



MARK PESTRELLA, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

July 6, 2021

IN REPLY PLEASE

REFER TO FILE: **EP-2**

APPROVED

BY DELEGATED AUTHORITY

CHIEF EXECUTIVE OFFICE
COUNTY OF LOS ANGELES

July 6, 2021

FESIA A. DAVENPORT
CHIEF EXECUTIVE OFFICER

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**SERVICES CONTRACT
ENVIRONMENTAL SERVICES CORE SERVICE AREA
AWARD AN EXCLUSIVE FRANCHISE CONTRACT FOR SOLID WASTE
COLLECTION SERVICES AT RESIDENTIAL PROPERTIES IN THE
UNINCORPORATED AREA OF HACIENDA HEIGHTS
(SUPERVISORIAL DISTRICT 4)
(3 VOTES)**

SUBJECT

Public Works is seeking Board approval to award an exclusive franchise contract to provide services for the unincorporated area of Hacienda Heights including the collection of refuse, recyclables, and organic waste from residential properties; removal of solid waste discarded in public rights of way; and emergency solid waste collection services.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the award of the exclusive franchise contract for services for the unincorporated area of Hacienda Heights is within the scope of the Negative Declaration previously adopted on November 20, 2007, as amended by the Addendum for the Franchise Agreements for Residential Solid Waste Collection Services in unincorporated communities in Los Angeles County adopted on January 30, 2018.
2. Find the health, safety, and welfare of the public require that the County award an exclusive franchise contract for the collection of solid waste from carts for the unincorporated area of Hacienda Heights.

3. Award an exclusive franchise contract for services for the unincorporated area of Hacienda Heights to Valley Vista Services, Inc., consisting of the following two separate tasks: Task 1 Customer Service, to provide refuse, recyclables, and organic waste collection from carts; and Task 2 County Service, consisting of daily monitoring for illegal dumping, collection of solid waste discarded in public rights of way and alleys, and emergency services to remove uncollected solid waste anywhere in Los Angeles County or adjacent counties. The contract shall be effective upon execution by both parties. The solid waste collection services will start on August 1, 2021, and will terminate on July 31, 2028, for a term of 7 years with two 2-year renewal options for a potential maximum contract term of 11 years. The initial monthly rate per customer for Task 1 Customer Service will be \$29.40, which includes a 10 percent franchise fee and will generate an estimated \$467,442 in revenues in FY 2021-22. Task 2 County Service will be for an initial annual contract sum not to exceed \$416,802, both not including rate adjustments for cost of living, fuel costs, diversion/disposal fees, unforeseen additional work, and changes in law, as authorized by the contract.
4. Authorize the Director of Public Works or his designee to adjust (1) the monthly rate for basic services billed directly to the customers; (2) the monthly rate as billed by the contractor for additional Customer Services, such as more containers or collection at a higher frequency, billed directly to the customers; (3) the monthly rate billed to the County by the contractor for Task 2 County Service; and (4) the contract amount, if applicable, by the following amounts:
 - a. By up to 10 percent of the annual contract sum for unforeseen, additional work within the scope of work of the contract.
 - b. By up to 10 percent of the annual contract sum for applicable changes in law.
 - c. By up to a total maximum cumulative service fee adjustment of 35 percent of the unit rates over the initial 7-year period, and up to 45 percent and up to 55 percent at the first and second optional renewal years, respectively, if applicable, to allow for cost-of-living adjustments, fuel cost adjustments, and diversion/disposal facility fee adjustments.
5. Authorize the Director of Public Works or his designee to (1) execute a franchise contract with Valley Vista Services, Inc., to provide services for the area of Hacienda Heights; (2) take all of the necessary and appropriate steps to carry out this contract; (3) renew this contract for each additional renewal option if, in the opinion of the Director of Public Works or his designee, the contractor has successfully performed during the previous contract period; (4) approve and

execute amendments to incorporate necessary changes within the Task 1 Customer Service and Task 2 County Service specifications; and (5) suspend work if, in the opinion of the Director of Public Works or his designee, it is in the best interest of the County to do so.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to find that the award of the exclusive franchise contract for the unincorporated area of Hacienda Heights is within the scope of the previously adopted Negative Declarations (ND) and Addendum to the ND, which were prepared under the California Environmental Quality Act (CEQA) and that the recommended actions are necessary to protect public health, safety, and welfare. It is also to award a franchise contract that provides Task 1 Customer Service, consisting of weekly, fully automated, separate collection in carts, processing, and diversion/disposal of refuse, commingled recyclable materials, and organic waste generated by residential properties upon request; and Task 2 County Service, consisting of daily monitoring for illegal dumping, collection of solid waste discarded in public rights of way and alleys, and emergency services to remove uncollected solid waste anywhere in the County or adjacent counties, and various actions related to the award, execution, implementation, and extensions of the contract.

The existing franchise contract for services to Hacienda Heights is with Valley Vista Services, Inc., which provides solid waste services to approximately 57,000 residents. This contract had an initial 7-year term with three 1-year extensions with a maximum term that expired on March 31, 2020. On October 29, 2019, the Board approved a recommendation to extend the term of the contract for an additional 1 year beyond its initial 10-year term, which expired on March 31, 2021. On March 30, 2021, the Board approved another amendment to extend the term of the contract on a month-to-month basis for up to 1 year with the maximum extension to expire on March 31, 2022. The proposed new franchise contract will be effective upon execution with solid waste services set to begin on August 1, 2021.

Implementation of Strategic Plan Goals

These recommendations support the County Strategic Plan: Strategic Plan Goal II, Foster Vibrant and Resilient Communities; Strategy II.3., Make Environmental Sustainability our Daily Reality; and Objective II.3.4, Reduce Waste Generation and Recycle and Reuse Water Resources. The recommended actions improve the environment, economy, and social well-being of our communities by providing solid waste

collection services, which protects the environment and improves the quality of life of the residents within the franchise and surrounding areas.

FISCAL IMPACT/FINANCING

There will be no impact to the County General Fund.

The proposed monthly rate per customer for Task 1 Customer Service is \$29.40, which includes a 10 percent franchise fee; and the annual contract amount for Task 2 County Service is \$416,802.

Upon approval by the Board, the franchise fee resulting from Task 1 Customer Service multiplied by the estimated 14,454 customers will generate an estimated \$467,442 revenue from the contract for Fiscal Year 2021-22 based on the service commencement date of August 1, 2021. The franchise fee will provide the necessary funds to administer the franchise and provide enhanced services for the unincorporated area of Hacienda Heights. Administration includes the release and award of the contract, complaint resolution, outreach material creation and review, and contractor compliance monitoring. Enhanced services include abandoned waste collection, expanded educational outreach, site visits to increase diversion, and increased enforcement of illegal dumping violations. This revenue is included in the Solid Waste Management Fund (GD1) Fiscal Year 2021-22 Budget and will be included through the annual budget process for the remaining contract years.

Task 1 Customer Service Monthly Rate and Task 2 County Service maximum contract amount may be adjusted by up to 10 percent for any unforeseen, additional work within the scope of work of the contract, if required. Task 2 County Service may also be adjusted by up to 50 percent of the total contract sum to be used for emergency services within the scope of work of the contract, if required. The rates may be adjusted up to a total maximum amount of 35 percent of the rates over the initial 7-year period, and 45 percent and 55 percent at the first and second optional renewal years, respectively, if applicable. The adjustments are to allow for cost-of-living adjustments, fuel cost adjustments, and solid waste facility fee adjustments.

Task 2 County Service will be paid from the Road Fund (B03), or by supplemental sources of funding, including but not limited to, bond funding and/or other State or Federal assistance as appropriate to offset costs to the County for services provided. The County will deposit funds into the Road Fund to pay for those activities related to the cleanup, collection, transportation, disposal, and management of discards from the public road rights of way from all alleys and specified public curbside receptacles within the service area.

Funding for Task 2 County Service is included in the Road Fund Fiscal Year 2021-22 Budget. The Road Fund will be reimbursed by the Solid Waste Management Fund. Funds from the Solid Waste Management Fund to pay for Task 2 County Service shall not exceed 30 percent of franchise fee payments received during the fiscal year. Funds for the contract's future years, 10 percent additional funding for unforeseen additional work within the scope of the contract, if required, and 50 percent additional funding for emergency services within the scope of the contract, if required, will be requested through the annual budget process.

Task 1 Customer Service and Task 2 County Service rate adjustments authorized by the contract are as follows: First, a rate adjustment increase on July 1, 2022, and annually thereafter is allowed based on annual changes in the Consumer Price Index, fuel adjustments, and/or solid waste facility fees. The rate adjustment increase is allowed up to 55 percent over the maximum contract duration of 11 years. Second, an increase of the maximum contract amount for Task 2 County Service is allowed due to unforeseen, additional work within the scope of the contract, up to 10 percent per year and an increase for emergency services within the scope of the contract, up to 50 percent of the total contract amount for Task 2 County Service. Third, a rate adjustment increase of the maximum contract amount is allowed due to applicable changes in law, up to 10 percent per year.

In the event of an emergency and the County directs the contractor to provide solid waste collection assistance to other areas within the County, including cities, or adjacent counties and their cities, other funds, including those from other jurisdictions, may be used in order to extend services into those areas. Streets and Highways Code, Section 953, requires that the costs for cleanup, collection, transportation, disposal, and management of discards from alleys and public curbside receptacles be paid from the Road Fund Budget. Although the Road Fund must pay for these services, other funds available to pay for such services may be placed in the Road Fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Title 20 - Utilities, of the Los Angeles Code, Section 20.70.020, authorizes the Board to award a nonexclusive, partially exclusive, or wholly exclusive franchise for certain solid waste handling services for any given geographic area of the unincorporated territory of the County. As consideration for the grant of a franchise awarded as provided in Section 20.70.020, the contractor shall pay a franchise fee to the County in such amount as may be determined by the Board, expressed as a percentage of the monthly gross receipts of the contractor arising from the use, operation, or possession of the franchise. The recommended contract includes a 10 percent franchise fee.

The recommended contractor is Valley Vista Services, Inc., located in City of Industry, California. This franchise contract is effective upon execution by the respective party. The solid waste collection services will start on August 1, 2021, and will terminate 7 years from the commencement of collection services, with two 2-year renewal options, for a potential total contract period of 11 years.

The franchise contract will be in the form substantially similar to the form previously reviewed and approved by County Counsel (Enclosure A). Prior to the Director of Public Works or his designee executing this contract, the contractor will sign, and County Counsel will review and approve it as to form. The recommended contract with Valley Vista Services, Inc., was solicited on an open-competitive basis and in accordance with applicable Federal, State, and County requirements.

The franchise contract contains terms and conditions in compliance with the Board's ordinances, policies, and programs. The standard Board-directed clauses that provide for contract termination or renegotiation apply only to Task 2 County Service. Enclosure B reflects the contractors' minority participation. Data regarding the proposers' minority participation is on file with Public Works. The contractor was selected upon final analysis and consideration without regard to race, creed, gender, or color.

The Request for Proposal (RFP) for this contracted service was not submitted to any union for review since no Public Works classifications were impacted. Public Works has evaluated and determined that the Living Wage Program (Los Angeles County Code, Chapter 2.201) does not apply to this recommended contract. Task 1 Customer Service is not subject to Proposition A, as authority to award the franchise contract for solid waste handling services is expressly provided by statute. Task 2 County Service is required on an as needed and intermittent basis; hence, this contract is not subject to Proposition A (Los Angeles County Code, Chapter 2.121).

ENVIRONMENTAL DOCUMENTATION

In 2008, an Initial Study was prepared for the award of exclusive franchise contracts to provide residential solid waste collection services in specific unincorporated areas, which were prepared in compliance with CEQA. The Initial Study showed there is no substantial evidence that the project may have a significant effect on the environment. Based on the Initial Study, an ND was prepared and adopted on November 20, 2007. In accordance with Sections 15162 and 15164(b) of the State CEQA Guidelines, an Addendum to the previously adopted ND was prepared for Task 1 Customer Service, which includes the collection of refuse, recyclables, and green waste and Task 2 County Service, which includes the collection of solid waste discarded in the public rights of way and alleys since

there are only minor changes to the previously approved franchise contract that did not result in any significant effect on the environment, and there have been no substantial changes or new information regarding the previously approved projects due to new or substantially more severely significant effects or to the circumstances under which the activities will be undertaken. The Board reviewed and considered the information contained in the addendum, and on January 30, 2018, adopted the addendum and found the award of the contract was within the scope of the ND and the addendum. The recommended action is within the scope of the projects analyzed in the previously adopted ND and Addendum, and there have been no changes to the projects or the circumstances under which they are proposed that necessitate preparation of further documentation under CEQA.

The location of the documents and other materials constituting the record of the proceedings upon which the Board's decision is based in this matter is Public Works, Transportation Planning and Programs Division at 900 South Fremont Avenue, Alhambra, California 91803. The custodian of such documents and records is Mr. Ed Dingman, Senior Civil Engineer, Los Angeles County Public Works.

Upon the Board's approval of the recommended actions, Public Works will file a Notice of Determination with the County Clerk in accordance with Section 21152 of the California Public Resources Code.

CONTRACTING PROCESS

On October 14, 2020, a notice of the RFP was placed on the County's "Doing Business With the County" website (Enclosure C), Public Works "Business Opportunities" website, Twitter, and in advertisements placed in the *Los Angeles Daily Journal* and nine other newspapers. Also, Public Works informed 1,538 Local Small Business Enterprises, 179 Disabled Veteran Business Enterprises, 169 Social Enterprises, 801 Community Business Enterprises, and 195 independent contractors and community business enterprises about this business opportunity.

On December 3, 2020, six bids were received for providing solid waste collection services for the unincorporated area of Hacienda Heights. The proposals were first reviewed to ensure that they met the minimum requirements in the RFP. One proposer did not meet the requirements and was disqualified. The five remaining proposals met these requirements were then evaluated by an evaluation committee consisting of Public Works staff. The evaluation was based on criteria described in the RFP, which included proposed annual amount for Task 1 Customer Service; proposed annual amount for Task 2 County Service; experience, work plan, references, financial resources,

The Honorable Board of Supervisors
July 6, 2021
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disputes, actions, contests, debarments, and environmental history; and utilizing the Informed Averaging methodology for applicable criteria. Based on these evaluations, it is recommended that this franchise contract be awarded to the highest-rated, apparent responsive, and responsible proposer Valley Vista Services, Inc., located in City of Industry, California.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

This contract will provide improved solid collection services for this community.

CONCLUSION

Please return one adopted copy of this Board letter to Public Works, Environmental Programs Division.

Respectfully submitted,



MARK PESTRELLA, PE
Director of Public Works

MP:CJS:rw

Enclosure(s)

c: Chief Executive Office (Chia-Ann Yen)
County Counsel
Executive Office

Enclosure A



Part I

Sample Contract

BETWEEN

COUNTY OF LOS ANGELES BOARD OF SUPERVISORS

AND

[name of waste hauler]

THE EXCLUSIVE FRANCHISE CONTRACT FOR PROVISION OF SOLID WASTE
COLLECTION SERVICES
(BRC0000052)

FOR THE SERVICE AREA OF

HACIENDA HEIGHTS

WITH A SERVICE COMMENCEMENT DATE AS EARLY AS

August 1, 2021

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HACIENDA HEIGHTS (BRC0000052))**

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This Exclusive Franchise Contract For the Area of Hacienda Heights (CONTRACT) is made and entered into on _____, 2021, by and between COUNTY of Los Angeles Board of Supervisors, acting in their capacity as the governing body COUNTY of Los Angeles (COUNTY), and _____, a Corporation or Limited Liability Company registered in the State of _____ (CONTRACTOR).

RECITALS:

Purpose. To limit the wear and tear on COUNTY streets, reduce pollution from Collection Vehicle exhaust, increase customer service accountability, ensure compliance with Federal, State, and local laws, including Assembly Bills (AB) 341, 939, 1826, and Senate Bill (SB) 1383, by improving program implementation performance and reporting accuracy, and facilitate more efficient CONTRACT administration and enforcement by COUNTY staff.

Solid Waste Haul Permits. County of Los Angeles Department of Public Health issued permits to haulers for the hauling of solid waste with requirements to protect public health and safety, including frequency of Collection and Collection Vehicle maintenance. CONTRACTOR shall continue to obtain that permit and comply with all its provisions; and

Mandatory Solid Waste Diversion. The State of California has found and declared that the amount of solid waste generated in California coupled with diminishing landfill space and potential adverse environmental impacts from land filling have created an urgent need for State of California and local agencies to enact and implement an aggressive, new integrated waste management program. Through enactment of AB 939, the State of California has directed agencies, such as COUNTY to Divert 50 percent of all solid waste through source reduction, recycling, and composting activities. The California Department of Resources Recycling and Recovery (CalRecycle) had granted COUNTY a time line to achieve compliance with the AB 939 Diversion requirements to which COUNTY had met. Additionally, with the passage of Senate Bill 1383, COUNTY must meet CalRecycle's targets related to Organics. Continued compliance is based in part on executing and implementing this CONTRACT to secure cooperation with CONTRACTOR'S AB 939 waste Diversion programs, record keeping, and reporting; and

County Waste Management Plan. COUNTY Board of Supervisors adopted the Roadmap to a Sustainable Waste Management Future in 2014. It is a comprehensive plan for a waste free future, and is a proactive approach to developing innovative policies for managing waste that further reduces COUNTY's reliance on landfills. It established the following intermediate and long-term disposal reduction targets: 80 percent Diversion from landfills by 2025, 90 percent Diversion from landfills by 2035, and at least 95 percent Diversion from landfills by 2045; and

Task 1: Waste Discarded in Containers. Director has determined to provide for Municipal Solid Waste (MSW) Management Services in portions of COUNTY under the terms of this CONTRACT for reasons including the following:

- To assist residents and certain businesses located in the Service Area that discard solid waste in Carts to receive quality MSW Management Services, and
- To provide COUNTY with programs, records, and reports that will help COUNTY comply with AB 939 and other laws.

This CONTRACT requires the Diversion of Organics from landfills as described in SB 1383. Green Waste is defined in Attachment 5-10A and is organic matter generated from landscaping and gardens. Green Waste will continue to be Collected from the Green Waste Container; however, the Green Waste Container may also be used to Collect Food Waste and other Organic Waste specified in SB 1383. Due to the familiarity of the green colored container being referred to as the Green Waste Container, that description will remain unchanged, even if Food Waste is placed inside.

COUNTY issued a 5-year notice under California Public Resources Code (PRC) Section 49520 of COUNTY'S intent to authorize, among other options, the exclusive franchising of MSW Management Services in portions of COUNTY; and

Task 2: Abandoned Waste Collection. Director has also determined to contract for Collection of the following in this CONTRACT:

- Efficient removal of Abandoned Waste and preventing the illegal dumping from becoming a community eyesore, decreasing neighborhood property values, posing a safety hazard, providing a breeding ground for disease carrying rodents, insects, and other vermin, and in general, lowering the quality of life for residents.
- Maintenance of public curbside receptacles.
- Removal of Carts, Dumpsters, and roll-off containers the Director has deemed abandoned.
- Removal of waste from abandoned Homeless Encampments and provide regular Collection from occupied Homeless Encampments.
- Provide emergency services to remove Solid Waste not collected in any part of the County of Los Angeles or adjacent counties that in the judgement of the Director creates a danger to public health, safety, or welfare.

Compliance with Law. CONTRACTOR shall perform Contract Services in accordance with all the laws governing the safe Collection, transport, Recycling, and Disposal of Residential and Commercial Solid Waste, including but not limited to AB 341, 939 and 1826, SB 1383, Recovered Conservation and Recovery Act (RCRA), and Comprehensive Environmental Response Compensation and Liability Act (CERCLA).

CONTRACTOR / "Arranger". Under this Contract, COUNTY may exercise control over the disposal or other disposition of the Solid Waste handled by the CONTRACTOR, commonly referred to as flow control. It may designate or determine the use of any given Solid Waste Facility. Although minimum scope of Contract Services, Service Specifications, and Service Standards are set forth in this CONTRACT, COUNTY has not, and by this CONTRACT does not, supervise Contract Services or assume title to Solid Waste; and

Competitive Procurement. COUNTY issued a Request for Proposals (RFP) to provide Contract Services under this CONTRACT. Private waste hauling companies submitted proposals, including their proposed schedule of rates and charges. For franchised services, COUNTY selected a CONTRACTOR based, among other things, on CONTRACTOR'S price proposal and work plan for Contract Services.

Compensation. The following describes the compensation allowed under this CONTRACT:

- Exhibit 7 provides for CONTRACTOR'S compensation under Task 1 Services. Under this CONTRACT, the CONTRACTOR cannot charge its Customers more than the Customer Service Fees in the Customer Fee Schedule in Attachment 7-2 Task 1 Service Fees in Exhibit 7.
- Exhibit 3A2 provides for CONTRACTOR's compensation under Task 2 Services and COUNTY Service Fees in Attachment 7-3 Task 2 Service Fees in Exhibit 7.
- Exhibit 3A2 provides for CONTRACTOR'S compensation for substitute, emergency, and backup services. Under this CONTRACT, the CONTRACTOR cannot charge COUNTY more than the rates in Attachment 7-4 Emergency Service Fees in Exhibit 3A2 or comparable municipal Solid Waste fees.
- In no event shall the aggregate total amount of compensation paid to the CONTRACTOR exceed the amount of compensation authorized by the Board. Such aggregate total amount is the Maximum Contract Sum.
- CONTRACTOR is not allowed to add any surcharges in addition to the fees that were entered on Form PW-2, Schedule of Prices. Any fuel, environmental, or other fees must be included in the original bid and may not be added later.

Franchise Authorization. PRC Section 40059 specifically authorizes COUNTY to prescribe the terms and conditions of aspects of Solid Waste management services, including:

- The nature, location, and level/extent of services;
- The frequency of collection;
- The means of collection and transportation;
- The Service Fees and fees; and
- Whether the services are to be provided by means of nonexclusive, partially exclusive, or wholly exclusive franchise, contract, license, permit or otherwise.

County Code Chapter 20.70 authorizes Director to require franchises in any part of the unincorporated territory of COUNTY that is not served by a Garbage Disposal District.

Franchise Development. COUNTY consulted with representatives of waste haulers in developing the original agreement. COUNTY and representatives of the private hauling industry met many times to discuss the scope of franchise services, service specifications, service standards, and other performance obligations and to address the industry's questions, comments, and concerns.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

This CONTRACT applies to both Contract Services (Task 1 Services and Task 2 Services), unless specifically indicated otherwise. However, Exhibits 3A1 and 3A3 apply only to Task 1 Services, and Exhibit 3A2 applies only to Task 2 Services.

SECTION 1 - GRANT OF RIGHTS AND PRIVILEGES TO PROVIDE TASK 1 SERVICES

Customer Service = Task 1 Services = Basic Service + Additional Customer Services

County Services = Task 2 Services

Contract Services = Customer Service + County Service

Additional Customer Services means all Performance Obligations prescribed in Exhibit 3A1 and Exhibit 3A3 that require a Customer Surcharge, including the more than once per week Collection frequency in item B3, more than one 96-gallon Refuse Container, or a locking Recyclables Cart.

Basic Service means all Performance Obligations prescribed in Exhibit 3A1 and Exhibit 3A3 that do not require a Customer Surcharge, including the once per week Collection frequency in item B3 and the one 96-gallon Refuse, two 96-gallon Recyclables, and two 96-gallon Green Waste Containers in item D.

Task 1 Services all Performance Obligations prescribed in Exhibit 3A1 and Exhibit 3A3 for Refuse, Recyclables, and Green Waste Container services to Occupants at Residential Premises and Certain Multifamily and Commercial Premises.

Task 2 Services means all Performance Obligations prescribed in Exhibit 3A2.

A. Requirements/Grant of Rights

1. Grant of Rights and Privileges

COUNTY grants CONTRACTOR the right and privilege, together with the Performance Obligations, to provide Contract Services.

a. **Conditions**

- CONTRACTOR is ready, willing, and able to provide Contract Services;
- CONTRACTOR meets all its Performance Obligations,
- No CONTRACTOR Default has occurred; and
- CONTRACTOR fully and timely pays applicable Franchise Fees

b. **CONTRACTOR Acceptance**

CONTRACTOR accepts these rights and privileges, together with Performance Obligations, subject to all terms and conditions in this CONTRACT and the exclusions in subsections B (Exclusions from Service) and C (Exclusions from Exclusivity) of this Section.

2. Grant of Exclusive Franchise for Collection in Carts

COUNTY grants to CONTRACTOR and CONTRACTOR accepts the exclusive right and privilege together with the obligation to provide franchise services, by making independent arrangements with customer, with respect to solid waste discarded in Carts and within the Service Area, subject to all the terms and conditions in this CONTRACT and the exclusions in subsections B (Exclusions from Service) and C (Exclusions from Exclusivity) of this Section.

If a city annexes any portion of the Service Area, COUNTY and CONTRACTOR shall replace the maps of the Service Area in Item A1.3 of Exhibit 16 with new maps that reflect deletion of the annexed area on the date that the annexation becomes effective. County Service Fees will be adjusted in accordance with Item C 12 of Section 7

B. Exclusions from Service

1. Solid Waste to be Self-Hauled

This CONTRACT excludes the right and privilege that CONTRACTOR Collect, transport, and Divert/Dispose Solid Waste that Persons self-haul. Anyone, including Persons performing services other than MSW Management Services (such as roofers and gardeners) at those Premises, may collect in receptacles other than Container provided by CONTRACTOR, transport in their own Vehicles, and themselves Dispose of some or all the Solid Waste generated at those Premises.

2. COUNTY and Third-Party Agencies

This CONTRACT excludes the right and privilege to arrange to provide Task 1 Services to Premises owned or controlled by any of the following entities:

- COUNTY or any other entity governed by the Board of Supervisors;
- State of California;
- Federal government;
- Any city;
- Any public-school district; or
- Any entity that is excluded by Applicable Law from the obligation to subscribe to Task 1 Services under this CONTRACT.

This CONTRACT does not prohibit CONTRACTOR from executing separate contracts with those entities to provide MSW Management Services.

3. Rights Under California Public Resources Code Section 49520

a. Exclusion

This CONTRACT excludes the right and privilege to arrange for providing Contract Services with any Person who is receiving Solid Waste handling services from a solid waste enterprise that has the statutory right to continue to provide solid waste handling services to that Person under PRC Section 49520 *et seq.*

b. Acknowledgement

CONTRACTOR acknowledges:

(1) *No Statutory Rights*

This CONTRACT does not grant CONTRACTOR any rights under PRC Section 49250 *et seq.*

(2) *Expired Term*

This CONTRACT is an exclusive franchise.

Upon expiration of this CONTRACT, no unexpired Term will remain. CONTRACTOR will have no right to continue providing Contract Services, MSW Management Services, or Solid Waste handling services under PRC Section 49250 *et seq.*

(3) *Terminated CONTRACT*

If COUNTY exercises its remedy to terminate this CONTRACT for CONTRACTOR fault, CONTRACTOR will have no right to continue providing Contract Services, MSW Management Services, or Solid Waste handling services under PRC Section 49251.

(4) *Contract Claims*

CONTRACTOR does not have the right to make any claim under PRC Section 49520, but only under this CONTRACT.

c. Stop Contract Services / Procure New Services

Upon expiration or termination of this CONTRACT, CONTRACTOR shall stop providing Contract Services even if the expiration or termination occurs before the end of the period described in PRC Section 49520. After expiration or termination of this CONTRACT, COUNTY may repro cure one or more agreements for MSW Management Services with CONTRACTOR or other

Persons. Those agreements may be exclusive, partially exclusive, or wholly exclusive franchises, contracts, licenses, permits or otherwise, with or without competitive bidding.

4. Donation or Selling of Recyclables

This CONTRACT excludes the right and privilege to Collect Recyclables that Occupant donates or sells to Persons other than CONTRACTOR.

5. Collection of Food Waste or Recyclables from Commercial Franchise Carts

This CONTRACT excludes the right and privilege to Collect Food Waste that is separated from other Solid Waste subject to COUNTY's Commercial Franchise Agreements. For example, CONTRACTOR cannot Collect Food Waste or Recyclables from Carts provided under the Commercial Franchise agreement with COUNTY.

C. Exclusions from Exclusivity

1. County Services – Abandoned Waste and Litter Collection Services

This CONTRACT is not exclusive in regards to County Services. COUNTY reserves the right to use its own forces or to contract with any company to Collect Abandoned Waste or empty public receptacles.

2. Emergency Services

This CONTRACT is not exclusive in regards to Collection of Solid Waste during emergencies, as described in Section 11. Under this Section, CONTRACTOR may be requested to perform work in other COUNTY Franchise areas, Garbage Disposal Districts, cities, or Counties. Likewise, other waste haulers may be requested to provide Solid Waste services within this Service Area.

3. Food Waste

This CONTRACT is not exclusive in regards to Collection, transportation and Diversion of Food Waste. This exclusion also applies to Food Waste discarded in Carts by Commercial Franchise customers. Commencing upon the Commencement Date, CONTRACTOR shall Collect Food Waste discarded with Refuse.

At any time after the Commencement Date, in its sole discretion, COUNTY may do either of the following with respect to Collection, transportation, and Diversion of Food Waste that is discarded separately from Refuse:

- Renegotiate a change to this CONTRACT or enter a separate contract with the CONTRACTOR; or

- Enter a contract with another Person.

4. Collection of Solid Waste in Dumpsters

This CONTRACT excludes the right and privilege to provide Collection, transport, and Disposal/Diversion of Solid Waste in Dumpsters, including Manure-only Dumpsters. Persons may arrange with any COUNTY Authorized Commercial Waste Hauler to provide MSW Management Services in Dumpsters. Persons may have Carts with exclusive Collection services from CONTRACTOR and have a Dumpster with service from another waste hauler.

5. Collection of Solid Waste Billed to Certain Home Owners Associations

This CONTRACT excludes the right and privilege to provide Collection, transport, and Disposal/Diversion of Solid Waste to commercial accounts where:

- One Home Owners Associations pays the bill for all residences,
- There are 5 or more residences, and
- There is at least one dumpster included.

These accounts may or may not include Cart services.

D. Definition of Rights

In accordance with PRC Section 49523, based on the mutually satisfactory terms of providing Task 1 Services set forth in this CONTRACT and receipt of compensation therefore, CONTRACTOR shall cease providing Contract Services on the Expiration Date even if that Expiration Date should occur before the expiration of the period described in PRC Section 49520. This CONTRACT and acknowledgments in this CONTRACT do not foreclose COUNTY from re-procuring contracts for MSW Management Services, including from CONTRACTOR, after termination of this CONTRACT, by nonexclusive, partially exclusive, or wholly exclusive franchise, contract, license, permit or otherwise, with or without competitive bidding.

E. Fees to COUNTY

In consideration for exclusive franchise rights granted under this CONTRACT, CONTRACTOR shall pay COUNTY the Franchise Fee at the time and in the amount and manner established from time to time by COUNTY ordinance or resolution of the Board of Supervisors. CONTRACTOR shall not separately identify the Franchise Fee in correspondence with Customers, including in Terms and Conditions, bills, or invoices.

CONTRACTOR acknowledges the following:

- The elimination of competition with private persons for Contract Services under this exclusive franchise has significant monetary value to CONTRACTOR, and the franchise fee is consideration for that exclusivity.
- The franchise fee is a cost of doing business, like capital, fuel and labor costs.
- Paying COUNTY the franchise fee is an obligation of CONTRACTOR and not an obligation of Customers.

F. Privacy (Contract Services)

1. General

CONTRACTOR shall strictly observe and protect the rights of privacy of Customers and Occupants. CONTRACTOR shall not reveal to a Person other than COUNTY any information identifying individual Customers and Occupants or the composition or contents of a Customer's Solid Waste to any Person unless under Section 9 or upon the authority of law or upon valid authorization of the Customer. This provision may not be construed to excuse CONTRACTOR from its obligations to assist COUNTY in the preparation of Solid Waste characterization studies or waste stream analyses, keeping Records, making Reports, or assisting COUNTY on meeting Federal, State, and local requirements.

2. Mailing Lists

CONTRACTOR shall not market or distribute mailing lists with the names and addresses of Customers and Occupants.

3. Privacy Rights Cumulative

CONTRACTOR'S obligations in this Section are in addition to any other privacy rights accorded Customers and Occupants under Applicable Law.

G. Ownership of Solid Waste

This CONTRACT does not purport to grant CONTRACTOR ownership over Solid Waste. The right to possession or ownership of Solid Waste placed at the Set-Out Site for Collection, including Green Waste, Food Waste, Recyclables, and Abandoned Waste, will be determined in accordance with existing law and is not affected by this CONTRACT. COUNTY acknowledges that it has no ownership rights in Solid Waste and that CONTRACTOR may provide for transfer of ownership in the Terms and Conditions.

SECTION 2 - TERM OF CONTRACT

A. Term of Contract Services

This CONTRACT is effective and binding on the Execution Date. It expires on the Expiration Date. Certain Performance Obligations survive expiration or termination of this Contract under subsection B below.

“**Commencement Date**” may be as early as August 1, 2021.

“**Term**” is the period beginning on the Execution Date and ending on the Expiration Date.

“**Execution Date**” is the date both COUNTY and CONTRACTOR mutually sign this CONTRACT.

“**Expiration Date**” is any of the following days, as may be extended described in the following subsection A1 of this Section:

- July 31, 2028, or
- An earlier date that the Contract terminates in accordance with Part 6D of Exhibit 5.

1. Extensions of the CONTRACT Term

Director shall have the sole option to extend the initial Term of this CONTRACT under the following subsections A2, A3, and A4.

2. Two, 2-Year Extensions

Director may, in his sole discretion, extend the Term of this CONTRACT for up to two additional two-year periods.

3. Six, 1-Month Extensions

Director may, extend the Term of this CONTRACT up to six times, each time in an increment of one to six months for a total of no more than six months. For example, the Director may first extend the Term for three months, subsequently extend it for two more months, and lastly extend it for one more month.

4. Contract Extension Cumulative

The contract extensions are cumulative and may be exercised in any order. For example, after the end of the initial Term, Director may issue two 2-year extensions, one 3-month extension, followed by one 1-month extensions.

5. Transition to Next Waste Hauler

Certain obligations of CONTRACTOR survive the termination of this CONTRACT as provided under subsection B6 below.

6. Notification to CONTRACTOR

Director will Notify CONTRACTOR of the intent to extend or not extend this CONTRACT no later than the following:

- 90 calendar days before a 2-year extension begins
- 10 calendar days before a 30-day extension begins

B. Obligations Upon Expiration or Termination of CONTRACT

The following provisions will survive the expiration or termination of this CONTRACT:

1. Acknowledgements

All acknowledgments, including those in the following Sections:

- Item D of Section 1 (inapplicability of PRC 49520)
- Item C of Section 2 (no recovery of undepreciated asset value)
- Item A of Section 3 (no COUNTY responsibility for supervising or performing Task 1 Services)
- Item A of Section 9 (Record maintenance)
- Part 10 of Exhibit 5 (interpretation of this CONTRACT)

2. Representations and Warranties

All representations and warranties, including those made in accordance with the following Sections:

- Part 10 of Exhibit 5 with respect to review of this CONTRACT
- Item B of Section 14, Authority to Execute
- Attachment 5-9H, CONTRACTOR'S Representations and Warranties

3. Indemnities

All Indemnities.

4. Payments

All obligations to pay any due and payable monetary amounts or requests for those amounts, including:

- Payment of Transfer Deposits and Transfer Costs

- Damages under item D of Section 12
- Payment of County Service Fees under Exhibit 3A2
- Refund due to Customers that pay Customer Service Fees in advance of Customer Service
- Any Franchise Fees

5. Records and Reports

All obligations to maintain and submit Records and Reports, including:

- The final Annual Report
- Information with respect to Solid Waste Facilities
- Copies of certificates of insurance or other evidence of coverage
- Records of Disposal
- Notice of Destruction of Records of Disposal
- Inspection and audit
- Records of Abandoned Waste Collection including supporting documentation

6. Provisions Surviving Expiration Date

Any other provisions of this CONTRACT and rights and obligations of the Parties stated to survive the Expiration Date, including:

- This subsection B6 (cooperation during transition; removal of Carts), and
- Subsection C (no recovery of undepreciated asset value).

a. *Cooperation During Transition*

If CONTRACTOR is not awarded a new CONTRACT to allow CONTRACTOR to continue to provide MSW Management Services substantially similar to Contract Services in this Service Area after the expiration or termination of this CONTRACT, CONTRACTOR shall cooperate fully with Director and the succeeding contractor, licensee, permittee, or other provider of MSW Management Services to assure a smooth, efficient, orderly, timely, and effective transition.

b. *Removal of Carts*

With respect to Task 1 Services, CONTRACTOR shall not remove a Container from any Premises until the earlier of:

- The date any replacement Containers are provided to the Customer by succeeding contractor, or
- 2 weeks after the Expiration Date.

7. Container Purchase Option

COUNTY may purchase Containers as specified in item D11 of Exhibit 3A1.

C. Undepreciated Assets

If any of CONTRACTOR'S Service Assets remain undepreciated upon the expiration or earlier termination by COUNTY of this CONTRACT, CONTRACTOR has no right to recover amounts equal to the undepreciated asset value from COUNTY or Customers, and neither COUNTY nor Customers are obligated to compensate CONTRACTOR for any undepreciated asset value.

CONTRACTOR acknowledges that when exercising its option to extend the Expiration Date, COUNTY need not consider whether any Service Assets are not fully depreciated as of the Expiration Date, and that CONTRACTOR invested in and depreciated those Service Assets in CONTRACTOR'S sole discretion.

SECTION 3 - SCOPE OF SERVICES AND SPECIFICATIONS (Contract Services)

A. Prescribed Scope

1. Task 1 Services

With respect to Task 1 Services, CONTRACTOR shall arrange to provide services to Premises in the Service Area in accordance with Exhibit 3A1 to both the following:

- Any Person in the Service Area who was receiving service immediately prior to the Commencement Date from COUNTY's contractor under a previous contract with COUNTY, and
- Any Person who requests Task 1 Services.

2. Task 2 Services

With respect to Task 2 Services, CONTRACTOR shall provide services to Director in accordance with Exhibit 3A2.

3. Additional Contract Services Requirements

With respect to additional Contract Services, CONTRACTOR shall provide services in the Service Area to Director in accordance with Exhibit 3A3.

4. General

Contract Services include providing Goods, Services, and Property necessary to meet Performance Obligations, including:

- Labor and supervision;
- Software and hardware, including Records of Customer subscription and complaints, billing, and routing, and system utilized by Director to track Task 1 and Task 2 Services;
- Leases; subleases; installment purchase agreements, including with respect to Vehicles and Carts;
- Equipment, including Vehicles, Carts, or other Containers (such as for special events);
- Supplies;
- Insurance, bonds, or other performance security if the insurer, surety, or another provider is an Affiliate or a captive of CONTRACTOR or any Affiliate;
- Maintenance and Office-administration facilities, and their contents,
- Legal, risk management, general, and administrative services.

CONTRACTOR must provide Contract Services in accordance with Service Specifications and Service Standards. Nevertheless, CONTRACTOR has the

freedom and discretion to determine the means, manner, or method of providing Contract Services. CONTRACTOR acknowledges that in entering into this CONTRACT, COUNTY is not responsible for supervising CONTRACTOR or for performance of any Contract Services. CONTRACTOR is responsible for choosing the Solid Waste Facilities, unless otherwise directed by COUNTY. In addition, COUNTY is not the owner or titleholder of any material Collected, transported, Disposed of, or otherwise handled by CONTRACTOR.

Any work performed outside the Performance Specifications without Director's prior written approval will be deemed to be a gratuitous effort by CONTRACTOR. CONTRACTOR shall have no claim against COUNTY for any consequential or related liabilities.

B. Change in Scope of Services

1. Task 1

Director may change the scope of Task 1 Services and Service Standards in accordance with Part 9 of Exhibit 5, subject to any adjustment in the Customer Service Fees in accordance with item A of Section 7.

2. Task 2

Director may change the scope of Task 2 Services and Service Standards in accordance with Part 9 of Exhibit 5, subject to any adjustment in COUNTY Service Fees in accordance with Attachment 7-3 Task 2 Service Fees.

C. Vehicles

1. General

CONTRACTOR shall provide Vehicles of appropriate numbers, sizes, capacities, and functions required for the efficient Collection of different types of Solid Waste, such as Refuse, Recyclables, Organics, Food Waste, Bulky Items, and Abandoned Waste. CONTRACTOR shall also provide non-compacting Vehicles for the Collection of E-waste, white goods and any other material that contains chlorofluorocarbons. Vehicles shall be so constructed such that Solid Waste or liquids will not blow, fall, sift, or leak out of the truck into the street. CONTRACTOR shall equip Vehicles with a shovel, broom, and petroleum absorbent agents. CONTRACTOR shall comply with any additional requirement with respect to the Vehicle as set forth in Exhibit 3A3.

2. Automation

CONTRACTOR shall Collect Refuse, Recyclables, and Organics in automated Collection Vehicles, except CONTRACTOR may Collect the following materials in non-automated Collection Vehicles:

- a. Bulky Items including E-waste
- b. Holiday trees
- c. Solid Waste discarded at Set-Out Sites that are Difficult to Service

3. Fuel/Power

Within the first six months after Execution, all Vehicles used for automated Collection must use Liquid Natural Gas or Compressed Natural Gas fuel, or other alternatives to diesel fuel, as approved by Director unless Contractor Documentation provides otherwise with respect to Collection at Premises that are difficult to serve as permitted in item O of this Exhibit.

4. Extra Vehicles

CONTRACTOR shall maintain enough back-up Vehicles to replace similar types of Vehicles in the event of breakdowns, complaints, and emergencies. Director may specify a minimum number of backup Vehicles.

5. Maintenance

CONTRACTOR shall maintain Vehicles reasonably clean, and in good mechanical condition, and well painted, all to the satisfaction of Director. CONTRACTOR shall maintain Records of inspections and maintenance of all mechanical equipment that CONTRACTOR uses to provide Contract Services, including Vehicles. CONTRACTOR will use Vehicles that are safe to operate, in accordance with the requirements promulgated by COUNTY Department of Public Health, California Highway Patrol, South Coast Air Quality Management District, manufacturer, and all other applicable Federal, State, County, and local laws and regulations. CONTRACTOR shall allow Director to view all inspection and maintenance Records and shall provide Director with those Records upon request.

CONTRACTOR is not required to provide new Vehicles on the Commencement Date or to retire Vehicles of any specified age. However, CONTRACTOR shall not operate Vehicles that repeatedly breakdown or leak. CONTRACTOR shall replace a Vehicle that Director determines to be of unsatisfactory operating condition, such as one that is frequently breaking down and delaying services, leaking fluids, making noise, or exhibiting other significant issues identified by Director.

6. Vehicle List

CONTRACTOR shall use only Vehicles that have been submitted to and approved by Director. CONTRACTOR shall submit a complete list of Vehicles, including back-up Vehicles, using Form V, accessible through Director's Solid Waste Information Management System (SWIMS) and update it as Vehicles change.

7. Vehicle Billboards

CONTRACTOR shall equip automated Collection Vehicles with frames on both sides capable of securing signs measuring approximately 30 inches by 90 inches or another dimension approved by Director. CONTRACTOR shall design, print, and install signs on each frame promoting Recycling, Diversion and safe handling of Unpermitted Waste or other topics as requested by Director, with text, graphics, and design approved by Director, up to six times throughout the CONTRACT term. CONTRACTOR shall ensure that the appropriate Director-approved signs are affixed to the Vehicle always. Director reserves the right to interchange any of the six signs up to four times per Contract Year. CONTRACTOR shall not use the billboards for commercial advertising. Item B3 of Exhibit 16 includes examples of sign designs.

8. Company Name

CONTRACTOR's name or other name, as approved by Director, and logo shall appear on all Vehicles.

9. Vehicle Monitoring

In all Vehicles used for Collection of Task 1 or Task 2 Services, CONTRACTOR shall install devices to monitor Vehicles' operations, including Global Positioning Systems (GPS) that record Vehicle's route and at a minimum, a camera facing forward and a camera facing the Solid Waste as it falls into the Vehicle, unless Director consents otherwise. Monitoring equipment must be recording once a Vehicle leaves the yard during days of operation. Providing access to live streaming of video or GPS data to Director is not required but CONTRACTOR must provide COUNTY any software or licenses required to view recording or data.

Reports submitted to Director are to include maps of the vehicle's location with times as recorded based on the pinging and the video captured by the cameras, both with time and date stamps.

On a weekly basis, Director may request copies of Reports for one specific location and a second location within a Hot Zone, if applicable to the Service Area. This will typically be for one street or alley for one block. Director may request additional locations if Director suspects that the terms of the CONTRACT are being violated. For example, a high number of missed Collections or complaints of Collection after 6 pm would be an indicator for requesting additional Reports.

On a monthly basis, Director may request a copy of Reports for one entire Collection route that a specific Collection Vehicle travels in one day. This

will typically be from the time the Vehicle leaves the yard until it returns at the end of the day.

CONTRACTOR shall provide copies of Reports within two business days of receiving Director request. Request may be for a specific time or a geographic location (e.g. between 10:00 a.m. and 11:00 a.m., or 1200 block of Main St.). CONTRACTOR's failure to provide Reports requested by Director within time specified by Director may be considered an admission of fault for the purposes of assessing Liquidated Damages. For example, if CONTRACTOR does not give Director a requested Report, within a period specified by Director, to verify that a Vehicle Collected all Containers on an identified block, Director may assume that CONTRACTOR did not Collect those Containers and assess Liquidated Damages.

Video must be geotagged for location, time/date stamped, and at a resolution adequate to clearly identify the location being serviced and typically not less than 1280 x 720 at 30 frames per second. Recording of the video must be segmented for each Collection and not continuous for the entire route. Video must be geo-tagged to each Collection.

CONTRACTOR shall retain all videos in an electronic format for a minimum of 14 calendar days, or other duration as requested by Director.

a. Video Equipment

(1) Forward Facing Camera

CONTRACTOR's automated Collection Vehicles shall be equipped with functioning, forward facing, or angled slightly to the right, video recording equipment to validate service complaints such as missed Collections and other items that may be of interest to Director.

(2) Waste Collection Facing

CONTRACTOR's automated Collection Vehicles shall be equipped with functioning, video recording equipment to validate Occupant compliance with County Disposal practices and applicable laws. Camera is to face forward on a front-loading Vehicle and toward the curb/passenger side for side-loading Vehicles. Video may be of interest to Director for use in conducting route reviews and contamination investigations required under SB 1383.

CONTRACTOR is to conduct a route review for prohibited Container contaminants on randomly selected Containers in a manner that results in all Collection routes being reviewed

annually. This may include CONTRACTOR's driver monitoring the live video screen or office staff reviewing recordings, looking for contamination and tag/mark each video for further investigation by Director. CONTRACTOR is to include a plan for Director's approval to accomplish this requirement within 60 calendar days of CONTRACT Execution.

b. Global Positioning System (GPS)

GPS data will be maintained by CONTRACTOR either directly or through a third-Party service. The GPS shall be able to track a Vehicle's route with lines or dots superimposed on a map.

The GPS shall gather the following data: date, time, speed, direction, location (address) and shall be able to generate Reports. CONTRACTOR shall retain all data for a minimum of 30 calendar days or other duration approved by Director.

The minimum locate schedule (ping frequency of occurrence that GPS data is received from the Vehicle) shall be at least every one minute for fully automated Collection and at least every ten seconds for other Collection Vehicles, when within the Service Area.

10. Special Vehicles

See Exhibit 3A3 for possible special Vehicle requirements in this Service Area. This is likely only for areas with significant mountainous terrain.

11. Scales

Within 6 months of Director's request, all Automated Collection Vehicles are to have the ability to weigh each Container as it Collects from each Occupant's Set-Out Site. This data is to be connected to each service address and submitted upon Director's request.

12. No Comingling of Abandoned Waste and Bulky Items

CONTRACTOR shall use separate Vehicles for the Collection of Abandoned Waste and Bulky Items. This is necessary in order to allow CONTRACTOR to report the tonnages of each type of waste. However, Director may consider approving comingling in Service Areas with very little Abandoned Waste.

SECTION 4 - SERVICE STANDARDS

A. Public Health and Safety; Nuisances (Contract Services)

CONTRACTOR shall immediately Report to Director any public health and safety or nuisances listed below.

1. Litter

CONTRACTOR shall immediately clean up all litter it caused. If CONTRACTOR services an over-filled Container where the lid cannot be closed, any litter must be cleaned.

When Collecting any Bulky Item or Abandoned Waste, CONTRACTOR shall also clean up all litter within a 3-foot radius of the site from which CONTRACTOR Collected the Bulky Item or Abandoned Waste. CONTRACTOR shall ensure that each Vehicle is properly staffed and equipped for this purpose.

2. Spills

CONTRACTOR shall enclose or cover Solid Waste that it transports in Vehicles, debris boxes, hoppers, compactors, or any other containers. CONTRACTOR shall prevent Solid Waste from escaping, dropping, spilling, leaking, blowing, sifting, falling, or scattering from Vehicles ("Spills") during Collection and transportation. CONTRACTOR shall not transfer loads from one Vehicle to another Vehicle unless necessitated by mechanical failure or accidental damage to a Vehicle. CONTRACTOR shall immediately clean up any Spills on any alley, street, or public place.

3. Leaking

CONTRACTOR shall prevent oil, hydraulic fluid, paint, or other liquid from leaking from its Vehicles. CONTRACTOR shall ensure that each Vehicle carries petroleum absorbent agents and other appropriate cleaning agents and if any liquid leaks from a Vehicle, CONTRACTOR shall immediately cover, treat, or remove the liquid materials from the ground, as necessary, and apply the necessary cleaning agent to minimize the adverse impact of the liquid materials.

4. Noise

CONTRACTOR shall conduct Collection as quietly as possible, in compliance with noise levels prescribed by Applicable Law, including County Code Section 12.08.520-Refuse Collection Vehicles. CONTRACTOR shall cause the least possible obstruction and

inconvenience to public traffic or disruption to the peace and quiet of the Service Area.

While on Residential streets, CONTRACTOR shall minimize the noise for horses in the Public Right-of-Way. The Collection vehicle shall park and not operate the Collection arm or compact the load while within 100 feet of a horse that is walking in the Public Right-of-Way.

B. Private Property (Task 1 Services)

CONTRACTOR shall obtain property owner consent to enter private driveways, alleys, streets, and parking lots in cases such as:

1. Private Property

a. *Acknowledgements*

CONTRACTOR acknowledges the following: Although there may be an implied waiver to access the front of Premises, a written consent may be advisable to access a side or rear yard. Additionally, private streets and driveways may not meet COUNTY's design standards and may not adequately withstand the weight of a Collection Vehicle.

b. *Damage to Pavement: Waiver*

If CONTRACTOR operates Vehicles on private property, following Director approval, CONTRACTOR may require the property owner to allow CONTRACTOR'S entry and waive liability for CONTRACTOR'S damage to driveways or other pavement, in a form satisfactory to Director. CONTRACTOR is not obligated to require a waiver. A waiver will not relieve CONTRACTOR of its obligation to repair or replace damaged pavements if it caused the damage by its negligent or willful acts or omissions under Part 9C of Exhibit 5.

c. *Personal Injury: Indemnity*

If CONTRACTOR enters private property whether in a Vehicle or by foot (for example to provide roll-out service), following Director approval, CONTRACTOR may require the property owner to hold harmless and indemnify CONTRACTOR in form satisfactory to Director. In that event, CONTRACTOR shall also require the property owner to hold harmless and indemnify COUNTY.

d. *CONTRACTOR Indemnifies COUNTY*

Despite receiving COUNTY approval, CONTRACTOR shall indemnify and hold COUNTY harmless from liabilities related to entering Customers' Premises, whether CONTRACTOR acts in compliance or

noncompliance with this Contract. This indemnification is in addition to CONTRACTOR'S other Indemnifications.

2. Single-Pass Collection

If Customers request single-pass Collection (commingling of Refuse, Recyclables, and Organics) on private alleys, streets, and parking lots, CONTRACTOR shall submit a request to Director in accordance with item M of Section 4, Single-Pass Collection.

C. Non-Collection (Contract Services)

CONTRACTOR is not obligated to Collect in any of the following events but must Report events to Director:

1. Unpermitted Waste

CONTRACTOR observes the presence of Unpermitted Waste at the Set-Out Site other than any Unpermitted Waste that CONTRACTOR Collects as Bulky Items;

2. Unsafe Condition

CONTRACTOR observes an unsafe condition at the Set-Out Site.

3. Not Bagged or Bundled

Solid Waste not placed in a Container, bags or bundles. Bulky Items do not need to be placed in a Container, bag, or bundle.

4. Not At Set-Out Site

A Container or a Bulky Item that is not placed at the Set-Out Site, except if a Customer has Roll-Out Service.

5. Exceed Weight Limitations

A Container exceeds any weight limitations described in Terms and Conditions.

6. Delinquent Payment

The Customer has not timely paid CONTRACTOR'S invoice for Task 1 Services in accordance with to item B7 of Section 7. One week prior to removing a Container for nonpayment of Customer Service Fees, CONTRACTOR shall also leave a notice for Occupants on a Container and call, e-mail or text Customer stating the deadline for payment.

7. Inaccessible Premises

The Premises are not accessible to Vehicles.

8. Contamination

a. *Recyclables Containers*

Refuse, Organics, or Manure in a Recyclables Container.

b. *Green Waste Containers*

Refuse, Recyclables, or Manure in a Green Waste Container unless Manure is specifically allowed.

c. *Refuse Containers*

Manure in a Refuse Container.

d. *Manure Containers*

Refuse, Recyclables, or Organics in a Manure Container unless Green Waste or Food Waste is specifically allowed.

9. Unscheduled

Unscheduled excess Refuse, Green Waste, Bulky Items, and E-waste in areas requiring advanced scheduling for collection under Exhibit 3A1. CONTRACTOR shall call, e-mail, or text Occupant by next Service Day to:

- Notify of the non-collection,
- Educate and explain why waste was not Collected, and
- Schedule the Collection.

If CONTRACTOR does not Collect Occupant's discarded Solid Waste, it shall complete a non-Collection notice and leave it securely attached to Occupant's Container or Bulky Items unless it is unsafe to do so. CONTRACTOR will use the form of non-Collection notice approved by Director in CONTRACTOR Documentation. The form must describe all the following:

- The reason CONTRACTOR did not Collect Occupant's Solid Waste,
- How the Customer can correct the problem, and
- How the Customer can contact CONTRACTOR.

Additionally, if the Occupant of the serviced Premises has signed up for electronic messages, such as the Smart-eClub, CONTRACTOR shall send a text or e-mail to the Occupant.

CONTRACTOR shall Collect the Customer's Solid Waste without additional cost to the Customer at the following times:

- **Same day:** no later than 6 p.m. on the day CONTRACTOR left the Non-Collection notice, if the Customer notifies CONTRACTOR before 12 p.m. that same day, or
- **Next day:** on the next day, if the Customer notifies CONTRACTOR after 12 p.m. that same day.

D. Nondiscrimination

CONTRACTOR shall comply with Subchapter VII of the Civil Rights Act of 1964, 42 U.S.C. Section 2000e-2000e(17). CONTRACTOR shall not exclude any Customer from receiving Contract Services on the grounds of race, creed, color, sex, gender, national origin, ancestry, religion, age, physical or mental disability, marital status, or political affiliation. It shall not exclude them from participating in, deny them the benefits of, or otherwise subject them to discrimination under this CONTRACT or under any project, program, or activity supported by this CONTRACT.

E. CONTRACTOR Waste Reduction Practices (Contract Services)

Consistent with the Board of Supervisors' policy to reduce the amount of Solid Waste Disposed in landfills within COUNTY, CONTRACTOR shall use best efforts to practice waste reduction and implement procurement policies in providing Contract Services, including maintaining Records. In written correspondence with Customers and Director, CONTRACTOR shall use recycled paper that is labeled to indicate its recycled content.

CONTRACTOR shall offer Customers the option to go paperless by joining the Smart-eClub in item C2 of Section 6.

F. Customer Correspondence and Other Materials (Task 1 Service)

CONTRACTOR shall submit to Director for approval, written materials CONTRACTOR intends to distribute to Customers at least eight County Business Days before printing, texting, e-mailing, or mailing the materials.

At Director's request CONTRACTOR shall distribute written information to its Customers and Occupants by including it within CONTRACTOR's mailings or by separate electronic distribution.

G. Publicity and News Media Relations

1. Publicity

Unless otherwise required by subsection F or subsection G.2, CONTRACTOR and its Affiliates, employees, consultants, agents, or subcontractors may, without Director consent, publicize its Contract Services or indicate in its proposals and sales materials that it has been awarded this CONTRACT to provide Contract Services, if CONTRACTOR develops that publicity, proposals, or sales materials in a professional manner.

Neither CONTRACTOR nor any of its Affiliates, employees, consultants, agents, or Subcontractors may publish or disseminate commercial advertisements, news or press releases, opinions or feature articles using the name of COUNTY without the prior written consent of COUNTY'S Chief Executive Officer and County Counsel.

2. News Media Relations; Trade Journal Articles

CONTRACTOR shall notify Director by telephone followed by e-mail of all requests for news media interviews related to the Contract Services (and not other communities) within 24 hours of receiving the request. Before responding to requests involving matters other than the Collection programs and scope of Contract Services, CONTRACTOR shall discuss CONTRACTOR'S proposed response with Director.

CONTRACTOR shall submit copies of CONTRACTOR'S draft news releases or proposed trade journal articles related to Contract Services to Director for prior review and approval at least four County Business Days in advance of release.

CONTRACTOR shall give Director copies of media interviews and news releases related to Contract Services within four County Business Days of their occurrence.

H. Responsiveness to County (Contract Services)

CONTRACTOR shall meet the following standards:

1. Normal

Respond to COUNTY communications such as telephone messages, text messages, and e-mails no later than the next COUNTY Business Day. Acknowledge, at a minimum, that the CONTRACTOR has received the communication and provide an estimated time for a full response if the communication's issue cannot be immediately resolved.

2. Special Events

Respond to telephone message within one hour during special events, such as Mulch and Compost Giveaway Events and Annual Cleanup Events.

3. Emergency Telephone Messages

Respond to any telephone message within one hour in cases of emergencies as required under item J1 of Section 4.

4. Written Correspondence

Respond to written correspondence from Director within one week of receipt.

5. Meetings

Meet with Director during Director's Office Hours within one week of Director's oral or written request at Director's offices or other location requested by Director.

I. No Commingling of Solid Waste

1. No Commingling Between Areas (Contract Services)

CONTRACTOR may not commingle, in its Vehicles or otherwise, any Solid Waste that it Collects with the Service Area with any other Solid Waste that it Collects outside the Service Area in cities, counties, or other unincorporated areas, without prior written consent of Director.

For example, Director may allow Food Waste to be Collected from multiple jurisdictions to make Collection routes more efficient and therefore more cost effective. Additionally, Director may consider allowing commingling of Solid Waste during emergency situations.

Director may require documentation such as records of Customers, including Container capacities, in cities and in the Service Area, respectively. CONTRACTOR shall maintain Records with respect to Solid Waste collected in the Service Area separately from records with respect to Solid Waste collected outside the Service Area, including its weight.

2. No Commingling of Different Materials (Task 1 Service)

CONTRACTOR may not commingle, in its Vehicles or otherwise, any Solid Waste that it Collects with any other type of Solid Waste that it Collects within the Service Area, without prior written consent of Director, as detailed in item M of this Section. For example, if a Vehicle is on its route Collecting Refuse, it may not Collect Recyclable or Green Waste until after it has

emptied its Refuse load at the approved facility. Additional requirements are in item G2 of Exhibit 3A1.

J. Key Personnel (Contract Services)

CONTRACTOR acknowledges that it identified certain personnel and described their professional experience and qualifications in the proposal it submitted to Director about the procurement of this CONTRACT, and that COUNTY awarded this CONTRACT to CONTRACTOR based in part on those individuals' experience and qualifications. CONTRACTOR shall identify those personnel ("Key Personnel") in CONTRACTOR Documentation, Exhibit 17.

CONTRACTOR shall notify Director immediately of changes or upcoming changes in Key Personnel, including the professional experience and qualifications of the individual CONTRACTOR proposes to serve in place of a departing Key Personnel. Director may request CONTRACTOR to propose an alternative individual to serve in the position of the departing Key Personnel.

1. Emergency Telephone Number

CONTRACTOR shall maintain a local emergency telephone number disclosed to Director for use by Director outside CONTRACTOR Office Hours. CONTRACTOR shall make a representative available at the emergency number outside CONTRACTOR Office Hours who will return any emergency call as soon as possible and in any event within one hour.

2. Lead Person

CONTRACTOR shall assign a lead person(s), such as a route supervisor, to this Service Area. The lead person shall be responsible for ensuring that CONTRACTOR meets Performance Obligations. They shall spend as much time as possible in the Service Area. They shall act as a liaison between field crew and Director.

K. Uniforms (Contracts)

CONTRACTOR shall require its field employees to wear uniforms and prohibit them from removing any portions of their uniforms while providing Contract Services. Uniforms must meet the following specifications:

- Bear the CONTRACTOR's name, or other name approved by Director (for example, a DBA instead of a corporate name), and
- CONTRACTOR'S logo.

L. Confidentiality (Contracts)

CONTRACTOR shall maintain the confidentiality of all records obtained from Director under this CONTRACT in accordance with all Applicable Law.

CONTRACTOR shall inform all its officers, employees, agents, and Subcontractors providing Contract Services of this confidentiality obligation. CONTRACTOR acknowledges that these records may be subject to a Public Records Request made to COUNTY.

M. Single-Pass Collection (Task 1)

CONTRACTOR shall obtain Director's approval prior to implementing single-pass service. "Single-pass service" means that Customers may commingle and discard Refuse, Recyclables, and Organics, and CONTRACTOR may Collect them in the same Container.

After Collection, CONTRACTOR must separate those commingled Solid Waste materials at a materials recovery facility, and Divert them. Director may approve Disposal of Recyclables and Organics based upon the number of Customers. CONTRACTOR shall maintain weight Records of commingled Solid Waste separately from weight Records of source-separated Solid Waste.

Customers may request single-pass service on private alleys, streets, and parking lots. CONTRACTOR may request single-pass service on extremely narrow or steep roads and other places where it is difficult to Collect with Collection Vehicles used elsewhere in the Service Area. Requests must include the following:

- Proposed addresses.
- Written consent from most Customers affected by the single-pass.
- Notification to Customers residing on the Premises being serviced.
- Single-type (Refuse) Containers without Recyclables and Green Waste Containers.

SECTION 5 - ADDITIONAL CONTRACT PROVISIONS

Exhibit 5 contains additional CONTRACT provisions that are incorporated by reference into the CONTRACT. Exhibit 5 includes the following parts:

- Part 3 General CONTRACT Requirements
- Part 4 Indemnifications and Insurance
- Part 6 Debarment Breaches and Defaults; Suspensions; Termination
- Part 8 Transfer of CONTRACT
- Part 9 General Provisions
- Part 10 Definitions and Interpretations of CONTRACT
- Part 11 Compliance with Laws and Regulations
- Part 12 Labor-Related Provisions Required in County Contracts

SECTION 6 - CUSTOMER SERVICE (Task 1 Services)

A. Facilities

CONTRACTOR shall maintain both the following:

- A Vehicle maintenance yard, and
- Office at the address provided in CONTRACTOR Documentation.

CONTRACTOR may change the address by notifying Director in accordance with item A6 of Exhibit 17.

B. Telephone Service

CONTRACTOR shall maintain a toll-free telephone number and meet the following criteria:

1. Office Hours

CONTRACTOR shall provide a customer service representative to personally answer all calls to the toll-free number during CONTRACTOR Office Hours, including calls from Director, Customers, Occupants, and the public.

2. After Hours

CONTRACTOR shall provide an answering machine to answer all calls to the toll-free number outside of CONTRACTOR Office Hours that allows callers to leave messages, such as reporting missed pick-ups and other complaints. CONTRACTOR shall further comply with County Code Section 20.72.160.

3. On Hold Messaging

CONTRACTOR shall use Reasonable Business Efforts to broadcast public education messages while Customers are waiting on hold to talk to a customer service representative.

4. Telephone Tree

CONTRACTOR shall require no more than two recorded options on a telephone tree before the caller speaks to a live customer service representative (for example, English/Spanish and residential/commercial service choices).

5. Answer Speed

CONTRACTOR shall use Reasonable Business Efforts to answer the telephone within four rings. CONTRACTOR shall answer 90 percent of all calls within the first 4 rings.

CONTRACTOR shall not leave the Customer on hold for more than ten minutes.

If Director determines that CONTRACTOR does not meet these Service Standards, Director may require that CONTRACTOR install additional telephone lines, hire additional customer service representatives, and make other customer service improvements without increasing Service Fees. Their determination will be based on whether the CONTRACTOR answers calls:

- Within five rings, based on at least three calls within one week, or
- 10 calls within one month.

6. Bilingual

CONTRACTOR shall respond to Customers and Occupants in English or Spanish, as requested by the Customer or Occupant. Director may also require Chinese.

7. Knowledgeable Staff

CONTRACTOR shall provide customer service representatives with a knowledge of basic services in the CONTRACT. A supervisor with extensive CONTRACT knowledge is to be available to respond to questions or concerns by callers.

A representative answering a regional or nation-wide hotline with no CONTRACT specific training is not acceptable. Also, calling someone back after researching the correct answer is acceptable but providing the wrong information due to a lack of adequate training is not acceptable.

C. Paperless/Electronic Information and Services

1. Website

CONTRACTOR shall develop and maintain a website that includes the following information and Service options:

a. *Service Information*

Information such as Terms and Conditions form or service information, service brochures, newsletters, FAQ's, Holiday

schedules, holiday tree pick-up information, service changes, invoice explanations, allowable and forbidden discards, list of recyclable materials, educational and outreach materials, notifications, alerts, and other information requested by Director.

b. *Bill Payment*

The ability for Customers to review and pay their bills for Additional Customer Services under item B3 of Section 7, if they subscribe to Smart-eClub.

c. *Service Requests*

Requests for service collection that is not regularly scheduled, including on-call bulky waste collection, requests for extra pickups, and service cancellations.

d. *Contact Us*

CONTRACTOR's contact information where Customers can register complaints and follow-up on complaint resolution.

e. *Link*

Link to Director's website, CleanLA.com.

2. Smart-eClub

To reduce paper waste and reach more readers, CONTRACTOR shall offer both the owners and occupants of serviced Premises the option to join the Smart-eClub. CONTRACTOR shall offer Customers the following Smart-eClub options:

- Receiving service information described in preceding item C1a electronically, subsequently switching back to paper;
- Electronic billing under preceding item C1b;
- Making service requests under preceding item C1c; and
- Contacting CONTRACTOR under preceding item C1d.

CONTRACTOR shall give all educational messages and the template for service messages to Director for approval prior to sending to Customers. Upon Director's request, CONTRACTOR shall send messages provided by Director.

3. E-mail Address

CONTRACTOR shall maintain an e-mail address for use by Customers and Occupants.

D. Responses to Customer Complaints and Other Correspondence

1. Resolution of Complaints

a. *Call/E-mail for Service*

CONTRACTOR shall maintain an e-mail address under preceding subsection C3 and telephone service under subsection B of this Section.

A call or e-mail from a Customer or Occupant to request a service or report an issue, such as a damaged container, is not considered a complaint.

b. *First Complaint*

CONTRACTOR shall address all Customer and Occupant complaints immediately and resolve them by the end of the next Service Day following Customer or Occupant contact or any reasonable time agreed upon between Customer or Occupant and CONTRACTOR. A Customer or Occupant should not have to call or e-mail to complain on the same issue because CONTRACTOR did not resolve it as previously committed by CONTRACTOR, such as a damaged Container was not repaired or replaced as committed.

c. *Second and Subsequent Complaints*

A Customer or Occupant should never have to call or e-mail to complain a second time on the same issue because CONTRACTOR did not resolve it as previously committed by CONTRACTOR.

2. Communications Log

CONTRACTOR shall enter, log, and maintain Records of all communications and their resolution, in computerized format and in compliance with County Code Section 20.72.160. CONTRACTOR shall maintain that log. CONTRACTOR shall submit the log for the applicable quarter to Director with CONTRACTOR'S Quarterly Report under item A2 of Section 10.

3. Missed Collections

If Director, a Customer, or an Occupant notifies CONTRACTOR that CONTRACTOR has not Collected an Occupant's Solid Waste and not met its Performance Obligation, CONTRACTOR shall Collect at no additional charge:

- No later than 6 p.m. on the day of service, if it receives the complaint by 12 p.m.; or
- On the next day, if the complaint is received after 12 p.m. on the day of service.

4. County's Reimbursement Costs

If COUNTY employees or their contractors spend more than either of the following times resolving Customer complaints, then CONTRACTOR shall reimburse COUNTY its Reimbursement Costs that COUNTY incurred to resolve the complaint:

- Two hours in the aggregate resolving complaints from any single Customer that the Customer states have previously been filed with CONTRACTOR, or
- More than one hour in any work week (Monday through Friday) resolving complaints from different Customers.

The invoice for Reimbursement Costs should include all the following information:

- The address of the Premises being serviced,
- Customer who complained,
- Nature of complaint,
- Amount of time spent,
- Costs, including hourly fees for employees, agents or contractors who addressed the complaints, and
- Expenses, including phone and postage costs.

E. Service Interruption

CONTRACTOR shall monitor the Public Works Road Closure website (<http://pw.lacounty.gov/roadclosures/>) for conditions that may cause service interruptions. CONTRACTOR shall not alter or interrupt its service schedule without Director consent.

CONTRACTOR shall alert all Customers and Occupants of any Director-approved interruption in service and when service will resume. CONTRACTOR may use any type of communication, including phone blast, e-mail blast, and text messaging. Examples of interruption include various reasons, such as road closures, extreme weather conditions, or breakdown of CONTRACTOR equipment.

F. Responsiveness to Customer

Respond to communications such as telephone messages, text messages, and e-mails to the source that made contact no later than the next business day. If CONTRACTOR is unable to directly address the issue, CONTRACTOR shall

respond with an acknowledgement to confirm receipt of message and indicate when the issue will be addressed.

Respond to United States Postal Service, Federal Express, or other courier provided correspondence from Customers or Occupants within one week of receipt.

G. Setting Up or Terminating Service

1. New Customers

- Obtain contact and service location information
- Explain services and charges
- Mail brochure
- Offer additional Bulky Item Collection upon move-in/out
- Offer Smart e-Club (paperless)
- Deliver Containers
- Explain Organics Diversion requirements and offer in-home Food Waste container

2. Terminating Service

- Offer Bulky Item Collection
- Explain what to do with Containers
- Explain refund procedure for any prepaid services

SECTION 7 - SERVICE FEES AND BILLING

Basic Service Fee means the monthly charges for that CONTRACTOR bills a Customer for providing Collection with respect to Customer Services, without surcharges for Additional Customer Services on the Service Fee Schedule, Attachment 7-2, Task 1 Service Fees.

Basic Service means Customer Services including the once per week Collection frequency in item B3 and the one 96-gallon Refuse, two 96-gallon Recyclables, and two 96-gallon Green Waste Containers in item D, but without any Additional Customer Services.

County Service Fee means the fees that CONTRACTOR bills COUNTY for providing Collection with respect to County Services.

Customer Service Fee means the Basic Service Fee and Customer Surcharges in the Customer Service Fee Schedule, Attachment 7-2, Task 1 Service Fees.

Customer Surcharges means the amounts listed as “Surcharges” on the Service Fee Schedule, Attachment 7-2, Task 1 Service Fees.

A. Customer Service Fees

CONTRACTOR shall charge Customers no more than the Customer Service Fees in Attachment 7-2, Task 1 Service Fees of Exhibit 7. Customer Service Fees are subject to a rate adjustment as specified in Exhibit 7.

From Commencement Date through December 31, 2021, COUNTY may subsidize Green Waste Diversion fees for Customer through a temporary reduction of CONTRACTOR's Franchise Fee. CONTRACTOR is to consult with Director prior to billing Customers.

1. Uniform Fees

CONTRACTOR shall charge the same, uniform Customer Service Fees for the same Task 1 Services listed in Attachment 7-2, Task 1 Service Fees of Exhibit 7. For example, one Customer should not be charged \$10 for roll-out service while another customer is charged \$8.

2. Surcharges

Surcharges will be added to the Basic Service Fee. See Attachment 7-2, Task 1 Service Fees of Exhibit 7.

a. *Billing Fees*

- 10 percent late fee
- \$25.00 for interruption of service
- \$25.00 fee on returned checks

b. Extra Containers

c. Difficult to Service

d. Roll out Service

(1) *Non-Elderly or Non-Disabled*

(2) *Elderly or Disabled*

CONTRACTOR shall provide this service, without additional charge to Customer, for Occupants who are Elderly or Disabled and certify to the CONTRACTOR that there is no able-bodied individual in the household who can roll-out Cart to the Set-Out Site.

e. Additional Bulky Item Collection

f. Excessive Container Exchanges

g. Manure Service

h. Bear Resistant Carts

i. Recyclables Cart with Gravity Lock

j. Monthly Container Cleaning

3. Basic Service Fee Discounts

CONTRACTOR shall subtract the following discounts to the Basic Service Fee. CONTRACTOR is not to charge more than the amounts in Attachment 7-2, Task 1 Service Fees of Exhibit 7.

a. Senior Discount (25 percent)

CONTRACTOR shall discount the Basic Service Fee by 25 percent for Elderly Customers at Residential Premises meeting all the following requirements:

(1) *62 or Older*

The Customer is age 62 or older as evidenced by a driver's license or other document issued by a governmental entity.

(2) *Head of Household*

The Customer is a head of household as evidenced by his or her name on utility or telephone bills for the involved premises.

(3) **Life-Line or Low Refuse Generator**

The Customer either: (a) qualifies for discounted utility rates based on financial need (such as those referred to as "life-line" rates) as evidenced by water, power, or telephone bill for the involved premises, or (b) generates small amounts of waste and for Refuse uses only one 32-gallon Cart.

b. No Service

CONTRACTOR shall not discount the total for Basic Service Fees for Customers that do not use any or Task 1 Services, such as not separating Recyclables and Organics from Refuse and do not use Containers for Recyclables or Organics discard.

c. Home Owners Association

A Home Owners Association (HOA) that meets all the following criteria:

- Pays fees on behalf of the residents in the complex/development,
- Enrolls in the Smart eClub, and
- Provides CONTRACTOR a minimum of 75 percent of the resident's current email addresses or cell phone numbers,

shall be entitled to the discount. A further discount shall be offered if the HOA does not use Green Waste Containers for landscaping but may have Food Waste-only Containers.

CONTRACTOR is required to send all applicable electronic outreach materials to Occupant's cell phones or email address but is not required to mail outreach through the U.S. mail.

Any residents within the same complex that do not have their services paid by the HOA or have additional services not included in the HOA bill are not eligible for the HOA discount.

B. Customer Invoice and Payment

1. Invoice Content

CONTRACTOR shall include in its Customer invoice the following information:

a. *Contact Information*

CONTRACTOR's telephone number, Office address, website and e-mail address for Customer complaints and questions.

b. *Itemized Costs*

Itemize costs in accordance with services. CONTRACTOR shall not identify that portion of a Customer's invoice attributable to a Franchise Fee, if any.

c. *Paperless Option*

A message promoting its website-based invoicing and payment system on all paper invoices sent to Customers.

At Director's request, CONTRACTOR shall promptly submit a copy of a Customer's invoice to Director.

2. Frequency

CONTRACTOR shall invoice Cart Customers quarterly following the Calendar Year quarter and Dumpster Customers (if applicable) monthly, or an alternate frequency as approved by Director.

Task 1 Services including any surcharges are to be billed to Cart Customers quarterly, three months in advance. Bills shall be sent on or after the first day of the billing period. Payment in full is due no later than the last day of the first month. For example, bills are sent on April 1 for the billing period of April, May, and June and due on April 30.

If Customer fails to pay bill, see item B7 of this Section for actions to be taken.

3. Electronic Invoicing

To reduce paper waste, CONTRACTOR shall make available to all Customers an electronic invoicing system at no additional charge. CONTRACTOR shall ensure that the electronic invoicing and payment website conforms to industry-standard practices for electronic commerce security. CONTRACTOR must ensure that these Customers receive invoice inserts such as newsletters either electronically or paper copies, as requested by Customer. Through CONTRACTOR'S website, Customers may request to cease paper invoices and receive all invoices through e-mail or access them on CONTRACTOR'S website.

4. Inserts

At Director's request, CONTRACTOR shall include a message and/or enclose with Customer's invoice all inserts prepared and provided by Director.

5. Electronic Payment

CONTRACTOR shall make available to all Customers an electronic payment system at no additional charge. This system will be website based and allow Customers to pay invoices through CONTRACTOR'S website, both one-time and reoccurring. CONTRACTOR must allow credit card payments and may include direct bank routing or other payment methods.

6. Refunds

CONTRACTOR shall refund any overcharges to a Customer (including advance payments for Task 1 Services that are subsequently canceled) within 30 days after collection thereof. CONTRACTOR shall pay the Customer interest on overcharges (other than advance payments for subsequently canceled services) with interest thereon at ten percent per annum from the date originally overcharged until the date refunded.

7. Late Payment

Customer payment of bills are due to CONTRACTOR no later than the last day of the first month of the calendar quarter. The following are the required warning notices and maximum allowable penalties for late payment. CONTRACTOR may be more lenient.

If payment is not received after 1.5 month, a reminder shall be sent to Customer indicating missed payment, balance due, and warning of ten percent late fee. If payment is not received by the last day of the second month, the account will become delinquent and an additional ten percent fee may be added to the balance. If payment is not received after 2.5 months, a second reminder shall be sent to Customer indicating missed payment, balance due including ten percent late fee, and warning of stopping service and Container removal. If payment is not received after 3 months, Task 1 Collection Service may be stopped. If payment is not received after 3.5 months, Task 1 Collection Service may be interrupted by removing the Containers from the premises and a \$25 interruption fee may be charged upon returning Containers to Premises. CONTRACTOR is to abide by any trespassing laws while removing Containers.

If Customer fails only to pay for surcharges for any or all special services in item A2 of Section 7, those special services shall be stopped without affecting other services. For example, if a Customer has an extra Refuse

Container but is not paying the fee for the Container, the extra Container should not be Collected but all other Task 1 Services shall be provided.

A \$25.00 fee on returned checks (insufficient funds) may be charged to Customer.

Plain Language Table

Elapsed Time	Action
1st day of quarter	Bill sent to Customer
1 month	Bill due to CONTRACTOR
1.5 months	Reminder sent with warning of late fee
2 months	Unpaid bill delinquent, 10 percent late fee added
2.5 months	Reminder sent with warning of stop service, container removal, and interruption fee
3 months	Service stopped
3.5 months	Containers removed, \$25 interruption fee

a. Partial Payment

If Customers fails only to pay for surcharges for any or all special services in item A2 of Section 7, those special services shall be stopped without affecting other services. For example, if a Customer has an extra Refuse Container but is not paying the fee for the Container, the extra Container should not be Collected but all other Task 1 Services shall be provided.

b. Returned Check Fee

A \$25.00 fee on returned checks (insufficient funds) may be charged to Customer.

C. County Service and Fees

1. County Service Fees and Maximum Contract Sum

COUNTY agrees, in consideration of the performance of Task 2 County Services in items A, B, E, F, and G of Exhibit 3A2 to pay the CONTRACTOR County Service Fees. The fees are specified in Attachment 7-3, Task 2 Service Fees and Attachment 7-4, Emergency Service Fees of Exhibit 7 that CONTRACTOR Collects, in the **not-to-exceed amount of \$[]** per Contract Year or a greater amount as the Board may approve. This is referred to as the "Maximum Contract Sum" for Task 2 Services. County Service Fees are subject to a rate adjustment as specified in Exhibit 7.

a. Abandoned Waste Not Commingled

If CONTRACTOR does not commingle Abandoned Waste in the same Vehicle with other Refuse, and the facility weighs Abandoned Waste that CONTRACTOR delivers, CONTRACTOR shall report that weight to Director in the Monthly Report and keep copies of all weigh receipts. If a facility does *not* weigh those materials, CONTRACTOR shall calculate the weight of allocated Abandoned Waste in accordance with Cal Recycle weight conversion standards <http://www.calrecycle.ca.gov/LGCentral/Library/dsg/Appendix.html>, or other method satisfactory to Director.

b. *Abandoned Waste Commingled*

If CONTRACTOR *does* commingle Abandoned Waste in the same Vehicle as other Refuse, CONTRACTOR shall allocate the proportion of Abandoned Waste to other Refuse in a formula approved by Director, and weigh or calculate the weight of the Abandoned Waste as set forth in the preceding paragraph.

2. Special Fund Obligation

COUNTY will pay County Service Fees from COUNTY'S Road Fund or other sources. CONTRACTOR acknowledges that it will not be compensated for providing County Service under Task 2 Services from Customer Service Fees under Task 1 Services. Customers or Occupants do not pay County Service Fees.

3. Billing

CONTRACTOR shall bill COUNTY monthly for COUNTY Services performed during the preceding month by invoice (original and a copy) in a form satisfactory to Director. COUNTY will electronically pay via direct deposit County Service Fees to the CONTRACTOR within 30 days of receipt and approval of a properly completed and undisputed invoice. If CONTRACTOR is certified by COUNTY as a Local Small Business Enterprise, COUNTY will pay CONTRACTOR in accordance with Board of Supervisors Policy No. 3.035, Small Business Liaison and Prompt Payment Program.

The itemized invoice shall contain a reference to the name of the Service Area and Environmental Programs Division, Residential Franchise/Garbage Disposal District Section. CONTRACTOR shall submit invoices to:

Los Angeles County Public Works
Attention: Fiscal Division, Accounts Payable
P.O. Box 7508
Alhambra, CA 91802-7508

a. *Abandoned Waste - Weekly Collection*

For weekly Abandoned Waste Collection, CONTRACTOR shall bill COUNTY based on the tons collected, as indicated in Attachment 7-3 Task 2 Service Fees of Exhibit 7. The rate shall be calculated as follows:

CONTRACTOR may request a fee equal to the rate per ton. CONTRACTOR is not required to provide evidence of Abandoned Waste removal unless requested by Director.

b. *Abandoned Waste - Hot Zone Daily Monitoring and Collection*

(1) *Monitoring All Hot Zone Locations*

CONTRACTOR may request a fee equal to the Monitoring All Hot Zone Locations for every linear foot within the zone, each day. All Hot Zones refers to the original location indicated in CONTRACT and not any that are added or removed after the Execution Date. CONTRACTOR is required to use Director's Trash Monitoring Program (TMP) smartphone application, or other system as determined by Director, to record information such as the location, brief description, no dumping found in the Service Area, and photographs of Collected Abandoned Waste.

For example, for a \$1.00 rate for 500 feet, CONTRACTOR may request $\$1.00 \times 500 \times 22 \text{ days} = \$11,000$ per month.

(2) *Additional Hot Zone Monitoring*

After the Execution Date, if Hot Zones are created or expanded greater than the length indicated in Item 16.A.2 of Exhibit 16, CONTRACTOR may request a fee equal to Additional Hot Zone Monitoring for the additional distance only.

CONTRACTOR is not required to provide evidence of monitoring unless Director requests.

c. *Public Receptacles*

(1) *Existing*

CONTRACTOR may request a fee equal to the number of Collections made from Public Receptacles during the month, regardless if it is Refuse or Recyclables from a standard or solar powered compactor. CONTRACTOR is required to

record the number of Collections and submit with the monthly invoice.

(2) *Additional*

CONTRACTOR may request a fee equal to the number of Collections made from additional Public Receptacles during the month, regardless if it is Refuse or Recyclables from a standard or solar powered compactor. CONTRACTOR is required to record the number of Collections and submit with the monthly invoice.

d. *No Longer Used*

e. *Homeless Encampments*

(1) *Abandoned Homeless Encampments*

CONTRACTOR may request a fee equal to the number of Collections made during the cleanup on an abandoned homeless encampment during the month.

(2) *Occupied Homeless Encampments*

CONTRACTOR may request a fee equal to the number of each bag, box, or Dumpster Collection made each week at homeless encampments during the month.

f. *Emergency Assistance*

COUNTY agrees, in consideration of satisfactory performance of Task 2 County Services in item A2 of Section 3 and the associated item F of Exhibit 3A2, in strict accordance with the service specifications set forth herein, to the satisfaction of Director, to pay the CONTRACTOR County Service Fees at the fee specified in Attachment 7-4, Task 2 Emergency Service Fees of Exhibit 7.

g. *Litter Collection*

(1) *In Alleys*

CONTRACTOR may request a fee equal to the rate per mile of Alleys, Collected during the cleanup of the right-of-way during the month.

(2) *As-Needed*

CONTRACTOR may request a fee equal to the number of bags Collected during the cleanup of the right-of-way during the month.

(3) *Additional*

CONTRACTOR may request a fee equal to the additional number of bags Collected during the cleanup of the right-of-way during the month.

4. Payment Exceeding Maximum Contract Sum

In no event shall the aggregate total amount of compensation paid to the CONTRACTOR exceed Maximum Contract Sum.

5. Request Work

The CONTRACTOR understands and agrees that only Director is authorized to request or order work under this CONTRACT. The CONTRACTOR acknowledges that the designated authorized representative is not authorized to request or order any work that would result in the CONTRACTOR earning an aggregate compensation more than this CONTRACT's Maximum Contract Sum.

6. Performing Work to Exceed Maximum Contract Sum

The CONTRACTOR shall not perform or accept work requests from the designated authorized representative or any other person that will cause the Maximum Contract Sum to be exceeded. CONTRACTOR shall monitor the balance of the Maximum Contract Sum. When the total of the CONTRACTOR's paid invoices, invoices pending payment, invoices yet to be submitted, and ordered services reaches 75 percent of the Maximum Contract Sum, the CONTRACTOR shall immediately notify the authorized representative in writing.

7. Budget Reduction

If the Board of Supervisors adopts a budget for any Fiscal Year that reduces the salaries or benefits paid to most COUNTY employees and imposes similar reductions with respect to COUNTY Contracts, COUNTY reserves the right to correspondingly reduce the following:

- The County Service Fees for that Fiscal Year and any subsequent Fiscal Year during the Term of this CONTRACT (including any extensions), and
- The Maximum Contract Sum.

Except as set forth in the preceding sentence, the CONTRACTOR shall continue to provide all the services set forth in this CONTRACT. Director's notice to the CONTRACTOR regarding said reduction in payment obligation shall be provided within 30 calendar days of the Board's approval of such actions.

8. Deductions

COUNTY may deduct from any payment due CONTRACTOR any incurred or anticipated County Reimbursement Costs, including legal fees and staff costs, associated with any investigation or enforcement proceeding brought by Cal/OSHA arising out of COUNTY Service.

9. No Payment Following Expiration/Suspension/Termination of CONTRACT

CONTRACTOR shall make no claim against COUNTY for payment of any money or reimbursement, of any kind whatsoever, for any County Service that CONTRACTOR provides after the expiration, suspension, or other termination of this CONTRACT. If CONTRACTOR receives any such payment, it shall immediately inform Director and repay all that payment to COUNTY. Payment by COUNTY for County Services rendered after expiration, suspension, or termination of this CONTRACT shall not constitute a waiver of COUNTY's right to recover such payment from CONTRACTOR. This provision shall survive the expiration, suspension, or termination of this CONTRACT.

10. Most Favored Public Entity

If the CONTRACTOR's prices decline, or should the CONTRACTOR at any time during the term of this CONTRACT provide the same goods or services under similar quantity and delivery conditions to the State of California or any county, municipality, or district of the State at prices below those set forth in this CONTRACT, then such lower prices shall be immediately extended to COUNTY.

11. Change in Service Area

It is understood that the monthly compensation to be paid to the CONTRACTOR may be increased in proportion to the enlargement of the boundaries of the Service Area or to expansion of the area to be served, and the monthly compensation may be decreased if the area to be served decreases such as diminution of the size of the Service Area. This also included a change in the number of public receptacles and a change in the number or length of Hot Zones.

12. Dissolution of Service Area

It is understood that in the event of the dissolution of the Service Area, this CONTRACT and all obligations of either of the parties thereto shall be at an end, whether such dissolution results from proceedings under the provisions of the act pursuant to which the Service Area was created, by operation of law, or resulting from municipal annexation or incorporation, except for record retention requirements. Annexations are discussed in more detail in Item A 2 of Section 1.

SECTION 8 - WASTE CHARACTERIZATION STUDY

A. Participate with County Study

CONTRACTOR shall cooperate with Director in conducting Solid Waste characterization studies and waste stream audits. Cooperation includes all the following:

- Diverting Collection Vehicles from their regular route to alternate locations;
- Emptying all Solid Waste from Collection Vehicles; and
- Providing Collection, transportation, and Disposal of Solid Waste remaining after the study or audit.

B. Perform Study

CONTRACTOR shall perform Solid Waste generation and Disposal characterization studies to assist County in compliance with State laws and goals, including SB 1383, Article 3, Section 18984.5(c). CONTRACTOR's study shall also include collecting data and preparing reports, as needed and as directed by Director, to determine weights and volumes of Solid Waste that is Collected and to characterize Solid Waste that is generated, Disposed, transformed, Diverted, or otherwise processed, by Customer type (such as Single-Family, Multi-Family, Commercial).

1. Methodology

CONTRACTOR shall follow all guidelines and sampling methodology established by CalRecycle when conducting the study.

2. Frequency

CONTRACTOR shall perform the required studies twice per Contract Year in two distinct seasons.

C. Facility Results

As required in item 2A of Section 10, CONTRACTOR is to submit a copy of any waste characterizations performed on Recyclables by the Materials Recovery Facility.

SECTION 9 - RECORDS

CONTRACTOR'S obligations and COUNTY'S rights in this Section survive the term.

A. Record Maintenance and Retention

1. All Records

CONTRACTOR shall prepare and maintain all Records in accordance with generally accepted auditing principles during the Term and for an additional period of not less than five years after the Expiration Date or any longer period required by Applicable Law.

2. Disposal Records

CONTRACTOR acknowledges:

a. *Claims*

That COUNTY may need to respond to claims under CERCLA or similar applicable laws with respect to Disposal of Solid Waste.

b. *Quantity*

COUNTY'S need to determine the quantity, location, and date of CONTRACTOR'S Disposal of Solid Waste.

Therefore, CONTRACTOR shall establish and maintain a protocol for the retention and preservation of those Records, for a period of five years after the Expiration Date or any longer period required by Applicable Law, which protocol will document where CONTRACTOR Disposed of Solid Waste that it Collected (whether landfilled, incinerated, composted, or otherwise processed or marketed).

3. Notification

CONTRACTOR shall give Notice to Director at least 30 days before destroying Records of Disposal at any time after the retention period referred to in item A1 of Section 9.

B. County Custody

If Director has reason to believe that Records may be lost, discarded, or destroyed for any reason, Director may require that CONTRACTOR give COUNTY custody of any or all Records. Access to those Records will be granted to any Person duly authorized by CONTRACTOR. CONTRACTOR shall pay for storage cost.

C. Inspection and Review of Records

Upon five Service Days' notice by telephone or writing, or a lesser amount of time in the event of extraordinary circumstances, Director and/or its contractor may inspect, review (including using outside contractor), excerpt, transcribe, and copy all Records at CONTRACTOR'S Office during CONTRACTOR Office Hours. CONTRACTOR may maintain Records outside of COUNTY (1) if it promptly provides copies thereof to Director at Director's offices, (2) if Director, in its sole discretion, agrees to travel outside COUNTY and CONTRACTOR pays COUNTY's Reimbursement Costs.

In addition to travel costs, COUNTY will bear the expense of the review and of obtaining a copy of Records; however, within 30 days of Director Notice, CONTRACTOR shall reimburse COUNTY for COUNTY'S Reimbursement Cost of the expenses for the review if the review reveals a discrepancy of the lesser of 3 percent or \$2,500 between:

- The amount contained in the Records (e.g., the amount of Solid Waste Collected or Diverted), and
- Any representation or Report that CONTRACTOR made to COUNTY; Franchise Fee or other money paid to COUNTY; County Service Fees paid by COUNTY, or information that CONTRACTOR submitted to Director.

Director may give Notice to CONTRACTOR identifying any discrepancy.

CONTRACTOR shall pay any discrepant shortfall in Franchise Fee or other payments due COUNTY, or excess of County Service Fees, upon Director demand, including fees and charges for the late payment of Franchise Fees. Failure to make those payments will constitute a CONTRACTOR Default in accordance with Part 6 of Exhibit 5. In lieu of payment, Director in its sole discretion may (1) deduct that shortfall from amounts that COUNTY owes CONTRACTOR under this CONTRACT, other contracts, or any other obligation, or (2) draw that shortfall from the performance bond, letter of credit, certificate of deposit, or other form of performance assurance provided by CONTRACTOR in accordance with Section 16.

COUNTY will pay any discrepant shortfall in County Service Fees due CONTRACTOR up to COUNTY'S maximum obligation for County Service Fees appropriated by COUNTY for purpose of this CONTRACT.

D. Copies of Audits

If anyone, including Federal or State auditors and auditors or accountants employed by CONTRACTOR or others, conducts an audit of CONTRACTOR specifically regarding this CONTRACT, then within 30 days of the audit report, CONTRACTOR shall file a copy of the audit report with County's Auditor-Controller and notify Director of the filing, unless otherwise provided by Applicable Law. Subject to Applicable Law, COUNTY shall make a reasonable effort to maintain the confidentiality of such audit report(s)

E. Submission of Records

CONTRACTOR shall submit to Director, without charge to COUNTY or charge to Customers, any Records relating to Diversion requested by Director to assist COUNTY in meeting obligations imposed by Federal, State, and local laws. CONTRACTOR shall submit those Records using COUNTY's Solid Waste Information Management System (SWIMS) forms or as requested by Director.

F. Public Record Request

1. Exclusive Property

The following become the exclusive property of COUNTY:

- Any Record or other document that CONTRACTOR gives Director, including about the procurement of this CONTRACT (such as proposals);
- Any Record or other document that Director obtains about Director's audit or inspection under this CONTRACT, including books and accounting records.

The above Records or other documents become a matter of public record and shall be regarded as public records, *except* if CONTRACTOR marks them as a "trade secret," "confidential," or "proprietary," they will be deemed excluded from disclosure under Government Code 6250 et seq. (Public Records Act). However, if a requestor seeking records marked "trade secret," "confidential," or "proprietary" does not agree that the records are exempt, then COUNTY will notify the CONTRACTOR that such records will be produced, unless the CONTRACTOR intercedes and files an injunction or other action to legally prevent disclosure.

CONTRACTOR agrees that COUNTY shall not in any way be liable or responsible for the disclosure of any such records including, with limitation, those so marked, if law requires disclosure, or by an order issued by a court of competent jurisdiction.

2. Defend, Indemnify and Hold COUNTY Harmless

CONTRACTOR shall defend, indemnify and hold harmless County from all costs and expenses, including reasonable attorney's fees, in connection with any requested action or liability arising under the Public Records Act, including request for any of the Records or other documents marked "trade secret," "confidential," or "proprietary." CONTRACTOR releases COUNTY from liability or responsibility for disclosing Records or other documents including those so marked, if Applicable Law require disclosure, including an order issued by a court of competent jurisdiction.

SECTION 10 - REPORTS

A. Types and Content

1. Monthly Data

Within 30 days after the end of each calendar quarter, CONTRACTOR shall complete and submit the data electronically for each individual calendar month. Upon Director request, monthly data shall be submitted as soon as possible. CONTRACTOR shall complete and submit SWIMS Forms C, L, T, and V accessible through SWIMS and e-mail Collection route maps and schedule if any map or schedule has changed during the prior month. See sample in item E of Exhibit 16.

2. Quarterly Reports

Within 30 days after the end of each calendar quarter, CONTRACTOR shall submit the Quarterly Report for the preceding three calendar months ending with that month to Director using the form provided by Director, which includes the following information:

a. Rejected Recyclables and Organics

Number of loads and tons of materials in Recyclables or Organics loads rejected for Processing together with the reason for rejection and facility at which the rejected materials were Disposed.

b. Educational Materials

A report of educational materials distributed, events held, and any events attended by CONTRACTOR to its Customers.

c. Non-Collection Notices

The number and address of Non-Collection notices issued and the reasons for issuance.

d. Customer List

CONTRACTOR customer service list (a SWIMS form), which includes a list of all current and closed accounts, account numbers, name associated with each account, customer addresses, level of service provided at each address, services provided that are not Contract Services, billing and payment dates, payment received from each Customer, and any other information associated with Task 1 Services as requested by Director. This includes weights measure by Vehicle scales.

e. Containers Removed Upon Director Request

(1) Carts or Dumpsters Stored in Right-of-Way

Number and addresses of Containers removed, fees charges, and Containers returned, per item D3e of Exhibit 3A1.

(2) Carts, Dumpsters, or Roll Off Bins Abandoned

Number and addresses of Containers removed, per item C of Exhibit 3A2.

f. Waste Characterizations

Results of any waste characterizations performed, per item I7 of Exhibit 3A1.

g. Route Review Results

Results of any route reviews performed, as required in item C3 of Exhibit 3A1.

3. Annual Report

On or before each February 28, CONTRACTOR shall submit the Annual Report to Director in a form satisfactory to Director, for the preceding Calendar Year, including the following information:

a. Waste Diversion Program Implementation

A report of CONTRACTOR'S compliance with its Performance Obligations with respect to Waste Diversion Program implementation during the preceding Calendar Year.

b. Subcontractors

An updated list naming all Subcontractors, the amount of Goods or Services that each Subcontractor provides to CONTRACTOR, and a description of CONTRACTOR'S relationships to each Subcontractor (including ownership interests) in accordance with item 9M of Exhibit 5.

c. South Coast Air Quality Management District Rule 1193

Each Vehicle's compliance with South Coast Air Quality Management District Rule 1193, Clean On-Road Residential and

Commercial Collection Vehicles, and Diesel Particulate Matter Control Measures (13 California Code of Regulations 202 et seq.).

d. Task 2 Services Information

Information relating to Task 2 Services requested by Director.

e. Scavenging

A narrative description of efforts made to deter and prevent unauthorized removal or scavenging of Recyclables.

f. Vehicles

An inventory of Vehicles assigned to the service area and information on each Vehicle including its number, fuel type, year, make, model, license plate number, VIN number, assigned route with start and finish points, days of service, type of material collected, and number of accounts being serviced. CONTRACTOR shall update and submit immediately if any Vehicle, route or information has changed during the prior year.

4. Reports of Violators

If CONTRACTOR discovers that any Person is providing MSW Management Services in the Service Area that are not authorized by Director or are in Violation of Applicable Law, then CONTRACTOR shall promptly e-mail Director with the following:

- The identity and address of the Person ("Violator"), if known;
- The facts and documentation supporting CONTRACTOR'S report; and
- Any other information or documentation about the Violator and CONTRACTOR'S report that Director may reasonably request.

COUNTY acknowledges that CONTRACTOR may seek legal or injunctive relief against the Violator in accordance with Applicable Law to cease providing those MSW Management Services. Notwithstanding the foregoing, COUNTY is not liable to CONTRACTOR, and CONTRACTOR hereby releases COUNTY about any act of a Violator.

B. Submission of Reports

CONTRACTOR shall submit Reports in a format compatible with COUNTY'S computers and shall submit reports using the following methods:

1. Monthly Reports

Submitted electronically by using forms available through COUNTY's Solid Waste Information Management System (SWIMS), in accordance with this Section and Section 12.

2. Quarterly Reports and Annual Report

Submitted via e-mail or printed copy, as determined by Director, in accordance with this Section and Section 12.

C. Reporting Adverse Information

CONTRACTOR shall provide Director copies of all reports, pleadings, applications, notifications, and notices of violation, communications or other material directly relating to its Performance Obligations submitted by CONTRACTOR to, or received by CONTRACTOR from Regulatory Agencies, including any of the following:

- The United States or California Environmental Protection Agency;
- CalRecycle;
- The Securities and Exchange Commission;
- Any other Regulatory Agency;
- Any Federal, State, or County court.

CONTRACTOR shall submit copies to Director simultaneously with CONTRACTOR'S submission of those materials to those entities. At Director's request, CONTRACTOR shall promptly make available to Director any other correspondence between CONTRACTOR and those entities.

D. County's Right to Request Information

At Director's request, CONTRACTOR shall promptly provide to Director additional information reasonably and directly pertaining to this CONTRACT (including substantiation of information submitted in Reports).

SECTION 11 - SUBSTITUTE, EMERGENCY AND BACK-UP SERVICE

A. Director's Right to Provide Contract Services

1. Events

COUNTY may provide, or contract with a third party to provide, for the performance of, any or all Customers services in either of the following events, determined by Director in its sole discretion:

a. Unable for a Period of 48 Hours to Collect

- For 48 consecutive hours CONTRACTOR does not Collect and Dispose of any type of Solid Waste for any reason, including Uncontrollable Circumstances, or
- Director determines there is danger to public health, safety, or welfare.

b. COUNTY Suspends or Terminates CONTRACT

County suspends or terminates all or a portion of the CONTRACT.

COUNTY has no obligation to continue providing any or all Contract Services. It may stop providing them at any time, in its sole discretion. However, COUNTY may continue to provide those Contract Services until either of the following occurs:

- CONTRACTOR demonstrates to Director's satisfaction that CONTRACTOR is ready, willing, and able to resume providing timely and full Contract Services, or
- Director can make alternative arrangements for providing MSW Management Services comparable to Contract Services in scope and price. Alternative arrangements may include contracting with another, third-party service provider.

2. Notice

Director may give CONTRACTOR oral notice that Director is exercising its right to perform Task 1 and Task 2 Services, which notice is effective immediately, but must confirm oral notice with a Notice within 24 hours thereafter.

3. Stipulations

CONTRACTOR stipulates that COUNTY'S exercise of rights under this Section does not constitute a taking of private property for which COUNTY must compensate CONTRACTOR, shall not create any liability on the part

of COUNTY to CONTRACTOR, and does not exempt CONTRACTOR from any Indemnities, which Parties acknowledge are intended to extend to circumstances arising under this Section. However, CONTRACTOR is not required to indemnify COUNTY against claims and damages arising from the negligence or misconduct of COUNTY officers and employees (other than employees of CONTRACTOR at the time COUNTY began performing Task 1 and Task 2 Services) and agents driving Vehicles. COUNTY shall indemnify CONTRACTOR, its Affiliates and its and their officers, directors, employees, and agents from and against damages, costs, or other expenses or losses they incur arising out of or relating to that negligence or misconduct.

4. Rental and Other Compensation

a. *Uncontrollable Circumstances*

If an event enumerated in items A1a or A1b in Section 11 is due to Uncontrollable Circumstances, then COUNTY shall pay CONTRACTOR the Direct Costs below.

(1) *Rental Fees*

Rental fees for the use of equipment equal to fair market value thereof as determined by an independent appraiser selected by the Parties.

(2) *Vehicles*

CONTRACTOR'S Direct Costs of providing Vehicles with fuel, oil, and other maintenance.

(3) *Personnel*

CONTRACTOR'S Direct Costs of making CONTRACTOR'S personnel available to COUNTY, including Direct Costs of using CONTRACTOR's personnel to operate CONTRACTOR's equipment or vehicles.

The Parties shall select an appraiser as follows: within ten days after CONTRACTOR requests payment of rental fees in events described in item (i) of this subsection 8a, each Party will prepare a separate list of five Persons who do not work for either Party having experience in solid waste equipment appraisal, in numerical order with the first preference at the top, and exchange and compare lists. The Person ranking highest on the two lists by having the lowest total rank order position on the two lists is the appraiser. In case of a tie in scores, the Person having the smallest difference between the rankings of the two Parties is selected; a coin toss determines other

ties. If no Person appears on both lists, this procedure is repeated. If selection is not completed after the exchange of three lists or 60 days, whichever comes first, then each Party will select one Person having the qualifications and experience described above and those two Persons will together select an appraiser.

b. *Other Than Uncontrollable Circumstances*

If an event enumerated in items A1a or A1b in Section 11 is not due to Uncontrollable Circumstances, then COUNTY will not be obligated to pay the compensation and CONTRACTOR shall pay County's Reimbursement Costs within 10 days of COUNTY'S submitting an invoice therefore. If CONTRACTOR does not so timely pay, COUNTY may draw upon any performance bond, letter of credit, or other security provided under this CONTRACT.

B. No Longer Used (Emergency Assistance Moved to Item F of Exhibit 3A2)

C. Backup Service Plan

CONTRACTOR shall implement its Backup Service Plan within seven days of Director request if Customer's Solid Waste is not Collected at Customer's Set-Out Site or Abandoned Waste is not Collected for any reason, including uncontrollable circumstances. Examples of circumstances include CONTRACTOR'S employees on strike or mudslides, wildfires, or earthquakes that cause blocked or damaged roads. In the event there is a protracted service disruption due to any cause, CONTRACTOR will institute proactive actions to sustain Solid Waste Collection Services. Since Customers are expecting services that CONTRACTOR is not providing, CONTRACTOR shall propose the appropriate services below for Director approval and must not charge Customer or COUNTY for providing these services, unless noted below.

1. Provide Conveniently Located Dumpsters or Roll-off Containers

CONTRACTOR will place 3 or 4-yard Dumpsters and/or roll-off Containers throughout the community in key locations approved by Director.

2. Offer Self-hauling of Solid Waste to a Facility

CONTRACTOR will use Reasonable Business Efforts to make arrangements with the Solid Waste Disposal Facility normally used by CONTRACTOR for this Contract to allow each Occupant to direct haul and dispose of their solid waste, 6 days per week. The facility shall only charge the Customer for disposal costs for quantities exceeding 100 pounds and there shall be no minimum quantities.

Additionally, if Director determines the distance to the CONTRACTOR's usual facility is too far from Occupants, CONTRACTOR will arrange for a local facility to allow each Occupant to drop-off the Solid Waste.

3. Inform Customers of Temporary Procedures

CONTRACTOR will use Reasonable Business Efforts to inform Customers and Occupants of the above service and disposal options. CONTRACTOR will provide Customers and Occupants with information on where and how to dispose of the Occupant's Solid Waste by the following means:

- A recording on its customer service line.
- Arrange for the broadcast of COUNTY's 30-second Public Service Announcement video on local cable access channels with CONTRACTOR to customize it to the situation, such as having text appear on the screen announcing date, times, and addresses.
- Contact local print media and produce a press release.
- Contact Customers and Occupants via phone, e-mail, or text messages.

4. Credit Policy for Missed Contract Services

a. *Missed Curbside Collection*

Since Customer is expecting a Collection Service not provided, CONTRACTOR shall automatically credit Customer for each missed Collection. For example, if a strike disrupts 2 weeks of the 13 Collections in a quarter, CONTRACTOR would credit Customer 2/13 of that quarter's fee toward the next quarter's fee.

b. *Other Customer Services*

When CONTRACTOR is unable to offer Customer Services other than curbside collection, such as Annual Curbside Cleanup, Mulch/Compost Giveaway events, or other required services, CONTRACTOR shall provide evidence of cost associated with those services and offer alternate services acceptable to Director.

5. Provide Replacement Drivers and Security

CONTRACTOR shall use Reasonable Business Efforts to require all properly trained and licensed employees to operate Collection Vehicles to maintain core Disposal and Diversion services. As described in the above paragraphs, CONTRACTOR shall be properly staffed to provide drop-off services for each Occupant. In addition to CONTRACTOR staff, CONTRACTOR shall use drivers or Vehicles from other operations and other waste haulers.

Finally, in cases of a strike, CONTRACTOR shall work closely with a private security firm to guarantee a safe and consistent operation.

6. Identify Customers Requiring Priority Service

CONTRACTOR shall contact the elderly and disabled Occupants with Roll-out Service and shall use Reasonable Business Efforts to Collect putrescible Solid Waste from their residence.

D. Use of Goods, Services and Property

1. Cart Acquisition Contracts

CONTRACTOR acknowledges that COUNTY must have full use and possession of Carts to secure its rights under this Contract, including both the following:

- Providing substitute service in accordance with its remedies under Part 6 of Exhibit 5 for Breach or default, and
- Purchasing Carts upon termination of this Contract.

Therefore, if CONTRACTOR does not own Carts outright without encumbrance, any Cart Acquisition Contract must allow the Guarantor, COUNTY or COUNTY designee to do all the following:

- Assume CONTRACTOR's obligations under the Cart Acquisition Contract,
- Take use and possession of the Carts, and
- Obtain the benefits of any outstanding Cart warranties.

“Cart Acquisition Contract” means an instrument establishing a security interest in the Carts or that otherwise encumbers or limits CONTRACTOR's interest in Carts, including any of the following:

- Lease or lease-purchase agreement,
- Installment sales or other financing contract, or
- Note or other loan documentation.

2. Inventory

CONTRACTOR shall store unused Carts in a secure location. CONTRACTOR shall update its Cart inventory at both following times:

- In each Monthly Report and Annual Report, and
- Within one week of COUNTY request

3. Insurance

If COUNTY or Customers have possession and use of Goods, Services and Property, CONTRACTOR shall execute whatever documentation its liability insurers require to ensure that COUNTY and Customers are protected and covered by CONTRACTOR's general and automobile policies, including requesting and executing endorsements to those policies. CONTRACTOR is not obligated to pay any additional cost of those endorsements unless COUNTY reimburses CONTRACTOR for those costs. COUNTY may pay for any endorsements, additional premiums or other costs. CONTRACTOR authorizes COUNTY to call and confer with CONTRACTOR's insurance broker to determine what, if any, documentation or actions are necessary to achieve protection satisfactory to COUNTY. Upon COUNTY REQUEST, CONTRACTOR shall direct its insurance broker to cooperate with and take direction from COUNTY. CONTRACTOR may not rescind that authorization without COUNTY consent.

4. Vehicle Certification for FEMA

CONTRACTOR shall cooperate with COUNTY to certify all Vehicles to be used for emergency work. CONTRACTOR shall not use non-certified Vehicles unless approved by Director.

SECTION 12 - ENFORCEMENT OF CONTRACT

A. As Provided by Law

Either Party may avail itself of any remedy available under law.

B. COUNTY'S Additional Remedies

Without limiting COUNTY'S remedies otherwise available under this CONTRACT in law or equity, at its option, COUNTY may enforce a Breach in any or all the following ways:

- Execute alternative CONTRACTs for MSW Management Services in the event of CONTRACTOR Default
- Seek to obtain injunctive relief and/or damages
- Assess damages under item D of this Exhibit
- With respect to a CONTRACTOR Default under Part 6B3 of Exhibit 5 (Failure to Provide Insurance, Bonds), immediately withhold payments due CONTRACTOR
- Draw on Performance Assurance / Letter of Credit under Section 15

C. Injunctive Relief

CONTRACTOR acknowledges that COUNTY'S remedy of damages for a Breach may be inadequate for reasons including the following:

- The urgency of timely, continuous, and high-quality Task 1 and Task 2 Services, including Collection, transportation, and/or transfer for Disposal of wastes which constitute a threat to public health;
- The long time and significant commitment of money and personnel and elected officials (both COUNTY staff and private consultants, including engineers, procurement counsel, citizens, public agency colleagues, and elected County officials) invested in this CONTRACT, including developing COUNTY'S Option Analysis dated February 2001 and implementing its recommendations through numerous meetings of a Working Group comprised of Solid Waste industry representatives from small and large businesses, requesting and evaluating qualifications and proposals for this CONTRACT (including CONTRACTOR'S), reviewing and commenting on documentation submitted by CONTRACTOR in conjunction with execution of this CONTRACT, and review of CONTRACTOR Documentation;
- The time and investment of personnel and elected officials described in the preceding paragraph to develop alternative Solid Waste services comparable to Task 1 and Task 2 Services for the price provided under this CONTRACT, and to negotiate new contracts therefore; and

- COUNTY'S reliance on CONTRACTOR'S technical Solid Waste management expertise.

Consequently, COUNTY is entitled to all available equitable remedies, including injunctive relief.

D. Recovery of Damages

1. Compensatory

COUNTY may seek compensatory damages, including, but not limited to the following:

- Amounts equal to any Franchise Fees, liquidated damages, or other amounts that CONTRACTOR has previously paid to COUNTY but are subsequently recovered from COUNTY by a trustee in bankruptcy as preferential payments or otherwise;
- If COUNTY terminates this CONTRACT for a CONTRACTOR Default or in the event of Criminal Activity in accordance with Part 6D2a of Exhibit 5, costs incurred by COUNTY to provide or reprocure MSW Management Services in lieu of Task 1 and Task 2 Services;
- If COUNTY terminates this CONTRACT before expiration for a CONTRACTOR Default or in the event of Criminal Activity in accordance with Part 6D2a of Exhibit 5, costs of MSW Management Services provided or reprocured in lieu of Task 1 and Task 2 services more than Customer Service Fees/County Service Fees for the balance of the Term remaining if this CONTRACT had not been terminated; and
- In the event of CONTRACTOR DEFAULT under Part 6B3 of Exhibit 5 (Failure to Provide Insurance, Bond), in COUNTY'S sole discretion, obtain damages resulting from that DEFAULT.

COUNTY may draw upon the performance bond, letter of credit, certificate of deposit, or other form of performance assurance provided by CONTRACTOR in accordance with Section 15 to pay compensatory damages.

For CONTRACTOR'S misrepresentation regarding contingent fees in Attachment 5-9H, in addition to terminating this CONTRACT, COUNTY may recover from CONTRACTOR the full amount of the proscribed commission, percentage, brokerage, or contingent fee.

2. Liquidated Damages

COUNTY may seek liquidated damages listed in Attachment 12-D2.

The Parties have set these liquidated damages in recognition of the following circumstances existing at the time of the formation of this CONTRACT:

- a.** COUNTY incurred considerable time and expense procuring this CONTRACT to secure an improved level of Collection quality and increased Customer and Occupant satisfaction. Therefore, consistent and reliable Task 1 and Task 2 Services are of the utmost importance to COUNTY and Customers and Occupants.
- b.** COUNTY has considered and relied on CONTRACTOR'S representations as to its quality of service commitment in entering into this CONTRACT, and CONTRACTOR'S Breach represents a loss of bargain to COUNTY. CONTRACTOR is experienced in providing services like Task 1 and Task 2 Services.
- c.** Quantified standards of performance are necessary and appropriate to ensure quality, consistent, and reliable Collection, and if CONTRACTOR fails to meet its Performance Obligations, COUNTY will suffer damages (including its Customers and Occupants' inconvenience; anxiety, frustration, potential political pressure, criticism, and complaint by Customers and Occupants; lost Supervisors and staff time; deprivation of the benefits of this CONTRACT and loss of bargain) in subjective ways and in varying degrees of intensity that are incapable of measurement in precise monetary terms, and that it is and will be impracticable and extremely difficult to ascertain and determine the value thereof. It would be difficult for COUNTY to prove its loss resulting from CONTRACTOR'S Breaches and nonperformance or untimely, negligent, or inadequate performance of County Services.
- d.** The CONTRACT contains a reasonable statement of Task 1 and Task 2 Services in order that the Parties will realize their expectations. COUNTY expects that CONTRACTOR shall perform Task 1 and Task 2 Services with due care in a workmanlike, competent, timely, and cost-efficient manner. CONTRACTOR expects to realize a profit by performing Task 1 and Task 2 Services in accordance with the terms and conditions of the CONTRACT for County Service Fees.
- e.** In addition, in the event of Breach or CONTRACTOR Default, urgency of protecting public health and safety may necessitate that COUNTY enter into emergency or short-term arrangements for services without competitive procurement at prices substantially

greater than under this CONTRACT, and the monetary loss resulting there from is impossible to precisely quantify. Time is of the essence.

- f.** The CONTRACTOR accepts COUNTY'S assessment of liquidated damages for certain Breaches as part of the consideration CONTRACTOR offers to COUNTY for the award of this CONTRACT to CONTRACTOR.
- g.** Lastly, termination of this CONTRACT for CONTRACTOR Default and other remedies provided in this CONTRACT are, at best, a means of future correction and not remedies that make COUNTY whole for past Breaches and CONTRACTOR Defaults.

Therefore, the Parties agree that the liquidated damages listed in Exhibit 12-D2 represent a reasonable estimate and fair approximation of the amount of damages COUNTY would incur as a consequence of CONTRACTOR'S Breach corresponding to each item of specified liquidated damages, considering all the circumstances existing on the date of this CONTRACT, including the relationship of the sums to the range of harm to COUNTY that reasonably could be anticipated and anticipation that proof of actual damages would be costly or inconvenient.

In signing this CONTRACT, each Party specifically confirms the following:

- The accuracy of the statements made above, and
- The fact that each Party had many opportunities to consult with legal counsel and obtain an explanation of this liquidated damage provision at the time that this CONTRACT was made.

E. County's Reimbursement Costs

CONTRACTOR shall pay COUNTY promptly upon request, COUNTY'S Reimbursement Costs of conducting a nonroutine investigation of any alleged Breach, when appropriate in judgment of Director. CONTRACTOR shall reimburse COUNTY for COUNTY'S Reimbursement Costs incurred because of CONTRACTOR'S Breach, including failure to maintain insurance.

F. Waiver

No waiver by County of any Breach of any provision of this CONTRACT constitutes a waiver of any other Breach of that provision. Failure of COUNTY to enforce at any time, or from time to time, any provision of this CONTRACT will not be construed as a waiver thereof. The rights and remedies set forth in this item F are exclusive and are in addition to any other rights and remedies provided by law or under this CONTRACT.

SECTION 13- UNPERMITTED WASTE SCREENING AND REPORTING (Contract Services)

A. Protocol

CONTRACTOR shall develop and implement the Unpermitted Waste Screening Protocol in compliance with Applicable Law and including the following provisions:

- Ongoing employee training in identification, safety and notification procedures, including leaving Non-Collection notices, when safe;
- Means of driver inspection, such as visual inspection during tipping of Carts into Vehicles;
- Immediate driver response, such as load segregation;
- Driver notification, such as calling CONTRACTOR'S dispatcher or field supervisor;
- Notification of appropriate local agency or department;
- Appropriate action, such as segregation and containerization for manifesting and transport for disposal in accordance with Applicable Law or securing services of permitted handling and transport company;
- Compliance with Applicable Law, including regulations of the United States Department of Transportation (DOT) (Title 49 CFR) and of the United States Environmental Protection Agency (Title 40 CFR); and
- Labels on Containers, described in item D of this Section.

B. Prohibition on Collection

CONTRACTOR shall not Collect any Unpermitted Waste that it finds in Refuse, Recyclables, or Organics unless it is licensed under Applicable Law. If CONTRACTOR finds Unpermitted Waste it shall notify all Persons in compliance with Applicable Law.

C. Notice to Director

If CONTRACTOR sees anything that it reasonably believes or suspects may be Unpermitted Waste on any public property in COUNTY, CONTRACTOR shall immediately notify Director and all Persons in compliance with Applicable Law. Public property includes storm drains, streets, and other public rights of way.

D. Labels

CONTRACTOR shall conspicuously label Containers with embossing or other secure means prohibiting Customers from discarding Unpermitted Waste. CONTRACTOR shall submit the label and text for Director approval prior to placing any purchase order for Containers. Item D9 of Exhibit 3A1 contains additional Container requirements.

SECTION 14 - EXECUTION OF CONTRACT

A. Execution in Counterparts

This CONTRACT, including dated signatures on amended Exhibits and attachments to those Exhibits, may be signed by the parties hereto in any number of original separate counterparts, including both counterparts that are executed on paper and counterparts that are in the form of electronic signatures. Electronic signatures include facsimile or email electronic signatures. Each executed counterpart shall be deemed an original. All counterparts, taken together, constitute the executed CONTRACT.

The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, used in connection with the execution of this CONTRACT and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called pdf format shall be legal and binding and shall have the same full force and effect as if a paper original of this CONTRACT had been delivered had been signed using a handwritten signature. CONTRACTOR and COUNTY (i) agree that an electronic signature, whether digital or encrypted, of a party to this CONTRACT is intended to authenticate this writing and to have the same force and effect as a manual signature, (ii) intend to be bound by the signatures (whether original, faxed or electronic) on any document sent or delivered by facsimile or, electronic mail, or other electronic means, (iii) are aware that the other party will rely on such signatures, and (iv) hereby waive any defenses to the enforcement of the terms of this CONTRACT based on the foregoing forms of signature. If this CONTRACT has been executed by electronic signature, all parties executing this document are expressly consenting under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 ("E-SIGN") and California Uniform Electronic Transactions Act ("UETA")(Cal. Civ. Code § 1633.1, et seq.), that a signature by fax, email or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

B. Authority to Execute

COUNTY warrants that the individual signing this CONTRACT has been duly authorized by COUNTY to sign this CONTRACT on behalf of COUNTY and has the full right, power, and authority to bind COUNTY to this CONTRACT. CONTRACTOR warrants that the individual signing this CONTRACT below has been duly authorized by CONTRACTOR to sign this CONTRACT on behalf of CONTRACTOR and has the full right, power, and authority to bind CONTRACTOR to this CONTRACT.

SECTION 15 - PERFORMANCE ASSURANCE

A. Performance Bonds, Other Security

CONTRACTOR shall secure and maintain throughout the Term and until CONTRACTOR has complied with all its obligations that survive the Expiration Date a faithful performance bond, approved by COUNTY. The performance bond must be in a form satisfactory to COUNTY or, at COUNTY'S sole and absolute discretion, any alternative security acceptable to Director, including cash, certified check payable to COUNTY, certificate of deposit, or letter of credit (together, "**Performance Assurance**"), in the amount not less than \$50,000.

The Performance Assurance secures full and timely satisfaction of Performance Obligations for both Task 1 and Task 2 services.

CONTRACTOR shall provide a Performance Assurance in the amount listed in the table below for the period beginning on the Execution Date and ending on the last day of the first Contract Year.

Service Area	Amount of Performance Assurance
Hacienda Heights	\$739,926.40

Beginning on the first day of the next Contract Year, and in all subsequent Contract Years, that amount must be not less than the sum of:

- 15 percent of CONTRACTOR'S Gross Receipts from Task 1 Services minus any Franchise Fees for the prior Contract Year;
- + 15 percent of CONTRACTOR'S Gross Receipts from Task 2 Services for the prior Contract Year
- + 110 percent of any Franchise Fees paid by CONTRACTOR during the first six months of the prior Contract Year;
- + 110 percent of any liquidated damages assessed CONTRACTOR by COUNTY during the first six months of the prior Contract Year; and
- + Up to \$50,000, at the discretion of Director;

- = SUM OF PERFORMANCE ASSURANCE (\$50,000 MINIMUM)

A performance bond must be payable to COUNTY and executed by a corporate surety licensed to transact business (admitted) as a surety in the State of California. The corporate surety must have an A.M. Best Rating of not less than A:VII, unless otherwise approved by Director. The form of performance bond may not allow the bond surety to substitute another Person to perform Task 1 and Task 2 services but must provide for payment of moneys to COUNTY to; (1) secure substitute Task 1 and Task 2 services; (2) remedy damages incurred by COUNTY, including reasonable expenses, attorney's fees, and liquidated and compensatory damages; (3) ensure satisfaction of all Performance Obligations, including

payment of Franchise Fees; and, (4) repay any money recovered from COUNTY in any bankruptcy or similar proceedings relating to CONTRACTOR. The performance bond must be conditioned on faithful performance by CONTRACTOR of all the terms and conditions of this CONTRACT, including payment of Franchise Fees and any liquidated damages.

Each Performance Assurance must be renewed to provide for continuing liability in the above amount notwithstanding any payment or recovery thereon. At least 30 days prior to the Execution Date and 30 days prior to any renewal of the Performance Assurance, CONTRACTOR shall deliver the Performance Assurance to Director.

Director may verify the accuracy and authenticity of the Performance Assurance submitted.

B. Further Assurances

In addition to all other rights and remedies it may have, within five days of County request CONTRACTOR will provide reasonable assurances that it can timely and fully meet its obligations under this CONTRACT in any or all of in the following events:

1. Labor

CONTRACTOR is the subject of any labor unrest (including work stoppage or slowdown, sick-out, picketing and other concerted job actions).

2. Tipping Fees

CONTRACTOR does not pay an Identified Solid Waste Facility for services.

3. Employee Wages

CONTRACTOR does not pay wages to its employees, provide workers' compensation insurance required by law, or pays employment-related taxes or fees.

4. County

CONTRACTOR does not pay COUNTY any amount that COUNTY has charged CONTRACTOR.

5. Meet Obligation

In the COUNTY's judgment, the occurrence of either of the following events jeopardizes CONTRACTOR's ability to timely and fully meet its obligations

under this CONTRACT:

- CONTRACTOR does not regularly pay its bills when due, or
- The entering of any judgment against CONTRACTOR or any Guarantor with respect to Criminal Conduct by CONTRACTOR or Guarantor.

“Assurance of Performance” means any or all of the following actions, as COUNTY requests:

- Reduction or elimination of insurance deductibles or self-insured retention,
- Providing or increasing the size of a letter of credit, or
- Providing an additional performance bond, certificate of deposit or other instrument.

SECTION 16 - CONTRACT SERVICE AREA INFORMATION

CONTRACTOR is to use and follow the information below provided by Director. Not every Service Area has a sample of every item as it may not be applicable. For example, East Los Angeles has no history of bears opening Refuse Containers so a Bear Map will not be included. Many of the required documents in Exhibit 17 will have a sample listed below.

A. Maps

1. Service Area and Collection Schedule
2. Hot Zones
3. Difficult to Service
4. Bear Zone (not applicable)
5. Alleys
6. Public Receptacles
7. Roll-Out Minimum Service

B. Sample Graphics

1. Cart Lid Labels
2. Dumpster Labels
3. Vehicle Billboards

C. Data

1. Street and Alley Miles
2. Difficult to Service Addresses
3. Public Receptacles Locations
4. Roll-Out Minimum Service Locations
5. Customer Information
 - Number of Customers
 - Number of Containers of each Size
 - Number of Senior Discounts
 - Number of Extra Services (Manure, Bear Cart, Roll-Out, etc.)
 - Number of Extra Containers

D. Outreach

1. COUNTY and CONTRACTOR Letters
2. Non-Collection Notice
3. Customer Terms and Conditions
4. Service Brochure
 - a. *Residential*
 - b. *Multi-Family*
5. Rate Sheet

E. SWIMS

1. Form C
2. Form L
3. Form T
4. Form V Vehicle List

SECTION 17 - CONTRACTOR DOCUMENTATION (Contract Services)

A. CONTRACTOR'S Compliance with CONTRACTOR Documentation

CONTRACTOR shall provide Task 1 and Task 2 Services in compliance with the CONTRACTOR Documentation attached as Exhibit 17.

B. Changes in CONTRACTOR Documentation

1. Notice to Director

CONTRACTOR shall give Director prompt Notice of any changes in CONTRACTOR Documentation listed in item A of Exhibit 17 CONTRACTOR Documentation, after the Execution Date. CONTRACTOR shall follow Notice procedure in Part 9F of Exhibit 5. Director's receipt of those changes will be evidenced by the following acknowledgment, appended in substantially this form to the changed CONTRACTOR Documentation:

From: Director Designee
Sent: Tuesday, May 09, 2017 4:55 PM
To: waste hauler
Cc: Business Relations and Contracts Division
Subject: Service Area Name - Acknowledgement of Notice

Acknowledgment: CONTRACTOR has submitted the attached CONTRACTOR Documentation.

Director Designee
Senior Civil Engineer
Los Angeles County Public Works
Office: 626-458-3573

2. Director Consent.

CONTRACTOR shall submit to Director for review and consent any changes in CONTRACTOR Documentation listed in item B of Exhibit 17 CONTRACTOR Documentation, after the Execution Date. CONTRACTOR shall follow Notice procedure in Part 9F of Exhibit 5. Director's approval will be evidenced by the following acknowledgment, appended in substantially the following form to the changed CONTRACTOR Documentation:

From: Director Designee
Sent: Tuesday, May 09, 2017 4:55 PM
To: waste hauler
Cc: Business Relations and Contracts Division
Subject: Service Area Name - Acknowledgement of Consent

Acknowledgment: I have reviewed and approved the attached CONTRACTOR Documentation

Director Designee
Senior Civil Engineer
Los Angeles County Public Works
Office: 626-458-3573

IN WITNESS WHEREOF, COUNTY has by order of its Board of Supervisors caused this CONTRACT to be signed by Director, and CONTRACTOR has caused this CONTRACT to be signed by its duly authorized officers, as of the date first written above.

COUNTY OF LOS ANGELES

By _____
Director of Public Works

APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA
Acting County Counsel

By _____
Deputy

CONTRACTOR

By _____
President

Type or Print Name

Secretary

Type or Print Name

Enclosure B

PROPOSERS' UTILIZATION PARTICIPATION AND COMMUNITY BUSINESS ENTERPRISE PROGRAM INFORMATION FOR THE EXCLUSIVE FRANCHISE CONTRACT FOR THE AREA OF HACIENDA HEIGHTS

SELECTED FIRMS

Small-Sized Business Category Proposer Name	Local SBE	SBE	Minority	Women	Disadvantaged	Disabled/Vet
1 None						
Medium-Sized Business Category Proposer Name						
2 None						
Large-Sized Business Category Proposer Name						
3 Valley Vista Services, Inc.	N/A	N/A	N/A	N/A	N/A	N/A

NON-SELECTED FIRMS

Small-Sized Business Category Proposer Name	Local SBE	SBE	Minority	Women	Disadvantaged	Disabled/Vet
4 None						
Medium-Sized Business Category Proposer Name						
5 None						
Large-Sized Business Category Proposer Name						
6 Arakelian Enterprises, Inc. dba Athens Services	N/A	N/A	N/A	N/A	N/A	N/A
7 Burrtec Waste Industries, Inc.	N/A	N/A	N/A	N/A	N/A	N/A
8 CR&R Inc.	N/A	N/A	N/A	N/A	N/A	N/A
9 Ware Disposal, Inc.	N/A	N/A	N/A	Yes ✓	N/A	N/A

*Information provided by proposers in response to the Request For Proposal. On final analysis and consideration of award, vendors were selected without regard to race, creed, gender, or color.

PROPOSERS' UTILIZATION PARTICIPATION AND COMMUNITY BUSINESS ENTERPRISE PROGRAM INFORMATION FOR THE EXCLUSIVE FRANCHISE CONTRACT FOR THE AREA OF HACIENDA HEIGHTS

FIRM INFORMATION*	Arakelian Enterprises, Inc. dba Athens Services	Burrtec Waste Industries, Inc.	CR&R Inc.	Valley Vista Services, Inc.	Ware Disposal, Inc.
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BUSINESS STRUCTURE	Limited Liability Company	Corporation	Corporation	Corporation	Corporation
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CULTURAL/ETHNIC COMPOSITION	NUMBER / % OF OWNERSHIP				
Black/African American	0	0	0	0	0
Hispanic/Latino	0	0	0	2/100%	0
Asian or Pacific Islander	0	0	0	0	0
American Indian	0	0	0	0	0
Filipino	0	0	0	0	0
White	6/100%	2/100%	3/100%	0	2/100%
<i>Female (included above)</i>	1/16.67%	1/50.00%	1/33.33%	2/100%	1/50.00%

	NUMBER				
OWNERS/PARTNERS	3	2	2	0	1
MANAGER	101	44	32	8	7
Black/African American	0	3	6	0	2
Hispanic/Latino	0	0	2	0	0
Asian or Pacific Islander	0	0	0	0	0
American Indian	58	37	50	0	4
Filipino	23	28	22	3	2
White	46	29	10	0	0
<i>Female (included above)</i>	1,398	708	1200	161	163
STAFF	0	9	22	2	2
Black/African American	0	1	3	0	0
Hispanic/Latino	0	0	0	1	0
Asian or Pacific Islander	95	73	165	3	2
American Indian	171	114	134	27	15
Filipino	1,701	906	1,492	175	181
White					
<i>Female (included above)</i>					
Total No. of Employees					

COUNTY CERTIFICATION					
CBE	N	N	N	N	N
LSBE	N	N	N	N	N
OTHER CERTIFYING AGENCY	N/A	N/A	N/A	N/A	Women's Business Enterprise Council West

*Information provided by Proposers in response to the Request For Proposal. On final analysis and consideration of award, vendors were selected without regard to race, creed, gender, or color.

Enclosure C



MARK PESTRELLA, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE

REFER TO FILE: **BRC-1**

October 14, 2020

NOTICE OF REQUEST FOR PROPOSALS FOR THE EXCLUSIVE FRANCHISE CONTRACT FOR THE AREA OF HACIENDA HEIGHTS (BRC0000052)

Please take notice that Public Works requests proposals for the Exclusive Franchise Contract for the Area of Hacienda Heights (BRC0000052). This contract has been designed to have a potential maximum contract term of 11 years, consisting of an initial 7-year term and potential additional two 2-year option renewals. The annual residential franchise revenues are estimated to be \$5 million and annual Task 2 amount is estimated at \$200,000. The Request for Proposals (RFP) with contract specifications, forms, and instructions for preparing and submitting proposals may be accessed at <http://pw.lacounty.gov/brcd/servicecontracts/> or may be requested from Mr. David Pang at (626) 458-7167 or dpang@pw.lacounty.gov, or Mr. Danny Medina at (626) 458-4080 or dmedina@pw.lacounty.gov, Monday through Thursday, 7 a.m. to 5 p.m.

Please check the website frequently for any changes to this solicitation. All addenda and informational updates will be posted at <http://pw.lacounty.gov/brcd/servicecontracts/>.

"Do Business with Public Works" Website Registration

All interested proposers for this RFP are strongly encouraged to register at <http://pw.lacounty.gov/general/contracts/opportunities/>. Only those firms registered for this RFP through the website will receive automatic notification when any update to this RFP is made. The County does not have an obligation to notify any proposers other than through the Public Works website's automatic notification system.

Doing Business with Local Small Business Enterprise, Disabled Veteran Business Enterprise, and Social Enterprise

The County strongly encourages participation from firms, primes, and subcontractors, which are certified in the County's Local Small Business Enterprise (LSBE), Disabled Veteran Business Enterprise (DVBE), and Social Enterprise (SE) Preference Programs. The County's LSBE, DVBE, and SE Preference Programs require firms to complete a certification process to receive certain benefits allowed only for LSBE,

DVBE, and SE, such as a 15 percent price preference, not to exceed \$150,000, when applicable, and LSBE Prompt Payment Program. The following link provides additional information on being County certified LSBE, DVBE, and SE: <http://dcba.lacounty.gov>.

Minimum Mandatory Requirements: At the time of proposal submission, proposers must meet all minimum requirements set forth in the RFP document including, but not limited to:

1. Proposer must have 3 years of experience collecting and managing refuse, recyclable materials, and green waste from single-family and multifamily residences. This information must be identified in the proposal and must be included in Form PW-18, Proposer's Compliance with the Minimum Mandatory Requirements of the RFP.
2. Proposer must possess the required valid Waste Collector Permit naming the Proposer as the permittee or a copy of the application for a Waste Collector Permit naming the Proposer as the permittee issued by the County of Los Angeles Department of Public Health at the time of proposal submission. This information must be identified in the proposal and must be included in Form PW-18, Proposer's Compliance with the Minimum Mandatory Requirements of the RFP.
3. Proposer must also submit a Proposal Guaranty as outlined in Part I, Section 3.A.15., Proposal Guaranty. This information must be identified in the proposal and must be included in Form PW-18, Proposer's Compliance with the Minimum Mandatory Requirements of the RFP.

Please note that Proposers are responsible for independently investigating service areas prior to proposal submission. No Proposers' conference will be held.

The deadline to submit proposals is Monday, November 9, 2020, at 5:30 p.m. Please direct your questions to Mr. Pang or Mr. Medina.

Electronic Submission of Proposals

Proposals must be submitted electronically on www.bidexpress.com, a secure online bidding service website.

To submit your proposals electronically, register with BidExpress by the due date above. A new registration page must be signed, notarized, and received by BidExpress Customer Support for processing before the due date. There is a nominal service fee to use BidExpress.

October 14, 2020
Page 3

Please note, each upload of file in BidExpress is limited to 10 MB per file up to 50 files for a total of 500 MB. Proposers shall plan ahead and allow sufficient time to account for the file size limitation before the proposal submission deadline to complete the uploading of proposal files. If proposer submits a proposal through BidExpress, proposer should not send hard copies, CDs, or any other materials to the County via mail.

Proposals received after the closing date and time specified in this Notice of Request for Proposals will be rejected by Public Works as nonresponsive.

Follow us on Twitter:

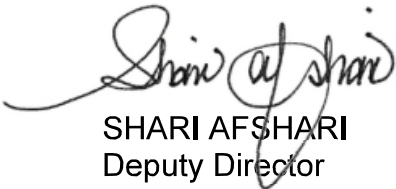
We encourage you to follow us on Twitter @LACoPublicWorks for information on Public Works and instant updates on contracting opportunities and solicitations.



Individuals requiring reasonable accessibility accommodations may request written materials in alternate formats, physical accessibility accommodations, sign language interpreters, or other reasonable accommodations by contacting our departmental Americans with Disabilities Act Coordinator at (626) 458-7337, from 7:30 a.m. to 5 p.m., Monday through Thursday (excluding holidays). Persons who are hearing impaired may make contact by first dialing the California Relay Service at 7-1-1. Requests should be made at least one week in advance to ensure availability. When making a reasonable accommodation request, please reference BRC-1.

Very truly yours,

MARK PESTRELLA
Director of Public Works

A handwritten signature in black ink, appearing to read 'Shari Afsari'. The signature is written in a cursive, flowing style.

SHARI AFSHARI
Deputy Director

DP:ss
P:\EPPUB\SEC\BRCD\HACIENDA HEIGHTS RFP NOTICE 10-14-20.DOC

Enc.

bc: Environmental Programs (Skye w/o enc., Holland, Milewski, Wong)