVD by writing a business plan that enabled the Company to receive a loan from the CIWMB RMDZ loan program.

Implementation Experience

Ivette develops and implements education and outreach plans and trains recycling specialists associated with new contracts. She has developed a tracking system for site visits, events, presentations, and pilot programs in order to report activities to municipal clients. She develops reporting formats based on municipal customer preferences. She identifies civic and business groups and proactively reaches out in order to get MVD involved. She permanently resolves customer concerns raised during implementation, resulting in a decrease in phone call volume and an increase in customer satisfaction.

Position



Time Period

2004 - Present

Key Responsibilities

- ✓ Developed the outreach program for 6,000 new commercial customers.
- ✓ Manages four Outreach Specialists
- ✓ Manages recycling programs within 11 communities
- ✓ Writes and administers grants.
- ✓ Provides liaison between city and State agencies
- ✓ Manages certification for processor ID and recycling center ID and other certification required by Division of Recycling
- ✓ Process claims for processor and recycling center
- ✓ Coordinates and presents safety materials for office staff
- ✓ Completes annual reports for 7 jurisdictions
- ✓ Report landfill tonnage to Fresno County Avenal Landfill
- ✓ Writes quarterly newsletter for Fresno County customers quarterly
- ✓ Writes quarterly newsletter to City Managers
- ✓ Reports to Council Members regarding city recycling programs
- ✓ Coordinates special events, annual luncheons
- ✓ Manages e-waste collection program
- ✓ Attends Fresno County MOU committee meetings on behalf of 6 jurisdictions
- ✓ Coordinates special projects within each jurisdiction.

Education

Bachelor of Science, Environmental Health Science, Fresno State University



Staff Profile

Marketing Director

Andrew Meza

559-843-2467 ext. 126

Biography

Andrew’s career in the solid waste industry began in 2009 when he started an internship with the County of Fresno in the public works and planning department, where he assisted in the creation of efficient databases and other projects. After interning with the County and graduating from Fresno State University, he came to MVD where he designs and writes copy for all education material, as well perform website maintenance and updating, and other such responsibilities.

Implementation Experience

During the Fresno commercial services implementation in 2011, Andrew assisted in the production of the submitted proposal, including the development of graphics elements and acquiring useful data and information. He managed the development of and created all multi-lingual marketing material for the Fresno project, including multi-family, commercial, and restaurant recycling brochures, introductory recycling guides; multi-lingual organics guide; and AB341 informational flyer. He updated MVD’s website to include specific information for the Fresno contract, including bill pay. MVD’s website hosts nearly 2,000 visitors each month and over 2,000 online payments have been made.

Position



Time Period

2010 – Present

Key Responsibilities

- ✓ Design all educational and promotional materials.
- ✓ Design print ads and MVD presentations.
- ✓ Add graphic elements to MVD proposals and reports.
- ✓ Assist with public outreach activities as needed.
- ✓ Help ensure MVD compliance with municipal contracts.
- ✓ Assist materials recovery facility with record keeping, including filing documents, maintaining daily weight logs, and maintaining files and compiling reports and invoices in DORIIS

Education

Bachelor of Science, Business Administration, Marketing Emphasis, Fresno State University



Staff Profile

Customer Service and Accounting Manager

Lisa Helm
559-843-2467 ext 117

Biography

Lisa has worked in the recycling and solid waste industry since 1987 in various positions, such as a Frontload and Roll-Off Dispatcher, Transfer Station Supervisor, Office Manager, Billing Manager, Customer Service Manager, and Corporate Level Trainer.

Implementation Experience

Lisa is responsible for the accurate data transfer from other haulers/city account databases in order to build MVD customer account records during transition. She is responsible for training existing and new customer service representatives so they are knowledgeable about the new contract. Lisa finds permanent solutions to customer concerns as they arise. Since her employ with MVD she has implemented seven new municipal contracts and has upgraded MVD's customer management software.



	Time Period	Key Responsibilities
	2004 - Present	<ul style="list-style-type: none"> ✓ Bills frontload and roll-off accounts. ✓ Maintains customer credit maintenance ✓ Distributes program information and other collateral materials. ✓ Manage, train, and support customer service representatives.
Waste Management <i>Corporate Trainer</i> <i>Service Machine</i>	2001 - 2003	<ul style="list-style-type: none"> ✓ Implement and train company process and standards to local districts from Alaska, Washington, California, and Arizona to deliver high levels of customer service.
Waste Management <i>Billing Manager</i> <i>Customer Service Manager</i>	1998 - 2001	<ul style="list-style-type: none"> ✓ Bills frontload and roll-off accounts. ✓ Maintained customer credit ✓ Distributed program information and other collateral materials. ✓ Managed, trained, and supported customer service representatives. ✓ Garnered position as corporate trainer.
Western Waste-USA Waste <i>Transfer Station Supervisor</i>	1997 - 1998	<ul style="list-style-type: none"> ✓ Oversaw day to day Transfer Station Operation ✓ Fulfilled and prepared county and state reports ✓ Received and trained staff in Hazardous Waste response requirements ✓ Improved recycling diversion rates from 15% to 38% by recognizing new streams of diversion.



Customer Service and Accounting Manager - Continued

Lisa Helm
559-843-2467 ext 117

Western Waste-USA	1987-	✓	Routed 15 roll off trucks daily
Waste	1997	✓	Took all roll-off calls for scheduling existing and new customers
Roll off Dispatcher		✓	Billed roll-off customers
		✓	Prepared all roll off productivity reports.

Western Waste-USA	1987-1997	✓	Dispatched 45 frontload trucks.
Waste		✓	Maintained frontload routes, weight tags and productivity reports through data entry.
Front-load Dispatcher		✓	Fielded customer service complaint calls.

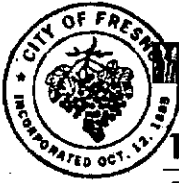
Education Associate of Arts – Social Science



1 Company Description

1.7 Labor Agreements

There are no labor agreements to report.



1 Company Description

1.8 Local Purchasing

MVD has a strong preference to transact business locally to as great an extent as possible. The Company has spent an impressive \$3.4 million with these Fresno businesses.

Fresno Businesses

AAA Sweeping Service	Fresno Wire Rope
Ace Compressor Equipment	Frontier Fastener
Acme Rotary Broom	G&H Diesel Service
Alert-O-Lite	Gordon Industrial Supply
All Valley Administrators, LLC	Graylift
All Valley Disposal, Inc.	Hep Electric
All Valley Printing	Hicks Sign
Alta Lift	Jorgensen Co.
American Steamway, Inc.	Leisle Electric, Inc.
Best Weight Scale Co., Inc.	LKQ Valley Truck Parts
Bobcat of Fresno	Mid Valley Dist.
Bright's Laundry Service	NVB Equipment, Inc.
Briner & Son, Inc.	Presort
Bruce's Auto Parts	Prickettes
Cal-Fast distributors	Pro-Screen, Inc.
California Apartment Association, Fresno	Ruckstell's Sales
California Industrial Rubber	Rumex Construction Corporation
Central California Hispanic Chamber	Saladino's Inc.
Central Supply	San Joaquin Auto & Truck
Central Valley Overhead Door	Saunder's Automatic Service
Central Valley Presort	Sequoia Equipment
Central Valley Trailer Repair, Inc.	Silvas Oil
Central Vally Truck	Storage Systems, Inc.
Commercial Radiator Works, Inc.	Terminal Air
Cook's Communication	Torres Fence Co, Inc.
Country Wide Building Materials	Trucker Exam, Inc.
Del Ray Tire	Utility Trailer
Di Buduo & De Fendis	Valley Fleet Clean
Diesel Technologies	Valley Iron
Display Advertising	Valley Lube Equipment
Dritsas Groom McCormick, LLP	Valley Printing
Electric Motor Shop	Valley Rain Gutters
Fresno Chamber of Commerce	Valley Truck Parts
Fresno Mobile Radio	Wholesale Equipment
Fresno Truck Center	



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2 Technical Proposal for Collection Services

2.0 Overview

MVD's primary focus in formulating this proposal is the delivery of a measurable and sustainable shift toward greater diversion from the outset that steadily increases throughout the term of the *Agreement*. As the City's commercial contractor in Fresno's South District, MVD's familiarity of Fresno, its traffic patterns, demographics, and City administrative processes combined with MVD infrastructure will allow the City and MVD to focus efforts strictly on implementation in MVD's typical consultative and productive manner. A new contractor cannot offer this to the City.

MVD takes the City's diversion objective of 90 percent or greater landfill diversion by 2025 seriously, and to address this MVD will provide collection services with accompanying education and outreach programs that are proven effective and refreshed annually or as needed in order to drive up residential recycling participation. As was the case with its Fresno commercial collection services implementation, MVD makes good on its proposal initiatives, as indicated by the Fresno implementation scorecard, below.

Time and time again MVD has found that key to successful ramp-up and continued reliability of collection operations is excellent operational oversight. MVD principals will work with City staff to complete and execute the *Implementation Plan* included in this section and will constantly monitor the progress and performance of MVD's expert operations team to ensure all milestones are met on schedule.

Fresno Implementation Track Record

MVD's implementation track record in connection with the roll-out of commercial services in Fresno is an example of the Company's commitment to doing what it says it is going to do, and more. The fulfillment of MVD's commitment with respect to the commercial contract is documented in the chart beginning on the following page.





Commitment	Result
<p>Available Services Flyer <i>Explains recycling services by business type for businesses, multi-family, restaurants, and food waste recycling.</i></p>	<p>MVD designed and produced a brochure for businesses which includes offices, stores, and retail, manufacturing, and industrial. Brochures specifically for restaurants and apartments were also developed. Brochures are printed in English, Spanish, and Hmong.</p>
<p>Food Waste Flyer</p>	<p>MVD designed and produced a flyer regarding food waste composting/recycling. The flyer is printed in English, Spanish, and Hmong.</p>
<p>Interior Posters and labels</p>	<p>MVD designed and produced a poster with general recycling information, listing and showing photos of all materials accepted in recycling bin.</p>
<p>Customer Correction Tags</p>	<p>MVD designed and produced a Recycling Customer Contamination Warning label. The label is placed on the recycling bins when the driver notices 25% contamination. A copy of the label will be delivered to MVD's Recycling Specialist for follow-up.</p>
<p>City of Fresno Multi-Media and Advertising</p>	<p>Advertised service information through Chamber e-blasts, Fresno PD Golf Tournament Fundraiser/event booklet, California Apartment Association Mark of Distinction Award event booklet, Greater Fresno events, and Fresno Metro Black Urban Leadership conference. Service information is also published on MVD's website, through billing statements and power point presentations during workshops.</p>
<p>Public Education Plan-Training Meetings</p>	<p>MVD is working closely with the Fresno Metro Black Chamber to organize a workshop to provide business owners with tools to implement successful recycling programs. MVD's Recycling Specialist has also presented to California Apartment Association members and Fresno Greater Chambers providing information to assist with recycling efforts.</p>
<p>Business Associations Meetings</p>	<p>MVD has become a member of the Fresno Greater Chamber, Central California Hispanic Chamber, Fresno Metro Black Chamber, California Apartment Association, and Fresno Downtown Partners. MVD has attended various meetings and special events coordinated by each business association.</p>
<p>Quarterly Newsletter</p>	<p>MVD mails out a newsletter at the end of each quarter. The newsletter provides important information about recycling at work and collection service information.</p>
<p>Employee Training</p>	<p>MVD's Outreach Specialist has performed training sessions or presentation for tenants, property managers, and business owners during chamber luncheons. As of Oct. 1, 2012 MVD has conducted 40 presentations.</p>
<p>Post/Refresh Educational Materials</p>	<p>Customers may download service brochures and flyers from MVD's website.</p>
<p>Community Relations</p>	<p>MVD has attended 40 events as of October 1, 2012 and supported 10 local community service organizations.</p>
<p>Quarterly Customer Service Meeting</p>	<p>MVD provides continuing education for CSRs emphasizing City Service Standards.</p>
<p>Service Complaints.</p>	<p>Complaints are resolved by MVD within 24 hours of receiving complaints.</p>



Commitment	Result
Customer Web-site Payments	Payments can be made via MVD's website.
Customer Service Phone Logs and Performance Statistics	Phone Logs for all incoming calls are available and reported monthly and quarterly to the City.
Customer Special & Bulky pick up services.	Customers are provided with Special and Bulky services when requested. Services are reported monthly.
New Starts	New starts are provided with a container with 5 days of starting service. City is given a list monthly of all new starts
Invoiced Transactions	City is provided with a listing by service code of all invoiced transactions monthly.
Minimization of Spills	Collection vehicles carry equipment to clean up spilled and scattered materials
Event Recycling Container Donations	MVD has increased diversion of solid waste during events by delivering recycling containers for events held at Fresno Chaffee Zoo, Selland Arena, various downtown events, the City of Fresno Christmas Celebration event (parade and Christmas tree lighting).
Sponsorship of City and Business Organizations/Events.	MVD has created partnerships and supports events that are important to the community.



Complementary enhancements have been thoughtfully designed specifically to Fresno demographics and are based on MVD's extensive local experience and successful diversion track record. These enhancements are described in *Section 3*.

In addition to implementing programs to recycle as much waste as possible, MVD will continue its collaborative efforts with the City of Fresno to promote effective waste reduction and reuse activities.

Operations Base

MVD's Fresno operations base is located at the address below. This facility also houses Fresno customer service representatives and operations/routing supervisors. Should MVD be awarded a contract for residential collection services in Fresno, the facility below will accommodate the additional personnel associated with this contract. In addition, MVD owns 8.5 acres adjacent to the Fresno facility; this land will be developed for truck parking and storage if awarded the residential franchise. Other MVD personnel and its transfer station and material recovery facility is located at its Kerman facility, address also listed below.

Fresno Facility

3444 W. Whitebridge Road
Fresno, CA 93706

Kerman Facility

15300 West Jensen Ave.
Kerman, CA 93630

MVD's foundation is a model of continuous improvement which is evident throughout its operations. To this end, the Company is in the midst expanding its Kerman property to include integrated organics management facilities, including covered composting operations and anaerobic digestion (AD). The composting facility will be operational in August 2013 and the AD portion of the facility is anticipated to come on line in mid-2014. Details are provided in *Section 2.3.2 – Organic Materials Processing*.

Operations personnel and equipment associated with recyclable and organic materials collection services will be run out of the Kerman site, as the Company's processing operations are located there. Information and documentation pertaining to this site and site improvements are included in this section. Additional information relative to employee/driver training and safety, quality assurance relative to collection operations, and MVD's routing approach is included at the back of this section in an *Appendix – Collection Operations Standards*.

MVD policies and procedures are compliant with all regulations governing employee relations and are EEO compliant.



Collection Equipment

As per the *RFP*, MVD will procure City LNG collection vehicles and carts. The following information is placed in this *Overview* to avoid redundancy since the same collection equipment will be utilized for all materials streams. Standard collection crew size is one professionally trained driver on all regular collection routes and one driver and a helper on bulky item routes.

MVD will procure and use to service the subject contract, the number of vehicles reflected in the chart below by line of business and District. Because MVD is procuring and using these vehicles from the City, vehicle descriptions, types, cost, capacity, axle load, and age are not given here. This collection equipment is considered standard.

As the City indicated in its *RFP*, the savings due to the procurement of the City's discounted equipment reduced customer rates as reflected in *Section 4 – Rate and Cost Proposal*. MVD understands and agrees that the pricing for this equipment as presented in the *RFP* does not include sales tax or any other taxes or fees associated with purchase of these vehicles.

Collection Method: Hard-to Service Areas

MVD has determined that specialized collection equipment is not needed for making collections in hard to service areas in Fresno, either District, such as in narrow streets, courts, and alleys. The standard equipment noted in this section will be used on all routes.

Line of Business	Unit Count	Vehicle Type
North District		
Solid Waste	11	Heavy Duty
Recyclables	8	Heavy Duty
Organics	7	Heavy Duty
Bulky Items	3	
Total North	33	

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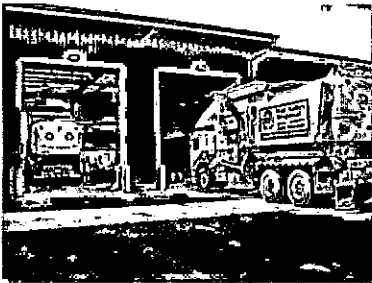




South District		
Solid Waste	11	Heavy Duty
Recyclables	8	Heavy Duty
Organics	7	Heavy Duty
Bulky Items	3	
Total South	33	
Spares		
Number of Spares	5	
Spare Ratio: \cong 15%	Per District	
Other		
Supervisory	5	Light Duty
Service	10	Per District

During contract negotiations, MVD will prepare and present a vehicle painting and signing schedule to the City for approval. This schedule will assure that MVD's new fleet will appear new and are marked as per City preferences within a reasonable timeframe. Until that time, MVD will apply attractive but temporary vehicle signage to signal the transfer of collection activities to MVD. MVD will secure the City's approval on the design of these temporary signs and will incorporate City messaging, if desired.

Vehicle Maintenance – Fresno Operations Yard



MVD will perform preventive and regularly scheduled maintenance as well as any necessary repairs on its collection vehicles, support vehicles, and containers at its maintenance shop located at its operations base in Kerman. The Company's comprehensive preventative maintenance program complies with, and in some cases, exceeds all federal, state and local regulatory standards and manufacturer specifications. MVD is committed to maintaining its fleet in a fuel efficient and environmentally conscious manner.

MVD's Fresno facility consists of four vehicle maintenance bays and two container repair bays. Four mechanics, two helpers, and two welders ensure that all proper maintenance and repair is completed in an efficient and safe manner. The staffing is structured such that there is one mechanic per ten trucks which allows each member of the maintenance team to stay focused on excellence, quality and safety. The team also receives OSHA certified training. The Fresno facility houses 24 total collection vehicles and six support vehicles, including two dedicated container delivery vehicles.

MVD's safety and compliance program is as comprehensive as its maintenance program, as described in the *Appendix* located at the conclusion of this section. MVD is honored to say that its preventive maintenance program saved over 300 hours of downtime in 2011.



MVD's commitment to the environment is reflected in its recycling initiatives associated with the maintenance facility. The Company's recycling program is as robust in the maintenance shop as it is in its communities. MVD prides itself on achieving a level of excellence that has resulted in zero waste being generated out of its facility. Everything that can be recycled is recycled, to include:

- ✓ Motor and Hydraulic Oil
- ✓ Oil Filters
- ✓ Antifreeze
- ✓ Transmission Fluid
- ✓ Transmission Filters
- ✓ Fuel Filters
- ✓ Tires
- ✓ Brakes
- ✓ Batteries
- ✓ Metal Parts

Vehicle Inspection Reports

Key to the preventive maintenance program is daily completion of vehicle inspection reports. This is performed daily by the collection vehicle's assigned driver and includes both a pre-trip inspection and post-trip inspection. Drivers check fluid levels, lights, tires and other safety related areas of their truck and indicate on the inspection report any defects or deficiencies—including any damage to the vehicle, found that day. Shop personnel review the report and check any items marked by the driver as being questionable or problematic. Mechanics then make any needed repairs before the vehicle returns to the route.

Furthermore, each vehicle undergoes a thorough and comprehensive preventative maintenance inspection (PMI) every 150 hours of service. This inspection is conducted by a trained and certified brake inspector, according to USDOT requirements. The vehicle is inspected from the top to the bottom and the front to the rear including, but not limited to; tires, air pressure, brakes, air system, safety camera system, gauges, engine, cooling system, hydraulic system, batteries, road tested and general overall equipment operation. The vehicle is thoroughly lubricated and fluids sampled and changed if required. If repairs are needed, all priority repairs are completed prior to the vehicle being returned to service; repairs that can be are scheduled to be completed at the next service.

MVD's 39-point PMI checklist and driver vehicle inspection report forms follow.



Truck & Trailer Maintenance Safety Inspection

Mantenimiento e Inspeccion de Seguridad de Camiones Y Trailas

MID VALLEY DISPOSAL

Truck #	Date	Mechanic Name
(Interior & Exterior) (Interior e Exterior)		
1	Fire extinguisher & reflectors-secured-marked	
1	Extintuidor de incendios y reflectors -marcados e asegurados	
2	Horn, defroster, gauges & speedometer	
2	Bocina, descongelador, indicadores, e indicador de velocidad	
3	Mirrors and support	
3	Espejos e soporte	
4	Windshield wipers, window cracks, condition	
4	Parabrisas, quebraditas y condicion de ventana	
5	Check all light-turn signal-reflectors, mud flaps	
5	Chequeo de luces - senales-reflectors-guardafangos	
6	Check batteries-water terminals and cable	
6	Cheque de bateria-terminales de agua y cables	
7	Warning devices -air, oil, and temperature, vacuum	
7	Aparato para senalar precauciones-aire, aceite, Y temperatura aceite y temperatura	
(Engine & Electric) Motor e Electrico		
8	Radiator and water hoses-condition- leaks	
8	Radiador y mangueras de agua- condicion y derrames	
9	Belts-compressor(s), fan and water pump	
9	Cintas-de compresador, abanico, y pompa de agua	
10	Air line- leaks, condition and protection	
10	Lineas de aire- condicion, escapes y proteccion	
11	Fuel tanks-lines-pump, condition and protecion	
11	Tanque de combustible - lineas-pompas - condicion y proteccion	
12	Manifold and flange gasket - muffler & condition	
12	Manifold y enpaques - Mofle y condicion	
13	Engine mounts oil and fuel leaks	
13	Montadores de motor - aceite y derrames de combustibles	
14	Clutch adjustment and free play	
14	Ajustamiento de embrague	
15	Throttle and linkage, air filter	
15	Filtro de aire	
16	Generator/alternator, starte, bushes and wiring	
16	Generador/alternador de tubos-proteccion, nivel de aceite del reservo de liquido de freno	
(Brakes) (Frenos)		
17	Tractor protection valve test	
17	Vabula de protection de triala-examen	
18	Brakes-lining, drum, and adjustment-near cam over, pedal	
18	Frenos - forros de frenos, tambores, e ajustmieto	
19	Hoses, and tubing condition-protection, brake rerevoir level	
19	Mangueraas, condition de tubos - proteccion, nivel de aceite del reservo de liquido de freno	
20	Air leak and 1 minute brake application test, vacuum loss	
20	Escape de aire-aplicar el examen de freno por un minuto. Fuga de aire	
21	Air governor adjustment-minimum 85-maxumum 130	
21	Ajustmento de los gobernadores de aire-un minimo de 85 maximo 130	
22	Indetify munber 1 air tank-dain-test check valve	
22	Numero de identificacion del tanque de aire #1-drenaje tanque	
23	All tank secure, drain operable, drain tank	



Truck & Trailer Maintenance Safety Inspection

Mantenimiento e Inspeccion de Seguridad de Camiones Y Trailers

24	Check tires wheels nuts studs, cracked, secure and inflation tread	
24	Cheque de todas las llantas, tuercas, quebraditas. El seguro, la inflacion, y las ranuras	
25	Parking brakes-condition and adjustment	
25	Frenos de parqueo-condicion e ajustmiento	
26	Emergency stopping system-labled, operable	
26	Sistema de frenor en emergecia-nombrado y operable	
27	Release after loss of service air test anti	
27	Despues de escape se aire - examen de la lampara anti	
28	Check steering gear and mounting free lash	
28	Cheque el volante yo montaje	
29	Steering arms, drag link and tie rod ends	
30	Fifth wheel condition and mounting	
30	Cheque la quinta rueda	
31	Spring, shackles, and U bolt torque arms	
31	Armortiguadores, abrazaderas, brazos y U-bolts	
32	Check frame, cross members crack	
32	Chequean el bastidor del vehiculo, miembros de cruzado, quebraditas	
33	Transmission, differential-mounting and seal	
33	Flecha y Transmission y diferencialse-montaje y sellos	
34	Wheel seals leaks, hydraulic brake system leaks	
34	Derrame de sellos de llanta, derrames de frenos hidraulicos	
35	Clean under carriage	
35	Limpain debajo	
36	Body Floor, Packer	
36	Cuerpo, enpaquar de piso	
37	Registration-motor carrier-insurance card	
37	Registrasion, tarjeta de permiso de carqador de vehiculos motorizados ,tarjeta de asecuransa	
38	Radio- 2way	
38	Radio- 2way	
39	DPF Filter, Clamps, Lights, Engine Sticker, Door Sticker	
39	DPF filtro, abrazaderas, luces, etiqueta del motor, etiqueta de la puerta	



MID VALLEY DISPOSAL RECYCLING & TRANSFER STATION

DRIVER'S VEHICLE INSPECTION REPORT

AS REQUIRED BY THE D.O.T. FEDERAL MOTOR CARRIER SAFETY REGULATIONS

KERMAN

AVENAL

COALINGA

DATE: _____ TIME: _____ A.M. _____ P.M.

CHECK ANY DEFECTIVE ITEM AND GIVE DETAILS UNDER "REMARKS"

TRACTOR/
TRUCK NO. _____ ODOMETER READING _____

- | | | |
|---|---|--|
| <input type="checkbox"/> Air Compressor | <input type="checkbox"/> Horn | <input type="checkbox"/> Suspension System |
| <input type="checkbox"/> Air Lines | <input type="checkbox"/> Lights | <input type="checkbox"/> Starter |
| <input type="checkbox"/> Battery | Head - Stop | <input type="checkbox"/> Steering |
| <input type="checkbox"/> Body | Tail - Dash | <input type="checkbox"/> Tachograph |
| <input type="checkbox"/> Brake Accessories | Turn Indicators | <input type="checkbox"/> Tires |
| <input type="checkbox"/> Brakes, Parking | <input type="checkbox"/> Mirrors | <input type="checkbox"/> Tire Chains |
| <input type="checkbox"/> Brakes, Service | <input type="checkbox"/> Muffler | <input type="checkbox"/> Transmission |
| <input type="checkbox"/> Clutch | <input type="checkbox"/> Oil Pressure | <input type="checkbox"/> Wheels and Rims |
| <input type="checkbox"/> Coupling Devices | <input type="checkbox"/> Radiator | <input type="checkbox"/> Windows |
| <input type="checkbox"/> Defroster/Heater | <input type="checkbox"/> Rear End | <input type="checkbox"/> Windshield Wipers |
| <input type="checkbox"/> Drive Line | <input type="checkbox"/> Reflectors | <input type="checkbox"/> Other |
| <input type="checkbox"/> Engine | <input type="checkbox"/> Safety Equipment | |
| <input type="checkbox"/> Exhaust | Fire Extinguisher | |
| <input type="checkbox"/> Fifth Wheel | Reflective Triangles | |
| <input type="checkbox"/> Frame and Assembly | Flags - Flares - Fuses | |
| <input type="checkbox"/> Front Axle | Spare Bulbs & Fuses | |
| <input type="checkbox"/> Fuel Tanks | Spare Seal Beam | |

TRAILER(S) NO.(S) _____

- | | | |
|--|--|--|
| <input type="checkbox"/> Brake Connections | <input type="checkbox"/> Hitch | <input type="checkbox"/> Tarpaulin |
| <input type="checkbox"/> Brakes | <input type="checkbox"/> Landing Gear | <input type="checkbox"/> Tires |
| <input type="checkbox"/> Coupling Devices | <input type="checkbox"/> Lights - All | <input type="checkbox"/> Wheels and Rims |
| <input type="checkbox"/> Coupling (King) Pin | <input type="checkbox"/> Roof | <input type="checkbox"/> Other |
| <input type="checkbox"/> Doors | <input type="checkbox"/> Suspension System | |

Remarks: _____

CONDITION OF THE ABOVE VEHICLE IS SATISFACTORY

DRIVER'S SIGNATURE: _____

ABOVE DEFECTS CORRECTED

ABOVE DEFECTS NEED NOT BE CORRECTED FOR SAFE OPERATION OF VEHICLE

MECHANIC'S SIGNATURE: _____ DATE: _____

DRIVER'S SIGNATURE: _____ DATE: _____

ORIGINAL



Vehicle Appearance

MVD washes its collection vehicles weekly, utilizing biodegradable cleansing products, high and low pressure washers using a brush. Truck washings comply with Best Management Practices governing storm water management.

Container Operations and Maintenance

In addition to the collection carts currently in service—which MVD will procure, MVD will maintain a sufficient cart inventory during the term of the contract for replacements or exchanges.

Whenever a cart is delivered to a customer, regardless of the situation, it will be clean and in excellent working condition. Whenever a broken cart can be repaired on route it will be both for maximum operational efficiency and so that the customer is not inconvenienced. If the cart cannot be repaired on route it will be exchanged on the spot and returned to inventory for repair or recycling. MVD repairs at least the following broken parts: hinged lids, wheels, and axles. It is the Company's experience that these items are the most common cart failures. Therefore, MVD will stock an adequate parts inventory on its container delivery vehicle at all times. If MVD discovers that the resident's cart is not broken but is in overall poor condition, another cart will be assigned to the customer.

MVD maintains a cart buffer inventory for exchanges and new deliveries of approximately five percent at all times. When carts are delivered to customers they are in new or like new condition only. MVD will not only purchase the carts placed out with customers at the time a contract is executed, but MVD will also purchase the appropriate quantity of the City's cart inventory for exchanges and deliveries. MVD is aware of the City's cart purchase history and will procure supplementary carts for its inventory at the appropriate time.



2 Technical Proposal for Collection Services

2.1 Solid Waste Collection

As indicated throughout this *Proposal*, MVD shares the City’s commitment to zero waste through source reduction, reuse, recycling, organics processing and the value-added programs described in *Section 3 – Proposed Service Enhancements and Innovations*. In fact, MVD has a proven track record of steady diversion progress in the communities it serves. MVD leaders track resource recovery trends and invest in the right people, systems, and technology to ensure MVD customers are all tracking toward zero waste.

MVD sees it as a primary responsibility to investigate the residential solid waste stream to develop and enact a plan to shift more materials from this material stream into recycling and organics collection containers. Once collection services have commenced and MVD customers are accustomed to MVD processes and procedures, MVD will perform a study of residential solid waste and present its findings and action plan to the City to immediately begin facilitating this shift.

Solid waste collection services will be rendered in strict accordance with the terms and conditions presented in the draft *Agreement* and to the City’s and MVD’s high service standards. As indicated in the section *Overview*, MVD will procure City equipment, implement services seamlessly through the assumption of City equipment—collection vehicles and carts. MVD will also continue servicing routes per the existing service schedule to minimize impacts to customers. No specialized equipment is needed to make collections in challenging service areas, such as narrow streets, courts, and alleys.

Residential solid waste collection will be accomplished with a crew of one highly trained and professional driver and the automated sideloaders MVD procures from the City. Per the *RFP* request, the chart below indicates MVD’s daily productivity and tonnage assumptions for solid waste.

Solid Waste Program Assumptions

Solid Waste	Routes/Day Days/Week	Customers/ Day/Route	Hours/Route Lifts/Hour	Tons/Route/Day	Annual Tons <i>Project Average</i>
North District	11 5	990	6 165	22.9	49,213
South District	11 5	1,025	6 170.8	23.7	51,241



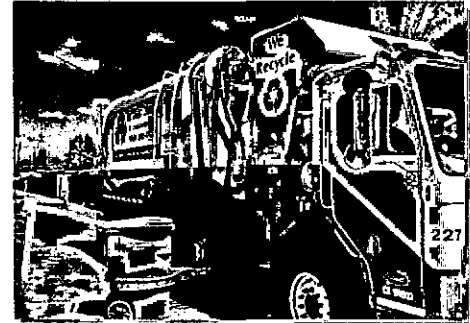
Flow of Solid Waste

As per the *RFP*, MVD will continue direct hauling residential solid waste to CARTS and then to American Avenue Landfill through July 1, 2014. After 2014, MVD proposes to continue utilizing American Avenue Landfill for Fresno residential solid waste.

Driver Activity Sequencing

The driver activity sequence for manual/automated cart collection is:

- 1) The driver arrives at the service address and checks the route sheet for any notes pertaining to that customer.
- 2) The driver checks for any possible obstructions to making the collection, and checks mirrors and cameras as a safety precaution.
- 3) The driver utilizes two controls to make the collection: the first to position the truck arm such that it is properly aligned to the targeted cart; and the second to engage the grabbing mechanism.
- 4) The driver then returns to use of the first control to lift, empty, and return the cart to its original position. As the cart is being emptied, the driver checks cart contents for hazardous/unpermitted wastes.
- 5) After the cart is replaced, the driver checks the serviced area to ensure it is clear of any litter.
- 6) If the collection is made without incident, the driver continues to the next stop on the route sheet.
- 7) Once the truck has reached capacity or the driver has concluded the route, the driver drives directly to the transfer station (garbage), MVD's materials recovery facility (recyclable materials) or MVD's integrated organics processing facility (organic materials). If the driver is not finished making collections, s/he return to the route to complete those.
- 8) If unpermittable amounts or types of waste are present, such as hazardous waste or recyclable materials present in the solid waste cart, MVD's drivers will issue either a *Corrective Action Notice* or *Notice of Non-Collection* depending upon the severity of the improper set out and/or the frequency of occurrence per customer. MVD's goal is to provide effective education to facilitate the City's zero waste goals.



This above information pertains to all materials streams and will not be repeated in in *Section 2.2 – Recyclable Materials* or *Section 2.3 – Organic Materials*.



2 Technical Proposal for Collection Services

2.2.1 Recyclable Materials Collection

Recyclable materials collection services will be rendered in strict accordance with the terms and conditions presented in the draft *Agreement* and to the City's and MVD's high service standards. As indicated in the section *Overview*, MVD will procure City equipment, implement services seamlessly through the assumption of City equipment—collection vehicles and carts. MVD will also continue servicing routes per the existing service schedule to minimize impacts to customers. No specialized equipment is needed to make collections in challenging service areas, such as narrow streets, courts, and alleys.

Residential recyclable materials collection will be accomplished with a crew of one highly trained and professional driver and the automated sideloaders MVD procures from the City. Per the *RFP* request, the chart below indicates MVD's daily productivity and tonnage assumptions for recyclable materials.

Recycling drivers are highly trained to report observations relative to contamination and customer set out trends in order to assist MVD managers to stay ahead of contamination issues as well as to flag new materials for marketing research. MVD is known for its forward-thinking relative to forging new markets, such as it has done for several waste stream components present in commercial/agricultural waste. A 70 percent set-out rate is assumed.

Recyclable Materials Program Assumptions

Solid Waste	Routes/Day Days/Week	Customers/ Day/Route	Hours/Route Lifts/Hour	Tons/Route/Day	Annual Tons <i>Project Average</i>
North District	8	1,365	6	10.5	16,335
	5		159.25		
South District	8	1,420	6	10.9	17,008
	5		165.67		

Flow of Recyclable Materials

MVD will direct haul recyclable materials from the route to its state-of-the-art materials recovery complex in Kerman. Processing and marketing of recyclable materials is described in *Sections 2.2.2 and 2.2.3*.

Driver Activity Sequencing

The driver activity sequence for manual/automated cart collection is identical to the sequencing presenting in *Section 2.1 – Solid Waste Collection*.

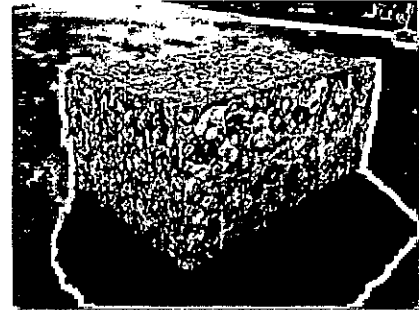


2 Technical Proposal for Collection Services

2.2.2 Recyclable Materials Processing

The chart below conveys the estimated annual tons of each type of recyclable materials that will be collected, processed, and marketed. MVD’s residual rate for the processing of single stream curbside materials is less than five percent, which is disposed of at American Avenue Landfill. As per the draft *Agreement*, the materials listed in the *Projections* chart (see the following page) will be collected, at a minimum, and processed at MVD’s recycling and transfer station.

The chart below—the results of two waste characterization studies performed on MVD Fresno commercial recycling routes—shows the effects MVD’s outreach program had on commercial diversion in just six months. Overall tons of recyclable materials increased nearly 15 percent and residual waste decreased by 8.4 percent.



Lbs. of Recyclables Processed

Commodities	February 2012	September 2012
<i>Metal</i>	262	348
<i>Aluminum</i>	16	21
<i>Mixed Glass</i>	152	46
<i>OCC</i>	3236	3813
<i>Mixed Paper</i>	4458	6490
<i>Wood</i>	1305	1166
<i>HDPE</i>	187	118
<i>PET</i>	43	21
<i>Plastic Film</i>	402	237
<i>Mixed Rigid Plastic</i>	898	965
Recyclables Recovered	10959	13225
<i>Residual Waste</i>	3925	2587
Total Lbs. Processed	14884	15812

Additional materials will be included in the curbside recycling program at no additional charge as indicated with asterisks, below. Overall projected tons recovered in year one by District is shown at the top of the chart. Although the numbers in the *Projections* chart reflect modest increased diversion of five percent in year one, MVD is confident of its ability to compel additional residential diversion throughout the term of the *Agreement* due to the success of its Fresno commercial outreach program and the results associated with it. Items marked with an asterisk are materials MVD will add to the residential curbside recycling program.



The recyclable materials projections below are based on the waste characterization study included with the RFP documents and also conservatively reflect an increase in diversion in contract year one, indicated below.

Recyclable Materials Projections

Percentage	Commodity	North	South
2.80%	Metal	457	476
0.20%	Alum	33	34
13.00%	Glass	2124	2211
17.00%	ONP	2777	2891
15.00%	OCC	2450	2551
31.40%	Mixed Paper	5129	5341
0.20%	Wood	33	34
1.20%	HDPE	196	204
1.10%	PET	180	187
0.80%	HDPE natural	131	136
4.00%	Mixed Rigid Plastic	653	680
13.30%	Residual Waste	2173	2262

Annual Tons	16335	17008
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As indicated in *Section 2.2.1*, MVD will direct haul recyclable materials from Fresno residential routes to its transfer and recycling station in Kerman. A facility profile, diagrams, and permits for the existing facility are presented on the following pages.

Recently MVD purchased 28 additional acres surrounding its current facility in Kerman to expand its processing capacity, making the total facility footprint 38 acres. The materials recovery facility will be more than doubled in Phase I, and then doubled again in Phase II bringing the square footage of the processing area from 34,000 square feet to approximately 156,000 square feet. The expansion, which

includes upgrades to the materials recovery facility and the addition of organics processing, will be completed in phases. The site plan included in this section conveys the various phases of the overall project. The expanded facility plans are featured in *Section 2.3.2* since the most significant improvements relate to composting and anaerobic digestion.

The chart on the following page indicates the timeline for all facility expansion activities.



MidValley Disposal Recycling & Transfer Station Expansion

Tasks	Start	End	Days	2012					2013												2014																		
				Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May															
Annexation into City of Kerman	10/1/2012	11/15/2012	45		◆	◆																																	
Land Use Permit & CEQA Analysis	11/15/2012	2/15/2013	90				◆	◆	◆	◆																													
Air Permit SJVAPCD	10/15/2012	3/15/2013	150		◆	◆	◆	◆	◆	◆	◆																												
Solid Waste Facility Permit (County Health Dept.)	3/15/2013	8/15/2013	150										◆	◆	◆	◆	◆	◆																					
Stormwater Permit																																							
Construction	12/1/2012	1/1/2013	30					◆	◆																														
General Industrial	2/1/2013	3/15/2013	45							◆	◆																												
NDFE Amendment for Composting & AD	1/1/2013	2/15/2013	45							◆	◆																												
CUPA Permit	1/1/2013	3/1/2013	60							◆	◆																												
Engineering/Architectural Design																																							
Preliminary Grading Plan	11/1/2012	12/1/2012	30					◆	◆																														
50% Design	2/15/2013	4/1/2013	45									◆	◆																										
100% Design	4/1/2013	5/15/2013	45										◆	◆																									
Construction	8/15/2013	5/15/2014	270																																				



Facility Profile

Name of Facility	Mid Valley Disposal Recycling and Transfer Station
Facility Address	15300 West Jensen Ave Kerman, CA 93630
APN#	023-080-155
Solid Waste Facility Permit No.	1-AA-0201
Permitted Capacity	500 Tons Per Day (TPD)
Design Capacity	1000 Tons Per Day (TPD)
Land Owner/Operator/Address Where Legal Notice May Be Served	Kalpakoff Properties (owner) Mid Valley Disposal (operator) 15300 W Jensen Ave Kerman, CA 93630



Site Location

The FACILITY is a proposed material recovery facility and waste transfer station. Major roads providing access to the facility include Jensen Avenue, and State Route 145. The facility consists of 10 acres, is zoned M-2 (industrial), and is surrounded by compatible land uses.

Hours of Operation

The following are the proposed hours of operation by activity.

Activity	Hours of Operation
Waste Receiving	6:00 am to 7:00 pm M-Sat
Waste Processing	24 hours a day, 7 days per week
Waste Transfer	24 hours a day, 7 days per week
Visitors	By appointment, M-F



SOLID WASTE FACILITY PERMIT		Facility Number: 10-AA-0201																																				
1. Name and Street Address of Facility: Mid Valley Disposal Recycling and Transfer Station 15300 W. Jensen Avenue Kerman, CA 93630	2. Name and Mailing Address of Operator: Mid Valley Disposal P.O. Box 12385 Fresno, CA 93777	3. Name and Mailing Address of Owner: Kalpakoff Properties, LLC P.O. Box 12385 Fresno, CA 93777																																				
4. Specifications: <p>a. Permitted Operations: <input type="checkbox"/> Solid Waste Disposal Site <input type="checkbox"/> Transformation Facility</p> <p style="padding-left: 40px;"><input checked="" type="checkbox"/> Transfer/Processing Facility (MRF) <input type="checkbox"/> Other: _____</p> <p style="padding-left: 40px;"><input type="checkbox"/> Composting Facility</p> <p>b. Permitted Hours of Operation: <i>(Receipt of Refuse/Waste) 6:00 a.m. to 7:00 p.m. Monday through Saturday (Processing and Transferring) 24 hours per day, 7 days per week (See TPR for additional hours of activities)</i></p> <p>c. Permitted Maximum Tonnage: <u>500</u> Tons per Day</p> <p>d. Permitted Traffic Volume: <u>131</u> One Way Vehicle Trips</p> <p>e. Key Design Parameters (Detailed parameters are shown on site plans bearing EA and CIWMB validations):</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 10%;"></th> <th style="width: 15%;">Total</th> <th style="width: 30%;">Disposal</th> <th style="width: 20%;">Transfer/Processing</th> <th style="width: 15%;">Composting</th> <th style="width: 10%;">Transformation</th> </tr> </thead> <tbody> <tr> <td>Permitted Area (in acres)</td> <td style="text-align: center;">10</td> <td></td> <td style="text-align: center;">10</td> <td></td> <td></td> </tr> <tr> <td>Design Capacity (tons)</td> <td></td> <td></td> <td style="text-align: center;">1000</td> <td></td> <td></td> </tr> <tr> <td>Max. Elevation (Ft. MSL)</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Max. Depth (Ft. MSL)</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Estimated Closure Year</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>Upon a significant change in design or operation from that described herein, this permit is subject to revocation or suspension. The attached permit findings and conditions are integral parts of this permit and supersede the conditions of any previously issued solid waste facility permit.</p>				Total	Disposal	Transfer/Processing	Composting	Transformation	Permitted Area (in acres)	10		10			Design Capacity (tons)			1000			Max. Elevation (Ft. MSL)						Max. Depth (Ft. MSL)						Estimated Closure Year					
	Total	Disposal	Transfer/Processing	Composting	Transformation																																	
Permitted Area (in acres)	10		10																																			
Design Capacity (tons)			1000																																			
Max. Elevation (Ft. MSL)																																						
Max. Depth (Ft. MSL)																																						
Estimated Closure Year																																						
5. Approval: Tim L. Casagrande Director of Environmental Health Fresno County Department of Community Health Approving Officer Signature		6. Enforcement Agency Name and Address: County of Fresno Department of Community Health Environmental Health Division 1221 Fulton Mall, Third Floor Fresno, CA 93721																																				
7. Date Received by CIWMB: <div style="text-align: center; font-size: 1.2em; font-weight: bold;">JAN 18 2007</div>		8. CIWMB Concurrence Date: 																																				
9. Permit Issued Date:	10. Permit Review Due Date:	11. Owner/Operator Transfer Date:																																				



SOLID WASTE FACILITY PERMIT	Facility Number: <div style="text-align: center; font-weight: bold; font-size: 1.2em;">10-AA-0201</div>		
Legal Description of Facility: The legal description of this facility is contained on page 1 of the Transfer/Processing Report dated November 2006 and described as the eastern half of APN 023-080-15st.			
13. Findings: a. This permit is consistent with the Fresno County Integrated Waste Management Plan, which was approved by the CIWMB on June 25, 1997. The location of the facility is identified in the City of Kerman's Nondisposal Facility Element, pursuant to Public Resources Code (PRC), Section 50001(a). b. This permit is consistent with the standards adopted by the CIWMB, pursuant to PRC 44010. c. The design and operation of the facility is consistent with the State Minimum Standards for Solid Waste Handling and Disposal as determined by the enforcement agency, pursuant to PRC 44009. d. A (Mitigated Negative Declaration) was filed with the State Clearinghouse (SCH #2005101082) and approved by the City of Kerman on December 12, 2005. The Mitigated Negative Declaration describes and supports the design and operation, which will be authorized by the issuance of this permit. A Notice of Determination was filed with the County Clerk on January 23, 2006.			
14. Prohibitions: The permittee is prohibited from accepting the following wastes: Hazardous, radioactive, medical (as defined in Chapter 6.1, Division 20 of the Health and Safety Code), liquid, designated, or other wastes requiring special treatment or handling, except as identified in the Report of Facility Information and approved amendments thereto and as approved by the enforcement agency and other federal, state, and local agencies.			
15. The following documents describe and/or restrict the operation of this facility:			
	Date		Date
Transfer/Processing Report	11/06		
Mitigated Negative Declaration (SCH#2005101082)	12/12/05		
Land Use and/or Conditional Use Permit 05-07	12/12/05		
Odor Impact Minimization Plan	August 2006 / Revised December 2006		



<h2 style="text-align: center; margin: 0;">SOLID WASTE FACILITY PERMIT</h2>	Facility Number: <h3 style="text-align: center; margin: 0;">10-AA-0201</h3>
<p>Self Monitoring: The owner/operator shall submit the results of all self monitoring programs to the Enforcement Agency within 30 days of the end of the reporting period (for example, 1st quarter = January – March, the report is due by April 30, etc.. Information required on an annual basis shall be submitted with the 4th quarter monitoring report, unless otherwise stated.)</p>	
Program	Reporting Frequency (Unless otherwise required by LEA)
<ul style="list-style-type: none"> a. The types and quantities (in tons) of waste, including separated or commingled recyclables, entering the facility per day. b. The number of vehicles using the facility per day. c. Results of the hazardous waste load checking program, including the quantities and types of hazardous wastes, medical wastes or otherwise prohibited wastes found in the waste stream and the disposition of these materials. d. Copies of all written complaints regarding this facility and the operator's actions taken to resolve these complaints. e. Employee training logs with dates of training and course description. The training logs shall be maintained and kept current. 	Quarterly Quarterly Quarterly Quarterly Quarterly



SOLID WASTE FACILITY PERMIT

Facility Number:

10-AA-0201

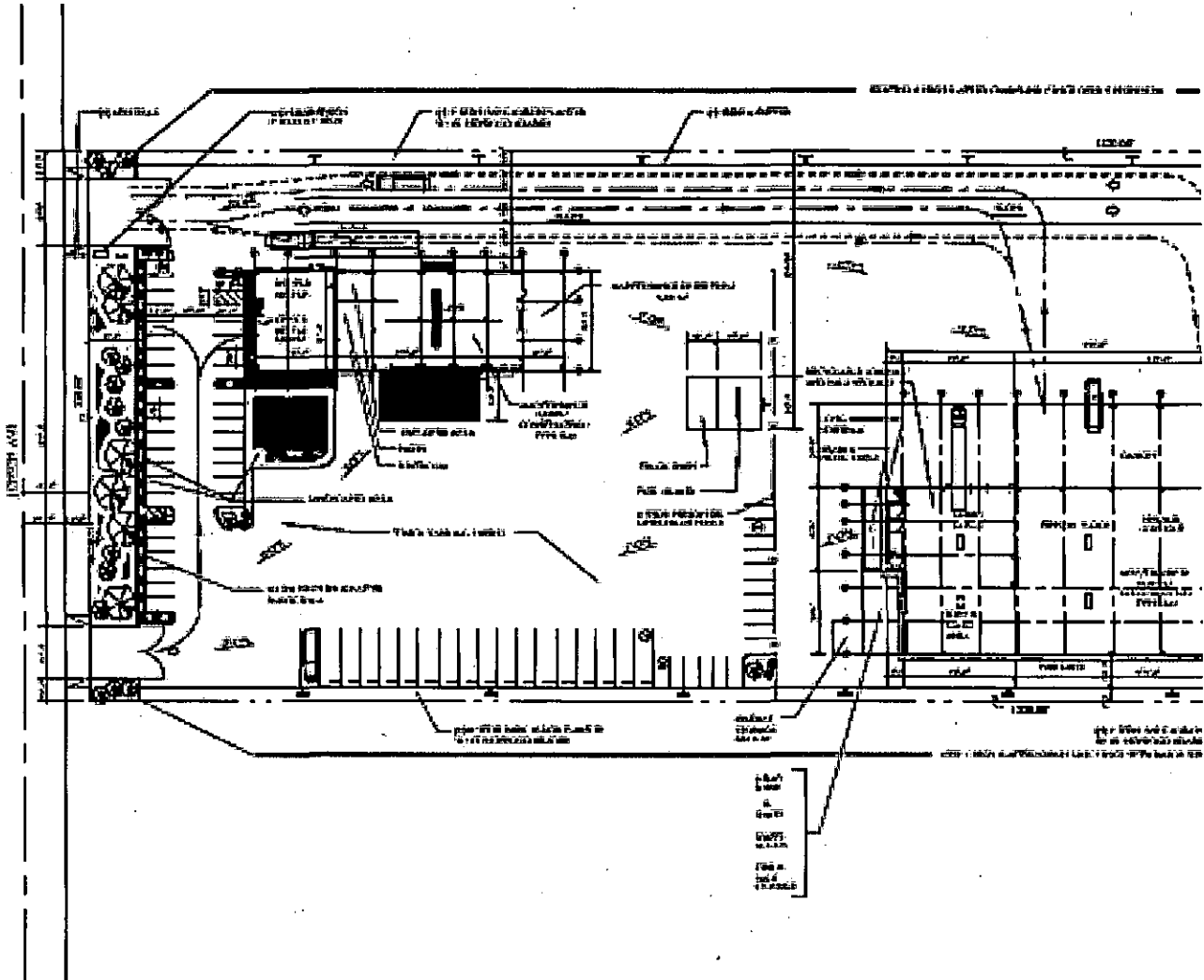
Enforcement Agency (EA) Conditions:

- a. The operator shall comply with all State Minimum Standards for solid waste handling and disposal as specified in Title 14, California Code of Regulations.
- b. The operator shall maintain a log of special/unusual occurrences. This log shall include, but is not limited to, fires, explosions, the discharge and disposition of hazardous or unpermitted wastes, and significant injuries, accidents or property damage. Each log entry shall be accompanied by a summary of any actions taken by the operator to mitigate the occurrence. The log shall be available to site personnel and the EA at all times.
- c. Additional information concerning the design and operation of the facility shall be furnished upon request and within the time frame specified by the EA.
- d. The maximum permitted daily tonnage for this facility is 500 tons per day and shall not receive more than this amount without a revision of this permit.
- e. This permit is subject to review by the EA and may be suspended, revoked, or revised at any time for sufficient cause.
- f. The EA reserves the right to suspend or modify waste receiving and handling operations when deemed necessary due to an emergency, a potential health hazard, or the creation of a public nuisance.
- g. Any change that would cause the design or operation of the facility not to conform to the terms and conditions of this permit is prohibited. Such a change may be considered a significant change, requiring a permit revision. In no case shall the operator implement any change without first submitting a written notice of the proposed change, in the form of an RFI amendment, to the EA at least 180 days in advance of the change.
- h. A copy of this permit shall be maintained at the facility.
- i. A copy of the Transfer Processing Report (TPR) shall be maintained at the facility.
- j. A copy of the Odor Impact Minimization Plan (OIMP) shall be maintained at the facility.
- k. Composting is prohibited at the facility. Processed and unprocessed green material can be stored no longer than 48 hours unless a longer storage time is approved by the LEA.
- l. Municipal Solid Waste (MSW) cannot be stored onsite for more than 48 hours. MSW must be deposited and stored inside the transfer station building.
- m. All recyclable materials shall be stored within the designated areas in a neat and orderly manner so as not to generate litter, harbor vectors, or create a nuisance. Recyclable materials can be stored for up to 120 days unless the LEA determines that the storage of these materials is causing a potential health and safety hazard.
- n. Contact the LEA for a pre-opening facility inspection a minimum of 7 days prior to the anticipated facility opening date.
- o. A final approval letter must be provided to the LEA from the local fire authority and the City of Kerman before the facility can begin operating.



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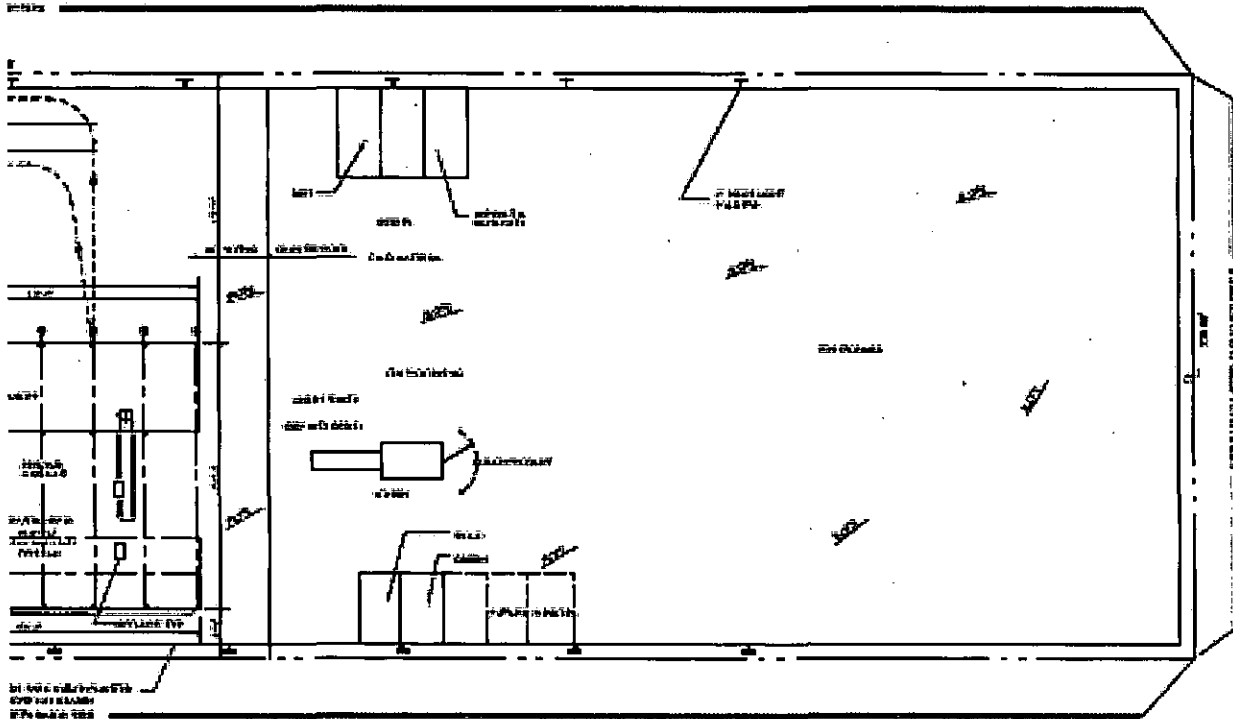


SCALE: 1"=20'

MID-VALLEY DISPOSAL RECYC

CLEMENTS ENVIRONMENTAL CORP.

JENSEN AV
KERMAN, CALIF



LEGEND

- TRANSFER TRACK
- COMMERCIAL
- VENTURE/COMPLETION

CYCLING & TRANSFER STATION

SEN AVE
FRESNO, CALIFORNIA

SITE PLAN

21 MARCH 2006



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2 Technical Proposal for Collection Services

2.2.3 Recyclable Materials Marketing

MVD has ample processing capacity to accept Fresno's residential single stream recyclables, both North and South Districts combined or either District separately, as well as manage seasonal/economics-driven fluctuations in volumes.

Operations can be scaled back or up, by adjusting the burden depth of the sortline, adjusting sortline speed and personnel, or by adding another shift. With the facility expansion, MVD has several days of bale storage space. MVD markets its own materials directly to buyers, and has long-term relationships with materials buyers that are stable due to the high quality of MVD processed commodities.

The chart on the following page indicates primary and back-up markets for curbside recyclables. The *No Landfill Guarantee*, below, indicates MVD's promise to seek out alternatives other than landfilling of resources, even when faced with dire market circumstances. MVD does have storage capacity for materials should an unexpected market slow-down occur.

No Landfill Guarantee

MVD has invested heavily in recycling processing infrastructure in order to maximize recovery of recyclable commodities. In order to assure the City of Fresno of its intention to not landfill processed recyclable commodities, MVD will allow the City inspection of the inbound/outbound data and reports associated with the processing of Fresno curbside recyclables upon fair notice by the City Contract Manager. MVD also guarantees that it will not landfill recyclable materials in all but the most unforeseen, catastrophic conditions. Should a catastrophic event or events occur, MVD will, if its own storage space is depleted, make every effort to locate additional storage space for baled material until events or markets right themselves. MVD will seek out Fresno City Staff approval for any other necessary measure(s).

Signed – Joseph Kalpakoff

Dated



Section 2 – Technical Proposal for Collection Services

Materials Markets

Commodity	Primary Market	Secondary Market	Average Aggregate Price/Ton ¹
METALS			
Aluminum Cans	Allan Company (Fresno, CA)	Berg Mill Supply (Beverly Hills, California)	\$1200.00 / Ton
Aluminum Foil			\$500.00 / Ton
Ferrous/Tin Cans (Household Source)	Western metal (Fresno, CA)	Levis Iron & metal (Fresno, CA)	\$100.00 / Ton
Mixed/Ferrous-Based Scrap Metals	Same as above	Same as above	\$225.00 / Ton
Mixed Non-Ferrous Scrap Metals	Same as above.	Same as above.	\$300.00 / Ton
GLASS			
Glass Bottles and Jars	Strategic materials (Fresno, CA)	Allen Company (Fresno, CA)	\$15.00 / Ton
PLASTICS			
Plastics 1 – 7: Containers (Excluding Styrofoam)	Envision Plastic (Chino, CA)	America Chung Nam (Export Markets)	\$400.00 / Ton
Plastic Bags	Newport CH (Orange County, CA)	Yes, Depot (Pomona, CA)	\$40.00 / Ton
PAPER			
Mixed Paper	American Chung Nam (Export Markets)	Potential Industries (Export Markets)	\$125.00 / Ton
Corrugated	American Chung Nam (Export Markets)	Cellmark (Corte Madera, CA)	\$150.00 / Ton
OTHER			
Household and Rechargeable Batteries	E-Recycling (Hayward, CA)	International Electronic Recycling (Fresno, CA)	\$2.00 / Ton
Cell Phones	Same as above.	Same as above.	\$2.00 / Ton
E-Waste	Same as above.	Same as above.	\$400.00 / Ton

¹Over the most recent 12 month period.



2 Technical Proposal for Collection Services

2.3.1 Organic Materials Collection

MVD will, within year one of the operations start date and in sync with the commissioning of its new integrated organics processing facility, implement a true organics collection and processing program that will allow for the collection of all residential food wastes and food-soiled paper products. This is fully described in *Section 2.3.2*. Organic materials collection services will be rendered in strict accordance with the terms and conditions presented in the draft *Agreement* and to the City's and MVD's high service standards. As indicated in the section *Overview*, MVD will procure City equipment, implement services seamlessly through the assumption of City equipment—collection vehicles and carts. MVD will also continue servicing routes per the existing service schedule to minimize impacts to customers. No specialized equipment is needed to make collections in challenging service areas, such as narrow streets, courts, and alleys.

Residential organic materials collection will be accomplished with a crew of one highly trained and professional driver and the automated sideloaders MVD procures from the City. Per the *RFP* request, the chart below indicates MVD's daily productivity and tonnage assumptions for organic materials.

Organics drivers are highly trained to report observations relative to contamination to help inform MVD's education and outreach efforts. The projections below represent a projected 50 percent set out rate and year one tons.

Organic Materials Program Assumptions

Organics	Routes/Day Days/Week	Customers/ Day/Route	Hours/Route Lifts/Hour	Tons/Route/Day	Annual Tons <i>Projected Average</i>
North District	7	1,560	4.5	29.8	37,326
	5		173.33		
South District	7	1,615	4.5	30.8	45,621
	5		179.44		

Flow of Organic Materials

MVD will direct haul to its new integrated organics processing facility located at its Kerman operations base.

Driver Activity Sequencing

The driver activity sequence for manual/automated cart collection is identical to the sequencing presenting in *Section 2.1 – Solid Waste Collection*.



2 Technical Proposal for Collection Services

2.3.2 Organic Materials Processing

Based on available waste characterization information and the tonnage information provided by the City, MVD anticipates it will collect and process these general volumes through the new program. With the addition of food waste and food-soiled paper, it is anticipated that contamination volumes will not exceed five percent. Year one tonnage figure are indicated in the preceding chart. A substantial shift in diversion is anticipated in mid-2014 when MVD's integrated organics processing facility comes on line and the program can be expanded to be a true organics collection program, including all food waste and food-soiled paper products.

Contamination

Contamination will be kept in check through the rigorous outreach program described in *Section 2.8*. It will also be kept under control through driver and facility operator observation. Moreover, MVD load check procedures will identify and document sources of contamination. All information will be utilized to inform MVD's education and outreach program ongoing; however, MVD will also contact repeat offenders and provide whatever assistance is needed to control contamination. Should any repeat offender fail to take corrective action to improve set-outs, MVD will not make the collection until the contaminants have been removed. In extreme cases, or based upon City preference, MVD will share this information with the City in order to permanently resolve any contamination issue.

Guaranteed Processing Capacity

MVD guarantees that it will process all loads of organic materials it receives and also guarantees processing capacity for the term of the *Agreement*. The generation point and contract will be identified during weighing and tracked and reported through MVD's Encore waste industry software application. This assures that all loads are accurately allocated to the generator/customer.

Integrated Organics Processing Technology

San Joaquin Valley Air Pollution Control District regulations regarding emissions from chip, grind, and compost operations will be mitigated through MVD's selected composting technology and through anaerobic digestion.

The following feedstocks will be accepted at the MVD for composting and/or anaerobic digestion.



Acceptable Materials

- Yard waste only
- Yard waste and food waste mixed (from residential sources and/or combined with one of the other material types)
- Food waste (from commercial sources)
- Wood waste
- Coffee grounds
- Pre-consumer vegetative food waste (Grocery Produce)
- Paper
- Grain
- Sod
- Manure (herbivore)

Process for Mixed Organic Material

The process begins with delivery of feedstocks including yard waste, source separated food waste, residual wood (as a composting process carbon source), agricultural land clearing debris, and other organic residuals as per any permit conditions. Trucks delivering organic materials for processing will check in with the scalehouse, be weighed, and directed to the covered tipping area.

As materials are dumped, plastic and other non-compostable materials will be removed by hand. The food waste and yard waste will be ground to assure contact between the food waste and yard waste. Screening will take place to remove large woody material and again remove the non-compostable materials. After screening the combined feedstock will be fed into a hopper then conveyed to the composting Phase 1.

Diverting Unacceptable Materials

Material will be rejected if contaminated with a prohibited material or if overly odorous and unmanageable. Diversion of unacceptable materials will be managed by returning them to the originating customer if possible. A detention area will be maintained to allow for reloading. Reloading will be attempted while the tipping vehicle is still present. If the vehicle has left, then the material will be recycled or disposed of as soon as possible. Request for container service will be made within eight hours of detection.



Prohibited Materials

Reasonable care will be taken to exclude prohibited materials, which are gypsum waste, gypsum waste paper, demolition debris, painted wood, preserved wood, stained wood, waterproofed wood, creosote-treated wood, chemically contaminated wood, plastic laminate, vector wastes, septage, hazardous wastes, and contaminated soils (soils that include pollutants in concentrations in excess of maximum limits).

Receiving Materials

The materials are designated into their proper category based on incoming customers' characterization and a load check. The weight of incoming materials is automatically recorded into the computer system via Encore software, a sophisticated software application that tracks truckload data and scale weights. The company will also develop and integrate LEED green building tracking and reporting capabilities which tracks load waste stream composition details and uploads them directly into MVD's database. This module will be utilized by MVD to track and report the composition of every load of material coming into its facility; it will be especially useful in monitoring and troubleshooting contamination issues.

Grinding and Blending

The GORE® Cover system (GORE®) is designed to compost organic feedstocks including:

- Fresh grass clippings and leaves
- Tree limbs and branches (ground)
- Supplemental bulking and inoculate material as required
- Food waste

Suitable supplemental bulking and inoculate material is defined as re-screened overs or other coarse screened products from the GORE® composting process amended with freshly ground tree branches and limbs containing moist wood, bark and leaves and urban wood. The particle size should be five inches and smaller, including some freshly ground fines to provide a more readily available carbon source for the heavily nitrogenous feedstocks. This material must be biologically active with microbes that have survived through the environment of the GORE® process to accelerate the onset of the composting process.

Feedstocks must be adequately prepared for composting in the GORE® Cover system. To be properly prepared, the feedstocks must be mixed together in a balanced ratio to obtain:

- A. A beginning carbon to nitrogen ratio (C:N Ratio) in the range of 25:1 and 35:1.
- B. A moisture content of approximately 60 percent.



To achieve this, MVD will use a grinder or mixer loaded with appropriate quantities of feedstock to grind and mix prior to discharge. Once properly prepared, the feedstock will be composted using the Aerated Static Pile (ASP) Method. ASP composting is a managed process that controls the biological decomposition and transformation of biodegradable material into humus-like substance while maintaining aerobic conditions throughout the compost pile. The process will generally follow the seven steps outlined below.

1. Material defined as Compostable Waste will be unloaded in the Tipping Building. This area will include the apron attached to the front of the Tipping Building. Woody material and material not defined as compostable waste material will be unloaded in a staging pile designated for grinding.
2. Yard waste\food waste feedstocks will be managed in separate parts of the building.
3. The head-space inside of the building will be maintained on continuous negative aeration while material is in the building. The fan system will allow four air exchanges per hour.
4. A loader will move material toward the grinder end of the building, mixing bulking agent in along the way.
5. Food waste will always be unloaded in the tipping building and allowed to drain. This will manage odors associated with the liquid. All Tipping Building material will be mixed inside the building then loaded into the grinder based upon material size and consistency. Un-mixed food waste will be covered with screen overs at night. Processing to the back of the building on each side will be accomplished every other operational day so older material storage will not occur.
6. Should any problems be observed, operational personnel will report them to the facility operation manager. Continual evaluation of the performance of the operational system and air system will occur in addition to the normal reviews outlined in our permits.

Operational personnel will maintain control of the Tipping Building area, maintaining clear signage and instructing truck drivers where to unload their type of material. When material is unloaded in the wrong location this material will be moved to the appropriate area as the highest priority and the truck driver will be re-instructed for future deliveries. Scale house personnel will initially classify material based on customers' characterization and make an initial determination of material type; operational personnel will make the final decision after reviewing material being unloaded.

Aeration, Phases, and Retention Times

Phase 1 composting will use the GORE® Cover system for aeration and processing during this most active and critical step in the compost process. In the first 14 days of composting it will be critical to have the material covered for control of odors, moisture, temperature, and air. The objective is to provide sufficient oxygen, contain odorous emissions, keep the environment suitable for bacteria to thrive, reach temperatures that kill pathogens, and produce a quality product. MVD has chosen the GORE® Cover system to accomplish this. This system has proven in many applications to achieve these goals. Phase 1, which includes active aeration, will take 30 days to complete. Each pile will be covered with the GORE® Cover during composting, which will mitigate air quality concerns.



At the end the first 30 days the composted material will have reached a stable level and the chance of odor release will be greatly diminished. The GORE® Cover will be pulled back and the material will be moved by loader to Phase 2. The material will be watered as needed to reach appropriate moisture and again piled. Oxygen demand will be greatly reduced, so the Phase 2 pile will be allowed to aerate by natural convection (rather than active aeration) and to age. This will take place for at least another 15 days.

During each of Phase 1 and Phase 2, monitoring will include measurement of stability, temperature, pH, and oxygen to ensure the environment in the pile will support a healthy aerobic bacterial population.

After 45 days of intense management, the compost will then be moved to Phase 3, which is a storage and aging phase. Fungus type organisms will continue to work on the cellulose and resistant organics. The aging pile can be broader and higher than Phase 1 and 2 because the oxygen demand will be much less and the nitrogen will be essentially converted to the organic state. The biological population will still be thriving and the product will now be suitable for a multitude of uses. Storage will be necessary because production is constant year round but the demand for product is seasonal. Reviewers will note the storage areas included in the site plan presented at the conclusion of this section.

Pathogen Reduction

EPA established the minimum criteria used for meeting human health objectives. These criteria are stated in the body of regulation entitled 40 CFR Part 503.32, (also referred to as the "503 Regulations"). The technical term for the minimum criteria to produce a Class A compost is "Process to Further Reduce Pathogens" or PFRP. The PFRP criteria for the aerated static pile and in-vessel methods of composting are stated as follows:

Pile temperatures shall be maintained at 55°C (131°F) or higher for a minimum of 3 days (i.e., piles must be covered to ensure minimum temperatures throughout the pile).

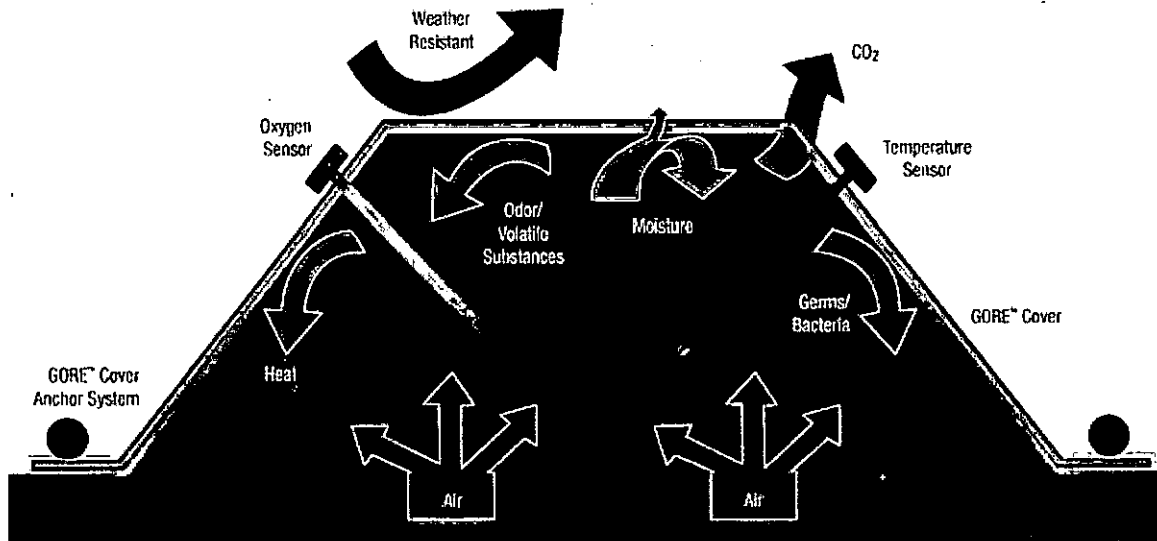
Product Finishing

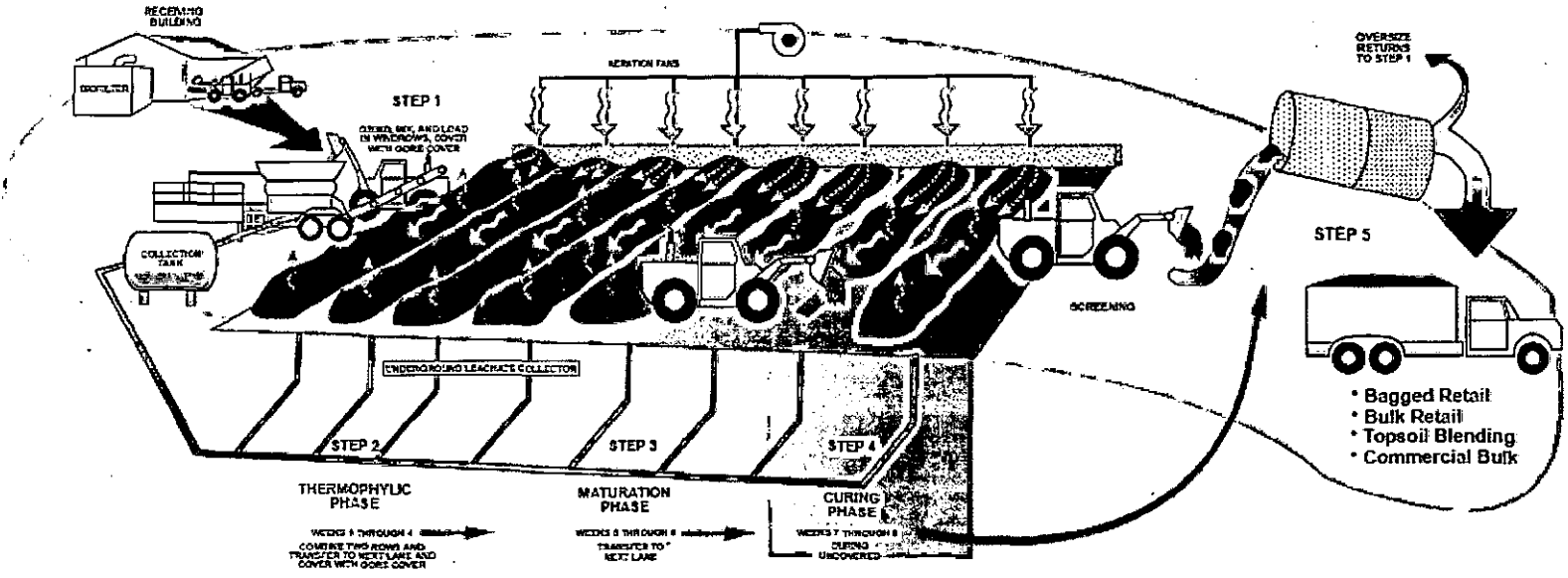
After 60 days of aging the material will be marketable to home type uses; agricultural application requires no aging. MVD will marketing heavily to agriculture (see *Section 2.3.3*).

The following graphics depict the GORE® process.



THE GORE™ COVER SYSTEM - CROSS SECTION VIEW





Process Pictogram

Gore Process Pictogram





Anaerobic Digestion (AD) Process Description

MVD is in the process of deciding which AD technology it will utilize in its facility. Essentially, in any of the systems it is consider, there are two key beneficial outputs:

- 1) **Biogas:** The production of biogas begins quickly after percolation. Biogas is generally collected in an embedded piping system in each digester and stored in roof-mounted double-membrane bladders. Stored biogas is available for addition into the combined heat and power system or compressed natural gas (CNG).
- 2) **Compost:** Compost is a high-quality organic soil amendment that reduces the need for chemical-based fertilizers, pesticides, and irrigation water. At the end of the 21 digestion cycle of the Elk Heights AD system, the sanitized digestate is removed from the digesters and used as the primary feedstock in compost production.

With respect to biogas, MVD is considering providing renewable combined heat and power, compressed natural gas, or a combination of the two. It is important to note that even with a relatively small amount of feedstock (10,000 TPY) the systems under consideration can produce approximately 60,000 to 65,000 diesel gallon equivalents (DGE) using off-the-shelf biogas upgrading equipment. The biogas upgrading equipment under consideration produces a low heating value off-gas that can be used to fuel a combined heat and power microturbine that can serve the electrical and thermal parasitic requirements of the AD facility.

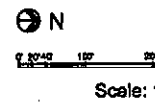
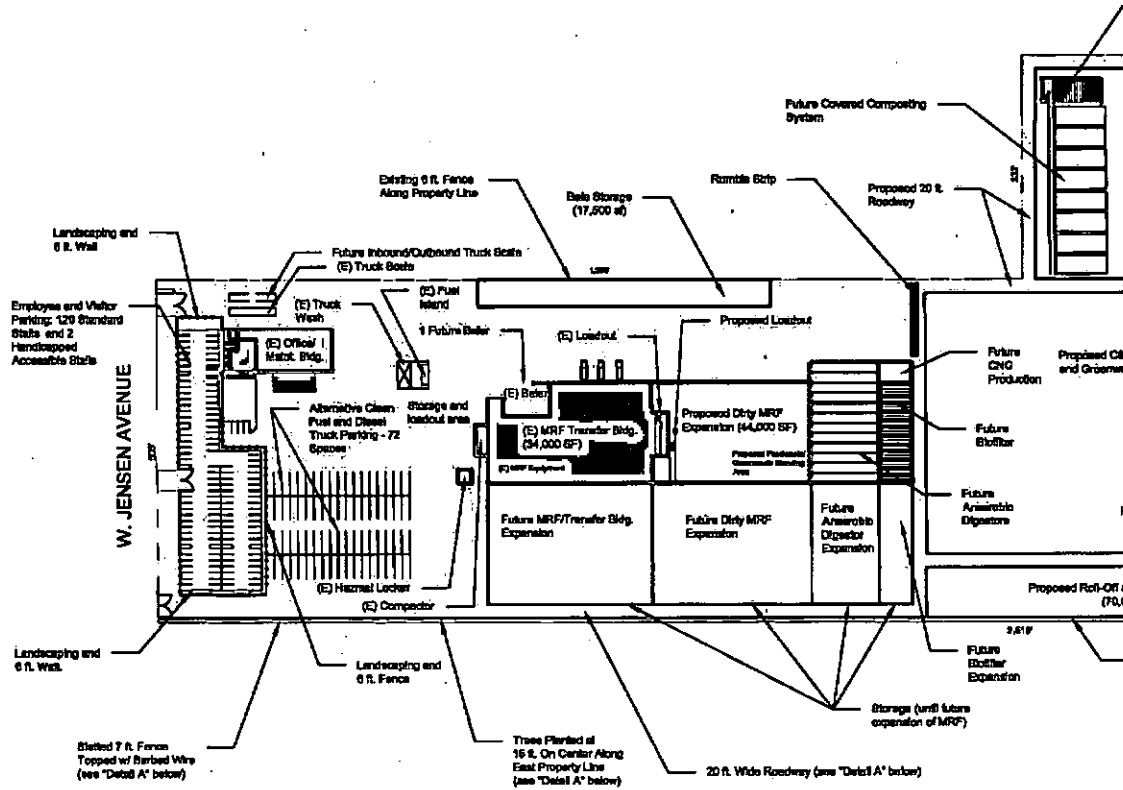
In terms of the production of compost at a dry AD Facility, at the end of the 21 day digestion cycle the sanitized digestate material is removed from the digesters and used as the primary feedstock in compost production. The digestate would be immediately undergo intensive ammonia stripping for 4 to 5 days. Following the removal of ammonia and some residual moisture, the compost is ready for maturation and curing in Phase II piles.

New Integrated Organics Processing Facility

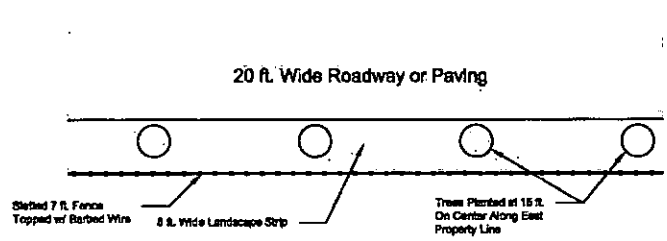
The site plan on the following page shows the fully expanded Kerman site, and the materials recovery facility and the integrated organics processing facility upgrades. Each component is identified with a Phase. A project schedule follows.



Section 2 – Technical Proposal for Collection Services



DETAIL A
(No Scale)
East Property Line Landscape and Fence Detail



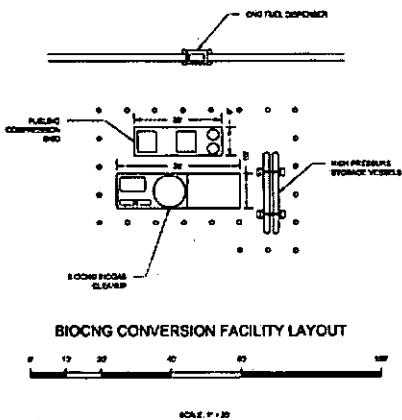
LEGEND

- Pavement
- Activity areas
- Landscape areas
- Proposed Buildings
- Existing Buildings

- NOTES**
- Site Address
 - APN: 23-08-
 - Site Area: 31
 - New curb, g
 - W. Church 5
 - 72 truck par
 - 181 parking
 - visitors and
 - (E) = Existin



Section 2 – Technical Proposal for Collection Services



CLEMENTS ENVIRONMENTAL
15230 BURBANK BL., STE. 102
SHERMAN OAKS, CA 91411

MID-VALLEY DISPOSAL RECYCLING & TRANSFER STATION
BIOCNG CONVERSION LAYOUT

SHEET 8 OF 8





2 Technical Proposal for Collection Services

2.3.3 Organic Materials Marketing

The following table lists the products that MVD team members have developed for a wide range of markets.

Product	End Use/Application
Certified Compost	Landscapes, gardens, soil amendments, farming, soil remediation, erosion control (berms, tubes), post-construction soil treatment
General Soil Blends (compost variations)	Planting, landscapes, lawn treatment, sod development, growers, construction projects, low-impact development
1" Minus	Filtering and stormwater berms and socks
Container Potting Mixed	For urban container gardens, vegetable pots, potted trees
Compost Blends	Soil amendments, lawn/garden applications, landscape renovations, site development, perennial bed treatment

MVD has many agricultural recycling programs in place, which has afforded MVD the opportunity to establish rapport with local farmers. This connection with the farming community will facilitate marketing to the agricultural community and is an excellent demonstration of closing the loop. However, MVD is also hard at work investigating and beginning the process of developing these other markets:

- ✓ Construction and landscape contractors
- ✓ Landscape architects
- ✓ Nurseries
- ✓ Landscape supply yards
- ✓ Property management associations
- ✓ Groundskeepers
- ✓ Golf courses
- ✓ Homeowners associations
- ✓ Commercial and real estate sales outlets
- ✓ Erosion control contractors/blower truck services

Large conventional and organic farmers producing high-value crops are MVD's main prospects for large quantity compost use. Based on preliminary discussions and research, typical compost usage per farm is in the range of 500 cubic yards annually. The proximity MVD's facility which will compost in a highly controlled, proven, consistent manner will facilitate finished product marketing to farmers and other consumers to more effectively close-the-loop.



2 Technical Proposal for Collection Services

Additional Information – Clean-Up Services

MVD has carefully investigated the City's two proposed clean-up options and has prepared pricing proposals, as requested by the City, for each option, as summarized below. In either scenario MVD will include clean-up information in service guidelines and on its website.

Guidelines will emphasize program do's and don'ts including clear messaging relating to unpermitted/hazardous wastes. Any such materials encountered will be tagged and left. MVD clean-up personnel will attempt to contact the resident while on site. If nobody is available a MVD customer service representative will attempt to make contact with the resident by phone to follow up. In the case of extremely hazardous waste or explosives, City of Fresno emergency services will be contacted.

In either instance MVD will divert as much material as possible by coordinating with charities, community groups, and non-profits to arrange for gleaning of reusable materials. MVD also will not use compaction equipment for the collection of reusable items. Customers will be instructed to separate and bag or containerize materials in such a way to optimize diversion.

Option 1 – On-Call Clean-Ups and *Option 2 – Scheduled Neighborhood Clean-Up Events* are described in detail on the following pages.



Option 1: On-Call Collection

Residents are allowed to schedule up to three on-call clean-ups by appointment per calendar year. If the City selects this *Option*, MVD will, as per the *RFP*, provide the clean-up service within five days or on the customer's preferred clean-up day. Under this *Option* residents will have the ability to place out for collection an unlimited amount of solid waste, recyclable materials, organic materials, other salvageable materials, furniture, building supplies, and other bulky items –such as appliances, weighing less than 200 pounds and no longer than seven feet in length.

When customers call in to schedule their clean-up a MVD customer service representative will review with them the program guidelines in detail and will confirm the appointment date. The material allowances, below, will be communicated to residents. Program details will also be posted on MVD's website.

Option 1 On-Call Clean-Up Allowances – Per Event

Material	Allowance
Bulky Items – Less than 200 pounds and 7' in length. <i>Appliances, Furniture, Lumber</i>	<i>Per City Standards</i>
Bagged Material	
<i>Solid Waste</i>	<i>Same</i>
<i>Recyclable Materials</i>	
<i>Organic Materials</i>	
Bulky Items	
<i>Appliances, Furniture, Lumber, Etc.</i>	<i>Same</i>
Other	
<i>Textiles</i>	<i>Same</i>
<i>E-Waste</i>	
<i>Toys/Rigid Plastics</i>	
<i>Building Supplies</i>	
<i>Scrap Metal</i>	



Option 2: Scheduled Neighborhood Clean-Ups

Neighborhood clean-ups are scheduled once annually for all residents. Should the City select this *Option*, MVD will coordinate a highly organized project with excellent communication and planning between City staff, emergency services, and Fresno's Public Transportation (FAX) to mitigate any potential safety hazards and ensure that road construction, bus routes, and public safety are factored in to the overall approach.

In general, MVD will schedule clean-ups to occur during the nine-month period, February through October. MVD will sweep through the City performing clean-ups route by route, one week assigned per route, each individual customer within the route footprint receiving their clean-up on their assigned collection day. Material allowances per customer are listed in the chart below. Each afternoon of the clean-up, MVD operations supervisors will survey the area to be serviced on the following day, and will assign the appropriate amount of labor and equipment to ensure that the materials placed out for collection on that entire route day are collected and that the area is left completely clean. The next morning MVD will sweep back through the prior day's area to make sure additional materials haven't been placed out by residents before tackling that day's route.

MVD will manage outside scavenging of materials through the timed release of direct-mail information to customers, which will be sent via first class mail in waves, by route, approximately ten days prior to the scheduled week to allow residents approximately one week to prepare. Information will also be posted to MVD's website. The events can be advertised in local newspapers and other online sites, depending upon how sensitive the City may be to scavenging activity.

Option 2 Neighborhood Clean-Up Allowances – Per Event

Material	Allowance
Bulky Items – Less than 200 pounds and 7' in length.	
<i>Appliances, Furniture, Lumber</i>	<i>Per City Standards</i>
Bagged Material	
<i>Solid Waste</i>	<i>Same</i>
<i>Recyclable Materials</i>	
<i>Organic Materials</i>	
Bulky Items	
<i>Appliances, Furniture, Lumber, Etc.</i>	<i>Same</i>
Other	
<i>Textiles</i>	<i>Same</i>
<i>E-Waste</i>	
<i>Toys/Rigid Plastics</i>	
<i>Building Supplies</i>	
<i>Scrap Metal</i>	



2 Technical Proposal for Collection Services

2.4 Implementation Plan

The objective of this Section is to convey how MVD will expand and roll-out residential² collection services in Fresno according to the City's requirements outlined in its *RFP for Residential Solid Waste, Recyclable Materials, and Organic Materials Services*. As highlighted throughout this *Proposal*, MVD has established infrastructure and operations throughout the local area, and in particular as a current contractor in the City of Fresno, rendering commercial collection services to the South District. The Company is familiar with the service area and has implemented the City's requested scope of services in other local jurisdictions provided in *Section 1*. As with the commercial roll-out, MVD looks forward to collaborating with City staff once again to roll out the selected services in a seamless manner.

MVD is committed to working with the City to ensure compliance with State-mandated diversion objectives as well as helping to create an enhanced quality of life in Fresno. Implementing and operating programs with that demonstrate partnership between City and Contractor and that feature strong community involvement and diversion components have been key to MVD's success with its cities.

General Approach to Services

MVD will provide all labor, supervision, materials, and equipment necessary to provide for the automated collection and disposal of refuse, and the automated collection and processing of recyclable materials and green waste from all customers utilizing the equipment indicated in previously in this *Section*. Procuring and utilizing units from the City's existing fleet, MVD vehicles meet and exceed the highest equipment specifications and safety standards in the industry.

MVD ensures all vehicles will, at all times, meet all specifications set forth in the *RFP* and this proposal, and are and will continue to be fully compliant with all environmental standards, rules, and regulations including those set forth by the US EPA, CAL/EPA, the California Air Resources Board (CARB).

MVD will continually promote recycling and organics participation at every opportunity to all customers through the methods indicated in this *Section*.

A smooth transition is a critical element to the success of a new program and in building confidence and rapport with customers. *Section IV* provides a summary description of MVD's past experience with new program and contract start-ups, as indicated in *Section 1*.

² Residential is defined as premises with less than five units designed or used for residence or dwelling, whether permanent or temporary in nature (*draft Agreement*).



MVD is known for its well organized and systematic planning and implementation of new contracts with particular emphasis on excellent communication between MVD, the City and the service recipients prior to, during and after the start-up of a new contract. With every new contract, MVD prepares an implementation plan that details the division of duties and responsibilities among the various key employees, specific tasks and procedures, timeline for completion, and checklists for completion of required tasks. To ensure a smooth and orderly transition MVD's Implementation Plan begins upon the execution of the contract. A preliminary *Implementation Timeline*. Detailed information relative to public education is included in *Section 2*.

Recruit and Train Displaced Workers

As previously done in connection with implementation of commercial collection services in Fresno, MVD will host an open house for displaced City workers. During the open house, MVD will present an overview of the Company, MVD policies and procedures, and will explain and guide prospective employees through the application process. Attendees can also have all of their questions answered on the spot during a question and answer period.

Staffing Plan

In order to preserve safety as the highest priority, MVD employees are experienced in their individual areas of expertise, are active members of the solid waste industry, and many of the employees engaged in local area operations have been so for many years. MVD will provide extensive training and guidance to new employees and continuing training to existing employees such that MVD's employee pool consists of only the most highly qualified personnel to perform all duties associated with this contract. MVD will also seek to recruit Fresno residents for open positions wherever possible and appropriate throughout the term of the *Agreement*. Every management team member involved in the transition has extensive experience in successfully implementing new municipal contracts.

Initial Scoping Session and City Staff Participation

Immediately upon contract award the key transition team members will meet to review and outline all program requirements and specific requirements of this contract. The MVD team will be fully accountable in meeting all program objectives, key contractual requirements, timelines, and important milestones, as well as to assign specific responsibilities to MVD staff and monitoring performance related thereto.

An overall detailed implementation and transition plan, based on the above and the general *Implementation Plan* included in this section will be fully developed in the two weeks following contract award, as well as a summary outline of all operational and administrative obligations and requirements as per the *Agreement*. MVD will work in a consultative manner with City staff in order to both meet contractual requirements, seeking input and approvals as appropriate throughout the process.



Transition Team Responsibilities

This transition team will be responsible for implementing the transition plan and ensuring a smooth service takeover in the service area(s). The detailed plan will include:

- ✓ Adoption of existing routes;
- ✓ Transferring customer account information to MVD's Encore customer management system and verifying customer information;
- ✓ Matching displaced workers to their current routes in as many cases as possible or as desired by the employee;
- ✓ Procuring the quantity and type of vehicles and equipment needed from the City and shifting them methodically out of service in order to properly identify them as per City requirements;
- ✓ Training personnel;
- ✓ Documenting the condition of carts and making plans to exchange those in need of repair;
- ✓ Preparing informational and educational materials for residential customers;
- ✓ Rolling-out a public education and informational program during the start-up period;
- ✓ Refining the ongoing public education program to City preferences and contract requirements;
- ✓ Blending Fresno contract customer service performance requirements and program/contract specifics into MVD's existing customer service program;
- ✓ Conducting employee training; and
- ✓ Establish reporting requirements for the City and to City preferences.

In addition to implementation responsibilities, MVD key personnel will utilize its existing community channels in Fresno and expand those in order to involve itself with community relations activities, civic organizations, public education, and program promotion with respect to its residential customer base to further zero waste program objectives and maintain visibility and a good standing as a responsible and involved corporate citizen.

MVD's key transition team members will meet once a week (or more frequently, depending upon the circumstances) throughout the start-up phase of the transition to ensure that all goals, objectives, and timelines are met. MVD's designated contractor representatives will meet and/or communicate with the City weekly, with updates regarding the implementation and transition process.

Customer Service during Transition

Customer Service Representatives (CSRs) will handle service and billing-related inquiries and customer concerns and requests with the courtesy and efficiently. MVD CSRs undergo extensive initial and ongoing training to ensure the highest quality of service to MVD customers. MVD representatives are trained in customer service techniques such as:

- Utilization of MVD's phone system;
- Customer interaction protocol;



- MVD policies and procedures for responding to any service or billing concern;
- Use of the customer account database and all features.

Fresno City Customer Service Reference Manual

MVD's customer service resource manual will be updated to include information pertaining to the new Fresno contract. These are some of the items the resource manual will address:

- 1) Key contract provisions, including , for instance, information regarding rates, service types, billing and payment procedures, pick-up schedules, hours of collection, container set out requirements, procedures regarding additional containers and container replacement, extra pick-ups, overage allowances, special events—such as holiday tree collection and clean-up events, drop-off programs (if applicable), acceptable recyclable and organic materials, qualifications for fee discounts and the application process (if applicable), holiday schedule, and program dos and don'ts.
- 2) All CSRs are supplied with a surplus of mailers and brochures to be distributed to customers upon request.
- 3) How to manage prior billing discrepancies during the interim period. MVD will work with the City to develop a plan to consistently address such inquiries through the first few billing cycles according to City expectations and preferences.

Equipment Acquisition

Vehicles

Upon contract execution, MVD will procure all of the necessary vehicles from the City to perform its collection responsibilities. MVD will coordinate with the City to ensure the vehicles reflect City preferences in signage and painting.

Carts

MVD will procure the City's carts and will ensure there is an ample buffer inventory for exchanges. MVD generally maintains a cart inventory of approximately five percent at all times. For uniformity, MVD will continue to procure Toter carts.

Route and Customer Database Development

MVD has successfully achieved seamless transitions to new services when awarded a new franchise contract, and has privatized residential collection services as indicated in the experience examples presented in *Section 1*. MVD intends to obtain detailed route maps and customer information from the City as soon as the contract has been executed, and will take over collection routes utilizing the same collection personnel wherever possible in order to ensure the transition is seamless. As customer data is



input into MVD's Encore customer management system, routes will also be assigned based on the City's route information. Encore also has a route optimization feature which will be used to improve the safety and efficiency of routes within existing collection days. Route maps will be created and submitted to City staff for approval prior to implementation.

As is evidenced in the routing details included in the reference projects as part of this *Proposal* and through the routing methodology provided in this section's *Appendix*, MVD places great importance on intelligent, efficient routing. Because of this, during the first six months of service, MVD operations staff will review all routes to ensure they are as safe and efficient as possible. MVD will always, to as great an extent as possible, try to maintain each customer's collection day even when implementing a route sequencing change.

As a key component to our start-up and transition, MVD will—prior to the operations start date—conduct a thorough field audit throughout the service area to ensure MVD is completely familiar with the routes. The audit may include route shadowing, especially in medium to high density areas. MVD personnel have already conducted a preliminary field survey in the service area(s) as a precursor to submitting this proposal in order to assure an accurate *Price Proposal*. This preliminary assessment will be expanded as part of the full audit to be conducted by MVD during the pre-startup phase.

Preliminary Customer Database Information

Initially, MVD will use the customer account information received from the City to create a preliminary database suitable for checking routes and to create an initial customer database that will form the basis for future billing and work order preparation. MVD plans to complete this step through receipt of data files from the City.

Development of Routing System and Route Sheets

Prior to commencement of collection service, MVD will create a routing system to enable the production of route sheets and route maps to be used (daily) by our drivers (and updated daily for service level changes). MVD will generate sequential routing, route entry and exit points, and route maps for the areas to be served. The routing information will be up-loaded back into MVD's customer management database.

MVD will design and develop routes in an effort to minimize impacts on service recipients. To the extent possible, MVD will develop route patterns and schedules aligned to current collection schedules to minimize service interruptions and unnecessary confusion to residents.

In addition to the above, MVD will pay close attention to the following issues when developing routes:



- **Hours of operation**
MVD determines the number of vehicles to be utilized and the ways in which these vehicles will be routed given the parameters of collection hours that are specified by the draft *Agreement*.
- **Traffic patterns**
MVD attempts to design routes that are opposite to peak traffic patterns within the service area(s), to the extent possible or applicable. This is not only beneficial to the service area but increases MVD's collection efficiencies.

Transition Timeline

The transition timeline on the following pages reflects the elapsed time necessary for each of the items discussed in this section.

Schedule of Key Operations Tasks

This schedule anticipates time requirements to accomplish tasks. It can be programmed to accommodate any contract award date and adjusted to reflect subtasks.

- **Execute Agreement with City**
The official ramp up period begins, which triggers all other tasks, below.
- **Procure Vehicles**
MVD procures collection vehicles and containers from the City for the Service Area.
- **Conduct Route Shadowing**
Follow and document residential collection routes. Unique property attributes such as non-conforming collection points, backyard service recipients, and hard-to-service areas will be noted.
- **Database Matching/Finalize Routes and Route Maps**
Database information gleaned from route shadowing and auditing is matched against account information obtained from the City.
- **Host Displaced Worker Open House and Job Fair**
Present an overview of MVD, its policies and procedures, employment requirements, and guide potential employees through the application process.
- **Driver and Customer Service Review Sessions**
MVD will conduct driver and customer service review training sessions to ensure everyone understands service parameters and is familiar with their new positions.



Schedule of Key Administrative Tasks

- **Develop Public Education and Outreach and Other Collateral Materials**
The Company anticipates beginning coordination efforts with the City on an organized, effective outreach campaign based on some or all of the ideas presented in this submittal. MVD will conduct a thorough review of all materials, including standard forms, and will revise them according to Fresno service requirements. MVD is confident that, working collaboratively with the City it can implement an effective customer education program in the necessary timeframe.
- **Print Collateral Materials**
As soon as all collateral materials are developed, printing will be expedited.
- **Mail Introductory Packets**
Introductory packets which announce the transition to MVD as the new service provider, but which also reassures residents that the same great people will be rendering services. Introductory packets could also include information about billing and rate changes, as approved by City staff.



Section 2 – Technical Proposal for Collection Services



Task	November		December		January		February		March		April		May	
Administrative														
Complete Negotiations		X												
Contract Approval				X										
Most Displaced Worker Open House					X									
Employment Offers							X							
Employee Meetings and Training – Paid							X	X	X	X				
Education and Outreach														
Design/Print Transition Materials				X	X	X	X							
Update/Refresh Website					X	X	X	X	X	X	X	X	X	
Schools Program												X	X	X
Operations – Site Assessments and Routing														
Customer Database Development					X	X	X	X						
Route Shadowing					X	X	X	X						
Customer Database/ Routing Updates							X	X						
Route Mapping							X	X	X					
Equipment														
Procure Trucks and Carts						X	X	X						
Procure Buffer Inventory of Carts							X	X						
Operations Start Date										X				



2 Technical Proposal for Collection Services

2.5 Billing

MVD has reviewed the *RFP* and draft *Franchise Agreement* as to the City's billing and collection requirements. MVD currently performs billing services in the jurisdictions referenced in the following chart. Billing samples are included as *Exhibit A*.

Jurisdiction	Generator Type	Cycle
County of Fresno	Commercial	Monthly in Advance
County of Fresno	Commercial	Monthly in Arrears
County of Fresno	Residential	Bi-Monthly in Advance
County of Kings	Commercial	Monthly in Advance
County of Kings	Residential	Bi-Monthly in Advance
County of Kings	Residential	Monthly in Arrears
Armona	Commercial	Monthly in Advance
Armona	Residential	Monthly in Arrears
Avenal	Commercial	Monthly in Arrears
Avenal	Residential	Monthly in Arrears
Coalinga	Commercial	Monthly in Arrears
Coalinga	Residential	Monthly in Arrears
Firebaugh	Commercial	Monthly in Advance
Firebaugh	Residential	Monthly in Arrears
Fresno	Commercial	Monthly in Advance
Huron	Commercial	Monthly in Arrears
Huron	Residential	Monthly in Arrears
Kerman	Commercial	Monthly in Arrears
Kerman	Residential	Monthly in Arrears
Kettleman City	Commercial	Monthly in Arrears
Kettleman City	Residential	Monthly in Arrears
Laton	Commercial	Monthly in Arrears
Laton	Residential	Monthly in Arrears
Mendota	Commercial	Monthly in Arrears
Mendota	Residential	Monthly in Arrears
San Joaquin	Commercial	Monthly in Arrears
San Joaquin	Residential	Monthly in Arrears



Billing Procedures

The following schedule conveys MVD's billing procedures and process. MVD proposes billing Fresno residential customers monthly in advance.

Step	Description
1	Customer service change requests are completed, and financial adjustments are posted.
2	Customer service change requests are verified by the accounting manager to find potential data entry errors.
3	Excel reports are run to verify customer accounts are coded with correct billing cycles, service codes, and division codes.
4	Aging reports for all lines of business are printed.
5	Recurring billing charges are assessed and posted.
6	Statements are printed by aging categories.
7	Summary billing reports are printed.
8	Aging reports for all lines of business are printed.
9	Charges are closed.
10	Aging category data is adjusted for new billing period.
11	Statements are taken to outsourcer for mailing.

As indicated in *Section 1*, MVD has implemented several city-wide collection contracts and has successfully created customer/billing databases in those processes. Because the City is the service provider at this time, and based on the excellent quality of the information provided by the City to proposers in this process, MVD anticipates having no problems transferring and data and initiating billing of Fresno residents.



Transmission of Billing Data and Sample Invoices

MVD utilizes Encore software. All account and activity information is easily formatted and output through any number of built-in reports or can be downloaded into Excel where it can be easily manipulated into report formats that are agreeable to the City. The software is very versatile. Sample reports are included in *Exhibit B*.

Accuracy of Information

Billing information will be verified prior to start of service through the physical route auditing process, as well as through the response received from customers once notification of the new program has been sent out. Furthermore, MVD continually audits its routes. If ever there is a discrepancy, or a customer does not understand his/her bill or she/he believes there is an error, MVD sends a customer service representative to the site to check the premises and meet with the business or property manager, if need be, in order to correct any inaccuracies. Also, MVD is very proactive with contacting its customers by telephone.

Customer Service Relative to Billing Demands

MVD's customer service department responds to billing inquiries at the time of call. If research is required Customer service response time is responded to in less than 1 hour. If a site visit from a manager is required it is accomplished in a 24 hour period. For this contract, MVD will add two accounting clerks per District.

Bad Debt Experience

MVD has a very low percentage of delinquent accounts. The Company has an organized and proactive approach in place to minimize the accumulation or continuation of bad debt. Customers are called when accounts are 45 days past due. They are given the opportunity to make a payment by Visa, Master Card, Discover, or check by phone. If payment is not received by the next service day they are put on stop service. The service is interrupted for three weeks. If no payment has still been received a second phone call is made to advise the customer that the container will be removed if payment is not received. MVD will accept low good faith payments to prevent containers from being removed and using a third party collection agency.

MVD's bad debt ratio is low compared to the industry average, with an approximately 1% of revenues owed attributable to bad debt.



2 Technical Proposal for Collection Services

2.6 Customer Service Plan

MVD is committed to providing services of the highest quality. Also, the Company intends to deliver those services with pride and professionalism. Furthermore, MVD understands and keeps in mind that service is all it has to offer. Not only that, but none of the affiliate companies would have been in business as long as they have if rendering excellent service weren't such a high priority.

MVD's key personnel, through their extensive personal histories as well as respective company histories, have learned that people generally do care about their garbage, which becomes quite evident if they ever happen to experience a missed collection—or even a perceived missed collection. People have come to rely on it, and because of that, if the company fails to deliver as promised, it's very disappointing.

The Company's commitment to quality service that when customers are disappointed or upset, the MVD's approach is to avoid labeling the as to who is right or wrong, but instead simply seek a solution that satisfies the customer. MVD customer service representatives are also continuously reminded to think like a customer.

MVD's Customer Service Manager, Lisa Helm is committed to quality performance, which is evidenced by the longevity and success of her varied career in waste management. She knows how excellent customer service sustains contracts which translate into revenue and over time, with wise management make a company established and vital in the community. Lisa's decades experience as a customer service representative then manager in the solid waste and recycling field. She has a calm, organized demeanor and a can-do attitude, and will administer this customer service program with the Company's complete confidence in her. Please refer to *Section 3* to review the resumes of these individuals.

The Company is also fortunate to have on board a talented Operations Manager who relates well to drivers, the public, and can quickly find a resolution to challenging situations and when under pressure. His fairness garners driver respect; his ability to communicate with individuals at all levels and of all walks of life makes him approachable.

With these sorts of key people at the helm, MVD is confident that the people component of the Company will please the City and citizens of Fresno. MVD knows that it's the frontline people that make all the difference: drivers, customer service representatives, field service supervisors. The cleanliness and appearance of company equipment also makes a statement, as does the appearance and energy of the front office.

These are the core concepts of MVD's customer service program:

- ✓ **First impressions matter:** Whether the first impression that registers with a customer is a phone call with one of our customer service representatives, or the observation of MVD service performance or driver mannerisms, or the appearance of collection vehicles: friendliness, neatness, simplicity,



appropriateness, reliability, caring, and concern are all attributes that either help or hinder ongoing customer relations. Milliseconds count. MVD will therefore always keep this in mind and try to make an excellent first impression.

- ✓ **Courtesy counts:** Most people are very decent. It is MVD's experience that even if a customer is angry, when they are allowed to vent their frustrations and feel as though they were treated with respect, they will usually become calm and offer a "thank you" at the end of a call. If this can be accomplished, the customer has been won over, and the employee feels relieved. MVD's goal will always be to make the best effort to have customer interactions begin and end on a positive note.
- ✓ **Doing the right thing is always most rewarding:** MVD encourages doing the right thing by reviewing problematic situations/posing hypothetical problem situations at training or coordination meetings and asking: First, if an employee knows issues will be constructively reviewed they will put more effort into managing customer interaction correctly because they will know their performance is monitored and does matter. Second, MVD believes that most people know what the right thing to do is, but often either do not feel empowered to do the right thing, or have had past experiences where their good decisions and actions were not acknowledged. The Company will make the effort to recognize good customer service and will always review challenging situations—even when they were perfectly managed—such that the entire customer service staff can benefit from the experience.

Customer Service Staffing and Training



The current MVD customer service staffing is comprised of six full-time customer service representatives (CSRs). For this contract MVD will add three new CSRs per District. Each CSR is provided with a resource manual that lists pertinent details about each jurisdiction, service and program requirements, and other general information to enable CSRs to promptly, professionally, and courteously respond to customer requests. A copy of the resource manual is included with this submittal in a separate binder.

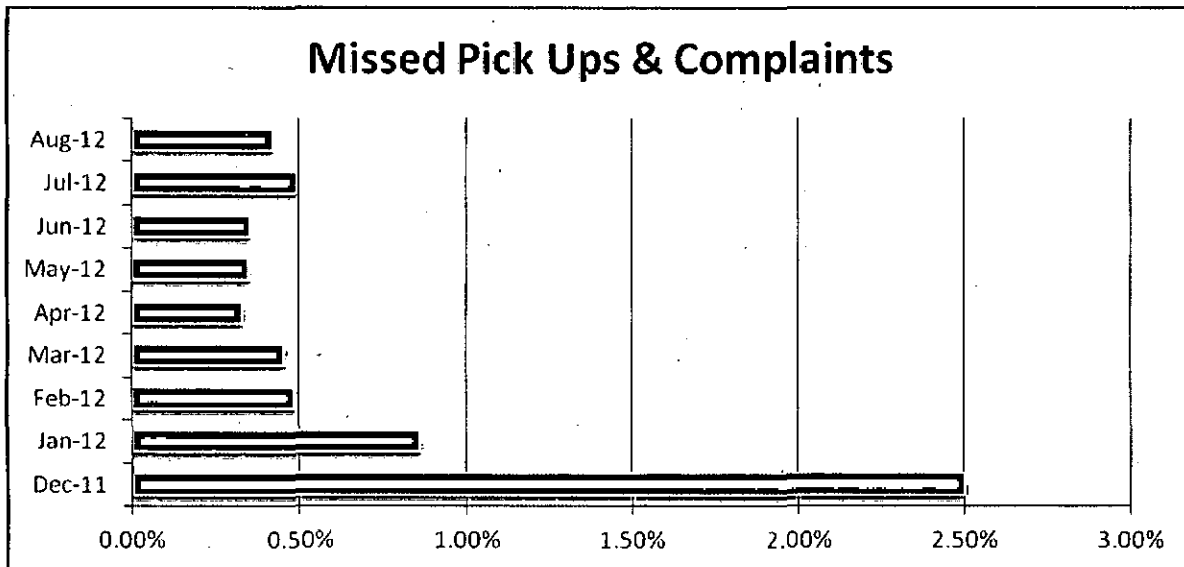
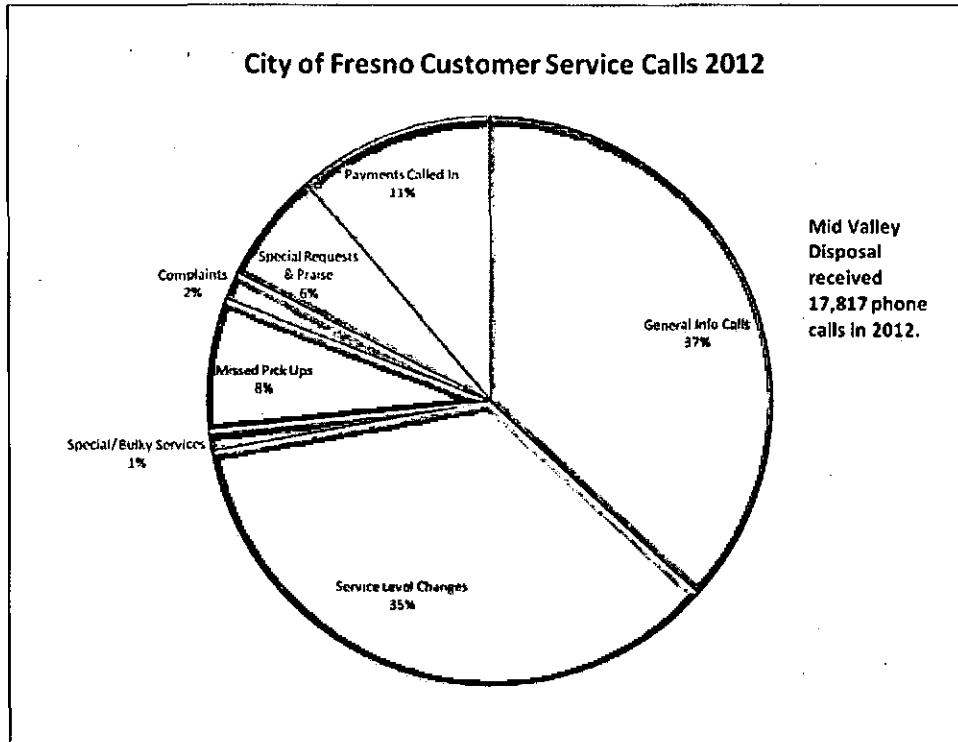
New hires sit with a highly experienced CSR for five days for observation and training. They are then shadowed and coached by a CSR for three weeks. Each new CSR is placed at desk near the Office Manager so that calls can be monitored and we can continue to improve CSR skills. Formal training is conducted monthly with impromptu training daily and weekly depending on need.

Phone Call Metrics

All incoming telephone calls are answered in three rings or less by a human being. Standard protocol is that a live receptionist answers on the first ring and directs call to proper department. A CSR will answer the call directly on the second ring and assist the caller. In the rare instances when the telephone rings a third time, a manager will answer and assist the caller. MVD's average hold time is less than twenty seconds



The following charts indicate the types and volumes of customer service inquiries MVD CSRs manage.



Mid Valley Disposal on average services 43,195 containers per month. We are proud of our phenomenal success in keeping customer complaints and missed services to less than a half % of the total services performed each month.



Email and web response times are immediate. Management is equipped with mobile devices to receive emails.

MVD prides itself on delivering customer service of the highest quality and professionalism. MVD managers continually remind their employees that customer service is all the Company has to offer.



MVD's key personnel, through their extensive industry experience, have learned that customers really do care about the quality of their service, which becomes quite evident if they ever happen to experience a missed collection—or even a perceived missed collection. MVD customers have come to rely on the Company's consistent service.

When MVD does miss the mark and a customer is disappointed or upset, MVD's approach is to listen and then simply seek a solution that satisfies the customer and permanently resolves the service issue. MVD customer service representatives are regularly reminded to think like a customer in order to access a solution-oriented frame of mind that is soothing and constructive.

MVD's Customer Service Manager, Lisa Helm is committed to quality performance, which is demonstrated by the longevity and success of her career in waste management. She knows how excellent customer service sustains contracts which translate into revenue and over time, with wise management make a company established and vital in the community. Lisa possesses decades of experience as a customer service representative then manager in the solid waste and recycling field. She has a calm, organized demeanor and a can-do attitude, and will administer this customer service program with the Company's complete confidence in her.

Lisa has developed and implemented a comprehensive customer service training program that features a detailed resource manual, one-on-one training, call monitoring and review, scripted responses to common inquiries and concerns, and planned, formal customer service staff meetings. Please refer to *Section 1* to view Lisa's qualifications.

MVD is also fortunate to have on board a talented Operations Manager who relates well to drivers, the public, and can quickly find a resolution to challenging situations and when under pressure. His fairness garners driver respect; his ability to communicate with individuals at all levels and of all walks of life makes him approachable.

With these people directing and overseeing operations and customer service, MVD is confident that the people component of the Company will please the County and citizens of Madera. MVD knows that it's the frontline people that make all the difference: drivers, customer service representatives, and field service supervisors. The cleanliness and appearance of company equipment also makes a statement, as does the appearance and energy of the front office.



Type and Description of Customer Management Software Used

MVD uses a software application called Encore, which is Microsoft certified. The Company selected Encore because of the dispatching and customer service components. Route or service problems can be tracked easily at the route level, which transfers into customer notes. Customer service note-taking and service orders can also be created and tracked efficiently. Online payments are processed through a web portal. Encore has user-friendly Crystal Reports built into it as well. Sample reports are included in *Attachment D*.

Capabilities and features Include:

- Customer Management
- Integrated Email
- Customer Website Portal
- Accounts Receivable Billing and Accounts Payable Accounting
- Brokerage Tracking with Shipping Reconciliation
- Onboard Truck Computer Integration
- On-Call Services, Roll-Off, Recurring Route Mapping and Route Optimization
- Scale Management: Transfer Station, Landfill, MRF, and Recycling Facilities
- Link Pictures and Attachments to Scale Tickets and Work Orders
- Split Ticket Multiple Customer, Multiple Material Loads
- Recycling Management: AP, AR, and MRF Management
- Process, Purchase Order, and Sales Order Management
- Fleet and Equipment Management and Maintenance

Responding to Common Customer Concerns

Although MVD prides itself in having developed systems and a culture of full accountability to avoid operational missteps that generate customer concerns, MVD management of common customer concerns is presented below. As indicated in the draft *Agreement*, MVD will provide reporting to the County relative to customer complaint abatement, within five days of the occurrence. However, MVD attempts to permanently resolve all customer complaints within a 24-hour period.

Missed Collections

MVD has a miss rate of approximately one percent, well below the industry average. Route supervisors spend nearly 100 percent of their time supervising routes in the field to make certain that all driver tasks are completed as scheduled. If a missed collection occurs, MVD's dispatcher makes every attempt to collect the miss the same day it is reported, either through the assigned driver (if still out on the route), a driver from a neighboring route, or through the route supervisor. From time-to-time a miss must be collected the following morning if reported late in the workday.



Spills and Litter Resulting from Collection Activity

MVD only receives spills and litter complaints during windy conditions. MVD trucks are equipped with lids that are regularly utilized, and roll-off loads are tarped. Again, route supervisors are primarily in the field rather than working behind a desk. They are tasked with checking collection routes to ensure all collections have been made and collection areas and streets are clean.

Broken or Missing Containers

MVD drivers call in all damage immediately regardless of severity and the route supervisor follows up to document all findings. Drivers are tasked with reporting containers in need of repair immediately. If possible, repairs are made on-route immediately, as is the case with a broken lid or caster. If damage is more severe the container is exchanged immediately and the damaged container repaired.

Noise Complaints

MVD's routing approach protects residential areas which are more sensitive to collection activity noise. Commercial stops located adjacent to residential areas are sequenced toward the end of the route so that early morning collections do not occur and disturb residents. Even though MVD has never encountered this problem, if persistent or multiple noise complaints were received in connection with a particular route the matter would be investigated immediately and routing changes made to mitigate the problem. MVD's Operations Manager would follow up to make certain the problem was permanently resolved.

Traffic and Sidewalk Obstruction during Collection

MVD prides itself on maintaining open lines of communication with the Public Works and emergency response personnel in the cities it serves, which helps the Company anticipate when road construction will occur such that collection activity can be temporarily routed around it. If an unforeseen obstruction occurs, MVD drivers are to call the matter into Dispatch and work through an MVD-approved solution. Communication with the jurisdiction and/or affected customer(s) occurs as appropriate.

Safety Around Collection Vehicles During Operations

Drivers receive extensive driver training, as fully described in the preceding subsection Training and Policy Coverage.

Website

MVD's website address is: www.midvalleydisposal.com. MVD considers its website to be more than just a web presence, but rather a fully functioning and interactive website that not only provides current information but also keeps MVDs public up to date on its activities, as well as provide online services such as the ability to pay bills on line or request a waste audit. For Madera County, MVD will again update its website with a pull-down menu specifically for Madera County residents and businesses.



2 Technical Proposal for Collection Services

2.7 Environmental Considerations

MVD is committed to environmental stewardship, which is evidenced through the Company's progressive initiatives and plans to increase and enhance recycling operations as well as develop full-spectrum organics processing at its Kerman facility. MVD also walks its talk by having implemented resource recovery programs and buy recycled procurement policies throughout its own operations. The following specific plans are described to address the City's *RFP* requests.

Clean Air Vehicles

MVD procured the City's LNG collection vehicles in connection with Fresno's commercial contract and has been pleased with their performance. MVD will also procure LNG vehicles for the North District and LNG vehicles for the South District from the City in connection with any associated contract award. These vehicles will be put into immediate service on the residential contract. Furthermore, as indicated in *Section 2.3.2 – Organic Materials Processing*, MVD has plans to scrub biogas to fuel its fleet in the future. That's a longer term commitment and investment that is clearly worth pursuing.

Hazardous/Unpermitted Waste

If MVD personnel encounter hazardous or unpermitted waste during collection activities and prior to dumping, an attempt will be made to contact the generator immediately. If the generator proves unreachable, the material will be left, and a *Corrective Action Notice* will be applied to the container indicating the reason for non-collection and also directing the generator to the Alameda County Household Hazardous Waste program. This information will be recorded in MVD's customer account database.

If the waste poses an eminent threat to people or property MVD will immediately contact the closest Fire Department. In the case where the hazardous material are discovered at the landfill or transfer station and an attempt will be made to identify the generator to request removal and proper disposal. If identification of the generator is not possible or the generator fails to claim and handle the material, MVD will arrange for proper disposal of it.

The generator, if known, will be billed for proper disposal. Additionally, MVD's hazardous waste, spill response, and fire response protocol is included on the following pages. MVD will implement a Load Inspection Program to further address this issue as per the draft *Agreement*.



Hazardous/Waste Screening Protocol

The objective of MVD's *Hazardous/Unpermitted Waste Screening Protocol* is to prevent forbidden wastes from entering the waste stream through any of the weekly collection services or special services provided by MVD, and/or to manage forbidden wastes inadvertently collected through weekly collection or special services. Hazardous/unpermitted wastes include:

- 1) Materials that are not Solid Waste, including Universal Waste³, household hazardous waste and other hazardous waste, medical waste, radioactive waste;
- 2) Waste tires in excess of the limitations prescribed in 14 CCR 17355(b) or reduced in volume as required in 14 CCR 17355(A);
- 3) Any other materials that cannot be disposed of in class II sanitary landfill described in 27 CCR 20250.

Fully-automated collection systems protect worker health and safety by creating a buffer between worker and waste. These systems make it more challenging to detect the entry of unpermitted wastes into the waste stream. The following components deter improper disposal of unpermitted wastes:

Customer Education

MVD will educate its customers about hazardous/unpermitted wastes through every outreach campaign element used.

Employee Education

All new employees will receive training regarding hazardous/unpermitted waste identification, safety, and notification procedures. Furthermore management, drivers, and customer service representatives will receive annual hazardous/unpermitted waste screening protocol training. Drivers will be reminded about the importance of unpermitted waste screening protocol at each monthly safety meeting, and will receive additional training as needed based on field incidents. MVD will include identification training of unpermitted wastes with special emphasis on hazardous wastes, flammable, combustible, and explosive material. Upon contract award, MVD will circulate its draft *Hazardous/Unpermitted Waste Screening Protocol* to the MVD/Fire Department for review and input such that the final document reflects local jurisdiction emergency response policy and procedure.

Detection

Because collection services are automated, MVD collection vehicles feature hopper cameras and drivers will be instructed in their use.

³ Universal Waste means "hazardous wastes that are universal waste (as defined and listed, respectively, in 22 CCR §66273.9, such as batteries thermostats, lamps, cathode ray tubes, computers, telephones, answering machines, radios, stereo equipment tape players/recorders, phonographs, video cassette players/recorders, compact disc players/recorders, calculators, some appliances, aerosol cans and certain mercury-containing devices) exempt from the hazardous waste management requirements of chapter 6.5 Division 20 of the California Health and Safety Code and subject to the universal waste management requirements of Chapter 23 of Division 20 of the California Health and Safety Code."



Spill Response Plan

In the event that any unpermitted waste or hazardous waste is disposed with the solid waste stream, immediate and appropriate action will be taken to contain and remove it. Operations personnel are trained both in unpermitted/hazardous waste identification and appropriate responses to unpermitted/hazardous waste incidents. MVD's inside risk management team maintains OSHA qualified on-site responders to hazardous material incidents in accordance with OSHA Standard 29CFR1910.120, Hazardous Waste Operations and Emergency Response. Periodic training is provided and recorded in order to ensure skill proficiency.

The following procedure is used for identifying and handling hazardous/unpermitted waste:

- 1) Notification of hazardous/unpermitted waste disposed of in the waste stream will be communicated from the driver in the field to dispatch.
- 2) Dispatch will notify an operations manager for determination of appropriate response level.
- 3) Simultaneous contact will be made with the maintenance department for the spill response team to assemble and disburse.
- 4) Coordinating instructions will be issued and executed.
- 5) Trained personnel will be assigned the task of inspecting any material suspected of containing hazardous/unpermitted waste. Inspection involves identification of both labeled and unlabeled hazardous/unpermitted waste containers and material.
- 6) Proper emergency response agencies for oversight and assistance to ensure public safety.
- 7) An appropriate course of action/customer education based on the seriousness of the waste involved will be decided upon and taken.

Should the driver determine without any question or doubt that the unpermitted waste is not hazardous, the following procedure is used:

- 1) The unpermitted/nonhazardous item will be removed, placed safely back onto the premises and tagged with a non-collection notice indicating the reason for non-collection.
- 2) The driver will immediately call the dispatch center and report the incident, including street address and time item was detected.
- 3) Dispatch will relay this information to customer service.
- 4) A customer service representative will phone the customer to inform them of the event, why the item was left, direct them to proper alternatives for reuse or disposal of the item, and respond to any questions the customer may have.
- 5) A follow up postcard with detailed information on unpermitted wastes will be sent to the customer.

Fire Reporting/Response Plan

These guidelines are to be followed in the event a truck fire breaks out in the body of a collection vehicle you are driving. These types of fires can be caused during compaction where hazardous or combustible materials are inadvertently and unknowingly collected.



Driver's Responsibilities:

- 1) Identify origin of fire: whether it is related to the electrical system, the motor, or the hopper.
- 2) Immediately call dispatch, then 911 for Fire Department Response.
- 3) Continue sweeping the blade or using the packer if the fire is inside the truck body until you have found a safe place nearby to eject the load: such as an open parking lot or an open plowed field. DO NOT eject loads near schools or shopping center parking lots, near businesses, on the freeway, or near trees or overhead wires.
- 4) Keep your radio clear for emergency communications.
- 5) Stay calm: the Fire Department and your supervisor will be there shortly.

Note

The most important safety consideration is your own life and the lives of others. The Company's collection equipment can be replaced; a life cannot.

Environmental Compliance

MVD runs a fully compliant operation, as evidenced in the results of its recent DOT inspections provided in this section's *Appendix* and as documented on the CalRecycle website under facility inspection reports. The entire history going back to 2008 indicated full compliance. Screenshots of the inspection results are copied below.

County: Fresno				
Enforcement Agent: County of Fresno				
Operator/Business Owner: Mid Valley Disposal, Inc.				
Land Owner: Kalpakoff Properties LLC				
2012 <input type="button" value="Submit"/>				
01 Limited Volume Transfer Operation				
Regulatory Status: Notification Operational Status: Active Inspection Frequency: Quarterly				
Inspection Date	CalRecycle Received	Inspection Program	Regulation	Areas of Concern/Violations
11/10/2009	11/30/2009	LEA Periodic		No Violations or Areas of Concern reported
08/12/2009	08/24/2009	LEA Periodic		No Violations or Areas of Concern reported
06/19/2009	06/03/2009	LEA Periodic		No Violations or Areas of Concern reported
03/17/2009	04/02/2009	LEA Periodic		No Violations or Areas of Concern reported

Section 2 – Technical Proposal for Collection Services



County: Fresno Enforcement Agent: County of Fresno Operator/Business Owner: Mid Valley Disposal, Inc. Land Owner: Kalpakoff Properties LLC				
		2011	Submit	
01 Limited Volume Transfer Operation				
Regulatory Status: Notification Operational Status: Active Inspection Frequency: Quarterly				
Inspection Date	CalRecycle Received	Inspection Program	Regulation	Areas of Concern/Violations
12/12/2011	01/18/2012	LEA Periodic		No Violations or Areas of Concern reported
08/18/2011	08/31/2011	LEA Periodic		No Violations or Areas of Concern reported
06/23/2011	07/05/2011	LEA Periodic		No Violations or Areas of Concern reported
02/14/2011	03/02/2011	LEA Periodic		No Violations or Areas of Concern reported
County: Fresno Enforcement Agent: County of Fresno Operator/Business Owner: Mid Valley Disposal, Inc. Land Owner: Kalpakoff Properties LLC				
		2010	Submit	
01 Limited Volume Transfer Operation				
Regulatory Status: Notification Operational Status: Active Inspection Frequency: Quarterly				
Inspection Date	CalRecycle Received	Inspection Program	Regulation	Areas of Concern/Violations
11/16/2010	12/10/2010	LEA Periodic		No Violations or Areas of Concern reported
08/19/2010	09/28/2010	LEA Periodic		No Violations or Areas of Concern reported
06/10/2010	06/22/2010	LEA Periodic		No Violations or Areas of Concern reported
01/14/2010	01/25/2010	LEA Periodic		No Violations or Areas of Concern reported
County: Fresno Enforcement Agent: County of Fresno Operator/Business Owner: Mid Valley Disposal, Inc. Land Owner: Kalpakoff Properties LLC				
		2009	Submit	
01 Limited Volume Transfer Operation				
Regulatory Status: Notification Operational Status: Active Inspection Frequency: Quarterly				
Inspection Date	CalRecycle Received	Inspection Program	Regulation	Areas of Concern/Violations
11/10/2009	11/30/2009	LEA Periodic		No Violations or Areas of Concern reported
08/12/2009	08/24/2009	LEA Periodic		No Violations or Areas of Concern reported
05/19/2009	06/03/2009	LEA Periodic		No Violations or Areas of Concern reported
03/17/2009	04/02/2009	LEA Periodic		No Violations or Areas of Concern reported



County: Fresno Enforcement Agent: County of Fresno Operator/Business Owner: Mid Valley Disposal, Inc. Land Owner: Kalpakoff Properties LLC				
<input type="button" value="2008"/> <input type="button" value="Submit"/>				
01 Limited Volume Transfer Operation				
Regulatory Status: Notification Operational Status: Active Inspection Frequency: Quarterly				
Inspection Date	CalRecycle Received	Inspection Program	Regulation	Areas of Concern/Violations
11/18/2008	12/01/2008	LEA Periodic		No Violations or Areas of Concern reported
09/16/2008	09/29/2008	LEA Periodic		No Violations or Areas of Concern reported

Environmental Enhancements

MVD is a forward thinking company that prides itself in doing what it says it is going to do and practices internally the resource recovery programs it implements and maintains in the communities it serves. In addition to its internal resource recovery programs and the facility expansion plans highlighted in this *Proposal* which will benefit the City of Fresno and its residents for years to come, MVD also has initiatives and programs in place to address the minimization of environmental impacts associated with its collection operations, encouraging the highest and best use of recycled materials, and supporting local and regional markets for recyclables, as described below.

Minimizing Environmental Impacts

MVD minimizes environmental impacts in Fresno through the use of LNG collection vehicles. That aesthetic will be carried through to all of MVD operations through the expansion of its organics processing facility which will include the production of natural gas to fuel its fleet. In accordance with these plans MVD is working on a collection vehicle replacement schedule that syncs with this facility upgrade.

Additionally, emissions are greatly reduced through the use of the routing tools described in *Section 2.6* and this section's *Appendix* which enable the development of safe, optimally efficient routes. MVD driver and operations supervisor responsibilities include making suggestion for improvements in these areas. Finally, routes are audited and checked annually to ensure that account data is always up to date and routes are being driven in the correct sequential order.

Highest and Best Use of Recyclable Materials

This same sensibility is carried through to MVD's transfer and material recovery operations; high grading resource recovery and expanded processing capacity to capture as many commodities and recyclable materials from the waste stream is the impetus for the current project which will quadruple the MRF processing area and allow for total organics processing. The project is designed to facilitate an output of highest and best use of all materials throughout every component of the process.



Additionally, MVD's proposed plans for residential clean-ups prohibit the use of compaction equipment for the collection of reusable bulky materials, such as building supplies and furniture. In association with local non-profit and charities, MVD will promote gleaning opportunities to these groups in compliance with the hierarchy of reduce, reuse, recycle.

Furthermore MVD's procurement policies give pricing preference in favor of materials with recycled content (as well as local business preference as indicated in *Section 1*).

Supporting Local and Regional Markets for Recyclable Materials

As indicated in *Section 2.2.3 – Recyclable Materials Marketing*, MVD brokers its own materials to maintain direct relationships with commodities buyers in order to get the best pricing and service, and to maintain control over the disposition of the materials it moves.

Furthermore, MVD has been assertive in forging markets for local agriculture, and has made a tremendous amount of progress in providing recycling solutions to area farmers. These efforts are highlighted through the case studies presented below.

MVD has always made it a priority to assist farms in meeting their agricultural recycling needs. MVD's experience in agriculture waste diversion includes providing all Fresno growers a successful recycling program that diverts agricultural plastics, raisin trays, twine, and drip tape from landfill to recycled into a new product. MVD achieved this through the expansion of recycling outreach. MVD continues to expand education efforts to expand agricultural recycling programs through partnerships with growers, agricultural associations, bureaus, and public agencies.

"They are a "community minded" company providing a service as well as supporting community events and organizations. I personally had the opportunity to experience the exceptional service provided by Mid Valley Disposal in the recycling of paper trays (raisin harvest). Mid Valley Disposal employees responded the same day my husband made the call for pickup service!"

*Linda Geringer
Executive Director
Kerman Chamber of Commerce*

MVD's implementation plan includes integrated diversion programs tailored to meet agriculture recycling needs, including:

- Raisin Tray Recycling
- Irrigation Tubing
- Triple Rinse Container Recycling
- Wine Trail Outreach

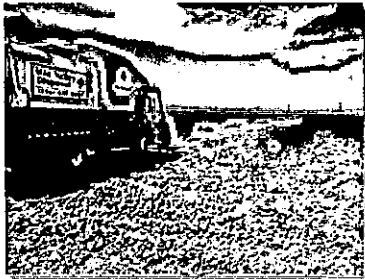
Raisin Trays

MVD has a proven track record of recovering agricultural waste in the jurisdictions it serves. For example, in 2010 MVD noticed that there were many farmers who were burning their recyclable paper raisin trays. Because of this, MVD launched a new strategy to market its raisin tray recycling program, which provided raisin growers an alternative to burning. In 2011 MVD's raisin tray program resulted in



incredible success as the Company recycled almost 800 tons of raisin trays, nearly triple the tons recycled in the previous year. This resulted in a reduction in the burning of raisin trays, contributing to improved air quality in the San Joaquin Valley. Expanding the program, during the 2011 season MVD recovered raisin trays from over 8,000 acres and over 250 locations. Those 250 locations ranged from as far North as Madera, to as far South as Tulare and Kings County. In Central Valley, MVD has worked with over 40 growers. Raisin trays are mixed with cardboard materials at MVD's materials recovery facility, baled and prepared for recycling.

MVD's raisin tray recycling program is advertised in agricultural newsletters and magazines such as produced by the Farm Bureau for Fresno and Madera County. MVD has also worked closely with the Raisin Bargaining Association (RBA) and presents during grower workshops and luncheons. In addition, MVD prints flyers and delivers directly to growers and paper tray vendors in the Fresno and Madera County area. MVD stays in contact with the Air Resources Board (ARB), to keep updated with regards burn regulations. ARB also helps to make farmers aware of the recycling options through MVD. MVD has annual memberships with the Fresno County Farm Bureau and also participates in the Kerman Agricultural Show each year. MVD's goal is to work closely with growers and make them aware of the impacts they make when recycling Raisin Trays and other agricultural-related materials.



Irrigation Tubing

Another example of a successful agricultural recycling program implemented in 2011 was the collection of drip tape (plastic irrigation tubing) from MVD agricultural customers. MVD planned a well-organized collection program for used drip tape collected from numerous farms in Western Madera and Kings Counties. In its first year MVD recycled 545.67 tons of drip tape.

Triple Rinse Container Recycling

Triple rinse containers are containers of hazardous material that need to be rinsed with water three different times before being able to be recycled into non-food containers. Since most farmers use various hazardous insecticides on their crops but have no way to recycle the containers that hold this material, MVD became a certified collector for triple rinse containers in 2010. This enables the Company to commence a pesticide container recycling program, which is much more convenient for farmers than having to wait for a once a year recycling drop-off event. In 2011 MVD collected nearly 100 tons of this material through its program. Farmers may opt to self-haul there containers to MVD's materials recovery facility in Kermin and recycle them free of charge, or they may call MVD to schedule on-site removal of triple rinse containers through the location of a roll-off container or hiring MVD to supply the labor to remove the containers from the premises.

The Wine Trail

After the success of the MVD's Raisin Tray Recycling program, MVD realizes the importance of servicing wineries. MVD is making plans to service local wineries by providing recycling services and educational outreach programs to address their specific needs. Technical assistance to wineries will include training on proper treatment of their agricultural waste.



2 Technical Proposal for Collection Services

2.8 Public Education and Outreach Plan

The objective of this section is to:

- a. Convey MVD's competency in developing and managing public education programs;
- b. Relay its proposed plan for outreach during the transition period and beyond; and
- c. Illustrate the Company's willingness to become involved in the community. A draft *Public Education Plan* to serve as the basis for the final plan for contract year one is included in this section. This plan can be quickly updated to incorporate City preferences immediately after contract award.

MVD owners have been collecting solid waste and recyclable materials for decades; during this time outreach efforts have had to flex with industry changes to ensure proper communication of them to customers. This resulting communications experience will positively affect a smooth transition between contractors for MVD customers.

MVD's approach to communicating with its customers is simple, creative, and effective. It respects the fact people are inundated with too much information. All materials convey the reasons for cultivating new, green behaviors in order to motivate customers, and also identify additional resources for customers who want to know more about environmental issues.

Although a consistent message repetitively delivered in an abbreviated, friendly way is most effective, once the desired behaviors are adopted by customers regular reinforcement is required to sustain them. Finally, emphasizing the difference an individual's recycling practices makes is helpful. MVD's public education program will continually remind customers of the importance of adhering to program guidelines and will report their progress and associated positive environmental impacts back to them.

This program incorporates a strong community relations element, which is detailed later in this section. Responsibility for community interface will be spread amongst the Company' middle and top management, assuring that pledges of human and financial resources to the community's benefit are made and kept. MVD believes that its track record in Fresno in relation to the commercial collection contract is evidence of this. Also, letters of support including those from various Fresno Chambers of Commerce are included up front with the cover letter.

Because school-age children are Fresno's future, the Company also proposes an interactive educational component for schools that is age-appropriate, engaging, and designed to reinforce good recycling behavior.

Excellent coordination between MVD and the City will contribute greatly toward program success. To facilitate communication, MVD will respectfully and actively participate in coordination meetings with the City during the ramp up period and throughout the term of the *Agreement*.



MVD will track all public education and community relations efforts meticulously and quantify results in accordance with the draft *Franchise Agreement*. The Company has considerable experience doing this in several other jurisdictions where it is required as part of periodic reporting.

Staffing

The biography of Ivette Rodriguez Public Relations Manager, is included in *Section 1*. Ivette is responsible for general oversight of the entire program and the following specific public education activities:

- ✓ Municipal and media relations
- ✓ Development and distribution of effective promotional and educational collateral materials, including all electronic components
- ✓ Development and delivery of presentations to business and civic groups
- ✓ Coordination of coverage of community activities
- ✓ Development and delivery of interactive school assemblies, classroom visits, and school group activities
- ✓ Collaboration with all MVD Public Education Specialists for development and distribution of effective collateral materials, including electronic components
- ✓ Update of website and all e-activities.

MVD has a serious commitment to gaining the maximum residential recyclable and organic materials collection program participation and diversion, as it does in all of its communities. There is a direct correlation between MVD's robust outreach program and diversion results, as indicated through the experience examples shared in *Section 1*.

For this program, MVD will add one additional public education specialists per District dedicated to Fresno.

Government, Community, and Media Relations

The Public Education Manager is responsible for **government relations**. As liaison, she will represent the Company to the City. In that capacity she will attend the following meetings and engage in the following activities:

- Attend City Council, City staff, and City strategy development meetings.
- Coordinate with the City to integrate municipal and contractor activities, as appropriate.
- Make requisite presentations and proposals.
- Function as a point of contact for contract compliance matters.

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

- Continue to represent MVD in community activities, such as Family Day, Party with Planet at the Zoo, and many more.



- Continue to support local community service organizations, such as Ted C. Wills Community Center, Food Bank, Community and Neighborhood Centers, and Fresno Barrios Unidos.
- Ensure mid- and top-tier managers are involved in community relations activities.

In her role as **media relations** interface, the Public Education Manager will:

- Proactively develop rapport with the all local media outlets: TV, radio, and print.
- Track media coverage of the Company, industry, and environmental issues and developments in general.

Although the Public Education Manager is responsible for the above tasks, she will engage her public education specialists and other MVD employees to participate in certain activities as may be warranted or appropriate. For example, in monitoring contract compliance she may bring in the operations manager for discussions on matters relating to driver management for quick resolution. A team effort is employed to ensure MVD programs are effective. The Public Education Manager meets with Outreach Specialists weekly to discuss progress and new strategies and projects which will enhance current recycling programs in order to increase diversion. Frequent intercommunication between the Public Education Manager, Outreach Specialists, Route Managers, Customer Service Representatives, and Drivers ensures buy-in between all MVD employees with influence over customer satisfaction and behavior, and that programs are successful due to a consistent approach.

Public Education Plan

This draft *Public Education Plan* first addresses items that apply to all programs. Once the *Agreement* is finalized, MVD's first order of business with the City is to begin meeting regularly to coordinate all start-up activities, including these.

- Develop, produce and distribute, in close collaboration with the City, all public education materials listed in the proceeding plan. Each piece will be carefully considered in order to determine how the information is best conveyed to non-English speaking individuals. All materials will be translated into Spanish and Hmong. Materials will also factor in the cultural context as appropriate.
- Design and place print ads and posters and distribute press releases that correspond to program milestones as determined to be a wise program complement.
- Hold workshops to correspond to program milestones or as otherwise needed in order to be accessible to customers.
- Update and maintain a user-friendly website that is both an effective customer service tool and that also organizes the community and helps move it toward its sustainability objectives.

The draft plan on the following page is provided as a starting point for discussions with the City relative to the Public Education component of the scope of work. Sample outreach materials are included in *Exhibit C*.



Public Education and Outreach | Residential Education and Outreach Program

All printed materials also to be posted to the Company's website in English, Spanish, and Hmong.

Task	Description	Purpose	Distribution/Frequency
START- UP			
1	Postcard Announcement	Introduces MVD as the new service provider, provides MVD contact information, and reassures customers they will receive quality service delivered through the same core group of drivers. Informs residents about what they can expect next. Additional CSRs will be trained and employed to handle increased phone call volumes. The website will be updated with a banner on the front page indicating where Fresno leading residents to additional information.	All residents; approximately one month prior to the operations start date.
2	Guide to Services	Fully describes Fresno residential collection programs and initiatives, including the expanded curbside recycling program, and clean-up guidelines.	All residents; approximately ten days prior to the operations start date.
ONGOING			
3	Quarterly newsletter	Quarterly newsletters with relevant content.	All residents; quarterly.
4	Annual Information	Updated program information such as changes to services, and holiday collection calendar. Will also feature a refreshed theme for the upcoming year.	All residents; annually.
5	Civic/Community Group Outreach	MVD will continue to build rapport with stakeholders in the community. Public Education Manager will make herself and her staff available to give presentations.	All community groups.
6	Billing Inserts	As required based on City preference or observed trends which need to be corrected.	All residents; as needed.
7	School Education Program	A letter describing MVD's school education program is mailed out each fall to the District Superintendent for approval of the program.	All schools; annually each fall.

Please see examples of outreach materials and reports featured in *Exhibit C*.



Enhanced Community Involvement

Community involvement also consists of recycling presentations and attending community events.

Recycling Presentations

Presentations are scheduled with multi-family complexes, clubs, non-profit organizations, church groups and other community organizations. Presentations are very interactive and informational. Residents are able to see the impact they make when they recycle and when they don't as well. The multi-family education program an evening program held in a common community area for families to gather, providing dinner or snack and a presentation regarding the recycling program at their complex.

Material Recovery Facility Tours

Educational tours of MVD's material recovery facility provide the public with an up-close look at the recycling process. MVD has an education room above its facility that allows students and adults taking the tour to see recyclable materials being processed through the facility's state-of-the-art sortlines. Tours also include reuse art projects and a picnic area for school field trips.



Community Events

Residents are also targeted through community events. A booth is set up to discuss our recycling program information and provide giveaways. Our interactive prize wheel attracts people of all ages. They spin the wheel, answer a simple but meaningful question, and get a small prize for participating. Each person that comes by our booth is reminded about all the different materials that can be recycled and informed on how to properly dispose of household hazardous waste, electronics, white goods, sharps and anything else they are concerned about. The following brochures are made available to the populations during these events: Household Hazardous waste, Sharps, Recycling Oil, Kids Recycle, Residential Recycling Program Brochure, School Program Brochure, and Commercial Recycling Brochure. MVD tailors each event display to the target audience. New concepts and tools are also implemented each year to keep MVD's audience engaged with our environmental awareness message.

Materials Used

MVD uses a combination of a presentation board showing the recycling process at its Material Recovery Facility, giveaways, brochures, tangible examples associated with the recycling process and end product, and its prize wheel to educate attendees in a friendly and fun manner about the recycling opportunities MVD makes available to customers and recycling and resource conversation in general.

In 2011 MVD reached nearly 7000 residents from eight different communities through presentations and community events.



School/College Outreach

MVD's school education program is one of the Company's most important programs. MVD notices the increase in recycling tonnage within the residential and school programs when school aged children, school faculty, and staff receives recycling education. MVD provides recycling bins and educational materials to schools. Outreach Staff meet with custodial and cafeteria staff to ensure recyclable material is diverted from the waste stream.

At the start of each school year a letter is mailed to the Superintendent of each school district, requesting approval of MVD's education program. Once approved, the Outreach Specialist informs the principal and teachers about our school recycling program and presentations by mail, e-mail, flyers, posters or a short presentation during a staff meeting. Once the information has been distributed, teachers begin requesting assemblies and classroom presentations during the school year.

"[MVD's] dedicated approach with our schools is one example of their involvement in our community and their civic leadership. MVD's proactive, educational recycling programs are evident throughout our community requiring very little City time to administer....MVD's exceptional recycling staff provide all the on-ground outreach and follow-up."

*Ron Manfredi,
Kerman City Manager*

MVD recycling presentations range from 15 to 45 minutes and are suitable for each grade level. Common presentation topics include: definition of recycling, reasons to recycle, the landfill, recyclable products, common mistaken non-recyclables, the recycling process, the 3 R's (Reduce, Reuse, Recycle) and classification games. Presentations are very interactive and also include recycling games such as Jeopardy and Bingo for prizes. Prizes made out of recycled materials are given to all students depending on the size of the group.

Outreach specialists also attend events held within MVD schools, for instance: Earth day, Career Day, and Food Fairs. Special programs include:

Phonebook Challenge

The Phonebook Recycling Challenge is a project sponsored by AT&T Real Yellow Pages, in cooperation with Fresno County, and MVD. The contest provides schools an opportunity to collect outdated phone books for recycling and to compete for cash prizes. Outreach Specialists kick off the challenge by conducting an assembly to rally students to collect and recycle the most phonebooks. During the Challenge MVD tracks and monitors the amount of phone books collected at each school site. At the end of the challenge an assembly is given to the winners of the competition presenting results and prizes. Hundreds of phonebooks are recycled from each school during the challenge.



Earth Day Presentations

During the month of April, MVD's Education Department plans different projects and events to promote Earth Day. Our last project included a tree planting ceremony with a presentation and an assembly providing students with the brief history of Earth Day. Other events include free E-waste events, art contests, community cleanup days, and tree planting in the community.



State-Wide Recycling Challenges Participation

MVD provides schools with information regarding state recycling competitions like the California K-12 School Recycling Challenge (Recycle-Bowl), sponsored by Keep California Beautiful. This year we assisted Kerman Floyd Elementary participate in the 2011 KAB Recycle Bowl with a kick off assembly and track the amount of recyclables collected during the competition.

Statistics

This year MVD reached a total of over 10,000 students through classroom presentations, school assemblies, and school events. Media used in schools presentations include: PowerPoint, posters, tangible examples, and presentation boards



2 Technical Proposal for Collection Services

2.9 Subcontractors

MVD will not use subcontractors for implementation or maintenance of this contract.



Appendix

Collection Operations Standards

Driver/Employee Training

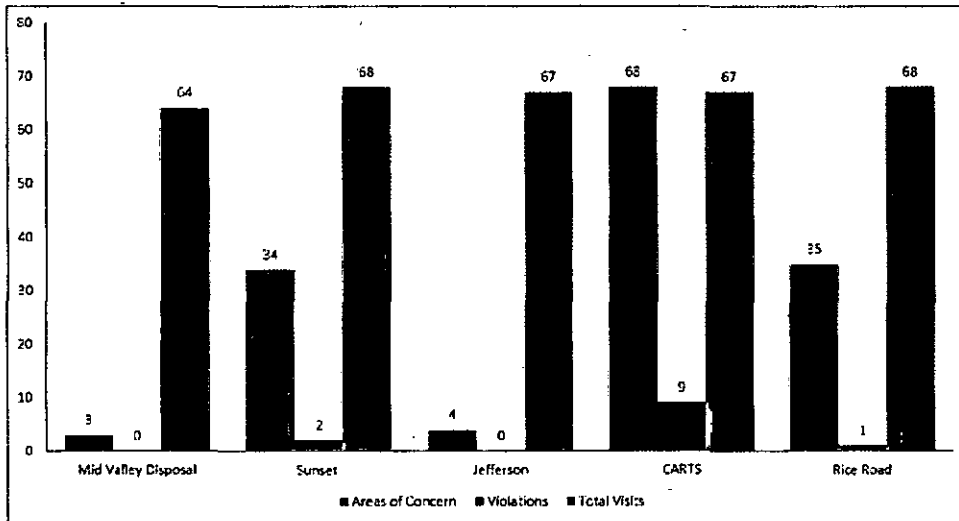
MVD only employs qualified personnel to perform collection services. In order to deliver superior performance, drivers are properly trained. Properly trained drivers increase the likelihood that services are performed correctly the first time, and that accidents and incidents will be avoided. The objective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

MVD assigns the highest priority to workplace safety, as evidenced by the current safety program in place for operations personnel.

Workplace Hazards Evaluation and Facility Inspections

MVD 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. MVD conducts monthly site inspections of its facilities. Potential hazards are noted and corrected immediately. MVD’s commitment to safety and cleanliness is evidenced through the recent DTOC inspection report beginning on the following page. The chart below compares MVD’s inspection results with other area solid waste facilities. MVD’s workplace environment is also ADA compliant.

Inspections Data (Past 5 Years)





Matthew Rodriguez
Secretary for
Environmental Protection

Department of Toxic Substances Control

Deborah O. Raphael, Director
1515 Tollhouse Road
Clovis, California 93811



Edmund G. Brown Jr.
Governor

SUMMARY OF OBSERVATIONS

On September 19, 2012, the Department of Toxic Substances Control (DTSC), California Environmental Protection Agency, conducted an inspection at:

Facility Name: MID-VALLEY DISPOSAL

Facility Address: 15300 W. JENSEN AVE.
KERMAN, CA.

EPA ID Number: CAL000319616 County: FRESNO

Check box below as appropriate

DTSC will provide you a complete inspection report within 65 days of the date of this inspection.

- As a result of this inspection, no violations of hazardous waste laws, regulations, and requirements were discovered. DTSC greatly appreciates the efforts you have made to comply with the hazardous waste laws and regulations.
- As a result of this inspection, no violations of hazardous waste laws, regulations, and requirements were discovered. However, DTSC is still reviewing compliance information. Violations may be found after the site visit, and these will be identified in the Violation section of the inspection report.
- As a result of this inspection the issue(s) listed in Section IV require additional investigation. DTSC will address all unresolved issues in the inspection report. Violations may be found after the site visit, and these will be identified in the Violation section of the inspection report.

Company Representative Accepting Summary

Name Ivette Rodriguez
Signature Ivette Rodriguez
Title Recycling Coordinator
Date 9/19/12

DTSC Representative

Name RUBEN R. Medina
Signature Ruben R. Medina
Title Hazardous Substances Scientist
Date 9/19/2012



Department of Toxic Substances Control

8800 Cal Center Drive
Sacramento, California 95826-3200

SUMMARY OF VIOLATIONS

Facility Name: Mid-Valley Disposal Date: 9/19/2012

SECTION IV: OTHER ISSUES/CONCERNS

The following issues/concerns were identified during this inspection. Further research may identify additional violations. Any new violations, with the required corrective action and compliance schedule, will be identified to you in written correspondence.

1. PRIOR to holding a collection event, notification to DTSC shall be completed via electronically or ~~by~~ by mail. DTSC will research to the website ~~to~~ either, DTSC or Cal-Recycle. To provide the specific form to Mid-Valley Disposal



**Inspection Checklist
Universal Waste Handlers of Electronic Devices, CRTs & CRT Glass**

Facility Name: Mid-Valley Disposal
 Identification Number: CAL000318618
 Facility Address: 15300 W. Jensen Ave.
Kerman CA.
 Date Inspected: 9/17/2012
 Inspected By: Ruben R. Medina, Hazardous Substances Scientist (HSS), Nadine Doughman, HSS
 Type of Inspection: Annual Re-inspection: Complaint:
 Consent given by: F. Vitte Rodriguez Title: Recycling Coordinator Time: 1038 AM

DISCLAIMER

This checklist is intended to provide guidance only. This checklist does not replace or supersede relevant statutes and regulations. The information contained in this checklist is based upon the statutes and regulations in effect as of the date the checklist was signed. Interested parties are advised to keep apprised of subsequent changes to relevant statutes and regulations.

Note: Citations that start with the number "68" are to the California Code of Regulations (CCR), Title 22, division 4.5. Citations that start with the number "42" are to the Public Resources Code, division 30, part 3, chapter 8.5.

If CRT Recycler is a permitted HW Facility and the CRT activities are covered under the permit, apply standards applicable to a HW Facility and do not use this checklist.

Check box below as appropriate (v = violation)

HAZARDOUS WASTE (HW) DETERMINATION	
<input type="checkbox"/>	66262.11 - Failed to determine if a waste was a HW, applying knowledge of the hazard characteristics, or excluded from regulation.
<input checked="" type="checkbox"/>	PROHIBITIONS
<input type="checkbox"/>	66273.31(a) - Disposed of universal waste.
<input type="checkbox"/>	66273.31(b) - Diluted or treated a UW unless requirements of this section are met.
<input checked="" type="checkbox"/>	NOTIFICATION
<input type="checkbox"/>	66273.32(a)(1) - Failed to send a written notification of universal waste management to the Regional Administrator, and receive a federal ID Number, before accumulating 5,000 kilograms of universal waste.
<input type="checkbox"/>	66273.32(b) - Failed to obtain a California ID Number pursuant to 66260.10 prior to accumulating more than 5,000 kg of non-RCRA UW.
<input type="checkbox"/>	66273.32(c)(1) - Failed to notify the Department 30 calendar days prior to accepting and accumulating any electronic device, CRT, and/or CRT glass from any offsite source.
<input type="checkbox"/>	66273.32(c)(2) - Submitted an incomplete notification.
<input type="checkbox"/>	66273.32(c)(3) - Failed to notify the Department 30 calendar days prior to accepting any electronic device, CRT, and/or CRT glass from any offsite source for each location at which the universal waste handler accepts or accumulates electronic devices, CRTs and/or CRT glass.
<input type="checkbox"/>	66273.32(d)(1) - A UW handler of > 100 kg (220 lbs.) of electronic devices, CRTs and CRT glass failed to submit an electronic or written Annual Report, by February 1 of the following year covering the previous year's activity.

<input type="checkbox"/>	60273.32(d)(2) - A generator of >5,000 kg UW electronic devices, CRTs, and/or CRT glass failed to submit an electronic or written annual report by February 1 of the following year.
<input type="checkbox"/>	66273.32(d)(3) - Submitted an incomplete Annual Report.
<input checked="" type="checkbox"/>	MANAGEMENT REQUIREMENTS FOR EDs, CRTs and CRT GLASS (ED)
<input type="checkbox"/>	66273.33.5(a)(1)(B)1 - Failed to contain any electronic device in a manner that prevents breakage and release of components to the environment.
<input type="checkbox"/>	66273.33.5(a)(1)(B)2 - Failed to immediately clean up and place in a structurally sound container any ED that is accidentally or unintentionally broken and may be expected to cause a release of hazardous constituents to the environment under reasonably foreseeable conditions.
<input checked="" type="checkbox"/>	CRTs
<input type="checkbox"/>	66273.33.5(b)(1)(B)1 - Failed to contain any CRT in a container or package that is structurally sound, adequate to prevent breakage of the CRT, and compatible with the contents of the CRT.
<input type="checkbox"/>	66273.33.5(b)(1)(B)2 - Failed to immediately clean up and place in a structurally sound container any CRT that is broken or any CRT that shows evidence of breakage, leakage, or damage that could cause the release of CRT glass or other hazardous constituents to the environment under reasonably foreseeable conditions.
<input type="checkbox"/>	66273.33.5(b)(1)(B)3 - Failed to place CRTs in a container with packing material if such material is necessary to prevent breakage during handling, storage and transportation.



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CRT GLASS	
<input type="checkbox"/>	66273.33.5(c)(1)(B)1 – Failed to contain any CRT glass in a container or package that is structurally sound and compatible with the contents of the CRT glass to prevent releases to the environment.
<input type="checkbox"/>	66273.33.5(c)(1)(B)2 – Failed to immediately clean up and place in a structurally sound container any CRT glass that is released from a broken CRT or that is spilled.
<input type="checkbox"/>	66273.33.5(c)(1)(B)2 – Failed to immediately clean up and place in another container any CRT glass that is released as a result of breakage, leakage, or damage to a container of CRT glass and failed to place any unreleased CRT glass remaining in the broken, leaking, or damaged container in a structurally sound container.
v LABELING / MARKING	
<input type="checkbox"/>	66273.34(d) – Failed to label or mark each electronic device, or a container or pallet in or on which the electronic devices are contained, with the phrase: "Universal Waste – Electronic Device".
<input type="checkbox"/>	66273.34(e) – Failed to label or mark clearly each CRT, or container or pallet with the phrase: "Universal Waste – CRT(e)".
<input type="checkbox"/>	66273.34(f) – Failed to label or mark clearly a container of CRT glass with the phrase: "Universal Waste – CRT glass".
or	
<input type="checkbox"/>	66273.34(g) – Failed to demarcate a designated universal waste accumulation area and label the area with the applicable portion(s) of the phrase: "Universal Waste – Electronic Device(s)/Universal Waste – CRT(s)/Universal Waste – CRT Glass".
v ACCUMULATION TIME LIMITS	
<input type="checkbox"/>	66273.35(a) – Accumulated universal waste for greater than one year.
<input type="checkbox"/>	66273.35(b) – Failed to demonstrate the length of time the universal waste has been accumulated from the date it became a waste or was received by any of the methods specified in subsection (1)-(6) below:
<input type="checkbox"/>	66273.35(b)(1) Placing the universal waste in a container and marking or labeling the container with the earliest date that any universal waste in the container became a waste or was received;
<input type="checkbox"/>	Or, 66273.35(b)(2) – Marking or labeling the individual item of universal waste with the date it became a waste or was received;
<input type="checkbox"/>	Or, 66273.35(b)(3) – Maintaining an inventory system onsite that identifies the date the universal waste being accumulated became a waste or was received;
<input type="checkbox"/>	Or, 66273.35(b)(4) – Maintaining an inventory system onsite that identifies the earliest date that any universal waste in a group of items of universal waste or a group of containers of universal waste became a waste or was received;

ok

<input type="checkbox"/>	Or, 66273.35(b)(5) – Placing the universal waste in a specific accumulation area and marking or labeling the area to identify the earliest date that any universal waste in the area became a waste or was received;
<input type="checkbox"/>	Or, 66273.35(b)(6) – Any other method which clearly demonstrates the length of time that the universal waste has been accumulated from the date it became a waste or was received.
PERSONNEL TRAINING	
<input type="checkbox"/>	66273.38(a) – Failed to ensure that all personnel who manage universal waste from offsite sources at the universal waste handler's facility are thoroughly familiar with proper universal waste management and emergency response procedures, relative to those persons' responsibilities as specified below.
<input type="checkbox"/>	66273.38(b) – Failed to initially train all personnel who manage or who supervise those who manage universal waste from offsite sources.
<input type="checkbox"/>	66273.38(b) – Failed to provide annual training to all personnel who manage or who supervise those who manage universal wastes from offsite sources.
<input type="checkbox"/>	66273.38(b)(1) – Failed to include in the initial training materials the types and hazards associated with the universal waste that personnel may manage at the facility (e.g., hazards due to leaded glass in CRT devices or CRTs);
<input type="checkbox"/>	66273.38(b)(2) – Failed to include in the initial training materials the proper disposition of universal waste managed at the facility (e.g., the locations of universal waste container(s), or the location of a centralized universal waste accumulation area);
<input type="checkbox"/>	66273.38(b)(3) – Initial training materials failed to include the proper procedures for responding to releases of universal wastes (e.g., spilled CRT glass) including the position titles and the means of contacting those personnel at the facility who are designated to respond to reports of releases (e.g. spilled CRT glass) and/or to respond to questions received from other personnel at the facility.
<input type="checkbox"/>	66273.38(b)(4) – Failed to include initial training materials the applicable requirements in CCR Title 22, Div. 4.5 Chapter 23.
<input type="checkbox"/>	66273.38(c) – Failed to maintain a written record by date indicating the names of personnel who received the information specified in 66273.38(b).
<input type="checkbox"/>	66273.38(d) – Failed to maintain training records specified in 66273.38(c) for at least three years from the date the person last managed any universal waste at the facility.
v RESPONSE TO RELEASES	
<input type="checkbox"/>	66273.37(a) – Failed to immediately contain all releases of universal waste and residues from universal waste to the environment.



<input type="checkbox"/>	66273.37(b) – Failed to determine whether any universal waste or residues from universal waste released to the environment is a hazardous waste.
<input type="checkbox"/>	66273.37(c) – Failed to repackage residues of leaking, broken, or otherwise damaged universal waste according to the standards of section 66273.33 or 66273.33.5.
V OFFSITE SHIPMENTS	
<input type="checkbox"/>	66273.38(a) - Sent or took UW to a place other than another UW handler, a destination facility, or a foreign destination.
<input type="checkbox"/>	66273.38(b) - A UW handler that transports UW off-site failed to comply with the UW transporter requirements.
<input type="checkbox"/>	66273.38(c) - A UW handler that offers UW that meets the definition of a hazardous material for off-site transportation failed to package, label, mark and placard the shipment according to applicable U.S DOT regulations.
<input type="checkbox"/>	66273.38(d) - The originating UW handler failed to obtain an agreement from the receiving UW handler or destination facility prior to sending a shipment of UW.
<input type="checkbox"/>	66273.38(e)(1) – When the UW shipment is rejected by another UW handler or destination facility, the originating UW handler failed to receive back the UW. OR 66273.38(e)(2) – Send the UW to another UW destination facility or handler.
<input type="checkbox"/>	66273.38(f)(1) - The receiving UW handler that rejects a shipment of UW failed to notify the originating UW handler of the rejected load and/or 66273.38(f)(2) – Failed to return the UW to the originating UW handler, or not agreeing with the originating UW handler to send the UW to another UW destination facility.
<input type="checkbox"/>	66273.38(g) - A UW handler that receives a shipment of UW containing hazardous waste failed to notify DTSC of the shipment.
<input type="checkbox"/>	66273.38(h) - A UW handler that receives a shipment of non-hazardous, non-UW, failed to manage the waste in compliance with applicable federal, state, and local solid waste regulations.
V TRACKING UNIVERSAL WASTE SHIPMENTS	
<input type="checkbox"/>	66273.39(a) – Failed to keep a record of each shipment of UW received at the UW handler's facility. Except as specified in 66273.39(b), a UW handler failed to record for each shipment of UW received the information required in subsection (1) – (3) below.
<input type="checkbox"/>	66273.39(a)(1) The name and address of the originating UW handler from which the UW was sent;
<input type="checkbox"/>	66273.39(a)(2) The quantity of each type of UW received.
<input type="checkbox"/>	66273.39(a)(3) The date of receipt of the shipment of UW.
<input type="checkbox"/>	66273.39(b) For purposes of compliance with (a) of this section, a UW handler who receives UW from household generator and conditionally exempt small quantity UW generators, failed to do the following: 66273.39(b)(1) In lieu of the originating UW handler's name and address, record "household generator" and/or CESQUWG;

<input type="checkbox"/>	66273.39(b)(2) record the total quantity of each type of UW as an aggregate from households and/or CESQUWGs.
<input type="checkbox"/>	66273.39(c) Failed to keep a record of each shipment of UW sent from the UW handler's facility to another facility.
<input type="checkbox"/>	66273.39(c)(1) – Failed to record the name and address of the UW handler or destination facility to which the UW was sent.
<input type="checkbox"/>	66273.39(c)(2) – Failed to record the quantity of each type of UW sent.
<input type="checkbox"/>	66273.39(c)(3) – Failed to record the date the shipment was sent.
<input type="checkbox"/>	66273.39(d)(1) – Failed to retain each record described in (a) of this section for 3 years from the date of receipt of the corresponding shipment of UW.
<input type="checkbox"/>	66273.39(d)(2) – Failed to retain each record described in (b) of this section for 3 years from the date of departure of the corresponding shipment of UW.
V EXPORTS	
<input type="checkbox"/>	66273.40(a)(3)(A) – Exported used CRTs for reclamation and failed to comply with the federal notification and EPA Acknowledgment of Consent requirements of 40 Code of Federal Regulations section 261.39(a)(5), if applicable.
<input type="checkbox"/>	66273.40(a)(3)(B) – Exported intact used CRTs for reuse, and failed to comply with federal notification and recordkeeping requirements of 40 Code of Federal Regulations section 261.41, if applicable.
<input type="checkbox"/>	66273.40(a)(3)(C) – Failed to notify the Department, in accordance with subsection (a)(4) of this section, of an intended export 60 days before any EDs, CRTs, and/or CRT glass are scheduled to leave the US. The notification covers a 12 month or lesser period.
<input type="checkbox"/>	66273.40(a)(3)(D) – Failed to concurrently send a copy of the notification required in (a)(3)(C) of this section to the CUPA having jurisdiction over the UW handler's facility, or if there is no such CUPA, to the agency authorized pursuant to subdivision (f) of H&SC section 25404.3.
<input type="checkbox"/>	66273.40(a)(4)(A) – Failed to include in the 66273.40(a)(3)(C) notification the name, mailing address, telephone number, and ID Number (if applicable) of the UW handler.
<input type="checkbox"/>	66273.40(a)(4)(B) – Failed to include in the 66273.40(a)(3)(C) notification the information required in subsections 1-9 below:
<input type="checkbox"/>	66273(a)(4)(B)1 – The quantity (by count or by weight) and volume of the electronic devices, the CRTs, and/or the CRT glass, respectively, to be exported to the foreign destination;
<input type="checkbox"/>	66273.40(a)(4)(B)2 – The estimated frequency or rate at which the electronic devices, the CRTs, and/or the CRT glass, respectively, are to be exported to that destination;
<input type="checkbox"/>	66273.40(a)(4)(B)3 – All points of entry to and departure from each foreign country through which the electronic devices, the CRTs, and/or the CRT glass, respectively, will pass en route to the foreign destination;
<input type="checkbox"/>	66273.40(a)(4)(B)4 – A description of the means by which each shipment of the electronic device, the CRTs, and/or the CRT glass, respectively, will be transported (e.g., mode of transportation vehicle, type(s) of containers).
<input type="checkbox"/>	66273.40(a)(4)(B)5 – If the foreign destination is a destination facility that recycles the



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	electronic devices, CRTs, and/or CRT glass a description of the means by which the electronic devices, the CRTs, and/or the CRT glass, respectively will be recycled at the destination facility;
<input type="checkbox"/>	66273.40(a)(4)(B)6 – The name and site address of the foreign destination or any alternate foreign destination.
<input type="checkbox"/>	66273.40(a)(4)(B)7 – For used CRTs to be exported for reclamation a copy of the notification forwarded by the exporter to USEPA pursuant to 40 Code of Federal Regulations section 271.39(e)(6)(i).
<input type="checkbox"/>	66273.40(a)(4)(B)8 – For used, intact CRTs to be exported for reuse, a copy of the one time notification submitted by the export to the USEPA pursuant to 40 Code of Federal Regulations section 261.41.
<input type="checkbox"/>	66273.40(a)(4)(B)9 – For CRT glass to be exported, the name and location of the lead smelter or CRT glass furnace that will recycle the CRT glass.
<input type="checkbox"/>	66273.40(b) A person who exports used CRTs for reclamation failed to forward a copy of the EPA Acknowledgment of Consent to the Department within 30 calendar days of receipt.
<input type="checkbox"/>	66273.40(c) – Failed to keep copies of notification and all applicable records which demonstrate compliance pursuant to subsections (a)(4)(B)7 through (a)(4)(B)9 and subsection (b) of this section for a period of three years from the date of shipment.
v	IMPORTS
<input type="checkbox"/>	66273.41(a) A person who manages a UW that is imported into the United States from a country, other than an OECD country specified in section 66262.58 subsection (a)(1), failed to comply with the applicable requirements of this chapter, beginning immediately after the universal waste enters the United States, as indicated in subsections (a)(1) through (a)(3) of this section: (1) A UW transporter failed to comply with the universal waste transporter requirements of article 5 of this chapter. Or, (2) Failed to comply with the UW handler requirements of article 3 of this chapter, as applicable. Or, (3) An owner or operator of a destination facility failed to comply with destination facility requirements of article 6 of this chapter
v	TRANSPORTERS -- PROHIBITIONS
<input type="checkbox"/>	66273.51(a) – Disposed of universal waste.
<input type="checkbox"/>	66273.51(b) – Dumped or treated a UW, except as a consequence of responding to a release as provided in section 66273.54.
<input type="checkbox"/>	66273.51(c) – Transported more than 5 CRTs at any one time which were not contained as described in 66273.33.5(b)(1)(E).
<input type="checkbox"/>	66273.51(d) – Transported more than 100 kilograms or 220 pounds of electronic devices at any one time and not contained as described in 66273.33.5(a)(1)(E).
v	TRANSPORTERS -- WASTE MANAGEMENT
<input type="checkbox"/>	66273.52(e) – Failed to comply with all applicable DOT regulations in 49 CFR parts 171 – 180 for transport of any UW that meets the definition of a hazardous material in 49 CFR 171.8.

v	TRANSPORTERS – STORAGE TIME LIMITS
<input type="checkbox"/>	66273.53 – Stored UW at a UW transfer Facility in an area zoned "industrial" for more than 10 days or in any other area for more than 6 days, without complying with article 3 of this chapter.
	TRANSPORTERS – RESPONSE TO RELEASES
<input type="checkbox"/>	66273.54(a) – Failed to immediately contain all releases of UW and of residues from UW to the environment.
<input type="checkbox"/>	66273.54(b) – Failed to determine whether any material resulting from a UW release to the environment is a hazardous waste and, if so, failed to manage the hazardous waste in compliance with all applicable requirements of this division.
<input type="checkbox"/>	66273.54(c) – Failed to repackage according to the standards of section 66273.33 or 66273.33.5 any residues of leaking, broken, or otherwise damaged UW.
v	TRANSPORTERS – OFFSITE SHIPMENTS
<input type="checkbox"/>	66273.55(a) – Transported UW to a place other than a UW handler, a destination facility or a foreign destination.
<input type="checkbox"/>	66273.55(b) – Shipped a UW that meets the DOT definition of a hazardous material and failed to use a proper shipping name on the shipping papers.
	TRANSPORTERS -- EXPORTS
<input type="checkbox"/>	66273.56(a)(1) – A UW transporter transported UW to an OECD country specified in 66262.58(a)(1) and failed to comply with the requirements of article 6 of chapter 12.
<input type="checkbox"/>	66273.56(a)(2) – A UW transporter accepted UW for shipment to a country other than an OECD country knowing the shipment does not conform to the EPA Acknowledgment of Consent.
<input type="checkbox"/>	66273.56(a)(2)(A) – Failed to ensure that a copy of the EPA Acknowledgment of Consent accompanies the UW export shipment.
<input type="checkbox"/>	66273.56(a)(2)(B) – Failed to ensure the shipment is delivered to the facility designated by the person who initiated the shipment.
v	DESTINATION FACILITIES
<input type="checkbox"/>	66273.60(c) – A permitted hazardous waste facility stored non-RCRA UW according to the reduced requirements of this chapter without modifying its permit to designate a UW storage area.
<input type="checkbox"/>	66273.61(a) – Sent UW to a place other than a UW handler, another destination facility, or a foreign destination.
<input type="checkbox"/>	66273.61(b) – A destination facility that rejects a shipment containing UW failed to contact the shipper to notify him of the rejection and to discuss reshipment of the load.
<input type="checkbox"/>	66273.61(b)(1) and (2) – Rejected a load of UW and failed to either return the shipment back to the original shipper or agreed with the original shipper to send the shipment to another destination facility.
<input type="checkbox"/>	66273.61(c) – A destination facility that receives a shipment as UW which contains HW that is not UW failed to immediately notify DTSC of the illegal shipment.
<input type="checkbox"/>	66273.61(d) – A destination facility that



	received a shipment of non-hazardous, non-UW failed to manage the waste in compliance with applicable federal or state solid waste regulations.
V	ADDITIONAL EXPORT REQUIREMENTS FOR COVERED ELECTRONIC DEVICES
<input type="checkbox"/>	42476.5(a) – Failed to notify the Department, at least 60 days prior to Export, of the destination, contents, and volume of covered e-waste to be exported to any foreign destination.
<input type="checkbox"/>	42476.5(b) – Failed to demonstrate that the waste or device is being exported for the purposes of recycling or disposal.
<input type="checkbox"/>	42476.5(c) – Failed to demonstrate that the importation of the waste or device is not prohibited by any applicable law in the state or country of destination and that any import will be conducted in accordance with all applicable laws.
<input type="checkbox"/>	42476.5(c) – Failed to forward required import and operating licenses to the Department.
<input type="checkbox"/>	42476.5(d) – Failed to demonstrate that the exportation of covered e-waste is conducted only in accordance with applicable international law.
<input type="checkbox"/>	42476.5(e)(1) – Failed to demonstrate that the management of the exported covered e-waste will be handled within the country of destination in accordance with applicable rules, standards, and requirements adopted by the OECD for the environmentally sound management of electronic waste.
V	DESTINATION FACILITY RECORDKEEPING
<input type="checkbox"/>	66273.62(a) – Failed to keep a record of each shipment of UW received at the facility.
<input type="checkbox"/>	66273.62(a)(1) – Failed to record the name and address of the UW handler, destination, or foreign shipper from which the UW was sent.
<input type="checkbox"/>	66273.62(a)(2) – Failed to record the quantity of each type of UW received (e.g. batteries, thermostats, lamps, electronic devices, CRTs, CRT glass).
<input type="checkbox"/>	66273.62(a)(3) – Failed to record the date of receipt of the shipment of UW.
<input type="checkbox"/>	66273.62(b) – Failed to retain shipment records for at least three years from the date of receipt of the corresponding shipment of UW.
V	RECYCLERS
<input type="checkbox"/>	66273.70(a) – Treated EDs, CRTs and/or CRT glass without recycling and failed to comply with chapters 14, 15, 16, 18, 20, and/or 22 of 22 CCR div 8.5.
<input type="checkbox"/>	66273.71(d)(1) – A handler who removes user-replaceable components failed to make a HW determination on residuals that are HW.
<input type="checkbox"/>	66273.71(d)(1)(A) – A handler who removes user-replaceable components failed to manage HW residuals in compliance with applicable HW requirements.
<input type="checkbox"/>	66273.71(f)(1) – Failed to manage residual printed circuit boards in a manner that prevents a release to the environment.
<input type="checkbox"/>	66273.71(f)(1)(A) – Failed to place residual printed circuit boards in a structurally sound container.

<input type="checkbox"/>	66273.71(f)(1)(B) – Failed to label a residual printed circuit board container with the phrase: "Residual Printed Circuit Boards".
<input type="checkbox"/>	66273.71(f)(1)(C) – Failed to clean up and place in a container spilled residual printed circuit boards or those that might reasonably be expected to cause a release to the environment under reasonably foreseeable conditions.
<input type="checkbox"/>	66273.71(g) – Treated hazardous waste generated by activities authorized by 66273.71 in a way not provided for under subsections (o) or (f) and failed to obtain a hazardous waste facility permit or other form of authorization from the Department.
V	DISASSEMBLING/DRAINING ACTIVITIES
<input type="checkbox"/>	66273.72(a)(1) – Used water, chemicals, and/or external heat to disassemble EDs, CRTs and/or CRT glass.
<input type="checkbox"/>	66273.72(a)(2) – Failed to perform a HW determination for all residuals resulting from activities performed pursuant to 66273.72(c).
<input type="checkbox"/>	66273.72(a)(2)(B) – Generated HW residuals and failed to comply with all applicable requirements of chapters 12, 14, 15, 16, 18, 20, 22, and 23, and HSC 25153.6.
<input type="checkbox"/>	66273.72(a)(4) – Prior to conducting any subsequent treatment activity authorized by section 66273.73 on any residual printed circuit board resulting from removal activities conducted under this section, a UW handler failed to manage the residual printed circuit board in a manner that prevents a release to the environment by:
<input type="checkbox"/>	66273.72(a)(4)(A) – Failed to contain the residual printed circuit board in a container that is structurally sound and compatible with the residual printed circuit board.
<input type="checkbox"/>	66273.72(a)(4)(B) – Failed to label the container with the phrase, "Residual Printed Circuit Boards".
<input type="checkbox"/>	66273.72(a)(4)(C) – Failed to clean up a spilled residual printed circuit board or one that might reasonably be expected to cause a release to the environment under reasonably foreseeable conditions.
<input type="checkbox"/>	66273.72(a)(5) – Conducted further treatment of residual printed circuit boards, CRT residual, and/or CRT glass-residual and failed to comply with section 66273.73.
<input type="checkbox"/>	66273.72(a)(6) – A UW handler who conducts no further treatment of residual printed circuit boards failed to comply with 66273.73(c).
<input type="checkbox"/>	66273.72(a)(7) – Treated residuals that are HW in a manner not authorized in 66273.72 and failed to obtain a hazardous waste facility permit or other form of authorization from the Department.

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Collector.*



v	REMOVING CRTS FROM CRT DEVICES
<input type="checkbox"/>	66273.72(b)(1) – Removed CRTs from electronic devices in a manner that failed to prevent breakage of the CRTs.
<input type="checkbox"/>	66273.72(b)(2)(A) – Removed CRTs and failed to use a containment device (e.g. a tray, a box, a workbench, a table, or an enclosed machine) sufficient in size and construction to contain any CRT glass that may be released to the environment.
<input type="checkbox"/>	66273.72(b)(2)(B) – Failed to ensure that persons removing CRTs are thoroughly familiar with the techniques and safety precautions required to remove CRTs safely (e.g. releasing the vacuum from each CRT and discharging the CRT).
<input type="checkbox"/>	66273.72(b)(2)(C) – Failed to place the removed CRTs in a container with packing materials, if such materials are necessary to prevent breakage of the CRTs during handling, storage and transportation.
<input type="checkbox"/>	66273.72(b)(2)(D) – Failed to manage the packaged CRTs in accordance with the requirements of 66273.33.5(b).
	ED DISMANTLING AND CRT YOKE REMOVAL
v	66273.72(c) ED handlers who manually dismantle or otherwise segregate ED components (e.g. circuit boards, integrated circuits, metals, plastic, wiring, batteries, lamps, etc.) from EDs or manually remove yokes without breaking the CRT glass.
<input type="checkbox"/>	66273.72(c)(1)(B) – Failed to remove yokes from CRTs without breaking the CRT glass.
<input type="checkbox"/>	66273.72(c)(2)(A) – Failed to comply with the notification, annual reporting and recordkeeping requirements specified in 66273.74, subsections (a) through (c)(1).
<input type="checkbox"/>	66273.72(c)(2)(B) – Failed to ensure that all activity residuals meeting either the definition of scrap metal in 66260.10 or the definition of CRT glass in 66273.9 are recycled.
<input type="checkbox"/>	66273.72(c)(2)(C)1 – Failed to dismantle electronic devices and/or remove yokes from CRTs over, on, or in a containment device (e.g. a tray, a box, a workbench, a table, or an enclosed machine) sufficient in size and construction to contain any universal waste and/or component of such waste that may be released to the environment under reasonably foreseeable conditions.
<input type="checkbox"/>	66273.72(c)(2)(C)2 – Failed to contain any hazardous residuals produced from dismantling electronic devices and/or removing yokes from CRTs in a manner that prevents releases of the residual to the environment under reasonably foreseeable conditions.
<input type="checkbox"/>	66273.72(c)(2)(C)3 – Failed to immediately clean up and place in a container any electronic device and/or CRT that is accidentally or unintentionally broken and that may reasonably be expected cause a release to the environment under reasonably foreseeable conditions and/or the container was not structurally sound, or compatible with the contents of the electronic device and/or CRT, and/or the container could not prevent releases to the environment under reasonably foreseeable conditions.

<input type="checkbox"/>	66273.72(e)(2)(C)4 – Failed to place CRTs in a container with packing materials, if such materials are necessary to prevent breakage during handling, storage and transportation.
<input type="checkbox"/>	66273.72(c)(2)(C)5 – Failed to ensure that persons performing the activities are thoroughly familiar with the hazards associated with such treatment, have access to the proper procedures and protective equipment necessary to conduct the treatment safely, use such protective equipment if required by any applicable health and safety requirements, and comply with the requirements of this section.
<input type="checkbox"/>	66273.72(c)(2)(C)6 – Failed to ensure that the facility is operated in compliance with all applicable health and safety laws and regulations (e.g., Cal Code Regs. Title 8 ch 4 (Division of Industrial Safety) subch 7 (General Industry Safety Orders), group 16 (Control of Hazardous Substances), art 107 (Dusts, Fumes Vapors and Mists), and art. 109 (Hazardous Substances and Processes and sec. 5198 (Lead)).
<input type="checkbox"/>	66273.72(c)(2)(C)7 – Failed to ensure that the facility maintains aisle spacing in compliance with applicable fire safety code standards in California.
v	AUTHORIZATION FOR TREATMENT (PROCESSING) ACTIVITIES
	TREATING ELECTRONIC DEVICES
<input type="checkbox"/>	66273.73(a)(1)(C) – UW handler treated electronic devices and/or residual printed circuit boards under 66273.73(a)(1)(B) (i.e. producing scrap metal and UW under this chapter) and failed to:
<input type="checkbox"/>	66273.73(a)(1)(C)1 – Follow the notification, annual reporting and recordkeeping requirements of 66273.74.
<input type="checkbox"/>	66273.73(a)(1)(C)2 – Comply with 66273.75.
<input type="checkbox"/>	66273.73(a)(2)(C) – UW handler treated electronic devices and/or residual printed circuit boards which produced any residual which exhibits a hazardous waste characteristic, does not meet the definition of scrap metal in 66273.9 and does not qualify for management as universal waste pursuant to this chapter failed to follow the requirements of section 66273.33.5, subsection (a)(1) and to do the following:
<input type="checkbox"/>	66273.73(a)(2)(C)1 – Follow the notification, annual reporting, and/or recordkeeping requirements specified in 66273.74.
<input type="checkbox"/>	66273.73(a)(2)(C)2 – Comply with the 66273.75 standards.
<input type="checkbox"/>	66273.73(a)(2)(C)3 – Comply with the closure standards in 66273.76.
<input type="checkbox"/>	66273.73(a)(2)(C)4 – Comply with the closure standards in 66273.77, if applicable.
v	TREATING CRTS AND/OR CRT GLASS
<input type="checkbox"/>	66273.73(b) A UW handler breaks CRT glass and whose other UW activities are authorized elsewhere failed to do the following:
<input type="checkbox"/>	66273.73(b)(3)(A) The notification, annual reporting, and recordkeeping requirements specified in 66273.74.
<input type="checkbox"/>	66273.73(b)(3)(B) The standards specified in 66273.75.
<input type="checkbox"/>	66273.73(b)(3)(C) The closure plan and financial requirements specified in 66273.76



Section 2 – Technical Proposal for Collection Services

<input type="checkbox"/>	66273.73(b)(3)(D) The applicable closure requirements specified in 66273.77.
<input checked="" type="checkbox"/>	PRINTED CIRCUIT BOARD RECYCLING
<input type="checkbox"/>	66273.73(d)(2)(A) Treated printed circuit boards derived from processes not authorized under this article.
<input type="checkbox"/>	66273.73(d)(2)(B) Failed to containerize and label the printed circuit board pursuant to 66273.75(d).
<input type="checkbox"/>	66273.73(d)(2)(C) – Subsequent to performing authorized treatment and before recycling, failed to determine that the printed circuit board is exempt or excluded scrap metal.
	NOTIFICATION, ANNUAL REPORTING, AND RECORDKEEPING
<input checked="" type="checkbox"/>	NOTIFICATION
<input type="checkbox"/>	66273.74(a)(1) Failed to notify the Department, either in writing or electronically, 30 calendar days prior to treating any electronic device and/or CRT.
<input type="checkbox"/>	66273.74(a)(1)(A-J) Submitted an incomplete notification.
<input checked="" type="checkbox"/>	ANNUAL REPORTING
<input type="checkbox"/>	66273.74(b)(1) Failed to submit to the Department, either in writing or electronically, an annual report by February 1 of the following year.
<input type="checkbox"/>	66273.74(b)(1)(A-K) Submitted an incomplete annual report.
<input checked="" type="checkbox"/>	RECORDKEEPING
<input type="checkbox"/>	66273.74(c)(1)(A)1 Failed to maintain on file a copy of the initial notification required in 66273.74(a).
<input type="checkbox"/>	66273.74(c)(1)(A)2. Failed to maintain on file a copy of the annual report required in 66273.74(b).
<input type="checkbox"/>	66273.74(c)(1)(A)3 Failed to maintain on file a copy of any local air district permit and/or other relevant permit required for the facility.
<input checked="" type="checkbox"/>	TREATMENT (PROCESSING) STANDARDS
<input type="checkbox"/>	66273.75(a)(1) A LW handler used a treatment standard not authorized in 66273.73(c).
<input type="checkbox"/>	66273.75(a)(2) Failed to ensure that all mercury-containing lamps, PCB capacitors, and other components containing fluids (i.e., liquids or gases) that would be identified as hazardous wastes, are removed prior to treatment methods that may release the fluids such as cutting, sawing, breaking, shredding, crushing, grinding, screening, sieving, acceleration or compacting.
<input type="checkbox"/>	66273.75(a)(3) Failed to conduct treatment activities over, or in, a containment device (e.g., a tray, a box, a workbench, a table, or an enclosed machine) sufficient in size and construction to contain any materials that might be released to the environment under reasonably foreseeable conditions.
<input type="checkbox"/>	66273.75(a)(4) Failed to ensure that all hazardous wastes generated from treatment activities and sent offsite for disposal are managed (i.e., manifested) in accordance with the applicable requirements of article 2 of ch 12 of this division.
<input type="checkbox"/>	66273.75(a)(5) Failed to comply with

N/A

ck

Received a copy

<input type="checkbox"/>	66285.18 and 66285.26 to the extent that those requirements apply to facility location and design standards.
<input type="checkbox"/>	66273.75(a)(6) Failed to ensure that all treatment is conducted in compliance with all applicable state and local air pollution control laws and regulations.
<input type="checkbox"/>	66273.75(a)(7) Failed to treat electronic devices and/or residual printed circuit boards only for the purpose of recycling one or more of their components and ensure that all treatment residuals meeting the definition of scrap metal in 66273.9 are recycled and that all treatment residuals meeting the definition of CRT glass in 66273.8 are recycled.
<input type="checkbox"/>	66273.75(a)(8) Failed to treat CRTs only for the purpose of recycling one or more types of CRT glass and ensure that all the CRT glass is reclaimed at a CRT glass manufacturer or at a primary or secondary lead smelter.
<input type="checkbox"/>	66273.75(a)(9) Accepted for treatment, any electronic devices or CRTs that are managed, or that are required to be managed, as hazardous waste pursuant to ch. 10-16, 18, 20, and 22 of this division, without being authorized to do so pursuant to a HW facility permit or other authorization granted by the Department pursuant to those chapters.
<input type="checkbox"/>	66273.75(b)(1) Failed to manage all residuals produced from treating electronic devices, residual printed circuit boards, and/or CRTs, in a manner that prevents a release to the environment of any universal waste or any component.
<input type="checkbox"/>	66273.75(b)(2) Failed to contain any residuals that are produced from treating electronic devices, residual printed circuit boards, and/or CRTs, in a manner that prevents releases of hazardous residuals to the environment under reasonably foreseeable conditions.
<input type="checkbox"/>	66273.75(b)(3) Failed to clean up and immediately place in a container any electronic device, residual printed circuit board, and/or CRT that is accidentally or unintentionally broken and that might reasonably be expected to cause a release to the environment under reasonably foreseeable conditions.
<input type="checkbox"/>	66273.75(b)(3) Failed to use containers that are structurally sound, compatible with the contents of the electronic devices, residual printed circuit boards, and/or CRTs, and prevent releases under reasonably foreseeable conditions.
<input type="checkbox"/>	66273.75(b)(4) Failed to manage residual printed circuit boards in containers labeled "Residual Printed Circuit Boards".
<input type="checkbox"/>	66273.75(c)(1) Failed to perform a hazardous waste determination pursuant to 88262.11 for all residuals resulting from the activities authorized by subsection (a) of this section.
<input type="checkbox"/>	66273.75(c)(1)(B) For residuals that are HW, failed to comply with all the applicable requirements of ch 12, 14, 15, 16, 18, 20, 22 and 23 of this division, except as provided in subsection (c)(1)(C) of this section.
<input type="checkbox"/>	66273.75(c)(1)(D) Failed to obtain a HW facility permit to conduct further treatment of residual that are hazardous waste, except as provided in subsection (c)(1)(C) of this section.
<input type="checkbox"/>	66273.75(c)(2) Failed to ensure that all CRT glass generated by the facility is sent to a



Employee Orientation

New employees will be required to review the following documents, which currently include: the Company's *Employee Handbook*, *Driver Handbook* (referenced above), and *Injury and Illness Prevention Program (IIPP)*.

✓ **Driver Handbook**

This manual is comprehensive, covering all components of 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 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.

Monitoring of Work Performance

During the first few days of being on the job with MVD, driver 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.

Safety Meetings

Safety meetings are held once per month and are compliant with all safety regulations. 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.

MVD is an active member of the California Refuse and Recycling Council which provides tremendous safety-related support and resources. The list at the conclusion represents the DVD lending library that MVD frequently accesses to address particular concerns.

This list is followed by a second, *Safety Monday* topics which MVD taps on a regular basis for its weekly tool box talks.



Accident and Incident Management

MVD dispatches a supervisor to the scene immediately when an accident or incident occurs. A report is completed by both supervisor and employee. The day following the incident, the employee receives the appropriate retraining. First, a pretest on the incident type is used to assess the employee's knowledge of safe practices specific to the task being performed when the incident occurred. Proper procedure is reviewed. A post-test is then taken to check the employees understanding of safe practices that must be utilized in the execution of the task in question. The employee must pass the test with a score of 80 percent or better, or the entire process is repeated.

Required Postings and Signage

MVD maintains its employee bulletin board with all postings as is required together by law. MVD maintains this bulletin board regularly to ensure all such materials are neatly posted and easily readable. This is part of MVD's monthly site inspections, described above.

CRRC Safety DVD Library

General

- Commercial Operations Solid Waste Training [English]
- Lockout/Tagout Training for Employees [English]
- Lockout/Tagout Training for Employees [Spanish]
- Pre-trip Inspection, Solid Waste Training [English]
- Pre-trip Inspection, Solid Waste Training [Spanish]
- Residential Operations Solid Waste Training [Spanish]
- Workplace Harassment in Industrial Facilities [English]
- Workplace Harassment in Industrial Facilities [Spanish]

Safety

- The 5 Keys to Safe Driving [English]
- The 5 Keys to Safe Driving [Spanish]
- What's Your Excuse? (Justifying unsafe acts can have tragic consequences) [English]
- What's Your Excuse? (Justifying unsafe acts can have tragic consequences) [Spanish]
- Hazards in the Waste Stream: Bloodborne Pathogens
- Disabled Vehicle, Accident Procedures, and Truck Fires
- Conveyor Safety in the Workplace [English]
- Conveyor Safety in the Workplace [Spanish]
- Backing Accident Prevention [English]



- Backing Accident Prevention [Spanish]
- Backing Accident Prevention, Solid Waste Training [English]
- Backing Accident Prevention, Solid Waste Training [Spanish]
- Distracted Driving At What Cost [English]
- Distracted Driving At What Cost [Spanish]
- Front End Loader Safety and Operations [English]
- Front End Loader Safety and Operations [Spanish]
- Slow Down to Get Around, Preventing Struck By Accidents Involving Solid Waste Collection Employees [English]
- Hazard Communications [English]
- High-Impact Forklift Safety [English]
- Route Safety Analysis [English]
- Safety Orientation [English]

Safety Monday Topics

- July 23, 2012 - Alleys (PDF)
- July 16, 2012 - MRF Safety (PDF)
- July 9, 2012 - Landfill Safety Concerns (PDF)
- July 2, 2012 - Interesting Patterns in Accident Data (PDF)
- June 25, 2012 - Here Comes OSHA (PDF)
- June 18, 2012 - June is National Safety Month (PDF)
- June 11, 2012 - School is Out (PDF)
- June 4, 2012 - Spring Fatalities (PDF)
- May 28, 2012 - CVSA Roadcheck 2012 (PDF)
- May 21, 2012 - Runaway Trucks (PDF)
- May 14, 2012 - Falling Off the Riding Step (PDF)
- May 7, 2012 - OSHA Enforcement Update (PDF)
- April 30, 2012 - Rollovers (PDF)
- April 23, 2012 - Watch Out for Bikes & Motorcycles (PDF)
- April 16, 2012 - Driver of the Year (PDF)
- April 9, 2012 - Getting In and Out of the Cab (PDF)
- April 2, 2012 - WasteExpo 2012 - Safety Sessions (PDF)
- March 26, 2012 - OSHA-Recycling (PDF)
- March 19, 2012 - Intersections – Safety Issues (PDF)
- March 12, 2012 - Backing (PDF)
- March 5, 2012 - March Madness (PDF)
- February 27, 2012 - First Waste Collection Fatality of 2012 (PDF)
- February 13, 2012 - Lessons from Italy (PDF)
- February 6, 2012 - Reasons to Be Safe (PDF)
- January 30, 2012 - Super Bowl XLVI - Are you and your workers ready? (PDF)



- January 23, 2012 - Dealing with Good and Bad Behaviors (PDF)
- January 16, 2012 - Strong Insurance Company Helps Safety (PDF)
- January 9, 2012 - Overhead Hazards (PDF)
- January 2, 2012 - How Will You Commit to Safety in 2012? (PDF)

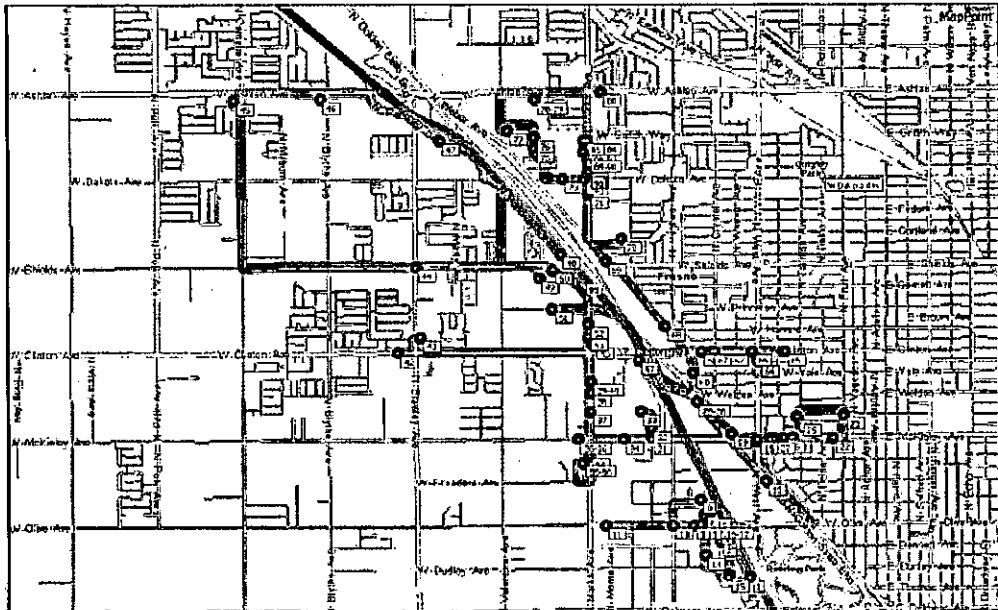
Routing Approach

Because truck emissions, traffic, and wear and tear to streets impacts the environment and the general public's health and safety, as well as the environment routing is especially important. Proper routing is a time-consuming and thoughtful planning process that MVD takes seriously. There are two components to routing: mapping and data confirmation, and route balancing. Analyzing initial account data and balancing routes require human focus and decision-making. Routing through MVD's software application, Encore, is accomplished by assigning longitude and latitude coordinates to each service address.

Mapping and Data Checking

Encore utilizes Microsoft Map Point software to generate routes which ensure they are as efficient as possible. A route manager assigns route stop sequencing based on service metrics such as:

- Number of service units per route;
- Number of solid waste carts set out per route (participation);
- Container size/corresponding service address;
- Cubic yards.





Route Balancing and Final Routing

A route supervisor will drive routes and document travel paths within them. Routes will be timed based on productivity estimates provided by the truck and automated arm manufacturers. To increase safety and efficiency, managers will specify right hand turns in as many cases as possible. Special notice and treatment will be given to areas where children are frequently present: schools, playgrounds, parks, community centers, and libraries. Depending on the location of these facilities, the Company will either route collection vehicles in a way that collection activities are completed in those areas prior to each school's start time, or during hours when children are in class. In the end, routes will be balanced to ensure that tons collected are equalized, and that when all productivity assumptions and driver activities are factored in hours worked are equalized between drivers to the greatest possible extent.

Commercial/MFD route balancing is more complex because service frequencies may occur more than once a week and because of business managers' preferences. To achieve route balance for its new commercial customers, lifts per day are grouped by geographic area. To achieve better balance and greater efficiency, commercial customers may be encouraged to subscribe to a larger container serviced fewer times per week or to shift service days. Service levels will always be right-sized and geared toward achieving a 75 percent diversion rate.

Routes will then be mapped and reviewed with the City for City approval. If drivers employed by the City are interested in working in familiar territory, MVD will make every effort to grant their requests. During the implementation of Fresno's commercial contract MVD offered positions to 31 City employees, hired 25 of them (including four support staff), and 19 (including three support staff) are still employed with the company. Employing displaced workers makes the transition easier for both the drivers and those customers who notice and greet their drivers regularly

The sheet on the following page is used by MVD drivers to record route specifics and exceptions.

Section 2 – Technical Proposal for Collection Services



Page 1 of 7
 Route Number M-501
 MONDAY FL REFUSE
 Service Date: 10/8/12

Division: MVD FRESNO

SEQ#	CUST ID / SITE NAME			ADDRESS	CITY	SERVICE		
	LOAD 1	LOAD 2	LOAD 3			DRIVER	HELPER1	
SEQUENCE START#						DANNY DEAKE		
SEQUENCE END STOP#					RETURN TO YARD TIME			
1ST STOP TIME					LEAVING YARD TIME			
LAST STOP TIME					TOTAL TIME			
ARRIVE TIME DUMP						LOAD1	LOAD2	LOAD3
LEAVE TIME DUMP					NOT OUT			
TOTAL STOPS PER DUMP					EXTRA CHARGES			
WT (TONS) PER DUMP					BLOCKED ACCESS			
YARDAGE DUMPED					UNSAFE			
LANDFILL/TRANSFER					SPECIALS			
TICKET NUMBER					LARGE ITEMS			
					YDS LEFT AT END OF DAY			
END OF DAY MILES		FUEL START OF DAY						
START OF DAY MILES		FUEL END OF DAY						
TOTAL MILES		FUEL TYPE						

VEHICLE# _____

Driver _____ Signature _____ Date _____



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3 Proposed Service Enhancements and Innovations

MVD will provide the following enhancements for the same low rates/cost proposed in *Section 4 – Rate and Cost Proposal*.

Multi-Family Commercial Rate Adjustment

Under the current Commercial Franchise Agreement between the City of Fresno and MVD, automated cart services for multi-family structures with more than four units are included as part of the commercial rate schedule. Because commercial routes are predominately frontload bin service, servicing automated carts requires additional routes and equipment which adds additional costs to the operation. These costs are passed on to the multi-family customers as part of the current commercial rate structure.

If MVD were awarded the Residential Franchise Agreement for service area 2, MVD will gain operational efficiencies in servicing these customers. MVD therefore proposesto reduce rates for multi-family complexes with 10 or more units to the 96 gallon residential rate schedule for cart service. Based on our estimates, this reduction would affect over 1,400 customerswith the projected savings to these customers estimated to be over \$175,000 annually.

Curbside Textile Collection and Recycling

Beginning on the operations start date, MVD will provide Fresno residents an opportunity to conveniently recycle their unwanted clothing. Residents can participate in the on-call textile curbside recycling program through the Company website: www.midvalleydisposal.com . Once the resident requests the service, MVD will deliver a clear plastic bag imprinted with instructions to recycle clean, dry clothing. Residents will simply place the bag or bags of clothing at the curb on their next scheduled collection day.

In addition, beginning in contract year two, MVD will begin a curbside textile recycling pilot program. MVD, in collaboration with the City, will select certain residential routes of approximately 5,000 residential customers to participate in this eight month program. The special bags will be delivered to all homes participating in the pilot program. Residents will place their textile recycling bag next to recycling cart at the curb on their regularly scheduled collection day. Drivers will collect all textile recycling bags.

MVD will partner with the local textile recycling company The SOEX Group. The SOEX Group's core business and mission is Re-Wear, Re-Use, and Re-Cycle. The SOEX Group will recycle textiles collected turning them into raw material fibers that are then used to make new industrial products.



Curbside E-Waste Collection

MVD will collect electronics at the curb at no additional cost. Large unbroken electronic items may be placed at the curb and small electronic items must be placed inside a plastic bag. Residents must contact MVD 24 hours in advance to schedule e-waste collection. A work order will be generated that drivers will sign off on and turn in to verify collection.

MVD has been a certified e-waste collector by CalRecycle for six years. MVD stays compliant with CalRecycle and the Department of Toxic Substance regulations and has had no citations or penalties since becoming certified. MVD partners with State certified recycler E-Recycling of California, located in Hayward. Electronics collected by MVD are hauled to E-Recycling of California for safe and proper recycling.

Sponsorship of Recycled Art

MVD has enjoyed the partnerships it has created with schools through sponsorship of calendar and grocery bag art projects. These projects have incentivized students to display their talents and promote conservation and recycling simultaneously. Partnering with organizations such as Fresno Art Hop, Creative Fresno, and Fresno Community College Art classes, MVD will create an environmental awareness on a different level and creative mindset.

Payment Drop Box

MVD will provide a locking drop box at the City's Utilities Billing and Collection Division located on the first floor of City Hall, as well as at the Manchester office as a convenience to customers. MVD will check and remove the contents of lock boxes once per week. MVD will also include comment cards at each location so that residents and business owners/managers can submit suggestions for service improvements to MVD. MVD will share this information with the City.



Community Involvement and Sponsorships

MVD supports multiple community events and organizations through sponsorships and enjoys being an active corporate citizen of Fresno and all of the communities MVD serves. MVD currently underwrites the following events and organizations:

- Central California Hispanic Chamber
 - Central California Business Expo*
 - National Parks Day Event*
 - Annual Latina Women's Conference Trade Fair and Fashion Show*
- Fresno Metropolitan Black Chamber
 - Urban Leadership Conference*
 - Freedom Fund Educational Luncheon*
- California Apartment Association
 - Mark of Distinction*
 - CAA Reverse Tradeshow*
- Fresno Police Department Gold Tournament
- Crime Stoppers Gold Tournament and Event
- City of Fresno Christmas Parade

In addition to continued sponsorship of the above, MVD will commit \$15,000 annually to sponsor local non-profits and community groups serving Fresno residents, such as the Community Food Bank, Poverello House, and Dickey Youth Center. Mid Valley Disposal will also partner with community parks such as Holmes and Romain to promote recycling and coordinate interactive, fun educational activities for the neighborhood children to enjoy.



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5 Exceptions to Agreement

MVD has carefully reviewed the *RFP*, all *Addenda*, and the draft *Agreement* and takes no exceptions. Based on MVD and City of Fresno experience on the commercial franchise, however, MVD is making some minor language change suggestions. These minor suggested changes are located on the flash drive submitted with this *Proposal*. In no way are these suggestions to be construed as exceptions.



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1_Rates



Single Family Residential Service

Service Area No. 1

Service Area No. 2

Proposer Name: Mid Valley Disposal

Service Level				Year 1							
Size	Freq.	Rate Factor	Current Monthly Rate	Estimated Number of Monthly Accounts	Operating Component	Transfer/Transport/Organics Processing Component*	Transfer/Transport/Disposal Component	Fee Component	Total Monthly Rate	Rate Increase/ (Decrease) vs. Current	Total Annual Revenue
					60.5%	8.1%	15.9%	15.5%	100%		
Residential Rates (Includes Selected Solid Waste Container Size, (1) 96-Gallon Recycling Cart, (1) 96-Gallon Organics Cart)											
64 Gal	1 /wk	1.00	\$ 19.20	41,343	\$9.56	\$1.28	\$2.52	\$2.45	\$15.81	(17.6%)	\$ 7,845,323
96 Gal	1 /wk	1.32	\$ 25.37	68,457	\$12.64	\$1.70	\$3.32	\$3.24	\$20.90	(17.6%)	\$ 17,165,085
Senior Citizen Rates (Includes Selected Solid Waste Container Size, (1) 96-Gallon Recycling Cart, (1) 96-Gallon Organics Cart)											
64 Gal	1 /wk	0.86	\$ 16.51	616	\$8.22	\$1.10	\$2.16	\$2.11	\$13.60	(17.6%)	\$ 100,516
96 Gal	1 /wk	1.14	\$ 21.81	1,050	\$10.86	\$1.46	\$2.86	\$2.78	\$17.96	(17.6%)	\$ 226,335
Additional Solid Waste Containers											
64 Gal	1 /wk	0.39	\$ 7.43	112	\$3.70	\$0.50	\$0.97	\$0.95	\$6.12	(17.6%)	\$ 8,225
96 Gal	1 /wk	0.53	\$ 10.25	554	\$5.10	\$0.69	\$1.34	\$1.31	\$8.44	(17.6%)	\$ 56,123
Additional Organics Containers											
96 Gal	1 /wk	0.20	\$ 3.87	927	\$1.93	\$0.26	\$0.51	\$0.49	\$3.19	(17.6%)	\$ 35,457
Additional Recycling Containers											
96 Gal	1 /wk	0.19	\$ 3.74	141	\$1.86	\$0.25	\$0.49	\$0.48	\$3.08	(17.6%)	\$ 5,212
Container Exchange											
Any Size	Used	2.04	\$ 39.23	-	\$27.30			\$5.01	\$32.31	(17.6%)	\$ -
64 Gal	New	3.66	\$ 70.22	-	\$48.87			\$8.96	\$57.83	(17.6%)	\$ -
96 Gal	New	4.02	\$ 77.13	-	\$53.68			\$9.85	\$63.53	(17.6%)	\$ -
Total Annual Rate Revenue										\$	25,442,276
Total Proposed Annual Cost (Form 8)										\$	25,442,276
Surplus/(Deficit)										\$	-
<p>* Note: Recyclable materials transfer, transport, and disposal is assumed to be \$0/ton for the term of the contract, with all net proceeds from recyclable materials sales revenue being provided through the Recyclable Materials Payment to the City.</p>											



Proposer Name: Mid Valley Disposal

Service Area No. 1
 Service Area No. 2

A. Collection Vehicle Manufacturer, Model #, and Year (for each vehicle to be used in the City)	
1. Solid Waste Cart Services	Vehicles purchased from city.
2. Recyclable Material Cart Services	Vehicles purchased from city.
3. Organic Materials Cart Services	Vehicles purchased from city.
B. Container Manufacturer and Specifications	
1. Carts	Carts purchased from city.
C. Recyclable Materials Processing and Handling	
1. Name of Processing Site	Mid Valley Disposal Recycling & Transfer Station
2. Owner's Name	Kalpakoff Properties
3. Operator's Name	Mid Valley Disposal
4. Address of Processing Site	15300 W Jensen Ave, Kerman, CA 93630
5. Per ton Tipping Fee (Rebate) (Including Transfer and Transport costs)	(\$8)
6. Hauling Method (e.g. direct haul, transfer haul)	Direct haul
7. Address of Transfer Location (if applicable)	N/A
D. Organic Materials Processing and Handling	
1. Name of Processing Site	Green Valley Recycling
2. Owner's Name	Koehrgan Composting
3. Operator's Name	Koehrgan Composting
4. Address of Processing Site	2365 E North Ave, Fresno, CA 93725
5. Per ton Tipping Fee (Including Transfer and Transport costs)	\$21.75
6. Hauling Method (e.g. direct haul, transfer haul)	Direct haul
7. Address of Transfer Location (if applicable)	N/A
E. Support Facilities	
1. Address of Collection Vehicle Parking, Maintenance, Washing, etc.	3444 W Whitesbridge Ave, Fresno, CA 93706
2. Address of Administrative Office	15300 W Jensen Ave, Kerman, CA 93630, 3444 W Whitesbridge Ave, Fresno, CA 93706
3. Address of Billing Office	15300 W Jensen Ave, Kerman, CA 93630
4. Address of Customer Service Office	15300 W Jensen Ave, Kerman, CA 93630, 3444 W Whitesbridge Ave, Fresno, CA 93706

3 Op_Statistics



Proposer Name: Mid Valley Disposal

Service Area No. 1
 Service Area No. 2

		Cart			Bulky	TOTAL
		Solid Waste	Recyclable Materials	Organic Materials	Operation Clean-Up	
1 Account Information						
# of weekly accounts/customers		112132	112393	111607	2804	338,936
Labor Information						
2 # of regular route personnel		24	18	16	16	74.0
3 Labor hours/day/person		9.25	9.25	9.75	9.00	37.3
4 Total labor hours/year		57,720.0	43,290.0	40,560.0	37,440.0	141,570.0
Route Information						
# of routes per						
5	Weekday	22.00	16.00	14.00	6.00	58.00
6	Saturday					0.00
7	Sunday					0.00
# of employees per route per day per						
8	Weekday	1.00	1.00	1.00	3.00	6.00
9	Saturday					0.00
10	Sunday					0.00
# of route hours/day/route per						
11	Weekday	6.00	6.00	4.50	6.00	22.50
12	Saturday					0.00
13	Sunday					0.00
# of route hours/year per						
14	Weekday	34,320.00	24,960.00	16,380.00	9,360.00	85,020.00
15	Saturday	0.00	0.00	0.00	0.00	0.00
16	Sunday	0.00	0.00	0.00	0.00	0.00
17	Total	34,320.00	24,960.00	16,380.00	9,360.00	85,020.00
18 # of FTE routes		16.50	12.00	7.88	4.50	40.88
19 # of lifts/pulls per week for all routes		112,132	78,675	55,804	2,140	248,751.00
20 # of lifts/pulls per year for all routes		5,830,864	4,091,100	2,901,808	111,280	0.00
21 # of lifts/pulls per route hour		169.90	163.91	177.16	11.89	0.00
Tonnage Information (annual)						
22 Solid waste collected		100,454			20,890	121,344
23 Recyclable materials collected			33,343			33,343
24 Organic Materials collected				82,947		82,947
25 Total Collected		100,454	33,343	82,947	20,890	237,634
26 Processing residue disposed			5,001	6,636		11,637
27 Net Diverted (Line 23+24-26)		0	28,342	76,311	0	104,653



4 Labor FTEs

Proposer Name: Mid Valley Disposal

Service Area No. 1

Service Area No. 2

Route Personnel (include casual/permanent pool)	Proposed FTE
Solid Waste Cart Service	24
Recyclable Materials Cart Service	18
Organic Materials Cart Service	16
Subtotal	58
Other Personnel	Proposed FTE
CEO/COO	
General Manager	
Controller	
Office Manager	
Operations Manager	2
Operations/Route Supervisor	4
Dispatcher	2
Container Distribution	4
Operations Clerk	
Community Relations Manager	
Recycling/Public Ed. Coordinator	2
Customer Service Supervisor	
Customer Service Representatives	6
Inside Sales	
Billing and Collections Manager	
Accounting Clerk	4
Receptionist	
Safety Manager	
Maintenance Supervisor	2
Shop Foreman	
Yard Personnel	
Maintenance Personnel	6
Recycling Manager	
Other: _____	
Other: _____	
Other: _____	
Subtotal	32
Total	90



5_Labor RatesBenefits

Service Area No. 1 Service Area No. 2

Proposer Name:

Wages/ Salary	Driver Wages per Hour	\$ 17.00
	Container Delivery Wages per Hour	\$ 14.00
	Dispatcher Wages per Hour	\$ 16.00
	Supervisor Salary per Year	\$ 45,760
	Ops Manager Salary per Year	\$ 62,400
Bonus	Driver Annual Bonus (\$)	\$1,000.00
	Support Staff Annual Bonus (\$)	\$ 500.00
	Salaried Bonus (%)	3%
Benefits	401(k)/Pension Contribution (% of Regular Wages)	4%
	Health & Welfare Benefits (\$ per Employee/Yr.)	\$ 400
	Uniforms (\$ per Employee/Yr.)	\$ 260.00
Work Rules	Overtime Premium %	50%
	Driver Hours per Day	9.5
	Support Staff Hours per Day	8
	Collection Days per Year	260
	Paid Time Off Days per Year	16

Note: Please attach a description of your employee health care plan benefits including levels of coverage for the employee and dependent, employee-paid deductibles/co-pays, out-of-pocket maximums, and level of employee responsibility for payment of premiums for both the employee and dependents.



6 Capital

Proposer Name: Mid Valley Disposal

Service Area No. 1

Service Area No. 2

Collection Vehicles	Quantity			Total Proposed \$
	Regular	Spare	Total	
Side/Rear-Loader	58	12	70	\$4,729,410
Other Vehicles	Regular	Spare	Total	Total Proposed \$
Transfer Vehicles				
Pickup Trucks	26		26	\$473,356
Container Distribution	10		10	\$160,630
Mobile Service Truck				
Containers	Regular	Spare	Total	Total Proposed \$
Carts	322662	11387	334049	\$8,558,274
Other				Total Proposed \$
Shop Equipment				
Fueling Equipment				
Computer and Office Equipment				
Start-up Capital				
Total				\$13,921,670



Proposer Name: Mid Valley Disposal



RATE PERIOD 1	Cart Service			Bulky Item	TOTAL
	Solid Waste	Recyclable Materials	Organic Materials	Operation Clean-Up	
Annual Cost of Operations					
Labor-Related Costs	\$1,414,612	\$1,060,959	\$1,006,696	\$784,559	\$4,266,826
Vehicle-Related Costs	\$514,250	\$374,000	\$327,250	\$188,500	\$1,404,000
Fuel Costs	\$698,525	\$690,039	\$444,516	\$179,418	\$2,012,498
Other Costs	\$74,440	\$321,028	\$47,560	\$80,920	\$523,948
Direct Depreciation	\$437,484	\$407,456	\$366,368	\$86,342	\$1,297,650
Total Allocated Costs - Labor, Vehicle, Fuel & Other	\$1,764,146	\$615,400	\$1,353,880	\$369,240	\$4,102,666
Total Allocated Costs - Depreciation & Start-Up	\$16,474	\$5,747	\$12,643	\$3,448	\$38,312
Total Annual Cost of Operations	\$4,919,932	\$3,474,629	\$3,558,913	\$1,692,427	\$13,645,900
Profit	\$427,820	\$302,142	\$309,471	\$147,168	\$1,186,600
Pass-Through Costs					
Disposal Cost	\$3,483,745	\$0	\$0	\$626,700	\$4,110,445
Net Processing Costs	\$0	\$0	\$2,052,938	\$0	\$2,052,938
Interest Expense	\$191,938	\$174,182	\$119,318	\$36,484	\$521,922
Direct Lease Costs	\$0	\$0	\$0	\$0	\$0
Total Allocated Costs - Lease	\$0	\$0	\$0	\$0	\$0
Total Pass-Through Costs	\$3,675,683	\$174,182	\$2,172,256	\$663,184	\$6,685,305
Total Costs before City Fees*	\$9,023,434	\$3,950,952	\$6,040,640	\$2,502,779	\$21,517,805
City Fees					
Franchise Fee	---	---	---	---	\$3,797,260
Contract Monitoring and Enforcement Fee	---	---	---	---	\$127,211
Total City Fees	---	---	---	---	\$3,924,471
Total Proposed Annual Costs	---	---	---	---	\$25,442,276
*Must tie to amounts on Forms 8A - 8C					



8 Summary

Proposer Name: Mid Valley Disposal

Service Area No. 1

Service Area No. 2

SUMMARY (Total Costs from Forms 8A through 8D)

YEAR 1	
Labor-Related Costs (include regular & pool personnel)	
Regular Wages	\$2,421,355
Overtime Wages	\$552,878
Holiday Wages	\$59,516
Vacation Wages	\$99,193
Sick Leave Wages	\$0
Workers Compensation Insurance Premiums	\$294,848
Workers Compensation Claims	\$0
Health & Welfare	\$336,127
Pension/ Retirement Benefits	\$125,277
Payroll Taxes	\$281,870
Other (Please List)	\$95,762
Total Labor Related-Costs	\$4,266,826
Vehicle-Related Costs (do not include depreciation)	
Tires & Tubes	\$252,000
Parts & Supplies (fluid, oil, etc.)	\$991,500
Taxes & Licenses	\$150,000
Other (Please List)	\$10,500
Total Vehicle-Related Costs	\$1,404,000
Fuel Costs	\$2,012,498
Other Costs	
Liability & Property Damage Insurance	\$0
Equipment Insurance	\$189,000
Training & Safety Programs	\$0
Uniforms	\$18,200
Other (Please List)	\$316,748
Total Other Costs	\$523,948
Direct Depreciation	
Container Depreciation	\$640,358
Route Vehicle Depreciation	\$643,638
Other Depreciation	\$13,654
Total Direct Depreciation	\$1,297,650
Allocated Costs - Labor, Vehicle, Fuel & Other Costs	
From General and Administrative (8C)	\$3,459,703
From Vehicle Maintenance (8C)	\$495,604
From Container Maintenance (8C)	\$147,359
Total Allocated Costs - Labor, Vehicle, Fuel & Other Costs	\$4,102,666

8 Summary



Allocated Costs - Depreciation and Start-Up Costs		
From General and Administrative (8C)		\$18,234
From Vehicle Maintenance (8C)		\$0
From Container Maintenance (8C)		\$20,078
Total Allocated Costs - Depreciation and Start-Up Costs		\$38,312
Total Annual Cost of Operations		\$13,645,900
Profit (% Operating Ratio; i.e., 95%):	92%	\$1,186,600
Solid Waste Disposal	\$ 34.68 /ton	\$4,110,445
Recyclables Processing Costs	\$ - /ton	\$0
Organics Processing Costs	\$ 24.75 /ton	\$2,052,938
Total Net Processing Costs		\$2,052,938
Interest Expense		\$521,922
Direct Lease Costs		\$0
		\$0
Total Direct Lease Costs		\$0
Allocated Lease Costs		\$0
		\$0
		\$0
Total Allocated Lease Costs		\$0
Total Pass-Through Costs		\$6,685,305
Total Cost Before City Fees		\$21,517,805
City Fees		
Agreement Fee	15.0%	\$3,797,260
Franchise Monitoring and Enforcement Fee	0.5%	\$127,211
Total City Fees		\$3,924,471
Total Proposed Annual Cost		\$25,442,276



Proposer Name: Mid Valley Disposal

Service Area No. 1 Service Area No. 2

CART SERVICE

YEAR 1

	Solid Waste	Recyclable Materials	Organic Materials	Total
Labor-Related Costs				
Regular Wages	\$831,552	\$623,664	\$554,368	\$2,009,584
Overtime Wages	\$175,406	\$131,555	\$168,909	\$475,870
Holiday Wages	\$20,448	\$15,336	\$13,632	\$49,416
Vacation Wages	\$34,080	\$25,560	\$22,720	\$82,360
Sick Leave Wages				\$0
Workers Compensation Insurance Premiums	\$99,932	\$74,949	\$71,515	\$246,396
Workers Compensation Claims				\$0
Health & Welfare	\$115,200	\$86,400	\$76,800	\$278,400
Pension/ Retirement Benefits	\$42,460	\$31,845	\$30,385	\$104,690
Payroll Taxes	\$95,534	\$71,650	\$68,367	\$235,551
Other (Please List)				\$0
Total Labor Related-Costs	\$1,414,612	\$1,060,959	\$1,006,696	\$3,482,267
Vehicle-Related Costs (do not include depreciation)				
Tires & Tubes	\$92,400	\$67,200	\$58,800	\$218,400
Parts & Supplies (fluid, oil, etc.)	\$363,000	\$264,000	\$231,000	\$858,000
Taxes & Licenses	\$55,000	\$40,000	\$35,000	\$130,000
Other (Please List) - Radio	\$3,850	\$2,800	\$2,450	\$9,100
Total Vehicle-Related Costs	\$514,250	\$374,000	\$327,250	\$1,215,500
Fuel	\$698,525	\$690,039	\$444,516	\$1,833,080
Other Costs				
Liability & Property Damage Insurance				\$0
Equipment Insurance	\$68,200	\$49,600	\$43,400	\$161,200
Training & Safety Programs				\$0
Uniforms	\$6,240	\$4,680	\$4,160	\$15,080
Other (Please List) - Recycling Rebate		\$266,748		\$266,748
Total Other Costs	\$74,440	\$321,028	\$47,560	\$443,028
Direct Depreciation				
Container Depreciation	\$213,582	\$212,622	\$214,154	\$640,358
Route Vehicle Depreciation	\$223,902	\$194,834	\$152,214	\$570,950
Other Depreciation				\$0
Total Direct Depreciation	\$437,484	\$407,456	\$366,368	\$1,211,308
Allocated Costs - Labor, Vehicle, Fuel & Other Costs				
From General and Administrative (8C)	\$1,487,672	\$518,955	\$1,141,702	\$3,148,330
From Vehicle Maintenance (8C)	\$213,110	\$74,341	\$163,549	\$451,000
From Container Maintenance (8C)	\$63,364	\$22,104	\$48,628	\$134,097
Total Allocated Costs - Labor, Vehicle, Fuel & Other	\$1,764,146	\$615,400	\$1,353,880	\$3,733,426



8A_Cart

Proposer Name: Mid Valley Disposal

Service Area No. 1
 Service Area No. 2

CART SERVICE

YEAR 1

	Solid Waste	Recyclable Materials	Organic Materials	Total
Allocated Costs - Depreciation and Start-Up Costs				
From General and Administrative (8C)	\$7,841	\$2,735	\$6,017	\$16,593
From Vehicle Maintenance (8C)	\$0	\$0	\$0	\$0
From Container Maintenance (8C)	\$8,634	\$3,012	\$6,626	\$18,271
Total Allocated Costs - Depreciation and Start-Up	\$16,474	\$5,747	\$12,643	\$34,864
Total Operating Costs	\$4,919,932	\$3,474,629	\$3,558,913	\$11,953,473
Profit (% Operating Ratio; i.e., 95%):	92%	\$427,820	\$302,142	\$309,471
	\$ 34.68 /ton	\$3,483,745		\$3,483,745
Organics Processing Costs				\$0
Total Net Processing Costs	\$ 24.75 /ton		\$2,052,938	\$2,052,938
Interest Expense	\$191,938	\$174,182	\$119,318	\$485,438
To Solid Waste Cart Service (8A)				
To Recyclable Materials Cart Service (8A)				
To Organic Materials Cart Service (8A)				\$0
To Bulky Item Service (8B)				\$0
Total Direct Lease Costs	\$0	\$0	\$0	\$0
Allocated Lease Costs				
From General and Administrative (8C)	\$0	\$0	\$0	\$0
To Solid Waste Cart Service (8A)	\$0	\$0	\$0	\$0
To Recyclable Materials Cart Service (8A)	\$0	\$0	\$0	\$0
To Organic Materials Cart Service (8A)	\$0	\$0	\$0	\$0
To Bulky Item Service (8B)	\$0	\$0	\$0	\$0
Total Pass-Through Costs	\$3,675,683	\$174,182	\$2,172,256	\$6,022,121
Total Costs	\$9,023,434	\$3,950,952	\$6,040,640	\$19,015,026



Service Area No. 1

Service Area No. 2

Proposer Name: Mid Valley Disposal

Bulky Service

YEAR 1

Labor-Related Costs	
Regular Wages	\$411,771
Overtime Wages	\$77,008
Holiday Wages	\$10,100
Vacation Wages	\$16,833
Sick Leave Wages	
Workers Compensation Insurance Premiums	\$48,452
Workers Compensation Claims	
Health & Welfare	\$57,727
Pension/ Retirement Benefits	\$20,587
Payroll Taxes	\$46,319
Other (Please List) - X-mas tree curbside	\$95,762
Total Labor Related-Costs	\$784,559
Vehicle-Related Costs (do not include depreciation)	
Tires & Tubes	\$33,600
Parts & Supplies (fluid, oil, etc.)	\$133,500
Taxes & Licenses	\$20,000
Other (Please List)	\$1,400
Total Vehicle-Related Costs	\$188,500
Fuel	\$179,418
Other Costs	
Liability & Property Damage Insurance	
Equipment Insurance	\$27,800
Training & Safety Programs	
Uniforms	\$3,120
Other (Please List) - Public Awareness	\$50,000
Total Other Costs	\$80,920
Direct Depreciation	
Container Depreciation	
Route Vehicle Depreciation	\$72,688
Other Depreciation	\$13,654
Total Direct Depreciation	\$86,342



8B_Bulky

Proposer Name: Mid Valley Disposal

Service Area No. 1

Service Area No. 2

Bulky Service

YEAR 1

Allocated Costs - Labor, Vehicle, Fuel & Other Costs

From General and Administrative (8C)	\$311,373
From Vehicle Maintenance (8C)	\$44,604
From Container Maintenance (8C)	\$13,262
Total Allocated Costs - Labor, Vehicle, Fuel & Other	\$369,240

Allocated Costs - Depreciation and Start-Up Costs

From General and Administrative (8C)	\$1,641
From Vehicle Maintenance (8C)	\$0
From Container Maintenance (8C)	\$1,807
Total Allocated Costs - Depreciation and Start-Up	\$3,448

Total Operating Costs

\$1,692,427

Profit (% Operating Ratio; i.e., 95%):

92%

\$147,168

Solid Waste Disposal

\$ 30.00 /ton \$626,700

Recycling Processing Costs

\$ - /ton

Organics Processing Costs

\$ 24.75 /ton

Total Net Processing Costs

\$0

Interest Expense

\$36,484

To Solid Waste Cart Service (8A)

To Recyclable Materials Cart Service (8A)

To Organic Materials Cart Service (8A)

To Bulky Item Service (8B)

Total Direct Lease Costs

\$0

Allocated Lease Costs

From General and Administrative (8C)

\$0

To Solid Waste Cart Service (8A)

\$0

To Recyclable Materials Cart Service (8A)

\$0

To Organic Materials Cart Service (8A)

\$0

To Bulky Item Service (8B)

Total Pass-Through Costs

\$663,184

Total Costs

\$2,502,779

8C_Allocated Costs



Proposer Name: Mid Valley Disposal

Service Area No. 1

Service Area No. 2

PROPOSED ALLOCATED COST

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
- Pension/ Retirement Benefits
- Payroll Taxes
- Other (Please List) - Health & Welfare

Total Labor Related-Costs

Vehicle-Related Costs

- Tires & Tubes
- Parts
- Parts & Supplies (fluid, oil, etc.)

Total Vehicle-Related Costs

Fuel Costs

Other Costs

- Liability & Property Damage Insurance
- Equipment Insurance
- Rent
- Utilities
- Telephone
- Non-vehicle Related Supplies
- Non-vehicle Related Taxes & Licenses
- Training & Safety Programs
- Initial Public Education & Outreach
- Continuing Public Education & Outreach
- Uniforms
- Bad Debt
- Performance Bond
- Corporate Overhead Charge (Please List)
- Other (Please List) - Billing

Total Other Costs

Total Labor, Vehicle, Fuel, and Other Costs

	GENERAL AND ADMINISTRATIVE	VEHICLE MAINTENANCE	CONTAINER MAINTENANCE
	Year 1	Year 1	Year 1
Regular Wages	\$805,200	\$249,856	\$46,848
Overtime Wages		\$24,888	
Holiday Wages	\$19,800	\$6,144	\$1,152
Vacation Wages	\$33,000	\$10,240	\$1,920
Sick Leave Wages			
Workers Compensation Insurance Premiums	\$80,776	\$27,408	\$4,700
Workers Compensation Claims			
Pension/ Retirement Benefits	\$34,320	\$11,646	\$1,996
Payroll Taxes	\$77,220	\$26,202	\$4,492
Other (Please List) - Health & Welfare	\$115,200	\$28,800	\$9,600
Total Labor Related-Costs	\$1,165,516	\$385,184	\$70,708
Vehicle-Related Costs			
Tires & Tubes			
Parts	\$2,500	\$2,500	\$2,500
Parts & Supplies (fluid, oil, etc.)			
Total Vehicle-Related Costs	\$2,500	\$2,500	\$2,500
Fuel Costs	\$26,000	\$26,000	\$26,000
Other Costs			
Liability & Property Damage Insurance			
Equipment Insurance	\$15,000		
Rent			
Utilities			
Telephone			
Non-vehicle Related Supplies			
Non-vehicle Related Taxes & Licenses	\$34,252	\$31,920	\$32,151
Training & Safety Programs	\$0	\$50,000	\$16,000
Initial Public Education & Outreach	\$127,083		
Continuing Public Education & Outreach	\$133,263		
Uniforms	\$0		
Bad Debt	\$320,860		
Performance Bond	\$90,000		
Corporate Overhead Charge (Please List)	\$1,104,000		
Other (Please List) - Billing	\$441,229		
Total Other Costs	\$2,265,687	\$81,920	\$48,151
Total Labor, Vehicle, Fuel, and Other Costs	\$3,459,703	\$495,604	\$147,359

8C_Allocated Costs



Depreciation (non-route specific) and Start-Up Costs				
Vehicle Depreciation		\$18,234		\$20,078
Other Depreciation				
Procurement Cost Reimbursement				
Total Depreciation and Start-Up Costs		\$18,234	\$0	\$20,078
Lease Costs				
Facility Costs (Please List)				
Lease Costs (Please List)				
Total Lease Costs		\$0	\$0	\$0
Total Costs to be Allocated		\$3,477,937	\$495,604	\$167,437
Labor, Vehicle, Fuel, & Other Costs Allocated Out				
	<u>Percentage</u>			
To Solid Waste Cart Service (8A)	43.00%	\$1,487,672	\$213,110	\$63,364
To Recyclable Materials Cart Service (8A)	15.00%	\$518,955	\$74,341	\$22,104
To Organic Materials Cart Service(8A)	33.00%	\$1,141,702	\$163,549	\$48,628
To Bulky Item Service (8B)	9.00%	\$311,373	\$44,604	\$13,262
Total Labor, Vehicle, Fuel & Other Costs Allocated Out	100.00%	\$3,459,703	\$495,604	\$147,359
Depreciation and Start-Up Costs Allocated Out				
To Solid Waste Cart Service (8A)	43.00%	\$7,841	\$0	\$8,634
To Recyclable Materials Cart Service (8A)	15.00%	\$2,735	\$0	\$3,012
To Organic Materials Cart Service(8A)	33.00%	\$6,017	\$0	\$6,626
To Bulky Item Service (8B)	9.00%	\$1,641	\$0	\$1,807
Total Depreciation and Start-Up Costs Allocated Out	100.00%	\$18,234	\$0	\$20,078
Lease Costs Allocated Out				
To Solid Waste Cart Service (8A)	40.00%	\$0	\$0	\$0
To Recyclable Materials Cart Service (8A)	14.00%	\$0	\$0	\$0
To Organic Materials Cart Service(8A)	37.00%	\$0	\$0	\$0
To Bulky Item Service (8B)	9.00%	\$0	\$0	\$0
Total Lease Costs Allocated Out	100.00%	\$0	\$0	\$0
Total Allocated Out		\$3,477,937	\$495,604	\$167,437

Please describe allocation method used (e.g. tonnage, routes, etc.)

Tonnage



EXHIBIT D
IMPLEMENTATION PLAN



2 Technical Proposal for Collection Services

2.4 Implementation Plan

The objective of this Section is to convey how MVD will expand and roll-out residential² collection services in Fresno according to the City's requirements outlined in its *RFP for Residential Solid Waste, Recyclable Materials, and Organic Materials Services*. As highlighted throughout this *Proposal*, MVD has established infrastructure and operations throughout the local area, and in particular as a current contractor in the City of Fresno, rendering commercial collection services to the South District. The Company is familiar with the service area and has implemented the City's requested scope of services in other local jurisdictions provided in *Section 1*. As with the commercial roll-out, MVD looks forward to collaborating with City staff once again to roll out the selected services in a seamless manner.

MVD is committed to working with the City to ensure compliance with State-mandated diversion objectives as well as helping to create an enhanced quality of life in Fresno. Implementing and operating programs with that demonstrate partnership between City and Contractor and that feature strong community involvement and diversion components have been key to MVD's success with its cities.

General Approach to Services

MVD will provide all labor, supervision, materials, and equipment necessary to provide for the automated collection and disposal of refuse, and the automated collection and processing of recyclable materials and green waste from all customers utilizing the equipment indicated in previously in this *Section*. Procuring and utilizing units from the City's existing fleet, MVD vehicles meet and exceed the highest equipment specifications and safety standards in the industry.

MVD ensures all vehicles will, at all times, meet all specifications set forth in the *RFP* and this proposal, and are and will continue to be fully compliant with all environmental standards, rules, and regulations including those set forth by the US EPA, CAL/EPA, the California Air Resources Board (CARB).

MVD will continually promote recycling and organics participation at every opportunity to all customers through the methods indicated in this *Section*.

A smooth transition is a critical element to the success of a new program and in building confidence and rapport with customers. *Section IV* provides a summary description of MVD's past experience with new program and contract start-ups, as indicated in *Section 1*.

² Residential is defined as premises with less than five units designed or used for residence or dwelling, whether permanent or temporary in nature (*draft Agreement*).



MVD is known for its well organized and systematic planning and implementation of new contracts with particular emphasis on excellent communication between MVD, the City and the service recipients prior to, during and after the start-up of a new contract. With every new contract, MVD prepares an implementation plan that details the division of duties and responsibilities among the various key employees, specific tasks and procedures, timeline for completion, and checklists for completion of required tasks. To ensure a smooth and orderly transition MVD's Implementation Plan begins upon the execution of the contract. A preliminary *Implementation Timeline*. Detailed information relative to public education is included in *Section 2*.

Recruit and Train Displaced Workers

As previously done in connection with implementation of commercial collection services in Fresno, MVD will host an open house for displaced City workers. During the open house, MVD will present an overview of the Company, MVD policies and procedures, and will explain and guide prospective employees through the application process. Attendees can also have all of their questions answered on the spot during a question and answer period.

Staffing Plan

In order to preserve safety as the highest priority, MVD employees are experienced in their individual areas of expertise, are active members of the solid waste industry, and many of the employees engaged in local area operations have been so for many years. MVD will provide extensive training and guidance to new employees and continuing training to existing employees such that MVD's employee pool consists of only the most highly qualified personnel to perform all duties associated with this contract. MVD will also seek to recruit Fresno residents for open positions wherever possible and appropriate throughout the term of the *Agreement*. Every management team member involved in the transition has extensive experience in successfully implementing new municipal contracts.

Initial Scoping Session and City Staff Participation

Immediately upon contract award the key transition team members will meet to review and outline all program requirements and specific requirements of this contract. The MVD team will be fully accountable in meeting all program objectives, key contractual requirements, timelines, and important milestones, as well as to assign specific responsibilities to MVD staff and monitoring performance related thereto.

An overall detailed implementation and transition plan, based on the above and the general *Implementation Plan* included in this section will be fully developed in the two weeks following contract award, as well as a summary outline of all operational and administrative obligations and requirements as per the *Agreement*. MVD will work in a consultative manner with City staff in order to both meet contractual requirements, seeking input and approvals as appropriate throughout the process.



Transition Team Responsibilities

This transition team will be responsible for implementing the transition plan and ensuring a smooth service takeover in the service area(s). The detailed plan will include:

- ✓ Adoption of existing routes;
- ✓ Transferring customer account information to MVD's Encore customer management system and verifying customer information;
- ✓ Matching displaced workers to their current routes in as many cases as possible or as desired by the employee;
- ✓ Procuring the quantity and type of vehicles and equipment needed from the City and shifting them methodically out of service in order to properly identify them as per City requirements;
- ✓ Training personnel;
- ✓ Documenting the condition of carts and making plans to exchange those in need of repair;
- ✓ Preparing informational and educational materials for residential customers;
- ✓ Rolling-out a public education and informational program during the start-up period;
- ✓ Refining the ongoing public education program to City preferences and contract requirements;
- ✓ Blending Fresno contract customer service performance requirements and program/contract specifics into MVD's existing customer service program;
- ✓ Conducting employee training; and
- ✓ Establish reporting requirements for the City and to City preferences.

In addition to implementation responsibilities, MVD key personnel will utilize its existing community channels in Fresno and expand those in order to involve itself with community relations activities, civic organizations, public education, and program promotion with respect to its residential customer base to further zero waste program objectives and maintain visibility and a good standing as a responsible and involved corporate citizen.

MVD's key transition team members will meet once a week (or more frequently, depending upon the circumstances) throughout the start-up phase of the transition to ensure that all goals, objectives, and timelines are met. MVD's designated contractor representatives will meet and/or communicate with the City weekly, with updates regarding the implementation and transition process.

Customer Service during Transition

Customer Service Representatives (CSRs) will handle service and billing-related inquiries and customer concerns and requests with the courtesy and efficiently. MVD CSRs undergo extensive initial and ongoing training to ensure the highest quality of service to MVD customers. MVD representatives are trained in customer service techniques such as:

- Utilization of MVD's phone system;
- Customer interaction protocol;



- MVD policies and procedures for responding to any service or billing concern;
- Use of the customer account database and all features.

Fresno City Customer Service Reference Manual

MVD's customer service resource manual will be updated to include information pertaining to the new Fresno contract. These are some of the items the resource manual will address:

- 1) Key contract provisions, including , for instance, information regarding rates, service types, billing and payment procedures, pick-up schedules, hours of collection, container set out requirements, procedures regarding additional containers and container replacement, extra pick-ups, overage allowances, special events—such as holiday tree collection and clean-up events, drop-off programs (if applicable), acceptable recyclable and organic materials, qualifications for fee discounts and the application process (if applicable), holiday schedule, and program dos and don'ts.
- 2) All CSRs are supplied with a surplus of mailers and brochures to be distributed to customers upon request.
- 3) How to manage prior billing discrepancies during the interim period. MVD will work with the City to develop a plan to consistently address such inquiries through the first few billing cycles according to City expectations and preferences.

Equipment Acquisition

Vehicles

Upon contract execution, MVD will procure all of the necessary vehicles from the City to perform its collection responsibilities. MVD will coordinate with the City to ensure the vehicles reflect City preferences in signage and painting.

Carts

MVD will procure the City's carts and will ensure there is an ample buffer inventory for exchanges. MVD generally maintains a cart inventory of approximately five percent at all times. For uniformity, MVD will continue to procure Toter carts.

Route and Customer Database Development

MVD has successfully achieved seamless transitions to new services when awarded a new franchise contract, and has privatized residential collection services as indicated in the experience examples presented in *Section 1*. MVD intends to obtain detailed route maps and customer information from the City as soon as the contract has been executed, and will take over collection routes utilizing the same collection personnel wherever possible in order to ensure the transition is seamless. As customer data is



input into MVD's Encore customer management system, routes will also be assigned based on the City's route information. Encore also has a route optimization feature which will be used to improve the safety and efficiency of routes within existing collection days. Route maps will be created and submitted to City staff for approval prior to implementation.

As is evidenced in the routing details included in the reference projects as part of this *Proposal* and through the routing methodology provided in this section's *Appendix*, MVD places great importance on intelligent, efficient routing. Because of this, during the first six months of service, MVD operations staff will review all routes to ensure they are as safe and efficient as possible. MVD will always, to as great an extent as possible, try to maintain each customer's collection day even when implementing a route sequencing change.

As a key component to our start-up and transition, MVD will—prior to the operations start date—conduct a thorough field audit throughout the service area to ensure MVD is completely familiar with the routes. The audit may include route shadowing, especially in medium to high density areas. MVD personnel have already conducted a preliminary field survey in the service area(s) as a precursor to submitting this proposal in order to assure an accurate *Price Proposal*. This preliminary assessment will be expanded as part of the full audit to be conducted by MVD during the pre-startup phase.

Preliminary Customer Database Information

Initially, MVD will use the customer account information received from the City to create a preliminary database suitable for checking routes and to create an initial customer database that will form the basis for future billing and work order preparation. MVD plans to complete this step through receipt of data files from the City.

Development of Routing System and Route Sheets

Prior to commencement of collection service, MVD will create a routing system to enable the production of route sheets and route maps to be used (daily) by our drivers (and updated daily for service level changes). MVD will generate sequential routing, route entry and exit points, and route maps for the areas to be served. The routing information will be up-loaded back into MVD's customer management database.

MVD will design and develop routes in an effort to minimize impacts on service recipients. To the extent possible, MVD will develop route patterns and schedules aligned to current collection schedules to minimize service interruptions and unnecessary confusion to residents.

In addition to the above, MVD will pay close attention to the following issues when developing routes:



- **Hours of operation**
MVD determines the number of vehicles to be utilized and the ways in which these vehicles will be routed given the parameters of collection hours that are specified by the draft *Agreement*.
- **Traffic patterns**
MVD attempts to design routes that are opposite to peak traffic patterns within the service area(s), to the extent possible or applicable. This is not only beneficial to the service area but increases MVD's collection efficiencies.

Transition Timeline

The transition timeline on the following pages reflects the elapsed time necessary for each of the items discussed in this section.

Schedule of Key Operations Tasks

This schedule anticipates time requirements to accomplish tasks. It can be programmed to accommodate any contract award date and adjusted to reflect subtasks.

- **Execute Agreement with City**
The official ramp up period begins, which triggers all other tasks, below.
- **Procure Vehicles**
MVD procures collection vehicles and containers from the City for the Service Area.
- **Conduct Route Shadowing**
Follow and document residential collection routes. Unique property attributes such as non-conforming collection points, backyard service recipients, and hard-to-service areas will be noted.
- **Database Matching/Finalize Routes and Route Maps**
Database information gleaned from route shadowing and auditing is matched against account information obtained from the City.
- **Host Displaced Worker Open House and Job Fair**
Present an overview of MVD, its policies and procedures, employment requirements, and guide potential employees through the application process.
- **Driver and Customer Service Review Sessions**
MVD will conduct driver and customer service review training sessions to ensure everyone understands service parameters and is familiar with their new positions.



Schedule of Key Administrative Tasks

- **Develop Public Education and Outreach and Other Collateral Materials**
The Company anticipates beginning coordination efforts with the City on an organized, effective outreach campaign based on some or all of the ideas presented in this submittal. MVD will conduct a thorough review of all materials, including standard forms, and will revise them according to Fresno service requirements. MVD is confident that, working collaboratively with the City it can implement an effective customer education program in the necessary timeframe.
- **Print Collateral Materials**
As soon as all collateral materials are developed, printing will be expedited.
- **Mail Introductory Packets**
Introductory packets which announce the transition to MVD as the new service provider, but which also reassures residents that the same great people will be rendering services. Introductory packets could also include information about billing and rate changes, as approved by City staff.



Section 2 – Technical Proposal for Collection Services



Task	November	December	January	February	March	April	May
Administrative							
Complete Negotiations	X						
Contract Approval		X					
Host Displaced Worker Open House			X				
Employment Offers				X			
Employee Meetings and Training – Paid				X	X	X	X
Education and Outreach							
Design/Print Transition Materials		X	X	X	X		
Update/Refresh Website			X	X	X	X	X
Schools Program						X	X
Operations – Site Assessments and Routing							
Customer Database Development			X	X	X	X	
Route Shadowing			X	X	X	X	
Customer Database/ Routing Updates				X	X		
Route Mapping				X	X	X	
Equipment							
Procure Trucks and Carts			X	X	X		
Procure Buffer Inventory of Carts				X	X		
Operations Start Date					X		



EXHIBIT E

CITY-APPROVED SUBCONTRACTORS



EXHIBIT E

CITY APPROVED SUBCONTRACTORS

The Contractor has identified and the City has approved the following subcontractors to work with Contractor in the execution of their responsibilities under the Agreement. City's approval of the subcontractors below shall not limit the Contractor's or their subcontractors' responsibilities, including but not necessarily limited to insurance and indemnification, under this Agreement.

Subcontractor Name & Address	Summary Description of Subcontractor Role
Green Valley Recycling 2365 E North Ave Fresno, CA 93725	Organic material processing
Cedar Avenue Recycling & Transfer Station 3457 S Cedar Ave Fresno, CA 93725	Transfer and processing of recyclable materials
Sunset Waste Paper 2721 S Elm Ave Fresno, CA 93706	Transfer and processing of recyclable materials
Waste Management 4333 E Jefferson Ave Fresno, CA 93725	Transfer and processing of recyclable materials



EXHIBIT F

PUBLIC EDUCATION AND COMMUNITY OUTREACH PROGRAMS



2 Technical Proposal for Collection Services

2.8 Public Education and Outreach Plan

The objective of this section is to:

- a. Convey MVD's competency in developing and managing public education programs;
- b. Relay its proposed plan for outreach during the transition period and beyond; and
- c. Illustrate the Company's willingness to become involved in the community. A draft *Public Education Plan* to serve as the basis for the final plan for contract year one is included in this section. This plan can be quickly updated to incorporate City preferences immediately after contract award.

MVD owners have been collecting solid waste and recyclable materials for decades; during this time outreach efforts have had to flex with industry changes to ensure proper communication of them to customers. This resulting communications experience will positively affect a smooth transition between contractors for MVD customers.

MVD's approach to communicating with its customers is simple, creative, and effective. It respects the fact people are inundated with too much information. All materials convey the reasons for cultivating new, green behaviors in order to motivate customers, and also identify additional resources for customers who want to know more about environmental issues.

Although a consistent message repetitively delivered in an abbreviated, friendly way is most effective, once the desired behaviors are adopted by customers regular reinforcement is required to sustain them. Finally, emphasizing the difference an individual's recycling practices makes is helpful. MVD's public education program will continually remind customers of the importance of adhering to program guidelines and will report their progress and associated positive environmental impacts back to them.

This program incorporates a strong community relations element, which is detailed later in this section. Responsibility for community interface will be spread amongst the Company' middle and top management, assuring that pledges of human and financial resources to the community's benefit are made and kept. MVD believes that its track record in Fresno in relation to the commercial collection contract is evidence of this. Also, letters of support including those from various Fresno Chambers of Commerce are included up front with the cover letter.

Because school-age children are Fresno's future, the Company also proposes an interactive educational component for schools that is age-appropriate, engaging, and designed to reinforce good recycling behavior.

Excellent coordination between MVD and the City will contribute greatly toward program success. To facilitate communication, MVD will respectfully and actively participate in coordination meetings with the City during the ramp up period and throughout the term of the *Agreement*.

MVD will track all public education and community relations efforts meticulously and quantify results in accordance with the draft *Franchise Agreement*. The Company has considerable experience doing this in several other jurisdictions where it is required as part of periodic reporting.

Staffing

The biography of Ivette Rodriguez Public Relations Manager, is included in *Section 1*. Ivette is responsible for general oversight of the entire program and the following specific public education activities:

- ✓ Municipal and media relations
- ✓ Development and distribution of effective promotional and educational collateral materials, including all electronic components
- ✓ Development and delivery of presentations to business and civic groups
- ✓ Coordination of coverage of community activities
- ✓ Development and delivery of interactive school assemblies, classroom visits, and school group activities
- ✓ Collaboration with all MVD Public Education Specialists for development and distribution of effective collateral materials, including electronic components
- ✓ Update of website and all e-activities.

MVD has a serious commitment to gaining the maximum residential recyclable and organic materials collection program participation and diversion, as it does in all of its communities. There is a direct correlation between MVD's robust outreach program and diversion results, as indicated through the experience examples shared in *Section 1*.

For this program, MVD will add one additional public education specialists per District dedicated to Fresno.

Government, Community, and Media Relations

The Public Education Manager is responsible for **government relations**. As liaison, she will represent the Company to the City. In that capacity she will attend the following meetings and engage in the following activities:

- Attend City Council, City staff, and City strategy development meetings.
- Coordinate with the City to integrate municipal and contractor activities, as appropriate.
- Make requisite presentations and proposals.
- Function as a point of contact for contract compliance matters.

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

- Continue to represent MVD in community activities, such as Family Day, Party with Planet at the Zoo, and many more.



- Continue to support local community service organizations, such as Ted C. Wills Community Center, Food Bank, Community and Neighborhood Centers, and Fresno Barrios Unidos.
- Ensure mid- and top-tier managers are involved in community relations activities.

In her role as **media relations** interface, the Public Education Manager will:

- Proactively develop rapport with the all local media outlets: TV, radio, and print.
- Track media coverage of the Company, industry, and environmental issues and developments in general.

Although the Public Education Manager is responsible for the above tasks, she will engage her public education specialists and other MVD employees to participate in certain activities as may be warranted or appropriate. For example, in monitoring contract compliance she may bring in the operations manager for discussions on matters relating to driver management for quick resolution. A team effort is employed to ensure MVD programs are effective. The Public Education Manager meets with Outreach Specialists weekly to discuss progress and new strategies and projects which will enhance current recycling programs in order to increase diversion. Frequent intercommunication between the Public Education Manager, Outreach Specialists, Route Managers, Customer Service Representatives, and Drivers ensures buy-in between all MVD employees with influence over customer satisfaction and behavior, and that programs are successful due to a consistent approach.

Public Education Plan

This draft *Public Education Plan* first addresses items that apply to all programs. Once the *Agreement* is finalized, MVD's first order of business with the City is to begin meeting regularly to coordinate all start-up activities, including these.

- Develop, produce and distribute, in close collaboration with the City, all public education materials listed in the proceeding plan. Each piece will be carefully considered in order to determine how the information is best conveyed to non-English speaking individuals. All materials will be translated into Spanish and Hmong. Materials will also factor in the cultural context as appropriate.
- Design and place print ads and posters and distribute press releases that correspond to program milestones as determined to be a wise program complement.
- Hold workshops to correspond to program milestones or as otherwise needed in order to be accessible to customers.
- Update and maintain a user-friendly website that is both an effective customer service tool and that also organizes the community and helps move it toward its sustainability objectives.

The draft plan on the following page is provided as a starting point for discussions with the City relative to the Public Education component of the scope of work. Sample outreach materials are included in *Exhibit C*.



Public Education and Outreach | Residential Education and Outreach Program

All printed materials also to be posted to the Company's website in English, Spanish, and Hmong.

Task	Description	Purpose	Distribution/Frequency
START- UP			
1	Postcard Announcement	Introduces MVD as the new service provider, provides MVD contact information, and reassures customers they will receive quality service delivered through the same core group of drivers. Informs residents about what they can expect next. Additional CSRs will be trained and employed to handle increased phone call volumes. The website will be updated with a banner on the front page indicating where Fresno leading residents to additional information.	All residents; approximately one month prior to the operations start date.
2	Guide to Services	Fully describes Fresno residential collection programs and initiatives, including the expanded curbside recycling program, and clean-up guidelines.	All residents; approximately ten days prior to the operations start date.
ONGOING			
3	Quarterly newsletter	Quarterly newsletters with relevant content.	All residents; quarterly.
4	Annual Information	Updated program information such as changes to services, and holiday collection calendar. Will also feature a refreshed theme for the upcoming year.	All residents; annually.
5	Civic/Community Group Outreach	MVD will continue to build rapport with stakeholders in the community. Public Education Manager will make herself and her staff available to give presentations.	All community groups.
6	Billing Inserts	As required based on City preference or observed trends which need to be corrected.	All residents; as needed.
7	School Education Program	A letter describing MVD's school education program is mailed out each fall to the District Superintendent for approval of the program.	All schools; annually each fall.

Please see examples of outreach materials and reports featured in *Exhibit C*.



Enhanced Community Involvement

Community involvement also consists of recycling presentations and attending community events.

Recycling Presentations

Presentations are scheduled with multi-family complexes, clubs, non-profit organizations, church groups and other community organizations. Presentations are very interactive and informational. Residents are able to see the impact they make when they recycle and when they don't as well. The multi-family education program an evening program held in a common community area for families to gather, providing dinner or snack and a presentation regarding the recycling program at their complex.

Material Recovery Facility Tours

Educational tours of MVD's material recovery facility provide the public with an up-close look at the recycling process. MVD has an education room above its facility that allows students and adults taking the tour to see recyclable materials being processed through the facility's state-of-the-art sortlines. Tours also include reuse art projects and a picnic area for school field trips.



Community Events

Residents are also targeted through community events. A booth is set up to discuss our recycling program information and provide giveaways. Our interactive prize wheel attracts people of all ages. They spin the wheel, answer a simple but meaningful question, and get a small prize for participating. Each person that comes by our booth is reminded about all the different materials that can be recycled and informed on how to properly dispose of household hazardous waste, electronics, white goods, sharps and anything else they are concerned about. The following brochures are made available to the populations during these events: Household Hazardous waste, Sharps, Recycling Oil, Kids Recycle, Residential Recycling Program Brochure, School Program Brochure, and Commercial Recycling Brochure. MVD tailors each event display to the target audience. New concepts and tools are also implemented each year to keep MVD's audience engaged with our environmental awareness message.

Materials Used

MVD uses a combination of a presentation board showing the recycling process at its Material Recovery Facility, giveaways, brochures, tangible examples associated with the recycling process and end product, and its prize wheel to educate attendees in a friendly and fun manner about the recycling opportunities MVD makes available to customers and recycling and resource conversation in general.

In 2011 MVD reached nearly 7000 residents from eight different communities through presentations and community events.



School/College Outreach

MVD’s school education program is one of the Company’s most important programs. MVD notices the increase in recycling tonnage within the residential and school programs when school aged children, school faculty, and staff receives recycling education. MVD provides recycling bins and educational materials to schools. Outreach Staff meet with custodial and cafeteria staff to ensure recyclable material is diverted from the waste stream.

At the start of each school year a letter is mailed to the Superintendent of each school district, requesting approval of MVD’s education program. Once approved, the Outreach Specialist informs the principal and teachers about our school recycling program and presentations by mail, e-mail, flyers, posters or a short presentation during a staff meeting. Once the information has been distributed, teachers begin requesting assemblies and classroom presentations during the school year.

“[MVD’s] dedicated approach with our schools is one example of their involvement in our community and their civic leadership. MVD’s proactive, educational recycling programs are evident throughout our community requiring very little City time to administer....MVD’s exceptional recycling staff provide all the on-ground outreach and follow-up.”

*Ron Manfredi,
Kerman City Manager*

MVD recycling presentations range from 15 to 45 minutes and are suitable for each grade level. Common presentation topics include: definition of recycling, reasons to recycle, the landfill, recyclable products, common mistaken non-recyclables, the recycling process, the 3 R’s (Reduce, Reuse, Recycle) and classification games. Presentations are very interactive and also include recycling games such as Jeopardy and Bingo for prizes. Prizes made out of recycled materials are given to all students depending on the size of the group.

Outreach specialists also attend events held within MVD schools, for instance: Earth day, Career Day, and Food Fairs. Special programs include:

Phonebook Challenge

The Phonebook Recycling Challenge is a project sponsored by AT&T Real Yellow Pages, in cooperation with Fresno County, and MVD. The contest provides schools an opportunity to collect outdated phone books for recycling and to compete for cash prizes. Outreach Specialists kick off the challenge by conducting an assembly to rally students to collect and recycle the most phonebooks. During the Challenge MVD tracks and monitors the amount of phone books collected at each school site. At the end of the challenge an assembly is given to the winners of the competition presenting results and prizes. Hundreds of phonebooks are recycled from each school during the challenge.



Earth Day Presentations

During the month of April, MVD’s Education Department plans different projects and events to promote Earth Day. Our last project included a tree planting ceremony with a presentation and an assembly providing students with the brief history of Earth Day. Other events include free E-waste events, art contests, community cleanup days, and tree planting in the community.



State-Wide Recycling Challenges Participation

MVD provides schools with information regarding state recycling competitions like the California K-12 School Recycling Challenge (Recycle-Bowl), sponsored by Keep California Beautiful. This year we assisted Kerman Floyd Elementary participate in the 2011 KAB Recycle Bowl with a kick off assembly and track the amount of recyclables collected during the competition.

Statistics

This year MVD reached a total of over 10,000 students through classroom presentations, school assemblies, and school events. Media used in schools presentations include: PowerPoint, posters, tangible examples, and presentation boards



EXHIBIT G

SCHEDULE FOR LIQUIDATED DAMAGES



EXHIBIT G SCHEDULE FOR LIQUIDATED DAMAGES

Contractor may be assessed Liquidated Damages pursuant to Section 13.5 if 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 with regards to the time frame for accomplishing each event and nature of the responsibility associated with the event, unless otherwise stated in this Exhibit.

COLLECTION RELIABILITY

1.	Maintain Collection Schedule. For failure to Collect from all Customers on a route on the scheduled day (unless non-Collection was warranted pursuant to this Agreement)	\$25/ Cart
2.	Start New Customer. For each failure over five (5) during Rate Period to commence service to a new Customer within seven (7) calendar days after order received and account number established	\$150/ event
3.	Missed Pick-Ups. For each failure over fifteen (15) during Rate Period to Collect Solid Waste, Recyclable Materials, or Organic Materials, which has been properly set out for Collection by a Customer or City on the scheduled Collection day	\$150/ event
4.	Collection of Missed Pick-Ups. For each failure to Collect missed Carts after notice from Customer within twenty-four (24) hours of receipt of the Complaint	\$300/ event
5.	Consecutive Missed Pick-Ups. For each failure to Collect Solid Waste, Recyclable Materials or Organic Materials which has been properly set out for Collection, from the same Customer or City location on two (2) consecutive scheduled pick ups	\$150/ event

COLLECTION QUALITY

6.	Leaks, Litter, or Spills. For each occurrence over five (5) during the Rate Period of unreasonable leaks, litter, or spills of Solid Waste, Recyclable Materials, or Organic Materials near Carts or on public streets and failure to pick up or clean up such material immediately	\$300/ event
7.	Improper Cart Placement. For each occurrence over twelve (12) during the Rate Period of failure to replace Cart in original position, upright, with lids attached to or on Carts	\$150/ event
8.	Care of Private Property. For each failure over twenty-four (24) during the Rate Period of not closing a Customer's gate, crossing planted areas, or damaging private property (including private vehicles)	\$300/ event



9.	Repair of Private Property. For each occurrence over five (5) during the Rate Period of failure to repair damage to property within thirty (30) days of the date the damage was reported	\$250/ event
10.	Unauthorized Collection Hours. For each occurrence over five (5) the during Rate Period of Collecting Solid Waste, Recyclable Materials, and Organic Materials during unauthorized hours	\$300/ event
11.	Excessive Noise. For each occurrence over twelve (12) during the Rate Period of excessive noise	\$300/ event
12.	Non-Collection Tags. For each failure over twelve (12) during the Rate Period of not tagging Carts which have not been Collected explaining the reason for non-Collection	\$150/ event
13.	Cleaning Collection Vehicles. For each occurrence over five (5) during the Rate Period of failure to clean Collection vehicles one (1) time per week	\$150/ event
14.	Discourteous Behavior. For each occurrence of discourteous behavior by Collection vehicle personnel, Customer service personnel, or other employees of Contractor	\$500/ event
15.	Injuries to Others. For each incident of personal injury to a Person requiring medical treatment or hospitalization, where the negligence of the Contractor or its personnel was a contributing factor to the injury	\$5,000/ incident

CUSTOMER SERVICE RESPONSIVENESS

16.	Call Responsiveness. For each failure to answer the telephone during business hours specified in the Agreement or failure for answering machine to record call during non-business hours specified in the Agreement	\$300/ event
17.	30-Second Average Speed of Answer. Failure to answer ninety percent (90%) of calls received during office hours within thirty (30) seconds	\$25/ call
18.	3-Minute Average Speed of Answer. Failure to answer ninety-nine and one half percent (99.5%) of calls received during office hours within three (3) minutes	\$25/ call
19.	After-Hours Call Returns. Failure to return ninety-nine and one half percent (99.5%) of calls received on Contractor's answering machine before noon of the following Business Day	\$25/ call
20.	Complaint Level. Failure to maintain Complaint level below 0.005% where the percent is calculated equal to the number of Complaints divided by the total service opportunities (the total lifts performed in the reporting period)	\$10,000/ quarter
21.	Respond to Complaint or Service Request. For each failure to inform Customer, within 1 Business Day of receipt of the Complaint or service request, of the action Contractor will take to remedy a Complaint or to respond to a service request	\$300/ event



22.	Resolve Complaint or Service Request. For each failure to resolve or remedy a Complaint or Service Request within five (5) Business Days of receipt of Complaint or Service Request with the exception of missed pick-ups which are addressed below	\$300/ event
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REPORTING AND NOTICING

23.	Monthly Reports. Failure to submit monthly reports in the timeframe specified in this Agreement	\$100/ day report is overdue
24.	Quarterly Reports. Failure to submit quarterly reports in the timeframe specified in this Agreement	\$200/ day report is overdue
25.	Annual Reports. Failure to submit annual reports in the timeframe specified in this Agreement.	\$300/ day report is overdue
26.	Report Hazardous Waste. For each failure to notify the appropriate authorities of reportable quantities of Hazardous Waste	\$500/ event
27.	Application for Contractor's Compensation. Failure to submit application for Contractor's Compensation in accordance with the timeframe established in the Agreement	\$300/ day report is overdue

PUBLIC EDUCATION

28.	Newsletter. Failure to prepare and mail quarterly newsletter to all Customers by the end of each quarter of the year	\$150/ day for each day until mailer is sent
29.	Initial Mailing. Failure to send initial mailing to customers on or before the date specified in the implementation plan in Exhibit D	\$300/ day for each day until mailer is sent
30.	Mailers to Customers. Failure to prepare and distribute "how-to" brochures	\$150/ day

OTHER

32.	Disposal of Recyclable or Organic Materials. For each Ton of Recyclable or Organic Materials Disposed of without written approval of the City.	\$250/ Ton
33.	Comingling of City Waste with Other Jurisdictions. For each occurrence of Contractor mixing Solid Waste, Recyclable Materials, and Organic Materials Collected in the City with other materials collected from other jurisdictions before the City's material has been accurately weighed and recorded. Each occurrence shall include all material collected by a single vehicle in one (1) delivery to a facility	\$500/ event
34.	Use of Unauthorized Facilities. For each Ton of Solid Waste,	\$250/ Ton



	Recyclable Materials, or Organic Materials Disposed or Processed at a facility not approved for use under the provisions of this Agreement	
35.	Maintain Web Site. Failure to maintain accurate and complete web site dedicated to the services Contractor provides the City	\$150/ day
36.	Transition to Next Contractor. Failure(s) to take direction from City, provide data requested by City within twenty (20) Business Days of such a request, or fully cooperate with the City and/or next contractor as required by Section 4.7	\$50,000
37.	Failure to Perform Other Obligations. Failure to perform any of the obligations set forth in this Agreement not specifically stated above and not corrected, or proceeding in good faith to correct, within twenty-four (24) hours of notification by City:	\$150/ for each obligation per day until obligation is performed

In placing 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 _____

City _____

Initial Here: _____

Initial Here: _____



EXHIBIT H

CITY-APPROVED MAXIMUM PERMISSIBLE CUSTOMER RATES



Size	Freq.	Rate Factor	Current Monthly Rate	Estimated Number of Monthly Accounts	Operating Component	Transfer/Transport/Organics Processing Component*	Transfer/Transport/Disposal Component	Fee Component	Total Monthly Rate	Rate Increase/ (Decrease) vs. Current
					60.5%	8.1%	15.9%	15.5%	100%	
Residential Rates (Includes Selected Solid Waste Container Size, (1) 96-Gallon Recycling Cart, (1) 96-Gallon Organics Cart)										
64 Gal	1 /wk	1.00	\$ 19.20	41,343	<u>\$9.56</u>	<u>\$1.28</u>	<u>\$2.52</u>	<u>\$2.45</u>	<u>\$15.81</u>	(17.6%)
96 Gal	1 /wk	1.32	\$ 25.37	68,457	<u>\$12.64</u>	<u>\$1.70</u>	<u>\$3.32</u>	<u>\$3.24</u>	<u>\$20.90</u>	(17.6%)
Senior Citizen Rates (Includes Selected Solid Waste Container Size, (1) 96-Gallon Recycling Cart, (1) 96-Gallon Organics Cart)										
64 Gal	1 /wk	0.86	\$ 16.51	616	<u>\$8.22</u>	<u>\$1.10</u>	<u>\$2.16</u>	<u>\$2.11</u>	<u>\$13.60</u>	(17.6%)
96 Gal	1 /wk	1.14	\$ 21.81	1,050	<u>\$10.86</u>	<u>\$1.46</u>	<u>\$2.86</u>	<u>\$2.78</u>	<u>\$17.96</u>	(17.6%)
Additional Solid Waste Containers										
64 Gal	1 /wk	0.39	\$ 7.43	112	<u>\$3.70</u>	<u>\$0.50</u>	<u>\$0.97</u>	<u>\$0.95</u>	<u>\$6.12</u>	(17.6%)
96 Gal	1 /wk	0.53	\$ 10.25	554	<u>\$5.10</u>	<u>\$0.69</u>	<u>\$1.34</u>	<u>\$1.31</u>	<u>\$8.44</u>	(17.6%)
Additional Organics Containers										
96 Gal	1 /wk	0.20	\$ 3.87	927	<u>\$1.93</u>	<u>\$0.26</u>	<u>\$0.51</u>	<u>\$0.49</u>	<u>\$3.19</u>	(17.6%)
Additional Recycling Containers										
96 Gal	1 /wk	0.19	\$ 3.74	141	<u>\$1.86</u>	<u>\$0.25</u>	<u>\$0.49</u>	<u>\$0.48</u>	<u>\$3.08</u>	(17.6%)
Container Exchange										
Any Size	Used	2.04	\$ 39.23	-	<u>\$27.30</u>			<u>\$5.01</u>	<u>\$32.31</u>	(17.6%)
64 Gal	New	3.66	\$ 70.22	-	<u>\$48.87</u>			<u>\$8.96</u>	<u>\$57.83</u>	(17.6%)
96 Gal	New	4.02	\$ 77.13	-	<u>\$53.68</u>			<u>\$9.85</u>	<u>\$63.53</u>	(17.6%)



EXHIBIT I

SAMPLE REPORTING FORMS



City of Fresno
Monthly Reports
August 2012

2012	Gross Cash Reciepts	NSF	Refunds	Gross Cash Reciepts Less NSF & Refunds
January				<u>\$0.00</u>
February				<u>\$0.00</u>
March				<u>\$0.00</u>
April				<u>\$0.00</u>
May				<u>\$0.00</u>
June				<u>\$0.00</u>
July				<u>\$0.00</u>
August				<u>\$0.00</u>
September				<u>\$0.00</u>
October				<u>\$0.00</u>
November				<u>\$0.00</u>
December				<u>\$0.00</u>



Aug 2012 Payments

Items Entered By:	Batch Total:
0 Automatic Payment Total	\$0.00
0 Call in Credit Cards Total	\$0.00
0 Check Payment Total	\$0.00
0 WEB PORTAL Total	\$0.00
0 Grand Total	\$0.00



Aug 2012 Disposal

<u>DumpSite</u>	<u>Type</u>	<u>Material</u>	<u>Qty</u>
CARTS	Sideload	H-REFUSE Total	0.00
GREEN VALLEY	Sideload	H-GREENWASTE Total	0.00
MRF-KERMAN	Sideload	H-CS Total	0.00
		Grand Total	0.00



DATE	Karla	Katie	Linda	Lizett	Megan	Rosemary	Sara	Total
08/01/12								0
08/02/12								0
08/03/12								0
08/04/12								0
08/05/12								0
08/06/12								0
08/07/12								0
08/08/12								0
08/09/12								0
08/10/12								0
08/11/12								0
08/12/12								0
08/13/12								0
08/14/12								0
08/15/12								0
08/16/12								0
08/17/12								0
08/18/12								0
08/19/12								0
08/20/12								0
08/21/12								0
08/22/12								0
08/23/12								0
08/24/12								0
08/25/12								0
08/26/12								0
08/27/12								0
08/28/12								0
08/29/12								0
08/30/12								0
08/31/12								0
Total	0	0	0	0	0	0	0	0



Aug 12 Service Order Count

SiteServiceName

TransCode

- ANNUAL Count
- CANCEL Count
- COMPLAINT Count
- DECREASE Count
- INCREASE Count
- MPU Count
- NEW Count
- PRAISE Count
- REDELIVER Count
- REMIND Count
- REQUEST Count
- STOLEN Count
- XSE DLV Count
- XSE RMV Count
- XSE SRV Count
- Grand Count



Aug 12 Invoiced Transaction

Report: **Invoiced Transaction**

Invoices Dated Between:

Company(s): MVD FRESNO RES

Billing Group(s): FRESNO MTHLY ADVANCE

<u>FRESNO MTHLY ADVANCE</u>	<u>Qty</u>	<u>Total</u>
Single Family 96	0	\$0.00
Single Family 64	0	\$0.00
Senior 96	0	\$0.00
Senior 64	0	\$0.00
Addition 96 waste	0	\$0.00
Addition 64 waste	0	\$0.00
Additional Organics	0	\$0.00
Additional Recycling	0	\$0.00
Container Exchange	0	\$0.00



MVD Aug 2012 Credit Hold

Account	Service Name	Service Address	City	Postal	Owed
1	Someone, John	Any Where	FRESNO	937021944	\$0.00
1	Someone, John	Any Where	FRESNO	937021945	\$0.00



SECTION F. EDUCATION ACTIVITIES

#1. Public Education Materials produced and total number of each distributed

1ST QUARTER

DATE	AMOUNT PRINTED	TYPE	AMOUNT DISTRIBUTED DURING SITE VISITS	AMOUNT DISTRIBUTED DURING EVENTS, MEETINGS, AND PRESENTATIONS
1/3/2012	1	Residential Guide	1	1
Totals	1		1	1



Overview of report 9.5 F.3



PILOT PROGRAM

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

No program to report at this time



Section 9.5 H

SUMMARY ASSESSMENT

1. There were challenges during the initial implementation of solid waste, recyclable, and organic collection services. One of the challenges dealt with through the first few months were the high volume of calls from customers that were upset with the changes. Mid Valley Disposal worked with each customer that had concerns and resolved thier issue promptly.



SECTION 9.5 I.1

Special Events

DATE	EVENT	SERVICE PROVIDED
1/10/2011	DOWNTON HALLOWEEN FEST	Table Set up-dressed in Halloween outfits.

2. Instructions to Customers
1st Quarter Newsletter attached

3. Hazardous Waste incidents
None to report



EXHIBIT J

INTENTIONALLY DELETED



EXHIBIT K

CONTRACTOR'S FAITHFUL PERFORMANCE BOND



**CITY OF FRESNO
CONTRACTOR'S FAITHFUL PERFORMANCE BOND**

KNOW ALL MEN BY THESE PRESENTS:

That, _____ California Corporations, as PRINCIPAL, and _____, a Corporation organized and doing business by virtue of the laws of the State of California, and authorized for the purpose of making, guaranteeing, or becoming sole surety upon bonds or undertakings required or authorized by the laws of the State of California, as SURETY, are held and firmly bound to the CITY OF FRESNO, a municipal corporation of the State of California, hereinafter called OBLIGEE, in the penal sum of _____ and No/100 Dollars (\$ _____ .00) lawful money of the United States, for the payment of which, well and truly to be made, we and each of us hereby bind ourselves, and our and each of our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS, the above bounden PRINCIPAL has entered into a contract on _____, 20____, entitled "RESIDENTIAL SOLID WASTE, RECYCLABLE MATERIALS, AND ORGANIC MATERIALS SERVICES" with the OBLIGEE, to do and perform the following work, to wit: Collect, Transport, Process, and Dispose of Solid Waste, Recyclable Materials, and Organic Materials generated within the City of Fresno, in accordance with the contract.

NOW, THEREFORE, if the above bounden PRINCIPAL shall well and truly perform, or cause to be performed each and all of the requirements and obligations of said contract to be performed by said PRINCIPAL, as in said contract set forth, then this BOND shall be null and void; otherwise, it shall remain in full force and effect.

And the said Surety, for value received hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to the work to be performed thereunder or the specifications accompanying the same shall in any wise affect its obligations on this BOND, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the work or to the specifications.

IN WITNESS WHEREOF, said PRINCIPAL and said SURETY have caused these presents to be duly signed and sealed this _____ day of _____, 2012.

By: _____
(PRINCIPAL) (SEAL)

By: _____
(SURETY) (SEAL)

By: _____

By: _____

By: _____
(ATTORNEY IN FACT) (SEAL)

By: _____
(ATTORNEY IN FACT) (SEAL)

(Signatures of Principal and Surety must be acknowledged by a Notary Public)



EXHIBIT L

CITY-OWNED EQUIPMENT TO BE ACQUIRED BY CONTRACTOR



Exhibit L
City-Owned Equipment to be Acquired by Contractor

Equipment Type	Quantity	Average Per Unit Value	Total
Heavy-Duty Collection Vehicle	90	\$ 62,587	\$ 5,632,830
Light-Duty Vehicle	15	\$ 16,865	\$ 252,975
Container Maintenance Equipment	8	\$ 14,880	\$ 119,040
Residential Carts	320,957	\$ 10	\$ 3,209,570
TOTAL ALL EQUIPMENT			\$ 9,214,415

NOTE: The equipment quantities and pricing reflect the assumptions of the Contractor in preparing their cost and rate proposal. In the event of a conflict between this exhibit and the equipment purchase agreement between the City and Contractor, the equipment purchase agreement shall control.



EXHIBIT M

COST-BASED RATE ADJUSTMENT METHODOLOGY



Exhibit M Cost-Based Rate Adjustment Methodology

1. GENERAL

The City shall use the cost-based Rate adjustment method described in this Exhibit to determine Rates for Rate Periods 5 and 9, and if applicable, Rate Periods 13 and 17.

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 Total Contractor's Compensation for the current 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 Gross Receipts most-recently reported 12-month period 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, the number of Customers, and the service level of Customers.

The City will incur costs, including consulting and legal fees, when determining adjustments to the Rates in accordance with this Exhibit and shall require the Contractor to pay for such costs within sixty (60) calendar days of receipt of the City's invoice for such costs. The Contractor shall recover such costs through the Rates by treating the costs as an allowable Pass-Through Cost as described in Section 3.C of this Exhibit. Regardless of Contractor's payment of costs associated with said review, City 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. City retains the right to select its agents on the basis of their qualifications and experience and without regard to cost.

2. DEFINITIONS

Terms in upper case that are not otherwise defined in Article 1 or this Exhibit are defined by reference for the purposes of this Exhibit only.

- A. "Annual Percentage Change" means the average CPI value for the 12-month period ending March of the then-current Rate Period minus the average CPI value for the 12-month period ending March of the most-recently completed Rate Period, divided by the average CPI value for the 12-month period ending March of the most-recently completed Rate Period. The Annual Percentage Change shall be rounded to the nearest thousandth (1000th).

For example, if the Contractor is preparing its Rate application for Rates to be effective for Rate Period 3, the Annual Percentage Change shall be calculated as follows: [(Average CPI for April 2011 through March 2012) - (Average CPI for April 2010 through March 2011)] / (Average CPI for April 2010 through March 2011).



- B. "CPI-U" means the All Urban Consumers Index (CPI-U) compiled and published by the DOL or its successor agency, using the following parameters.

CPI-U Parameters:

Area – Los Angeles-Riverside-Orange County, CA
Item – All Items
Base Period – Current 1982-84=100
Not seasonally adjusted
Periodicity – Monthly

- C. "Total Contractor's Compensation" means the total amount to be used as a basis for determining the Rate Adjustment Factor. The Total Contractor's Compensation does not reflect or in any way guarantee the Gross Receipts that are to be generated by Rates or retained by the Contractor.

3. 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 Total Annual Cost of Operations.** Contractor's financial statement, books, and records shall be reviewed to determine Contractor's Actual 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. Forecasted labor-related costs
 - b. Forecasted vehicle-related costs (excluding fuel)
 - c. Forecasted fuel costs
 - d. Forecasted other costs
 - e. Forecasted direct depreciation costs
 - f. Forecasted allocated costs (labor, vehicle, and other costs)
 - g. Forecasted allocated costs (depreciation)
2. **Calculate Allowable Costs.** Contractor shall calculate Allowable Total Annual Cost of Operations for the most-recently completed Rate Period by adjusting Actual Total Annual Cost of Operations for the most-recently completed Rate Period (determined in accordance with Section 3.A.1 of this Exhibit) to deduct non-allowable costs. The Allowable Total Annual Cost of Operations shall be reported in the cost categories identified in Section 3.A.1 of this Exhibit. Non-allowable costs that shall be deducted from actual costs include the following:
 - a. Labor and equipment costs for personnel and vehicles that are not specified in the proposal forms contained in Exhibit C.



- b. Payments to directors and/or owners of Contractor unless paid as reasonable compensation for services actually rendered. Reasonableness shall be determined based on available market pricing for similar services and shall be in the sole discretion of the City.
- c. Travel expenses and entertainment (above five thousand dollars (\$5,000) annually in total) expenses, unless authorized in advance by the City.
- d. Payments to repair damage to property of third parties or the City for which Contractor is legally liable.
- e. Fines for penalties of any nature.
- f. Liquidated Damages assessed under this Agreement.
- g. Federal or State income taxes.
- h. Charitable or political donations.
- i. Depreciation or interest expense for Collection vehicles, Carts, other equipment, offices and other facilities if such items are leased as specified in Exhibit C.
- j. Attorney's fees and other expenses incurred by Contractor in any court proceeding in which the City 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 City 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 Related-Party Entities for products or services, in excess of the cost to the Related-Party Entities for those products or services.
- n. Goodwill.
- o. Excess fuel costs for route hours greater than those stated in Exhibit C where excess fuel costs shall be equal to annual fuel costs less allowable fuel costs, where allowable fuel costs are calculated to be equal to annual fuel costs divided



by total annual gallons of fuel purchased multiplied by total annual allowable fuel usage stated in Exhibit C.

- p. Unreasonable profit sharing distributions.
 - q. Replacement costs for Carts that need to be replaced because the useful life of such Cart was less than the Term.
 - r. Administrative costs greater than the administrative costs proposed for Rate Period 2 (as presented in Exhibit C) adjusted using the CPI-U
 - s. Bad debt write-offs in excess of two percent (2%) of annual Rate revenues.
3. **Forecasted Total Annual Cost of Operations.** Forecasted Total Annual Cost of Operations for the coming Rate Period shall be calculated based on Allowed Total Cost of Operations for the most-recently completed Rate Period determined in accordance with Section 3.A.2 of this Exhibit. The forecasts shall be performed in the following manner:
- a. Forecasted labor-related costs shall be calculated for the coming Rate Period by multiplying: (i) the Allowed labor-related costs for the most-recently completed Rate Period by one (1) plus the Annual Percentage Change in the labor index described in Section 11.3.B., "step 1" of the Agreement; and, (ii) multiplying the result of step one by the same percentage change used in step one.
 - 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 for the most-recently completed Rate Period by one (1) plus the Annual Percentage Change in the CPI-U; and, (ii) multiplying the result of step one by the same percentage change used in step one.
 - c. Forecasted fuel costs shall be calculated for the coming Rate Period by: (i) multiplying the Allowed fuel costs for the most-recently completed Rate Period by 1 plus the Annual Percentage Change in the fuel index described in Section 11.3.B., "step 2" of the Agreement; and, (ii) multiplying the result of step one by the same percentage change used in step one.
 - f. Forecasted 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 (1) plus the Annual Percentage Change in CPI-U; and, (ii) multiplying the result of step one by one (1) plus the Annual Percentage Change in CPI-U.
 - g. Forecasted direct depreciation expense shall be the amount specified in Exhibit C for vehicles, Carts, and facilities. Direct depreciation expense is a fixed cost and is not subject to inflation.



- h. Forecasted allocated labor-related, vehicle-related, 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 (1) plus the Annual Percentage Change in CPI-U; and, (ii) multiplying the result of step one by one (1) plus the Annual Percentage Change in CPI-U.
- i. Forecasted allocated depreciation expense shall be the amount specified in Exhibit C for vehicles, Carts, and facilities. Allocated depreciation expense is a fixed cost and not subject to inflation.
- j. 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 Section:
 - (1) Forecasted labor-related costs
 - (2) Forecasted vehicle-related costs (excluding fuel costs)
 - (3) Forecasted fuel costs
 - (4) Forecasted other costs
 - (5) Forecasted direct depreciation expense
 - (6) Forecasted allocated costs (labor, vehicle, and other costs)
 - (7) Forecasted allocated costs (depreciation)

- B. Forecasted Profit.** Contractor shall be entitled to Profit on Forecasted Total Annual Cost of Operations. Profit shall be calculated using an operating ratio of 92.0%. Profit shall be calculated using the following formula:

$$\text{Profit} = (\text{Forecasted Total Annual Cost of Operations} / \text{Operating Ratio}) - \text{Forecasted Total Annual Cost of Operations}$$

For Example:

Assuming an operating ratio of 92%

Assuming a Forecasted Total Annual Cost of Operations of \$1,000,000

$$(1,000,000 / .92) - 1,000,000 = 86,956.52$$

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

- 1. **Forecasted Disposal Cost.** Annual Forecasted Disposal Cost = (Disposal Fee at Designated Disposal Location) x (total Tons of Solid Waste Collected for the most-recently reported 12-month period).
- 2. **Forecasted Recyclable Materials Processing Cost.** Annual Forecasted Recyclable Materials Processing Cost = (Processing Fee at Approved Recyclable



Materials Processing Site) x (total Tons of Recyclable Materials Collected for the most-recently reported 12-month period)

3. **Forecasted Organic Materials Processing Cost.** Annual Forecasted Organic Materials Processing Cost = (Processing Fee at Approved Organic Materials Processing Site) x (total Tons of Organic Materials Collected for the most-recently reported 12-month period)
4. **Forecasted Interest Expense.** Interest Expense is \$521,922 per year and shall not be adjusted over the Term of the Agreement.
5. **Forecasted Direct Lease Costs.** Direct Lease Costs are \$0 per year and shall not be adjusted over the Term of the Agreement.
6. **Forecasted Allocated Lease Costs.** Allocated Lease Costs are \$0 per year and shall not be adjusted over the Term of the Agreement.

D. Forecasted City Fees

- (1) **Forecasted Franchise Fee.** Forecasted Franchise Fees, which shall equal fifteen percent (15%) of the Forecasted Total Contractor's Compensation.
- (2) **Forecasted Contract Management and Enforcement Fee.** The Forecasted Contract Management and Enforcement Fee shall be in an amount prescribed by the City. If no revised Contract Management and Enforcement Fee is provided by the City, the Contract Management and Enforcement Fee paid to the City during the prior Rate Period shall remain in effect.
- (3) **Rate Application Review Costs.** An amount determined by the City to reimburse the Contractor for payment of the City's costs, including consulting and legal fees associated with determination of Rates under this Exhibit.
- (4) **Forecasted Total City Fees.** Forecasted Total City Fees shall equal the sum of the Forecasted Franchise Fee, Forecasted Contract Management and Enforcement Fee, Forecasted Shedding Fee, Forecasted Vehicle Impact Fee, and Rate Application Review Costs.

4. RATE ADJUSTMENT FACTORS

A. Operating Component Rate Adjustment Factor. The "Operating Component Rate Adjustment Factor" shall be determined by dividing the sum of the Forecasted Total Annual Cost of Operations, Forecasted Profit, Forecasted Interest Expense, Forecasted Direct Lease Costs, and Forecasted Allocated Lease Costs by the Operating Component portion of Rate Revenues received over the most recent twelve (12) months, rounded to the nearest thousandth. The Operating Component Rate Adjustment Factor shall not exceed five percent, either positive or



negative, during Rate Periods where rates are set using the Cost-Based Rate Adjustment Methodology.

B. Disposal Component Rate Adjustment Factor. The "Disposal Component Rate Adjustment Factor" shall be determined by dividing the Forecasted Disposal Cost by the Disposal Component portion of Rate Revenues received over the most recent twelve (12) months, rounded to the nearest thousandth (1000th). The Disposal Component shall only be applied to Solid Waste Collection Rates and shall not be included in the calculation of Recyclable Materials Collection Rates, Organic Materials Collection Rates, or Special Charges.

C. Processing Component Rate Adjustment Factor. The "Processing Component Rate Adjustment Factor" shall be determined by dividing the Forecasted Processing Cost by the Processing Component portion of Rate Revenues received over the most recent twelve (12) months, rounded to the nearest thousandth (1000th). This calculation shall be performed for the Forecasted Recyclable Materials Processing Cost for determination of Recyclable Materials Collection Rates. The calculation shall be performed separately for the Forecasted Organic Materials Processing Cost for determination of Organic Materials Collection Rates. The Processing Component Rate Adjustment Factor shall not be applied to Solid Waste Collection Rates or Special Charges. The Processing Component Rate Adjustment Factor for Organic Materials Collection Rates shall not exceed the Operating Component Rate Adjustment Factor as determined in Section 4.A. of this Exhibit.

D. Fee Component Rate Adjustment Factor. The "Fee Component Rate Adjustment Factor" shall be determined by dividing the Forecasted Total City Fees by the sum of all Franchise and Other Fees, as described in Article 10 of the Agreement, paid to the City by Contractor over the most recent twelve (12) months, rounded to the nearest thousandth (1000th).

5. ADJUSTMENT OF RATES

Each then-current Rate component shall be multiplied by the associated component Rate Adjustment Factor to calculate the effective Rate for the coming Rate Period. All Special Charges shall be adjusted using the Operating Component Rate Adjustment Factor