

CONTRACT # A20-16

COLLECTION SERVICES FRANCHISE AGREEMENT

Executed Between the City of Mission Viejo

and

Waste Management Collection and Recycling, Inc.

This 14 day of July, 2020

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This Collection Service Franchise Agreement, hereinafter referred to as "Agreement," is made and entered into this day of July, 2020, by and between Mission Viejo, California, hereinafter referred to as "CITY," and Waste Management Collection and Recycling, Inc., a private corporation lawfully authorized to conduct business in the State of California, hereinafter referred to as "CONTRACTOR." In this Agreement, the CITY and CONTRACTOR may be collectively referred to as the "Parties" and individually referred to as "Party."

INTENT OF PARTIES

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

WHEREAS; 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 landfilling and the need to conserve natural resources, have created an urgent need for State and local agencies to enact and implement an aggressive integrated waste management program. The State has, through enactment of the Act, and subsequent related legislation including, but not limited to AB 341, AB 901, AB 1594, AB 1826 and SB 1383 directed the responsible State agency and all local agencies to promote Disposal site diversion and to maximize the use of feasible Solid Waste reduction, reuse, Recycling, and Composting options in order to reduce the amount of Solid Waste that must be Disposed; and,

WHEREAS; CONTRACTOR is a private enterprise involved in the Solid Waste industry and capable of providing the CITY with Solid Waste handling services including but not necessarily limited to Source Reduction, Recycling and Composting activities in conjunction with the collection, transfer and Disposal of Solid Waste; and,

WHEREAS; pursuant to California Public Resources Code Section 40059(a) as may be amended from time to time, the CITY has determined that the public health, safety, and well-being require an exclusive agreement to provide Collection Services and other services related to meeting the State's diversion goals and other requirements of the Act; and,

WHEREAS; the CITY further declares its intent to regulate, ensure the fairness of and maintain the maximum approved rates as established by CONTRACTOR as Contractor Compensation for the Collection, Transportation, Processing, Recycling, Composting, and/or Disposal of Solid Waste, Recyclable Materials, Green Waste, Organic Materials, Bulky Items, Construction and Demolition Debris and Sludge pursuant to this Agreement; and,

WHEREAS; the Parties hereto desire to enter into a wholly exclusive agreement for the provision of Collection Services except for those limitations specified in this Agreement, State of California and Federal law; and,

WHEREAS; the CITY and CONTRACTOR have attempted to address conditions affecting their performance of services under this Agreement but recognize that reasonably unanticipated conditions may occur during the Term of this Agreement that will require the Parties to meet and confer to reasonably respond to such changed conditions, but not to allow unreasonable rates, terms of operation or changes to this initial version of the Agreement or allow termination without provision for the health, safety and welfare of CITY, its residents and the general public, or CITY's reasonable sole discretion ; and,

WHEREAS, the CITY believes this Agreement represents a high degree of service and value to the residents,

businesses, and the CITY, and will help the CITY achieve the waste, Recycling and organics diversion mandates, goals and objectives of the State in support of AB939, AB 341, AB 1594, AB 1826 and SB 1383; and,

WHEREAS; this Agreement has been developed by and is satisfactory to the CITY and the CONTRACTOR,

Now, therefore, in consideration of the intent of the Parties set forth above together with the mutual covenants, conditions and consideration contained herein, the CITY and CONTRACTOR hereby agree as hereinafter set forth:

ARTICLE 1: DEFINITIONS

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

1.1 ACT (DIVISION 30 OF THE CALIFORNIA PUBLIC RESOURCES CODE) (ASSEMBLY BILL 939, AB 939)

"Act" means the California Integrated Waste Management Act (California Public Resources Code Sections 40000 et seq), also commonly referred to as "AB 939," as amended, supplemented, superseded, and replaced from time to time.

1.2 AFFILIATE

"Affiliate" means all businesses, including, without limitation, corporations, limited and general partnerships and sole proprietorships, that are directly or indirectly related to the CONTRACTOR by virtue of direct or indirect ownership interest or common management. The CITY may ask that any new Affiliate be removed that proves to be detrimental to the execution of the Agreement. Such businesses shall be deemed to be "Affiliated with" the CONTRACTOR and included within the term "Affiliates" as used herein. An Affiliate includes: (i) a business in which the CONTRACTOR has a direct or indirect ownership interest; (ii) a business that has a direct or indirect ownership interest in the CONTRACTOR; and/or (iii) a business that is also owned, controlled or managed by any business or individual which has a direct or indirect ownership interest in the CONTRACTOR. For the purposes of this definition, "ownership" means ownership as defined in the constructive ownership provisions of Section 318(a) of the Internal Revenue Code of 1986, as in effect on the Effective Date, provided that ten percent (10%) shall be substituted for fifty percent (50%) in Section 318(a)(2)(C) and in Section 318(a)(3)(C) thereof; and Section 318(a)(5)(C) shall be disregarded. For purposes of determining ownership under this paragraph and constructive or indirect ownership under Section 318(a), ownership interest of less than ten percent (10%) shall be disregarded and percentage interests shall be determined on the basis of the percentage of voting interest of value that the ownership interest represents.

1.3 AGREEMENT

"Agreement" means this Agreement between the CITY and the CONTRACTOR, including all exhibits, and any future amendments hereto.

1.4 AGREEMENT YEAR

“Agreement Year” means each twelve (12) month period from January 1 to December 31, beginning January 1.

1.5 ALTERNATIVE DAILY COVER (ADC)

“Alternative Daily Cover” means materials placed on the surface of the active face of the refuse fill area at the end of each operating day to control vectors, fires, odor, blowing litter and scavenging, as defined in Section 20164 of the California Code of Regulations. ADC includes all approved waste-derived and non-waste-derived material types as defined in Section 20690b. During the Term of this Agreement, effective January 1, 2020, the use of green material as ADC does not constitute Diversion through Recycling and shall be considered Disposal pursuant to Section 41781.3 (2)(A).

1.6 APPLICABLE LAW

“Applicable Law” means all Federal, State, County, and local laws, regulations, rules, orders, judgments, degrees, permits, approvals, or other requirement of any governmental agency having jurisdiction over the Collection, transportation, Processing or Disposal of Discarded Materials that are in force on the Effective Date and as may be enacted, issued or amended during the Term of this Agreement. Without limiting the foregoing, Applicable Law includes Environmental Laws.

1.7 APPROVED CONSTRUCTION & DEMOLITION (C&D) PROCESSING FACILITY

“Approved Construction & Demolition Processing Facility” and “Approved C&D Processing Facility” means the Waste Management Sunset Environmental Facility located in Irvine.

1.8 APPROVED DISPOSAL FACILITY

“Approved Disposal Facility” means the Orange County Waste and Recycling Landfills or such other Disposal facility directed by the CITY, which is fully permitted and in compliance with all applicable federal, state and local laws and regulations adopted thereto governing such disposal.

1.9 APPROVED FACILITY

“Approved Facility” means any one of or any combination of the: Approved Disposal Facility; Approved Organic Materials Processing Facility; Approved Recyclable Materials Processing Facility; and/or Approved Transfer Station. CONTRACTOR may from time to time request a change in an Approved Facility, for review and approval by the Contract Administrator in his or her reasonable judgment.

1.10 APPROVED FOOD WASTE PROCESSING FACILITY

“Approved Food Waste Processing Facility” means the CR&R Roar Anaerobic Digestion Facility located in Perris, and WM CORE Facility located in Orange.

1.11 APPROVED GREEN WASTE PROCESSING FACILITY

“Approved Green Waste Processing Facility” means the Waste Management Azusa Transfer and MRF located in Azusa and Synagro Composting Facility located in Hinkley.

1.12 ORGANIC MATERIALS PROCESSING FACILITY

“Approved Organic Materials Processing Facility” means the CR&R ROAR Anaerobic Digestion Facility located in Perris, Waste Management Azusa Transfer and MRF located in Azusa, Synagro Composting Facility located in Hinkley and WM CORE Facility located in Orange.

1.13 APPROVED RECYCLABLE MATERIALS PROCESSING FACILITY

“Approved Recyclable Materials Processing Facility” means the Waste Management Orange MRF located in Orange.

1.14 APPROVED TRANSFER STATION

“Approved Transfer Station” means the Waste Management Sunset Environmental Facility located in Irvine.

1.15 ASSEMBLY BILL 341 (CHAPTER 476, STATUTES OF 2011) (AB 341)

“AB 341”, as amended, supplemented, superseded, and replaced from time to time, requires all businesses generating four (4) or more cubic yards of non-Recyclable Solid Waste per week, and all Multi-Family dwellings consisting of five (5) units or more, to arrange for Recycling services and requires all local agencies to provide a Commercial Recycling program meeting specified criteria on or before July 1, 2012.

1.16 ASSEMBLY BILL 901 (CHAPTER 746, STATUTES OF 2015) (AB 901)

“AB 901”, as amended, supplemented, superseded, and replaced from time to time, changes how organics, recyclable material and solid waste are reported to CalRecycle by requiring quarterly reporting directly to CalRecycle by specified businesses (e.g. Recycling facilities, Composting facilities, et.al.).

1.17 ASSEMBLY BILL 1594 (CHAPTER 719, STATUTES OF 2014) (AB 1594)

“AB 1594”, as amended, supplemented, superseded, and replaced from time to time, mandates that as of January 1, 2020, the use of green material as Alternative Daily Cover (ADC) will no longer constitute diversion through Recycling and will instead be considered Disposal in terms of measuring a jurisdiction’s annual 50 percent (50%) per capita Disposal rate.

1.18 ASSEMBLY BILL 1669 (CHAPTER 1072, STATUTES OF 2016) (AB 1669)

“AB 1669”, as amended, supplemented, superseded, and replaced from time to time, mandates that as of January 2017, if CONTRACTOR declared intent to offer employment to eligible employees of the previous CONTRACTOR, the CONTRACTOR shall fulfill all wage rate, benefit, minimum employment duration, etc., as required in Chapter 1072 and as declared in the CONTRACTOR’s Proposal.

1.19 ASSEMBLY BILL 1826 (CHAPTER 727, STATUTES OF 2014) (AB 1826)

“AB 1826”, as amended, supplemented, superseded, and replaced from time to time, requires all businesses generating four (4) or more cubic yards of Organic Waste (called Organic Materials in the remainder of this Agreement) per week to Recycle their Organic Waste; multi-family housing with five (5) or more units generating four (4) or more cubic yards of Green Waste and landscape and pruning waste to Recycle their Green Waste and landscape and pruning waste; and, requires all local agencies to provide a Commercial Organic Recycling program

meeting specified criteria on or before April 1, 2016. On or before January 1, 2019, AB 1826 requires businesses generating four (4) or more cubic yards of Solid Waste per week to Recycle their Organic Materials and multi-family housing with five (5) or more units generating four (4) or more cubic yards of Solid Waste per week to Recycle their Green Waste and landscape and pruning waste. If CalRecycle determines that the statewide Disposal of Organic Materials in 2020 has not been reduced by 50 percent (50%) of the level of Disposal during 2014, the organic Recycling requirements on businesses will expand to cover businesses that generate 2 cubic yards or more of Commercial Solid Waste per week.

1.20 BIN

“Bin” means a metal or plastic Container, with a capacity of one (1) cubic yard up to, and including, eight (8) cubic yards, designed or intended to be mechanically dumped into a loader packer type truck that is approved for such purpose by the CITY. Bins may also include Compactors that are owned by the Multi-Family Dwelling (MFD) or Commercial Service Unit wherein the MFD or Commercial Collection Service occurs.

1.21 BULKY ITEM

“Bulky Waste” means Solid Waste that cannot and/or would not typically be accommodated within a Cart including specifically furniture (including chairs, sofas, mattresses, and rugs); appliances (including refrigerators, ranges, washers, dryers, water heaters, dishwashers, plumbing, small household appliances and other similar items, commonly known as “white goods”); electronic equipment; Residential wastes (including wood waste, tree trunks and large branches if no larger than four (4) feet and two (2) feet in diameter, scrap wood, debris from building remodeling, rocks, sod and earth, in the aggregate not exceeding one cubic yard per collection); clothing and tires. Bulky Waste does not include car bodies, Construction and Demolition Debris or items requiring more than two (2) persons to remove. In the event a question ever arises as to whether a specific item or category of items meets the definition of Bulky Waste, CITY shall be responsible to determine whether said definition shall apply, which determination shall be final and binding on the Parties. Bulky Waste does not include items herein defined as Exempt Waste. Bulky Waste must have been generated on the Customer’s Premises. Up to six (6) bags of green waste shall be counted as a single Bulky Item

1.22 BULKY ITEM COLLECTION SERVICE

“Bulky Item Collection Service” means the periodic on-call Collection of Bulky Items by the CONTRACTOR in the Service Area and the delivery of those Bulky Items to the Approved Facility.

1.23 BUSINESS DAYS

“Business Days” mean days during which the CITY’s administrative offices are normally open to do business with the public, in person, digitally or by any electronic means.

1.24 CALRECYCLE

“CalRecycle” means the California Department of Resources Recycling and Recovery or its successor.

1.25 CART

“Cart” means a heavy plastic receptacle and a rated capacity of at least thirty-two (32) gallons and not more than ninety-six (96) gallons, having a hinged, tight-fitting lid and wheels, that is approved by the Contract Administrator

for use by Service Recipients for Collection Services under this Agreement.

1.26 CHANGE IN LAW

“Change in Law” means the following events or conditions that may have a material effect on the performance by the Parties of their respective obligations under this Agreement:

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

1.27 CITY

“CITY” means the City of Mission Viejo, California, a California general law city.

1.28 CITY CLEAN-UP SERVICE

“CITY Clean-up Service” means the Collection of Solid Waste, Recyclable Materials, Green Waste, Organic Materials and Bulky Items by the CONTRACTOR, from time to time, resulting from written or verbal requests from the CITY for temporary clean-up programs at a centralized collection site. Such Service shall include the provision of Bins or Roll-Off Boxes by the CONTRACTOR, and the transport and delivery of the Collected materials to the appropriate Approved Facility.

1.29 CITY CONTAINER SERVICE

“CITY Container Service” means the Collection of Solid Waste and Recyclable Materials from public litter Containers and the transport and delivery of the Collected materials to the appropriate Approved Facility.

1.30 CITY SERVICE UNIT

“CITY Service Unit” means those CITY properties or CITY locations which the Contract Administrator requests that the CONTRACTOR provide Services as provided in this Agreement.

1.31 CITY WASTE

“CITY Waste” means Solid Waste, Recyclable Materials, Green Waste, Organic Materials, Bulky Items, Electronic Waste and Universal Waste generated at a CITY Service Unit.

1.32 COLLECT, COLLECTED, COLLECTION

“Collect,” “Collected” or “Collection” means the act of the CONTRACTOR, or CONTRACTOR’s designee as approved by CITY, taking physical possession of, and removing Discarded Materials, whether by manual, semi-automated or automated means, and transporting such materials to the Approved Facility, pursuant to this Agreement.

1.33 COLLECTION SERVICES

“Collection Services” means SFD Collection Service, MFD Collection Service, CITY Collection Service, and Commercial Collection Service.

1.34 COMMERCIAL SERVICE WORK DAY

“Commercial Service Work Day” means any day Monday through Sunday.

1.35 COMMENCEMENT DATE

“Commencement Date” means the date specified in Article 3.1 when the CONTRACTOR is to begin providing Collection and related Services required by this Agreement.

1.36 COMMERCIAL SERVICE

“Commercial Service” means Collection Services performed at or for a Commercial Service Unit.

1.37 COMMERCIAL, COMMERCIAL SERVICE UNIT

“Commercial” or “Commercial Service Unit” means all retail, professional, office, wholesale and industrial facilities, and/or other Commercial enterprises offering goods or services to the public, excluding businesses conducted upon any Residential Property; organizations; and agencies other than CITY agencies.

1.38 COMMERCIAL WASTE

“Commercial Waste” means Solid Waste, Recyclable Materials, Green Waste, Organic Materials and Bulky Items generated at a Commercial Service Unit.

1.39 COMPACTOR, COMPACTION

“Compactor,” or “Compaction” means a mechanical apparatus that compresses materials, the Container that holds the compressed materials, and/or the process of compressing materials or holding compressed materials. Compactors include Bin Compactors of any size Serviced by front-loading Collection vehicles and Compactors of any size Serviced by Roll-Off Box Collection vehicles.

1.40 COMPOST

“Compost” means the resulting material from Composting.

1.41 COMPOSTING

“Composting” means the controlled or uncontrolled biological decomposition of organic constituents.

1.42 CONSTRUCTION AND DEMOLITION DEBRIS (C&D)

“Construction and Demolition Debris” or “C&D” mean materials resulting from construction, renovation, remodeling, repair, or demolition operations relating to or resulting from a building, structure, pavement or other improvement. Accepted and prohibited materials are listed in Exhibit 5.

1.43 CONTAINERS

“Containers” mean Bins, Carts, Compactors, and Roll-Off Boxes.

1.44 CONTAMINATION

“Contamination” means the inclusion in a Container of Exempt Waste of any amount; or Organic Materials and/or Recyclable Materials placed in a Solid Waste Container; or materials other than Organic Materials in an Organic Materials Container, or materials other than Recyclable Materials in a Recyclable Materials Container, which render more than ten percent (10%) of the contents of the Container materially unsuitable for the intended type of Diversion.

1.45 CONTRACTOR

“CONTRACTOR” means Waste Management Collection and Recycling, Inc.

1.46 CONTRACT ADMINISTRATOR

“Contract Administrator” means City Manager, or any subsequent Person, or his or her designee, designated by the CITY to administer and monitor the provisions of this Agreement.

1.47 CONTRACTOR COMPENSATION

“CONTRACTOR Compensation” means the monetary compensation received by the CONTRACTOR in return for providing Services in accordance with this Agreement as described in Article 10.

1.48 CONTRACTOR’S PROPOSAL

“CONTRACTOR’s Proposal” means the proposal submitted to the CITY by the CONTRACTOR on September 10, 2019 for the provision of Solid Waste, Recyclables, and Organic Materials Services and certain supplemental written materials, which are included as Exhibit 4 to this Agreement and are expressly incorporated herein by reference. The CONTRACTOR’s Proposal shall, at all times, and for all purposes be subordinate to this Agreement and, shall be deemed integrated, for all purposes, into this Agreement.

1.49 COVERED ELECTRONIC WASTE (CEW)

“Covered Electronic Waste” or “CEW” means discarded electronic devices that the California Department of Toxic Substances Control (DTSC) has determined to be a covered electronic device, as specified by Section 42463(f) of the California Public Resources Code. CEWs include cathode ray tube (CRT) devices (including televisions and computer monitors); LCD desktop monitors; laptop computers with LCD displays; LCD televisions; plasma televisions; portable DVD players with LCD screens; and other electronic devices as may be added by the DTSC from time to time.

1.50 CUSTOMER

“Customer” means the Person to whom the CONTRACTOR submits its billing invoice and collects payment from for Collection Services provided to a Premises. The Customer is not necessarily the owner of the Premises and may be either the Person who occupies the Premises, the manager or agent of the property owner, or the owner of the Premises.

1.51 DAY

“Day” means calendar day unless otherwise specified in this Agreement.

1.52 DISCARDED MATERIALS

“Discarded Materials” means Solid Waste, Recyclable Materials, Organic Materials, and C&D placed by a Generator in a receptacle and/or at a location for the purposes of Collection by the CONTRACTOR, excluding Exempt Waste.

1.53 DISPOSAL

“Disposal” or “Disposed” mean the ultimate disposition of unprocessed Solid Waste intended for Disposal.

1.54 DISPOSAL FACILITY

“Disposal Facility” means the designated landfill(s), or such place or places specifically designated by the CONTRACTOR and approved by the CITY, or specifically designated by the CITY, for the Disposal or processing, as appropriate, of Solid Waste and other materials Collected under the terms of this Agreement.

1.55 DIVERT, DIVERSION

“Divert” or “Diversion (or any variation thereof)” means to prevent Recyclables and Organic Materials from Disposal at landfill through Source Reduction, reuse, Recycling, and Composting, as provided in Section 41780-41786 of AB 939, as AB 939 may be hereafter amended or superseded.

Diversion is a broad concept that is to be inclusive of material handling and Processing changes that may occur over the Term including, but not limited to, changes in standard industry practice or implementation of innovative (but not necessarily fully proven) techniques or technology that reduce Disposal risk, decrease costs and/or are for other reasons deemed desirable by the CITY.

1.56 DROP BOX

“Drop Box” means Containers with a typical capacity of eight (8) to forty (40) cubic yards that are Serviced by a roll-off Collection vehicle.

1.57 DWELLING UNIT

“Dwelling Unit” means any individual living unit in a Single-Family Dwelling (SFD) or Multi-Family Dwelling (MFD) structure or building intended for, or capable of being lawfully utilized for, Residential living other than a hotel or motel.

1.58 EFFECTIVE DATE

“Effective Date” means the date on which the last of the Parties signs this Agreement.

1.59 ELECTRONIC WASTE, E-WASTE

“Electronic waste” or “E-Waste” means discarded electronic equipment including, without limitation, televisions, computer monitors, central processing units (CPUs), laptop computers, computer peripherals, external hard drives, keyboards, scanners, and mice, printers, copiers, facsimile machines, radios, stereos, stereo speakers, VCRs, DVDs,

camcorders, microwaves, telephones, cellular telephones, and other electronic devices.

1.60 ENVIRONMENTAL LAWS

"Environmental Laws" means all federal and State statutes, and county and CITY ordinances concerning public health, safety and the environment enacted or amended from time to time, including, by way of example and not limitation, AB 341, AB 939, AB 1826, SB 1383, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6902 et seq.; the Federal Clean Water Act, 33 U.S.C. § 1251 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the California Hazardous Waste Control Act, California Health and Safety Code § 25100 et seq.; the Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health and Safety Code § 25300 et seq.; the Porter-Cologne Water Quality Control Act, California Water Code § 13000 et seq.; the Safe Drinking Water and Toxic Enforcement Act, California Health and Safety Code § 25249.5 et seq.; as currently in force or as hereafter amended, and all rules and regulations promulgated thereunder.

1.61 EXEMPT WASTE

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

1.62 FIXED BODY VEHICLE

"Fixed Body Vehicle" means any wheeled vehicle that does not rely on a Roll-Off Box or other detachable Container to Collect, contain and transport material. Dump trucks shall be considered Fixed Body Vehicles.

1.63 FOOD WASTE

"Food Waste" means a subset of Organic Materials including: (i) all kitchen and table food waste scraps, and animal, or vegetable, fruit, grain, dairy or fish waste that attends or results from the storage, preparation, cooking or handling of foodstuffs, with the exception of animal excrement; (ii) paper waste contaminated with putrescible material; and (iii) biodegradable food service ware includes ASTM D6400 designed to disintegrate and biodegrade quickly. Reference Exhibit 5 for accepted and prohibited materials.

1.64 FRANCHISE

"Franchise", for purposes of this Agreement, means the special rights and privileges granted by the CITY to CONTRACTOR under this Agreement to operate as an exclusive enterprise for Collection Services in the Service Area and to use the public rights of way for such purpose.

1.65 GENERATOR

“Generator” means any Person whose act or process produces Discarded Materials, or whose act first causes any of these items to become subject to regulation.

1.66 GREEN WASTE

“Green Waste” means any vegetative matter resulting from normal yard and landscaping maintenance that is not more than three (3) feet in its longest dimension or six (6) inches in diameter which has been source separated by the Customer and set out for Green Waste Collection which except for such Source Separation and set out would have been processed or disposed of as Solid Waste. Green Waste must be generated by and at the Service Unit wherein the Green Waste is Collected. Green Waste does not include items herein defined as Exempt Waste. Reference Exhibit 5 for accepted and prohibited materials.

1.67 GROSS BILLINGS

“Gross Billings” means total amount invoiced to Customers by the CONTRACTOR for the provision of Services pursuant to this Agreement, without any deductions. Gross Billings do not include revenues from any sale of Recyclable Materials.

1.68 HAZARDOUS SUBSTANCE

“Hazardous Substance” means any of the following: (a) any substances defined, regulated or listed (directly or by reference) as "Hazardous Substances" or hazardous material, Hazardous Waste, toxic waste, pollutant, or toxic substances or similarly identified as hazardous to human health or the environment, in or pursuant to: (i) the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) of 1980, 42 USC §9601 et seq. (CERCLA); (ii) the Hazardous Materials Transportation Law, 49 USC §5101, et seq.; (iii) the Resource Conservation and Recovery Act, 42 USC §6901 et seq.; (iv) the Clean Water Act, 33 USC §1251 et seq.; (v) California Health and Safety Code §§25115-25117, 25249.8, 25281, and 25316; (vi) the Clean Air Act, 42 USC §7901 et seq.; and, (vii) California Water Code §13050; (b) any amendments, rules, or regulations promulgated thereunder to such enumerated statutes or acts currently existing or hereafter enacted; and, (c) any other hazardous or toxic substance, material, chemical, waste, or pollutant identified as hazardous or toxic or regulated under any other Applicable Law currently existing or hereinafter enacted, including, without limitation, friable asbestos, polychlorinated biphenyl's (PCBs), petroleum, natural gas, and synthetic fuel products and by-products.

1.69 HAZARDOUS WASTE

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

1.70 HOLIDAYS

“Holidays” shall mean the observed holiday for Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, and New Year's Day.

1.71 HOME-GENERATED SHARPS

“Home-generated Sharps” means hypodermic needles, pen needles, intravenous needles, lancets and other devices that are used to penetrate the skin for the delivery of medications derived from a Residential Property.

1.72 HOUSEHOLD BATTERIES

“Household Batteries” means disposable or rechargeable dry cells such as those referred to as A, AA, AAA, B, C, D, 9-volt, button type or those from laptop computers or cell phones, and commonly used as power sources for consumer electronics devices, including but not limited to zinc oxide, nickel metal hydride, alkaline, mercury, silver oxide, lithium, lithium ion and carbon zinc, but excluding automotive lead acid batteries.

1.73 HOUSEHOLD HAZARDOUS WASTE (HHW)

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

1.74 LIQUIDATED DAMAGES

“Liquidated Damages” means the amounts due by the CONTRACTOR for failure to meet specific quantifiable standards of performance as described in Article 12.6 and are agreed by execution of this Agreement to be reasonable and to not constitute a penalty, or include penalties, or be otherwise unenforceable as set forth in this Agreement.

1.75 MASTER BILLED COMMUNITY

“Master Billed Community” means a parcel of real property on which more than one dwelling unit is located, where the owner of such parcel elects to receive from the CONTRACTOR, and will pay, single invoices for all Solid Waste Collection Services at the parcel. However, Master-Billed Communities do not include multi-family complexes.

1.76 MATERIALS RECOVERY FACILITY (MRF)

“Materials Recovery Facility” or “MRF” means the designated Transfer Station(s) or any other Approved Facility, selected by the CONTRACTOR and approved by the CITY, or specifically designated by the CITY, designed, operated, and legally permitted for the purpose of receiving, sorting, processing, storing, or preparing Recyclable Materials and cardboard, scrap metal, wood, asphalt, concrete and other inert materials for sale.

1.77 MULTI-FAMILY, MULTI-FAMILY DWELLING (MFD), MULTI-FAMILY SERVICE UNIT

“Multi-Family,” “Multi-Family Dwelling,” “MFD,” or “Multi-Family Service Unit” means any Residential Premises, other than a Single-Family Premises, with five (5) or more Dwelling Units used for Residential purposes, regardless of whether residence therein is temporary or permanent, that receive centralized Collection Service for all units on the Premises which are billed to one (1) Customer at one (1) address. MFD shall be deemed a Commercial Service unit for the purposes of this Agreement.

1.78 NON-COLLECTION NOTICE

“Non-Collection Notice” means a form, as approved in advance by the CITY, used to notify a Service Recipient of the reason for the non-Collection of materials set out by the Service Recipient for Collection by the CONTRACTOR pursuant to this Agreement.

1.79 ORGANIC MATERIALS

“Organic Materials” means Green Waste and Food Waste, food-soiled paper products and/or those materials designated from time to time in CITY or State legislation for Collection and Recycling under this Agreement. No Discarded Material shall be considered to be Organic Materials, however, unless it is separated from Solid Waste and Recyclable Material.

1.80 ORGANIC MATERIAL COLLECTION: COMMERCIAL PREMISES

“Organic Material Collection” for Commercial Premises means Green Waste collection, Food Waste Collection and/or co-Collected Green Waste and Food Waste.

1.81 ORGANIC MATERIAL COLLECTION: MFD

“Organic Material Collection” for MFD means Green Waste collection, Food Waste Collection and/or co-Collected Green Waste and Food Waste.

1.82 ORGANIC MATERIAL COLLECTION: SFD

“Organic Material Collection” for SFD means Green Waste in Year One of the Agreement and co-Collected Green Waste and Food Waste in Year Two of the Agreement and all subsequent years.

1.83 ORGANIC MATERIALS PROCESSING FACILITY

“Organic Materials Processing Facility” means the designated Organic Materials Processing Facility or such other facility selected by the CONTRACTOR and approved by the CITY, or specifically designated by the CITY, which is designed, operated and legally permitted for the purpose of receiving and processing Green Waste, Food Waste or co-Collected Green Waste and Food Waste.

1.84 PARTY, PARTIES

“Party” or “Parties” refers to the CITY and the CONTRACTOR, individually or together, as applicable.

1.85 PERSON

“Person” means any individual, firm, association, organization, partnership, corporation, trust, joint venture, or public entity.

1.86 PREMISES

“Premises” means any land or building in the Service Area where Solid Waste, Recyclable Materials, Organic Materials, or C&D are generated or accumulated.

1.87 PROCESSING

“Processing” means to sort, separate, prepare, treat, bale or otherwise package, Compost, cure, or to take other steps necessary to re-use materials at the Approved Facilities, or to remanufacture, reconstitute, and or create new products from Discarded Materials. Processing includes reuse, Recycling and Composting.

1.88 RATE YEAR

“Rate Year” means a 12-month period, beginning with the Commencement Date and concluding twelve (12) months later, for which the CONTRACTOR’s Compensation is calculated.

1.89 RECYCLABLE MATERIALS

“Recyclable Materials” means those materials which are capable of being Recycled and which have been Source Separated by the Customer and which except for such Source Separation would otherwise be processed or disposed of as Solid Waste. No Discarded Materials shall be considered Recyclable Materials unless such material is separated from Solid Waste and Organic Materials. CITY and CONTRACTOR agree to meet from time to time as needed, and in good faith consider modifications to the list in Exhibit 5 of acceptable Recyclable Material to address developments in processing technologies, emerging uses for various types of materials, changes in available markets, or other relevant issues. Reference Exhibit 5 for accepted and prohibited materials.

1.90 RECYCLE, RECYCLING

“Recycle” or “Recycling” means the process of collecting, sorting, cleansing, treating and reconstituting materials that would otherwise be disposed of in a landfill, and returning them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace.

1.91 RESIDENTIAL, RESIDENTIAL PROPERTY

“Residential,” or “Residential Property” means on, of or pertaining to property lawfully used for Residential purposes, irrespective of whether such Dwelling Units are emergency housing of any type or nature, rental units or owner-occupied, or whether Commercial activities are conducted thereon or therefrom, provided that such Commercial activities are permitted under applicable zoning regulations and do not consist of the primary use of the property. For the purposes of this Agreement, each apartment, flat, or dwelling unit of a duplex, triplex, 4-unit or less apartment house, or 4-unit or less condominium complex shall be considered as a separate dwelling, unless the managers or residents of such a complex arrange for centralized Disposal which shall be treated as a Commercial Entity. Further, tents, “pop-up” housing, temporarily converted structures used for housing, or any other temporary or emergency housing shall be subject to good faith negotiation between the Parties for centralized Disposal which shall be treated as a Commercial Entity.

1.92 RESIDENTIAL SERVICE WORK DAY

“Residential Service Work Day” means any day Monday through Friday.

1.93 RESIDUE

“Residue” means unrecoverable materials remaining after Processing Discarded Materials for which there are no

other options for viable use and which therefore must be disposed of in a landfill.

1.94 REUSABLE MATERIALS

“Reusable Materials” means items that are capable of being used again after minimal Processing. Reusable Materials may be Collected Source Separated or recovered through a Processing Facility.

1.95 ROLL-OFF BOX

“Roll-Off Box” mean open-top Containers with a typical capacity of eight (8) to forty (40) cubic yards that are Serviced by a roll-off Collection vehicle.

1.96 SENATE BILL 1383 (CHAPTER 395, STATUTES OF 2016) (SB 1383)

“SB 1383” means Chapter 395, Statutes of 2016 [Lara, SB 1383] relating to short lived climate pollutants, commonly referred to as “SB 1383”, as amended, supplemented, superseded, and replaced from time to time.

1.97 SERVICE AREA

“Service Area” means that area within the corporate limits of Mission Viejo, California or as directed by law or enactment of any governmental entity.

1.98 SERVICE LEVEL

“Service Level” means the size of a Customer’s Container and the frequency of Collection Service.

1.99 SERVICE RECIPIENT

“Service Recipient” means an individual, agency, organization or company receiving Collection Service pursuant to this Agreement.

1.100 SINGLE-FAMILY, SINGLE-FAMILY DWELLING (SFD), SINGLE-FAMILY SERVICE UNIT

“Single-Family,” “Single-Family Dwelling,” “SFD,” or “Single-Family Service Unit” means, for purposes of this Agreement, notwithstanding any contrary definition in a CITY Code, any detached or attached house or residence designed or used for occupancy by one (1) family, provided that Collection Service feasibly can be provided to such Premises as an independent unit, and the owner or occupant of such independent unit is billed directly for the Collection Service. “Single-Family,” “Single-Family Dwelling,” “SFD,” or “Single-Family Service Unit” includes Residential units of a duplex, tri-plex, or four-plex Residential structure provided that the owner or Occupant of each unit is separately billed for its specific Service Level.

1.101 SINGLE-FAMILY DWELLING SERVICE

“Single-Family Dwelling Service” means Collection Services performed at and for Single-Family Dwellings.

1.102 SOLID WASTE

“Solid Waste” means Solid Waste as defined in California Public Resources Code, Division 30, Part 1, Chapter 2, §40191 and regulations promulgated hereunder. Excluded from the definition of Solid Waste are Exempt Waste,

Source Separated C&D, Source Separated Recyclable Materials, Source Separated Organic Materials, and radioactive waste. Notwithstanding any provision to the contrary, Solid Waste may include de minimis volumes or concentrations of waste of a type and amount normally found in Solid Waste after implementation of programs for the safe Collection, Recycling, treatment, and Disposal of Household Hazardous Waste in compliance with Section 41500 and 41802 of the California Public Resources Code as may be amended from time to time. Solid Waste includes salvageable materials only when such materials are included for Collection in a Solid Waste Container.

1.103 SOURCE REDUCTION

“Source Reduction” means any action which causes a net reduction in the generation of Solid Waste. It includes, but is not limited to, reducing the use of non-Recyclable materials, replacing disposable materials and products with Reusable Materials and products, reducing packaging, reducing the amount of Green Waste, Food Waste, and/or Construction and Demolition materials generated, and increasing the efficiency of the use of paper, cardboard, glass, metal, plastic, and other materials, as well as the food rescue of edible food.

1.104 SOURCE SEPARATED, SOURCE SEPARATION

“Source Separated” or “Source Separation” means the segregation from Solid Waste, by the Generator, of materials designated for separate Collection for some form of Recycling, Composting, recovery, rescue or reuse. A load of Source Separated materials that contains more than ten (10) percent Solid Waste shall not be considered source separated.

1.105 SPECIAL EVENT COLLECTION SERVICE

“Special Event Collection Service” means the Collection of Solid Waste, Recyclable Materials and Organic Materials as appropriate at CITY-sponsored special events.

1.106 SPLIT BIN

“Split Bin” means metal Container, with a capacity of typically three (3) or four (4) cubic yards, designed with a dividing panel to separate Solid Waste and Recyclables mechanically dumped into a loader packer type truck that is approved for such purpose by the CITY. Bins may also include Compactors that are owned by the Multi-Family Dwelling (MFD) or Commercial Service Unit wherein the MFD or Commercial Collection Service occurs.

1.107 STATE

“State” means the State of California.

1.108 SUBCONTRACTOR

“Subcontractor” means any party who has entered into a contract, express or implied, with the CONTRACTOR for the performance of an act that is necessary for the CONTRACTOR’s fulfillment of its obligations for providing Service under this Agreement. CONTRACTOR shall be solely liable to CITY for all of Subcontractor’s actions, including but not limited to tort, civil, administrative and regulatory violations and shall defend, indemnify and pay all CITY costs of any type or nature related to Subcontractor actions or inactions. Vendors providing materials and supplies to the CONTRACTOR shall not be considered Subcontractors. CONTRACTOR shall not be required to indemnify the CITY from loss or liability to the extent such loss arises from the negligence or willful misconduct of

the CITY, its agents, directors and employees, at such time that such negligence or willful misconduct has been finally determined by a court of competent jurisdiction.

1.109 TERM

“Term” means the period of this Agreement, including extension periods if granted, as provided for in Article 3.

1.110 TRANSFER STATION

“Transfer Station” means a facility, selected by the CONTRACTOR and approved by the CITY, or specifically designated by the CITY, designed, operated and legally permitted for the purpose of receiving and transferring Solid Waste, Recyclable Materials including Green Waste and Food Waste, Bulky Items, and/or C&D Debris.

1.111 UNIVERSAL WASTE

“Universal Waste” means wastes, including, without limitation, Household Batteries, fluorescent light bulbs, mercury switches, and Electronic Waste.

1.112 WHITE GOODS

“White Goods” means discarded refrigerators, ranges, water heaters, freezers, and other similar household appliances.

ARTICLE 2: REPRESENTATIONS AND WARRANTIES

The Parties, by acceptance of this Agreement, represent and warrant the conditions presented in this Article.

2.1 CONTRACTOR'S CORPORATE STATUS

The CONTRACTOR is a corporation duly organized, validly existing and in good standing under the laws of California. It is qualified to transact business in California and has the power to own its properties and to carry on its business as now owned and operated and as required by this Agreement and shall take all actions necessary to maintain this status during the term of this Agreement, including extensions.

2.2 CONTRACTOR'S CORPORATE AUTHORIZATION

Each signatory of this Agreement represents and warrants that he or she has the full legal authority to execute and deliver the same on behalf of the Party for which the signatory is acting.

2.3 AGREEMENT WILL NOT CAUSE BREACH

To the best of the CONTRACTOR's and the CITY's knowledge after reasonable investigation, the execution or delivery of this Agreement or the performance by either Party of their respective obligations hereunder does not conflict with, violate, or result in a breach: (i) of any Applicable Law; or (ii) any term or condition of any judgment, order, or decree of any court, administrative agency or other governmental authority, or any agreement or instrument to which the CONTRACTOR or any other local governmental entity is a party or by which the CONTRACTOR or any of its properties or assets are bound, or constitutes a default hereunder.

2.4 NO LITIGATION

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

- Materially adversely affect the performance by the CONTRACTOR of its obligations hereunder;
- Adversely affect the validity or enforceability of this Agreement; or,
- Have a material adverse effect on the financial condition of the CONTRACTOR, or any surety or entity guaranteeing the CONTRACTOR's performance under this Agreement.

2.5 NO ADVERSE JUDICIAL DECISIONS

To the best of the CONTRACTOR's and the CITY's knowledge after reasonable investigation, there is no judicial decision that would prohibit this Agreement or subject this Agreement to legal challenge.

2.6 NO LEGAL PROHIBITION

To the best of each Party's knowledge, after reasonable investigation, there is no Applicable Law in effect on the date that Party signed this Agreement that would prohibit the performance of their respective obligations under this Agreement and the transactions contemplated hereby.

2.7 CONTRACTOR'S ABILITY TO PERFORM

The CONTRACTOR warrants and guarantees that it possesses the business, professional, and technical expertise to perform all Services, obligations, and duties as described in and required by this Agreement, including all Exhibits thereto. The CONTRACTOR possesses the ability to secure equipment, facility, and employee resources required to perform its obligations under this Agreement.

2.8 CONTRACTOR'S INVESTIGATION

The CONTRACTOR has made an independent investigation and analysis, the results of which are satisfactory to the CONTRACTOR, of the conditions and circumstances surrounding this Agreement, its content and preparation, and the work to be performed by the CONTRACTOR under this Agreement. This Agreement accurately and fairly represents the intentions of the CONTRACTOR, and the CONTRACTOR enters into this Agreement on the basis of that independent investigation and analysis.

2.9 STATEMENTS AND INFORMATION IN CONTRACTOR'S PROPOSAL

The CONTRACTOR's Proposal and supplementary information submitted by the CONTRACTOR for the work to be performed by the CONTRACTOR under this Agreement does not contain any untrue statement of a material fact nor omit any material facts relevant to the ability of the CONTRACTOR to perform the work under this Agreement.

ARTICLE 3: TERM OF AGREEMENT

3.1 INITIAL TERM

The Term of this Agreement shall be for a period of eight (8) years beginning January 1, 2021 and terminating on December 31, 2028, unless sooner terminated in accordance with the terms provided herein.

3.2 FIRST EXTENSION OF INITIAL TERM

On or before September 30, 2027, the City Council may approve an offer to the CONTRACTOR in writing for a one (1) year extension of this Agreement for the period January 1, 2029 through December 31, 2029. Provision of such offer shall be at the sole discretion of the City Council, and will be contingent upon the CONTRACTOR's achievement of the performance standards described in Exhibit 9. The CONTRACTOR shall provide written notice to the CITY as to whether the CONTRACTOR accepts or rejects the CITY's offer within twenty (20) Business Days of the date of the offer. If the CONTRACTOR fails to provide such notice to the CITY within said twenty (20) Business Days, the CITY's offer shall be deemed withdrawn and the CITY shall have no obligation to extend the Term of this Agreement beyond December 31, 2028. If the Term of this Agreement is extended, the maximum approved rate provisions of

Article 10 shall not be subject to negotiation. However, maximum approved rates shall be adjusted annually throughout the extended Term as provided in Article 10.

3.3 SECOND EXTENSION OF TERM

On or before September 30, 2028, the City Council may approve an offer to the CONTRACTOR in writing for a one (1) year extension of this Agreement for the period January 1, 2030 through December 31, 2030. Provision of such offer shall be at the sole discretion of the City Council. The CONTRACTOR shall provide written notice to the CITY as to whether the CONTRACTOR accepts or rejects the CITY's offer within twenty (20) Business Days of the date of the offer. If the CONTRACTOR fails to provide such notice to the CITY within said twenty (20) Business Days, the CITY's offer shall be deemed withdrawn and the CITY shall have no obligation to extend the Term of this Agreement beyond DATE. If the Term of this Agreement is extended, the maximum approved rate provisions of Article 10 shall not be subject to negotiation. However, maximum approved rates shall be adjusted annually throughout the extended Term as provided in Article 10.

ARTICLE 4: GRANT AND ACCEPTANCE OF EXCLUSIVE AGREEMENT

4.1 GRANT AND ACCEPTANCE OF EXCLUSIVE AGREEMENT

Except as otherwise provided in this Agreement, the CONTRACTOR is hereby granted and the CONTRACTOR hereby accepts the exclusive right to provide Collection Services within the Service Area. No other Services shall be exclusive to the CONTRACTOR.

4.2 LIMITATIONS TO THE SCOPE OF EXCLUSIVE AGREEMENT

The following services and materials shall be excluded from the scope of this Agreement:

- A. Recyclable Materials or Bulky Items.** Recyclable Materials or Bulky Items that are Source Separated from Solid Waste by a Service Recipient for which the waste Generator sells or is otherwise compensated by a collector in a manner resulting in a net payment to the waste Generator;
- B. Self-Hauled Materials.** Solid Waste, Recyclable Materials, Bulky Items, Green Waste, Organic Materials or C&D Debris which is removed from any SFD Service Unit, MFD Service Unit, Commercial Service Unit, or CITY Service Unit, and which is transported personally by the owner or occupant of such Premises (or by his or her full-time employees) to a Recycling, Processing or Disposal Facility;
- C. Source Separated Materials.** Recyclable Materials, Green Waste, Organic Materials, edible Food Waste or Bulky Items which are source separated at any Premises by the waste Generator and donated to youth, civic or charitable organizations;
- D. Materials Removed by Customer's Contractor as Incidental Part of Services.** Solid Waste, Recyclable Materials, Organic Materials, Bulky Items and/or C&D removed from a Premise by a company (e.g., gardener, landscaper, tree-trimming service, construction contractor, Residential clean-out service) as an incidental part of the service being performed by the company where the company uses its own equipment and employees for the Collection and transportation of such materials;

- E. **Source Separated White Goods, Bulky Items, etc.** Removal and transportation of White Goods, Bulky Items or other material as part of the services of providing a replacement item when such removal and transportation is provided by the vendor who sold the replacement item;
- F. **Hazardous Waste.** Hazardous Waste regardless of its source;
- G. **CONTRACTOR Requested Solid Waste.** SFD Waste, MFD Waste, Commercial Waste or CITY Waste that are removed from a Premise by a company through the performance of a service that the CONTRACTOR has requested and received written permission from the Contract Administrator not to provide;
- H. **Governmental Agencies.** Solid Waste Services for governmental agencies other than City, which may have facilities in City, but over which City has no jurisdiction in connection with the regulation of Solid Waste; and
- I. **Animal Waste.** The collection, transfer, transport, Recycling, processing, and Disposal of animal waste and remains from slaughterhouse or butcher shops for use as tallow.

4.3 EXCLUDED SERVICES

The CONTRACTOR acknowledges and agrees that the CITY may permit other Persons besides the CONTRACTOR to Collect any and all types of materials excluded from the scope of this Agreement as set forth in Article 4 or not otherwise expressly identified herein, without seeking or obtaining approval of the CONTRACTOR.

4.4 EXCLUSIVITY

This Agreement is exclusive in nature, and notwithstanding Section 4.2, neither the CITY nor its residents shall make or enter into any other agreement or arrangement for the Collection, Transport, Removal, Disposal, or Processing of Solid Waste, Recyclable Materials, Organic Material or Bulky Items from within said CITY boundaries during the term of this Agreement, or of any extension or renewal thereof unless required by law or regulation of the County, State or Federal government.

4.5 ENFORCEMENT OF EXCLUSIVITY

All Residential premises, Commercial and community activities of every kind and description that generate Solid Waste and Residential Curbside Recyclable Materials shall be required by CITY to utilize the Collection and Container Services of the CONTRACTOR provided for herein.

In the event the CONTRACTOR can produce pictorial evidence or other documentation that other Persons are Servicing Collection Containers or are Collecting Solid Waste, Recyclable Materials, Organic Materials or Bulky Items in a manner that is not consistent with this Agreement, the CITY reasonably shall cooperate with the CONTRACTOR in the efforts of the CONTRACTOR to enforce its rights under this Agreement, except that the CITY is under no legal obligation to commence any action or proceeding to enforce any such rights as the result of third-party conduct, and is further not subject to any liability in law or equity for the conduct of any third-party.

4.6 APPLICABLE LAW

This Agreement and scope of this Agreement shall be interpreted to be consistent with Applicable Law, now and during the Term of this Agreement. If future judicial interpretations of current law or new laws, regulations, or judicial

interpretations limit the ability of the CITY to lawfully contract for the scope of services consistent with the manner and consistent with all provisions as specifically set forth herein, the CONTRACTOR agrees that the scope of this Agreement will be limited to those Services and materials which may be lawfully included herein and that the CITY shall not be responsible for any lost profits or losses claimed by the CONTRACTOR to arise out of limitations to the scope or provisions of this Agreement set forth herein. In such an event, it shall be the responsibility of the CONTRACTOR to minimize the financial impact of such future judicial interpretations or new laws and the CONTRACTOR may meet and confer with CITY and may petition for a rate adjustment pursuant to Article 10.

4.7 OBLIGATIONS OF PARTIES

In addition to the specific performance required under this Agreement, CITY and the CONTRACTOR shall:

- A.** Use their reasonable efforts to enforce the exclusiveness of this Agreement by the CONTRACTOR's identification and documentation of violations of this Agreement and the CITY's notification of Generators and Collection companies reasonably believed to be Collecting or allowing others to Collect Discarded Materials in a manner that is inconsistent with the terms of this Agreement. Notwithstanding the foregoing, the CITY is not required to commence legal actions adverse to any person, firm or entity violating the exclusivity of this Agreement but shall reasonably cooperate.
- B.** Provide timely notice to one another of a perceived failure to perform any obligations under this Agreement and access to information demonstrating the Party's failure to perform.
- C.** Provide timely access to the Contract Administrator and the CONTRACTOR's designated representative and complete and timely responses to requests of the other Party.
- D.** Provide timely notice of matters which may affect either Party's ability to perform under this Agreement.

ARTICLE 5: SCOPE OF COLLECTION SERVICES

5.1 SUMMARY SCOPE OF SERVICES

The CONTRACTOR or its Subcontractor(s) shall be responsible for the following:

- A.** Collecting Solid Waste, Recyclable Materials, Organic Materials, Bulky Items, Household Hazardous Waste, Electronic Waste, Universal Waste, and C&D Debris generated by and placed for Collection by Customers of the CONTRACTOR's services and the CITY pursuant to the requirements of Article 5;
- B.** Transporting Collected materials to the appropriate Approved Facilities pursuant to the requirements of Article 6;
- C.** Performing all other services required by this Agreement including, but not limited to, Customer billing, Customer service, record keeping, and reporting pursuant to Article 8;
- D.** Performing all public outreach and education requirements pursuant to Exhibit 7;
- E.** Performing all monitoring and auditing requirements pursuant to Exhibit 8;

- F. Furnishing all labor, supervision, vehicles, Containers, other equipment, materials, supplies, and all other items and services necessary to perform its obligations under this Agreement;
- G. Paying all expenses related to provision of services required by this Agreement including, but not limited to, taxes, host fees, business and any other license fees, regulatory fees (including CITY fees or similar surcharges as applicable), and utilities; paying all expenses related to the operation, permitting, licensing, regulatory fees for all Approved Facilities owned/operated by the CONTRACTOR or the CONTRACTOR's Affiliate; paying for all expenses related to Changes in Law at Approved Facilities owned/operated by the CONTRACTOR or the CONTRACTOR's Affiliate; and, paying all expenses related to any construction, any land or facility improvements, any repair and/or replacement of equipment and all other expected or unforeseen costs associated with all Approved Facilities owned/operated by the CONTRACTOR or the CONTRACTOR's Affiliate;
- H. Performing or providing all services necessary to fulfill its obligations in full accordance with this Agreement at all times using best industry practice for comparable operations; and,
- I. Complying with all Applicable Laws.

The CONTRACTOR shall perform the work and provide the services pursuant to this Agreement in a thorough and professional manner so that the residents and businesses within the Service Area are provided reliable, courteous, and high-quality service at all times. The enumeration and specification of particular aspects of service, labor, or equipment requirements shall not relieve the CONTRACTOR of the duty to perform all other tasks and activities necessary to fulfill its obligations under this Agreement, regardless of whether such requirements are enumerated elsewhere in this Agreement, unless excused in accordance with Article 12.7.

The CONTRACTOR shall not knowingly deliver materials Collected under this Agreement to facilities that do not comply in all material aspects with Applicable Law. The CONTRACTOR, and not the CITY, must use reasonable efforts to assure that all Disposal, transfer, and Processing facilities to which the CONTRACTOR delivers material under this Agreement are properly permitted to receive material Collected under this Agreement, except for any other facility that the CITY directs the CONTRACTOR to use. Failure to comply with this provision may result in the CONTRACTOR being in default under this Agreement.

5.2 USE OF APPROVED FACILITIES

The CONTRACTOR, without constraint, undue influence or implied direction and as its free-market business decision in accepting this Agreement, agrees to use the Approved Facilities for the purposes of Processing and/or Disposing of all Solid Waste, Recyclable Materials, Organic Materials, and other materials Collected in the CITY. Such decision by the CONTRACTOR in no way constitutes a restraint of trade. If the CONTRACTOR or Affiliate owns and/or operates Approved Facility, all expenses associated with permitting, licensing, regulatory compliance, closure and post-closure, etc. and all other costs associated with the operation and ownership of the Approved Facility is the sole responsibility of the CONTRACTOR.

5.3 SUBCONTRACTING

The CONTRACTOR shall not engage any Subcontractors for Collection, transportation, or Processing of Solid Waste, Recyclable Materials, or Organic Materials, or street sweeping services, without the prior written consent of the CITY, by a designated officer. If the CONTRACTOR plans to engage other affiliated or related party entities in the

provision of services, the CONTRACTOR shall provide the Contract Administrator with thirty (30) days written notification of its plans and provide an explanation of any potential impacts related to the quality, timeliness, or cost of providing services under this Agreement.

5.4 RESPONSIBILITY FOR MATERIALS

Once Solid Waste, Recyclable Materials and Organic Materials are placed in the CONTRACTOR's Containers and at the Collection location, the responsibility for their proper handling shall transfer directly from the Generator to the CONTRACTOR, with the exception of Exempt Waste if the CONTRACTOR can identify the Generator. Once Solid Waste, Recyclable Materials and Organic Materials are deposited by the CONTRACTOR at the appropriate Approved Facility, such materials shall become the responsibility of the owner or operator of the Approved Facility with the exception of Exempt Waste. Responsibility for Exempt Waste that has been inadvertently Collected by the CONTRACTOR shall remain with the CONTRACTOR if it cannot identify the Generator, and the CONTRACTOR shall assume all responsibility for its proper Disposal.

5.5 CITY-DIRECTED CHANGES TO SCOPE

Upon request of the CITY, the CITY may require a prompt meet and confer with the CONTRACTOR to establish the scope of any additional services or modification to existing services (which may include use of Approved Facilities), or cessation of any service to be provided under this Agreement. In such case, the CONTRACTOR shall present, within thirty (30) calendar days of the CITY's request, a written proposal to provide such additional, modified or eliminated services. The CITY shall review the CONTRACTOR's proposal for the change in scope of services. The CITY and the CONTRACTOR may meet and confer to negotiate the CONTRACTOR's proposed revisions and shall amend this Agreement, as appropriate, to reflect the mutually agreed-upon changes in scope. If City-Directed changes cause an increase or decrease in the cost of performing services, the provisions of Section 10.6 shall apply.

5.6 SINGLE-FAMILY DWELLING COLLECTION SERVICES

Single Family Dwelling means each Residential property and residentially used property, including each unit of a condominium project, duplex, triplex, townhouse, apartment building or mobile home park in which each of the premises receives individual Solid Waste Collection Service using Carts.

The default Service Level will be weekly, automated Collection of three (3) 96-gallon Carts for each curb-serviced household.

- A. Weekly Solid Waste Collection.** CONTRACTOR shall collect and remove Solid Waste from all SFD Customers once per week from CONTRACTOR-provided Carts. CONTRACTOR will provide each SFD with a new, wheeled Cart for automated Collection of solid waste. The default Service Level will be a 96-gallon Cart Collected weekly. The CONTRACTOR shall provide a 64- or a 32-gallon Cart as a substitute depending on the Customer's preference and need. No discount will be given for using smaller Carts. Customers may add additional Carts as may be needed at an additional charge. Customers will be required to place the Cart(s) curbside for Collection. Solid Waste Collection Service is mandatory for all service locations.
- B. Weekly Single-Stream Recycling Collection.** CONTRACTOR shall provide each SFD with a new, wheeled Cart for automated Collection of Recyclable Materials as defined in this Agreement. The default Service Level will be a 96-gallon Cart collected weekly. The CONTRACTOR shall provide a 64-

or a 32-gallon Cart as a substitute depending on the Customer's preference and need. No discounts will be given for using smaller or no Carts. Customers may request one (1) additional Recycling Cart at no additional charge, and additional Carts above that will be provided for an additional fee. Customers will be required to place the Cart(s) curbside for collection.

- C. Weekly Organic Materials Recycling Collection.** CONTRACTOR will provide each SFD with a new, wheeled Cart for automated Collection of Organic Materials. The default Service Level will be a 96-gallon Cart collected weekly. The contractor shall provide a 64- or 32-gallon Cart as a substitute depending on the Customer's preference and need. No discount will be given for using smaller or no Carts. Customers may request one (1) additional Organic Materials Cart at no additional charge and additional Carts above that will be provided for an additional fee. Customers will be required to place the Cart(s) curbside for collection.
- **Year One Green Waste Collection.**

CONTRACTOR will, upon the commencement of the Agreement on January 1, 2021, provide a source separated Green Waste Collection program to all SFDs. On January 1, 2022, this program will be replaced with the Co-Collected Green Waste and Food Waste Collection program.
 - **Co-Collected Green Waste and Food Waste Collection.**

CONTRACTOR will, upon the commencement of SB 1383 on January 1, 2022, provide a Co-Collected Green Waste and Food Waste Collection program to all SFDs, with source separated Green Waste Co-Collected with Food Waste.
- D. Cart Roll Out.** The CONTRACTOR shall roll out and return carts for any Customer who is legally or medically recognized as disabled at no additional charge. Any other SFD Customer requesting roll out and return of carts shall pay a separate fee not to exceed the maximum rates approved by the City.
- E. On-Call Bulky Waste Collection.** CONTRACTOR will provide on-call Collection of Bulky Waste, as defined in the Agreement subject to the conditions of that program, to SFDs scheduling the service with CONTRACTOR with 48 hours' notice. Items will be collected on Customers regular Collection day. CONTRACTOR will be required to separate and Recycle all commodities that can be feasibly recovered. Customers may place up to five items out for Collection per pick-up. Customers are entitled to three (3) pick-ups per dwelling per year at no additional charge.
- F. Household Hazardous Waste, Universal Waste and Electronic Waste Collection.** The CONTRACTOR will provide, either directly, or through a City-approved Subcontractor, twice-annual Household Hazardous Waste, Universal Waste and Electronic Waste Collection events at no additional charge to SFD and MFD Customers. The program will include, at a minimum, the items that are listed in Exhibit 6 of the Agreement.
- G. Household Battery Collection.** Collector will also provide and service household battery drop-off containers that may be located at up to ten (10) CITY-designated sites throughout the City as described in Exhibit 4 City Facilities.
- H. Unused Medication and Sharps Collection.** CONTRACTOR or the CONTRACTOR'S approved subcontractor shall provide collection of unused medication and sharps from the CITY's designated location. CONTRACTOR or the CONTRACTOR'S approved subcontractor shall provide two (2) secured Collection lockers for public drop-off of unused medications and one (1) secured Collection

locker for public drop-off of sharps. Lockers shall be serviced a minimum of two (2) times each month and as needed to ensure adequate capacity for the unused medications and sharps.

- I. **Home Composting Workshops.** The CONTRACTOR will implement an annual program to offer home Composting workshops, available to all SFDs in the City, including one (1) workshop in the Spring and one (1) workshop in the Fall. The CONTRACTOR will develop workshop activities and learning objectives to be incorporated into an outline and submitted to the CITY 90 days prior to the first scheduled workshop for CITY approval. The CONTRACTOR will provide the opportunity to purchase a Composting Bin (e.g. Soil Saver Composting Bin or similar) at price 50% lower than retail for any CITY resident attending a workshop.
- J. **Compost Give-Away.** The CONTRACTOR will provide the City with Compost for annual give-away event as designated by the City. The CONTRACTOR will provide two (2) ten (10) yard Bins of Compost to distribute to residents in conjunction with Earth Day. Mission Viejo residents will be able to fill their own containers, on a first-come, first-served basis, with Compost. Alternatively, CONTRACTOR may provide the equivalent volume of bagged Compost for distribution. The CONTRACTOR will provide staff to monitor and manage each give-away event location for the duration of the event. The date and location are to be determined by the City.
- K. **Document Shredding Events.** The CONTRACTOR or its subcontractor will provide two (2) document shredding events each year for SFD and MFD residents for a minimum of four (4) hours per event. Residents may drop off up to ten (10) file boxes of documents or the equivalent volume of bagged documents for shredding per event. The date and location are to be approved by the City.
- L. **Annual Holiday Tree Recycling Collection.** Annually, commencing the first Residential Service Work Day after January 1, 2021 and the first Residential Service Work Day after December 25 in all subsequent Agreement Years, and ending the third Saturday in January for all Agreement Years, the CONTRACTOR shall collect Holiday Trees from SFDs and MFDs. Holiday trees will be collected on the Customer's normal Collection days at Customer's Collection location for Solid Waste. In addition, CONTRACTOR shall deliver Roll-Off Boxes at up to three (3) locations established by the City for Holiday Tree Collection during a three (3) -week drop-off event for use by SFD, MFD and Commercial Customers. The Roll-Off boxes shall be serviced no less than once per week, and contractor shall be responsible for the maintenance of the Roll-Off Box. CONTRACTOR shall deliver the collected Holiday Trees to an appropriate facility for processing. This annual service shall be provided at no additional charge.

5.7 MULTI-FAMILY DWELLING COLLECTION SERVICES

MFD means a Residential Premise at which Solid Waste is Collected by Bin, and not by Cart, irrespective of whether residency at that property is transient, temporary, or permanent. When discussing Solid Waste, Recycling, Green Waste, Food Waste or Organics Collection Service changes with Customers, CONTRACTOR must provide a rate schedule to Customers denoting all Service Levels and all possible frequencies of collection. Sunday Collection will be made available as a premium service for an additional fee not to exceed the CITY-approved rate in Exhibit 1 of the Agreement.

MFD Customers will be required to have Recycling and Green Waste Collection Services in addition to Solid Waste Collection Services unless they have other acceptable accommodations (i.e. landscaper removes all Green Waste). MFD Customers will be required to have Food Waste Collection or co-Collected Green Waste and Food Waste

Collection upon commencement of SB 1383.

CONTRACTOR shall allow MFD Customers to use Carts or Bins for Solid Waste Collection that are shared by the occupants of the Premises. CONTRACTOR shall provide one (1) or more Cart(s) or Bin(s) to such Customers as requested by Customer, provided that capacity shall be sufficient to provide that no Solid Waste need be placed outside the Container(s). CITY shall make final determination as to the number and size of Containers, and frequency of Collection to be provided to Customers.

CONTRACTOR shall give special consideration when determining the Collection location for Multi-Family Residential Complexes to ensure that the flow of traffic is not impeded and that it does not result in aesthetic degradation of an area. The designated Collection location, if disputed by Customer or CONTRACTOR, shall be determined by the CITY.

Additionally, if in the CITY's opinion the location of an existing Collection location is inappropriate, CITY may require the Customer or CONTRACTOR to relocate the Collection Containers.

- A. Solid Waste Collection.** CONTRACTOR shall collect Solid Waste from MFDs as frequently as scheduled by Customer, but not less than once per week and more frequently if required to handle the waste generated at the Premises where the Bins are located. The CONTRACTOR shall provide black Containers as part of the Collection Service as rates set forth in Exhibit 1. The size of the Container and the frequency (above the minimum) shall be determined between the Customer and the CONTRACTOR. Size and frequency shall be sufficient to provide that no Solid Waste need be placed outside the Bin. In special circumstances, Carts with black lids may be used for MFD Collection Service by special arrangement between the CONTRACTOR and Customer.
- B. Recyclable Materials Collection.** CONTRACTOR will provide Recycling Collection Service to all Customers requesting this service at a rate set at fifty percent (50%) of the established Solid Waste rate for corresponding size and frequency of service. Customers will have the opportunity to subscribe to the appropriate Service Level. CONTRACTOR will provide Carts with blue lids, blue Bins and roll-off boxes for Collection of commingled Recyclable materials. To prevent the Contamination of Recyclables, the CONTRACTOR will provide "restricted access" lids for Recycling Collection Containers, as requested by the CITY or the Customer.
- C. Green Waste Recycling Collection.** CONTRACTOR will provide wheeled Carts with green lids and green Bins for Collection of Green Waste to all Customers requesting this service at a rate set at fifty percent (50%) of the established Solid Waste rate for the corresponding size and frequency of service. Customers will have the opportunity to subscribe to the appropriate Service Level. 96-gallon Carts will be made available. Bins will be made available in sizes including 2, 3, 4, and 6 cubic yards. Collection frequency will be at least once (1) per week and up to seven (7) times per week. Drop Box service will also be made available in Containers sizes including: 10, 15, 20, 25, 30 and 40 cubic yards. Customers and CONTRACTOR will determine a mutually acceptable Collection location.
- D. Food Waste Collection.** CONTRACTOR will provide wheeled Carts and Bins for Collection of source-separated Food Waste at a rate set at fifty percent (50%) of the established Solid Waste Rate for the corresponding size and frequency of service. Customers will have the opportunity to subscribe to the appropriate Service Level. CONTRACTOR will provide Cart lids and Bins in a color that complies with SB 1383 requirements for Collection of Food Waste. 35-, 64- and 96-gallon Carts will be made available and Bins be made available in sizes including 1, 1.5 and 2 cubic yards. Collection

- frequency will be at least once (1) per week and up to seven (7) times per week. Customers will be charged a rate set at fifty percent (50%) of the established Solid Waste rate for corresponding size and frequency of service. MFD Customers will have the opportunity to subscribe to the appropriate Service Level. Collection frequency will be at least once (1) per week and up to seven (7) times per week. Customers and CONTRACTOR will determine a mutually acceptable Collection location.
- E. **Co-Collected Green Waste and Food Waste Recycling Collection.** CONTRACTOR will provide wheeled Carts and Bins for the co- Collection of Green Waste and Food Waste to all Customers requesting this service at a rate set at fifty percent (50%) of the established Solid Waste rate for the corresponding size and frequency of service. Customers will have the opportunity to subscribe to the appropriate Service Level. CONTRACTOR will provide Carts with green lids, Green Bins, and Roll-Off boxes for co-Collection of Green Waste. Collection frequency will be at least once (1) per week and up to seven (7) times per week. Drop Box service will also be made available in Containers sizes including: 10, 20, 30 and 40 cubic yards. Customers and CONTRACTOR will determine a mutually acceptable Collection location.
 - F. **On-Call Bulky Item Collection.** CONTRACTOR will provide on-call Collection of Bulky Items from MFD Customers using a method suitable for the MFD complex and agreed upon by the Customer or property manager. CONTRACTOR will provide on-call Collection of bulky waste to MFD's scheduling the service with CONTRACTOR with 48 hours' notice. Customers may place up to five (5) items out for Collection per pick-up, up to three (3) collections, per unit, per year (e.g.an MFD with 100 units is eligible for up to three hundred collections per year). Collections shall be coordinated by the property manager. Items will be collected on the Customer's regular Collection day. CONTRACTOR will be required to separate and Recycle all commodities that can be feasibly recovered.
 - G. **Household Hazardous, Universal and Electronic Waste Collection.** Refer to Section 5.6F.
 - H. **Annual Holiday Tree Recycling Collection.** CONTRACTOR shall provide annual holiday tree Recycling Collection for residents from enclosures or location designated by the MFD.

5.8 COMMERCIAL COLLECTION SERVICES

Commercial Customers include all retail, professional, office, wholesale and industrial facilities, other Commercial enterprises offering goods or services to the public; organizations; and agencies other than City agencies. CONTRACTOR will be required to service Carts, Bins and Drop Boxes stored in Customer's Solid Waste enclosure or other locations as requested by Customer. When discussing Solid Waste, Recycling Material, Green Waste, Food Waste and Organic Material Collection Service changes with Customers, CONTRACTOR must provide a rate schedule denoting all Service Levels and all possible frequencies of collection. Sunday Collection will be made available as a premium service for an additional fee not to exceed the CITY-approved rate in Exhibit 1 of the Agreement.

Commercial Customers will be required to have Recycling and Organic Material Collection Services in addition to Solid Waste Collection Services unless they have other acceptable accommodations (i.e. landscaper removes all Green Waste).

- A. **Solid Waste Collection.** CONTRACTOR will provide Carts with black lids, black Bins and/or drop boxes for Collection of solid waste. Customers will have the opportunity to subscribe to the appropriate Service Level. Bin and compactor services will be made available in sizes including: 2, 3, 4, and 6 cubic yard Bins, 3 and 4 cubic yard Split Bins, and Customer provided compactors.

Collection frequency will be at least once per week and up to seven (7) times per week. Drop Box service will be made available in Containers sizes including; 10, 20, 30 and 40 cubic yards. Roll-off boxes and compactors, as provided by contractor or by Customer, shall be serviced as needed. Customers and contractor will determine a mutually acceptable Collection Container location. Solid Waste Collection Service is mandatory for all service locations.

- B. Recyclable Materials Collection.** CONTRACTOR will provide Carts with blue lids, blue Bins and roll-off boxes for Collection of Recyclable materials. Bin and compactor services will be made available in sizes including: 2, 3, and 4 cubic yard Bins, 3 and 4 cubic yard Split Bins, and Customer provided compactors. Customers will be charged a rate set at fifty percent (50%) of the established Solid Waste rate for corresponding size and frequency of service.

In order to prevent the Contamination of Recyclables, the contractor will provide "restricted access" lids for Recycling Collection Containers, as requested by the CITY or the Customer.

- C. Green Waste Recycling Collection.** CONTRACTOR will provide wheeled Carts with green lids and green Bins for Collection of Green Waste at a rate set at fifty percent (50%) of the established Solid Waste rate for the corresponding size and frequency of service. Customers will have the opportunity to subscribe to the appropriate Service Level. CONTRACTOR will provide Carts with green lids, Green Bins, and Roll-Off boxes for Collection of Green Waste. 96-gallon Carts will be made available. Bins will be made available in sizes including 2, 3, and 4 cubic yards. Collection frequency will be at least once (1) per week and up to seven (7) times per week. Drop Box service will also be made available in Containers sizes including: 10, 20, 30 and 40 cubic yards. Customers and CONTRACTOR will determine a mutually acceptable Collection location.
- D. Food Waste Collection.** CONTRACTOR will provide source-separated Food Waste Collection for restaurants, cafeterias, assisted living facilities, hospitals, supermarkets and all other Commercial premises where food is prepared, sold and/or consumed. CONTRACTOR will provide wheeled Carts and Bins for Collection of source-separated Food Waste at a rate set at fifty percent (50%) of the established Solid Waste Rate for the corresponding size and frequency of service. Customers will have the opportunity to subscribe to the appropriate Service Level. CONTRACTOR will provide Cart lids and Bins in a color that complies with SB 1383 requirements for Collection of Food Waste. 35-, 64-gallon Carts will be made available and Bins be made available in sizes including 1 and 2 cubic yards. Collection frequency will be at least once (1) per week and up to seven (7) times per week. Customers and CONTRACTOR will determine a mutually acceptable Collection location.
- E. Co-Collected Green Waste and Food Waste Recycling Collection.** CONTRACTOR will provide wheeled Carts and Bins for the co- Collection of Green Waste and Food Waste at a rate set at fifty percent (50%) of the established Solid Waste rate for the corresponding size and frequency of service. Customers will have the opportunity to subscribe to the appropriate Service Level. CONTRACTOR will provide Carts with green lids, Green Bins, and Roll-Off boxes for co-Collection of Green Waste. Collection frequency will be at least once (1) per week and up to seven (7) times per week. Drop Box service will also be made available in Containers sizes including: 10, 20, 30 and 40 cubic yards. Customers and CONTRACTOR will determine a mutually acceptable Collection location.
- F. On-Call Bulky Item Collection.** CONTRACTOR will provide on-call Collection of Bulky Items from Commercial Customers using a method suitable for the Commercial premises and agreed upon by the Customer or property manager. CONTRACTOR will be required to separate and Recycle all

commodities that can be feasibly recovered. Commercial generators shall pay a separate fee in accordance with the rate approved by the City.

- G. Universal Waste and Electronic Waste Collection.** The CONTRACTOR will provide, either directly, or through a City-approved subcontractor, Universal Waste and Electronic Waste Collection Service to Commercial Premises. The program will include, at a minimum, the items that are listed in Exhibit 6 of the Agreement. Commercial generators shall pay a separate fee not to exceed the maximum rates approved by the City.

5.9 C&D DEBRIS COLLECTION SERVICES

C&D Debris Collection Services include the delivery, removal and Recycling or Disposal of used or discarded materials removed from premises during demolition, construction, repair or renovation of a structure resulting from construction, remodeling, repair or demolition operations on any Residential property, Commercial building, pavement, or other structure and such other materials as may be removed during the normal cleanup process of such construction, renovation, repair or demolition operations. C&D Debris also includes rocks, soils, tree remains and other Green Waste and Large Green Waste which results from land clearing or land development operations in preparation for construction. C&D Debris does not include Exempt Waste.

- A. C&D Collection Service Requirements.** CONTRACTOR shall provide C&D Debris Collection from Service Units in the Service Area and the delivery of that material to the MRF, Transfer Station or Disposal Facility, as appropriate. C&D Collection Service shall be made available in Container sizes including 10, 20, 30 and 40 cubic yards. Reduced pricing shall be offered for clean, source-separated /inert loads. Special pricing will be offered for tires. CONTRACTOR will certify Diversion of no less than 75% according to Chapter 6.10 of Title 6 of the Mission Viejo Municipal Code.
- B. Diversion Compliance.** CONTRACTOR shall assist Customers to comply with the requirements of the 2017 California Building Standards Code including Part 11 California Green Building Standards Code notwithstanding the requirements the CITY'S C&D ordinance amending Chapter 6.10 of Title 6 of the Mission Viejo Municipal Code to require Diversion of no less than 75%. The CONTRACTOR shall provide the documentation to the customer as necessary to meet the requirements of the CITY'S C&D ordinance.

5.10 CITY COLLECTION SERVICES

CITY facilities will be provided all services listed as A-F below at "no charge." Collections will be scheduled at a time mutually agreed upon by the CONTRACTOR and the CITY. The cost of these services will be included in the overall rate structure to provide services to the other sectors (i.e., SFD, MFD and Commercial) as determined by CONTRACTOR as an element of CONTRACTOR compensation.

- A. Weekly Solid Waste Collection.** CONTRACTOR will provide wheeled Carts and Bins for Collection of solid waste. The CITY will have the opportunity to subscribe to the appropriate Service Level. Carts will be made available including 64 and 96 gallons. Bins will be made available in sizes including 2, 3, and 4 cubic yards. Collection frequency will be at least once (1) per week and up to seven (7) times per week. Drop Box service will be made available in Container sizes including 10, 20, 30 and 40 cubic yards.

- B. Recyclable Materials Collection.** CONTRACTOR will provide Recycling Collection Service at CITY Facilities. CONTRACTOR will provide Carts, Bins and roll-off boxes for Collection of Recyclable materials.
- C. Organic Materials Collection.** CONTRACTOR will provide Organic Materials Collection Service at CITY Facilities. CONTRACTOR will provide Carts, Bins and roll-off boxes for Collection of Organic Materials.
- D. Illegally Dumped Bulky Items.** CONTRACTOR will provide on-call collection of illegally dumped Solid Waste and Bulky Items as requested by the CITY. Upon notification by the City before 3:00 p.m., CONTRACTOR shall Collect the item(s) before the end of the next Business Day. Notification by the City after 3:00 p.m. shall be Collected before the end of the second Business Day.
- E. CITY-Sponsored Events.** CONTRACTOR will provide Solid Waste and Recycling Collection and Disposal/processing service for all CITY-sponsored events at no additional charge. Customers will be provided Solid Waste, Recycling, Green Waste and Food Waste capacity at the appropriate Service Levels for each venue or event, as determined by CITY. When requested by event organizers and approved by the Contract Administrator, the CONTRACTOR will provide Solid Waste, Recycling and Organic Materials Collection Service; special event boxes and liners; port-a-potties; and the hand-wash stations required by the Orange County Environmental Health Care Agency (i.e. three-base sink with water heater) for each venue or event. Available Cart sizes include 64 and 96 gallons. Available Bin sizes include 2, 3, and 4 cubic yards. Available Roll-Off Box sizes include 10, 20, and 40 cubic yards. Collection frequency will be provided as needed by the Customer. CONTRACTOR shall provide an event Diversion plan including Commercial Solid Waste Collection and Recyclable Material and Organics Diversion and Processing to Divert Solid Waste collected at CITY-sponsored events from landfill Disposal, including delivery to an MRF for Processing and recovery of Recyclable Materials and Organics when practicable based upon the composition of the collected materials. The CONTRACTOR will provide training and resources to maximize the success of the Diversion plan. The Diversion plan shall include CONTRACTOR-provided event staffing to ensure appropriate implementation of the plan. The CITY may require a post-event report including the tons disposed and Diverted. If the Diversion plan is not deemed to achieve acceptable Diversion rates, the CONTRACTOR will revise the Diversion plan.

The following is a list of events for which services are anticipated to be provided:

- ARTS Alive
- Earth Day Celebration
- Irish Festival
- Bunny Days
- Fourth of July Street Faire
- Relay for Life
- Children's Environmental Fair
- Hometown Halloween
- Santa's Arrival
- City Campout
- Inner Coastal Clean-Up Day
- Walk Against Drugs
- DAWG Walk
- Pacific Symphony Orchestra

The CITY reserves the right to add, eliminate or replace events. Events will not exceed twenty (20) single days per year.

- F. On-Call Bulky Item Collection.** CONTRACTOR will provide on-call Collection of Bulky Items from CITY Facilities using a method suitable for the facility and agreed upon by the CITY. CONTRACTOR will be required to separate and Recycle all commodities that can be feasibly recovered.

- G. Household Hazardous Waste, Universal Waste and Electronic Waste Collection.** CONTRACTOR will provide, either directly, or through a City-approved Subcontractor, unlimited on-call Collection service. The program will include, at a minimum, the items that are listed in Exhibit 6 of the Agreement.

5.11 PUBLIC EDUCATION AND OUTREACH

All public education activities will be conducted by the CONTRACTOR. The CONTRACTOR shall be responsible for ensuring that its Customers consistently receive a high level of Customer service and responsiveness. CONTRACTOR responsibilities for public education and outreach are described in Exhibit 7 of this Agreement.

ARTICLE 6: PROCESSING AND DISPOSAL REQUIREMENTS

6.1 OWNERSHIP OF SOLID WASTE, RECYCLABLE MATERIALS, AND ORGANIC MATERIALS

The CITY and the CONTRACTOR understand and agree that it is the CONTRACTOR, and not the CITY, who will arrange to Collect Solid Waste, Recyclable Materials and Organic Materials, that the CITY has not, and, by this Agreement does not, instruct CONTRACTOR on its Collection methods, nor supervise the Collection process; nor do the Parties intend to place title to Solid Waste, Recyclable Materials and Organic Materials Collected by the CONTRACTOR in the CITY. Rather, the Parties intend that whatever, if any, title in and to the Solid Waste, Recyclable Materials and Organic Materials that is Collected by the CONTRACTOR which otherwise might exist in or with the CITY in the absence of this Agreement is hereby transferred to the CONTRACTOR; and further that if the CONTRACTOR gains title to such Solid Waste, Recyclable Materials and Organic Materials it is by operation of law and agreement with its Service Recipients and is not the result of this Agreement. At no time does the CITY obtain any right of ownership or possession of Solid Waste, Recyclable Materials and Organic Materials placed for Collection, and nothing in this Agreement shall be construed as giving rise to any inference that the CITY has any such rights. The CITY and the CONTRACTOR agree that, for the purposes of all laws imposing liability for defective products, it is the CONTRACTOR, and not the CITY which is to be considered the merchant of goods Recycled pursuant to this Agreement. Subject to the provisions of this Agreement, and unless the CITY exercises its rights to direct the location for Disposal and Processing of Solid Waste, Recyclable Materials and Organic Materials the CONTRACTOR shall have the right to retain, Recycle, Process, Dispose of, and otherwise use Solid Waste, Recyclable Materials and Organic Materials Collected pursuant to the terms hereof in any lawful fashion or for any lawful purpose; and, further, shall have the right to retain any benefit resulting from its right to retain, Recycle, Process, Dispose of, or reuse the Solid Waste, Recyclable Materials and Organic Materials which it collects.

6.2 TRANSPORTATION OF DISCARDED MATERIALS

The CONTRACTOR shall transport all Discarded Materials Collected to the designated Transfer Station, MRF, Organic Materials Processing Facility or Disposal Facility. The CONTRACTOR agrees to make all reasonable efforts to separate Recyclable Materials from Solid Waste for Diversion from landfill disposal. The CONTRACTOR shall maintain accurate records of the quantities of Solid Waste, Recyclable Materials and Organic Materials transported to the Transfer Station, MRF, Organic Materials Processing Facility or Disposal Facility and will cooperate with the CITY in any audits or investigations of such quantities. The CONTRACTOR shall cooperate with the operator of any Transfer

Station, MRF, Organic Materials Processing Facility or Disposal Facility with regard to operations therein, including, for example, complying with directions from the operator to unload Collection vehicles in designated areas, accommodating to maintenance operations and construction of new facilities, cooperating with its Hazardous Waste exclusion program, and so forth.

6.3 TRANSFER OF DISCARDED MATERIALS

The CONTRACTOR may transfer Solid Waste Collected but not sent to a designated Disposal Facility; Recyclable Materials Collected, but not sent to a designated MRF; and, Organic Materials including Green Waste and Food Waste Collected but not sent to a designated Organic Materials Processing Facility, at the designated Transfer Station. All expenses related to the transfer of Solid Waste will be the sole responsibility of the CONTRACTOR. If the CONTRACTOR or Affiliate owns and/or operates the Transfer Station, all expenses associated with permitting, regulatory compliance, etc. and all other costs associated with the operation and ownership of the Transfer Station is the sole responsibility of the CONTRACTOR.

- A. Status of Transfer Station.** The Approved Transfer Station utilized by the CONTRACTOR shall be designed and constructed in accordance with Applicable Laws. Any such Transfer Station shall have been issued all permits from federal, State, regional, county and city agencies necessary for it to operate as a large volume transfer/processing facility and be in full regulatory compliance with all such permits.

6.4 DISPOSAL

The CONTRACTOR shall dispose of Solid Waste Collected, but not sent to a designated Transfer Station, MRF or Organic Material Processing Facility at the designated Disposal Facility. The designated Disposal Facility is any landfill operated by the County of Orange. All expenses related to the Disposal of Solid Waste will be the sole responsibility of the CONTRACTOR. associated with the operation and ownership of the Disposal Facility is the sole responsibility of the CONTRACTOR.

6.5 RECYCLABLE MATERIALS PROCESSING SERVICES

The CONTRACTOR shall deliver all Collected Recyclable Material to a fully permitted Recyclable Material Processing Facility or a fully permitted Transfer Station. All expenses related to Recyclable Material Processing and marketing will be the sole responsibility of the CONTRACTOR. The CONTRACTOR shall ensure that all Recyclable Material Collected pursuant to this Agreement is diverted from the landfill. The CONTRACTOR shall ensure that the Recyclable Material Collected pursuant to this Agreement is not disposed of in a landfill, except as a Residue resulting from Processing.

- A. Status of Recyclable Material Processing Facility.** The Approved Recyclable Material Processing Facility utilized by the CONTRACTOR shall have been issued all permits from federal, state, regional, county and city agencies necessary for it to accept the CITY's Recyclable Materials, and be in full regulatory compliance with all such permits.

6.6 ORGANIC MATERIALS PROCESSING SERVICES

The CONTRACTOR shall deliver all Collected Organic Material to a fully permitted Organic Material Processing Facility or a fully permitted Organic Material Transfer Station. All expenses related to Organic Material Processing

and marketing will be the sole responsibility of the CONTRACTOR. The CONTRACTOR shall ensure that all Organic Material Collected pursuant to this Agreement is diverted from the landfill. The CONTRACTOR shall ensure that the Organic Material Collected pursuant to this Agreement is not disposed of in a landfill, except as a Residue resulting from Processing. Failure to do so places the CONTRACTOR in default. The CITY has the option, but not obligation, to direct the CONTRACTOR where to deliver the material.

- A. Status of Organic Material Processing Facility.** The Approved Organic Material Processing Facility utilized by the CONTRACTOR shall be designed and constructed in accordance with Applicable Laws. Any such Organic Material Processing Facility shall have been issued all permits from federal, State, regional, county and city agencies necessary for it to accept the CITY's Organic Materials, and be in full regulatory compliance with all such permits.

6.7 CONSTRUCTION AND DEMOLITION MATERIAL DIVERSION

CONTRACTOR shall comply with the requirements of the 2017 California Building Standards Code including Part 11 California Green Building Standards Code and all subsequent revisions notwithstanding the requirements the CITY'S C&D ordinance amending Chapter 6.10 of Title 6 of the Mission Viejo Municipal Code to require Diversion of no less than 75%.

6.8 DIVERSION PERFORMANCE REQUIREMENTS

CONTRACTOR shall achieve the Diversion performance requirements as described in Exhibit 9 of this Agreement.

6.9 FAILURE TO MEET MINIMUM DIVERSION REQUIREMENTS

CONTRACTOR's failure to meet the minimum Diversion requirements set forth above in Section 6.8 may result in the imposition of Liquidated Damages pursuant to Section 12.6. In determining whether or not to assess Liquidated Damages, the CITY will consider the good faith efforts put forth by the CONTRACTOR to meet the minimum Diversion requirements, and the state of the market for Recyclable Material. This consideration will include documentation provided by the CONTRACTOR regarding its activities. The final decision whether or not to assess Liquidated Damages will remain with the CITY.

6.10 BULKY ITEM SERVICES

- A. Bulky Waste Containing Freon.** In the event CONTRACTOR Collects Bulky Waste that contains Freon, CONTRACTOR shall handle such Bulky Waste in a manner such that the Bulky Waste is not subject to regulation as Hazardous Waste under applicable state and federal laws or regulations.
- B. Maximum Reuse and Recycling.** CONTRACTOR shall dispose of Bulky Waste collected from Customers pursuant to this contract in accordance with the following hierarchy:
- Reuse as is (where energy efficiency is not compromised)
 - Disassemble for reuse or Recycling
 - Recycle
 - Disposal

CONTRACTOR shall not landfill such Bulky Waste unless the Bulky Waste cannot be reused or Recycled. CONTRACTOR shall record by class and weight (in tons) the Solid Waste Collected under

this Section and shall record the kinds and weights (in tons) of Solid Waste if diverted, if any, from landfilling through Recycling, reuse, Transformation or other means of diversion.

- C. **CITY Direction of Bulky Waste.** CITY reserves the right to direct CONTRACTOR to take Bulky Waste Collected pursuant to this Section to a designated site or sites for the purpose of permitting persons who will reuse or Recycle such Bulky Waste to obtain the Bulky Waste at no cost. CONTRACTOR shall have no obligation to dispose of the Bulky Waste remaining at the directed site or sites after reusers or recyclers have removed reusable or Recyclable Bulky Waste.

ARTICLE 7: REQUIREMENTS FOR OPERATIONS, EQUIPMENT AND PERSONNEL

7.1 GENERAL

The CONTRACTOR shall at all times comply with Applicable Laws and provide services in a manner that is safe to the public and the CONTRACTOR's employees. Except to the extent that a higher performance standard is specified in this Agreement, the CONTRACTOR shall perform services in accordance with Solid Waste, Recyclable Materials and Organic Materials management practices common to California.

7.2 CONTRACTOR'S OFFICE

The CONTRACTOR shall maintain a publicly accessible office within the County of Orange that provides telephone access to residents and businesses of the CITY and shall be open during normal business hours, which are currently 8:00 a.m. to 5:00 p.m., Monday through Friday, except for Holidays as described in Article 7.12 of this Agreement. Office hours may be adjusted at the discretion of the CONTRACTOR only after appropriate notification is provided to all Customers and provided that offices are open for business at least eight (8) hours per day Monday through Friday, except for Holidays as described in Article 7.12 of this Agreement.

7.3 SERVICE STANDARDS

The CONTRACTOR shall perform all Collection Services under this Agreement in a thorough and professional manner. Except for incidents of Excuse from Performance set forth in Article 12.7 herein, Collection Services described in this Agreement shall be performed regardless of difficulty of Collection.

7.4 COLLECTION ROUTES, OPERATING HOURS AND SCHEDULES

- A. **Collection Routes.** Beginning not less than ninety (90) days prior to commencement of Collection Services, and continuing during the Term of this Agreement, the CONTRACTOR shall prepare and maintain maps precisely defining Collection routes, together with the days and the times at which Collection shall regularly commence. Such maps shall be made available to the CITY for review upon request by the Contract Administrator. In the event of a route change which will change the Collection day for an SFD Service Unit, the CONTRACTOR shall request approval from the Contract Administrator not less than thirty (45) days before the proposed date of implementation. The CONTRACTOR shall notify those Service Recipients in writing of the route change not less than thirty (30) days before the commencement of Collection Services.

- B. **Subsequent Collection Route Changes.** In the event of a route change which will change the Collection day for an SFD Service Unit, the CONTRACTOR shall request approval from the Contract Administrator not less than thirty (45) days before the proposed date of implementation. The CONTRACTOR shall notify those Service Recipients in writing of an approved route change not less than thirty (30) days before the proposed date of implementation.
- C. **Hours of Collection.** Unless otherwise authorized by the Contract Administrator, the CONTRACTOR's days and hours for the Collection operations shall be as follows:
 - 1. **SFD and MFD Collection.** SFD and MFD Collection Services shall only occur between the hours of 7:00 a.m. and 6:00 p.m., Monday through Friday, with no regularly scheduled service on Saturday or Sunday. The hours, days, or both of Collection may be temporarily extended due to extraordinary circumstances or conditions with prior approval from the CITY, notwithstanding Holiday Service as described in Article 7.12 of this Agreement.
 - 2. **Commercial and CITY Collection.** Commercial and the CITY Collection shall only occur between the hours of 6:00 a.m. and 6:00 p.m., Monday through Sunday. The hours of Collection may be temporarily extended due to extraordinary circumstances or conditions upon notification to the Contract Administrator. For Commercial properties located within 500 hundred feet of Residential properties the SFD and MFD Collection hours apply.

7.5 COLLECTION STANDARDS

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

The CONTRACTOR, at the request of Customers, may provide special services including: (i) unlocking Containers; (ii) accessing Container enclosures with a key; or, (iii) pulling or pushing Containers to the Collection vehicle. The CONTRACTOR may charge Customers for extra services at rates not to exceed at the maximum approved rates set forth in Exhibit 1 of this Agreement.
- B. **Litter Abatement and Spill Prevention.** The CONTRACTOR shall not litter Premises in the process of providing Collection Services or while its vehicles are on the road. The CONTRACTOR shall transport all materials Collected under the terms of this Agreement in such a manner as to prevent the spilling or blowing of such materials from the CONTRACTOR's vehicle. The CONTRACTOR shall exercise all reasonable care and diligence in providing Collection Services so as to prevent spilling or dropping of any material and shall immediately, at the time of occurrence, clean up such spilled or dropped materials.
 - 1. The CONTRACTOR shall clean up any materials that are spilled or scattered by the CONTRACTOR or its employees.
 - 2. The CONTRACTOR shall not be responsible for cleaning up unsanitary conditions caused by the carelessness of the Service Recipient; however, if an enclosure contains spilled or dropped materials and the materials impede service delivery (e.g. the CONTRACTOR'S ability to roll out the Bin for service) the CONTRACTOR shall document the incident with photographs and notify the Customer. If, at the next service, the spilled or dropped materials are not cleaned up so as to not impede service delivery, the CONTRACTOR shall clean up the enclosure at a rate not to exceed the maximum rates approved by the CITY in Exhibit 1.

3. Equipment oil, hydraulic fluids, spilled paint, or any other liquid or debris resulting from the CONTRACTOR's operations or equipment repair shall be covered immediately with an absorptive material and removed from the street surface. When necessary, the CONTRACTOR shall apply a suitable cleaning agent to the street surface to provide adequate cleaning. To facilitate such clean-up, the CONTRACTOR's vehicles shall at all times carry sufficient quantities of petroleum absorbent materials along with a broom and shovel.
4. The CONTRACTOR shall not transfer loads from one vehicle to another on any public street, unless it is necessary to do so because of mechanical failure, hot load (combustion of material in the truck), or accidental damage to a vehicle.
5. The above paragraphs notwithstanding, the CONTRACTOR shall clean up any spillage or litter caused by the CONTRACTOR within one (1) hour upon notice from the CITY.
6. In the event where damage to the CITY Streets is the result of a hydraulic oil spill caused by the CONTRACTOR, the CONTRACTOR shall be responsible for all repairs to return the street to the same condition prior to the spill. The CONTRACTOR shall notify the CITY within one (1) hour of such damage. The CONTRACTOR shall also be responsible for all clean-up activities related to the spill including placement of absorbent, and application of cleaning agent or notification of CONTRACTOR'S cleaning company. Repairs and clean-up shall be performed in a manner satisfactory to the Contract Administrator and at no cost to the CITY.

7.6 OWNERSHIP OF MATERIALS

- A. Title to Solid Waste, Recyclable Materials, Organic Materials, Bulky Items, and Construction and Demolition Debris shall pass to the CONTRACTOR at such time as said materials are properly containerized, bagged, or bundled and placed at the curb or other point of Collection in the manner as set forth herein or as agreed to by the CONTRACTOR and the Customer. If materials are placed out for Collection without being properly containerized, bagged, or bundled, title shall pass to the CONTRACTOR at the time the material is placed in the CONTRACTOR's Collection vehicle. If Collected materials are delivered to a Transfer Station, Materials Recovery Facility, or Organic Material Processing Facility other than one operated by the CONTRACTOR, then title will again transfer from the CONTRACTOR to the operator of the non-CONTRACTOR Transfer Station, Materials Recovery Facility, or Organic Material Processing Facility upon such delivery.
- B. Title to any material self-hauled to the Transfer Station, Materials Recovery Facility, Organic Material Processing Facility or Disposal Facility shall pass to the CONTRACTOR at the time the material is accepted at these facilities.
- C. Title to material Collected as part of a CITY Clean-up Service or Special Event Collection Service shall pass to the CONTRACTOR at the time the material is placed in the Collection Container provided by the CONTRACTOR or the CONTRACTOR's Collection vehicle if no Containers are provided by the CONTRACTOR.

7.7 EXEMPT WASTE

- A. Under no circumstances shall the CONTRACTOR's employees knowingly Collect Exempt Waste or remove unsafe or poorly containerized Exempt Waste from a Collection Container. If the CONTRACTOR determines that material placed in any Container for Collection is Exempt Waste, or

other material that may not legally be accepted at the Materials Recovery Facility, Transfer Station, Organic Material Processing Facility or Disposal Facility, or presents a hazard to the CONTRACTOR's employees, the CONTRACTOR shall have the right to refuse to accept such material. The Generator shall be contacted by the CONTRACTOR and requested to arrange for proper Disposal service. If the Generator cannot be reached immediately, the CONTRACTOR shall, before leaving the premises, leave a Non-Collection Notice which indicates the reason for refusing to Collect the material and how the Exempt Waste can be properly disposed or Recycled.

- B. If Exempt Waste is found in a Collection Container that poses an imminent danger to people or property, the CONTRACTOR shall immediately notify the appropriate Fire Department and/or other emergency services departments as appropriate, as well as the CITY.
- C. If Exempt Waste is identified at the time of delivery to the Transfer Station, Materials Recovery Facility, Organic Material Processing Facility or Disposal Facility and the generator cannot be identified, the CONTRACTOR shall be solely responsible for handling and arranging transport and disposition of the Exempt Waste.

7.8 REGULATIONS AND RECORD KEEPING

The CONTRACTOR shall comply with emergency notification procedures required by Applicable Laws and regulatory requirements. All records required by laws and regulations shall be maintained at the CONTRACTOR's facility.

7.9 VEHICLE REQUIREMENTS

- A. **General Provisions.** The CONTRACTOR shall provide a fleet of new Collection vehicles sufficient in number and capacity to efficiently perform the work required by this Agreement in strict accordance with its terms. All such vehicles shall have watertight bodies designed to prevent leakage, spillage, or overflow. Hoppers shall be enclosed on top and on all sides to prevent material from leaking, blowing or falling from the vehicles. Each Collection vehicle shall be equipped with a shovel and broom for clean-up of spillage. Collection vehicles shall never be loaded to exceed the manufacturer's recommended weight limit or otherwise operated unsafely or in violation of any Applicable Law.
- B. **Safety Markings.** All Collection equipment used by the CONTRACTOR shall have appropriate safety markings including, but not limited to, highway lighting, flashing and warning lights, clearance lights, and warning flags. All such safety markings shall be in accordance with the requirements of the CITY, as may be amended from time to time.
- C. **Vehicle Signage and Painting.** Collection vehicles shall be painted and numbered uniquely without repetition and shall have the CONTRACTOR's name, the CONTRACTOR's Customer service telephone number, and the number of the vehicle painted in letters of contrasting color, at least six (6) inches high, on each side and the rear of each vehicle. No advertising shall be permitted other than the name of the CONTRACTOR except promotional advertisement of environmental messaging, the Recyclable Materials and Organic Materials programs or such other signage as may be approved by the Contract Administrator in writing. The CONTRACTOR shall repaint all vehicles (including vehicle striping if appropriate) during the Term of this Agreement upon request of the City and as necessary to maintain a positive public image.
- D. **Vehicle Maintenance.** The CONTRACTOR shall maintain Collection equipment in a clean condition and in good repair at all times. All parts and systems of the Collection equipment shall operate properly and be properly maintained. The CONTRACTOR shall wash all Collection vehicles at least

once a week. The CITY reserves the right to require CONTACTOR to submit weekly washing logs. The CONTRACTOR shall inspect each vehicle daily to ensure that all equipment is operating properly. Vehicles that are not operating properly shall be taken out of service until they are repaired and operate properly. The CONTRACTOR shall repair, or arrange for the repair of, all of its vehicles and equipment for which repairs are needed because of accident, breakdown or any other cause so as to maintain all equipment in a safe and operable condition. The Contract Administrator may inspect vehicles at any reasonable time, and within three (3) calendar days of such a request, to determine compliance with this Agreement and sanitation requirements.

CONTRACTOR shall notify CITY of any other service contracts within CITY boundaries (e.g. school district). CONTRACTOR shall maintain vehicles used to conduct non-CITY services to the same specifications as described in Article 7.9D.

- E. Vehicle Noise Level.** All Collection operations shall be conducted as quietly as possible and shall conform to applicable Federal, State, County, and the CITY noise level regulations. The CITY may request the CONTRACTOR to check any piece of equipment for conformance with the noise limits when reasonable to do so.
- F. Vehicle and Equipment Inventory.** On or before the Effective Date of this Agreement, the CONTRACTOR shall provide to the Contract Administrator an inventory of Collection vehicles and major equipment used by the CONTRACTOR for Collection or transportation in performance of services under this Agreement. The inventory shall indicate each Collection vehicle by identification number, DMV license number, the age of the chassis and body, type of fuel used, the type and capacity of each vehicle, the number of vehicles, the date of acquisition, the decibel rating, and the maintenance and rebuilt status. The CONTRACTOR shall submit to the Contract Administrator an updated inventory including all of the information required above in each annual report, or more often at the request of the CITY. Each vehicle inventory shall be accompanied by a certification signed by the CONTRACTOR that all Collection vehicles meet the requirements of this Article. The average age of the fleet shall not exceed seven (7) years over the term of the Agreement.
- G. Vehicle Registration, Licensing and Inspection.** CONTRACTOR shall maintain documentation to verify that each of the CONTRACTOR's Collection vehicles are in compliance with all registration, licensing and inspection requirements of the California Highway Patrol, the California Department of Motor Vehicles, and any other Applicable Laws or regulations. Upon written request by the Contract Administrator, copies of such documentation shall be provided to the CITY within ten (10) Business Days of the request.
- H. Reserve Equipment.** The CONTRACTOR shall have available to it, at all times, a reasonable number of reserve Collection equipment which can, to the extent needed to complete the Collection route, be dispatched within one (1) hour of any breakdown. Such reserve equipment shall correspond in size and capacity to the equipment used by the CONTRACTOR to perform the contractual duties.
- I. Covering of Loads.** All loads not in covered body trucks shall be tarped or restrained to prevent spilling.
- J. Weight Restrictions.** The CONTRACTOR shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by State or local weight restrictions on vehicles. The CONTRACTOR acknowledges that the CITY may document compliance with this provision of this Agreement through review of scale tickets and records of the Transfer Station, MRF, Organic Materials Processing Facility and Disposal Facility.

- K. **Alternative Fuel Vehicles.** All Collection vehicles (including all side loaders, rear loaders, front loaders, Roll Off, and any other types of vehicles) shall operate in full compliance with the requirements of the California Air Resources Board and the South Coast Air Quality Management District's rules and regulations including Rule 1193. Route supervisor's vehicles and all other ancillary vehicles that will operate on a routine basis in the CITY shall comply with all Applicable Laws, rules, and regulations, including but not limited to the California Air Resources Board and South Coast Air Quality Management District regulations.

7.10 CONTAINER REQUIREMENTS

- A. **SFD Carts.** The CONTRACTOR will provide each SFD with new, wheeled Carts for automated Collection of Solid Waste, Recyclable Material and Organics Material, including Green Waste in year one of the Agreement and Co-Collected Green Waste and Food Waste each subsequent year of the Agreement. The default service level will be a 96-gallon Cart for each material type Collected weekly. The CONTRACTOR shall provide a 64- or a 32-gallon Cart as a substitute depending on the Customer's preference and need.
- B. **Purchase and Distribution of Carts and Bins.** The CONTRACTOR shall be responsible for the purchase and distribution of fully assembled and functional Carts and Bins to Service Units in the Service Area. The CONTRACTOR shall also distribute Carts and Bins to new Service Units that are added to the CONTRACTOR's Service Area during the Term of this Agreement. Containers shall be designed and constructed to be watertight and prevent the leakage of liquids. All Containers shall display the CONTRACTOR's name, local telephone number, and some identifying inventory or serial number. However, if a new contractor other than the current service provider is selected for the new Franchise Agreement such CONTRACTOR is encouraged to negotiate the purchase of the existing Commercial Bins and Drop Boxes from the current service provider.

In the interest of creating effective and consistent public education and outreach, CONTRACTOR shall utilize its Containers to reinforce public education messages. All Solid Waste Container lids shall be black in color. All Recyclable Materials Container lids shall be blue in color. All Organics Materials Container lids shall be green in color. The body of the Carts for all materials types shall be a uniform color selected by the CONTRACTOR for CITY approval. The CITY reserves the right to reject the CONTRACTOR'S choice of cart body color. CONTRACTOR's Containers shall also be labeled with a list of acceptable materials and a list of prohibited materials and such labels shall be in both English and Spanish. Requirements for the labels including the replacement of SFD Green Waste Cart labels with SFD co-Collected Green Waste and Food Waste labels by January 1, 2022 are provided in Exhibit 7 Diversion Outreach and Education. The CITY reserves the right to review and approve materials (i.e. labels) prior to the placement of any orders.

C. **Replacement of Carts and Bins.**

1. The CONTRACTOR's employees shall take care to prevent damage to Carts or Bins by unnecessary rough treatment. However, any Cart or Bin damaged by the CONTRACTOR shall be replaced by the CONTRACTOR, at the CONTRACTOR's expense, within five (5) Business Days after notification by the CITY or the Service Recipient, at no cost or inconvenience to the Service Recipient or to the CITY.
2. Upon notification to the CONTRACTOR by the CITY or a Service Recipient that the Service Recipient's Cart(s) or Bin(s) are faulty or have worn out, or have been stolen or damaged

beyond repair through no fault of the Service Recipient, the CONTRACTOR shall deliver a replacement Cart(s) or Bin(s) to such Service Recipient within five (5) Business Days. There shall be no charge to the Service Recipient for the delivery or replacement of the Cart(s) or Bin(s).

In those instances where the CONTRACTOR can demonstrate that a Cart(s) or Bin(s) was damaged or stolen as the result or product of negligence on the part of the Service Recipient, the CONTRACTOR shall be entitled to bill the Service Recipient the cost of the Cart(s) or Bin(s) plus the delivery charge in an amount not to exceed the applicable maximum approved rates set forth in Exhibit 1 to this Agreement.

3. The CONTRACTOR shall maintain records documenting all Cart and Bin replacements occurring on a monthly basis. Such information shall be provided to the Contract Administrator upon written request.
- D. Repair of Carts and Bins.** The CONTRACTOR shall be responsible for repair of Carts and Bins in the Service Area including but not be limited to, hinged lids, wheels and axles. Within five (5) Business Days of notification by the CITY or a Service Recipient of the need for such repairs, the CONTRACTOR shall repair the Cart or Bin, or if necessary, remove the Cart or Bin for repairs and deliver a replacement Cart or Bin to the Service Recipient. CONTRACTOR shall be responsible for graffiti removal on any Cart or Bin within one (1) business day at no additional charge to the Customer or to CITY.
- E. Cart or Bin Exchange.** Upon notification to the CONTRACTOR by the CITY or a Service Recipient that a change in the size or number of Carts or Bins is required, the CONTRACTOR shall deliver such Carts or Bins to such Service Recipient no later than the Service Recipient's next regularly scheduled Collection day. Each SFD Service Unit shall be entitled to receive one (1) free Solid Waste Cart exchange; one (1) free Recycling Cart exchange; and one (1) free Organic Materials Cart exchange per Agreement Year during the Term of this Agreement. Each MFD, Commercial or CITY Service Unit shall be entitled to receive one (1) free Solid Waste Cart or Bin exchange, and to the extent such Carts or Bins are provided by the CONTRACTOR under the terms of this Agreement, one (1) free Recycling Cart or Bin exchange, one (1) free Organics Material Cart or Bin exchange per Agreement Year during the Term of this Agreement. Accordingly, the CONTRACTOR shall be entitled to charge for exchanges in excess of the limit set forth above per Agreement Year, at a rate not exceeding the "Cart or Bin Exchange" maximum approved rate as set forth in Exhibit 1, as adjusted under the terms of this Agreement.
- F. Additional Solid Waste Capacity.** Upon notification to the CONTRACTOR by the CITY or a Service Recipient that additional Solid Waste capacity is requested, the CONTRACTOR shall comply by delivering a larger Cart, an additional Cart, larger Bin or an additional Bin, to such Service Recipient within five (5) Business Days. The CONTRACTOR shall be entitled to charge for the cost of the additional Solid Waste capacity in an amount not exceeding the applicable maximum approved rate for the larger capacity or Additional Cart or Bin as set forth in Exhibit 1, as adjusted under the terms of this Agreement.
- G. Additional Recyclable Materials Capacity.** The CONTRACTOR shall provide one (1) additional Recycling Cart to SFD Service Units requesting an additional Cart within five (5) Business Days of the request at no additional cost provided that the additional capacity is used by the SFD Service Unit for the purposes of setting out additional Recyclable Materials that are generated by and at the SFD

Service Unit for regular weekly Recyclable Material Collection Service. The CONTRACTOR shall be entitled to charge for any additional Recycling Carts beyond the first additional Cart for a fee as set forth set forth in Exhibit 1, and as adjusted under the terms of this Agreement.

- H. **Additional Organic Materials Capacity.** The CONTRACTOR shall provide one (1) additional Organic Materials Cart to SFD Service Units requesting an additional Cart within five (5) Business Days of the request at no additional cost provided that the additional capacity is used by the SFD Service Unit for the purposes of setting out additional Organics Materials that are generated by and at the SFD Service Unit for regular weekly Organics Material Collection Service. The CONTRACTOR shall be entitled to charge extra for any additional Organics Material Carts beyond the first additional Cart for a fee as set forth set forth in Exhibit 1, as adjusted under the terms of this Agreement.
- I. **Ownership of Carts.** Ownership of Carts shall rest with the CONTRACTOR, except that, in the case of the termination of this Agreement prior to the expiration of the initial Term or optional extension Terms due to the default of the CONTRACTOR as set forth in Article 12 of this Agreement, the CITY shall have the right to take possession of the Carts and retain such possession under the terms and conditions described in Article 12. Upon the receipt of written notice from the CITY, the CONTRACTOR shall submit to the Contract Administrator an inventory of Carts, including their locations.
- J. **Ownership of Bins.** Ownership of Bins distributed by the CONTRACTOR shall rest with the CONTRACTOR except in the case of the termination of this Agreement prior to the expiration of the initial Term or optional extension Terms due to the default of the CONTRACTOR as set forth in Article 12 of this Agreement. Under such circumstances, the CITY shall have the right to take possession of the Bins and retain such possession under the terms and conditions described in Article 12. Upon the receipt of written notice from the CITY, the CONTRACTOR shall submit to the Contract Administrator an inventory of Bins, including their locations.
- K. **New Service Units.**
 - 1. **Purchase and Distribution of Carts and Bins.** The CONTRACTOR shall be responsible for the purchase and distribution of fully assembled and functional Carts and Bins to new Service Units that are added to the CONTRACTOR's Service Area during the Term of this Agreement. The distribution shall be completed within three (3) Business Days of receipt of notification from the CITY or the Service Unit.
 - 2. **Collection Services.** The CONTRACTOR shall provide Collection Services described in this Agreement to new Service Units on the next regularly scheduled Collection day following delivery of the Carts or Bins.
- L. **Annual Cart Cleaning:** Once each Agreement Year, commencing January 1, 2023, at no charge to the SFD or MFD Service Unit, the CONTRACTOR shall provide, upon request or as deemed necessary, the cleaning of Carts. The cleaning service shall include the collection of gray water. In the event a Customer requests the CONTRACTOR to provide Cart cleaning more than one (1) time per Agreement Year, the CONTRACTOR shall have the right to charge the Customer an amount not exceeding the maximum approved rate for Cart Cleaning set forth in Exhibit 1.
- M. **Annual Bin Inspection and Cleaning.** Once each Agreement Year, at no charge to the CITY, MFD or Commercial Service Unit, the CONTRACTOR shall provide, upon request or as deemed necessary, the cleaning of Bins. This cleaning service shall include the collection of gray water. In the event a

Customer requests the CONTRACTOR to provide Bin cleaning more than one (1) time per Agreement Year, the CONTRACTOR shall have the right to charge the Customer an amount not exceeding the maximum approved rate for Bin Cleaning set forth in Exhibit 1.

7.11 LABOR AND EQUIPMENT

The CONTRACTOR shall provide and maintain all labor, equipment, tools, facilities, and personnel supervision required for the performance of the CONTRACTOR's obligations under this Agreement. The CONTRACTOR shall at all times have sufficient backup equipment and labor to fulfill the CONTRACTOR's obligations under this Agreement. No compensation for the CONTRACTOR's services or for the CONTRACTOR's supply of labor, equipment, tools, facilities or supervision shall be provided or paid to the CONTRACTOR by the CITY or by any Service Recipient except in accordance with this Agreement.

7.12 HOLIDAY SERVICE

The CITY observes New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day as legal holidays. CONTRACTOR shall not be required to provide Collection Services or maintain non-emergency office hours on the designated holidays. In any week in which one of these holidays falls on a Work Day, Residential Collection Services for the holiday and each Residential Service Work Day thereafter will be delayed one (1) Business Day for the remainder of the week with normally scheduled Friday Residential Collection Services being performed on Saturday. Any changes to the Holiday Service Collection schedule may only be approved by the CITY.

7.13 DISPOSAL AND PROCESSING

- A. Solid Waste.** Except as set forth below, all Solid Waste Collected as a result of performing Collection Services shall be transported to the Transfer Station or the Disposal Facility and eventually disposed of at the Disposal Facility. In the event the Disposal Facility is closed on a Commercial Service Work Day, the CONTRACTOR shall transport and dispose of the Solid Waste at such other legally permitted Disposal facility as is approved by the CITY. Notwithstanding any other provision of this Agreement, if a Disposal Facility other than the designated Disposal Facility is used, and it is not owned/operated by the CONTRACTOR or its Affiliate (it being understood that such other Disposal Facility would need to be selected by the CONTRACTOR and approved by the CITY, or specifically designated by the CITY), then the CONTRACTOR's obligations hereunder will not include the landfilling of the Solid Waste (which will be the responsibility of the Disposal Facility operator).
- B. Recyclable Materials.** All Recyclable Materials Collected as a result of performing Collection Services shall be delivered to the Materials Recovery Facility (MRF). In the event the MRF is closed on a Commercial Service Work Day, the CONTRACTOR shall transport and deliver the Recyclable Material to such other legally permitted MRF as is approved by the CITY. The CONTRACTOR shall ensure that all Recyclable Materials Collected pursuant to this Agreement that are expressly listed in Exhibit 5 (including those materials added by the CONTRACTOR to such list from time to time) are diverted from the Disposal Facility in accordance with current and subsequent legislation and regulations. Notwithstanding any other provision of this Agreement, if an MRF other than the designated Transfer Station is used that is not owned/operated by the CONTRACTOR or its Affiliate (it being understood that such other MRF would need to be selected by the CONTRACTOR and approved by the CITY, or specifically designated by the CITY), then the CONTRACTOR's obligations

hereunder will not include processing and marketing of Recyclable Materials (which will be the responsibility of the MRF operator).

- C. **Organic Materials.** All Organic Materials, including Green Waste and Food Waste Collected as a result of performing Collection Services shall be delivered to the designated Organic Materials Processing Facility. In the event the facility is closed on a Commercial Service Work Day, the CONTRACTOR shall transport and deliver the Organic Materials to such other legally permitted Organic Materials Processing Facility as is approved by the CITY. The CONTRACTOR shall ensure that all Organic Materials Collected pursuant to this Agreement is diverted from the Disposal Facility in accordance with current and subsequent legislation and regulations. Notwithstanding any other provision of this Agreement, if an Organic Materials Processing Facility other than the designated Organic Materials Processing Facility is used that is not owned/operated by the CONTRACTOR or its Affiliate (it being understood that such other Organic Materials Processing Facility would need to be selected by the CONTRACTOR and approved by the CITY, or specifically designated by the CITY), then the CONTRACTOR's obligations hereunder will not include processing and marketing of Organic Materials (which will be the responsibility of the Organic Facility operator).
- D. **Bulky Items.** All Bulky Items Collected as a result of performing Collection Services shall be delivered to the designated Approved Facility.
 - 1. **Bulky Items Containing Freon.** In the event the CONTRACTOR Collects Bulky Items that contain freon, the CONTRACTOR shall handle such Bulky Items in a manner such that the Bulky Items are not subject to regulation as Hazardous Waste under federal, State and/or CITY Applicable Laws or regulations.

7.14 SOLID WASTE - IMPROPER PROCEDURE

Except as set forth below, the CONTRACTOR shall not be required to Collect Solid Waste if the Service Recipient does not segregate the Solid Waste from Exempt Waste. If Solid Waste is contaminated through commingling with Exempt Waste, the CONTRACTOR shall, if practical, separate the Solid Waste from the contaminants. The Solid Waste shall then be Collected and the contaminants shall be left in the Solid Waste Cart or Bin along with a Non-Collection Notice explaining why the contaminant(s) is not considered Solid Waste. However, in the event the Solid Waste and contaminants are commingled to the extent that they cannot easily be separated by the CONTRACTOR or the nature of the contaminants renders the entire Solid Waste Cart or Bin contaminated, the CONTRACTOR may; (i) Collect the Solid Waste and leave a Non-Collection Notice that contains instructions on the proper procedures for setting out Solid Waste or; (ii) leave the Solid Waste Cart or Bin un-emptied along with a Non-Collection Notice that contains instructions on the proper procedures for setting out Solid Waste. On the third (3rd) time that the CONTRACTOR finds that a Service Unit has set out contaminated Solid Waste, the CONTRACTOR may leave the Solid Waste Cart or Bin un-emptied along with a Non-Collection Notice that contains instructions on the proper procedures for setting out Solid Waste and reduce the service at that Service Unit to the minimum level available by exchanging the Solid Waste Container without the authorization of the Customer.

7.15 RECYCLING - IMPROPER PROCEDURE

Except as set forth below, the CONTRACTOR shall not be required to Collect Recyclable Materials if the Residential or Commercial Service Recipient does not segregate the Recyclable Materials from Solid Waste, Organic Waste, Green Waste, Exempt Waste or Construction and Demolition Debris.

A. Residential

The first (1st) time Recyclable Materials are contaminated with Solid Waste, Green Waste, Exempt Waste or Construction and Demolition Debris, the CONTRACTOR shall Collect the Container and cause the material contained therein to be disposed of as Solid Waste, and shall notify the Customer of the incident with a notice that states:

- The fact the Container required special handling, and the contents could not be recycled due to the presence of Contamination in the Container;
- A description of the Recyclable Materials that are appropriate for collection in the Container;
- An explanation that subsequent incidents of Contamination may result in non-collection, the imposition of a Contamination Service Charge, and where warranted, requiring additional or larger-sized Solid Waste Containers;
- A phone number to contact CONTRACTOR to obtain additional information and/or receive responses to questions the Customer may have; and
- Procedures for allowing the Customer to appeal the imposition of charges or other fees imposed by CONTRACTOR to the CITY.

On the second (2nd) instance of Contamination within a rolling twelve-month period, the CONTRACTOR shall Collect the Container and cause the material contained therein to be disposed of as Solid Waste. CONTRACTOR shall provide the notice set forth above.

If a third (3rd) instance of Contamination occurs within a rolling twelve-month period, the CONTRACTOR shall Collect the Container and cause the material contained therein to be disposed of as Solid Waste. CONTRACTOR shall provide the notice set forth above and may impose a Contamination Service Charge. In addition, CONTRACTOR may, following notification to the Contract Administrator, (i) remove the Recycling Container(s) and stop Collecting Recyclable Materials from that Residential Service Unit, or (ii) deliver additional Solid Waste Container(s) and adjust the Customer's rate for service accordingly.

Any appeal submitted by a Customer shall be referred to the Contract Administrator for determination. Thereafter, either Contractor or the Customer may appeal the Contract Administrator's determination to the City Council.

B. Commercial

The first (1st) time Recyclable Materials are contaminated with Solid Waste, Green Waste, Exempt Waste or Construction and Demolition Debris, the CONTRACTOR shall Collect the Container and cause the material contained therein to be disposed of as Solid Waste, and shall notify the Customer of the incident with a notice that states:

- The fact the Container required special handling, and the contents could not be recycled due to the presence of Contamination in the Container;
- A description of the Recyclable Materials that are appropriate for collection in the Container;
- An explanation that subsequent incidents of Contamination may result in non-collection, the imposition of Contamination Service Charge and, where warranted, requiring additional or larger-sized Solid Waste Containers, additional Collections of existing Containers, or the use of locking or slotted Containers, all at an additional cost to the Customer;
- A phone number to contact CONTRACTOR to obtain additional information and/or receive responses to questions the Customer may have; and

- Procedures for allowing the Customer to appeal the imposition of charges or other fees by CONTRACTOR to the CITY.

If a second (2nd) instance of Contamination occurs within a rolling twelve-month period, the CONTRACTOR shall Collect the Container and cause the material contained therein to be disposed of as Solid Waste. CONTRACTOR shall provide the notice set forth above and may impose a Contamination Service Charge.

If a third (3rd) instance of Contamination occurs within a rolling twelve-month period, the CONTRACTOR shall Collect the Container and cause the material contained therein to be disposed of as Solid Waste. CONTRACTOR shall provide the notice set forth above and may impose a Contamination Service Charge. In addition, CONTRACTOR may, following notification to the Contract Administrator, (i) remove the Recycling Container(s) and stop Collecting Recyclable Materials from that Commercial Service Unit, (ii) deliver additional Solid Waste Container(s) and adjust the Customer's rate for service accordingly, or (iii) make additional Collections of existing Container(s) and adjust the Customer's rate for services accordingly, or (iv) require the use of locking or slotted containers and adjust the Customer's rate for service accordingly

Any appeal submitted by a Customer shall be referred to the Contract Administrator for determination. Thereafter, either CONTRACTOR or the Customer may appeal the Contract Administrator's determination to the City Council.

7.16 ORGANIC MATERIALS - IMPROPER PROCEDURE

Except as set forth below, the CONTRACTOR shall not be required to Collect Organic Materials if the Service Recipient does not segregate the Organic Materials from Solid Waste, Recyclable Materials, Exempt Waste or Construction and Demolition Debris.

Except as set forth below, the CONTRACTOR shall not be required to Collect Organic Materials if the Service Recipient does not segregate the Organic Materials from Solid Waste, Recyclable Materials, Exempt Waste or Construction and Demolition Debris.

A. Residential

The first (1st) time Organic Materials are contaminated with Solid Waste, Green Waste, Exempt Waste or Construction and Demolition Debris, the CONTRACTOR shall Collect the Container as Solid Waste, and shall notify the Customer of the incident with a notice that states:

- The fact the Container required special handling, and the contents could not be processed due to the presence of Contamination in the Container;
- A description of the Organic Materials that are appropriate for collection in the Container;
- An explanation that subsequent incidents of excessive Contamination may result in non-collection, the imposition of Contamination Service Charge, and where warranted, requiring additional or larger-sized Solid Waste Containers; and
- A phone number to contact CONTRACTOR to obtain additional information and/or receive responses to questions the Customer may have; and.
- Procedures for allowing the Customer to appeal the imposition of charges or other fees imposed by CONTRACTOR to the CITY.

On the second (2nd) instance of Contamination within a rolling twelve-month period, the CONTRACTOR shall Collect the Container and cause the material to be disposed of as Solid Waste. CONTRACTOR shall provide the notice set forth above.

If a third (3rd) instance of Contamination occurs within a rolling twelve-month period, the CONTRACTOR shall Collect the Container and cause the material contained therein to be disposed of as Solid Waste. CONTRACTOR shall provide the notice set forth above and may impose a Contamination Service Charge. In addition, CONTRACTOR may, following notification to the Contract Administrator, (i) remove the Organic Materials Container(s) and stop Collecting Organic Materials from that Residential Service Unit, or (ii) deliver additional Solid Waste Container(s) and adjust the Customer's rate for service accordingly.

Any appeal submitted by a Customer shall be referred to the Contract Administrator for determination. Thereafter, either CONTRACTOR or the Customer may appeal the Contract Administrator's determination to the City Council.

B. Commercial

The first (1st) time Organic Materials are contaminated with Solid Waste, Green Waste, Exempt Waste or Construction and Demolition Debris, the CONTRACTOR shall Collect the Container and cause the material contained therein to be disposed of as Solid Waste, and shall notify the Customer of the incident with a notice that states:

- The fact the Container required special handling, and the contents could not be processed due to the presence of Contamination in the Container;
- A description of the Organic Materials that are appropriate for collection in the Container;
- An explanation that subsequent incidents of excessive Contamination may result in non-collection, the imposition of Contamination Service Charge and, where warranted, requiring additional or larger-sized Solid Waste Containers or additional Collections of existing Containers, both at an additional cost to the Customer;
- A phone number to contact CONTRACTOR to obtain additional information and/or receive responses to questions the Customer may have; and
- Procedures for allowing the Customer to appeal the imposition of charges or other fees, or other actions by CONTRACTOR, to the CITY.

If a second (2nd) incident of Contamination occurs within a rolling twelve-month period, the CONTRACTOR shall Collect the Container and cause the material contained therein to be disposed of as Solid Waste. CONTRACTOR shall provide the notice set forth above, and may impose a Contamination Service Charge.

If a third (3rd) instance of improper procedure occurs within a rolling twelve-month period, the CONTRACTOR shall Collect the Container and cause the material contained therein to be disposed of as Solid Waste. CONTRACTOR shall provide the notice set forth above and may impose a Contamination Service Charge. In addition, CONTRACTOR may, following notification to the Contract Administrator, (i) remove the Organic Materials Container(s) and stop Collecting Organic Materials from that Commercial Service Unit, (ii) deliver additional Solid Waste Container(s) and adjust the Customer's rate for service accordingly, or (iii) make additional Collections of existing Container(s) and adjust the Customer's rate for services accordingly.

Any appeal submitted by a Customer shall be referred to the Contract Administrator for determination. Thereafter, either Contractor or the Customer may appeal the Contract Administrator's determination to the City Council.

7.17 COMMINGLING OF MATERIALS

- A. **Solid Waste, Recyclable Materials, and Organic Materials.** The CONTRACTOR shall not commingle Solid Waste Collected pursuant to this Agreement with any Recyclable Materials or Organic Materials separated for Collection pursuant to this Agreement prior to delivery to the Transfer Station, MRF, Organic Materials Processing Facility or Disposal Facility as appropriate, without the express prior written authorization of the Contract Administrator.
- B. **Solid Waste Material Collected in the Service Area.** The CONTRACTOR shall not commingle any Solid Waste Collected pursuant to this Agreement with any other material Collected by the CONTRACTOR outside the CITY Service Area prior to delivery to the Transfer Station, MRF, Organic Materials Processing Facility or Disposal Facility as appropriate, unless the CONTRACTOR has provided documentation that is satisfactory to the Contract Administrator explaining how the commingled material will be allocated.
- C. **Recyclable Materials Collected in the Service Area.** The CONTRACTOR shall not commingle Recyclable Materials Collected pursuant to this Agreement with any other material Collected by the CONTRACTOR outside the CITY Service Area prior to delivery to the Transfer Station, MRF, or Disposal Facility as appropriate, unless the CONTRACTOR has provided documentation that is satisfactory to the Contract Administrator explaining how the commingled material will be allocated.
- D. **Organic Materials Collected in the Service Area.** The CONTRACTOR shall not commingle Organic Materials Collected pursuant to this Agreement with any other material Collected by the CONTRACTOR outside the CITY Service Area prior to delivery to the Transfer Station, Organic Material Processing Facility or Disposal Facility as appropriate, unless the CONTRACTOR has provided documentation that is satisfactory to the Contract Administrator explaining how the commingled material will be allocated.
- E. **Material Separation.** Solid Waste, Recyclable Materials, Organic Materials, Bulky Items and C&D Debris shall not be mixed together in the CONTRACTOR's Collection equipment unless such material has been deemed contaminated in which case it shall be Collected as Solid Waste. Each category of material Collected shall be kept separated according to type or classification except for such material that has been deemed contaminated in which case it shall be classified as Solid Waste.

7.18 PERSONNEL

- A. **General Personnel Requirements.** The CONTRACTOR shall employ and assign qualified personnel to perform all services set forth herein. The CONTRACTOR shall be responsible for ensuring that its employees comply with all Applicable Laws and regulations and meet all federal, state and local requirements related to their employment and position.

The CONTRACTOR shall furnish such qualified drivers, mechanical, supervisory, Customer service, clerical, and other personnel as may be necessary to provide the services required by this Agreement in a safe and efficient manner.

The CONTRACTOR shall use its best efforts to assure that all employees who interact with Customers present a neat appearance and conduct themselves in a courteous manner. The CONTRACTOR shall not permit its employees to accept, demand, or solicit, directly or indirectly, any additional compensation, or gratuity from members of the public.

- B. Liaison and Points of Contact.** The CONTRACTOR shall designate at least one (1) qualified employee as the CITY's primary liaison who is principally responsible for Collection operations and resolution of service requests and complaints. CONTRACTOR shall also provide contact information for a minimum of one (1) point of contact with each CONTRACTOR department, including operations, Customer service, Customer billing and Customer communications. CONTRACTOR shall immediately inform CITY of any changes in the designated liaison and any departmental point of contact. The CITY may also communicate directly with Route Manager or other CONTRACTOR personnel.
- C. Recycling Coordinator.** To achieve a high level of recycling public education and awareness, the CONTRACTOR shall dedicate one full-time Recycling Coordinator dedicated 100% to Mission Viejo to complete outreach to SFD, MFD and Commercial customers, and develop and implement all public education and outreach activities required under the Agreement. The Recycling Coordinator shall conduct outreach, promote waste reduction, recycling, diversion programs, and provide technical assistance to Multi-family and Commercial Customers. The diversion outreach and education program requirements are detailed in Exhibit 7. The diversion program monitoring and reporting requirements are detailed in Exhibit 8.
- The Recycling Coordinator shall work exclusively on the City programs and services and shall not have other, non-City responsibilities or other CITY responsibilities not related to Recycling Coordinator responsibilities in the CITY. The Recycling Coordinator shall not be the primary CONTRACTOR liaison described in Article 7.18B, above.
 - The required skills and experience for the Recycling Coordinator position is provided in Exhibit 7 of this Agreement.
 - CONTRACTOR shall provide a fully trained and experienced Recycling Coordinator on or before January 1, 2021. In the event of resignation of a Coordinator, CONTRACTOR shall have a maximum of ninety (90) calendar days to replace the Coordinator. CONTRACTOR shall notify City, in writing, of the name, education, background and experience, including a resume, and a list of three (3) references for each Coordinator prior to commencing operations and whenever there is a change in the staffing of the positions.
 - Upon City request, CONTRACTOR shall designate a different Coordinator if either Coordinator does not meet the requirements described in Exhibit 7 and/or if the City is otherwise dissatisfied with the performance of the designated Coordinator.
 - The Recycling Coordinator will shall cooperate and coordinate with the Contract Administrator to minimize duplicative, inconsistent, or inappropriately timed education campaigns. The CONTRACTOR shall allow the Contract Administrator a reasonable opportunity to review, request modifications to, and approve all materials including, but not limited to: print, radio, television, or internet media before publication, distribution, and/or release. The Recycling Coordinator shall also work cooperatively with a CITY-selected State Diversion Compliance Consultant described in 7.1D, below.
- D. State Diversion Compliance Consultant.** The City will use a City-selected outside consultant to monitor State diversion compliance services described in Section Exhibits 7 and 8 of the Agreement. The City will have the right of directing the work of the consultant and/or directing the consultant to provide reports directly to the City. The City will also have the right of having the consultant coordinate, assign and review the outreach and education work conducted by the Recycling Coordinator. This state diversion compliance consultant will be hired by the CONTRACTOR, or if the City exercises its right, the state

diversion consultant will be hired through a City contract and reimbursed by the CONTRACTOR. In any case, all costs associated with the use of an outside consultant, whether contracted by the CONTRACTOR or the City, shall be paid by the CONTRACTOR according to the terms in Section 9.5 of this Agreement.

- E. Hiring of Displaced Employees.** The CONTRACTOR shall fully comply with AB 1669. Additionally, immediately following award of this Agreement, CONTRACTOR shall work with the current hauler to obtain a complete list of full-time non-management employees in good standing working exclusively to provide direct Collection services to CITY and Collection support services on October 1, 2020 to the CITY. CONTRACTOR shall conduct outreach, complete interviews and offer employment to eligible employees. CONTRACTOR will not be required to hire for more positions than the maximum anticipated positions needed to provide the services required by this Agreement or hire employees for positions if those employees have not been successfully executing duties similar to those needed by CONTRACTOR to provide the services required by this Agreement.
- F. Lawful Hiring Compliance.** The CITY has adopted its Ordinance No. 07-247 that requires CONTRACTOR to enroll and participate in the E-Verify Program, if the CITY will be obligated to pay a total of more than \$30,000 for reasonable value of employment, labor or personal services provided by the CONTRACTOR. Thereafter, upon request, the CONTRACTOR shall provide the CITY reasonable documentation affirming both the enrollment in and actual participation in the E-Verify Program for each and every employee of the CONTRACTOR hired after the CONTRACTOR commences participation in the program. The requirements of Ordinance No. 07-247, as codified in the Mission Viejo Municipal Code in Chapter 2.80 are, as the same may be amended from time to time, required as a material term and condition of this Agreement. The provisions of Chapter 2.80 of the Mission Viejo Municipal Code are hereby incorporated by reference and expressly imposed on the CONTRACTOR without limitation or waiver.
- F. Driver Qualifications.** All drivers must have in effect a valid license, of the appropriate class, issued by the California Department of Motor Vehicles. CONTRACTOR shall use the Class II California Department of Motor Vehicles employer "Pull Notice Program" to monitor its drivers for safety.
- G. Safety Training.** The CONTRACTOR shall provide suitable operational and safety training for all of its employees who operate Collection vehicles or equipment. The CONTRACTOR shall train its employees involved in Collection to identify, and not to collect, Exempt Waste. Upon the Contract Administrator's request, the CONTRACTOR shall provide a copy of its safety policy and safety training program, the name of its safety officer, and the frequency of its trainings.

7.19 HAZARDOUS WASTE INSPECTION AND HANDLING

- A. Inspection Program and Training.** The CONTRACTOR shall develop a load inspection program that includes the following components: (i) personnel and training; (ii) load checking activities; (iii) management of wastes; and, (iv) record keeping and emergency procedures.

The CONTRACTOR's load checking personnel, including its Collection vehicle drivers, shall be trained in: (i) the effects of Hazardous Substances on human health and the environment; (ii) identification of prohibited materials; and, (iii) emergency notification and response procedures. Collection vehicle drivers shall inspect Containers before Collection when practical.

- B. Response to Exempt Waste Identified During Collection.** If the CONTRACTOR determines that material placed in any Container for Collection is Exempt Waste or presents a hazard to the CONTRACTOR's employees, the CONTRACTOR shall have the right to refuse to accept such material. The Generator shall be contacted by the CONTRACTOR and requested to arrange proper Disposal. If the Generator cannot be reached immediately, the CONTRACTOR shall, before leaving the Premises, leave a tag at least two (2) inches by six (6) inches in size, which indicates the reason for refusing to Collect the material and lists the phone number of a facility that accepts the Exempt Waste or a phone number of an entity that can provide information on proper Disposal of the Exempt Waste. Under no circumstances shall CONTRACTOR's employees knowingly Collect Exempt Waste or remove unsafe or poorly containerized Exempt Waste from a Collection Container. Prior to the Commencement Date of this Agreement, the tag that will be used to notice Customers of reason for non-Collection shall be reviewed and approved by the Contract Administrator. If Exempt Waste is found in a Collection Container or Collection area that could possibly result in imminent danger to people or property, the CONTRACTOR shall immediately notify the Fire Department.
- C. Response to Exempt Waste Identified at Disposal or Processing Facility.** Materials Collected by the CONTRACTOR will be delivered to the Approved Facilities for purposes of Processing or Disposal. In the event that load checkers and/or equipment operators at such facility identify Exempt Waste in the loads delivered by the CONTRACTOR, such personnel shall remove these materials for storage in approved, on-site, Exempt Waste storage Container(s). The CONTRACTOR shall arrange for removal of the Exempt Wastes at its cost by permitted haulers in accordance with Applicable Laws and regulatory requirements. The CONTRACTOR may at its sole expense attempt to identify and recover the cost of Disposal from the Generator. If the Generator can be successfully identified, the cost of this effort, as well as the cost of Disposal shall be chargeable to the Generator.

ARTICLE 8: BILLING, CUSTOMER SERVICE, RECORD KEEPING, AND REPORTING

8.1 BILLING AND COLLECTION

The CONTRACTOR shall be solely responsible for the billing and collection of payments for all Collection Services. The CONTRACTOR shall charge Service Recipients an amount which shall not exceed the maximum approved rates attached in Exhibit 1 to this Agreement as adjusted under the terms of this Agreement. The CITY or Contract Administrator shall have the right to review and approve the format of all Customer bills. The CONTRACTOR shall be entitled to set rates for all services provided pursuant to this Agreement, provided that such rates do not exceed the maximum approved rates set forth in Exhibit 1, as adjusted under the terms of this Agreement. Unless otherwise expressly provided, all references to Exhibit 1 in this Agreement shall be deemed to refer to such exhibit as adjusted from time to time in accordance with the provisions of this Agreement.

- A. Partial Month Service.** If, during a month, a Service Unit is added to or deleted from the CONTRACTOR's Service Area, the CONTRACTOR's billing shall be pro-rated by dividing the monthly

rate for the service provided to the Service Unit by four (4) and multiplying the result by the number of actual weeks in the month that service was provided to the Service Unit.

- B. Billing Inserts.** The CITY may provide non-Solid Waste related educational and other material to the CONTRACTOR for inclusion in the invoices provided by the CONTRACTOR to SFD, MFD and Commercial Customers for Collection Services. The CONTRACTOR may charge the CITY for the insertion and any extra postage charges for educational or other materials provided for distribution in the invoices.
- C. Temporary Service Stop.** SFD Customers Residential Customers may request a temporary service stop and will not be charged for Collection Services during the temporary service stop if such service is stopped for a minimum of one continuous month due to extended vacation, home remodeling/home construction or if the home is vacant while listed for sale. CONTRACTOR shall resume service to the prior established service level within five (5) days' notice of a request by the Residential Customer to resume service. At any time during the temporary service stop, if a Residential Customer places any Carts out for Collection, then CONTRACTOR shall resume regular service and charge the Residential Customer at the rates established in Exhibit 1.
- D. Delinquent Service Accounts.** The CONTRACTOR may take such action as is legally available to Collect or cause collection of such past due amounts, including discontinuing any or all service and/or removing Carts, Containers or Bins. However, CONTRACTOR may not discontinue providing Recycling, Green Waste, or Solid Waste Collection Services to a SFD Service Unit or a MFD Service Unit but instead must use the lien process to Collect delinquent accounts unless the CITY has approved a collection service exemption for the subject property in accordance with the provisions set forth in the CITY Municipal Code.
- E. Senior Citizen Maximum Service Rates.** The CONTRACTOR shall provide SFD Collection Services to senior citizens upon request at a rate set at 80% of the established Solid Waste rate for SFD Collection Service and not exceeding the maximum approved rate for such service set forth in Exhibit 1. Senior citizens shall be a minimum of 62 years of age or live in a senior citizen community which is restricted to Residents 55 years of age and older. The reduced rate shall not be added to or otherwise recovered by any Party by increasing the rate of any non-senior account holder.
- F. Collective Billing Discount.** A collective billing discount of five percent (5%) will be offered for homeowner associations (HOA) or condominium owner associations (COA) choosing to receive one bill for all residential services
- G. Cumulative Discounts.** A retirement community using collective billing shall receive both the Senior Citizen Maximum Service Rate and the Collective Billing Discount, for a combined rate of 75% of the established Solid Waste rate for SFD Collection Service and not exceeding the maximum approved rate for such service set forth in Exhibit 1.

8.2 NON-DISCLOSURE

The CONTRACTOR will not disclose to any Person other than the CITY any information identifying an individual Customer, the composition or contents of a Customer's Discarded Material, or a Customer's trade secrets unless upon the authority of a law, or pursuant to written authorization of the Customer.

8.3 NO MARKETING

The CONTRACTOR will not market or distribute mailing lists with the name or address of Customers. The CONTRACTOR's obligations under this subsection are in addition to any other privacy rights accorded Customers under Applicable Law.

8.4 CUSTOMER SERVICE STAFFING AND HOURS

The CONTRACTOR shall maintain a publicly accessible office located within the CITY Service Area that provides telephone access to residents and businesses of the CITY and is staffed by trained and experienced Customer Service Representatives (CSRs). Such office shall be equipped with sufficient telephones so that all Collection Service-related calls received during normal business hours are answered by an employee within a monthly average of no more than thirty (30) seconds of the Customer being placed on hold by automated answering system. In the event initial hold times exceed sixty (60) seconds for more than four (4) consecutive hours, the CONTRACTOR shall notify the CITY and provide a corrective action plan and timeline for resolution. The CONTRACTOR shall have responsible Persons in charge during Collection hours; and shall be open during normal business hours, which are currently 8:00 a.m. to 5:00 p.m., Monday through Friday, except for Holidays. Office hours may be adjusted at the discretion of the CONTRACTOR only after appropriate notification is provided to all Customers and provided that offices are open for business at least eight (8) hours per day Monday through Friday, except for Holidays. The CONTRACTOR shall provide either a telephone answering service or a mechanical device to receive Service Recipient inquiries during those times when the office is closed. Calls received after normal business hours shall be addressed the next morning the office is open.

8.5 CONTRACTOR'S CUSTOMER SERVICE

All service inquiries and complaints shall be directed to the CONTRACTOR. A representative of the CONTRACTOR shall be available to receive the complaints during normal business hours. All service complaints will be handled by the CONTRACTOR in a prompt, courteous, and efficient manner.

- A. **Response Requirement.** For those complaints related to missed Collections that are received by 2:00 p.m. on a Business Day, the CONTRACTOR will return to the Customer address and Collect the missed materials before leaving the Service Area for the day. For those complaints related to missed Collections that are received after 2:00 p.m. on a Residential Service Work Day, the CONTRACTOR shall have until noon of the following Business Day to resolve the complaint. For complaints related to repair or replacement of Carts or Bins, the CONTRACTOR shall resolve the complaint according to the requirements described in Article 7.10 C.
- B. **Missed Collections.** The CONTRACTOR agrees that it is in the best interest of the CITY that all Solid Waste, Recyclable Materials and Organic Materials be Collected on the scheduled Collection day. Accordingly, missed Collections will normally be Collected as set forth above regardless of the reason that the Collection was missed. However, in the event a Customer requests missed Collection service more than two (2) times during an Agreement Year the CONTRACTOR shall

contact the Customer to determine an appropriate resolution to that situation.

- C. **National Accounts.** The CONTRACTOR shall provide a local liaison between any national account staff and Customers. The CONTRACTOR's local office is required to provide Customer service to any Customer designated a national account and manage interactions with any national account staff on behalf of the Customer. Under no circumstances may service be delayed due to the unavailability of national accounts staff.
- D. **Emergency Contact.** The CONTRACTOR shall provide the Contract Administrator with an emergency phone number where the CONTRACTOR can be reached outside of the required office hours.
- E. **Emergency Services.** In the event of a tornado, major storm, earthquake, tsunami, fire, natural disaster, or other such event, the Contract Administrator may, in his or her discretion, grant the CONTRACTOR a variance from regular routes and schedules but no breach, default or other claim of nonperformance by CITY shall accrue if a variance is not issued. As soon as practicable after such event, the CONTRACTOR shall advise the Contract Administrator when it is anticipated that normal routes and schedules can be resumed. The Contract Administrator shall make an effort through the local news media to inform the public when regular services may be resumed. The clean-up from some events may require that the CONTRACTOR hire additional equipment, employ additional personnel, or work existing personnel on overtime hours to clean debris resulting from the event. The CONTRACTOR shall receive additional compensation, above the normal compensation contained in this Agreement, to cover the costs of rental equipment, additional personnel, overtime hours and other documented expenses based on the rates set forth in Exhibit 1 to this Agreement provided the CONTRACTOR has first secured written authorization and approval from the City through the Contract Administrator.
- F. **Multilingual/TDD Service.** The CONTRACTOR shall at all times maintain the capability of responding to telephone calls in English and Spanish as may be directed by CITY. The CONTRACTOR shall also at all times maintain the capability of responding to telephone calls through Telecommunications Device for the Deaf (TDD) Services.
- G. **Service Recipient Calls.** During office hours, the CONTRACTOR shall maintain a telephone answering system capable of accepting at least seven (7) incoming calls at one (1) time. The CONTRACTOR shall document calls regarding inquiries, service requests and complaints through the use of the CONTRACTOR's ticket report system.
- H. **Website.** The CONTRACTOR shall develop and maintain a website dedicated to services provided in the CITY that is accessible by the public. The web site shall include answers to frequently asked questions; rates for Collection Services; Recyclable Materials and Organic Materials specifications; proper Household Hazardous Waste Disposal procedures; and other related topics. CITY shall arrange for the CITY's website to include an e-mail link to the CONTRACTOR and a link to the CONTRACTOR's website. The CONTRACTOR's website shall provide the public the ability to e-mail complaints to the CONTRACTOR and request services or service changes.
- I. **Hazardous Waste Referrals.** The CONTRACTOR shall provide information regarding the Collection of Hazardous Waste to those Service Recipients requesting such information. The information shall at a minimum include information regarding the CONTRACTOR'S program in the CITY as well as information regarding the services available through the County of Orange.

- J. **Automated Billing Payment.** In an effort to reduce paper waste, the CONTRACTOR shall make available to all Customers an automated billing and payment system at no additional charge. This system should be website based and allow Customers to view and pay bills through CONTRACTOR's website. Through the CONTRACTOR's website, Customers may request to cease paper billing and receive all bills through e-mail and/or CONTRACTOR's website. The CONTRACTOR will ensure that the electronic billing and payment website conforms to industry-standard practices for electronic commerce security. The CONTRACTOR must ensure that these Customers are compiled in a list to ensure that billing inserts are mailed directly. The CONTRACTOR shall promote the website-based billing and payment system on all paper bills sent to Customers.
- K. **Bill Payment by Phone.** The CONTRACTOR shall make available to all Customers the ability to make bill payment by phone at no additional charge. Customers shall not be charged a surcharge or fee.

8.6 RECORD KEEPING

- A. **Accounting Records.** The CONTRACTOR shall maintain full, complete and separate financial, statistical and accounting records, pertaining to cash, billing, and provisions of all Collection Services provided under this Agreement, prepared on an accrual basis in accordance with generally accepted accounting principles. Such records shall be subject to audit, copy, and inspection. Gross Billings derived from provision of the Collection Services, including revenues from the sale of Recyclable Materials, including CRV revenue or revenue from the sale of Composted material, whether such services are performed by the CONTRACTOR or by an approved Subcontractor(s) as set forth in Exhibit 4, shall be recorded as revenues in the accounts of the CONTRACTOR. These records shall be maintained separate from the CONTRACTOR's records for services provided outside the Service Area. The CONTRACTOR shall maintain and preserve all cash, billing and Disposal records for a period of not less than eight (8) years following the close of each of the CONTRACTOR's fiscal years.
- B. **Agreement Materials Records.** The CONTRACTOR shall maintain records of the quantities of (i) SFD, MFD, Commercial and the CITY Solid Waste and Construction and Demolition Debris Collected and Disposed under the terms of this Agreement; (ii) Recyclable Materials, by type, Collected, purchased, Processed, sold, donated or given for no compensation; (iii) Green Waste Collected, Processed, sold, donated or given for no compensation; (iv) Organic Materials Collected, Processed, sold, donated or given for no compensation; and, (v) C&D Debris Collected, Processed, sold, donated or given for no compensation.

8.7 REPORTING REQUIREMENTS

Monthly reports shall be submitted to the Contract Administrator no later than thirty (30) calendar days after the end of the reporting month. Quarterly reports shall be submitted to the Contract Administrator no later than forty-five (45) calendar days after the end of the reporting quarter. Annual reports shall be submitted to the Contract Administrator no later than March 15 after the end of each preceding Agreement Year. Monthly, quarterly and annual reports shall be submitted in hard copy or provided electronically via e-mail if acceptable to the Contract Administrator. Reporting requirements for monthly, quarterly and annual reports are detailed in Exhibit 8 of the Agreement.

- A. **State Reporting Assistance.** The CONTRACTOR shall, upon request from the CITY, provide assistance in completing State reports, including but not limited to the CalRecycle Electronic Annual Report (EAR).
- B. **Additional Reporting.** The CONTRACTOR shall furnish the CITY with any additional reports as may reasonably be requested by CITY regarding CONTRACTOR's operations hereunder, such reports to be prepared within a reasonable time following the reporting period.

8.8 AUDIT REQUIREMENT

- A. **Annual Billing Audits.** The CONTRACTOR will be required to conduct annual billing audits of all SFD and MFD and Commercial Customers, with the CITY maintaining the right to engage a third party for an independent audit of the results of the billing audit. CONTRACTOR shall, upon request of CITY, reimburse CITY the full costs of CITY staff and third parties utilized by CITY to conduct, analyze or review the audit(s).
- B. **Diversion Monitoring Requirements.** The CONTRACTOR will be required to conduct monitoring activities as described in Exhibit 8 of the Agreement.

ARTICLE 9: COLLECTOR FEES AND OTHER FEES

9.1 COLLECTOR FEE

The Collector Fee Payment to the City shall be due on or before the thirtieth day following the end of each quarter. If the Collector fee is not paid on or before the thirtieth day following the end of the quarter, the CONTRACTOR must pay to the City a service charge, in an amount equal to ten percent (10%) of the amount owing for that quarter. The CONTRACTOR must pay an additional ten percent (10%) service charge on any unpaid balance for each additional thirty-day period during which the Collector fee remains unpaid. Late payment service charges will not be included in any revenue requirement. The CONTRACTOR agrees that the service charges required by this Article 9.1 reasonably reflect the cost to the City to process all delinquency calculations and notices, and to monitor the CONTRACTOR's services.

The Collector Fee shall be a percentage of CONTRACTOR's Gross Receipts collected each month for all Residential and Commercial Services provided in the City under the terms of this Agreement. Revenue received by the CONTRACTOR from the sale of Recyclable Materials, including California Redemption Value, not shall be considered as Gross Receipts for purposes of the calculation of Collector Fees. For Residential Collection Services, the Collector Fee percentage shall be eight percent (8%) of Gross Receipts during the term of this Agreement unless adjusted by the City. For Commercial Collection Services, the Collector Fee percentage shall be eight percent (8%) of Gross Receipts during the term of this Agreement unless adjusted by the City.

To give effect to the intent of the second paragraph of this Article 9.1, the Parties agree that the collector fee charged to the CONTRACTOR shall be calculated by dividing the base service rate element of each maximum approved rate by one (1) minus the collector fee percentage (for example $1.00 - .08 = 0.92$); subtracting the base service rate element; and rounding the resulting figure to two (2) decimal places. If the base service rate element of a maximum approved rate changes for any reason, the collector fee element will be recalculated.

9.2 STATE COMPLIANCE ADMINISTRATION FEE

The CONTRACTOR shall pay the state compliance administration fee, in the amount of \$180,000 (One Hundred Eighty Thousand Dollars) in quarterly increments of \$45,000 (Forty-Five Thousand Dollars) per quarter. Each quarterly increment will be paid concurrently with the Collector Fee as described in Section 9.1. The state compliance administration fee will be increased annually, starting July 1, 2022, by the percentage change in the Consumer Price Index, calculated in accordance with Step Three of Section 10.5 of this Agreement.

9.3 CONTRACTOR'S PAYMENTS TO CITY

The CONTRACTOR shall make payment to the CITY of the amounts as are set forth in Articles 9.1 and 9.2. Payment to the CITY shall be due quarterly on the thirtieth (30th) day of the month following each three-month period (quarter) during which revenues are billed. Each such payment shall be accompanied by an accounting that sets forth CONTRACTOR's Gross Billings during the preceding quarter. The CONTRACTOR shall conduct regular billing audits not less than annually, of all SFD, MFD and Commercial Customers in order to ensure the accuracy of the CONTRACTOR's payments to the CITY. The CONTRACTOR shall provide a copy of said audit upon request to the CITY. The CITY maintains the right to engage a third party for an independent audit of the results of the Gross Billing audit.

- A. **CITY Fee Audit.** No acceptance by CITY of any payment shall be construed as an accord that the amount is the correct amount, nor shall such acceptance of payment be construed as a release of any claim CITY may have against CONTRACTOR for any additional sums payable under the provisions of this Agreement. All amounts paid shall be subject to independent audit and recompilation by CITY; CONTRACTOR shall fully cooperate in all CITY audits and shall do so at no cost to CITY. If, after an audit, such recompilation indicates an underpayment, the CONTRACTOR shall pay to the CITY the amount of the underpayment plus interest at the Wall Street Journal Prime Rate. If the underpayment is in excess of five percent (5%) of the total fees due for the period of the audit, the CONTRACTOR shall reimburse CITY for all reasonable costs and expenses incurred in connection with the audit and recompilation within ten (10) Business Days of receipt of written notice from CITY that such is the case. If, after an audit, such recompilation indicates an overpayment, CITY shall notify the CONTRACTOR in writing of the amount of the overpayment. The CONTRACTOR may offset the amounts next due following receipt of such notice by the amount specified herein.

9.4 ADDITIONAL REQUIREMENTS

- A. **Contracting Fee Reimbursement.** The CONTRACTOR shall make a one-time, lump sum payment of Two Hundred Twenty-Five Thousand Dollars (\$225,000) within seven (7) Business Days of execution of this Agreement to reimburse the CITY for costs it incurred in connection with entering this Agreement.
- B. **State Diversion Compliance Consultant.** Beginning on January 1, 2021, and each Calendar Year thereafter, the CONTRACTOR shall fund a CITY-selected State Diversion Compliance Consultant. The CONTRACTOR shall make payments in the amount of Seventy-Five Thousand Dollars (\$75,000) directly to the CITY to fund this CITY-selected outside consultant to monitor the CITY'S State Diversion compliance, or as determined by the CITY. The \$75,000 annual contribution will be increased annually, starting July 1, 2022, by the percentage change in the Consumer Price Index, calculated in accordance with Step Three of Section 10.5 of this Agreement.

- C. **SB 1383-Required Waste Composition Studies.** CONTRACTOR shall fund a CITY-approved subcontractor to conduct State Required Waste Composition Studies according to the methodology and frequency described in Exhibit 8. All costs associated with this requirement will be paid by the CONTRACTOR and no costs will be paid by the CITY.
- D. **National Library Month Donation.** CONTRACTOR will donate to the Mission Viejo Library \$5.00 per each ton of Recyclable materials collected from SFD and MFD Customers during National Library Month in the month of April.
- E. **Community Donation.** CONTRACTOR will make payment to the City of \$50,000 within ten (10) days of each January 1, commencing January 1, 2021, to be used for community events. The \$50,000 annual payment will be increased annually, starting January 1, 2022, by the percentage change in the Consumer Price Index, calculated in accordance with Step One of Section 10.5 of this Agreement.
- F. **Encroachment Fee.** CONTRACTOR must complete a CITY permit form and pay a \$5.00 encroachment fee for each Container, such as temporary Bin or Roll-Off Box, placed in the public right-of way. CONTRACTOR may charge the Customer for this fee, in addition to the approved rates. CONTRACTOR must complete a form when providing service. Copies of the permit and the \$5.00 encroachment fee per Container must be remitted to the CITY at least monthly.
- G. **Other Fees.** The CITY reserves the right to establish other fees, as it deems necessary in its sole discretion. The amount, time, and method of payment and the applicable adjustment process, will be established similar to those described in Section 9. If the City establishes other fees which cause an increase or decrease in the cost of performing services, the provisions of Section 10.7 shall apply.

ARTICLE 10: CONTRACTOR COMPENSATION AND MAXIMUM SERVICE RATES

10.1 CONTRACTOR COMPENSATION

The maximum approved rates set forth in Exhibit 1, as more fully defined as CONTRACTOR Compensation in this Article, shall be the maximum amount that the CONTRACTOR may charge Customers, as full, entire and complete compensation due pursuant to this Agreement for all labor, equipment, materials and supplies, fees or surcharges due to the CITY as applicable, taxes, insurance, bonds, letters of credit, overhead, disposal, transfer, processing, profit and all other things necessary to perform all the services required by this Agreement in the manner and at the times prescribed. The CONTRACTOR shall impose no other charges for services provided under this Agreement to Customers or the CITY unless approved in advance in writing by CITY.

10.2 MAXIMUM SERVICE RATES

Maximum service rates shall consist of some combination of the following elements: a base service rate element, a collector fee element and such other elements as may be added by the CITY during the Term of this Agreement to reflect new fees or charges imposed by CITY.

From time to time, Customers may request special services for which a rate is not provided in Exhibit 1. In such cases, the Customer and CONTRACTOR shall negotiate a rate for the special services. If agreement cannot be reached, the matter shall be referred to the Contract Administrator for establishment of the rate.

10.3 INITIAL SERVICE RATES AND SB 1383 SERVICE RATES

The initial service rates the CONTRACTOR may charge Customers commencing January 1, 2021 shall not exceed the maximum approved rates for 2021, set forth as Exhibit 1. The rates for those services impacted by the commencement of SB 1383 requirements on January 1, 2022, shall not exceed the maximum service rates, which will be effective on January 1, 2022 and are also set forth as Exhibit 1.

10.4 SCHEDULE OF FUTURE ADJUSTMENTS

Beginning with the Rate Year starting July 1, 2022 and ending on June 30, 2023 and for all subsequent Rate Years, the maximum approved rates shown in Exhibit, including the SB 1383 impacted rates which will be adjusted on January 1, 2022, may be adjusted as described in this Article. The CONTRACTOR shall submit rate adjustment calculations in writing directly to the CITY staff or via certified mail, on or before February 1, 2022 and on or before February 1 of each succeeding Rate Year, and shall be based on the method of adjustment described in this Article. Starting July 1, 2022, each Rate Year will start on July 1 and end on June 30 of the following calendar year.

10.5 METHOD OF FUTURE ADJUSTMENTS

Pursuant to Article 10.4, the adjustment to the maximum approved rates according to the method described below and the formulas and procedures shown in Exhibit 2 subject to review of the CITY. Exhibit 2 inputs will function as a support tool to facilitate the calculation of the rate adjustment.

For rate adjustment purposes, the approved maximum approved rates consist of a service component and a Disposal component. Each cost component may be adjusted by the change in the corresponding rate adjustment index and percentage weighting, as provided below. The initial rate adjustment index weightings may be adjusted following any audit as per Article 8.8.

- A. Step One: Calculate the Percentage Change in CPI.** The annual increase or decrease in the Consumer Price Index CUURS49ASA0 CPI-U, All items in Los Angeles-Long Beach-Anaheim, CA, all urban consumers, not seasonally adjusted, as published by the United States Department of Labor, Bureau of Labor Statistics for the twelve (12) month period ending the month of December prior to July 1 of the next Rate Year will be used to adjust all components except for the value of recyclable commodities.

- B. Step Two: Calculate New Post-Collection Component Index.** Using the previous period tipping fee per ton rates for each material type and the actual tonnage for each material type for the period ending December 31 of the previous year, calculate the weighted average cost per ton. The initial post-collection Component Index is provided in Exhibit 2 and are based on CONTRACTOR's proposal. Handling, processing, transportation, marketing and disposal costs using CONTRACTOR's (or affiliates') facilities or equipment will be adjusted using CPI, while such costs using third party facilities or equipment will be adjusted based on changes in actual costs. Changes in Recyclable Materials commodity values will be determined using the blended commodity value at the Orange Materials Recovery Facility for Recyclable Materials collected by CONTRACTOR's Irvine hauling

operation. The CITY shall have the option to review the documentation supporting these calculations.

- C. **Step Three: Calculate the Percentage Change in Post-Collection Component Index.** The increase or decrease in the new post-collection component index and the previous year post-collection component index will be used to adjust the post collection component.
- D. **Step Four: Calculate the Permitted Percentage Rate Change.** Multiply the percentage changes for the collection service component and post-collection component by that component's assigned percentage weighting. The initial percentage weightings are provided in Exhibit 2 and are based on CONTRACTORS' proposal.
- E. **Step Five: Calculate the Permitted Rate Change.** Multiply the weighted permitted percent change from Step Four by the existing maximum approved rate for Services to determine the increase or decrease in maximum rates. Then add (subtract) the change in Service Rates to (from) the existing maximum approved rates to determine the new maximum approved rates.
- F. **Step Six: Calculate the Cost Component Weightings for Future Rate Adjustment Calculations.** Use the procedure set out in Exhibit 2 – Step Six to recalculate the percentage weightings for the collection service component and the post-collection service component.

Notwithstanding anything to the contrary, any adjustment made in accordance with this Section 10.5 (excluding any rate adjustment provided in accordance with Section 10.6 or 10.7) shall not be greater than five percent (5%) in any given year. In the event the formula set forth above would have allowed for a greater than five percent (5%) increase in any given year, but such increase does not occur as a result of this limitation, the unused percentage increase otherwise permitted may be carried over to future years as it may be applied without violating this limitation. By way of example only, if the above formula would provide for an increase of six percent (6%) in one year, the maximum rates may only be increased by five percent (5%). If, in the next year, the above formula would provide for an increase of one percent (1%), the unapplied one percent (1%) increase from the prior year would be applied and the maximum rates would be increased by two percent (2%).

10.6 EXTRAORDINARY RATE ADJUSTMENTS

The CONTRACTOR may petition the CITY in writing at reasonable times other than that allowed under 10.4 (Annual Rate Adjustment) for an adjustment in the maximum rates due to (i) extraordinary circumstances beyond the CONTRACTOR's control, (ii) due to new programs and services requested by CITY as provided herein, or (iii) due to a Change in Law. The CONTRACTOR shall provide documentation and analysis to the satisfaction of CITY of the reasons for such adjustment. Petitions regarding extraordinary circumstances beyond the CONTRACTOR's control shall satisfy all of the following conditions: (i) materially alters CONTRACTOR's operations or overall costs; (ii) could not reasonably have been foreseen by a prudent operator; and (iii) by all reasonable expectations will continue for a period of at least six (6) months. Such changes shall not include changes in the market value of Recyclables or inaccurate estimates by the CONTRACTOR of its cost of operations.

The CONTRACTOR's request shall contain substantial proof and justification to support the need for the adjustment. For each request brought pursuant to this section CONTRACTOR shall prepare a schedule documenting the extraordinary costs. Such request shall be prepared in a form acceptable to the CITY with support for assumptions made by the CONTRACTOR in preparing the estimate. The CONTRACTOR shall also submit a schedule showing how

its total costs and total revenues have changed over the past two (2) years for the services provided under this Agreement.

The CITY may request from the CONTRACTOR such further information as it deems necessary to fully evaluate the request and make its determination. CITY may request a copy of the CONTRACTOR's annual financial statements in connection with the CITY's review of the CONTRACTOR's rate adjustment request. CITY shall review the CONTRACTOR's request and, when Article 10.6 is enacted due to Article 5.5 City Directed Change in the City Council's reasonable judgment, make the final determination as to whether an adjustment to the maximum rates will be made, and, if an adjustment is permitted, the appropriate amount of the adjustment. When Article 10.6 is enacted for any other reason, the CITY shall review the CONTRACTOR's request and, in the City Council's sole judgment and absolute, unfettered discretion, make the final determination as to whether an adjustment to the maximum rates will be made, and, if an adjustment is permitted, the appropriate amount of the adjustment. The City Council may consider increases or decreases in the CONTRACTOR's total revenues and total cost of services when reviewing an extraordinary rate adjustment request. Where reasonably possible, any approved adjustment shall occur in a timeframe to coincide with the effective date of any increased fees or charges imposed upon CONTRACTOR.

The CITY and the CONTRACTOR may make changes in the service levels under this Agreement sufficient to avoid the need for a rate adjustment. Extraordinary rate adjustments shall only be effective after approval by the City Council and may not be applied retroactively unless otherwise approved by the City Council.

10.7 ADJUSTMENTS FOR NEW, INCREASED OR CHANGED TAXES, FEES AND CHARGES

The maximum rates shall be adjusted from time to time at the request of either contractor or city, to reflect the demonstrable change in costs in providing services hereunder associated with any new, increased or decreased tax, fee or charge imposed by the city (pursuant to article 9) or other governmental entity. Following such request, contractor shall submit a schedule documenting the change in costs for review and concurrence by the contract administrator.

ARTICLE 11: INDEMNIFICATION, INSURANCE AND PERFORMANCE BOND

11.1 INDEMNIFICATION OF THE CITY

- A. GENERAL.** The CONTRACTOR shall defend, with counsel reasonably acceptable to the CITY, indemnify and hold harmless, to the fullest extent allowed by law, CITY, its officers, officials, employees, volunteers, agents and assignees (collectively, "Indemnitees"), from and against any and all causes of action, claims, costs (including but not limited to reasonable attorneys' and expert witness fees and costs incurred in connection with defending against any of the foregoing or enforcing this indemnity which fees and costs shall be reasonable if incurred by the CITY and reimbursed by the CONTRACTOR), loss, damages (including but not limited to special and consequential damages), liability, penalties (including attorneys' fees for the adverse party), forfeitures, demands, proceedings or suits, in law or in equity, of every kind and description (including, but not limited to, injury to and death of any Person and damage to property, or for contribution or indemnity claimed by third parties) arising out of or in any way connected with the

performance of this Agreement by the CITY, its agents, directors or employees, or by the CONTRACTOR, its agents, directors or employees, whether such claims, liens, demands, damages, losses or expenses are based upon a contract or upon a claim for personal injury, death or property damage or upon any other legal or equitable theory whatsoever to include without limitation, claims arising or resulting from or made by third parties alleging: (i) the negligence or willful misconduct of the CONTRACTOR, its agents, employees and/or Subcontractors, in exercising the privileges granted to it by this Agreement; (ii) the failure of the CONTRACTOR, its agents, employees and/or Subcontractors in the performance of this Agreement to comply in all respects with the provisions and requirements of this Agreement, Applicable Laws, ordinances and regulations, and/or applicable permits and licenses; (iii) the acts of the CONTRACTOR, its agents, employees and/or Subcontractors in performing services under this Agreement for which strict liability is imposed by law; and, (iv) claims that arise out of or result from the performance of this Agreement by the CITY, its agents, directors or employees or CONTRACTOR, its agents, directors or employees, whether such claims, liens, demands, damages or losses or expenses are based upon a contract or upon a claim for personal injury, death or property damage or upon any other legal or equitable theory, whatsoever. Notwithstanding this defense obligation, the CONTRACTOR shall not be required to indemnify the CITY from loss or liability to the extent such loss arises from their proportionate causation of negligence or willful misconduct of the CITY, its agents, directors and employees, at such time that such proportionate causation of negligence or willful misconduct has been finally determined by a court of competent jurisdiction. The CONTRACTOR shall provide the CITY with a defense until such determination has been made (i.e., until a court of competent jurisdiction has determined that the loss or liability arises from the sole negligence or willful misconduct of the CITY, the CONTRACTOR shall provide a defense as to such loss or liability).

- B. CALRECYCLE Indemnification.** In addition, CONTRACTOR'S duty to defend and indemnify herein includes payment of all fines and/or penalties imposed by the CalRecycle, subject to the restrictions set forth in Public Resources Code Section 40059.1, if the requirements of AB 939, AB 341, AB 1826 and/or SB 1383 are not met by the CONTRACTOR with respect to the waste stream Collected under this agreement, and such failure is (i) due to the failure of CONTRACTOR to meet its obligations under this Agreement, or (ii) due to CONTRACTOR delays in providing information that prevents CONTRACTOR or CITY or RWMA from submitting reports required by AB 939, AB 341, AB 1826 and/or SB 1383 in a timely manner. The provisions of this section shall survive the termination or expiration of this Agreement.
- C. Exempt Waste.** The CONTRACTOR acknowledges that it is responsible for compliance during the entire Term of this Agreement with all Applicable Laws. The CONTRACTOR shall not store, transport, use, or Dispose of any Exempt Waste except in strict compliance with all Applicable Laws.

In the event that the CONTRACTOR negligently or willfully mishandles Exempt Waste in the course of carrying out its activities under this Agreement, the CONTRACTOR shall at its sole expense promptly take all investigatory and/or remedial action reasonably required for the remediation of such environmental contamination. Prior to undertaking any investigatory or remedial action, however, the CONTRACTOR shall first obtain the Contract Administrator's approval of any proposed investigatory or remedial action. Should CONTRACTOR fail at any time to promptly take such action, the CITY may undertake such action at the CONTRACTOR's sole cost and expense, and the CONTRACTOR shall reimburse the CITY for all such expenses within thirty (30) calendar days of being billed for those expenses, and any amount not paid within that thirty (30) calendar day period shall

thereafter be deemed delinquent and subject to the delinquent fee payment provision of this Agreement. These obligations are in addition to any defense and indemnity obligations that the CONTRACTOR may have under this Agreement. The provisions of this Article shall survive the termination or expiration of this Agreement.

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

- D. Environmental Indemnity.** The CONTRACTOR shall defend, indemnify, and hold the CITY harmless against and from any and all claims, suits, losses, penalties, damages, and liability for damages of every name, kind and description, including attorneys' fees and costs incurred, attributable to the negligence or willful misconduct of the CONTRACTOR in handling Exempt Waste. Notwithstanding any provision herein to the contrary, the indemnities set forth in subsections C and D shall not apply to the extent arising from Exempt Waste delivered by CITY and CONTRACTOR.
- E. Related to Propositions 218 and 26.** Should there be a Change in Law or a new judicial interpretation of Applicable Law, including, but not limited to, Article XIII C and D of the California Constitution (Commonly Proposition 218 and Proposition 26), which impacts the CITY'S ability to set or change Rates for the Collection services established in accordance with this Agreement, CONTRACTOR agrees to meet and confer with the CITY to discuss the impact of such Change in Law on either Party's ability to perform under this Agreement.

The Parties agree that CITY regulates and evaluates the propriety of the Rates requested by CONTRACTOR, but does not set or levy the Rates.

The CITY shall not be in default of this Agreement, if any rate adjustment is denied, or disallowed by operation of Applicable Law. Should a request to charge and/or increase its Rates for any charges incorporated into the Rates under this Agreement is denied, or disallowed by operation of Applicable Law, CONTRACTOR shall reduce the Rates it charges Customers a corresponding amount, providing said denied or disallowed fees, Rates and/or charges are not related to the cost of providing service hereunder and had been incorporated in the Rates charged by CONTRACTOR to its Customers.

In addition, CONTRACTOR will have the right, within thirty (30) days after notice of any such denial or disallowance of any increase to the charges and/or rates related to the costs of providing service hereunder, to request, in writing, that CITY negotiate in good faith regarding reductions in programs and services, to compensate for any negative impact from the denied or disallowed rate increase. If CITY fails to commence negotiations in good faith or negotiations are not completed within one hundred eighty (180) days following the date of receipt of CONTRACTOR's request, CONTRACTOR may terminate this Agreement no earlier than eighteen (18) months after written notice to CITY.

Nothing herein is intended to imply that the Parties believe or intend that California Constitution, Articles XIII C or XIII D, apply to the Rates established for services provided under this Agreement;

rather this Section is provided merely to allocate risk of an adverse judicial interpretation between the Parties or for any third Party or Parties.

This provision, Article 11.1 A –E, will survive the expiration or earlier termination of this Agreement and shall not be construed as a waiver of rights by the CITY or Indemnity from third parties.

11.2 EVALUATION OF LIABILITY

The CONTRACTOR's obligation to defend, hold harmless, and indemnify under Article 11 shall not be excused because of the CONTRACTOR's inability to evaluate an Indemnitee's liability or because the CONTRACTOR evaluates such liability and determines that the Indemnitee is not liable to the claimant. Within twenty (20) days of receiving written notice from the CITY of a claim for which the CITY is entitled to indemnity, the CONTRACTOR shall confirm to the CITY in writing that the CONTRACTOR will provide a defense to the claim and shall take appropriate actions to provide such defense.

11.3 HAZARDOUS SUBSTANCES INDEMNIFICATION

The CONTRACTOR shall indemnify, defend with counsel acceptable to the CITY, and hold harmless the CITY, its officers, officials, employees, agents, assigns and any successor or successors to the CITY's interest from and against all claims, damages (including but not limited to special, consequential and natural resources damages) injuries, hazardous materials response, remediation and removal costs, losses, demands, liens, liabilities, causes of action, suits (including citizen's suits), legal or administrative proceedings, interest, fines, charges, penalties (including attorneys' fees for the adverse party), and expenses (including but not limited to attorneys' and expert witness fees and costs incurred in connection with defending against any of the foregoing or enforcing this indemnity) of any kind whatsoever paid, incurred or suffered by, or asserted against CITY or its officers, officials, employees, agents, assigns, or contractors arising or resulting from any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure or other plan (regardless of whether undertaken due to governmental action) concerning: (i) any Hazardous Substance or hazardous wastes at any facility owned or operated by CONTRACTOR or an Affiliate of CONTRACTOR where CONTRACTOR transports, stores, or causes to be disposed Solid Waste pursuant to this Agreement; (ii) CONTRACTOR's discharge of a pollutant in violation of the State Porter-Cologne Water Quality Act or federal Clean Water Act; (iii) CONTRACTOR's violation of any State or federal air quality rule, law or regulation; (iv) CONTRACTOR's violation of any other State or federal environmental law, including the Resource Conservation and Recovery Act or its State law corollary; or (v) CONTRACTOR's discharge of any Hazardous Substance or Hazardous Waste that causes injury to Person(s) or property(ies), in each of clauses (ii) through (v), during the Term of this Agreement and subject to Article 11. The foregoing indemnity is intended to operate as an agreement to indemnify, defend, insure, protect and hold CITY harmless from liability, pursuant to Section 107(e) of CERCLA, 42 U.S.C. Section 9607(e) and California Health and Safety Code Section 25364, and other applicable State and federal Environmental Laws. The foregoing indemnity shall not apply to the extent arising from Exempt Waste delivered by CITY to CONTRACTOR.

11.4 SEPARATE COUNSEL

The CITY may elect to have and consult separate legal counsel from the CONTRACTOR at any time during the pendency of any claim at its sole discretion. the CITY shall be responsible for paying its separate counsel unless: (i) the CITY in its sole discretion determines and notifies CONTRACTOR that separate counsel is required to represent the CITY during the resolution of any claim; or (ii) a court of competent jurisdiction rules that the CONTRACTOR has refused to satisfy its obligations under this Article 11. Notwithstanding the preceding sentence or the first sentence

of Article 11.1, with respect to a particular claim, if the CONTRACTOR confirms to the CITY in writing CONTRACTOR's obligation to indemnify and defend the CITY, without reserving a right to later seek reimbursement from the CITY of defense costs with respect to such claim, the CITY shall not object to the counsel representing it being the same counsel that represents CONTRACTOR in the defense of such claim and shall, if permitted by law, provide such written conflict-of-interest waiver as may be required for such joint representation. If the CONTRACTOR provides the aforementioned confirmation, but the CITY declines to consent to such joint representation, the CITY may retain its own counsel at its own expense, the CITY shall have no right of defense or reimbursement of defense costs with respect to such claim (but the CITY shall still be entitled to indemnity), the CITY shall reasonably cooperate with CONTRACTOR in the defense and settlement of such claim. If the CONTRACTOR does not provide the aforementioned confirmation, or if the CONTRACTOR provides such confirmation and the CITY is prohibited by law from providing such waiver, then the CONTRACTOR shall reimburse the CITY for the reasonable attorneys' fees and costs of the CITY's separate counsel with respect to such claim.

11.5 CONSIDERATION

It is specifically understood and agreed that the consideration inuring to the CONTRACTOR for the execution of this Agreement consists of the promises, payments, covenants, rights and responsibilities contained in this Agreement, not including any attachments reflecting differing terms.

11.6 OBLIGATION

The execution of this Agreement by the CONTRACTOR shall obligate the CONTRACTOR to comply with the foregoing indemnification provisions; however, the collateral obligation of providing insurance must also be fully complied with as set forth in Article 11.11 below.

11.7 SUBCONTRACTORS

The CONTRACTOR shall require all Subcontractors performing Collection Services under the terms of this Agreement to enter into an agreement containing the provisions set forth in this Article 11 in their entirety and Subcontractor shall fully indemnify the CITY in accordance with this Agreement. Such agreement, however, will not relieve the CONTRACTOR of its obligations under this Article 11, unless the CITY expressly agrees in writing to so relieve the CONTRACTOR.

11.8 EXCEPTION

Notwithstanding any other provision of this Article 11, the CONTRACTOR's obligation to indemnify, hold harmless and defend under this Article 11 does not extend to any loss, liability, penalty, damage, cause of action, suit, forfeiture, claim, demand, proceeding, injury, cost, lien, interest, fine, charge or expense (i) as to which the CONTRACTOR is precluded by law from indemnifying the Indemnitee, (ii) which arose or resulted from the sole negligence or willful misconduct of any Indemnitee; (iii) pertaining to the process by which the CONTRACTOR was selected, the exclusive Franchise hereunder was granted, or this Agreement was entered into or approved by the CITY, or the CITY's authority to do any of the same.

11.9 DAMAGE BY CONTRACTOR

If the CONTRACTOR's employees or Subcontractors cause any injury, damage or loss to the CITY property, including but not limited to the CITY streets or curbs, other than normal wear and tear from routine operations and as set

forth in Article 5, the CONTRACTOR shall reimburse the CITY for the CITY's cost of repairing such injury, damage or loss. Such reimbursement is not in derogation of any right of the CITY to be indemnified by the CONTRACTOR for any such injury, damage or loss. With the prior written approval of the CITY, the CONTRACTOR may repair the damage at the CONTRACTOR's sole cost and expense.

11.10 SURVIVAL

The CONTRACTOR's indemnity obligations shall survive the expiration or termination of this Agreement and continue until such obligations have been fully satisfied by the resolution of all claims for which indemnity obligations are owed to the CITY.

11.11 INSURANCE

- A. Commercial General Liability.** The CONTRACTOR shall, at its sole cost and expense, procure, maintain and keep in full force and effect during the life of this Agreement commercial general liability (CGL), and if necessary, commercial umbrella liability insurance in an amount not less than Ten Million Dollars (\$10,000,000) for each occurrence and general aggregate and Products/Completed Operations aggregate limits of liability coverage of not less than Ten Million Dollars (\$10,000,000).

CGL insurance shall be written on ISO occurrence form CG 00 01 04 13 (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, products-completed operations, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract). with

CITY shall be included as an insured under the CGL, using ISO additional insured endorsement CG 20 10 07/04 and CG 20 37 07/04 or a substitute providing equivalent coverage, and under the commercial umbrella, if any.

This insurance shall apply as primary insurance with respect to any other insurance or self-insurance programs afforded to CITY. There shall be no endorsement or modification of the CGL to make it excess over other available insurance; alternatively, if the CGL states that it is excess or pro rata, the policy shall be endorsed to be primary with respect to the additional insured.

There shall be no endorsement or modification of the CGL limiting the scope of coverage for liability assumed under a contract.

CONTRACTOR waives all rights against CITY and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the commercial general liability or commercial umbrella liability insurance maintained pursuant to paragraph 1.1 of this Agreement. Insurer shall endorse CGL policy as required to waive subrogation against CITY.

Furthermore, the commercial general liability policy will contain a separation of insureds provision specifying that the policy will apply separately to the CITY and each additional insured against whom claim is made or suit is brought.

- B. Commercial Automobile Liability.** The CONTRACTOR shall procure, maintain and keep in full force and effect during the life of this Agreement, automobile liability insurance and, if necessary, commercial umbrella liability insurance for owned, leased, hired or borrowed automobiles in an amount not less than Ten Million Dollars (\$1,000,000) combined single limit bodily injury and property damage for each accident.

Coverage as required in paragraph 1.2 above shall be written on ISO form CA 00 01, CA 00 05, CA 00 25, or a substitute form providing equivalent liability coverage.

Pollution liability coverage at least as broad as that provided under the ISO pollution liability—broadened coverage for covered autos endorsement (CA 99 48) shall be provided, and the Motor Carrier Act endorsement (MCS 90) shall be attached.

CONTRACTOR waives all rights against CITY and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the automobile liability or commercial umbrella liability insurance obtained by Tenant pursuant to this Agreement.

- C. Workers' Compensation and Employer's Liability.** The CONTRACTOR shall procure, maintain and keep in full force and effect during the life of this Agreement workers' compensation coverage in an amount not less than the State statutory limits and employers' liability insurance in an amount not less than One Million Dollars (\$1,000,000) each accident for bodily injury by accident or One Million Dollars (\$1,000,000) each employee for bodily injury by disease.. CONTRACTOR waives all rights against CITY and its agents, officers, directors, and employees for recovery of damages to the extent these damages are covered by the workers compensation and employer's liability or commercial umbrella liability insurance obtained by Tenant pursuant to this Agreement. CONTRACTOR shall obtain an endorsement equivalent to WC 00 03 13 to affect this waiver.

- D. Pollution and Remediation Legal Liability.**

- 1. Pollution Legal Liability for Transfer Stations – Owned and Non-Owned – Claims Made.** The CONTRACTOR shall procure, maintain and keep in full force and effect during the life of this Agreement Pollution and Remediation Legal Liability insurance applicable to bodily injury; property damage, including loss of use of damaged property or of property that has not been physically injured or destroyed; transit exposures, cleanup costs; and defense, including costs and expenses incurred in the investigation, defense, or settlement of claim; arising out of pollution condition at on or under of the Transfer Station. Coverage shall be maintained in an amount not less than Two Million (\$2,000,000).

Coverage as required above shall apply to sudden and non-sudden pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids, or gases, waste materials, or other irritants, contaminants, or pollutants.

Said Pollution and Remediation Legal Liability insurance shall be on a claims-made form and shall be retroactive to the date CONTRACTOR first began providing services in the CITY as the exclusive franchisee for Solid Waste Collection services. Said Pollution and Remediation Legal Liability insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of this Agreement.

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

The CONTRACTOR shall procure, maintain and keep in full force and effect during the life of this Agreement any other insurance required by law. The limits of insurance herein shall not limit the liability of the CONTRACTOR.

- 2. CONTRACTOR Pollution Legal Liability.** The CONTRACTOR shall procure, maintain and keep in full force and effect during the life of this Agreement, CONTRACTORS Pollution Legal Liability for contracting operations for the collection, transportation, temporary storage and Disposal of the waste. Coverage to include unloading and loading of the waste, all forms of transportation, mis-delivery of the waste and non-owned site Disposal coverage. The coverage is to apply to pollution conditions arising out of the services under this Agreement for liability arising for bodily injury, property damage including natural resource damage liability and cleanup costs. Coverage shall be maintained in amount not less than Two Million (\$2,000,000).
- E. Policy.** The policy or policies shall be issued by an insurer licensed to do business in the State. Minimum insurance company ratings as determined by the most current edition of the Best's Key Rating Guide/Property-casualty/United States should be A- (Secure Best's Rating) and VIII (Financial Size Category).
- F. Additional Requirements.** The type and amount of coverage required hereunder may be amended in the future to limits reasonably required by the CITY (such amendment to be considered a CITY-Directed Change and handled pursuant to Article 5.5). The CONTRACTOR shall provide the CITY an endorsement to its insurance policies specifically naming the CITY, its officers, officials, agents, independent contractors, employees and volunteers as additional insureds under the commercial general liability and automobile liability policies, providing coverage for claims that arise out of the work or operations performed by or on behalf of the CONTRACTOR or that in any way concerns this Agreement and include coverage for the additional insureds for both ongoing and completed operations so long as the liability of an additional insured arises out of the work of the named insured, or so long as an additional insured's liability arises out of the named insured's performance of this Agreement. The additional insured endorsement shall not contain any provisions not included in the additional insured forms referenced in this Agreement which limit or restrict coverage for the additional insureds beyond the extent set forth in this Agreement. The coverage provided to the CITY shall be equal and identical to the coverage of the CONTRACTOR under "Proof of Insurance." Upon commencement of this Agreement, the CITY shall receive, at a minimum, a certificate of insurance along with policy forms endorsements confirming coverage required under this Agreement.

Upon request from CITY, the CONTRACTOR shall make copies of all policies of insurance (including all endorsements) available at CONTRACTOR'S office within ten (10) Business days following receipt of a written request from the CITY for the same. The required Certificate of Insurance shall be filed by the CONTRACTOR with the CITY Clerk prior to the commencement of the CONTRACTOR'S

operations under this Agreement, which Certificate of Insurance shall reflect the coverage as set forth herein. Following the binding of any policy of insurance, the CONTRACTOR shall deliver a new Certificate of Insurance to the CITY Clerk. The general liability, Pollution and Remediation Legal Liability, excess liability, umbrella liability and automobile liability policies are to contain, or be endorsed to contain, the following (or equivalent) provisions:

1. **Primary Insurance.** For any claims related to this Agreement the CONTRACTOR's insurance coverage shall be primary insurance as respects the CITY, its officers, officials, agents, independent contractors, employees, and volunteers. Any insurance or self-insurance maintained by the CITY, its officers, officials, employees, or volunteers shall be excess of the CONTRACTOR's insurance and shall not contribute with it.
 2. **Notification of Cancellation.** The CONTRACTOR is required to notify the CITY by mail of the cancellation, non-renewal or material change of any insurance coverage or policy immediately upon receiving notice of cancellation, non-renewal or material change
- H. **Subcontractors.** In connection with a request by CONTRACTOR to utilize a Subcontractor(s), independent contractor(s) or any type of agent(s) which has not been approved by the CITY in accordance with Section 13.4, performing work in the City or for the City (i.e. Street Sweeping subcontractor, Waste Composition Study consultant, etc.), hereinafter referred to as "SECONDARY PARTIES," shall comply with insurance coverages and coverage amounts prior to the Commencement of the Agreement. Should the CONTRACTOR fail to provide proof of required insurance coverage prior to the Commencement of the Agreement, the terms and conditions of Article 11.11 entitled "INSURANCE" will apply to the SECONDARY PARTIES. Notwithstanding the above, the foregoing requirement shall not apply to Subcontractor that are not actively present in the City for the performance of material functions. Furthermore, the CONTRACTOR shall be responsible for the SECONDARY PARTIES' acts, omissions and satisfactory performance of the terms and conditions of this Agreement. All Subcontractors, independent contractors and agents to the CONTRACTOR are disclosed on Exhibit 4, attached hereto.
1. **Insurance for Subcontracting of Street Sweeping Services.**
 - a. **Commercial General Liability Insurance.** SUBCONTRACTOR shall obtain and furnish to City a policy of general liability insurance against any and all claims arising out of or in connection with the work performed under this Agreement. Primary insurance shall be at least as broad as ISO-CGL form No. CG 00 01. SUBCONTRACTOR shall provide the following coverage: combined single limit bodily injury and property damage, including products/completed operations liability and blanket contractual liability in an amount not less than one million dollars (**\$1,000,000.00**) per occurrence for all coverages and two million dollars (**\$2,000,000.00**) general aggregate for bodily injury, personal injury, and property damage. This policy shall name City, its officers, officials, employees, agents, and volunteers as additional insureds, covering both ongoing and completed operations, directly on ISO additional insured endorsement forms CG 20 10 and CG 20 37, or similar form(s). Coverage shall apply on a primary, non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to City or any employee or agent of City. Coverage shall not be limited to the vicarious liability or supervisory role of any additional insured.

b. Business Auto Liability Insurance. SUBCONTRACTOR shall obtain and furnish to City a business auto liability policy covering bodily injury and property damage for all activities of SUBCONTRACTOR arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired, and non-owned vehicles, in an amount not less than one million dollars (**\$1,000,000**) combined single limit for each occurrence and in the aggregate. Primary coverage shall be at least as broad as ISO Business Auto Coverage form CA 00 01 including symbol 1 (Any Auto). Starting and ending dates shall be concurrent.

c. Workers' Compensation/Employer's Liability. SUBCONTRACTOR acknowledges awareness of Section 3700 *et seq.* of the *California Labor Code*, which requires every employer to be insured against liability for workers' compensation. SUBCONTRACTOR covenants that it shall comply with such provisions prior to commencement of this Agreement. SUBCONTRACTOR shall obtain and furnish to City workers' compensation insurance per statutory limits and employer's liability insurance in an amount not less than one million dollars (**\$1,000,000.00**) per accident for bodily injury or disease. SUBCONTRACTOR shall furnish to City a waiver of subrogation under the terms of the workers' compensation and employer's liability insurance.

- I. Occurrence-based coverage and Thirty-Day Notice.** Except for the pollution liability policy, which is written on a claims-made basis, each insurance policy required by this clause shall be occurrence-based or an alternate form as approved by the CITY and endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or limits except after thirty (30) days' (ten (10) days for non-payment of premium) prior written notice by certified mail, return receipt requested, has been received by the CITY.
- J. Proof of Insurance.** Proof of insurance shall be mailed to the following address or any subsequent address as may be directed in writing by the CITY.

**City Clerk, City of Mission Viejo
200 Civic Center, Mission Viejo, CA 92691**

- K. Modification of Insurance Requirements.** The insurance requirements provided in this Agreement may be modified or waived by the CITY, in writing, upon the request of the CONTRACTOR if the CITY determines such modification or waiver is in the best interest of the CITY considering all relevant factors, including exposure to the CITY.
- L. Rights of Subrogation.** All required insurance policies shall preclude any underwriter's rights of recovery or subrogation against the CITY with the express intention of the Parties being that the required insurance coverage protects both Parties as the primary coverage for any and all losses covered by the above-described insurance. The CONTRACTOR shall ensure that any companies issuing insurance to cover the requirements contained in this Agreement agree that they shall have no recourse against the CITY for payment or assessments in any form on any policy of insurance. The clauses 'Other Insurance Provisions' and 'Insured Duties in the Event of an Occurrence, Claim or Suit' as it appears in any policy of insurance in which the CITY is named as an additional insured shall not apply to the CITY, subject to the terms and conditions set forth in Article 11.

- M. Failure to Obtain Insurance.** The failure of the CONTRACTOR to obtain and maintain any required insurance shall not relieve CONTRACTOR of any liability under this Agreement (and the CONTRACTOR may be answerable to the CITY for damages or any other remedy on account of such breach) nor shall the insurance requirements be construed to conflict with or otherwise limit the obligations of the CONTRACTOR concerning indemnification. Further, in the event of a failure by the CONTRACTOR to obtain and maintain any required insurance, CITY, at the sole cost of CONTRACTOR, may, but is not required to, obtain insurance for CONTRACTOR.
- N. No Limitation of Liability.** By requiring insurance herein, CITY does not represent that coverage and limits will necessarily be adequate to protect CONTRACTOR, and such coverage and limits shall not be deemed as a limitation on CONTRACTOR's liability under the indemnities granted to CITY in this contract.

11.12 PERFORMANCE BOND

Unless waived by the CITY in writing, the CONTRACTOR shall furnish to the CITY, and keep current, a performance bond in a form with language that is acceptable to the CITY, for the faithful performance of this Agreement and all obligations arising hereunder in an amount of Two Hundred and Fifty Thousand and 00/100 Dollars (\$250,000.00). In the event the performance bond is waived by the CITY and the CONTRACTOR takes any action, or allows any action to be taken, which falls under the provisions of Article 13.10 entitled "ASSIGNMENT," waiver of the performance bond as set forth in Article 11.12 herein, is automatically and immediately rescinded and the CONTRACTOR shall have ten (10) calendar days to obtain the performance bond required herein and provide proof of such performance bond to the CITY.

- A. Requirements.** The performance bond shall be executed by a surety company that is: acceptable to the CITY; an admitted surety company licensed to do business in the State; has an "A:VII" or better rating by A. M. Best or Standard and Poor's; and included on the list of surety companies approved by the Treasurer of the United States.
- B. Letter of Credit.** As an alternative to the performance bond discussed in Article 11.12, with the CITY's approval, the CONTRACTOR may deposit with the CITY an irrevocable letter of credit in an amount as set forth in Article 11.12. If allowed, the letter of credit must be issued by an FDIC insured banking institution chartered to do business in the State, in the CITY's name, and be callable at the discretion of the CITY.

ARTICLE 12: DEFAULT AND REMEDIES

12.1 EVENTS OF DEFAULT

All provisions of this Agreement are considered material. Each of the following shall constitute an event of default.

- A. Fraud or Deceit.** The CONTRACTOR practices, or attempts to practice, any fraud or deceit upon the CITY.

- B. **Insolvency or Bankruptcy.** The CONTRACTOR becomes insolvent, unable, or unwilling to pay its debts, or upon listing of an order for relief in favor of the CONTRACTOR in a bankruptcy proceeding.
- C. **Failure to Provide and Maintain Bonds/Letter of Credit and Coverage.** The CONTRACTOR fails to provide or maintain the performance bond or letter of credit, if required by this Agreement, or if the CONTRACTOR fails to provide or maintain in full force and affect the workers' compensation, liability, or indemnification coverage as required by this Agreement.
- D. **Violations of Regulation.** The CONTRACTOR or Subcontractor violates any orders or filings of any regulatory body having authority over CONTRACTOR relative to this Agreement, provided that the CONTRACTOR may contest any such orders or filings by appropriate proceedings conducted in good faith, in which case no breach or default of this Agreement shall be deemed to have occurred unless and until the regulatory body or court determines CONTRACTOR violated such order or filing.
- E. **Violations of Applicable Law.** The CONTRACTOR violates Applicable Law relative to this Agreement.
- F. **Failure to Perform Direct Services.** The CONTRACTOR ceases to provide Collection, transportation, or Processing services as required under this Agreement for a period of two (2) consecutive calendar days or more, for any reason within the control of the CONTRACTOR.
- G. **Failure to Pay or Report.** The CONTRACTOR fails to make any payments to the CITY as required under this Agreement including payment of CITY fees, surcharges or Liquidated Damages or refuses to provide the CITY with required information, reports, and/or records in a timely manner as provided for in this Agreement.
- H. **Acts or Omissions.** Any other act or omission by the CONTRACTOR which violates the terms, conditions, or requirements of this Agreement, or any law, statute, ordinance, order, directive, rule, or regulation issued thereunder and which is not corrected or remedied within the time set in the written notice of the violation or, if the CONTRACTOR cannot reasonably correct or remedy the breach within the time set forth in such notice, if the CONTRACTOR should fail to commence to correct or remedy such violation within the time set forth in such notice and diligently effect such correction or remedy thereafter.
- I. **False, Misleading, or Inaccurate Statements.** Any representation or disclosure made to the CITY by the CONTRACTOR in connection with or as an inducement to entering into this Agreement, or any future amendment to this Agreement, which proves to be false or misleading in any material respect as of the time such representation or disclosure is made, whether or not any such representation or disclosure appears as part of this Agreement; and, any CONTRACTOR- provided report containing a misstatement, misrepresentation, data manipulation, or an omission of fact or content explicitly defined by this Agreement, excepting non-numerical typographical and grammatical errors.
- J. **Seizure or Attachment.** There is a seizure of, attachment of, or levy on, some or all of the CONTRACTOR's operating equipment, including without limits its equipment, maintenance or office facilities, Approved Facility, or any part thereof.
- K. **Suspension or Termination of Service.** There is any termination or suspension of the transaction of business by the CONTRACTOR related to this Agreement, including without limit, due to labor unrest including strike, work stoppage or slowdown, sick-out, picketing, or other concerted job action lasting more than two (2) calendar days.
- L. **Criminal Activity.** The CONTRACTOR, its officers, managers, or employees are found guilty of criminal activity.

- M. Assignment without Approval.** The CONTRACTOR transfers or assigns this Agreement without the expressed written approval of the CITY unless the assignment is permitted without approval of the CITY pursuant to Article 13.10 of this Agreement.
- N. Failure to Provide Proposal or Implement Change in Service.** The CONTRACTOR fails to provide a proposal for new services or changes to services or fails to implement a change in service as requested by the CITY as specified in Article 5.5.
- O. Failure to Perform Any Obligation.** The CONTRACTOR fails to perform any obligation established under this Agreement.

12.2 RIGHT TO TERMINATE UPON EVENT OF DEFAULT

The CITY may terminate this Agreement immediately upon written notice to the CONTRACTOR in the event the CONTRACTOR defaults under Article 12.1.C entitled, "Failure to Provide and Maintain Bonds/Letters of Credit and Coverage."

The CONTRACTOR shall be given ten (10) Business Days from written notification by the CITY to cure any default which, in the CITY's sole opinion, creates a potential public health and safety threat.

The CONTRACTOR shall be given ten (10) Business Days from written notification by the CITY to cure any default arising under subsections E, F, I, J, and K in Article 12.1 provided, however, that the CITY shall not be obligated to provide CONTRACTOR with a notice and cure opportunity if the CONTRACTOR has committed the same or similar breach/default within a twenty-four (24) month period.

The CONTRACTOR shall be given thirty (30) calendar days from written notification by the CITY to cure any other default (which is not required to be cured within ten (10) Business Days); however, the CITY shall not be obligated to provide CONTRACTOR with a notice and cure opportunity if the CONTRACTOR has committed the same or similar breach/default within a twenty-four (24) month period. Failure to allege breach/default shall not constitute waiver by the CITY.

12.3 CITY'S REMEDIES IN THE EVENT OF DEFAULT

Upon the CONTRACTOR's default, the CITY has the following remedies in the event of the CONTRACTOR default:

- A. Waiver of Default.** The CITY may waive any event of default or may waive CONTRACTOR's requirement to cure a default event if the CITY determines that such waiver would be in the best interest of the CITY. The CITY's waiver of an event of default is not a waiver of future events of default that may have the same or similar conditions.
- B. Suspension of the CONTRACTOR's Obligation.** The CITY may suspend CONTRACTOR's performance of its obligations if the CONTRACTOR fails to cure default in the time frame specified in Article 12.2 until such time the CONTRACTOR can provide assurance of performance in accordance with the terms of this Agreement.
- C. Liquidated Damages.** The CITY may assess Liquidated Damages for the CONTRACTOR's failure to meet specific performance standards pursuant to Article 12.6.
- D. Termination.** In the event that the CONTRACTOR should default and subject to the right of the CONTRACTOR to cure, in the performance of any provisions of this Agreement, and the default is not cured for any default within ten (10) calendar days if the default creates a potential public health and safety threat or arises under Article 12.1. E, F, I, J, or K, or otherwise thirty (30) calendar days after receipt of written notice of default from the CITY, then the CITY may, at their option, terminate this

Agreement and/or hold a hearing at its governing body meeting to determine whether this Agreement should be terminated. In the event the CITY decides to terminate this Agreement, the CITY shall serve twenty (20) calendar days written notice of its intention to terminate upon CONTRACTOR. In the event the CITY exercises its right to terminate this Agreement, the CITY may, at its option, upon such termination, either directly undertake performance of the services or arrange with other Persons to perform the services with or without a written agreement. This right of termination is in addition to any other rights of the CITY upon a failure of the CONTRACTOR to perform its obligations under this Agreement.

CONTRACTOR shall not be entitled to any further revenues from Collection operations authorized hereunder from and after the date of termination.

- E. **Other Available Remedies.** The CITY's election of one (1) or more of the remedies described herein shall not limit the CITY from any and all other remedies at law and in equity including injunctive relief, etc.

12.4 POSSESSION OF RECORDS UPON TERMINATION

In the event of termination for an event of default, the CONTRACTOR shall furnish the Contract Administrator with immediate access to all of its business records, including without limitation, proprietary CONTRACTOR computer systems, related to its Customers, Collection routes, and billing of accounts for Collection services.

12.5 CITY'S REMEDIES CUMULATIVE; SPECIFIC PERFORMANCE

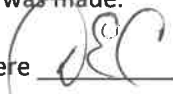
The CITY's rights to terminate this Agreement under Article 12.3, and to take possession of the CONTRACTOR's records under Article 12.4 are not exclusive, and the CITY's termination of this Agreement and/or the imposition of Liquidated Damages shall not constitute an election of remedies. Instead, these rights shall be in addition to any and all other legal and equitable rights and remedies, including but not limited to termination, which the CITY may have.

By virtue of the nature of this Agreement, the urgency of timely, continuous, and high-quality service; the lead time required to effect alternative service; and, the rights granted by the CITY to the CONTRACTOR, the remedy of damages for a breach hereof by the CONTRACTOR is inadequate and the CITY shall be entitled to injunctive relief (including but not limited to specific performance).

12.6 PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

- A. **General.** The CONTRACTOR acknowledges and agrees that one of the CITY's primary goals in entering into this Agreement is to ensure that the provided Collection Services are of the highest quality; that Service Recipient satisfaction remains at the highest level; that compliance with CalRecycle diversion requirements are achieved; that fees for service remain competitive; and, that materials Collected are put to the highest and best use to the extent feasible.
- B. **Service and Diversion Performance Standards; Liquidated Damages for Failure to Meet Standards.** The Parties further acknowledge that consistent and reliable Collection Service is of utmost importance to the CITY and that the CITY has considered and relied on CONTRACTOR's representations as to its quality of service commitment in entering into this Agreement with it. The Parties further recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The Parties further recognize that if the CONTRACTOR fails to achieve the performance standards, or fails to submit

required documents in a timely manner, the CITY and the CITY's residents and businesses will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages. Therefore, without prejudice to the CITY's right to treat such non-performance as an event of default under Article 12, the CITY asserts that the liquidated damages amount defined below represent reasonable estimates of the amount of such damages considering all of the circumstances existing on the effective date of this Agreement, including the relationship of the sums to the range of harm to the CITY, Customers and the community as a whole that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical. In placing their initials at the places provided, each Party specifically confirms that it has had ample opportunity to consult with legal counsel and obtain an explanation of the liquidated damage provisions at the time that this Agreement was made.

CITY Initial Here _____ CONTRACTOR Initial Here 

C. Procedure for Assessing Liquidated Damages.

1. The CITY may determine the occurrence of events giving rise to liquidated damages through the observation of its own employees or representatives, investigation of Customer complaints or self-reporting by the CONTRACTOR.

2. Prior to assessing liquidated damages, and within thirty (30) days of becoming aware of such violation, the CITY shall give CONTRACTOR notice of its intention to do so. The notice will include a brief description of the incident(s)/non-performance. The CONTRACTOR may review, and make copies at its own expense of all information in the possession of the CITY relating to incident(s)/non-performance. The CONTRACTOR shall not be liable to pay liquidated damages with respect to any violation or incident of non-performance that occurs more than three hundred and sixty-five (365) days before the CITY becomes aware of any violation or incident of non-performance and notice is given to the CONTRACTOR except in those instances where the CITY determines to its satisfaction that the CONTRACTOR knowingly perpetrated the violation or incident of non-performance. The CONTRACTOR may, within ten (10) working days after receiving notice, request a meeting with the CITY to present evidence regarding the accuracy of the facts related to the incident. If a meeting is requested, it shall be held by the Contract Administrator or his/her designee. The CONTRACTOR may present evidence in writing and through testimony of its employees and others relevant to the incident(s)/non-performance. The Contract Administrator or designee will provide CONTRACTOR with a written explanation of his or her determination on each incident(s)/non-performance prior to authorizing the assessment of liquidated damages. The decision of the Contract Administrator or designee may be appealed to the CITY. The decision of the CITY shall be final and the CONTRACTOR shall have been deemed to have exhausted its administrative remedies and can thereafter challenge such ruling in court. The CONTRACTOR shall not be liable to pay liquidated damages with respect to any violation or incident of substandard performance as described in Article 12.7 entitled "Excuse from Performance" herein or occurring after termination of this Agreement or while the CITY (or any third party authorized by the CITY) is performing interim Collection Services except for items 3., 4., 5., 10., 12., or 17., in the tables below occurring after termination of this Agreement.

3. The CONTRACTOR shall pay any Liquidated Damages assessed by the CITY within ten (10) Business Days of the date the Liquidated Damages are assessed. If they are not paid within the ten (10) Business Day period, the CITY may proceed against the performance bond required by this Agreement, order the termination of the rights granted by this Agreement, or all of the above.

D. The CONTRACTOR agrees to pay (as Liquidated Damages and not as a penalty) the following amounts:

LIQUIDATED DAMAGES		
Item	Amount	Initials
1. Failure or neglect to resolve a Customer complaint relating to missed Collection within the time set forth in Article 8.5.A, or failure to initially respond to any other type of Customer complaint within one (1) Work Day.	\$100.00 per incident per Service Recipient.	WEC
2. Failure to clean up spillage or litter caused by CONTRACTOR within the time set forth in Article 7.5.	\$300.00 per incident per location.	WEC
3. Failure to take good faith actions to repair damage to Customer property caused by CONTRACTOR or its personnel, excluding normal wear and tear, within thirty (30) days of occurrence.	\$500.00 per incident	WEC
4. Failure to take good faith actions to repair or to reimburse CITY for its reasonable costs for damage to CITY property, other than normal wear and tear from routine operations, caused by CONTRACTOR or its personnel, as provided in Article 11.9.	\$500.00 per incident in addition to the reasonable cost of repair if not paid by CONTRACTOR prior to the assessment of this liquidated damage.	WEC
5. Failure to maintain or timely submit to CITY each monthly, quarterly and annual reports by the deadlines set forth in Article 8.7.	\$1,000 if between 1-10 days late, \$5,000 if between 10-30 days late, and \$10,000 if more than 30 days late	WEC
6. Failure or neglect to complete at least ninety percent (90%) of a route within the CITY (i.e., Collect at least 90% of properly set out Carts or Bins on the route) on the regular scheduled Collection Service day unless addressed in Article 12.7, Excuse for Performance, herein.	\$1,000.00 for each route not completed.	WEC
7. Failure to notify Customers of changes in route days as required by Article 7.4.	\$500.00 per occurrence.	WEC

LIQUIDATED DAMAGES		
Item	Amount	Initials
8. Failure to repair or replace damaged Carts or Bins within the time required by Article 7.10.C.	\$50.00 per incident per day after seven (7) days, to a maximum of \$25,000.00 per Rate Year.	WEC
9. Failure to deliver or exchange Carts or Bins within the time required by Article 7.10. C.	\$50.00 per incident per day after seven (7) days, to a maximum of \$25,000.00 per Rate Year.	WEC
10. Failure to maintain or timely submit to CITY or CITY's designated agent all documents and reports required under the provisions of this Agreement.	\$250.00 per incident.	WEC
11. Failure to display CONTRACTOR's name and Customer service phone number on Collection vehicles for a period exceeding thirty (30) calendar days.	\$500.00 per incident.	WEC
13. Failure to undertake good faith efforts in accordance with contract requirements to achieve 100% AB 341 compliance by December 31, 2021 as required in Exhibit 9. (1)	\$10,000.00 per Rate Year for initial failure. \$25,000.00 per Rate Year for failure in any subsequent Rate Year.	WEC
14. Failure to undertake good faith efforts in accordance with contract requirements to achieve 100% AB 1826 compliance by December 31, 2022 as required in Exhibit 9.	\$10,000.00 per Rate Year for initial failure. \$25,000.00 per Rate Year for failure in any subsequent Rate Year.	WEC
15. Failure to undertake good faith efforts in accordance with contract requirements to achieve 100% SB 1383 compliance (MFD accounts) by December 31, 2023 as required in Exhibit 9.	\$10,000.00 per Rate Year for initial failure. \$25,000.00 per Rate Year for failure in any subsequent Rate Year.	WEC
16. Failure to undertake good faith efforts in accordance with contract requirements to achieve 100% SB 1383 compliance (SFD accounts) compliance by December 31, 2024 as required in Exhibit 9.	\$10,000.00 per Rate Year for initial failure. \$25,000.00 per Rate Year for failure in any subsequent Rate Year.	WEC
17. Failure to undertake good faith efforts in accordance with contract requirements to achieve 100% SB1383 Compliance for Agreement Year 2025 by December 31, 2025 as required in Exhibit 9.	\$10,000.00 per Rate Year for initial failure. \$25,000.00 per Rate Year for failure in any subsequent Rate Year.	WEC

LIQUIDATED DAMAGES			
Item	Amount	Initials	
18.	Failure to undertake good faith efforts in accordance with contract requirements to achieve 100% SB1383 Compliance for Agreement Year 2026 by December 31, 2026 as required in Exhibit 9.	\$10,000.00 per Rate Year for initial failure. \$25,000.00 per Rate Year for failure in any subsequent Rate Year.	DEC
19.	Commingling Solid Waste with Recyclable Materials in Collection Vehicles except as provided in the event of Contamination.	\$1,000.00 per incident.	DEC
20.	Disposal of Recyclable Materials or Organic Materials in the Disposal Facility except as provided in this Agreement.	\$1,000.00 per incident.	DEC
21.	Failure to deliver any Collected materials to the CITY approved Disposal Facility, Materials Recovery Facility, Transfer Station, or Organic Materials Processing Facility, as appropriate, except as otherwise expressly provided in this Agreement.	\$5,000.00 first failure during Any Rate Year \$25,000.00 each subsequent failure during any Rate Year.	DEC
22.	Failure to report non-CITY materials separately in the MRF diversion figures.	\$5,000 per report.	DEC
23.	Failure of Customer service to maintain an average of no more than thirty (30) second of initial hold time over the course of any calendar month.	\$500 per report.	DEC
24.	Transition: Failure to complete Transition outreach and education plan according to CONTRACTOR-proposed and CITY-accepted schedule.	\$2,000 if between 1-10 days late, \$5,000 if between 10-30 days late, and \$10,000 if more than 30 days late.	DEC
25.	Transition: Failure to deliver Carts according to CONTRACTOR-proposed and CITY-accepted schedule.	\$2,000 if between 1-10 days late, \$5,000 if between 10-30 days late, and \$10,000 if more than 30 days late.	DEC
27.	Transition: Failure to deploy new Collection Vehicles according to CONTRACTOR-proposed and CITY-accepted schedule.	\$2,000 if between 1-10 days late, \$5,000 if between 10-30 days late, and \$10,000 if more than 30 days late.	DEC

(1) Items 15 through 18 are applicable only where the SB 1383 requirement has been in effect for the entire Rate Year.

12.7 EXCUSE FROM PERFORMANCE

The Parties shall be excused from performing their respective obligations hereunder and from any obligation to pay Liquidated Damages to the extent and for the period of time they are prevented from so performing by reason of floods, earthquakes, other acts of nature, war, civil insurrection, riots, acts of any government (including judicial action), and other similar catastrophic events which are beyond the control of and not the fault of the Party claiming excuse from performance hereunder. In the case of labor unrest or job action directed at a third party over whom CONTRACTOR has no control, the inability of the CONTRACTOR to provide services in accordance with this Agreement due to the unwillingness or failure of the third party to: (i) provide reasonable assurance of the safety of the CONTRACTOR's employees while providing such services; or, (ii) make reasonable accommodations with respect to Container placement and point of Delivery, time of Collection, or other operating circumstances to minimize any confrontation with pickets or the number of Persons necessary to make Collections shall, to that limited extent, excuse performance. The foregoing excuse shall be conditioned on the CONTRACTOR's cooperation in performing Collection services at different times and in different locations. Further, in the event of labor unrest, including but not limited to strike, work stoppage or slowdown, sickout, picketing, or other concerted job action conducted by the CONTRACTOR's employees or directed at the CONTRACTOR, or a subsidiary, the CONTRACTOR shall not be excused from performance. In such case, the CONTRACTOR shall continue to provide a reasonably satisfactory level of performance during the pendency thereof, but the CONTRACTOR shall not be required to adhere strictly to the specific requirements of this Agreement regarding routes, Collection times or similar matters; provided, however, that in no event shall more than seven (7) calendar days elapse between pickups for Residential and Commercial Customers.

The Party claiming excuse from performance shall, within two (2) calendar days after such Party has notice of such cause, give the other Party notice of the facts constituting such cause and asserting its claim to excuse under this Article.

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

The partial or complete interruption or discontinuance of the CONTRACTOR's services caused by one (1) or more of the events described in this Article shall not constitute a default by the CONTRACTOR under this Agreement. Notwithstanding the foregoing, however, if the CONTRACTOR is excused from performing its obligations hereunder for any of the causes listed in this Article for a period of thirty (30) calendar days or more, the CITY shall nevertheless have the right, in its sole discretion, to terminate this Agreement by giving ten (10) Business Days' notice to the CONTRACTOR, in which case the provisions of Article 12.3 shall apply.

12.8 RIGHT TO DEMAND ASSURANCES OF PERFORMANCE

The Parties acknowledge that it is of the utmost importance to the CITY and the health and safety of all those members of the public residing or doing business within the CITY who will be adversely affected by interrupted waste management service, that there is no material interruption in services provided under this Agreement.

If the CONTRACTOR: (i) is the subject of any labor unrest including work stoppage or slowdown, sick-out, picketing or other concerted job action; (ii) appears in the reasonable judgment of the CITY to be unable to regularly pay its bills as they become due; or, (iii) is the subject of a civil or criminal judgment or order entered by a Federal, State, regional or local agency for violation of an Applicable Law, and the CITY believes in good faith that the

CONTRACTOR's ability to perform under this Agreement has thereby been placed in substantial jeopardy, the CITY may, at their sole option and in addition to all other remedies it may have, demand from the CONTRACTOR reasonable assurances of timely and proper performance of this Agreement, in such form and substance as the CITY believes in good faith is reasonably necessary in the circumstances to evidence continued ability to perform under this Agreement. If the CONTRACTOR fails or refuses to provide satisfactory assurances of timely and proper performance in the form and by the date required by the CITY, such failure or refusal shall be an event of default for purposes of Article 12.1.

ARTICLE 13: OTHER AGREEMENTS OF THE PARTIES

13.1 LEGAL REPRESENTATION

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

13.2 FINANCIAL INTEREST

The CONTRACTOR warrants and represents that no elected official, officer, agent or employee of the CITY has a financial interest, directly or indirectly, in this Agreement or the compensation to be paid under it and, further, that no CITY employee who acts in the CITY as a purchasing agent, nor any elected or appointed officer of the CITY, nor any spouse or child of such purchasing agent, employee or elected or appointed officer, is a partner, officer, director or proprietor of the CONTRACTOR and, further, that no such CITY employee, purchasing agent, CITY elected or appointed officer, or the spouse or child of any of them, alone or in combination, has a material interest in the CONTRACTOR. Material interest means direct or indirect ownership of more than five percent (5%) of the total assets or capital stock of the CONTRACTOR.

13.3 CONTRACTOR NOT OFFICER, EMPLOYEE OR AGENT

- A. CONTRACTOR IS INDEPENDENT CONTRACTOR.** It is understood and agreed, and it is the intention of the Parties hereto, that the CONTRACTOR is an independent contractor, and is not an officer, employee, or agent of the CITY for any purpose whatsoever. The CITY shall have no right to and shall not control the manner and method by which the Franchise services are performed by CONTRACTOR herein, except as otherwise provided in this Agreement. The CONTRACTOR shall be entirely and solely responsible for its acts and the acts of its agents, employees, Subcontractors engaged in the performance of services hereunder. The CONTRACTOR shall have no claim under this Agreement or otherwise against the CITY for vacation pay, sick leave, retirement benefits, social security, workers' compensation, disability, or unemployment insurance benefits or other employee benefits of any kind. The Parties acknowledge that the CITY shall not withhold from the CONTRACTOR's compensation any funds for income tax, FICA, disability insurance, unemployment insurance, or similar withholding and the CONTRACTOR is solely responsible for the timely payment of all such taxes and related payments to the State and federal government for itself and its

employees, agents, and Subcontractors who might render services in connection with this Agreement. The CONTRACTOR shall inform all entities or Persons who perform any services pursuant to this Agreement of the provisions of this Article.

- B. CONTRACTOR RESPONSIBILITY TO AND FOR ITS OFFICERS, AGENTS EMPLOYEES, the CONTRACTORS AND SUBCONTRACTORS.** The CONTRACTOR shall be solely responsible for the acts and omissions of its officers, agents, employees, contractors, and Subcontractors, if any. Neither the CONTRACTOR nor its officers, employees, agents, contractors, or Subcontractors shall obtain any right to retirement benefits, workers' compensation benefits, or any other compensation or benefits which accrue to the CITY employees and the CONTRACTOR expressly waives any claim it may have or acquire to such compensation or benefits.

13.4 CONTRACTOR'S USE OF SUBCONTRACTOR

The use of a Subcontractor to perform services under this Agreement shall not constitute delegation of the CONTRACTOR's duties provided that the CONTRACTOR has received prior written authorization from the Contract Administrator to subcontract such services and the Contract Administrator has approved a Subcontractor who will perform such services. The CONTRACTOR shall be responsible for directing the work of the CONTRACTOR's Subcontractors and any compensation due or payable to the CONTRACTOR's Subcontractor shall be the sole responsibility of the CONTRACTOR. The Contract Administrator shall have the right to require the removal of any approved Subcontractor for reasonable cause. The Subcontractors listed in Exhibit 4 to this Agreement are hereby approved by the CITY.

13.5 COMPLIANCE WITH LAW

The CONTRACTOR shall at all times, at its sole cost, comply with all Applicable Laws, permits and licenses of the United States, State, County, and the CITY and with all applicable regulations promulgated by Federal, State, regional or local administrative and regulatory agencies, now in force and as they may be enacted, issued or amended during the Term. Nothing contained in this Agreement shall require any Party to perform any act or function contrary to law, or limit the laws with which the Party must comply.

- A. PERMITS AND LICENSES.** The CONTRACTOR shall obtain, at its own expense, all permits, licenses and approvals required by law or ordinance, and shall maintain such permits, licenses and approvals in full force and effect throughout the Term of this Agreement. The CONTRACTOR shall provide proof of such permits, licenses or approvals and shall demonstrate compliance with the terms and conditions of such permits, licenses and approvals upon the request of the Contract Administrator.
- B. NOTICE OF AMENDMENT TO CITY MUNICIPAL CODE.** The CITY shall provide written notice to the CONTRACTOR of any planned amendment of the CITY Municipal Code of Ordinances that would substantially affect CONTRACTOR's obligations or the performance of the CONTRACTOR's services pursuant to this Agreement. Such notice shall be provided at least thirty (30) calendar days prior to the City Council approval of such an amendment.

13.6 GOVERNING LAW

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

13.7 LITIGATION

In the event of any litigation arising out of this Agreement, the prevailing Party in such action shall be entitled to recover its reasonable costs and expenses including, without limitation, reasonable attorneys' fees and costs paid or incurred in good faith. The "prevailing Party," for purposes of this Agreement, shall be deemed to be that Party who obtains substantially the result sought, whether by settlement, dismissal or judgment.

13.8 JURISDICTION

The Parties agree that any litigation between the CITY and the CONTRACTOR concerning or arising out of this Agreement shall be filed and maintained exclusively in the courts of the County of Orange, California. Each Party consents to service of process in any manner authorized by law.

13.9 BINDING ON SUCCESSORS

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

13.10 ASSIGNMENT

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

For purposes of this Article, "assignment" shall include, but not be limited to: (i) a sale, exchange or other transfer of substantially all of the CONTRACTOR's local, regional, and/or corporate assets dedicated to service under this Agreement to a third party; (ii) a sale, exchange or other transfer of ten (10) percent or more of the local, regional, and/or corporate assets, stock, or ownership of the CONTRACTOR to a Person (other than a transfer of shares in the CONTRACTOR by the owner of such shares to a revocable trust for the benefit of his family or to another owner of shares in the CONTRACTOR) except that no cumulative sale, exchange, or transfer of shares may exceed twenty (20) percent during the Term of this Agreement (other than a transfer of shares in the CONTRACTOR by the owner of such shares to a revocable trust for the benefit of his family or to another owner of shares in the CONTRACTOR); (iii) any reorganization, consolidation, merger, recapitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction to which the CONTRACTOR or any of its shareholders is a party which results in a change of ownership or control of ten (10) percent or more of the value or voting rights in the local, regional, and/or corporate stock of the CONTRACTOR; (iv) divestiture of an Affiliate (e.g., trucking company, materials recovery facility, transfer station, etc.) used by the CONTRACTOR to fulfill its obligations under this Agreement; and, (v) any combination of the foregoing (whether or not in related or contemporaneous transactions) which has the effect of any such transfer or change of local, regional, and/or corporate ownership and/or control of the CONTRACTOR. For purposes of this Article, the term "proposed assignee" shall refer to the proposed transferee(s) or other successor(s) in interest pursuant to the assignment.

The CONTRACTOR acknowledges that this Agreement involves rendering a vital service to the CITY's residents and businesses, and that the CITY has selected CONTRACTOR to perform the services specified herein based on: (i) CONTRACTOR's experience, skill, and reputation for conducting its Solid Waste, Recyclables, Green Waste and C&D Debris management operations in a safe, effective, and responsible fashion, at all times in keeping with applicable waste management laws, regulations, and good waste management practices; and, (ii) CONTRACTOR's financial resources on a local, regional, and/or corporate level to maintain the required equipment and to support its

indemnity obligations to the CITY under this Agreement. The CITY has relied on each of these factors, among others, in choosing the CONTRACTOR to perform the services to be rendered by the CONTRACTOR under this Agreement.

If the CONTRACTOR requests the CITY consideration of and consent to an assignment, the CITY may deny or approve such request in their complete discretion. No request by the CONTRACTOR for consent to an assignment need be considered by the CITY unless and until CONTRACTOR has met the following requirements. The CITY may, in its sole discretion, waive one (1) or more of these requirements.

- A. On the date the CONTRACTOR submits a written request for the CITY written consent of an assignment, the CONTRACTOR shall pay the CITY a transfer fee in the amount of one (1) percent of the Gross Billings for the most-recently completed Rate Year. The transfer fee shall be returned to the CONTRACTOR if the CITY denies consent.
- B. The CONTRACTOR shall undertake to pay the CITY its reasonable expenses for attorneys', consultants', accountants' fees, staff time, and investigation costs necessary to investigate the suitability of any proposed assignee, and to review and finalize any documentation required as a condition for approving any such assignment.
- C. The CONTRACTOR shall furnish the CITY with audited financial statements of the proposed assignee's operations for the immediately preceding three (3) operating years.
- D. The CONTRACTOR shall furnish the CITY with satisfactory proof: (i) that the proposed assignee has at least ten (10) years of Solid Waste, Recyclable Materials, Organic Materials and C&D Debris management experience on a scale equal to or exceeding the scale of operations conducted by the CONTRACTOR under this Agreement; (ii) that in the last five (5) years, the proposed assignee has not suffered any citations or other censure from any Federal, State or local agency. The CONTRACTOR having jurisdiction over its waste management operations due to any significant failure to comply with State, Federal or local waste management laws and that the assignee has provided the CITY with a complete list of such citations and censures; (iii) that the proposed assignee has at all times conducted its operations in an environmentally safe and conscientious fashion; (iv) that the proposed assignee conducts its operations and management practices in accordance with sound waste management practices in full compliance with all Federal, State, and local laws regulating the Collection, transportation, Processing and Disposal of Solid Waste, Recyclable Materials, Organic Materials and C&D Debris, including Hazardous Waste; and, (v) that any other information required by the CITY demonstrates that the proposed assignee can fulfill the terms of this Agreement in a timely, safe and effective manner.
- E. The CONTRACTOR shall provide the CITY with any and all additional records or documentation which, in the CITY's sole determination, would facilitate the review of the proposed assignment.

Under no circumstances shall any proposed assignment be considered by the CITY if the CONTRACTOR is in default at any time during the period of consideration. If, in the CITY's sole determination, there is any doubt regarding the compliance of the CONTRACTOR with this Agreement, the CITY may require an audit of the CONTRACTOR's compliance and the costs of such audit shall be paid by the CONTRACTOR in advance of the performance of said audit.

13.11 NO THIRD-PARTY BENEFICIARIES

This Agreement is not intended to, and will not be construed to, create any right on the part of any third party to bring an action to enforce any of its terms.

13.12 WAIVER

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

13.13 TRANSITION TO NEXT CONTRACTOR

Requirements in Event of Transition. In the event the CONTRACTOR is not awarded an Agreement to continue to provide Collection Services following the expiration or early termination of this Agreement, the CONTRACTOR shall cooperate fully with the CITY and any subsequent contractors to assure a smooth transition of services described in this Agreement. Unless otherwise agreed by the CITY and the CONTRACTOR, such cooperation shall consist of: (a) providing the following information to the subsequent contractor: routing information, route maps, vehicle fleet information (if the subsequent contractor buys the CONTRACTOR's vehicle fleet), a list of Service Recipients' contact information and their respective Service Levels, a complete inventory of all Carts and Bins (if the subsequent CONTRACTOR buys the CONTRACTOR's Carts and Bins), and any other information deemed necessary by the CITY; and (b) providing adequate labor and equipment to complete performance of all Collection Services required under this Agreement. The CONTRACTOR shall not be eligible for the recovery of any costs associated with these transition activities. However, if the CONTRACTOR is requested to provide additional transition services outside the scope of this Agreement the CONTRACTOR shall be compensated for such services at an amount to be agreed upon between the CITY and the CONTRACTOR prior to the provision of those services.

13.14 CONTRACTOR'S RECORDS

- A. Maintenance of Financial Records.** The CONTRACTOR shall maintain any and all letters, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to Service Recipients for a minimum period of five (5) years, or for any longer period required by law, from the date of final payment to the CONTRACTOR pursuant to this Agreement.
- B. Maintenance of Performance Records.** The CONTRACTOR shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of five (5) years, or for any longer period required by law, from the date of termination or completion of this Agreement.
- C. Availability of Records.** Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit at any time during regular business hours upon written request by the Contract Administrator, the CITY Attorney, CITY Auditor, CITY Manager, or a designated representative of any of these officers. Copies of such documents shall be provided to the CITY for inspection at the CITY offices when it is practical to do so. Otherwise, unless an alternative site is mutually agreed upon, the records shall be available at the CONTRACTOR's address indicated for receipt of notices in this Agreement.
- D. Provision of Requested or Demanded Records.** Where the CITY has reason to believe that such records or documents may be lost or discarded due to the dissolution, disbandment or termination of the CONTRACTOR's business, the CITY may, by written request or demand of any of the above-

named officers, require that custody of the records be given to the CITY and that the records and documents be maintained in CITY Hall. Within ten (10) Business Days after receiving the CITY's written request or demand, the CONTRACTOR shall provide the CITY all requested records and documents. The CITY shall make those records and documents available to the CONTRACTOR, the CONTRACTOR's representatives, or CONTRACTOR's successor-in-interest at CITY Hall during regular operating hours.

13.15 NOTICE PROCEDURES

Except as provided herein, whenever either Party desires to give notice to the other, it must be given by written notice addressed to the Party for whom it is intended, at the place last specified as the place for giving of notice in compliance with the provisions of this paragraph. For the present, the Parties designate the following as the respective Persons and places for giving of notice:

As to the CITY:

City of Mission Viejo
Attn: City Manager
200 Civic Center
Mission Viejo, CA 92691

Copy to:

City of Mission Viejo
Attn: Director of Public Works
200 Civic Center
Mission Viejo, CA 92691

As to the CONTRACTOR:

Waste Management Collection and Recycling, Inc.
Attn: Director of Operations
9081 Tujunga Avenue
Sun Valley, CA 91352

Copy to:

Waste Management – Southern California Market Area
Attn: Legal Counsel
9081 Tujunga Avenue
Sun Valley, CA 91352

- A. Notices shall be effective when received at the address as specified above. Changes in the respective address to which such notice is to be directed may be made by written notice only. Facsimile transmission is acceptable notice, effective when received, however, facsimile transmissions received (i.e. printed) after 4:30 p.m. or on weekends or Holidays, will be deemed received on the next Business Day. Receipt is deemed to have taken place within three (3) Business Days of notice mailed by U.S. Postal Service return receipt requested. The original of items that are transmitted by facsimile equipment must also be mailed as required herein.
- B. Notice by the CITY to the CONTRACTOR of a Collection or other Service Recipient problem or complaint may be given to the CONTRACTOR orally by telephone at the CONTRACTOR's local office with confirmation sent as required above by the end of the Business Day.

ARTICLE 14: MISCELLANEOUS AGREEMENTS

14.1 ENTIRETY OF AGREEMENT

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

14.2 SEVERABILITY

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

14.3 RIGHT TO REQUIRE PERFORMANCE

The failure of the CITY at any time to require performance by the CONTRACTOR of any provision hereof shall in no way affect the right of the CITY thereafter to enforce same. Nor shall waiver by the CITY of any breach of any provision hereof be taken or held to be a waiver of any succeeding breach of such provision or as a waiver of any provision itself.

14.4 NON-DISCRIMINATION

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

14.5 ALL PRIOR AGREEMENTS SUPERSEDED

This document incorporates and includes all prior negotiations, correspondence, conversations, agreements, contracts and understandings applicable to the matters contained in this Agreement and the Parties agree that there are no commitments, agreements, contracts or understandings concerning the subject matter of this Agreement that are not contained in this document. Accordingly, it is agreed that no deviation from the terms of this Agreement shall be predicated upon any prior representations, agreements or contracts, whether oral or written.

14.6 HEADINGS

The article headings and section headings in this Agreement are for convenience of reference only and are not to be considered in any interpretation of this Agreement.

14.7 EXHIBITS

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

14.8 REFERENCES TO LAWS

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

14.9 EFFECTIVE DATE

This Agreement shall become effective at such time as it is properly executed by the CITY and the CONTRACTOR and the CONTRACTOR shall begin Collection Services, as covered herein, as of January 1, 2021.

14.10 AMENDMENTS

This Agreement may not be modified or amended in any respect except in writing signed by the Parties.

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

CITY OF MISSION VIEJO

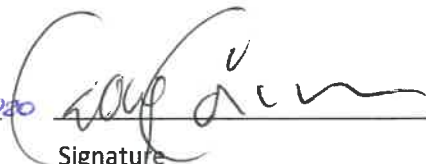
CONTRACTOR



Brian Goodell
Mayor

8/6/2020

Date



Signature

07/31/2020

Date

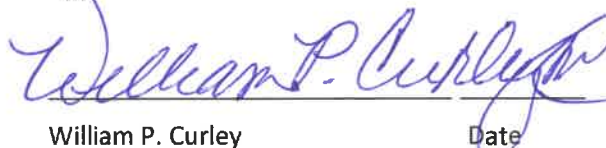
DOUG CORCORAN, VICE PRESIDENT

Name, Title

The foregoing Agreement has been reviewed and approval is recommended:

Resolution No. 20-24 Approved by City Council

Approved as to Form:



William P. Curley
City Attorney

8/4/2020

Date

EXHIBIT 1: MAXIMUM SERVICE RATES

RATE SCHEDULES

Table 1: Residential Rates

Service Description ¹	Jan-2021	Jan-2022
Single-Family Dwelling - Standard Cart Service	\$21.16	\$23.45
Single-Family Dwelling - Standard Cart Service - Senior Citizen	\$16.92	\$18.75
HOA Single Bill	\$20.12	\$22.29
HOA - Senior Citizen	\$15.87	\$17.59
Other Services and Charges		
Additional Charge for Solid Waste Carts beyond (1) One. ²	\$4.05	\$4.05
Additional Charge for Recycling Cart beyond (2) two. ³	\$4.05	\$4.05
Additional Charge for Green Waste Cart beyond (2) two. ⁴	\$4.05	\$4.05
Additional Charge for Cart Roll Out Service. ⁵	\$2.20	\$2.20
Cart Delivery, Removal and / or Exchange. ⁶	No Charge	
Additional Cart for Damaged Cart Replacement. ⁷	\$64.10	\$64.10
Bulky Item Pickup - Three Collection Events per year with up to Five (5) Items Each Collection Event.	No Charge	
Bulky Item Pickup - Beyond Three (3) Per year with up to Five (5) Items Each Collection Event.	\$26.92	\$26.92
Home Composting Workshops	No Charge	
Compost Give-Away	No Charge	
Document Shredding Events	No Charge	
Holiday Tree Collection 1st Service Work Day after December 25 and ending the third Saturday in January.	No Charge	
On-Call Cart Swap Service Per Event ⁸	N/A	\$4.08
Street Sweeping Charge		
Single-Family Dwelling - Standard Cart Service	\$0.62	\$0.62
Single-Family Dwelling - Standard Cart Service - Senior Citizen	\$0.49	\$0.49
HOA Single Bill	\$0.62	\$0.62
HOA - Senior Citizen	\$0.46	\$0.46
NOTES		
<p>1. Minimum Standard Service includes three (3) 96-gallon carts: (1) 96-gallon cart for solid waste, one (1) 96-gallon cart for green waste, and one (1) 96-gallon cart for recycling materials. Contractor shall provide a 64 or 32-gallon cart as a substitute depending on the customer's preference or need with no change in rate.</p> <p>2. Basic service includes one (1) cart for solid waste. Customers may order additional carts at an additional charge.</p> <p>3. Basic service includes up to two (2) carts for recycling materials. Customers may order additional carts for recycling materials at an additional charge.</p> <p>4. Basic service includes up to two (2) carts for green waste. Customers may order additional carts for green waste at an additional charge.</p> <p>5. Contractor shall roll out and return carts for any Customer who is legally or medically recognized as disabled at no additional charge.</p> <p>6. Contractor shall deliver, remove or exchange carts at no additional charge once per agreement year.</p> <p>7. Contractor may charge for replacement of carts if due to provable negligence.</p> <p>8. Beginning year 2022, customer may request a green waste cart swap at any time beyond once per agreement year at an additional charge.</p>		

RATE SCHEDULES

Table 2: Commercial Rates

Container Type/Size or Service Type	Monthly Rates for Solid Waste Bins & Carts						
	Frequency of Collections per Week						Addl Pick Up
	1	2	3	4	5	6	
1 CY Bin	\$73.17	\$130.37	\$183.83	\$237.48	\$290.95	\$350.20	\$77.45
1.5 CY Bin	\$97.95	\$174.59	\$246.26	\$318.17	\$389.84	\$469.23	\$77.45
2 CY Bin	\$122.72	\$218.81	\$308.68	\$398.87	\$488.74	\$588.26	\$77.45
3 CY Bin	\$153.34	\$276.10	\$391.48	\$506.67	\$621.76	\$748.63	\$77.45
4 CY Bin	\$192.72	\$333.41	\$474.03	\$614.71	\$755.04	\$908.74	\$77.45
6 CY Bin	\$256.53	\$448.01	\$639.12	\$830.53	\$1,021.69	\$1,229.26	\$77.45
32 gallon cart	\$82.20	\$145.94	\$205.38	\$265.06	\$324.50	\$391.22	\$77.45
64 gallon cart	\$82.62	\$146.79	\$206.65	\$266.75	\$326.62	\$393.76	\$77.45
96 gallon cart	\$83.05	\$147.64	\$207.92	\$268.45	\$328.74	\$396.30	\$77.45

Container Type/Size or Service Type	Monthly Rates for Solid Waste Compactors						
	Frequency of Collections per Week						Addl Pick Up
	1	2	3	4	5	6	
1.5 CY compactor	\$186.16	\$330.35	\$464.75	\$599.65	\$734.04	\$883.66	\$123.91
2 CY compactor	\$232.69	\$412.93	\$580.94	\$749.56	\$917.55	\$1,104.57	\$123.91
3 CY compactor	\$288.50	\$516.79	\$730.49	\$943.82	\$1,157.75	\$1,393.35	\$123.91
4 CY compactor	\$361.57	\$620.59	\$879.57	\$1,138.57	\$1,396.90	\$1,681.66	\$123.91
6 CY compactor	\$478.22	\$828.30	\$1,177.63	\$1,527.56	\$1,876.99	\$2,258.75	\$123.91

Container Type/Size or Service Type	Monthly Rates for Recycling Materials Bins & Carts						
	Frequency of Collections per Week						Addl Pick Up
	1	2	3	4	5	6	
1 CY Bin	\$35.44	\$62.89	\$88.47	\$114.15	\$139.73	\$168.21	\$38.72
1.5 CY Bin	\$47.25	\$83.85	\$117.96	\$152.19	\$186.31	\$224.28	\$38.72
2 CY Bin	\$59.06	\$104.81	\$147.45	\$190.24	\$232.88	\$280.35	\$38.72
3 CY Bin	\$73.22	\$131.16	\$185.41	\$239.55	\$293.66	\$353.64	\$38.72
4 CY Bin	\$91.76	\$157.51	\$223.24	\$288.98	\$354.55	\$426.81	\$38.72
6 CY Bin	\$121.37	\$210.23	\$298.89	\$387.70	\$476.40	\$573.29	\$38.72
32 gallon cart	\$40.88	\$72.54	\$102.05	\$131.68	\$161.19	\$194.33	\$38.72
64 gallon cart	\$40.88	\$72.54	\$102.05	\$131.68	\$161.19	\$194.33	\$38.72
96 gallon cart	\$40.88	\$72.54	\$102.05	\$131.68	\$161.19	\$194.33	\$38.72

RATE SCHEDULES

Table 2: Proposed Commercial Rates -Continued

Container Type/Size or Service Type	Monthly Rates for Green Waste Bins & Carts						
	Frequency of Collections per Week						Addl Pick Up
	1	2	3	4	5	6	
2 CY Bin	\$59.06	\$104.81	\$147.45	\$190.24	\$232.88	\$280.35	\$38.72
3 CY Bin	\$73.22	\$131.16	\$185.41	\$239.55	\$293.66	\$353.64	\$38.72
4 CY Bin	\$91.76	\$157.51	\$223.24	\$288.98	\$354.55	\$426.81	\$38.72
6 CY Bin	\$121.37	\$210.23	\$298.89	\$387.70	\$476.40	\$573.29	\$38.72
32 gallon cart	\$40.88	\$72.54	\$102.05	\$131.68	\$161.19	\$194.33	\$38.72
64 gallon cart	\$40.88	\$72.54	\$102.05	\$131.68	\$161.19	\$194.33	\$38.72

Container Type/Size or Service Type	Monthly Rates for Green Waste/Food Waste Bins & Carts						
	Frequency of Collections per Week						Addl Pick Up
	1	2	3	4	5	6	
1 CY Bin	\$35.44	\$62.89	\$88.47	\$114.15	\$139.73	\$168.21	\$38.72
1.5 CY Bin	\$47.25	\$83.85	\$117.96	\$152.19	\$186.31	\$224.28	\$38.72
2 CY Bin	\$59.06	\$104.81	\$147.45	\$190.24	\$232.88	\$280.35	\$38.72
3 CY Bin	\$73.22	\$131.16	\$185.41	\$239.55	\$293.66	\$353.64	\$38.72
32 gallon cart	\$40.88	\$72.54	\$102.05	\$131.68	\$161.19	\$194.33	\$38.72
64 gallon cart	\$40.88	\$72.54	\$102.05	\$131.68	\$161.19	\$194.33	\$38.72
96 gallon cart	\$40.88	\$72.54	\$102.05	\$131.68	\$161.19	\$194.33	\$38.72

Container Type/Size or Service Type	Monthly Rates for Other Services						
	Frequency of Collections per Week						
	1	2	3	4	5	6	
Scout Service	\$46.47	\$92.93	\$139.40	\$185.87	\$232.34	\$278.80	\$0.00
Container Lock Charge	\$8.78	\$10.58	\$16.01	\$21.32	\$26.64	\$32.01	\$0.00
Enclosure Lock Charge	\$8.78	\$10.58	\$16.01	\$21.32	\$26.64	\$32.01	\$0.00
Pull-out Exceeding 25 feet	\$2.58	\$5.16	\$7.74	\$10.33	\$12.91	\$15.49	\$0.00

RATE SCHEDULES

Table 3: Proposed Roll-Off Rates & Other Charges

Roll-Off Box Hauling Service		
Permanent Roll Off Boxes and Compactors (all sizes)	\$291.33	per haul
Permanent Roll Off Boxes and Compactors (all sizes - Customer Owned Equipment)	\$235.26	per haul
Roll-Off Disposal/Processing & Other Fees		
Solid Waste Disposal	\$39.24	per ton
Recycling Materials Processing	\$43.61	per ton
Green Waste (<i>see note</i>)	\$74.05	per ton
Organic Materials Processing	\$115.40	per ton
C&D Processing	\$65.94	per ton
MRF Mixed Waste Processing	\$43.61	per ton
Dead Run	\$77.45	per event
Daily Rental after 7 days with no dump	\$6.71	per day
Relocation fee	\$77.45	per event
Sunday service surcharge	\$87.77	per event
Temporary Bin		
3YD Bin - deliver, pickup and one dump - 7 Day rental	\$87.77	per event
3YD Bin Addl Dump within 7 day rental	\$87.77	per event
Dead Run	\$46.47	per event
Daily Rental after 7 days with no dump	\$4.65	per day
Bulky Item Collection		
MFD Bulky Item Pickup - Three Collection Events per year with up to Five (5) Items Each Collection Event	No Charge	
Commercial Bulky Item Pickup - Maximum Five (5) Items Each Collection Event	\$36.14	per event
Bulky Item Pickup - Beyond Three (3) Per year with up to Five (5) Items Each Collection Event	\$36.14	per Item
Other Charges		
Residential Return to Service Fee - Extra Pickup	\$51.94	per event
MDF Holiday Tree Collection	No Charge	per event
Commercial Return to Service Fee - Extra Pickup	\$87.77	per event
Commercial & MDF Cart or Bin Exchange beyond once per Agreement Year	\$77.45	per event
Commercial Cart and Bin Cleaning beyond once per Agreement Year	\$77.45	per event
Enclosure Clean-out after 1st notification	\$77.45	per event
Commercial Return to Service Fee	\$87.77	per event
Commercial U-Waste, & E-Waste Collection	\$162.12	per event
Sunday Service - Each Service	\$130.67	per event
Overflow bin charge	\$87.77	per event
Contamination charge	\$51.63	per event
Emergency Service	\$305.05	per hour
Note:		
Green waste rate is \$74.05 per ton for year 2021 and \$115.65 per ton for year 2022.		

EXHIBIT 2: RATE ADJUSTMENT METHODOLOGY

The following is a PDF version of Exhibit 2, which is an Excel Worksheet intended for use by the CITY and CONTRACTOR for calculating annual rate adjustments.

STEP ONE: Calculate percentage change in CPI									
Row	Index	Note	A Previous Index Value	B New Index Value	C Percent Change in Index ((Column B / Column A) - 1)				
1	CPI	(2)	256.210	265.962	3.8063%				
STEP TWO: New Post Collection Component Index									
Row	Facilities	Note	D Previous Rate	E Percent Change in Rate (from Row 1, Column C) if not a pass through	F New Rate D * (1+E) if not a pass through	G Tonnage - 12 Months Ending Dec 31	H Estimated Post-Collection Cost (F * G)		
2	Solid Waste Disposal OC Landfills	(1)	\$37.01	2.6808%	\$38.00	22,482.5	\$854,333		
3	Solid Waste Handling & Transportation Sunset TS	(2)	\$13.14	3.8063%	\$13.64	8,095.5	\$110,424		
4	Solid Waste Disposal OC Landfills Sunset TS	(1)	\$37.01	2.6750%	\$38.00		\$307,631		
5	GW/FW Handling & Transportation Sunset to Azusa	(2)	\$51.76	3.8063%	\$53.73	12,822.0	\$688,928		
6	GW/FW Processing Synagro Sunset to Azusa	(3)	\$60.00	3.3333%	\$62.00		\$794,964		
7	Single-Stream MRF Processing Sunset to Orange Co	(2)	\$120.22	3.8063%	\$124.80	7,592.8	\$947,547		
8	Sub-Total					50,993	\$3,703,827		
9	Single-Stream Percent Residual					30.6%			
10	Residual Disposal Single Stream - OC Landfills (Cell Row 10, Col G = Row 7, Col G x (Row 9, Col G))	(1)	\$37.01	2.6750%	\$38.00	2,320.4	\$88,173		
11	Residual - Transportation to OC Landfill	(2)	\$6.00	3.8063%	\$6.23		\$14,452		
12	Commodity Value - Recovered Single Stream Material (Cell Row 12, Col G = Row 7, Col G - Row 10, Col G)	(4)	-\$66.52	-3.7883%	-\$64.00	5,272.4	-\$337,435.1		
13						TOTAL	\$3,469,017		
14							68.0296		
STEP THREE: Calculate percentage change in Post Collection Index									
Row	Index		I Previous Index Value	J New Index Value	K Percent Change in Index ((Column J / Column I) - 1)				
15	Post-Collection Component		65.3599	68.0296	4.0846%				
STEP FOUR: Calculate the Permitted Percentage Rate Change									
Row	Cost Component		L Component Weighting	M Percent Change in Index (from Column C & K)	N Permitted Change in Index				
16	Collection Service Component	(5)	56.61%	3.8063%	2.15480%				
17	Post-Collection Component	(5)	43.39%	4.0846%	1.77240%				
18	Total		100.00%		3.9272%				
19			Carry Over from Prior Year(s)		0.0000%	if any			
20			Total Percentage Rate Adjustment		3.9272%				
21			Allowed Percentage Adjustment This Rate Year		3.9272%	Maximum 5% in any rate year			
22			Percentage Carry Over to Next Rate Year		0.0000%				

STEP FIVE: Calculate the Permitted Rate Change									
Row	Rate Category	O	P	Q	R				
		Current Customer Rate	Total Weighted Percentage Change (from Row 20 Column N)	Rate Increase or Decrease (Column O x Column P)	Adjusted Rate (Column O + Column Q)				
23	Single-Family Dwelling - Standard Cart Service	\$ 23.45	3.9272%	0.92 \$	24.37				
24	Single-Family Dwelling - Standard Cart Service - Senior Citizen	\$ 18.75	3.9272%	0.74 \$	19.49				
25	HOA Single Bill	\$ 22.29	3.9272%	0.88 \$	23.17				
26	HOA Senior Citizen	\$ 15.87	3.9272%	0.62 \$	16.49				
27	Bulky Item Pickup Beyond Three Per Year up to 5 items	\$ 26.92	3.9272%	1.06 \$	27.98				
28	Street Sweeping Single-Family -Standard Service	\$ 0.62	3.9272%	0.02 \$	0.64				
29	Street Sweeping Single-Family -Standard Service - Senior Citizen	\$ 0.49	3.9272%	0.02 \$	0.51				
30	Street Sweeping HOA	\$ 0.62	3.9272%	0.02 \$	0.64				
31	Street Sweeping HOA -Senior Citizen	\$ 0.49	3.9272%	0.02 \$	0.51				
Rates Subject to CPI ONLY									
32	Additional Charge for Solid Waste Carts beyond one	\$ 4.05	3.8063%	0.15 \$	4.20				
33	Additional Charge for Recycling Cart beyond two	\$ 4.05	3.8063%	0.15 \$	4.20				
34	Additional Cart for Green Waste Cart Beyond two	\$ 4.05	3.8063%	0.15 \$	4.20				
35	Additional Charge for Cart Roll Out Service	\$ 2.20	3.8063%	0.08 \$	2.28				
36	Additional Cart for Damaged Cart Replacement	\$ 64.10	3.8063%	2.44 \$	66.54				
37	On-Call Cart Swap Service per Event	\$ 4.08	3.8063%	0.16 \$	4.24				
STEP SIX: Calculate the Cost Components Weighting for Future Rate Adjustment Calculation									
Row	Cost Component	S	T	U	V	W			
		Cost Component	Percentage Change as Applied to Rate Adjustment (Column M)	Increase in Cost Components	Cost Component Increased (Column S + Column U)	Components Reweighted to Equal 100% for Future Adjustments			
38	Collection Service Component	56.6102%	3.8063%	2.15473%	58.765%	56.544400%			
39	Post-Collection Component	43.3898%	4.0846%	1.77230%	45.162%	43.455600%			
40	Total	100.00%		3.92703%	103.927%	100.00000%			

- (1) Actual tipping fee charged at Orange County Landfills.
- (2) Consumer Price Index CUURS49ASA0 CPI-U, All items in Los Angeles-Long Beach-Anaheim, CA, all urban consumers, not seasonally adjusted, for period ending December 31 (Annual).
- (3) Actual tipping fee charged at Synagro processing facility.
- (4) Commodity value pass through - based on Orange MRF's report blended commodity value in March each year
- (5) Initial weightings based on proposed revenue and post collection costs; For ensuing years use calculations from Step Five.
- (6) The rate increase is limited to no more than 5% per year with rollover allowance.

STEP ONE: Calculate percentage change in CPI									
Row	Index	Note	Previous Index Value	New Index Value	Percent Change in Index ((Column B / Column A) - 1)				
1	CPI	(2)	256.210	265.962	3.8063%				
STEP TWO: New Post Collection Component Index									
Row	Facilities	Note	Previous Rate	Percent Change in Rate (from Row 1, Column C) if not a pass through	New Rate D * (1+E) if not a pass through	Tonnage - 12 Months Ending Dec 31	Estimated Post-Collection Cost (F * G)		
2	Solid Waste Disposal OC Landfills	(1)	\$35.93	2.9888%	\$ 37.00	9,664.2	\$ 357,575		
3	Solid Waste Handling & Transportation Sunset TS	(2)	\$13.00	3.8063%	\$ 13.49	8,920.8	\$ 120,385		
4	Solid Waste Disposal OC Landfills Sunset TS	(1)	\$35.93	2.9780%	\$ 37.00		\$ 330,070		
5	GW/FW Handling & Transportation Sunset to Azusa	(2)	\$51.76	3.8063%	\$ 53.73	77.0	\$ 4,137		
6	GW/FW Processing Synagro Sunset to Azusa	(2)	\$19.95	2.2556%	\$ 20.40		\$ 1,571		
7	Food Waste CORE - processing	(2)	\$75.00	3.8063%	\$ 77.85	840.0	\$ 65,398		
8	Food Waste CORE - outlet /LASD	(3)	\$20.00	5.0000%	\$ 21.00		\$ 17,640		
9	Co-Mingled Material Processing Sunset to Orange Co	(2)	\$120.22	3.8063%	\$ 124.80	1,889.0	\$ 235,739		
10	Sub-Total					21,391	1,132,515		
11	Commercial Co-Mingled Percent Residual					38.4%			
12	Residual Disposal Co-Mingled - OC Landfills (Cell Row 12, Col G = Row 11, Col G * Row 9, Col G)	(1)	\$35.93	2.9888%	\$37.00	725.9	\$ 26,860		
13	Residual - Transportation to OC Landfill Commodity Value - Recovered Co-Mingled Material (Cell Row 14, Col G = Row 9, Col G - Row 12, Col G)	(2)	\$6.00	3.8063%	\$ 6.23		\$ 4,521		
14		(4)	-\$25.58	1.6419%	-\$26.00	1,163.1	\$ (30,239)		
15						TOTAL	1,133,657		
16						Index - Weighted Average Cost per Ton	52.9969		
STEP THREE: Calculate percentage change in Post Collection Index									
Row	Index	Previous Index Value	New Index Value	Percent Change in Index ((Column J / Column I) - 1)					
17	Post-Collection Component	51.2737	52.9969	3.3608%					
STEP FOUR: Calculate the Permitted Percentage Rate Change									
Row	Cost Component	Component Weighting	Percent Change in Index (from Column C & K)	Permitted Change in Index					
18	Collection Service Component	77.99%	3.8063%	2.96870%					
19	Post-Collection Component	22.01%	3.3608%	0.73960%					
20	Total	100.00%		3.7083%					
21			Allowed Rate Adjustment	3.7083%					
22			Carry Over from Prior Year(s)	0.0000%	if any				
23			Total Percentage Rate Adjustment	3.7083%					
24			Allowed Percentage Adjustment This Rate Year	3.7083%	Maximum 5% in any rate year				
25			Percentage Carry Over to Next Rate Year	0.0000%					

STEP FIVE: Apply percentage change to rates

Row	Rate Category	O Current Customer Rate	P Total Weighted Percentage Change (from Row 23 Column N)	Q Rate Increase or Decrease (Column O x Column P)	R Adjusted Rate (Column O + Column Q)
26	1 yard refuse bin, 1 pickup/week	\$ 73.17	3.7083%	2.71	\$ 75.88
27	1 yard refuse bin, 2 pickup/week	\$ 130.37	3.7083%	4.83	\$ 135.20
28	1 yard refuse bin, 3 pickup/week	\$ 183.83	3.7083%	6.82	\$ 190.65
29	1 yard refuse bin, 4 pickup/week	\$ 237.48	3.7083%	8.81	\$ 246.29
30	1 yard refuse bin, 5 pickup/week	\$ 290.95	3.7083%	10.79	\$ 301.74
31	1 yard refuse bin, 6 pickup/week	\$ 350.20	3.7083%	12.99	\$ 363.19
32	1.5 yard refuse bin, 1 pickup/week	\$ 97.95	3.7083%	3.63	\$ 101.58
33	1.5 yard refuse bin, 2 pickup/week	\$ 174.59	3.7083%	6.47	\$ 181.06
34	1.5 yard refuse bin, 3 pickup/week	\$ 246.26	3.7083%	9.13	\$ 255.39
35	1.5 yard refuse bin, 4 pickup/week	\$ 318.17	3.7083%	11.80	\$ 329.97
36	1.5 yard refuse bin, 5 pickup/week	\$ 389.84	3.7083%	14.46	\$ 404.30
37	1.5 yard refuse bin, 6 pickup/week	\$ 469.23	3.7083%	17.40	\$ 486.63
38	2 yard refuse bin, 1 pickup/week	\$ 122.72	3.7083%	4.55	\$ 127.27
39	2 yard refuse bin, 2 pickup/week	\$ 218.81	3.7083%	8.11	\$ 226.92
40	2 yard refuse bin, 3 pickup/week	\$ 308.68	3.7083%	11.45	\$ 320.13
41	2 yard refuse bin, 4 pickup/week	\$ 398.87	3.7083%	14.79	\$ 413.66
42	2 yard refuse bin, 5 pickup/week	\$ 488.74	3.7083%	18.12	\$ 506.86
43	2 yard refuse bin, 6 pickup/week	\$ 588.26	3.7083%	21.81	\$ 610.07
44	3 yard refuse bin, 1 pickup/week	\$ 153.34	3.7083%	5.69	\$ 159.03
45	3 yard refuse bin, 2 pickup/week	\$ 276.10	3.7083%	10.24	\$ 286.34
46	3 yard refuse bin, 3 pickup/week	\$ 391.48	3.7083%	14.52	\$ 406.00
47	3 yard refuse bin, 4 pickup/week	\$ 506.67	3.7083%	18.79	\$ 525.46
48	3 yard refuse bin, 5 pickup/week	\$ 621.76	3.7083%	23.06	\$ 644.82
49	3 yard refuse bin, 6 pickup/week	\$ 748.63	3.7083%	27.76	\$ 776.39
50	4 yard refuse bin, 1 pickup/week	\$ 192.72	3.7083%	7.15	\$ 199.87
51	4 yard refuse bin, 2 pickup/week	\$ 333.41	3.7083%	12.36	\$ 345.77
52	4 yard refuse bin, 3 pickup/week	\$ 474.03	3.7083%	17.58	\$ 491.61
53	4 yard refuse bin, 4 pickup/week	\$ 614.71	3.7083%	22.80	\$ 637.51
54	4 yard refuse bin, 5 pickup/week	\$ 755.04	3.7083%	28.00	\$ 783.04
55	4 yard refuse bin, 6 pickup/week	\$ 908.74	3.7083%	33.70	\$ 942.44
56	6 yard refuse bin, 1 pickup/week	\$ 256.53	3.7083%	9.51	\$ 266.04
57	6 yard refuse bin, 2 pickup/week	\$ 448.01	3.7083%	16.61	\$ 464.62
58	6 yard refuse bin, 3 pickup/week	\$ 639.12	3.7083%	23.70	\$ 662.82
59	6 yard refuse bin, 4 pickup/week	\$ 830.53	3.7083%	30.80	\$ 861.33
60	6 yard refuse bin, 5 pickup/week	\$ 1,021.69	3.7083%	37.89	\$ 1,059.58
61	6 yard refuse bin, 6 pickup/week	\$ 1,229.26	3.7083%	45.58	\$ 1,274.84
62	32 or 64-Gallon Cart, 1 pickup/week	\$ 82.20	3.7083%	3.05	\$ 85.25
63	32 or 64-Gallon Cart, 2 pickup/week	\$ 145.94	3.7083%	5.41	\$ 151.35
64	32 or 64-Gallon Cart, 3 pickup/week	\$ 205.38	3.7083%	7.62	\$ 213.00
65	32 or 64-Gallon Cart, 4 pickup/week	\$ 265.06	3.7083%	9.83	\$ 274.89
66	32 or 64-Gallon Cart, 5 pickup/week	\$ 326.62	3.7083%	12.11	\$ 338.73
67	32 or 64-Gallon Cart, 6 pickup/week	\$ 393.76	3.7083%	14.60	\$ 408.36
68	96-Gallon Cart, 1 pickup/week	\$ 83.05	3.7083%	3.08	\$ 86.13

69	96-Gallon Cart, 2 pickup/week	\$	147.64	3.7083%	5.47	\$	153.11
70	96-Gallon Cart, 3 pickup/week	\$	207.92	3.7083%	7.71	\$	215.63
71	96-Gallon Cart, 4 pickup/week	\$	268.45	3.7083%	9.95	\$	278.40
72	96-Gallon Cart, 5 pickup/week	\$	328.74	3.7083%	12.19	\$	340.93
73	96-Gallon Cart, 6 pickup/week	\$	396.30	3.7083%	14.70	\$	411.00
74	Additional Pickup Any Bin 6 Cubic Yards or Less	\$	77.45	3.7083%	2.87	\$	80.32
75	1.5 yard compactor, 1 pickup/week	\$	186.16	3.7083%	6.90	\$	193.06
76	1.5 yard compactor, 2 pickup/week	\$	330.35	3.7083%	12.25	\$	342.60
77	1.5 yard compactor, 3 pickup/week	\$	464.75	3.7083%	17.23	\$	481.98
78	1.5 yard compactor, 4 pickup/week	\$	599.65	3.7083%	22.24	\$	621.89
79	1.5 yard compactor, 5 pickup/week	\$	734.03	3.7083%	27.22	\$	761.25
80	1.5 yard compactor, 6 pickup/week	\$	883.66	3.7083%	32.77	\$	916.43
81	2 yard compactor, 1 pickup/week	\$	232.69	3.7083%	8.63	\$	241.32
82	2 yard compactor, 2 pickup/week	\$	412.93	3.7083%	15.31	\$	428.24
83	2 yard compactor, 3 pickup/week	\$	580.94	3.7083%	21.54	\$	602.48
84	2 yard compactor, 4 pickup/week	\$	749.56	3.7083%	27.80	\$	777.36
85	2 yard compactor, 5 pickup/week	\$	917.55	3.7083%	34.03	\$	951.58
86	2 yard compactor, 6 pickup/week	\$	1,104.57	3.7083%	40.96	\$	1,145.53
87	3 yard compactor, 1 pickup/week	\$	288.50	3.7083%	10.70	\$	299.20
88	3 yard compactor, 2 pickup/week	\$	516.79	3.7083%	19.16	\$	535.95
89	3 yard compactor, 3 pickup/week	\$	730.49	3.7083%	27.09	\$	757.58
90	3 yard compactor, 4 pickup/week	\$	943.82	3.7083%	35.00	\$	978.82
91	3 yard compactor, 5 pickup/week	\$	1,157.75	3.7083%	42.93	\$	1,200.68
92	3 yard compactor, 6 pickup/week	\$	1,393.35	3.7083%	51.67	\$	1,445.02
93	4 yard compactor, 1 pickup/week	\$	361.57	3.7083%	13.41	\$	374.98
94	4 yard compactor, 2 pickup/week	\$	620.59	3.7083%	23.01	\$	643.60
95	4 yard compactor, 3 pickup/week	\$	879.57	3.7083%	32.62	\$	912.19
96	4 yard compactor, 4 pickup/week	\$	1,138.57	3.7083%	42.22	\$	1,180.79
97	4 yard compactor, 5 pickup/week	\$	1,396.90	3.7083%	51.80	\$	1,448.70
98	4 yard compactor, 6 pickup/week	\$	1,681.66	3.7083%	62.36	\$	1,744.02
99	6 yard compactor, 1 pickup/week	\$	478.22	3.7083%	17.73	\$	495.95
100	6 yard compactor, 2 pickup/week	\$	828.30	3.7083%	30.72	\$	859.02
101	6 yard compactor, 3 pickup/week	\$	1,177.63	3.7083%	43.67	\$	1,221.30
102	6 yard compactor, 4 pickup/week	\$	1,527.56	3.7083%	56.65	\$	1,584.21
103	6 yard compactor, 5 pickup/week	\$	1,876.99	3.7083%	69.60	\$	1,946.59
104	6 yard compactor, 6 pickup/week	\$	2,258.75	3.7083%	83.76	\$	2,342.51
105	Additional Pickup Any Compactor 6 Cubic Yards or Less	\$	123.91	3.7083%	4.59	\$	128.50
106	Temporary 3 yard bin, pickup and one dump 7 day rental	\$	87.77	3.7083%	3.25	\$	91.02
107	Temporary 3 yard bin, Additional dump within 7 day rental	\$	87.77	3.7083%	3.25	\$	91.02
	MFDI Bulky Item Pickup beyond 3 per year; Max 5 items each event	\$	36.14	3.7083%	1.34	\$	37.48
	Commercial Bulky Item Pickup Max 5 items each event	\$	36.14	3.7083%	1.34	\$	37.48
	Rates Subject to CPI ONLY						
108	Temporary 3 yard bin Dead Run	\$	46.47	3.8063%	1.77	\$	48.24
109	Temporary 3 yard bin rental after 7 days with no dump	\$	4.65	3.8063%	0.18	\$	4.83
110	Scout Service, 1 x per week	\$	46.47	3.8063%	1.77	\$	48.24
111	Scout Service, 2 x per week	\$	92.93	3.8063%	3.54	\$	96.47
112	Scout Service, 3 x per week	\$	139.40	3.8063%	5.31	\$	144.71
113	Scout Service, 4 x per week	\$	185.87	3.8063%	7.07	\$	192.94
114	Scout Service, 5 x per week	\$	232.34	3.8063%	8.84	\$	241.18

Exhibit 2B - Commercial

115	Scout Service, 6 x per week	\$ 278.80	3.8063%	10.61	\$ 289.41	
116	Container Lock or Enclosure Lock, 1 x per week	\$ 8.78	3.8063%	0.33	\$ 9.11	
117	Container Lock or Enclosure Lock, 2 x per week	\$ 10.58	3.8063%	0.40	\$ 10.98	
118	Container Lock or Enclosure Lock, 3 x per week	\$ 16.01	3.8063%	0.61	\$ 16.62	
119	Container Lock or Enclosure Lock, 4 x per week	\$ 21.32	3.8063%	0.81	\$ 22.13	
120	Container Lock or Enclosure Lock, 5 x per week	\$ 26.64	3.8063%	1.01	\$ 27.65	
121	Container Lock or Enclosure Lock, 6 x per week	\$ 32.01	3.8063%	1.22	\$ 33.23	
122	Pull-Out Exceeding 25 Feet, 1 x per week	\$ 8.78	3.8063%	0.33	\$ 9.11	
123	Pull-Out Exceeding 25 Feet, 2 x per week	\$ 2.58	3.8063%	0.10	\$ 2.68	
124	Pull-Out Exceeding 25 Feet, 3 x per week	\$ 5.16	3.8063%	0.20	\$ 5.36	
125	Pull-Out Exceeding 25 Feet, 4 x per week	\$ 7.74	3.8063%	0.29	\$ 8.03	
126	Pull-Out Exceeding 25 Feet, 5 x per week	\$ 10.33	3.8063%	0.39	\$ 10.72	
127	Pull-Out Exceeding 25 Feet, 6 x per week	\$ 12.91	3.8063%	0.49	\$ 13.40	
STEP SIX: Determine Cost Components Weights for Future Rate Adjustment Calculation						
Row	Cost Component	S	T	U	V	W
			Percentage Change as Applied to Rate Adjustment (Column M)	Increase in Cost Components	Cost Component Increased (Column S + Column U)	Components Reweighted to Equal 100% for Future Adjustments
128	Collection Service Component	77.9948%	3.8063%	2.96868%	80.963%	78.068500%
129	Post-Collection Component	22.0052%	3.3608%	0.73955%	22.745%	21.931500%
130	Total	100.00%		3.70823%	103.708%	100.00000%

- (1) Actual tipping fee charged at Orange County Landfills.
- (2) Consumer Price Index - All Urban Consumers, All Items, Los Angeles - Riverside - Orange County, CA CUURA421SAO For period ending December 31 (Annual).
- (3) Actual tipping fee charged at LACSD processing facility.
- (4) Commodity value pass through - based on Orange MRF's report blended commodity value in March each year
- (5) Initial weightings based on proposed revenue and post collection costs; For ensuing years use calculations from Step Five.
- (6) The rate increase is limited to no more than 5% per year with rollover allowance.

Exhibit 2C - Rolloff & Other Rates

STEP ONE: Calculate percentage change in CPI						
Row	Index	Note	A Previous Index Value	B New Index Value	C Percent Change in Index ((Column B / Column A) - 1)	
1	CPI	(1)	256.210	265.962	3.8063%	
STEP TWO: Apply percentage change to rates						
Row	Rate Category	D Current Customer Rate	E Total Weighted Percentage Change (from Row 1 Column C)	F Rate Increase or Decrease (Column D x Column E)	G Adjusted Rate (Column D + Column F)	
2	Permanent Roll Off Boxes and Compactors per Haul	(1) \$ 291.33	3.8063%	11.09	\$ 302.42	
3	Permanent Roll Off Boxes and Compactors per Haul (Customer Owned)	(1) \$ 235.26	3.8063%	8.95	\$ 244.21	
4	Solid Waste Disposal per Ton	(1) \$ 39.24	3.8063%	1.49	\$ 40.73	
5	Recycling Marterials Processing per Ton	(1) \$ 43.61	3.8063%	1.66	\$ 45.27	
6	Green Waste per ton	(1) \$ 74.05	3.8063%	2.82	\$ 76.87	
7	Organic Materials Processing per Ton	(1) \$ 115.40	3.8063%	4.39	\$ 119.79	
8	C&D Processing per Ton	(1) \$ 65.94	3.8063%	2.51	\$ 68.45	
9	MRF Mixed Waste Processing per Ton	(1) \$ 43.61	3.8063%	1.66	\$ 45.27	
10	Dead Run	(1) \$ 77.45	3.8063%	2.95	\$ 80.40	
11	Daily Rental after 7 Days with no Dump	(1) \$ 6.71	3.8063%	0.26	\$ 6.97	
12	Relocation fee	(1) \$ 77.45	3.8063%	2.95	\$ 80.40	
13	Sunday Service Surcharge	(1) \$ 87.77	3.8063%	3.34	\$ 91.11	
14	Residential Return to Service Fee - Extra Pickup	(1) \$ 51.94	3.8063%	1.98	\$ 53.92	
15	Commercial Return to Service - Extra Pickup	(1) \$ 87.77	3.8063%	3.34	\$ 91.11	
16	Commercial & MFD Cart or bin exchange beyond once per year	(1) \$ 77.45	3.8063%	2.95	\$ 80.40	
17	Commercial & MFD Cart or bin cleaning beyond once per year	(1) \$ 77.45	3.8063%	2.95	\$ 80.40	
18	Enclosure clean-out after 1st notification	(1) \$ 77.45	3.8063%	2.95	\$ 80.40	
19	Commercial return to service fee	(1) \$ 87.77	3.8063%	3.34	\$ 91.11	
20	Commercial U-Waste & E-Waste	(1) \$ 162.12	3.8063%	6.17	\$ 168.29	
21	Sunday Service - Each Service	(1) \$ 130.67	3.8063%	4.97	\$ 135.64	
22	Overflow Bin Charge per Event	(1) \$ 87.77	3.8063%	3.34	\$ 91.11	
23	Contamination Charge per Event	(1) \$ 51.63	3.8063%	1.97	\$ 53.60	
24	Emergency Service per Hour	(1) \$ 305.05	3.8063%	11.61	\$ 316.66	

(1) Consumer Price Index CUURS49ASA0 CPI-U, All items in Los Angeles-Long Beach-Anaheim, CA, all urban consumers, not seasonally adjusted, for period ending December 31 (Annual).

(2) The rate increase is limited to no more than 5% per year with rollover allowance.

Exhibit 2D - Initial Indices

Initial Post-Collection Index - SFD Cart Service Rate Adjustment					
Row	Facilities	Note	A	B	C
			Estimated Tonnage	Cost Per Ton	Estimated Post Collection Cost
1	Solid Waste Disposal OC Landfills	(1)	22,482.5	\$37.01	\$832,029
2	Solid Waste Handling & Transportation Sunset TS	(1)	8,095.5	\$13.14	\$106,375
3	Solid Waste Disposal OC Landfills Sunset TS	(1)		\$37.01	\$299,616
4	GW/FW Handling & Transportation Sunset to Azusa	(1)	12,822.0	\$51.76	\$663,667
5	GW/FW Processing Synagro Sunset to Azusa	(1)		\$60.00	\$769,320
6	Single-Stream MRF Processing Sunset to Orange Co	(1)	7,592.8	\$120.22	\$912,803
7	Total		50,992.8		\$3,583,810
8	Single-Stream Percent Residual	(2)	30.6%		
9	Residual Disposal Single Stream - OC Landfills	(2)	2,320.4	\$37.01	\$85,871
10	Residual - transportation to OC Landfill			\$6.00	\$13,922
11	Commodity Value - Recovered Single Stream Material	(1)	5,272.4	-\$66.52	-\$350,722
12	Total Post-Collection Cost				\$3,332,882
13	Index - Weighted Average Cost Per Ton				\$65.36
Initial Post-Collection Index - Bin Collection Rate Adjustment					
Row	Facilities	Note	A	B	C
			Estimated Tonnage	Cost Per Ton	Estimated Post Collection Cost
14	Solid Waste Disposal OC Landfills	(1)	9,664.2	\$35.93	\$347,198
15	Solid Waste Handling & Transportation Sunset TS	(1)	8,920.8	\$13.00	\$115,970
16	Solid Waste Disposal OC Landfills Sunset TS	(1)		\$35.93	\$320,524
17	GW/FW Handling & Transportation Sunset to Azusa	(1)	77.0	\$51.76	\$3,986
18	GW/FW Processing Synagro Sunset to Azusa	(1)		\$19.95	\$1,536
19	Food Waste CORE - processing	(1)	840.0	\$75.00	\$63,000
20	Food Waste CORE - outlet / LASD	(1)		\$20.00	\$16,800
21	Co-Mingled Material Processing Sunset to Orange Co	(1)	1,889.0	\$120.22	\$227,096
22	Total		21,391.0		\$1,096,110
23	Commercial Co-Mingled Percent Residual	(3)	38.4%		
24	Residual Disposal Co-Mingled - OC Landfills		725.9	\$35.93	\$26,080
25	Residual - Transportation to OC Landfill			\$6.00	\$4,356
26	Commodity Value - Recovered Co-Mingled Material	(1)	1,163.1	-\$25.58	-\$29,751
27	Total Post-Collection Cost				\$1,096,796
28	Index - Weighted Average Cost Per Ton				\$51.27
Initial Post-Collection Component Weightings					
Row	Sector	Note	A	B	C
			Revenue	Costs	Post Collection
29	SFD Carts Service	(4)	\$7,681,260	\$3,332,882	43.3898%
30	Commercial Bin Service	(4)	\$4,984,253	\$1,096,796	22.0052%

- (1) Initial facilities, tons and costs per ton based on contractor proposal.
- (2) Residual solid waste from residential single-stream material collected represents 30.56% of Row 6, Column A
- (3) Residual solid waste from commercial co-mingled material collected represents 38.4% of Row 21, Column A
- (4) Initial weightings based on proposed revenue and post collection costs.

EXHIBIT 3: CONTRACTOR'S PROPOSAL



WASTE MANAGEMENT

Waste Management Collection and Recycling, Inc.
16122 Construction Circle East
Irvine, CA 92606

September 10, 2019

City of Mission Viejo
Attention: Dennis Wilberg, City Manager
200 Civic Center, Second Floor
Mission Viejo, CA 92691

Dear Mr. Dennis Wilberg:

Waste Management Collection and Recycling, Inc. dba Waste Management of Orange County (Waste Management) is pleased to present the following response to the City of Mission Viejo (City) for Integrated Solid Waste Collection Services. Incorporated in California in September 1969, we are your established local provider with national resources.

Your Waste Management team has thoroughly reviewed your RFP and all Addenda, and as your community partner for several decades, we are uniquely qualified to provide unparalleled service, accompanied by local knowledge and expertise.

Thank you for the opportunity to participate in your next selection of an environmental services partner. We are eager to again earn your business and our team remains committed to going above and beyond to deliver best-in-class service for your City. Please do not hesitate to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Doug Corcoran', followed by a horizontal wavy line.

Doug Corcoran, Vice President, Southern California Area
Waste Management Collection and Recycling, Inc.
dba Waste Management of Orange County
(818) 252-3147, dcorcora@wm.com



EXECUTIVE SUMMARY


As your community partner for over 30 years, we value your safety, your residents, and your businesses. Our dedicated personnel and personalized service solutions are truly designed around your needs. As North America's largest waste hauler and recycling processor, we use this vast experience to set a higher standard for our services and drive continuous improvement in our operations.

Although our resources are vast, our approach is intensely local. We support your local civic groups. We work with your local businesses, schools and organizations. We roll up our sleeves and help the community and the customer not only achieve cost savings, but compliance status with state mandates. What's more, Waste Management has the right people for the job. We are confident in stating that our local team has more experience servicing customers throughout Orange County than any other hauler.

Most importantly, Waste Management prides itself on being more than just a waste and recycling service provider. One of our hallmarks is that we view ourselves as not a "trash service" but a community service provider. So, what does that mean? It means that we provide a comprehensive community service that focuses on investment within the community through event and community organization sponsorship, recycling education and compliance, and first-class customer service. It means that Waste Management is there when we are needed...to do more than just collect trash. It means that you can count on us to help the City, and its community members, in any way possible. It's just what we do.

As such, the Waste Management is pleased to present this fully responsive proposal for the collection of solid waste, recyclable and organic materials from SFD, MFD, commercial accounts, and City facilities. Our proposal incorporates industry-leading best practices that have been developed both locally in Orange County and companywide over many years, with significant investment to provide collection, transportation, processing, disposal and comprehensive sustainability solutions beyond comparison...

Of critical importance, you will see evidence throughout our proposal that we are not a group that is here today and gone tomorrow. You will find references from customers that have been very satisfied with our services for decades including right here in Mission Viejo.



Customer Comments

Dear Ms. Ashley Brunier,

Thank you and Waste Management of Orange County for having a truck come for our son's birthday on March 2, 2019. Our driver Tony was incredibly kind and amazing with the children, and everyone had an absolute blast!

Waste Management truly made our son's day, and we appreciate the time and effort that went into coordinating this special request. We love Waste Management's service, and the courtesy birthday truck you provided went above and beyond the expectations of a traditional waste hauler.

We look forward to seeing Waste Management come down the street each week, and we hope the City continues to maintain your services.

Thank you again for the great service and for making our son's day so special!

Kind regards,
Kristen Parrinello

Offering Technology's Best Foot Forward

Waste Management meets 21st Century customer service expectations for maximum information, continuous connectivity, customer empowerment and instant access. Further, our operations framework - Service Delivery Optimization (SDO) focuses on four pillars of performance in all our operations: **Safety, Service, Savings, and Satisfaction**. SDO enables us to define, track, and measure every aspect of our operations to hold our frontline accountable for continuous improvement.

This marriage of technology and management to drive employee engagement, knowledge sharing, and accountability, provides our team members the mindset to meet and exceed our customers' expectations.

Moreover, our extensive, strategically located network of assets facilitate successful implementation at a reasonable price. Waste Management has the right culture, the right technology and the right assets, already perfectly placed in Mission Viejo, to continue to reliably and consistently service the City through a proven tested partnership. Together we are ready to maintain existing services and immediately focus on integrating SB 1383.

We Provide Innovative, Personalized and Proven Outreach & Education

Mission Viejo is on the cusp of a paradigm shift that can be unsettling for many residents, business owners, building managers and tenants. Not only will service providers be required to change how they do business - some more than others – SFD, commercial and MFD customers will be asked to undergo significant disposal and recycling behavior changes. In addition to the expansion of the use of advanced technology in basic service delivery, recycling will become a part of every customer's daily routine, and organics will be diverted at unprecedented levels. In order to help all those within the City appreciate the value of these new programs and in order to get their "buy-in" for expanded diversion requirements, Waste Management will implement a sophisticated, comprehensive Outreach, Education and Training campaign over the entire term of the contract. Proven to be effective in establishing substantive, our approach increases recycling and waste diversion habits in and outside the home. We are confident that the data-driven process is the right program to invite, engage and motivate customers to make them advocates for new initiatives.

Proposal Highlights


Waste Management's proposal is specialized for the unique needs of the City:

- Seamless Transition with the Highest Performance Standards
- Competitive Rates with Maximum Value
- Programs to Meet or Exceed the Diversion Compliance
- Consistent, Reliable and Quality Service
- Innovative, Community-based Approach to Change and Improve Individual Behaviors

In summary, our proposal responds to all elements of the RFP in detail, while bringing a host of services and experience that only Waste Management can provide:




Children of Moms of Mission Viejo

 **The best value for Mission Viejo:** When choosing a provider for your City's waste and recycling needs, value is more than just the bottom line. Value to your residents is about what they get beyond the money they pay. With Waste Management you will receive best-in-class service from an experienced team with 30 years' local experience delivering quality, on-time, reliable service at the best price possible to your residents and businesses. It is our job to think about waste, and develop sustainable, environmentally friendly solutions that exceed your expectations. We will provide you with a reliable experience from day one through the entire term of the Agreement, just as we have done for decades.

 **A true partner for the City that does things the right way, every day:** Waste and recycling management are highly regulated operations with the potential for significant adverse environmental impacts if not handled properly. Waste Management is not simply a garbage collection company; we have comprehensive, safety-focused solutions to manage almost all types of waste. We own and operate our own materials recovery facilities, organics processing facilities, and state-of-the-art landfills. As a leader in environmental solutions, we give you peace of mind that your materials will be managed in full compliance with all local, state, and national regulations, including SB 1383.

As the largest, most financially stable environmental solutions provider in North America, we have the ability to finance operational improvements, equipment, facility upgrades, and container purchases internally. Our resources also give us the ability to provide gold-standard insurance to protect our partners. Our holistic approach to managing waste and caring for our partners means that you will not have to worry about your waste and recycling program because our people go above and beyond to serve and solve every challenge the right way, every day.

 **Dedication to your residents and businesses - their priorities remain our priority:** Investment into your community comes naturally to us as we have grown over the past thirty years alongside their lives and business endeavors. Waste Management's commitment to the City's growth and wellbeing is no different than the dedication and support provided to our own Waste Management families. Whether it's achieving state compliance, cost savings, or instilling the benefits of environmental stewardship to both young and old, Waste Management's local team has and will continue to be an endless wealth of knowledge and support for the City.



*Mission Viejo Chamber of Commerce
Annual State of the City Breakfast.
Recycling Coordinator Ashley Brunier*



1 | COMPANY QUALIFICATIONS AND EXPERIENCE

Doing the Right Thing, the Right Way

A. Business Structure

1. Confirm that proposer is authorized to do business in California.

Waste Management Collection and Recycling, Inc. has been conducting business in California for fifty years.

2. Identify the legal entity that would execute the Franchise Agreement. State whether each entity is a sole proprietorship, partnership, corporation, LLC, or joint venture. Describe in detail the relationship of the proposer to the executing entity. If the proposer is a joint venture, describe where the entities have collaborated before.

Waste Management Collection and Recycling, Inc. is the legal entity that will execute the Mission Viejo Franchise Agreement.

3. State the number of years the entities have been organized and doing business under this legal structure. Proposal must include all the names of company's (and executing entities' if different than company's) owners/stockholders with greater than a 10% holding of the company's total assets.

Waste Management Collection and Recycling, Inc. was incorporated under the laws of California on September 30, 1969.

4. Identify other businesses with ownership by principals and/or management.

No other businesses are present with ownership by principals and/or management.

5. Proposer shall describe all services to be performed by subcontractors and identify each subcontractor by name. Proposer shall describe any current or past working relationship with the subcontractor(s) in the past five years.

Waste Management expects to enter into an agreement with a subcontractor to perform street sweeping duties as outlined in the City's "Attachment 9 Street Sweeping Data and Proposal and Forms Rev.0820219". The subcontractor identified is the current incumbent, Sunset Property Services. There has been no formal working relationship in the past five years, however Waste Management and Sunset Property Services separately service the cities of Mission Viejo and Irvine and have strong experience working alongside one another's operations.

B. Collection Experience

For decades Waste Management has provided collection service to the City of Mission Viejo. We know your residents, your businesses, your streets, your City facilities, and your ongoing requirements. Your

local Waste Management team has evolved with you and is poised to move forward with your next Contract with little to no service interruption. As a result, Mission Viejo will be able to focus on SB 1383 with an experienced partner by your side that has the existing relationships, the local experience, and the national expertise to partner with the City in this endeavor. References are provided herein per your requirements.

Proposer shall describe its experience serving three (3) jurisdictions in California (preferably serving jurisdictions of similar or larger size and similar demographics to the City) in a table format.

<i>Jurisdiction Commencement Date and Term</i>	City of Irvine September 1, 2016 - August 31, 2026
<i>Contact Information</i>	Mike Byrne, Senior Management Analyst mbyrne@cityofirvine.org (949) 724-6357 One Civic Center Plaza P.O. Box 19575 Irvine, CA 92623-9575
<i>Services Provided</i>	Solid Waste, Recycle, Green Waste, E-waste, and HHW
<i>Customers Served</i>	Residential Customers: 57,195 Multifamily Customers: 175 Commercial Cart Customers: 102 Commercial Bin Customers: 645 Roll-Off Customers: 45 City Customers: 17
<i>Tonnage Statistics</i>	Total Tons Collected: 145,459.41 Total Tons Diverted: 39,543.98 Total Tons Disposed: 105,915.43
<i>Vehicles Dispatched</i>	Commercial MSW: 20 Commercial Recycle: 5 Roll-Off: 4 Residential: *25 *Residential vehicles perform split routes and cannot be separated by service type per day
<i>Enforcement Action</i>	No enforcement action has been taken against Waste Management.

<i>Jurisdiction Commencement Date and Term</i>	City of Santa Ana June 30, 1993 - June 30, 2020
<i>Contact Information</i>	Christy Kindig, Projects Manager, Public Works Agency ckindig@santa-ana.org (714) 647-5088 20 Civic Center, Plaza M-21 Santa Ana, CA 92702
<i>Services Provided</i>	Solid Waste, Recycle, Green Waste, Construction and Demolition, E-waste, and HHW
<i>Customers Served</i>	Residential Customers:42,083 Multifamily Customers:946 Commercial Cart Customers:151 Commercial Bin Customers:3,737 Roll-Off Customers:272 City Customers:16
<i>Tonnage Statistics</i>	Total Tons Collected:293,915.13 Total Tons Diverted:50,546.90 Total Tons Disposed:243,368.23
<i>Vehicles Dispatched</i>	Commercial MSW:20 Commercial Recycle:3 Roll-Off:8 Residential MSW:10 Residential Green Waste:6 Residential Recycling:6
<i>Enforcement Action</i>	No enforcement action has been taken against Waste Management.

<i>Jurisdiction Commencement Date and Term</i>	City of Oceanside January 1, 2011 – December 31, 2023
<i>Contact Information</i>	Colleen Foster, Environmental Officer (760) 435-5021 Water Utilities Department 300 North Coast Highway Oceanside, CA 92054
<i>Services Provided</i>	Solid Waste, Recycle, Green Waste, E-waste, and HHW
<i>Customers Served</i>	Residential Customers: 42,114 Multifamily Customers: 200 Commercial Cart Customers: ... 1,062 Commercial Bin Customers: 2,015 Roll-Off Customers: 93 permanent accounts 116 temporary accounts City Customers: 413 Total (327 City bus stops, 76 commercial bin accounts and 10 roll-off accounts)
<i>Tonnage Statistics</i>	Total Tons Collected: 165,436.60 Total Tons Diverted: 47,003.48 Total Tons Disposed: 118,433.12
<i>Vehicles Dispatched</i>	Commercial MSW: 10 Commercial Recycle: 4 Roll-Off: 4 Residential MSW: 10 Residential Green Waste: 5.5 Residential Recycling: 6
<i>Enforcement Action</i>	No enforcement action has been taken against Waste Management.

C. Service Initiation Experience

The City is interested in learning about each proposer's experience with the following types of service initiations: (1) implementation of new franchise agreements in which the proposer replaced the existing contractor, and (2) implementation of new programs and services as the existing contractor.

Not only do we have national experience, Waste Management's local network provides lessons learned, solutions implemented, while offering resources from our experience across North America. We have honed and shared our expertise with new franchise implementations as well as new program roll outs and continue to focus going above and beyond to serve and solve every challenge the right way. See below for more information regarding newly implemented service programs within Orange County.

(1) implementation of new franchise agreements in which the proposer replaced the existing contractor

Jurisdiction	<p>City of Laguna Woods January 1, 2016 - December 31, 2022</p>
Contact Information	<p>Chris Macon, City Manager cmacon@cityoflagunawoods.org (949) 639-0525 24264 El Toro Road Laguna Woods, CA 92637</p>
Service Initiation Performed	<p>Initiation of new franchise agreement. January 1 - 31, 2016</p>
Implementation Specifics	<p>Complete roll out of residential carts, residential and commercial bins, including all permanent roll off containers. New programs include: expanded bulky item collection, steam cleaning, manure collection, and recycling and organic services.</p> <p>Collection Vehicles and Cart/Bin Roll Out</p> <p>With more than 32,000 collection vehicles in our company-wide fleet, we have developed a strong partnership with our vehicle manufacturing and onboard technology partners allowing for continuous innovation and vehicle enhancements with dependable purchasing and delivery timelines.</p> <p>Carts and Containers</p> <p>Waste Management builds in a 30-day buffer between when equipment begins to arrive and when we start customer deliveries. Our selected suppliers have multiple manufacturing locations and our order can be reassigned to a backup facility should the primary production facility experience a delay. Additionally, we will stock a surplus of carts and containers during the implementation period to accommodate a spike in new customer sign-ups or service level shifts.</p> <p>Driver/Technician Training</p> <p>At Waste Management, we strive to create training programs that simulate real world experience as closely as possible, so our employees are prepared for success on Day One. As a key component of our Mission to Zero (M2Z) safety program, Waste</p>

	<p>Management's Training Centers in Fort Myers, Florida and Glendale, Arizona seek to standardize driver and technician training and help reduce new-hire turnover, as well as the number of vehicle accidents.</p> <p>At our Training Centers, skilled driver and technician instructors lead new hires through an intensive two-week training program that includes: classroom work, interactive computer lab learning, hands-on learning stations, actual and simulated driving, and one-on-one coaching. Additionally, Waste Management drivers are now certified in our SAFETY Defensive Driving system, an advanced training program that teaches the critical skills of safe driving.</p> <p>Trainees spend their first week in the classroom learning and by Week two (2) transition into simulated driving courses and stations. Week two (2) also provides scenarios that are reflective of day-to-day collection conditions and obstacles – from severe weather to traffic to responding to another drivers' behavior. At the end of the training period, drivers receive a comprehensive evaluation of performance.</p>
<p><i>Problems and Solutions</i></p>	<p>Laguna Woods is a unique city in which three large home owner associations (HOAs), collectively known as Laguna Woods Village, make up the majority of the residential units (besides a few additional private multifamily dwelling units). Further, many residents within the three main HOAs utilize shared bins as single-family homes only consist of a small portion of the Village. As the previous hauler mixed-waste processed, Waste Management was also tasked with rolling out recycling bins for the first time in the Village's history.</p> <p>Adding to this transition, no waste management plan was currently in place with the HOAs, causing the need for Waste Management to map out and create naming conventions for thousands of enclosures so as to assist residents in identifying their specific disposal location and to initiate the new bulky item collection program. Making matters more difficult, incomplete information was provided by the previous hauler so Waste Management utilized its internal Operations Improvement team which leveraged our Geographic Information System to build a new customer data base and to validate the customer data we did receive.</p> <p>As this is a senior living community (55+), communication was key for a successful roll out and the dissemination of information for all new programs. Waste Management worked closely with Resident Services and the HOAs internal call center to make sure that cross training was completed. In addition, updated flyers, a welcome packet, community meetings, in person site visits and media outreach were all utilized in tandem with Laguna Woods Village communication department.</p>
<p><i>Enforcement Action</i></p>	<p>No enforcement action was taken against Waste Management during the transition.</p>

(2) implementation of new programs and services as the existing contractor

<i>Jurisdiction</i>	City of Irvine September 1, 2016 - August 31, 2026
<i>Contact Information</i>	Mike Byrne, Senior Management Analyst mbyrne@cityofirvine.org (949) 724-6357 One Civic Center Plaza P.O. Box 19575 Irvine, CA 92623-9575
<i>Service Initiation Performed</i>	Initiation of new negotiated franchise agreement with implementation of new services. September 2016 - Ongoing
<i>Implementation Specifics</i>	Enhancements in services include organic recycling, expanded bulky item collection program for both single and multifamily units, new sharps collection, house hold hazardous waste (HHW) and walk-out programs, quarterly shred events and a comprehensive, expanded public education fund.
<i>Problems and Solutions</i>	<p>Waste Management initiated a comprehensive organic recycling outreach program to identify, track and monitor all mandated customers within the city. Customized educational materials were created, direct mailed and in-person outreaching commenced. In addition, a city-wide program was rolled out to all multifamily properties to provide education and logistical support for the new bulky-item program.</p> <p>Working with each multifamily site, Waste Management's local staff assisted property managers in finding the best customized solution for their premise, including location, date and level of service.</p> <p>City and community events were also identified as venues to disseminate information to residents about the new programs, including creating flyers to be distributed via bill inserts, direct mail and at locations throughout the City.</p> <p>Shred events were well attended and have become a staple for Irvine residents. Events are run by Waste Management, hosted at a City facility..</p>
<i>Enforcement Action</i>	No enforcement action was taken against Waste Management during the transition.

<i>Jurisdiction</i>	<p>City of Santa Ana June 30, 1993 - June 30, 2020</p>
<i>Contact Information</i>	<p>Christy Kindig, Project Manager ckindig@santa-ana.org (714) 647-5088 20 Civic Center, Plaza M-21 Santa Ana, CA 92702</p>
<i>Service Initiation Performed</i>	<p>Initiation of new negotiated agreements with implementation of new services. December 5, 2017 – Ongoing.</p>
<i>Implementation Specifics</i>	<p>Implementation of services include organic recycling, commercial cart collection and a comprehensive education and outreach program.</p>
<i>Problems and Solutions</i>	<p>The City of Santa Ana and Waste Management worked collaboratively to establish organic recycling rates, allowing the City to remain in compliance with CalRecycle. In addition, a comprehensive education and outreach program was established, providing for the first time extensive free technical assistance to Santa Ana businesses. This program was the largest scope of work in Orange County’s history, and a true collaboration between Waste Management, the City of Santa Ana, and a private third-party consultant.</p> <p>With over 1,400 non-compliant customers, it took tremendous planning to organize monitoring mailers, establish educational materials and hire staff for the required field work. Right-sizing proposals were created for each customer, with multi-language training and flyers provided as needed. Since inception, the program has seen month on month growth.</p> <p>Due to these efforts, the City of Santa Ana achieved approval to be removed from possible CalRecycle compliance enforcement actions by its Jurisdictional Compliance unit.</p>
<i>Enforcement Action</i>	<p>No enforcement action was taken against Waste Management during implementation of programs.</p>

D. Management and Customer Service Systems

Proposer shall describe the management systems and customer service systems its company uses to manage inquiries and complaints received from residential and commercial customers. The description of the management systems and customer service systems shall include, at a minimum:

Waste Management's Customer Service Team is prepared and experienced to continue to support the City and its constituents. Moreover, the team is dedicated to the continuation of the City's Contract and the integration of your new services. Following are explanations of the Waste Management systems that have evolved over the years as we have served your contract. Waste Management is dedicated to continuing improvements and this information will validate our ongoing efforts to provide best in class Customer Service for Mission Viejo and all of our customers.

1. The name, type of equipment, and software used to maintain routing and customer service information.

Dynamic Routing and Transformative Customer Service Technologies

We have come to expect a level of convenience and ease made possible by technology in our everyday lives. Local pizza shops know what toppings your residents last ordered, our vehicles alert us to their upcoming maintenance needs, and with the click of a mouse we can have our weekly groceries delivered to our doorstep. Further, with more purchases being made electronically, many of us have started tracking the status of our deliveries online and for the first time, providing visibility into the complex logistics behind each shipment. Just as we depend on mail carriers to deliver timely packages, the City depends on Waste Management to collect waste streams safely, efficiently and on-time.

As such, Waste Management has transformed itself to make doing business with us as simple as possible. Through our investment in the following key technologies, both on the street and at our customer service centers, all Waste Management employees, from our Route Managers (RMs) to our Customer Service Representatives (CSRs), are able to provide your residents and businesses with world-class service with ever-increasing convenience and ease:



eRouteLogistics®

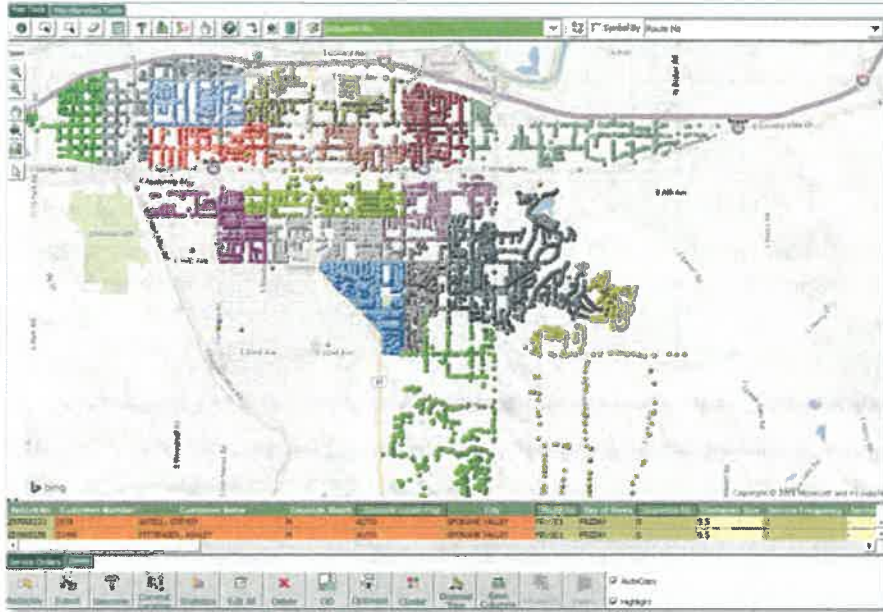
Used daily by our local Operations Improvement team to develop, manage and modify Mission Viejo's collection routes, eRouteLogistics® makes sure that each route is well maintained and adjusted to reflect changes in service levels, customer counts, and traffic patterns.

eRouteLogistics® uses specialized software and a process analysis that bases routing and rerouting on:

- Travel distance
- Travel time
- Disposal and Transfer Station locations
- Vehicle weight capacity
- Collection time windows
- Waste streams

eRouteLogistics® displays customer locations in a user-friendly map through a variety of coloring and labeling options and allows users to visualize existing and future routes. Updated in near real-time eRouteLogistics® enables our RMs, drivers, dispatchers and CSRs to resolve any questions or concerns our customers or municipal partners may have concerning routes.

This web-based application integrates with our billing and customer database and provides daily updates to eRouteLogistics® to capture new customers and service level changes. Waste Management currently utilizes eRouteLogistics® R13.4, which features mapping capabilities supported by Microsoft's Bing Maps technology. Mapping is automatically updated via Bing Maps to reflect road changes and new community developments.



Sample image of eRouteLogistics® demonstrating service route dates by color.



Plan Versus Actual (PvA) Technology

Using our Plan Versus Actual (PvA) technology, RMs and drivers can virtually track every stop on a route. By following the same route order each service day, we create consistency and increased customer satisfaction. With their onboard tablets, our drivers update the status of each container as it is collected. Using this data, PvA technology displays how closely each driver follows their schedule, where delays of more than ten minutes occur, and each time the driver has to deviate from the planned route. This ultimately means:

- **Less Wear and Tear on City Streets** – Designing and utilizing the most efficient routes means lower costs for customers, less wear and tear on city streets, and the ability to avoid heavy traffic patterns.
- **Safety Improvement** – Routes are planned in line with company safety policies and protocols. For example, to the greatest extent possible, Waste Management routes avoid high pedestrian traffic hours at locations such as schools, playgrounds, and parks, as well as accommodating traffic patterns and traffic flow.
- **Environmental Savings** – Operational efficiencies gained through our routing process have immediate, positive effects on the local environment. Fewer miles means reduced greenhouse gas emissions.
- **Fewer Missed Collections** – Route information, including collection statuses, is shared almost instantly with our CSRs, so that when a customer calls, our customer service representatives

have visibility to the status of collections occurring on that customer's specific route. If a collection has been missed, we can remotely view the details to understand the root cause and immediately recover the collection. This level of data and route management dramatically decreases missed pick-ups in the communities we service.



Onboard Computer System (OCS)

A technology advancement that continues to drive customer service satisfaction is our Onboard Computer System (OCS). This technology has many operational and efficiency benefits - specifically it enhances our customer service through:

More Accurate Commercial Services

Commercial settings can sometimes be challenging to serve. Business addresses and container locations do not match up. Using a link to the in-truck computer tablet, the route manager can overlay the driver's route onto Bing aerial maps, to identify the commercial customer's account location versus where the container is located on the property. This can assist drivers to avoid missed pickups in confusing settings.

Real Time Flexibility to Ensure On-Time Collections

We also know that not every day goes smoothly. Traffic can slow a driver on their route. A sick driver's route still needs to be serviced. RMs and dispatchers can take a portion of a route, or an entire route, divide it up among other trucks, and seamlessly drop those stops onto the other drivers' tablets. This puts the customer first, allowing us to quickly react to all situations. With the help of our route management technologies, our drivers, route managers and customer service team work together to meet your service expectations of on-time collections delivered in a safe and efficient manner day-in and day-out.

Other measurable benefits include:

- Obtaining real-time information related to all truck locations, stops serviced, capacity, and service status
- Allowing one-touch service verification, identifying carts or bins that have been serviced, and indicating a reason for anything not being collected (e.g., not out, blocked, locked access, etc.)
- Enabling centralized customer service and dispatch to communicate with the local operations team for immediate and efficient customer issue resolution, including on-call requests, rerouting, and customer service needs
- Empowering drivers to note missing or damaged carts so tickets may be proactively generated for repair or replacement



PowerTerm Interconnect / AS-400 / Mid-Atlantic Systems (MAS)

Supporting a wide range of applications, PowerTerm InterConnect allows Waste Management to standardize on a single terminal emulator for all access needs. Further, AS-400 is a versatile all-purpose server managed by IBM which permits for multi-terabytes of storage space and rapid data mining. Lastly MAS is Waste Management's integrated billing and operating system, giving our employees full interface capabilities.



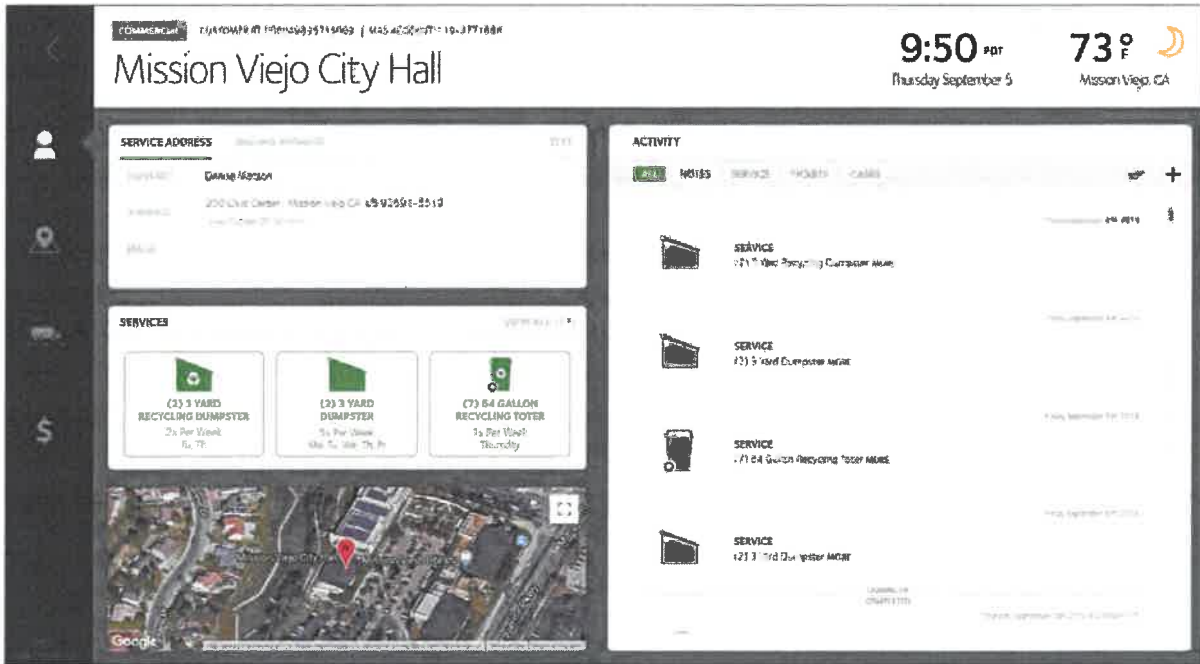
Genesys Interaction Workspace

Genesys Interaction Workspace is a smart-client application that provides our employees with non-intrusive access to information, processes, and applications they need to perform their jobs more efficiently and to ultimately provide for increased customer satisfaction. Designed by Genesys Telecommunications Laboratories, this highly intuitive and easy-to-use interface allows Waste Management CSRs to focus on the customer, rather than managing the application.



Customer at a Glance (CAAG)

Customer at a Glance (CAAG) further expands Waste Management's CSRs ability to quickly understand a Waste Management customer account and service history. Through use of CAAG, CSRs eliminate the need to open and search for data in multiple applications during a customer call; maximizing first call resolutions in less time.



Real image of CAAG dashboard demonstrating customer overview. Additional features allow the user to instantly access account notes, service history, satellite image of the location, route information – including sequencing order and estimated service time as well as billing information.

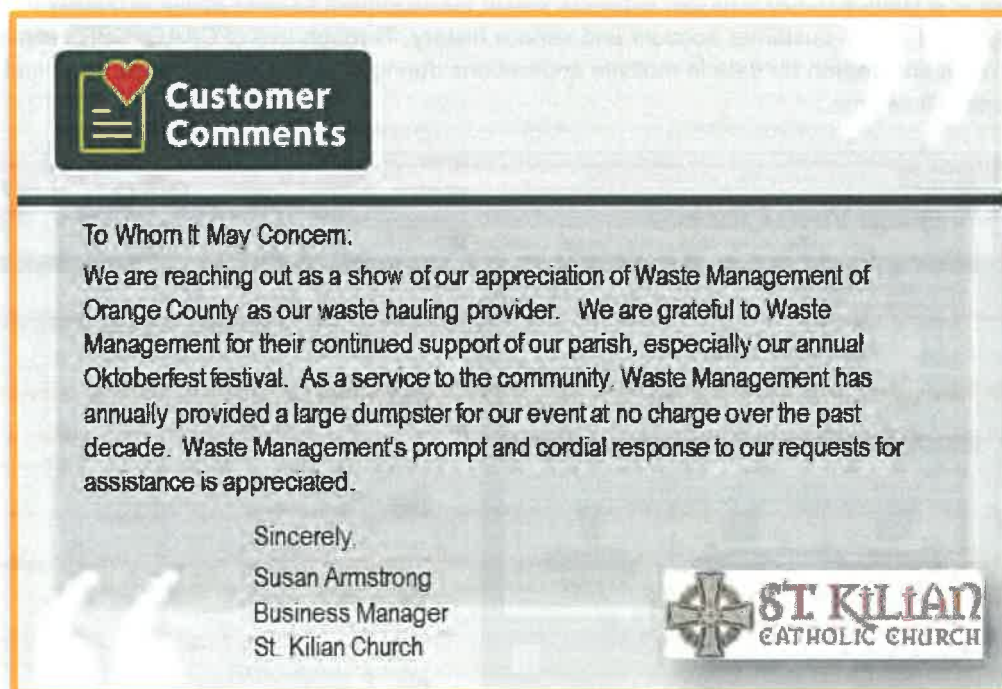


Green Pages: A Customer-Focused Knowledge Management Tool

Waste Management uses a proprietary web-based Knowledge Management Tool called Green Pages to track and maintain all information related to the services provided in our municipal contracts. The City currently already has a customized page within Green Pages that include local, contract-specific information such as available services, rates, collection schedules, maps, special events, and activities.

Since Green Pages is our go-to source for Mission Viejo-specific information, our local team regularly reviews and updates any necessary changes to enhance the quality and delivery of information to our customers. As new, local programs are developed, the Green Pages are updated in real-time, which is critical for communicating special event information and emergency or weather-related messaging.

Since Green Pages is accessible to all our CSRs nationwide, it also enables us to enlist backup support from other regional customer service centers in an emergency. Our experienced CSRs from across the Country can instantly access the City's service-related information, allowing Waste Management to provide consistent, accurate information during the most critical emergency situations.



2. Procedures for managing inquiries and complaints and procedures used to minimize complaints (e.g., missed pick-ups, noise, spills, etc.).

The Waste Management Customer Experience – Our Approach to Consistent, Reliable Customer Service

Whether it is an attentive waiter, a sales associate who takes the time to help you find the perfect fit, or a cashier who simply gives you a good smile, a positive customer service experience rarely goes unnoticed. At Waste Management, we believe that those everyday interactions and simple gestures are our best opportunity to provide an exceptional experience for the City.

Thus, it is no surprise that our customer service team members play a powerful role in our effort to create interactions that truly “wow” our customers. Waste Management CSRs interact with our customer’s day-in and day-out, and as such, the conversations may vary, from setting up services for a new customer, resolving a billing question, or answering a recycling question; but in each interaction, their priorities remain constant:

- **Meet our customers’ expectations:** Promptly answer our customers’ calls, emails, and digital chats and solve their problems at the first point of contact
- **Empower our people:** Provide employees with the tools, training, resources and support necessary to be successful in serving the customer

Our Commitment to Mission Viejo

- ✓ Quick resolution of issues
- ✓ Ease of integration across communication channels
- ✓ Backup customer service centers located throughout the Country in case of an emergency
- ✓ Complete customer satisfaction

Our goal is to know more about our customers and how to service them better than anyone else in our industry. How do we do this? By making customers feel well cared for when they interact with Waste Management. This means:

- Creating a welcoming environment.
- Taking responsibility for the call and offering a one call resolution.
- Engaging the customer in a two-way conversation.
- Managing the customer’s account and experience.
- Initiating the appropriate action.

That’s why whether it is on the street, at events, at City Council, or in your community, everyone at Waste Management is trained to be a customer service ambassador.

State-of-the-Art Customer Service Center

The complexity of our business requires a highly motivated, qualified, and stable work force. Further, good customer service begins with good listening, and that is what we strive to provide with our highly trained CSRs. Waste Management’s customer service center has friendly, skilled

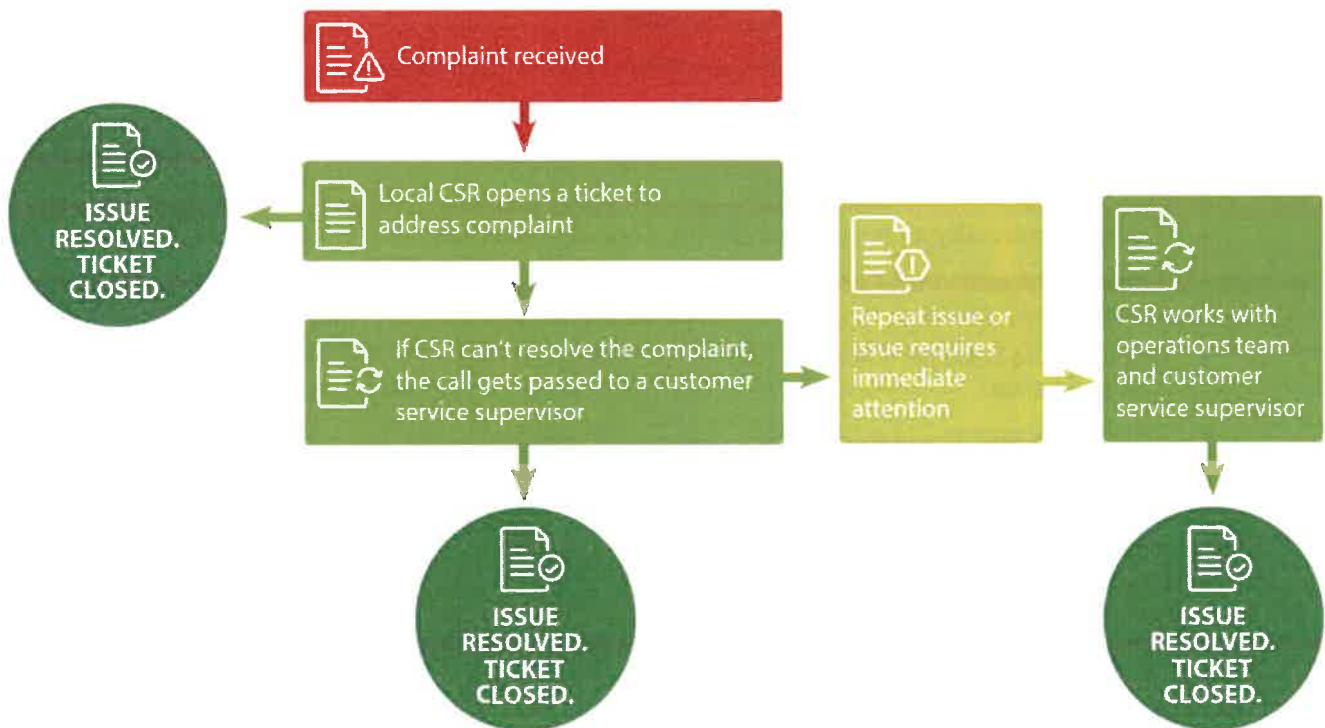


representatives trained in superior customer service handling, and as such, our CSRs are empowered to resolve customer issues on the first call. Additionally, we use surveys and feedback to continuously improve our operations. Calls are monitored weekly and one-on-one feedback sessions are conducted between CSRs and supervisors.

Mission Viejo customer service calls are handled by Waste Management's customer service center in Commerce, California. This consolidated effort represents the best in customer service center technology and innovation, allowing localized, customized service for our municipal customers.

Customer contacts, including requests for service, change of status, change of service, status of service, complaints, and compliments, are tracked through a ticket system. Each ticket is created in an open status and requires closure upon completion of requested action and/or resolution. Local management and their teams are responsible for providing requested service and/or issue resolution and to monitor the status of all tickets for timely service completion.

- If an issue requires immediate attention and/or escalation, an email is sent to the attention of the operations management team and local recycling coordinator or City liaison.
- If a repeat issue occurs within a single month, a ticket is also opened to alert the operations management team that a recurring problem exists. Waste Management has developed a quality control program that includes performance standards for ticket creation, closure, tracking, and service recovery. Local management is responsible and accountable for these performance standards. In addition, Waste Management's local recycling coordinators or City liaisons will also investigate any and all complaints to identify their origins and mitigate their reoccurrence.



3. Description of system capability and/or procedures to ensure timely accessibility of information by jurisdictions served.

As previously mentioned, Waste Management’s utilization of eRouteLogistics, MAS, CAAG and Green Pages, allows our employees real-time, comprehensive and integrated access to all aspects of collection within the City of Mission Viejo. Moreover, our localized office personnel, located at our Irvine hauling site, is able to investigate situations and provide information within a timely fashion.

4. Description as to whether individual call centers are established for each of the proposer’s service areas or if customer calls are handled by a centralized call center and shall identify the location of the proposed call center.

Mission Viejo customer calls will be answered by CSRs at our centralized customer service center located in Commerce, California. Our customer service center, operated on the Pacific time zone, is open 7 a.m. to 5 p.m., Monday through Friday, and 8 a.m. to noon on Saturdays.

5. Indication as to whether the system is used company-wide or for select jurisdictions (listing which jurisdictions).

Waste Management’s Commerce Customer Service Center handles the Southern California market area (see list of serviced jurisdictions below). However, in the event of an outage at our regional customer service center, Waste Management maintains other customer service centers throughout the United States that can support Mission Viejo calls if needed. All CSRs have access to Waste Management’s proprietary Green Pages and can assist the City’s customers at all times with community-specific information. Any issues that require escalation are immediately forwarded to our local Waste Management personnel who are located within 20 minutes of Mission Viejo to provide customer service support.

Waste Management’s Commerce Customer Service Center’s Jurisdictions

Acton	Corona	Lancaster	Rolling Hills Estates
Agoura Hills	County of Orange	Long Beach	San Bernardino County
Antelope Valley (Unincorporated)	County of San Diego	Los Angeles	San Dimas
Arcadia	Del Mar	Malibu	Santa Ana
Atascadero	Diamond Bar	Manhattan Beach	Santa Barbara County
Baldwin Park	Eastvale	Menifee	Santa Clarita
Banning	El Cajon	Mission Viejo	Santee
Beaumont	El Camino Area - LA County	Moorpark	Simi Valley
Bell Canyon	Fowler	Moreno Valley	Solana Beach
Bell Gardens	Fresno City	Murrieta	Solvang
Calabasas	Fresno County	Norco	South Gate
California City	Guadalupe	Oceanside	Thousand Oaks
Carlsbad	Hidden Hills	Palmdale	Tulare County
Carson	Irvine	Pinedale Water District	Ventura County

Waste Management's Commerce Customer Service Center's Jurisdictions			
Chatsworth - LA County	Jurupa Valley	Pomona City	Westlake Village
Chino	La Verne	Rancho Dominguez Area - LA County	Whittier
City of San Diego	Laguna Beach	Ridgecrest	Wildomar
Clovis	Laguna Woods	Riverside County	

6. Description of how the customer service information interfaces with route data and billing data.

Waste Management CSRs and RMs are fully equipped with integrated information interfaces that show in near real time route and service data, including customer billing. For further information on Waste Management implemented technology, please refer to Waste Management's response to Question #1 of this section.

7. Description of procedures used to satisfactorily respond to, record, and report common customer complaints such as: missed pick-ups; spills and litter resulting from collection; collection schedule changes; broken or missing containers; improperly prepared setouts; noise complaints; traffic and sidewalk obstruction during collection; and, safety around collection vehicles during operations.

In addition to the integrated technology platforms that allow our employees faster and more accurate access to your residents' and businesses' services, as stated in Waste Management's response to Question #1 of this section, and our customer complaint procedures outlined in Question #2 of this section, the City's dedicated recycling coordinator and City liaison are never more than a phone call away.

Moreover, with decades of experience servicing the City of Mission Viejo, its residents, and businesses, no other hauler carries more insight into its typography, customer base and disposal habits. As such, our local recycling coordinators are not only equipped with extensive knowledge of your city but have developed strong working relationships with City staff to certify that any raised issue is satisfactorily responded to, reported upon, and resolved.

8. Description of procedures used to satisfactorily respond to, record, and report common customer complaints during roll out and maintenance of new diversion programs with respect to implementation of diversion programs in the commercial and multifamily sectors such as: no recycling bin delivered, missed pick-ups; incorrect billing for new service profile, no follow up with new diversion program to resolve training lapses resulting in contamination issues, enclosure problems resulting in spills and litter resulting from collection; collection schedule changes; broken or missing containers; improperly prepared set-outs; noise complaints; traffic and sidewalk obstruction during collection; and, safety around collection vehicles during operations.

As the saying goes, you don't get a second chance to make a first impression. Additionally, with the City being on the cusp of a paradigm shift that can be unsettling for many residents, business owners, building managers and tenants, we here at Waste Management are acutely aware that Mission Viejo will be relying upon its service provider to make a positive first impression during the transition period by providing a professional and welcoming experience for all customers.

Not only will certain customers be required to change how they can do business – some more than others - SFD, commercial and MFD customers - will also be asked to eventually undergo behavioral changes to meet the material stream contamination thresholds set forth by SB 1383. Recycling will become a part of every customer's daily routine, with organics being diverted at unprecedented levels.

Thus, in order to help the City's residents and businesses appreciate the value of California's environmental stewardship goals, the maintaining of their legislative compliance mandates and ultimately, to get their "buy-in" for these expanded diversion requirements, Waste Management will implement a sophisticated and comprehensive Outreach, Education and Training campaign over the entire term of the contract, including during the initial roll out phases (as stated in Section 3).

Procedures used to respond, record and report customer complaints follow Waste Management's Customer Service Center protocols (as outlined in Waste Management's response to Question #2 of this section) where our dedicated CSR team will attempt to resolve within the single phone call. If any further assistance is required, all inquiries will be directed to our local Recycling Coordinator who will be equipped with Waste Management technology platforms so as to provide full visibility into the customer's service history.

No matter the nature of the question or complaint, Mission Viejo residents and businesses will always have a local Recycling Coordinator available in-person to assist. This level of concierge service is what makes Waste Management a true community partner and not just a trash service provider.



9. Description of how the company measures customer service about the call center's responsiveness and accuracy of responses, as well as the quality of collection service. Identify specific performance metrics or targets your company tracks. Provide actual reports for at least three jurisdictions that document the actual performance level against your targets.

Measuring Our Customer Service Performance

Waste Management strives to meet customer needs quickly and consistently by utilizing key performance metrics and detailed customer feedback to continuously improve call handling quality and customer satisfaction.

Key Performance Metrics

We monitor, measure, and coach key performance metrics to validate availability to service our customers when they have a need or problem to resolve. We benchmark world-class industry standards to set our goals:

- **Average Speed of Answer (ASA):** On average, we answer our customer calls in less than 2 seconds.
- **Call Abandon Rate (ABA):** Less than 1 percent of callers disconnect before their call is answered.

- **Average Call Handle Time (AHT):** On average, we've addressed our customers' needs in less than 3 minutes and 30 seconds. Our goal is to resolve every issue at the first point of contact and dedicate as much time as necessary to guarantee customer satisfaction.

Please reference the next page for a summary recap of tracked metrics for the 2018 period for Waste Management's Commerce Customer Service Center which services the Southern California market area.

Metric	Target	2018
Average Speed of Answer (Voice)	40 seconds	20 seconds
Average Speed of Answer (Email)	48 hours	10 hours
Average Speed of Answer (Chat)	30 seconds	34 seconds
Post-Call Survey Satisfaction (Voice)	4.2 (5.0 Max)	4.4
Post-Call Survey Satisfaction (Email/Chat)	4.1 (5.0 Max)	4.5
New Commercial/Roll off Setup Accuracy	95%	95.7%
Green Pages Accuracy	98%	99%

Continuous Evaluation, Improvement, and Training

We don't stop with new hire training; Waste Management is committed to the continuous improvement and training of our customer service team. As our business progresses and the needs of our customers change, our leaders and CSRs receive continuing education about new and revised processes, coaching practices, and more.

Based on business needs, continuing education can be classroom or virtual training, web-based training, supervisor-led training or huddles, side-by-side call listening, peer mentoring, or coaching.

Independent Quality Monitoring

Waste Management employs an external company to monitor our customer service team performance. The analysts evaluate and assess representatives based on the same internal metrics used by our Customer Service Center management. We are able to capture additional, independent data points to help measure our performance.

The following exercises help measure and improve the customer experience throughout the life of the Contract by taking real time data and experience to improve, coach, and train.

- **Accountability through Side-by-Side Monitoring.** CSRs are monitored a minimum of four times per month. Side-by-side monitoring sessions provide immediate feedback on call handling. As part of that monitoring session, employees are evaluated on 72 talking points and scored on a scale of 1 to 4.
- **Customer Service Scorecard.** Each CSR receives a monthly evaluation of individual performance with actions and opportunities to develop and improve upon. The Scorecard is composed of four qualifying sections:

- | | |
|---------------------|--|
| ○ Quality Assurance | ○ Resource Management |
| ○ Productivity | ○ Qualitative Professional Development |



- **Meetings and Action Plans.** To maintain and improve our customer service standards, the customer service team meets weekly to discuss any service issues, upcoming area initiatives or events, and to review any potential opportunity for improving the overall customer experience. The team develops an action plan for continuous improvement.
- **Talent Central** is an online learning portal with resources for drivers, CSRs, and all other Waste Management employees. It houses a series of service delivery and improvement trainings specifically for drivers. These modules are used for ongoing training and are created to address issues as they are observed in the field.

Customer Insights - The Voice of Our Customers Matters

Lastly, as part of our commitment to continuously keep our customers at the center of everything we do, we recently launched a new Voice of Our Customers (VOC) survey. The results from this survey provide our team with real-time, actionable feedback to improve service delivery.

Every month, we invite thousands of customers across the nation to complete the survey, either online or by phone. The survey takes approximately six minutes to complete. We receive about 12,000 survey responses per month.

The survey initially focuses on core questions related to the customer's overall relationship with Waste Management, then expands into targeted questions regarding the customer's service experience with our company. This new survey provides us with unprecedented insights into our customers' service experience, needs, and priorities, which gives us the data we need to develop proactive solutions to not only meet but exceed their expectations every day.



10. Identify the website that its customers use to obtain customer rates and service information, diversion services and requirements, and to submit inquiries or complaints. Provide website address.

Personalized Website and Online Customer Service 24/7

Our customers are on the go, yet usually "connected" in some way, courtesy of today's technology. We are with them too, offering 24/7 alternatives, with information only a click away.

As such, Waste Management provides a highly effective and easy-to-use website created specifically for the City that allows customers to easily manage their accounts online. The site includes an assortment of 24/7 self-service features. Through wm.com, customers can:

- Request changes to existing service or add new services, including scheduling bulky items or extra pickups.
- Access collection calendars, notifications, recycling information, holiday schedules, and estimated time of pickup.
- Manage billing (e.g., balances, statements, payments).
- Interact with a CSR via live chat or email with sessions initiated in real time, 8 a.m. to 5 p.m., Monday through Friday.
- Learn about local promotions and events such as a spring shred event



In addition to wm.com, customers have the following channels to also obtain customer rates and service information, diversion services and requirements, and to submit inquiries or complaint:

Mobile App. Our mobile app provides easy and convenient access to account information for Waste Management-billed customers allowing them to pay their bill, manage payments, enroll in automatic payments, sign up for paperless billing, request and manage roll offs, see their collection schedule, view estimated pickup times, and access their holiday schedule. Waste Management’s mobile app is available for Apple and Android phones.

Social Media. Our local Facebook page serves as an outlet for Waste Management to keep customers informed about services, the company, events and activities, and ways they can improve their environmental footprint. Visit (and “Like”) us at: www.facebook.com/WasteManagement. Also, do not forget to follow us on Twitter @WM_SoCal.

“After Hours” by Phone. Introduced in November 2016, our customer service number now features an Interactive Voice Response (IVR) system. Through IVR customers can find out basic account information and make account payments through an automated system during non-business hours.



Waste Management’s Mobile App

E. Key Personnel Qualifications

Provide an organizational chart for key personnel the proposer would assign to: (1) the transition team; and, (2) the ongoing management of the services provided under the Agreement. Include the City-specific job description, roles and responsibilities for each of the key personnel.

Mission Viejo Key Personnel Qualifications and Experience

After 30 years of service to Mission Viejo, Waste Management personnel from top to bottom are invested in your City. Their qualifications are not only industry related, but more importantly, they also have specific Mission Viejo experience that they bring to work every day. They have learned your streets, your

preferences, your routines, and your communities - and they rely on those specific, time tested qualifications to enable them to deliver best in class service to Mission Viejo every day. The charts below identify the key personnel dedicated to the City. All of the below individuals will comprise the transition team as well as the ongoing management of the services provided under the agreement.

The third-party contractors that will provide supplemental services for the City are detailed in Section 2.

(1) Executive Management supporting Mission Viejo and the Transition Team



Larry Metter, Area Vice President: Larry has over 16 years' experience in management within the waste and recycling industry. He is responsible for the overall leadership of our Southern California Market Area and its strategic direction, and for leading Waste Management's Southern California operations through a continued successful and sustainable direction.

Mike Smith, Area Collection Director: Mike has over 30 years' experience in the waste and recycling industry. As the Area Collection Director for Waste Management of Southern California, Mike oversees all day-to-day operations. He is an integral part of high-level strategic planning and contract negotiations for the market area and corporate teams. One of Mike's top priorities is to create and foster collaborative relationships with key stakeholders, city staff, business leaders, and community members. Mike has been successful in the implementation of many sustainable recycling programs for cities within the area, and that expertise has proven invaluable as new state mandates are introduced.

Darrel Kato, Director of Operations: With 27 years' experience in the transportation and logistics industries, Darrel joined Waste Management in July 2002 as the Regional Fleet Manager for Los Angeles. Since then, he has facilitated and/or managed successful new program transitions including the implantation of many cart automated systems, variable rate pay-as-you-throw programs, route changes, and fleet enhancements in various jurisdictions including Manhattan Beach, Long Beach, Carson, Huntington Park, and Corona.

Frank Guercio, Area Fleet Director: Frank joined the Waste Management team in 2005 as an Area Fleet Manager for the Los Angeles area sites. Since then, Frank was additionally tasked with being the Area Fleet Manager for both the Ventura area sites and the San Diego/Orange County area sites. As a result of his success, in 2012, Frank was promoted to Area Fleet Director for the Southern California area sites.

Frank is responsible for supporting the area in all things related to truck acquisition, maintenance, and final disposal. His position allows him to support the fleet team with guidance, direction, resources, and maintenance at all our hauling companies in Southern California. Since joining Waste Management, Frank's team has successfully improved operational efficiency, reduced vehicle downtime and breakdown frequency, increased training and technician development, and reduced our reliance on third-party companies to complete our maintenance program mission of having the highest quality vehicles at the lowest possible operating expense.

Doug Corcoran, Area Municipal Director: Doug has more than 31 years' experience in every aspect of the waste and recycling industry. He oversees all Public Sector responsibilities including new programs, community outreach/education, pricing, sustainable solutions and Contract compliance. Doug and his team are recognized for putting the customer first. Doug's resourcefulness and public sector knowledge when combined with his renown leadership skills have earned recognition for his team and the respect of the customers he serves.

Pete Demolder, Area Finance Controller: Pete has more than 11 years' experience in the waste and recycling industry as well as an impressive academic background with a Master's Degree in Business Administration. Pete will oversee financial and operating performance and certify compliance with financial obligations throughout the term of the agreement.

Blanca Gutierrez, Area Customer Experience Manager: With over a decade of experience in the industry, Blanca is currently responsible for overseeing the administration of the customer service knowledge base that we use to communicate with our customers. That system has all agreement, program, and service offerings for all Southern California customers. Blanca would oversee the training of our Mission Viejo customer service representatives on all aspects of your new Contract and provide talking points to the representatives during the transition period and for on-going service needs throughout the Contract life.

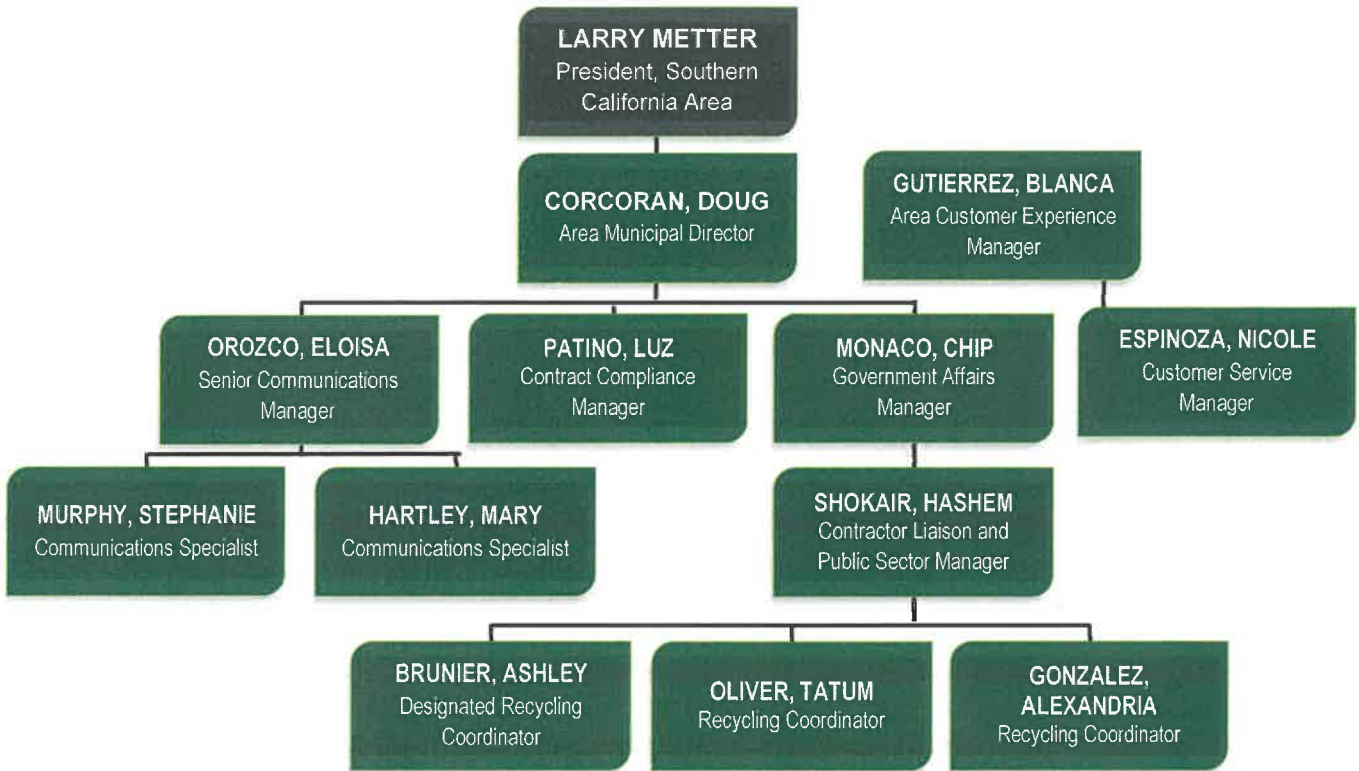
What this means for Mission Viejo: The City will be monitored by a veteran, local, capable management team with a successful track record for producing safe, efficient results with a laser focus on customer satisfaction.



Touch-a-Truck Presentation for Mission Viejo Calvary Chapel Summer Camp led by Recycling Coordinator Ashley Brunier



(2a) Ongoing Services Team supporting Mission Viejo and the Transition



Eloisa Orozco, Senior Communications Manager: Eloisa has been with Waste Management for over seven years and is responsible for developing informational and educational materials for the public sector throughout Southern California. She also helps create educational programs for various other Waste Management customers, which result in helping residents, businesses, and universities increase their recycling efforts. She is the Waste Management’s contact for media relations in the area.

Stephanie Murphy, Communications Specialist: Stephanie joined Waste Management in 2016 as a Communications Specialist. With over six years’ experience in the communications field and a background in television news writing, Stephanie brings a valuable sense of education and outreach strategy. Stephanie works closely with the local public sector and recycling coordinator teams to certify that residents and businesses within the community have access to a wide variety of educational material. Stephanie specializes in managing the local Waste Management websites throughout Southern California, and she also assists with creating the quarterly residential newsletters and flyers for our customers.

Mary Hartley, Communications Specialist: Mary began her career with Waste Management in 2018 as a Communications Specialist. She helps manage both the internal and external communications throughout the Southern California market area. Mary specializes in social media posts and media advisories which help communicate when Waste Management will be participating in, or hosting, an event such as a City shred. During her time with Waste Management she has helped expand our social media presence, and she is particularly proud of her efforts to increase donations for the Chips for Kids Charity.

Luz Patino, Contract Compliance Manager: With 22 years in the waste industry with Waste Management, Luz has extensive experience completing diversion reports for multiple jurisdictions including Costa Mesa, County of Orange, Irvine, Mission Viejo, Newport Beach, Laguna Beach, and Santa Ana. Luz is also responsible for preparing and submitting monthly and annual contractual reports.

Nicole Espinoza, Customer Service Manager: Nicole has been with Waste Management for 19 years. She began as a temporary agent, and after nine months earned a permanent position as a Customer Service Representative. She was later promoted to a team lead position, a supervisor position, and was recognized through a promotion to Customer Service Manager in 2017. As the Customer Service Manager, Nicole oversees the residential, commercial, roll-off, and digital customer service teams and supervisors for the Southern California region.

Chip Monaco, Regional Government Affairs Manager: Chip has more than 21 years of local government experience and nearly a decade within the solid waste and recycling industry. Chip currently serves as a Board Member on the Santa Ana and Irvine Chambers of Commerce, the South Orange County Economic Council, the Santa Ana Boys & Girls Club, CleanTech OC, OC Taxpayers Association, and he is an affiliate member of the Association of California Cities – Orange County. Additionally, Chip was recently elected as Councilman for the City of Orange in 2018.

Hashem Shokair, Contractor Liaison and Public Sector Manager: Joining Waste Management in 2016, Hashem has an in-depth academic background with a Master of Science Degree in Sustainable Environmental Development and Resource Management. Hashem's professional experience includes landfilling, operations, logistics, and organics recycling. Hashem manages franchise agreements with the cities of Irvine, Laguna Beach, Laguna Woods, Santa Ana, Unincorporated Counties of Orange as well as Mission Viejo. In addition, Hashem coordinates educational outreach including sponsorship and development of non-governmental and third-party organizations such as Goodwill of Orange County and Waste Not OC. Hashem will continue to bring his expertise and knowledge of Mission Viejo as Waste Management's primary liaison for the City.

Ashley Brunier, Designated Recycling Coordinator for Mission Viejo: Ashley was hired as a dedicated sustainability resource for Mission Viejo in 2018. Her qualifications include a Bachelor of Arts in Environmental Studies from the University of California, Santa Barbara and a passion for sustainability.

In under a year as Mission Viejo's dedicated Recycling Education and Outreach Manager, Ashley has been successful in improving the City's AB 341 compliance status by 20 percent, earning her official position as Recycling Coordinator for Mission Viejo. One of Ashley's largest current projects is the revitalization of the organics recycling program at The Shops Mission Viejo. Ashley works closely with the City's hired third-party consultant, EcoNomics, to certify that individual businesses are compliant with state mandates and that they have all the educational materials and tools they need for a sustainable program. She also assists with recycling and organics recycling program implementation and education for Mission Viejo's MFD dwellings and commercial businesses.

Ashley brings added value to your team through her experience gathering relevant, critical, technical information on California laws. (i.e. AB 939, AB 901, AB 1594, AB 341, AB 1826, and SB 1383 among others) Ashley provides technical assistance to Mission Viejo for required CalRecycle monitoring and is adept at assisting with the preparation and submission of monthly, quarterly, and annual reports.

Ashley has provided multiple tours and educational presentations for Mission Viejo residents, schools, and organizations. You may have seen her at The Oso Fit 5k, The Irish Festival, Bunny

Days, The Children's Environmental Fair, Pacific Symphonies in the Park, the Concerts on the Green where she provides educational material and information to Mission Viejo residents and community members.

She has developed Mission Viejo education and outreach plans and designed City-specific materials printed for mass distribution or digitalized for website and social media use. Ashley has worked with SFD, MFD, and commercial businesses, as well as the City facilities of Mission Viejo, and she is qualified and focused on providing any and all educational needs and diversion planning for the City.

Tatum Oliver, Recycling Coordinator: Tatum began her career with Waste Management in 2018 with exuberance and resoluteness. Tatum supports Mission Viejo and offers a different perspective to the waste industry with her professional background in business and finance. Tatum excels in her current position as Recycling Education and Outreach Manager for the cities of Irvine and Laguna Beach by combining her passion for recycling and environmental awareness with her knowledge in business and finance.

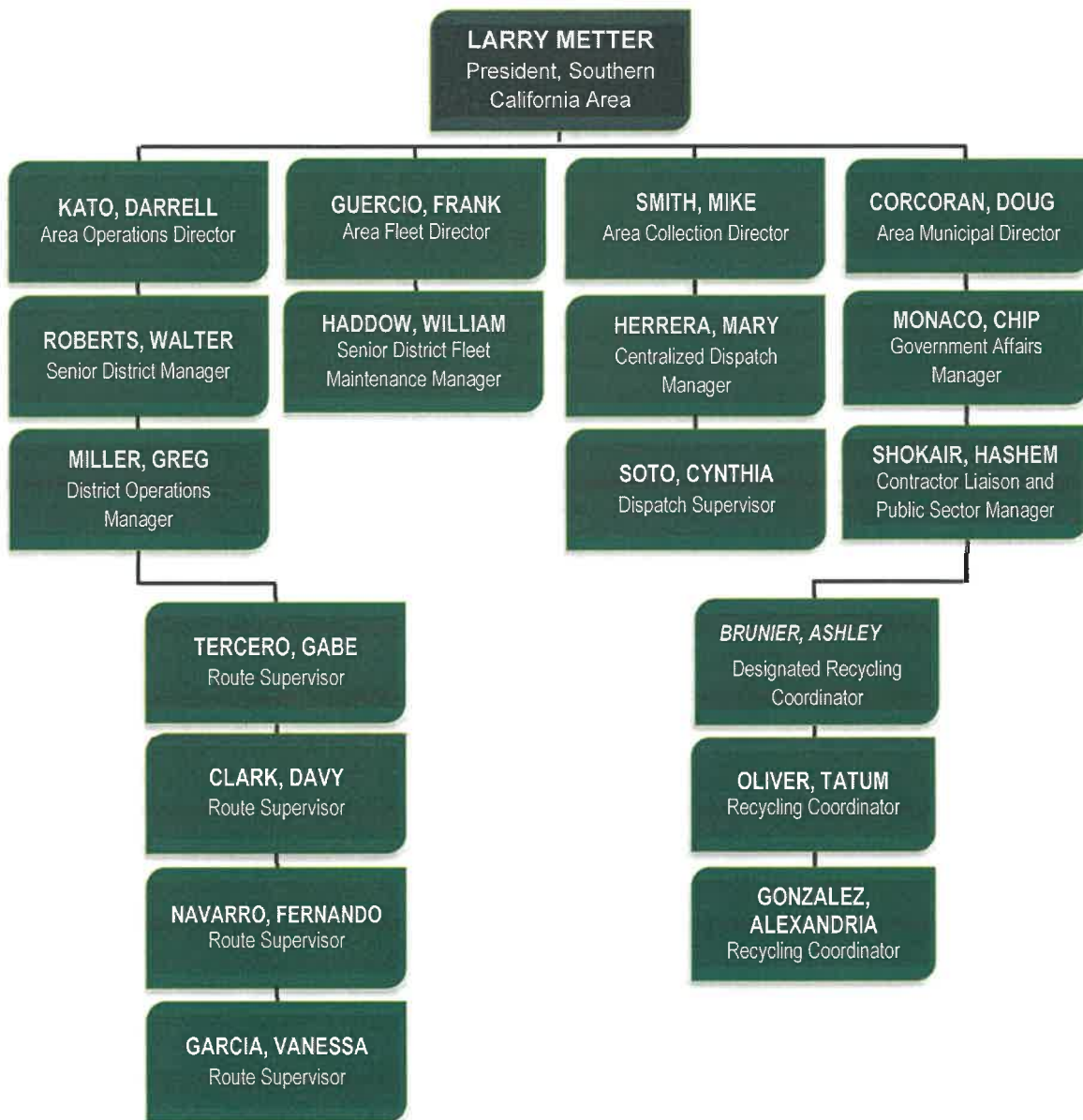
Alexandria Gonzalez, Recycling Coordinator: Hired in 2007 as a Data Entry Clerk in the Customer Service Center, Alexandria's eagerness to learn more about the industry earned her a promotion to Customer Experience Coordinator. She was recognized for developing and implementing ideas and processes that resulted in increased efficiency. In Spring 2017, Alexandria was promoted to a Recycling Education and Outreach Manager. This role allows her to successfully utilize her expertise in the industry.

What this means for Mission Viejo: These dedicated Waste Management resources bring over 400 years' experience, the vast majority of that from within Mission Viejo, to their efforts every day. This experience and knowledge yield quantifiable results for your City, its residents and businesses, and your preparedness for future compliance challenges.



Shepard of the Hills Preschool Touch-a-Truck

(2b) Ongoing Operations Team supporting Mission Viejo and the Transition



Mary Herrera, Centralized Dispatch Manager: Mary has proudly been with Waste Management for nearly 30 years. In this time, Mary has been a Customer Service Representative, a Sales Representative, a Service Machine Core Team Member, an Area Customer Experience Manager, and finally an Area Dispatch Manager. From this, Mary brings an array of industry knowledge and experience.

As an Area Dispatch Manager, Mary is responsible for planning and dispatching routes for all Southern California. She regularly works with the Operations team to improve driver efficiencies and resolve service issues identified by drivers. Mary also regularly works with Customer Service, Sales, and Public Sector Services to provide that our customers are receiving the highest quality of service. While working at

Waste Management, Mary has been a three-time Circle of Excellence Winner and our dispatch center has been ranked in the top tier across the company.

Cynthia Soto, Dispatch Supervisor: Cynthia began her career with Waste Management in 2012 as a Dispatcher. In 2017, Cynthia was promoted to a Dispatch Supervisor and became responsible for training our dispatch team on new tools and efficiency methods for the Southern California area. Cynthia specializes in the management of the roll-off and bin department, and she helps to prepare and coach our dispatch team weekly. Among Cynthia's accomplishments is her development of a simple structure to better communicate with our route managers, which has resulted in a standardized process throughout the area. In addition, Cynthia has improved our understanding of efficiency metrics and trends which she has used to better train both current and new personnel.

Walter Roberts, Senior District Manager: As a winner of Waste Management's Circle of Excellence award, Walter has 19 years' experience in the industry. He has coordinated and managed several program implementations and services conversions. He currently supervises all personnel, equipment, and operations that provide services to residential, commercial, and industrial customers in Orange County. Additionally, Walter oversees the contracts with third-party personnel that will be utilized in both the transition phase and throughout the life of the agreement.

Annette Villalobos, District Operations Manager: Annette has been with Waste Management for 25 years, having joined in 1994 as a Dispatcher. In 2011, Annette was promoted to Dispatch Supervisor and in 2015 she became the District Operations Manager for the Long Beach Hauling District. There she oversaw the operations and operations personnel throughout the district. Annette recently joined the Waste Management of Orange County team as a District Operations Manager and we are extremely excited to have her on board. Annette has a proven track record of improving route efficiency and she was selected for the Waste Management Leadership Forum, a yearlong program designed to provide the tools and education for strong leaders within the company. Having graduated, Annette has gained even more expertise to provide the necessary leadership and quality service to the jurisdictions we serve.

Davy Clark, Route Supervisor: Davy began his career with Waste Management in 1985, which makes him one of Waste Management of Orange County's most senior employees. Davy worked as a driver in the Irvine Hauling District in all three lines of business (residential, commercial, and roll-off) for nearly five years before being promoted to a Route Supervisor position. The main responsibilities of the Route Supervisor are to manage collection routes and driver performances every day and coordinate daily operational needs with the maintenance team.

In addition to this, Davy specializes in Waste Management's organics recycling services within Orange County, and he makes sure that customers are right-sized so that the services fit their needs. Davy is a proven leader in providing emergency relief and remains highly dedicated to the jurisdictions in which we serve.

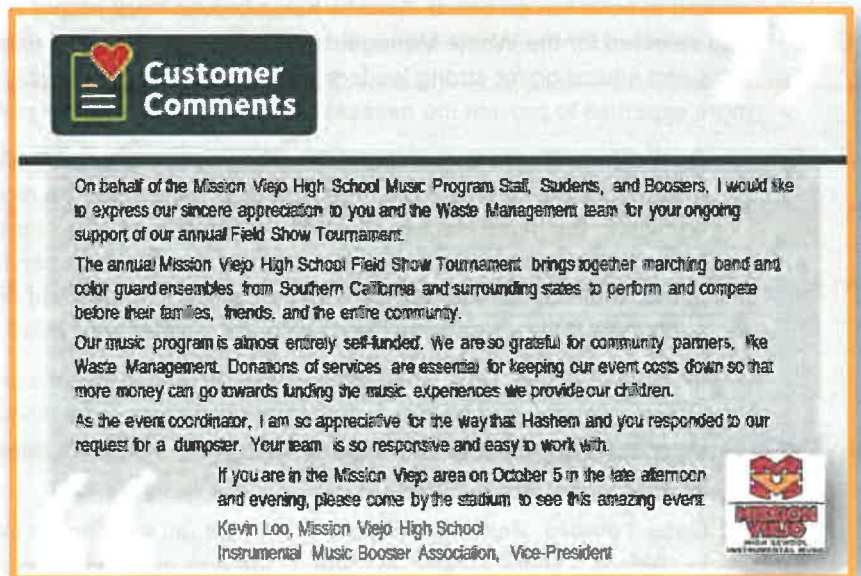
Gabe Tercero, Route Supervisor: Gabe began working for Waste Management of Orange County in 1986 as a Driver Helper. In 1988, Gabe was eligible to become a Driver where he gained experience in all three lines of business (residential, commercial, and roll-off). In 2004, Gabe was promoted to Route Supervisor where he spent most of his years specializing in Mission Viejo's services. Gabe has nearly 15 years of Route Supervisor experience, and he has worked with every jurisdiction serviced out of the Irvine Hauling district. Currently, Gabe manages all residential routes within the Irvine Hauling district, and he succeeds in meeting Waste Management's safety compliance guidelines and hiring qualified drivers for our jurisdictions.

Fernando Navarro, Route Supervisor: Fernando began his career with Waste Management in 2002 as a driver in Santa Ana. For four (4) years, he excelled as a driver in all three (3) lines of business (residential, commercial, and roll-off) and in 2006, Fernando was promoted to a Route Supervisor position at the Irvine Hauling district. From this, Fernando has gained Route Manager experience in multiple areas such as Irvine, Mission Viejo, Laguna Beach, Unincorporated Orange County, Costa Mesa, Newport Beach, and many more. Some of Fernando's significant accomplishments include assisting with the efficient implementation of new services in Laguna Woods and managing the Irvine multifamily bulky collection program. Fernando specializes in valet services and disability service, and he enjoys participating in City events and educational outreach presentations such as "Touch-a-Trucks."

Vanessa Garcia, Route Supervisor: Vanessa joined the Waste Management team in 2013 as an Operations Specialist. In this role, Vanessa gained valuable experience with data entry and developing driver profiles. In early 2018, Vanessa's exceptional performance in operations led to her promotion to Route Supervisor. In her time as a Route Supervisor, Vanessa has specialized in roll-off service, residential service, and driver qualifications. Vanessa's positive can-do attitude brings value to the team and reliability to the cities we serve.

William Haddow, Senior District Fleet Maintenance Manager: William began his career with Waste Management in 2009 as a Fleet Supervisor for the San Moreno Valley area and within five years, he was promoted to the Fleet Manager position. Waste Management of Orange County was pleased to welcome William when he was further promoted to Senior Fleet Manager in January 2019. As the Senior Fleet Manager in Orange County, William manages our fleet personnel and certifies that all Waste Management owned equipment is functioning to the highest standard. William is also in charge of delivering Waste Management's new maintenance service delivery optimization goals which aim to provide better efficiency for our customers.

Your Waste Management Team is ready, willing, and very experienced with all things Mission Viejo. Our investments in time, talent, and partnerships in and around Mission Viejo will yield quantifiable results in the years to come.



5. Worker Safety

For the proposer, and any affiliate of the proposer, provide information detailing its worker safety record for the past five years. The information shall include employee safety metrics commonly used in the industry including but not limited to the number of hours lost for individual injuries per employee and workers' compensation insurance ratios.

Experience Modification Rate (EMR)

Experience Modification Rate (EMR) is a classification used by insurance providers to determine the risk potential of organizations. A company's EMR is established each year by aggregating the past costs of workplace injuries. Low EMRs are an indicator of safe working conditions. The industry standard EMR is 1.0. Waste Management's current EMR is .79 as illustrated in the following letter from Lockton Companies, LLC.



Waste Management and all entities/divisions
1001 Fannin, Suite 4000
Houston, TX 77002

RE: Experience Modifier

To Whom It May Concern:

This letter will confirm the current Experience Modifier for Waste Management and all entities/divisions for 2019, plus the past five years:

<u>Rating Effective</u>	<u>EMR</u>
01/01/2019 – 01/01/2020	.79
01/01/2018 – 01/01/2019	.79
01/01/2017 – 01/01/2018	.82
01/01/2016 – 01/01/2017	.79
01/01/2015 – 01/01/2016	.74
01/01/2014 – 01/01/2015	.69

If you have any questions regarding the above, please do not hesitate to contact me.

Regards,

Gayle Trimm
Account Manager

LOCKTON COMPANIES LLC
Insurance and Risk Management Specialists
3007 Briarcliff Drive, Suite 700
Houston, TX 77042
713-466-6200 / FAX 713-466-6299

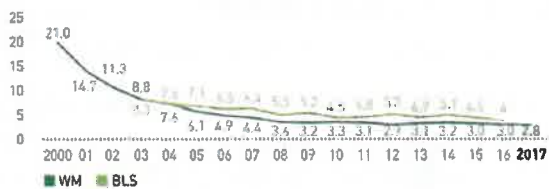
Safety Metrics and Continuous Improvement

When we think about vehicle safety, we think of messages from insurance companies and car manufacturers. How many times have we heard, "Don't worry, we offer full vehicle replacement if your car is totaled", or "Our car rates the highest in vehicle crash testing"? Although these concerns are helpful, they do not take into account the personal impact of an accident - like the fact that you actually sustained injuries or that those injuries have prevented you from participating in your normal activities or limited your ability to earn income for your family.

When tracking, reporting and seeking to continuously improve our safety metrics, we keep in mind the personal impacts of safety. Thanks to our safety programs and the dedicated efforts of our employees, we have seen a substantial decrease in our injury rates in recent years. As a result, we are recognized among the best in our industry for our comprehensive safety approach. Following are key safety metrics as reported in our 2018 Sustainability Report:

Metric Name	What it Measures
Total Recordable Injury Rate (TRIR)	The rate of recordable workplace injuries normalized per 100 workers per year.
Days Away Restricted or Transferred (DART)	The rate of recordable incidents that resulted in lost or restricted days or job transfer due to work related injuries or illnesses, normalized per 100 workers per year.
Vehicle Accident Recordable Rate (VARR)	The number of driver hours completed without a recordable incident.
Hourly Accident Recordable Rate (HARR)	The rate to track vehicle accidents, including vehicle-to-vehicle and vehicle-to-property type accidents.

Waste Management vs. BLS Industry Average TRIR



TRIR has decreased nearly 90 percent from 2000 to 2017 and continues to beat the industry average.
BLS = Bureau of Labor Statistics

Waste Management VARR



This chart reflects our 12-year history tracking VARR, showing an over 250 percent increase in accident avoidance since 2005.

Waste Management vs. BLS Industry Average DART



We continue to have fewer days away than industry standard and are pleased that our 2017 DART marked a significant improvement.
BLS = Bureau of Labor Statistics

Waste Management HARR



HARR shows an over threefold improvement since 2001.



6. Customer Service

For the proposer, and any affiliate of the proposer, provide information detailing deficiencies in compliance with contractually stipulated customer service requirements for the past five years. The information shall include a description of the areas of customer service that were not complied with, the duration and scope of the non-compliance, and how the Contractor addressed and/or resolved the problems.

Waste Management does not maintain a specific database of the information requested. However, on occasion, there are certain customer service issues such as cart replacement and missed pick-ups that are required within specific contractual timeframes. Waste Management works diligently to resolve any such customer service issues in a timely manner and to assure customer satisfaction.



Residents in the Waste Management mini truck at the Mission Viejo Concert on the Green

Customer Comments

Dear Ms. Brunier,

Just a quick note of thanks again for the support of Waste Management during our last season. Your donation of the reusable recycle bins and many liners helps us keep things tidy for the city during our tournaments, as well as helping us to be good citizens of the planet!

We love partnering with our local companies to help make Mission Viejo a fun, (clean!) place to play softball!

With appreciation-
Jennifer Karr, Special Events Director
Mission Viejo Girls Softball



G. Financial Stability

Financial Strength: The Foundation for Our Commitment

As a wholly-owned, indirect subsidiary of Waste Management, Inc., Waste Management Collection and Recycling, Inc. does not report financial results. All financial reporting occurs through our parent entity, which assumes liability in case of any failure of the local affiliate. As a publicly traded company, Waste Management is held to the most stringent regulations for accurate and timely financial disclosure. Following are key statements from Waste Management's 2018 annual report. Full financial results are available on our website at <http://investors.wm.com/>.

Revenue in 2018 was \$14.9 billion, and Waste Management has an asset base of \$22.7 billion. The company generates strong and consistent cash flow and has access to an extensive line of credit. Waste Management's financial strength is the foundation for our commitment to serve our customers, perform our obligations, and protect the environment in carrying out our broad waste management services. As requested, the 2018 financial statements have been included in this section.

"Waste Management had a record-setting year in 2018 driven by our traditional solid waste performance. Our strong 2018 results validate that our focus on outstanding customer experience and cost management is driving solid growth in our business."



Jim Fish
President & CEO

Waste Management has achieved solid investment-grade credit ratings from three major rating agencies. Most recently, the company has been assigned ratings of A-/A-2 by Standard & Poor's, BBB+ by Fitch, and Baa1 by Moody's. The ratings are based on expectations that management will maintain good liquidity, pursue a moderate financial policy, and allocate capital in a disciplined manner. The credit outlook from each agency for Waste Management is characterized as stable.

Waste Management's financial strength, as summarized above, gives the City assurance that we can and will fulfill our obligations.

- Waste Management is committed and financially able to perform all operations in full compliance with applicable federal, state, and local regulations and to provide clear documentation of that compliance.
- Waste Management offers the most extensive network providing waste management services in North America, including transportation, disposal, treatment, recovery, remediation, waste identification, and several other specialty services. This network enables us to provide a single source of responsibility, from transportation through disposal of waste.
- Typically, new capital requirements are internally financed by Waste Management using cash flow from existing operations - freeing our new trucks, carts, containers, and facility investments from the timelines and terms of third-party creditors.

Waste Management's financial strength helps us to continually advance services for all of the customers we serve, including the City, and we are committed to maintaining that strength.

1. Financial Statements

Submit audited financial statements for the most-recently completed fiscal year for the legal entities that would execute the Franchise Agreement. If proposer is a new entity, the proposal must include statements from the majority owners' existing business entities. All such statements are to be prepared in accordance with Generally Accepted Accounting Principles applied on a consistent basis and shall be audited in accordance with Generally Accepted Auditing Standards and shall include a statement by the chief financial officer of the entity described in the Franchise Agreement that there has been no material adverse change in such condition or operations as reflected in the submitted balance sheet and income statements since the date on which they were prepared.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of Waste Management, Inc.

Opinion on Internal Control over Financial Reporting

We have audited Waste Management, Inc.'s internal control over financial reporting as of December 31, 2018, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Waste Management, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the 2018 consolidated financial statements of the Company, and our report dated February 14, 2019 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ ERNST & YOUNG LLP

Houston, Texas
February 14, 2019

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of Waste Management, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Waste Management, Inc. (the Company) as of December 31, 2018 and 2017, the related consolidated statements of operations, comprehensive income, cash flows, and changes in equity for each of the three years in the period ended December 31, 2018, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of December 31, 2018, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 14, 2019 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ ERNST & YOUNG LLP

We have served as the Company’s auditor since 2002.

Houston, Texas
February 14, 2019



WASTE MANAGEMENT, INC.
CONSOLIDATED BALANCE SHEETS
(In Millions, Except Share and Par Value Amounts)

	December 31	
	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 61	\$ 22
Accounts receivable, net of allowance for doubtful accounts of \$29 and \$21, respectively	1,931	1,805
Other receivables	344	569
Parts and supplies	102	96
Other assets	207	202
Total current assets	2,645	2,694
Property and equipment, net of accumulated depreciation and amortization of \$18,264 and \$17,704, respectively	11,942	11,559
Goodwill	6,430	6,247
Other intangible assets, net	572	547
Restricted trust and escrow accounts	296	249
Investments in unconsolidated entities	406	269
Other assets	359	264
Total assets	\$ 22,650	\$ 21,829
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 1,037	\$ 1,040
Accrued liabilities	1,117	980
Deferred revenues	522	503
Current portion of long-term debt	432	739
Total current liabilities	3,108	3,262
Long-term debt, less current portion	9,594	8,752
Deferred income taxes	1,291	1,248
Landfill and environmental remediation liabilities	1,828	1,770
Other liabilities	553	755
Total liabilities	16,374	15,787
Commitments and contingencies		
Equity:		
Waste Management, Inc. stockholders' equity:		
Common stock, \$0.01 par value; 1,500,000,000 shares authorized; 630,282,461 shares issued	6	6
Additional paid-in capital	4,993	4,933
Retained earnings	9,797	8,588
Accumulated other comprehensive income (loss)	(87)	8
Treasury stock at cost, 206,299,352 and 196,963,558 shares, respectively	(8,434)	(7,516)
Total Waste Management, Inc. stockholders' equity	6,275	6,019
Noncontrolling interests	1	23
Total equity	6,276	6,042
Total liabilities and equity	\$ 22,650	\$ 21,829

See Notes to Consolidated Financial Statements.

WASTE MANAGEMENT, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(In Millions, Except per Share Amounts)

	Years Ended December 31,		
	2018	2017	2016
Operating revenues	\$ 14,914	\$ 14,485	\$ 13,609
Costs and expenses:			
Operating	9,249	9,021	8,486
Selling, general and administrative	1,453	1,468	1,410
Depreciation and amortization	1,477	1,376	1,301
Restructuring	4	—	4
(Gain) loss from divestitures, asset impairments and unusual items, net	(58)	(16)	112
	<u>12,125</u>	<u>11,849</u>	<u>11,313</u>
Income from operations	2,789	2,636	2,296
Other income (expense):			
Interest expense, net	(374)	(363)	(376)
Equity in net losses of unconsolidated entities	(41)	(68)	(44)
Other, net	2	(14)	(54)
	<u>(413)</u>	<u>(445)</u>	<u>(474)</u>
Income before income taxes	2,376	2,191	1,822
Income tax expense	453	242	642
Consolidated net income	1,923	1,949	1,180
Less: Net loss attributable to noncontrolling interests	(2)	—	(2)
Net income attributable to Waste Management, Inc.	\$ 1,925	\$ 1,949	\$ 1,182
Basic earnings per common share	\$ 4.49	\$ 4.44	\$ 2.66
Diluted earnings per common share	\$ 4.45	\$ 4.41	\$ 2.65
Cash dividends declared per common share	\$ 1.86	\$ 1.70	\$ 1.64

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Millions)

	Years Ended December 31,		
	2018	2017	2016
Consolidated net income	\$ 1,923	\$ 1,949	\$ 1,180
Other comprehensive income (loss), net of tax:			
Derivative instruments, net	8	7	12
Available-for-sale securities, net	5	2	5
Foreign currency translation adjustments	(105)	76	28
Post-retirement benefit obligation, net	2	3	2
Other comprehensive income (loss), net of tax	<u>(90)</u>	<u>88</u>	<u>47</u>
Comprehensive income	1,833	2,037	1,227
Less: Comprehensive loss attributable to noncontrolling interests	(2)	—	(2)
Comprehensive income attributable to Waste Management, Inc.	\$ 1,835	\$ 2,037	\$ 1,229

See Notes to Consolidated Financial Statements.

WASTE MANAGEMENT, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Millions)

	Years Ended December 31,		
	2018	2017	2016
Cash flows from operating activities:			
Consolidated net income	\$ 1,923	\$ 1,949	\$ 1,180
Adjustments to reconcile consolidated net income to net cash provided by operating activities:			
Depreciation and amortization	1,477	1,376	1,301
Deferred income tax expense (benefit)	25	(251)	73
Interest accretion on landfill liabilities	95	92	91
Provision for bad debts	54	43	42
Equity-based compensation expense	89	101	90
Net gain on disposal of assets	(47)	(20)	(24)
(Gain) loss from divestitures, asset impairments and other, net	(58)	49	114
Equity in net losses of unconsolidated entities, net of dividends	41	39	44
Change in operating assets and liabilities, net of effects of acquisitions and divestitures:			
Receivables	(16)	(271)	(78)
Other current assets	(16)	50	(12)
Other assets	(14)	(66)	75
Accounts payable and accrued liabilities	203	126	192
Deferred revenues and other liabilities	(186)	(37)	(85)
Net cash provided by operating activities	<u>3,570</u>	<u>3,180</u>	<u>3,003</u>
Cash flows from investing activities:			
Acquisitions of businesses, net of cash acquired	(460)	(198)	(608)
Capital expenditures	(1,694)	(1,509)	(1,339)
Proceeds from divestitures of businesses and other assets (net of cash divested)	208	99	43
Other, net	(223)	(12)	(25)
Net cash used in investing activities	<u>(2,169)</u>	<u>(1,620)</u>	<u>(1,929)</u>
Cash flows from financing activities:			
New borrowings	359	1,479	3,057
Debt repayments	(499)	(1,907)	(2,682)
Net commercial paper borrowings	453	513	—
Common stock repurchase program	(1,004)	(750)	(725)
Cash dividends	(802)	(750)	(726)
Exercise of common stock options	52	95	63
Tax payments associated with equity-based compensation transactions	(29)	(47)	(30)
Other, net	(38)	6	(41)
Net cash used in financing activities	<u>(1,508)</u>	<u>(1,361)</u>	<u>(1,084)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash and cash equivalents	(3)	—	—
Increase (decrease) in cash, cash equivalents and restricted cash and cash equivalents	(110)	199	(10)
Cash, cash equivalents and restricted cash and cash equivalents at beginning of period	293	94	104
Cash, cash equivalents and restricted cash and cash equivalents at end of period	<u>\$ 183</u>	<u>\$ 293</u>	<u>\$ 94</u>
Reconciliation of cash, cash equivalents and restricted cash and cash equivalents at end of period:			
Cash and cash equivalents	\$ 61	\$ 22	\$ 32
Restricted cash and cash equivalents included in other current assets	49	70	—
Restricted cash and cash equivalents included in restricted trust and escrow accounts	73	201	62
Cash, cash equivalents and restricted cash and cash equivalents at end of period	<u>\$ 183</u>	<u>\$ 293</u>	<u>\$ 94</u>

See Notes to Consolidated Financial Statements.

WASTE MANAGEMENT, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Millions, Except Shares in Thousands)

	Waste Management, Inc. Stockholders' Equity								
	Total	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other		Treasury Stock	Noncontrolling Interests
		Shares	Amounts			Income	(Loss)		
Balance, December 31, 2015	\$ 5,367	630,282	\$ 6	\$ 4,827	\$ 6,939	\$ (127)	(183,105)	\$ (6,300)	\$ 22
Consolidated net income	1,180	—	—	—	1,182	—	—	—	(2)
Other comprehensive income (loss), net of tax	47	—	—	—	—	47	—	—	—
Cash dividends	(726)	—	—	—	(726)	—	—	—	—
Equity-based compensation transactions, net of tax	186	—	—	69	(7)	—	3,556	124	—
Common stock repurchase program	(725)	—	—	(45)	—	—	(11,241)	(680)	—
Other, net	(9)	—	—	(1)	—	—	(177)	(11)	3
Balance, December 31, 2016	\$ 5,320	630,282	\$ 6	\$ 4,850	\$ 7,388	\$ (80)	(190,967)	\$ (6,867)	\$ 23
Consolidated net income	1,949	—	—	—	1,949	—	—	—	—
Other comprehensive income (loss), net of tax	88	—	—	—	—	88	—	—	—
Cash dividends	(750)	—	—	—	(750)	—	—	—	—
Equity-based compensation transactions, net	185	—	—	38	1	—	4,064	146	—
Common stock repurchase program	(750)	—	—	45	—	—	(10,058)	(795)	—
Other, net	—	—	—	—	—	—	(3)	—	—
Balance, December 31, 2017	\$ 6,042	630,282	\$ 6	\$ 4,933	\$ 8,588	\$ —	(196,964)	\$ (7,516)	\$ 23
Adoption of new accounting standards	80	—	—	—	85	(5)	—	—	—
Consolidated net income	1,923	—	—	—	1,925	—	—	—	(2)
Other comprehensive income (loss), net of tax	(90)	—	—	—	—	(90)	—	—	—
Cash dividends	(802)	—	—	—	(802)	—	—	—	—
Equity-based compensation transactions, net	151	—	—	60	1	—	2,345	90	—
Common stock repurchase program	(1,008)	—	—	—	—	—	(11,673)	(1,008)	—
Divestiture of noncontrolling interest	(19)	—	—	—	—	—	—	—	(19)
Other, net	(1)	—	—	—	—	—	(7)	—	(1)
Balance, December 31, 2018	\$ 6,276	630,282	\$ 6	\$ 4,993	\$ 9,797	\$ (87)	(206,299)	\$ (8,434)	\$ 1

See Notes to Consolidated Financial Statements.

2. Financing Plan

Describe the plan for financing all capital requirements (i.e., those listed in Attachment 7, Cost Proposal Forms) in a "Sources and Uses of Funds" format, which describes the sources of required capital (e.g., banks, leasing companies, cash reserves, etc.) and uses (e.g., property, trucks, equipment, containers, reserves, etc.).

As mentioned, new capital requirements are internally financed by Waste Management using cash flow from existing operations - freeing our new trucks, carts, containers, and facility investments from the timelines and terms of third-party creditors.

Please refer to the following link to our 2018 Annual Report for full financial disclosure.

<http://nasdaqomx.mobular.net/nasdaqomx/7/3562/5073/>



WM is Mission Viejo's Low Risk/High Reward Partner

 <p>Trusted partner and ethical industry leader</p>	 <p>A worry-free implementation for MV</p>	 <p>Experienced, knowledgeable and dedicated local staffing</p>
<p>Financial strength = Peace of mind</p>		
<p>Making Mission Viejo clean & green</p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="597 1262 813 1482">  <p>A CNG Fleet of trucks</p> </div> <div data-bbox="829 1262 1052 1482">  <p>Industry Leader in State Mandates</p> </div> <div data-bbox="1073 1262 1295 1482">  <p>Hauling District 15 miles from The City</p> </div> </div>		
 <p>Active, Engaged Community Partner</p>	 <p>Supporting Mission Viejo's diversion goals through SB 1383</p>	



2 | PROPOSAL FOR FRANCHISE COLLECTION SERVICES

Proven Solutions from a Trusted Partner

A. Collection Services Approach

Waste Management has provided similar services to more than 100 jurisdictions in Southern California over the last 40+ years without losing one franchise contract for failure to perform, non-compliance or for any other reason other than competitive bid. Throughout, we have successfully adapted our service delivery to confirm that we provide our customers with the latest in technological advances in customer service and service delivery, and to meet new diversion and other regulations including AB 939, AB 341, AB 1826 and the upcoming SB 1383.

Further, Waste Management's tenure as Mission Viejo's premiere hauler servicing the City, its residents and businesses over the past 30 years, has provided tremendous insight into specific nuances and the high level of service expected. We are confident in our ability to not only provide a seamless transition into the future of state mandates but also in continuing to deliver unparalleled service.

Each material type collected from single family dwellings (SFDs), multifamily dwellings (MFDs), commercial and City Facilities will be handled in accordance to all state mandates and sections within the Franchise Agreement, specifically Article 5: Scope of Collection Services. Please see below for an overview of collection service by segment and waste type:

SFD Service:

- **Municipal Solid Waste** – Municipal Solid Waste (MSW) will be collected from Automatic Side Loader (ASL) trucks, curbside, once per week. Standard container size provided will be 96-gallon, with the customer receiving the option to obtain either a 64- or a 32-gallon cart. Disposal will occur as direct haul to Prima Deshecha landfill during operating hours. After hours, hauls will be taken to Sunset Environmental for transloading to Frank Bowerman landfill.
- **Recycling** – Recycling material will be collected and routed in the same manner as MSW. Processing will occur as direct haul to Sunset Environmental where transloading will occur to Waste Management's Orange MRF. Any residual will be transloaded to Olinda Alpha landfill.
- **Green Waste** – Green waste (year one) material will be collected and routed in the same manner as MSW and Recycling. Processing will occur as direct haul to Sunset Environmental where

transloading will occur to Waste Management's Azusa MRF. Post-processed material will then be transloaded for land application.

- Food Waste – In the second year of the service contract, food waste will be placed within the green waste container (co-mingled). Collection and routing will be in the same manner as the previous lines of business. Processing will occur as direct haul to Sunset Environmental where transloading will occur to Waste Management's Azusa MRF. Post-processed co-mingled material will then be transloaded to Synagro in Hinkley for composting.
- Bulky Items – Items will be collected from SFDs per the Franchise Agreement. A one (1) to two (2) person crew, operating a flatbed vehicle with a powered liftgate typically will provide Bulky Item collection service. Certain Bulky Item collection events may require the use of Roll-offs, which we will deliver as needed.

MFD:

- MSW – MSW will be collected from FEL trucks, from designated enclosures or specified collection points at a level of service no less than one time per week. Waste Management proposes the use of currently deployed bins in an effort to reduce costs to rate payers. All bins will be repainted to be compliant with state mandates and the franchise agreement, however Waste Management would like to propose that bodies of all bins within the City remain the same color (green) with lids being black (compliant with SB 1383). Disposal will occur as direct haul to Prima Deshecha landfill during operating hours. After hours, hauls will be taken to Sunset Environmental for transloading to Frank Bowerman landfill.
- Recycling – Recycling material will be collected and routed in the same manner as MSW. Processing will occur as direct haul to Sunset Environmental where transloading will occur to Waste Management's Orange MRF. Any residual will be transloaded to Olinda Alpha landfill.
- Green Waste – Green waste (year one) material will be collected and routed in the same manner as MSW and Recycling. Processing will occur as direct haul to Sunset Environmental where transloading will occur to Waste Management's Azusa MRF. Post-processed material will then be transloaded for land application.
- Food Waste – Food waste will be placed within the green waste container during the second year of the contract. Collection and routing will be in the same manner as the previous lines of business. Processing will occur as direct haul to Sunset Environmental where transloading will occur to Waste Management's Azusa MRF. Post-processed material will then be transloaded to Synagro in Hinkley for composting.
- Bulky Items – Items will be collected from MFDs per the Franchise Agreement. Waste Management carries extensive local experience specifically pertaining to implementing MFD bulky item collection programs (e.g., for the City of Irvine). A one (1) to two (2) person crew, operating a flatbed vehicle with a powered liftgate typically will provide Bulky Item Collection service. Certain Bulky Item collection events may require the use of Roll-offs, which we will deliver as needed.

Commercial:

- MSW – MSW will be collected from FEL trucks, from designated enclosures or specified collection points at a level of service no less than one time per week. Waste Management

proposes the use of currently deployed bins in an effort to reduce costs to rate payers. All bins will be repainted to be compliant with state mandates and the franchise agreement however Waste Management would like to propose that bodies of all bins within the City remain the same color (green) with lids being black (compliant with SB 1383). Disposal will occur as direct haul to Prima Deshecha landfill during operating hours. After hours, hauls will be taken to Sunset Environmental for transloading to Frank Bowerman landfill.

- Recycling – Recycling material will be collected and routed in the same manner as MSW. Processing will occur as direct haul to Sunset Environmental where transloading will occur to Waste Management’s Orange MRF. Any residual will be transloaded to Olinda Alpha landfill.
- Green Waste – Green waste (year one) material will be collected and routed in the same manner as MSW and Recycling. Processing will occur as direct haul to Sunset Environmental where transloading will occur to Waste Management’s Azusa MRF. Post-processed material will then be transloaded for composting. However, Waste Management proposes that in the first year of the contract, that any commercial green waste serviced by RO to be direct hauled to a local land application specialist (e.g. Tierra Verde Industries, located in Irvine).
- Food Waste – Food waste will be source separated with collection, and routing will be completed in the same manner as the previous lines of business. Processing will occur as direct haul to Orange MRF where material will be processed at Waste Management’s CORe.
- Construction and Demolition: Construction and demolition (C&D) material will be collected via RO or “stinger truck” within RO or “insta-bin” containers. Material will be processed according to the Franchise Agreement at Sunset Environmental.
- Bulky Items – Items will be collected from commercial customers per the Franchise Agreement. A one (1) to two (2) person crew, operating a flatbed vehicle with a powered liftgate typically will provide Bulky Item collection service. Certain Bulky Item collection events may require the use of Roll-offs, which we will deliver as needed.

City Facilities:

- MSW – MSW will be collected from FEL trucks, from designated enclosures or specified collection points at service levels designated by the City. Waste Management proposes the use of currently deployed bins in an effort to reduce costs. All bins will be repainted to be compliant with state mandates and the franchise agreement however Waste Management would like to propose that bodies of all bins within the City remain the same color (green) with lids being black (compliant with SB 1383). Disposal will occur as direct haul to Prima Deshecha landfill during operating hours. After hours, hauls will be taken to Sunset Environmental for transloading to Frank Bowerman landfill.
- Recycling – Recycling material will be collected and routed in the same manner as MSW. Processing will occur as direct haul to Sunset Environmental where transloading will occur to Waste Management’s Orange MRF. Any residual will be transloaded to Olinda Alpha landfill.
- Green Waste – Green waste material (year one) will be collected and routed in the same manner as MSW and Recycling. Processing will occur as direct haul to Sunset Environmental where transloading will occur to Waste Management’s Azusa MRF. Post-processed material will then be transloaded for composting. However, Waste Management proposes that in the first year of the

contract, that any commercial green waste serviced by RO to be direct hauled to a local land application specialist (e.g., Tierra Verde Industries, located in Irvine).

- Food Waste – Food waste will be source separated with collection and routing will be in the same manner as the previous lines of business. Processing will occur as direct haul to Orange MRF where material will be processed at Waste Management’s CORE.
- Bulky Items – Items will be collected per the Franchise Agreement. A one (1) to two (2) person crew, operating a flatbed vehicle with a powered liftgate typically will provide Bulky Item collection service. Certain Bulky Item collection events may require the use of Roll-offs, which we will deliver as needed.

Waste Management’s preferred collection method would be for co-mingled green and food waste to be composted (RSD) with source separation and co-digestion occurring for the commercial service line. The reasoning is that no commercially viable method is currently available for anaerobic digestion on the commercial material stream (high levels of contamination cause this to be non-feasible). Further, composting of the commercial food waste stream poses the same issue with its found levels of contamination.

1. Routing strategy and productivity assumptions for SFD, MFD, Commercial and City facilities; discussion of special routing (if any) for collecting in narrow streets, courts, and alleys; and route productivity assumptions (in terms of SFD accounts per route per day and MFD/Commercial lifts per route per day) and where these productivity assumptions have been accomplished in other cities serviced by the proposer.

As mentioned throughout, Waste Management’s decades of experience servicing the City allows for unparalleled service. Another example can be found within Mission Viejo’s routes as they are already optimized and readily adaptable if required. No time will be required for route management. Productivity statistics are established and are not assumptions. Further, and as mentioned in Section 1.D – Management and Customer Service Systems, Waste Management invests heavily in staff and technology and is fully committed to providing state of the art service to the City. However, with this being said, the power of our people and technology alone are not enough to meet our shared high expectations. Thus, through our comprehensive operations framework, Service Delivery Optimization (SDO), we harmonize the technology used onboard our trucks with our logistics management processes, and the skills of our drivers. With technology, processes and people working in sync, we are able to maximize safety, customer service, and efficiency while collecting Mission Viejo routes.

Waste Management’s SDO is an operationally-focused, efficiency mindset in which daily analytics regarding service and its delivery are tracked, reviewed and discussed daily. From drivers understanding their metrics and scope of work, to RMs continuously monitoring and planning for best service, and finally to leadership providing support and guidance, SDO has assisted in excelling productivity.

Please see below productivity figures. Other Waste Management serviced cities where productivity assumptions have been accomplished are Irvine and Santa Ana.

• Residential MSW = 87 homes/hour	• Residential Recycle = 111 homes/hour
• Residential Green Waste = 127 homes/hour	• SFD accounts per route per day = 956
• MFD/Comm lifts per route per day = 159	

2. Collection methodology (e.g., automated, semi-automated, one- or two-person crews, etc.), including discussion of special methods (if any) for collecting in any hard-to-service areas.

- Collection vehicles will vary between ASL, FEL and Roll off (RO) trucks dependent on type of material
- The crew size in a typical ASL is one (1) driver. Alternatives to this standard configuration are deployed as necessary
- The crew size in a typical FEL is one (1) driver. Alternatives to this standard configuration are deployed as necessary
- Waste Management will also utilize light duty vehicles (“stinger” trucks) to pre-position containers consistent with current service methods and will adjust as appropriate

Recyclables, green waste and co-mingled green waste and food waste, and source separated food waste will be collected in separate vehicles³. Number of and description of the collection vehicles to be utilized (e.g. vehicle description, manufacturer and model number, cost, capacity, age, lease or ownership arrangements, etc.). New vehicles are required for residential and MFD/Commercial/City collection services.



Mission Viejo City Council Meeting

Proposed Collection Vehicles for Mission Viejo

TYPE OF VEHICLE: AUTOMATED SIDE LOADER



Materials Collected

MSW, Recycling, Organics

Chassis Make/Model

Autocar WX

Body Make/Model

Amrep

Capacity/Gross Vehicle Weight

Rating

40 cubic yards/66,000 lbs.

Crew Size

1 driver

Type of Fuel

CNG

Truck Quantity Proposed for the City

17

Service Procedures

Services containers with mechanical arms that lift and tip contents into the body of the truck. Operated by the driver – on right hand side of cab - with controls inside the cab.

TYPE OF VEHICLE: FRONT LOADER



Materials Collected

MSW, Recycling, Organics

Chassis Make/Model

Autocar ACX64

Body Make/Model

McNeilus 3285

Capacity/ Gross Vehicle Weight Rating

40 cubic yards/66,000 lbs.

Crew Size

1 driver

Type of Fuel

CNG

Truck Quantity Proposed for the City

6

Service Procedures

Servicing dumpsters with two forks on the front of the truck that lift and tip contents into the body of the truck. Operated by the driver with controls inside the cab.

TYPE OF VEHICLE: ROLL OFF



Materials Collected

Servicing 10 to 40 yard roll off containers

Chassis Make/Model

Freightliner M2, Autocar ACX64

Body Make/Model

Amrep AMROH24

Capacity/Gross Vehicle Weight Rating: 10 to 40 cubic yards/66,000 lbs.

Crew Size

1 driver

Type of Fuel

CNG

Truck Quantity Proposed for the City

2

Service Procedures

Servicing roll off dumpsters using hydraulic lift and a cable with hook attachment. Can be controlled by driver inside or outside of the cab.

Waste Management proposes the use of current vehicles.

4. *Manufacturer's specifications of containers to be utilized. New Carts shall be provided for SFD and new or used containers (i.e., carts, bins and Drop Boxes) may be provided for MFD/Commercial/City customers.*

Waste Management Carts: Otto Environmental Systems of North America

Features and Benefits

Waste Management will partner with our cart supplier, Otto Environmental Systems (Otto), for the delivery of new carts for Mission Viejo. Otto has served the solid waste and recycling industry for over 60 years and has deployed more than 100 million carts to communities worldwide. Otto produces carts that are compatible with manual, semi- and fully-automated collection systems and their cart quality and workmanship is backed by a 10-year warranty. We've successfully utilized Otto carts in communities throughout North America and will continue to provide them to Mission Viejo customers. Primary features and benefits include:

- **Product Quality.** Otto carts are engineered with the appropriate balance of stiffness and flexibility - this allows Otto carts to flex and better conform to automated collection equipment, reducing cart wear and tear.
- **Durability.** Otto carts are designed to last - they are UV-resistant for long-term sun exposure and lids feature a double-pinned attachment system that provides a robust connection to container body.
- **Shipping Efficiency.** Otto carts can be shipped fully assembled and are designed to nest tight together when stacked, allowing for more efficient cart storage and shipping.
- **Customizable Design Options.** While carts are available in eight standard color options, custom color options are also available and standard hot stamping and in-mold labels can be selected to display key program instructions.
- **Permanent Full Color Cart Markings.** Using ColorFUSE™ technology, Otto offers full-color permanent cart branding that cannot be scratched, peeled off, or chemically removed.
- **Recyclability.** High Density Polyethylene (HDPE) resin makes Otto carts recyclable and new containers are created with a percentage of recycled content.
- **Wind Resistance.** Otto's 95-gallon Millennium cart has been engineered for stability and can sustain winds averaging 40 mph - that means fewer tipped carts on windy days.

Cart Sustainability

It only makes sense that the carts we provide Mission Viejo for the collection of trash and recyclables should be made as environmentally responsible as they are durable, convenient, and long lasting. When selecting Otto Environmental Solutions as our proposed cart manufacturer for the City, we considered the following environmental benefits:

- **Environmentally Friendly Manufacturing.** As a manufacturer of plastic products, Otto recognizes that its operations have an impact on the environment, and they are firmly committed to minimizing this impact through continual improvement of business practices, exceeding environmental regulations, and minimizing their carbon footprint in both company operations and the community.
- **Post-Consumer Recycled Content.** On average, Otto incorporates 30 percent post-consumer recycled content into their carts, helping to reduce our reliance on limited natural resources.
- **Cart Recovery and Recycling.** The resin used to make Otto carts is recyclable at the end of the cart's useful life. Otto collects old, broken, and unwanted plastic containers to decrease the

overall carbon footprint of the container manufacturing process. Otto will buy back the City carts that are at end of their lifecycle, regardless of manufacturer.

Otto Cart Warranty

Our proposed cart supplier, Otto Environmental Services, provides a non-transferable 10-year warranty period from date of cart shipment. The provided warranty does not cover negligence, abuse or normal wear and tear, but does protect Waste Management and the City from defects in materials and workmanship. In the event a warranty claim is submitted, Otto will either repair, replace, or grant credit for defective carts. Repaired or replaced products are warranted for the balance of the original warranty period of the original cart(s) or part(s).

Waste Management has a long-standing vendor history with Otto and has successfully utilized their cart warranty when needed. We are confident that Otto will stand behind their product quality. Please note a full and complete copy of warranty terms is available on the Otto Environmental Services website at: <http://www.otto-usa.com/warranty-information.html>.

Otto Cart Specifications

OTTO – Semi and Fully-Automated Collection Carts			
	35 Gallon	65 Gallon	95 Gallon
Model	MSD-35 E	MSD-65 E	MSD-95 E
Height	38"	42 3/8"	45 3/8"
Width	19 4/5"	25 1/8"	27 1/2"
Depth	24 4/5"	29 1/2"	33 1/4"
Load Rating	122.5 LBS.	230 LBS.	338 LBS.
Carts per Stack	10	9	8
Photo			

Waste Management is happy to accommodate residents' preferences for cart sizes. Alternate cart sizes are available upon request for the same base rate.

Containers are also available in various sizes for both refuse and recycling.

Waste Management Bins and Roll-off Containers: Wastequip

Wastequip FELs are engineered using heavy gauge steel to withstand the stress of continued use. Standard models feature 12-gauge sides and 10-gauge bottoms, high density polyethylene lids and fully welded in-seams. Wastequip heavy duty models have 10-gauge sides and 7-gauge bottoms for added strength and durability. Containers are also primed inside and outside to reduce corrosion with all containers meeting ANSI safety specifications and dimensional standards.

Wastequip rectangular open-top RO containers are built to withstand the most demanding waste and scrap collection applications. Rectangular roll-off containers meet ANSI safety specifications and dimensional standards and carry the following additional features:

<ul style="list-style-type: none"> • Heavy-duty, greaseable, fully-welded wheel assemblies 	<ul style="list-style-type: none"> • Front sheet bent 90 degrees to allow for overlap on side wall, adding extra strength to seam
<ul style="list-style-type: none"> • 7-gauge rail gussets welded to floor and cross members 	<ul style="list-style-type: none"> • Rugged tarp hooks and available tarping systems from Pioneer or Mountain Tarp protect the load
<ul style="list-style-type: none"> • V-notched weep hole at the bottom of each side post allows for drainage of liquid and inhibits rust 	<ul style="list-style-type: none"> • Painted in one of several standard colors using high-quality, low-VOC enamel
<ul style="list-style-type: none"> • Rust-inhibiting primer inside and outside 	<ul style="list-style-type: none"> • Greaseable rail rollers

Please refer to the following pages for sample images of containers utilized by Waste Management.





5. For SFD, proposer must present assumptions regarding the percentage of customers that will place materials curbside and factor in the anticipated number of customers eligible for Senior Citizen rates as described in Article 8.3 of the Franchise Agreement. Describe the basis for deriving these assumptions.

Waste Management bases assumptions on internal billing data. We assume 29,513 will place materials curbside for MSW and recycling, with 24,635 for green waste. Of this, 2,730 SFD senior citizens and 1,976 HOA senior citizens.

6. Proposer shall present two (2) methods of Household Hazardous Waste collection

Homes and businesses are filled with ordinary items and materials that require extraordinary disposal handling and recycling methods, due largely to their chemical composition. Think paint, automotive products, swimming pool chemicals, household cleaners, flammable and combustible items, garden chemicals, batteries, consumer electronics and items containing mercury, such as fluorescent lamps, to name a few — all items that should not be placed into regular solid waste bins. We have developed several programs to help our RSD and business customers dispose of these materials properly.

With this in mind, Waste Management's At Your Door Special Collection® service is the best solution for residents to properly manage household hazardous waste, including electronics, making it easy for residents to dispose of these items by collecting the materials at their door – safely, easily and responsibly.

Method One: Door-to-door Collection. SFD and MFD Customers will be allowed to call for the service up one (1) time each year per premises. City will be allowed unlimited calls for service. Commercial customers arrange service on a fee-per service basis.

The At Your Door Special Collection® service features year-round pick up of acceptable materials right from their home. This is an easy-to-use service where residents can schedule a collection at any time throughout the year, when it is convenient for them is currently offered by Waste Management to the City's residents.

Waste Management Provides a Customer-Centered Solution - The Resident does not have to leave their home!

Customers can easily reach out to the At Your Door Special Collection® service and schedule a home collection via the web or by phone. Our website, www.wmatyourdoor.com, is accessible 24/7 and the Waste Management Operations Service Center is available Monday through Friday. An automated call system is available after hours and on holidays. Highly trained staff from our



U.S. based Operations Center will process the customer service requests. A service request must include the following information in order to be scheduled - the participant's contact information, address, and an estimated list of the types and quantities of acceptable materials. When the request is scheduled, the participant is provided with a specific date for their home collection.

A collection kit will be sent to the participant as needed, who is responsible for packaging the materials and placing them out on the designated collection date. The collection kit consists of a plastic bag, tie and an instruction sheet. Collection kits are not required for residents who only have electronics. The instruction sheet provides the specific collection date and directions for how to prepare for the collection appointment. This includes certain packaging requirements and placement of materials on the collection date. Participants collect their items following the appropriate directions. If a container leaks, the participant is instructed to transfer contents to a non-leaking container and label it. Leaking containers or containers that are not identified or are improperly identified will not be collected. Additional instructions may apply based on applicable regulations.

On the specific collection date, a Service Technician will arrive at the home, inspect the material for eligible items, and package the material based upon hazard classification. All materials must be placed outside of the home near the front door or garage area, but never on public property, at the curb, street, or alleyway. Participants are not required to be present during the collection. After collection by the Service Technician, eligible materials are transported where they will be consolidated and shipped to appropriate recycling and processing facilities.

The At Your Door Special Collection® service has collected home generated special materials (also known as household hazardous waste (HHW) and electronics) from thousands of homes since 1995 and currently manages programs for hundreds of municipalities throughout the country.

Method Two: Collection Events. Contractor will provide SFD and MFD Customers access to biannual (twice-yearly) Household Hazardous Waste Collection events. City will continue to use unlimited on-call collection service. Commercial customers will continue to arrange service on a fee-per-service basis.

Waste Management also has extensive experience planning, implementing and hosting household hazardous waste collection events. Locally, Waste Management of Orange County currently hosts a bi-annual event for the City of Santa Ana (on average, over 1,000 cars participate) and an annual event for the City of Laguna Beach (on average, over 300 cars participate). Our local staff maintains strong relationships with the County of Orange to make sure CUPA permitting runs smoothly and all manifests are in accordance with state law. In addition, our staff will work closely with the City to identify a suitable location for the proposed twice-yearly event.

Residents will remain in their vehicles and "drive-through" the event, with items removed from their cars by safety personnel. Waste Management local staff is readily available to provide further information regarding HHW event if required.

B. Proposed Facilities

1. Proposer will provide details on the proposed Transfer Facility, Disposal Facility, and Recyclables Materials Processing Facility.

Transfer Facility Name: Waste Management Sunset Environmental

Address	16122 Construction Circle West, Irvine, CA 92606		
Permit Documentation	See Section 10 Appendix		
Capacity Documentation	Permitted maximum capacity at 3,000 tons per day (currently utilizing approximately 40% of available capacity)		
Delivery Details	Sunset Environmental (owned and operated by Waste Management) hosts a material recovery sort line, in addition to a construction and demolition sort line. It also acts as a transfer station for municipal solid waste (MSW), recycling and organic material. All material collected from the City of Mission Viejo, if not direct hauled to an Orange County landfill will be taken to Sunset Environmental for transloading.		
Rate/ton	\$7/ton push/transfer fee	One-way mileage	15 miles

Disposal Facility Name: Prima Deshecha Landfill

Address	32250 Av. La Pata, San Juan Capistrano, CA 92675		
Permit Documentation	See Section 10 Appendix		
Capacity Documentation	Please refer to permit		
Delivery Details	MSW collected within the City will be direct hauled during Prima Deshecha operating hours.		
Rate/ton	\$35.93	One-way mileage	9 miles

Disposal Facility Name: Frank R. Bowerman Landfill

Address	11002 Bee Canyon Access Rd, Irvine, CA 92602		
Permit Documentation	See Section 10 Appendix		
Capacity	Please refer to permit		
Delivery Details	MSW collected within the City after Prima Deshecha operating hours will be direct hauled to Sunset Environmental transfer station where transloading will occur to Frank R. Bowerman landfill.		
Rate/ton	\$35.93	One-way mileage	14 miles

Disposal Facility Name: Olinda Alpha Landfill

Address	1942 Valencia Ave., Brea, CA 92823		
Permit Documentation	See Section 10 Appendix		
Capacity	Please refer to permit		
Delivery Details	Recycling residual from the City will be transferred from Waste Management's Orange MRF directly to Olinda Alpha landfill.		
Rate/ton	\$35.93	One-way mileage	34 miles

Disposal Facility Name: Olinda Alpha Landfill

Recyclables Materials Processing Name: Waste Management Orange MRF

Address	2050 N Glassell St., Orange, CA 92865		
Permit Documentation	See Section 10 Appendix		
Capacity Documentation	The Orange MRF is capable of processing inbound material at approximately 40 tons per hour or 600 tons per day of residential single stream recyclables. The facility currently processes material from Waste Management serviced franchises in Orange and North San Diego Counties, as well as third parties. However, of the inbound volume to the MRF only 60 percent of its capacity is currently committed.		
Delivery Details	Residential and commercial recycling from the City will be direct hauled to Sunset Environmental to be transloaded to Waste Management's MRF located in Orange. Any residual (e.g., contamination) will be hauled to Olinda Alpha landfill.		
Rate/ton	\$104.64	One-way mileage	24 miles

2. The City is interested in evaluating different options available for processing organics, including composting, co-digestion and anaerobic digestion. Proposers shall provide options for the City's consideration for each processing approach. Proposers may indicate their recommended approach in their proposal. For each approach, the Proposer should include a list of the acceptable/excluded materials (e.g. food soiled paper).

Organics #1 Name: Waste Management Azusa Transfer and Material Recovery Facility

Address	9227 Tujunga Avenue, Sun Valley, California 91352		
Permit Documentation	See Section 10 Appendix		
Capacity Documentation	Azusa Transfer and Material Recovery Facility is owned and operated by Waste Management with a permitted capacity of 3,800 tons per day with 500 tons per day available for green waste processing. Currently, there is approximately 40 percent capacity remaining with all of the City's green waste being available for processing.		
Delivery Details	Source separated green waste with co-mingled food waste will be transloaded from Sunset Environmental to Azusa for pre-processing and then transferred to Synagro Nursery Products Hawes Composting (located in Hinkley, CA). See Section 10 Appendix for Synagro permit and site specifications.		



Organics #1 Name: Waste Management Azusa Transfer and Material Recovery Facility

	Synagro is the nation's largest recycler of organic residuals, with Nursery Products providing southern California with cost-efficient biosolid and green-waste composting.		
Rate/ton	\$111.76 (includes transfer from Sunset Environmental, processing at Azusa, and composting at Synagro)	One-way mileage	138 miles

Organics #1 acceptable/excluded materials

Organics as defined by SB 1383, excluding textiles and carpets. Palm fronds and yucca plants are acceptable.

Organics Co-Digestion Material Processing Name: Centralized Organic Recycling (CORE) Facility Located at Waste Management Orange MRF

Address	2050 N Glassell St., Orange, CA 92865		
Permit Documentation	See Section 10 Appendix		
Capacity Documentation	Waste Management's Centralized Organic Recycling (CORE) facility is located within Waste Management's Orange MRF. With an available capacity of approximately 300 tons per day, the CORE facility currently has more than 60 percent available capacity for source separated food waste.		
Delivery Details	As the nation's leading environmental services provider, Waste Management is committed to finding innovative solutions to make sure waste no longer goes to waste. In Southern California, Waste Management is paving the way through its CORE process, the region's first sustainable urban-scale solution for source separated food waste recycling. Source separated food collected within the City will be processed at the CORE into Waste Management's proprietary Engineered Bio Slurry (EBS). EBS is then transloaded and utilized by the Sanitation Districts of Los Angeles County at their joint water pollution control plant in Carson, CA. Co-digestion converts food waste into renewable biogas, which is used to generate electricity. Every ton of food waste that _____ Waste Management recycles through the CORE process is equivalent to eliminating CO2 emissions from 30 cars on our Southern California roads.		
Rate/ton	\$95	One-way mileage	24 miles

Organics #2 acceptable/excluded materials

Acceptable items include: meat, fish, poultry, eggshells, seashells, bones, fats, oils, grease, cheese and dairy products, fruits and vegetables, breads, pastas, rice and grains, plate scrapings, coffee grounds,



filters and tea bags, food soiled papers, and flowers and trimmings. Excluded materials include: glass, metal, rubber and cleaning products.

Organics Anaerobic Digestion Material Processing Name: Perris Transfer Station and Materials Recovery Facility

Address	1706 Goetz Road, Perris, CA 92570		
Permit Documentation	See Section 10 Appendix		
Capacity Documentation	Waste Management of the Inland Empire is currently working to secure volume and if directed by City for this processing methodology, Waste Management of Orange County would follow suit.		
Delivery Details	Source separated green waste with co-mingled food waste will be transloaded from Sunset Environmental to Perris for processing		
Rate/ton	\$97.50	One-way mileage	48 miles

Organics #3 acceptable/excluded materials

Organics as defined by SB 1383, excluding textiles and carpets.

Innovative solutions for palm fronds and yucca

Waste Management continuously expands its relationships with recycling partners. Currently, our partnership with Synagro allows for palm fronds and yucca plants to be included within the co-mingled green and food waste streams for the City of Mission Viejo.

Customer Comments

Dear Ashley,

Thank you so much for donating event trash receptacles for our Kids Camp Program at Mount of Olives Church. We had over 500 children from our community participate in our annual Kid City Kids Camp program in July 2019! We are blessed to be a blessing to our community through programs like this.

We value our community partners like Waste Management, to help us provide a program of excellence. Partnerships like this help us fulfill our mission, "To Know Christ and Make Him Known".

Thank you so much for your continued support of Mount of Olives and our ministries.

Robin Horton
Business Administrator



Earth Day



3 | OUTREACH AND EDUCATION PLANS

Transition, Implementation, and Diversion

Proven Tools and Resources for Recycling Success

A. Transition and Implementation Plans

1. Transition and Implementation Plan and Timeline: Proposers shall provide a detailed implementation plan, including a timeline for completing all transition activities (e.g. ordering equipment, distributing carts, hiring and training personnel, etc.) and conducting the rollout of the programs and services required in this Agreement. (Note: Proposed Transition Outreach and Education plans should be provided separately, as part of the response to 5.6B.)

Transition Implementation

Our Commitment to the City – A Risk-Free Implementation

The City has relied on Waste Management as your local service provider for the past 30 years. Throughout our partnership with Mission Viejo, we have shown our dedication to continuous improvement - better processes, more efficient procedures, and investments in technologies that enhance our collection capabilities and customer service. Transitioning service providers would require rebuilding an already successful program from the ground up. With all service requirements already in place, our team is able to concentrate on delivering dependable collection and enhancing your residents' experience from day one.

The benefits to your community for continuing to work with Waste Management are quantifiable and significant. We offer:

Established and reliable collection services.

We already have the vehicles, collection equipment, operations site, fueling station, processing facilities, account data, and systems in place to offer a risk- and disruption-free implementation.

Invaluable experience.

Our experienced drivers know every road and customer in your community, and our knowledgeable customer service staff is already well-versed in Mission Viejo contract terms and service offerings. Further, we leverage lessons learned to offer proven public education and outreach strategies for communicating available services, resources, and maximizing customer participation.

Existing relationships.

Over the years, Waste Management staff members have worked hard to become a trusted community partner. We have built meaningful relationships with City staff, your customers, and local groups and organizations. We will continue to collaborate with these partners to advance service offerings, problem solve, innovate, and support the vitality of the Mission Viejo community.

A commitment to continuous improvement.

We seek to continuously improve our services and offer the latest and greatest technologies and innovations in sustainability and integrated operational technology.

Although there will be no service changes if Waste Management is selected as the service provider in the City's new contract, we will manage the implementation with meticulous care. Below we have outlined our approach to the most critical components of the new Contract implementation, including equipment and resources, customer service, billing, and public education considerations.



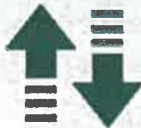
Critical Collection Equipment and Resources in Place Today

Key to all successful new contract implementations is having the most basic collection equipment and resources in place, tested, and proven. We understand one of the City's top priorities is for their collection partner to deliver the base collection services - confirming customers have containers to put materials into and that material is collected on-time and in a professional and safe manner.

All of Waste Management's Mission Viejo collection equipment and resources are already in place, eliminating any opportunity for customer disruption associated with delays and equipment problems that are often associated with new contract implementations. Further, our local Operations Team has decades of experience managing current route schedules. This means that swaps of new containers will be seamless to the residents' normal routines.

Core Collection Equipment and Resources

	Waste Management Competency	Benefits to the Mission Viejo Community
Drivers 	Management employees and have successfully completed rigorous safety and customer service training requirements and have years of experience working Mission Viejo streets.	<ul style="list-style-type: none"> • Safer more experienced drivers in your community. • Existing customer knowledge and personalized customer service. • No driver learning curve resulting in fewer missed pick-ups.
Trucks 	Waste Management's fleet of collection vehicles is already in place with years of service ahead. All our vehicles are subject to daily preventive maintenance and safety inspections. Our fleet is maintained to the highest safety standards and is fully compliant with local and federal safety standards.	<ul style="list-style-type: none"> • Trucks are not subject to manufacturing delays and are guaranteed ready-to-roll on day one of the new Contract. • Reliable collection vehicles with fewer breakdowns resulting in on-time collections.
Containers	With more than 88,000 carts and containers currently deployed in your community, each customer has a	<ul style="list-style-type: none"> • Zero upfront hassle and customer confusion associated with swapping out carts and containers.

Core Collection Equipment and Resources		
	Waste Management Competency	Benefits to the Mission Viejo Community
	<p>high-quality and well-maintained receptacle. Existing equipment inventory includes adequate quantities of all required cart and container sizes allowing for deliveries and swaps to be successfully conducted each day due to new service starts and service level shifts.</p>	<ul style="list-style-type: none"> No chance of customers experiencing service delays due to carts or containers not being delivered on time. Clean, well-maintained carts currently in use.
<p>Routes and Customer Data</p> 	<p>No changes to current collection schedules will be associated with our transition. Waste Management collection routes were created with eRouteLogistics software and take into account local traffic patterns, truck capacity, and disposal locations.</p>	<ul style="list-style-type: none"> No missed pick-ups associated with customer confusion caused by collection day changes. Maximum route efficiency provides the greatest fiscal value for ratepayers. Less wear and tear on city streets.
<p>Onboard Computing System (OCS)</p> 	<p>Each collection truck that services Mission Viejo is already equipped with onboard tablets that display drivers' exact route, all scheduled collections, and relevant account notes such as container placement. The tablets include GPS technology that allows drivers to capture route data in real-time. Drivers note the status of each collection (i.e., collected or a service exception).</p>	<ul style="list-style-type: none"> Customers can obtain a collection estimated time of arrival (ETA) through both our website and mobile app. Collection statuses minimize the opportunity for missed collections. Provides customer service reps with near-real-time field data to assist with customer inquiries.

Delivering an Exceptional Customer Service Experience

Mission Viejo residents have many options for how and when they interact with Waste Management. Whether via our mobile app, LiveChat, online at wm.com, or by phone, customers want an interaction that is fast, friendly, and convenient. Waste Management's dedicated Customer Service Team supports the City's customers by managing our phone, email, and online customer service functions and are ready to serve the City on day one of the new Contract.

These experienced customer service personnel are already accustomed to working with Mission Viejo staff and are familiar with residents and businesses and current Contract services and terms:

Further, the City can always count on reaching the local contract administrator, Hashem Shokair or your experienced Designated Recycling Coordinator, Ashley Brunier, at any time on their mobile phones – day or night. Waste Management's local staff are never more than a few minutes away from instant access to information and personalized customer service for not only City staff, but all residents and businesses of Mission Viejo.

Proven Customer Service Tools and Training

Since accurate and clear communication is a cornerstone of our Contract implementation approach, we place significant effort, resources, and time preparing and training our customer service center employees. Training material customized to the City's collection services, programs, and rates has already been developed and is currently in-use.

Review and Update Informational Tools. Management will review and, update Mission Viejo-specific information on Green Pages to all new program enhancements. As previously mentioned, Green Pages is an online database that allows a Waste Management CSR to pull up customer-specific service information, service offerings, and rates within a matter of seconds. Each time a mailing is sent out to residents, it is uploaded to Green Pages – allowing agents to reference and look at the same documents that the customer is viewing. Our CSRs use this tool during every call, ensuring that we provide customers with the most accurate service information.

Intensive, Small-Pod Training. All CSRs handling City calls regularly receive training in small groups. Before implementation, CSRs will review service offerings specific to the City, with special emphasis placed on changes (if any) including new rates, programs, policies, and procedures. CSRs will also be provided with copies of all customer mailings distributed in your community.

Increased Staffing. Although it is anticipated that no resident impact will be associated with a Waste Management new Contract implementation, there may be a call spike during the first couple of weeks of the new Contract due to distribution of service brochures and other customer outreach efforts. Sometimes customers call to request duplicate copies of materials already sent or to confirm their collection

An Easy-to-Understand Monthly Invoice

To present our customers with billing information in an easy-to-read format, we recently redesigned and introduced a new invoice template that incorporates customer feedback.

The most common customer request was to make our bills easier to understand. To accomplish this, we simplified the invoice format, provided clear steps for all payment options, and included an explanation of common charges.

schedule. It is critical to prepare for this spike in call volume with additional staffing. As with any new contract implementation, Waste Management's state-of-the-art customer service center will make sure there is a pool of additional CSRs trained on City-specific issues to help us manage any increases to normal call volume.

Billing Preparation and Considerations

Having accurate service, contact, and billing information means all aspects of our customers' experience will go smoothly – from hassle-free pick-ups to accurate invoicing. As the existing provider, Waste Management is fortunate to already have accurate customer service, billing, and contact information for each City account. Our database is continuously updated and maintained. Our staff works

diligently to verify account information during each customer interaction, and customers frequently provide updates to phone numbers or payment information themselves via their wm.com account.

If the City selects Waste Management for the new Contract, residents will benefit from continued access to our hassle-free billing and payment options. This is especially valuable as a growing portion of Waste Management customers are accustomed to the convenience of managing their accounts online at wm.com. Likewise, many customers prefer electronic invoices. With any other service provider, customers will be required to start over – creating new online profiles, electing invoice preferences, and if auto-pay is available, resubmitting their payment information. Often, this will result in missed or late payments, causing inconvenience for many customers.

Public Education and Outreach Efforts

With Waste Management, the City will not need to dedicate a large portion of public outreach efforts toward collection, customer service, or billing changes that typically go along with a new service provider. Instead, as part of a new contract, we will focus on informing customers of all newly available services, changes in California law, and maximizing their knowledge and participation in recycling, reuse, and waste prevention.

In addition, with the recent enhancements to our online capabilities at wm.com, we will continue to collaborate with City staff to customize Mission Viejo's webpages to include meaningful service information, photos, and resources that reflect the interests of your residents. Using Waste Management's local website, customers will easily find Mission Viejo-specific service information, disposal resources, rates, and recycling education. Customers can also self-manage their account online with new functionality that enables customers to:

- Initiate service or request additional services.
- Schedule an empty and return (roll off customers only).
- View pickup schedule and collection ETA.
- Schedule an extra pickup or bulky item collection.
- Request cart or container repair.
- Sign up for autopay or make an online payment.
- Enroll in paperless billing.
- Edit account contact information.

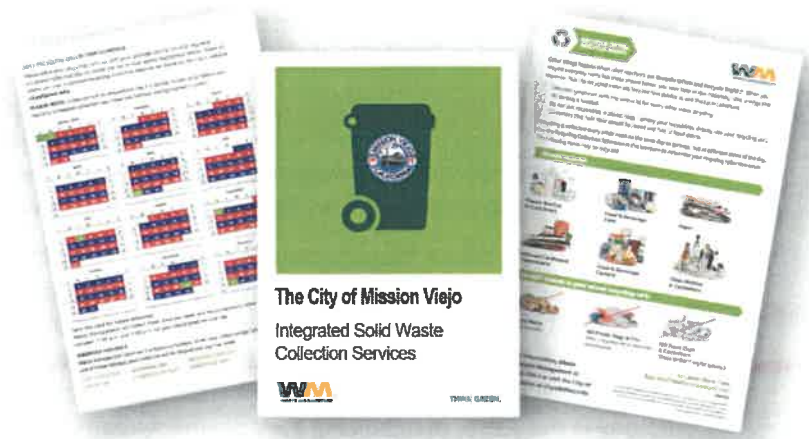
Additional education efforts and outreach materials included as part of a new Waste Management Contract will include:

A Comprehensive Information Package. Direct mail of a comprehensive information package that contains service information, rates, a collection schedule, recycling guide, and information on local reuse services and events.

Community Educational Workshops and Townhalls. Waste Management will continue to promote Contract services and provide recycling and waste reduction education at convenient and accessible locations.

Site Visits. Commercial customers will be visited by a Waste Management recycling specialist and are eligible for technical assistance, educational tools, and resources to help maximize the effectiveness of their recycling program.

Media Outreach. Press releases, geo-targeted advertisements and educational videos will be distributed throughout the Contract implementation to promote existing service offerings and community educational events.



Sample images of welcome packet information

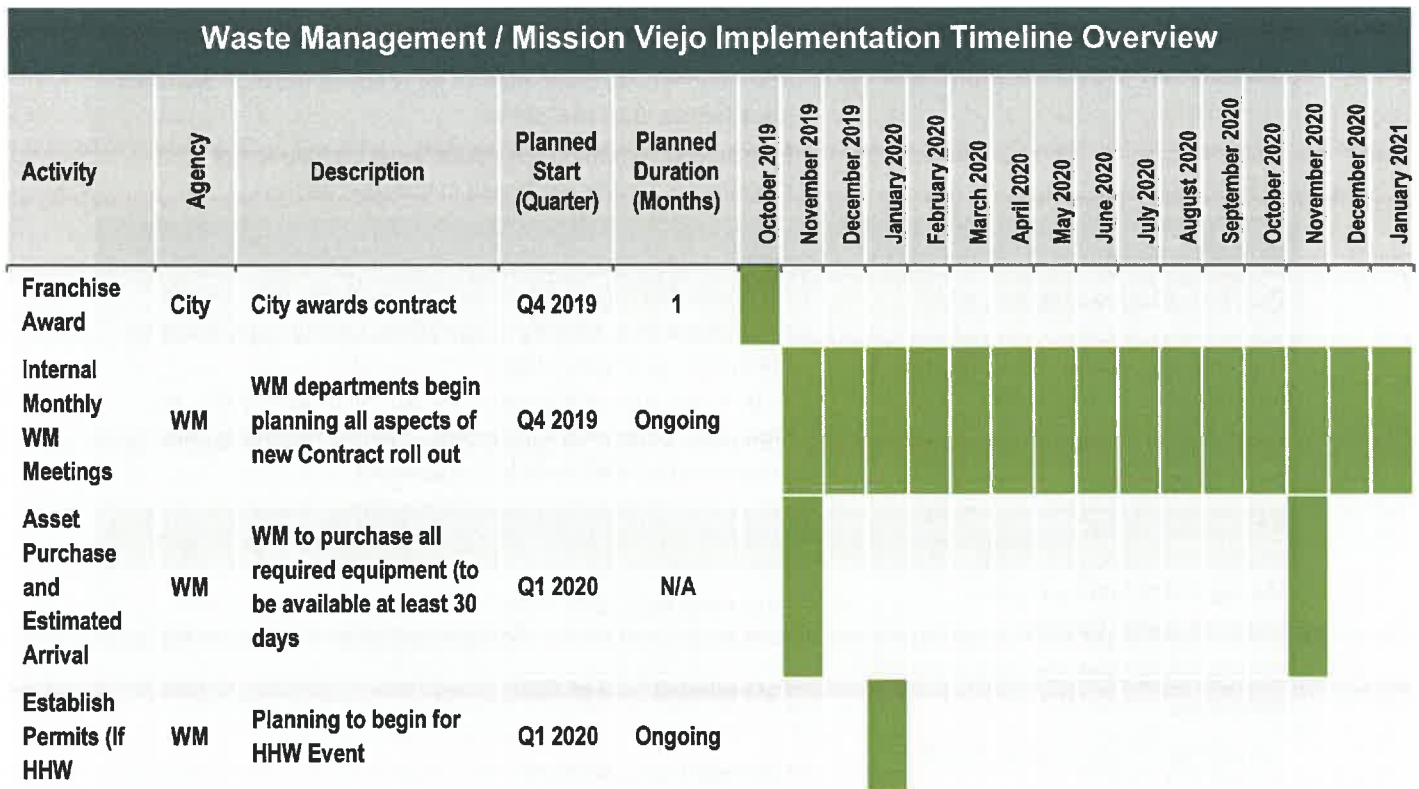
Implementation Planning

Implementation Tasks	Time of Year
Key Milestones	
Notice of award	Estimated October 2019
Internal Waste Management implementation meetings	Estimated Monthly beginning November 2019
Waste Management and City staff implementation meetings	Estimated Monthly beginning January 2020
Operations	
Procurement of cart inventory	<p>All Waste Management collection equipment is currently in place. No anticipated changes to routes or collection days are required. All new carts will be ordered and in stock at least 30 calendar days before the start of the Contract.</p> <p>It is expected to take one month to exchange each customer's carts with new SB1383 color-schemed equipment beginning January 1, 2021. Waste Management proposes use of current trucks and bins with new equipment being phased in as necessary throughout the life of the contract.</p> <p>If new trucks and bins are required, ordering (alongside the carts) will take place once the contract has been awarded and negotiations completed to be ready at least 30 calendar days before start of Contract.</p> <p>Information regarding the educational distribution of materials is further explained in the next section.</p>
Procurement of new collection vehicles	
Develop cart and container swap schedule	
Develop any new/additional routes using existing routes	
Conduct cart and container transition	
Driver Training	
Conduct driver recruitment effort	<p>All Waste Management drivers are in-place, fully trained, and have over a century of combined driving experience on the streets of Mission Viejo.</p> <p>Prior to the start of the new contract, all drivers, RMs, and Operation personnel will undergo training regarding new program enhancements to the contract.</p>
Request and establish billing codes for new services (if applicable)	
Update existing billing codes with new rates (if applicable)	
Customer Service	
Management conducts pre-implementation training	Estimated Q2-Q4 of 2020
Detailed <u>new</u> Contract curriculum developed	Estimated Q1-Q2 of 2020
Green Pages are updated to reflect Contract changes	Estimated Q2-3 of 2020

Implementation Tasks	Time of Year
Management conducts small group CSR training on <u>new</u> Contract terms and changes	Estimated Q3-Q4 of 2020
New Green Pages content goes-live	Start of contract
Communications/Public Education	
Finalize strategic communications plan & attain city feedback/approval	Estimated Q1-Q2 of 2020
Promote implementation at scheduled community locations and events	Estimated Q4 of 2020
Conduct media outreach	Estimated Q4 of 2020
Conduct commercial customer site visits	Estimated Q4 of 2020
Design and distribute new Contract Information Package	Estimated designing to occur Q2 of 2020 with distribution estimated Q4 of 2020

Key Implementation Tasks and Timeline

For further information regarding planned implementation specifics, please see the following graphic which is intended to provide a visual timeline.



Waste Management / Mission Viejo Implementation Timeline Overview

Activity	Agency	Description	Planned Start (Quarter)	Planned Duration (Months)	October 2019	November 2019	December 2019	January 2020	February 2020	March 2020	April 2020	May 2020	June 2020	July 2020	August 2020	September 2020	October 2020	November 2020	December 2020	January 2021
Events Selected)																				
Education and Outreach	WM/ City	Contract Liaison and Recycling Coordinator to begin design work in preparation for final submission to City by RFP deadlines	Q1 2020	6																
Media Production	WM/ City	Filming to commence	Q2-Q3 2020	3																
Education and Outreach	WM	Community bi-weekly Town Halls	Q4 2020	3																
Education and Outreach	WM	Geo-targeted advertisements and information videos	Q4 2020	3																
Education and Outreach	WM	Welcome letters	Q3 2020	1																
Education and Outreach	WM	Service Guides	Q4 2020	1																
Education and Outreach	WM	Multi-Family Outreach to Discuss New Programs (Including Upcoming)	Q1 & Q4 2020	6																
Commencement	WM/ City	New Contract Begins	Q1 2021	96																
Asset Delivery	WM	Deliver New Carts Including Cart Tags	Q1 2021	1																
Commercial Site Visits	WM	In-Person Site Visits to Discuss All Aspects of New Contract	Q1 2021	1																

2. *Customer Service: Proposers shall provide a detailed plan describing their customer service approach, their proposed plans to meet the City's expectations, staffing levels and City-specific service solutions and training programs. The City requires first-rate customer service delivery. Of critical importance is the provision of accurate information on the first call; minimal hold times for customers after the automated system initially answers a call and places the customer on hold; dedicated, highly-trained customer service representatives to provide City customers with accurate information regarding SB 1383-related services; and, responsive local contacts to support the City with service requests, issues and ongoing implementation of Agreement requirements.*

Waste Management has refined our customer service procedures for many years to better serve the City of Mission Viejo. Over the past decades, we have invested in staff training, technology and continuous improvement to achieve best-in-class customer service delivery for the City. Your accounts are established, your CSRs are trained, and Waste Management is ready to deliver an exceptional customer service experience for your residents starting on day one of this next Contract.

Customer Service Staff Dedicated to Mission Viejo

As previously mentioned, Waste Management utilizes the Genesys customer interaction management platform to help monitor staff adjustment needs. Genesys is a global leader in the customer care technology industry. Their system provides the data and an algorithm used for staff-level monitoring and serves as an invaluable tool for our customer service management team.

We provide sufficient staffing through our ability to shift staffing levels according to the volume of phone calls. If a team of representatives is experiencing higher than normal call volume, we are able to move additional representatives to that team to handle additional incoming calls. Additionally, customers are provided with an automated call-back option (no need to hold; we will call you back) during high call volume periods.

Environmental Legislative Excellence and Full Support

Combined, Mission Viejo's contract liaison, Hashem Shokair and Designated Recycling Coordinator, Ashley Brunier have already invested years of planning into developing a multi-faceted, customized and easy to comprehend education and outreach program not only for current, but also for upcoming, state mandates such as SB 1383. Further, our local operations staff already know your customer's needs and have built strong relationships with all current property managers, business owners and community organizations to better and more efficiently disseminate information throughout the City. Our ties with the Chamber of Commerce are stronger than ever with pre-identified events targeting education and outreach already established.

The City is interested in receiving proposals featuring innovative approaches to training customer service representatives and establishing an automated phone system to ensure customers are quickly and accurately routed to representatives specializing in City services. Proposals should describe training and systems in place to mitigate the occurrences of inaccurate information provision.

Waste Management Customer Service Representative Training

Waste Management provides a five-week training program for new CSRs in our dedicated classroom-style training facility at our customer service center that allows for continuous training without interruption.

Waste Management also employs full-time professional trainers responsible for new hire training and ongoing training of our experienced customer service team. Additionally, our trainers monitor and develop new training material as needed so that our customer service professionals receive the most current, accurate information.

The training curriculum is designed to introduce new CSRs to the communities we serve and to the Waste Management family. It also provides a strong, consistent foundation in the areas of customer-focused service, professionalism, safety, and company pride. A brief description of our training curriculum is provided in the following table.

<p>New Hire Orientation</p>	<ul style="list-style-type: none"> ✓ History of Waste Management. ✓ Products and services. ✓ Commitment to our municipalities and customers. ✓ Commitment expected from our employees.
<p>Getting to Know Our Business</p>	<ul style="list-style-type: none"> ✓ Videos of Materials Recovery Facilities (MRFs), transfer stations, and composting facilities. ✓ Geographic review of service territory. ✓ Municipal partner and contract overview. ✓ Understanding and successfully communicating all service and product offerings.
<p>Customer Relationships and Engagement Tools</p>	<ul style="list-style-type: none"> ✓ Clear communication. ✓ Establishing trust and satisfaction through active listening and quick problem resolution. ✓ De-escalation techniques. ✓ Staying positive and calm in challenging situations. ✓ Exhibiting a consistently high level of professionalism.
<p>Call Center Equipment and Systems Training</p>	<ul style="list-style-type: none"> ✓ MAS, Waste Management's integrated billing system. ✓ Green Pages, a comprehensive knowledge management tool. ✓ CAAG, a consolidated and comprehensive customer history and service database. ✓ Genesys, Waste Management's customer interaction and staffing management system. ✓ Telephone system that manages each call center interaction, as well as individual CSR productivity.

For further information regarding procedures and aspects of our state-of-the-art Commerce Call Center, including systems in place to mitigate issues, please refer to Section 1, D Management and Customer Service Systems, Question #2 of Waste Management's proposal response.

The City is also interested in receiving proposals featuring a plan for dedicated response personnel for SB 1383-related questions from SFD and MFD customers to ensure the accuracy of information provided to customers and increase the effective adoption of SB 1383 programs and services.

Waste Management believes that a comprehensive, community-based public education and outreach campaign, coupled with in-person, fully accessible local staff experts are the only way to ensure that new legislative mandates are not only understood, but embraced by all constituents of Mission Viejo. As such, Waste Management has invested heavily in local staff training for Mission Viejo's Contract Liaison and Recycling Coordinators.

Mr. Shokair and Ms. Brunier will continue to provide unmatched customer service as already experienced by Mission Viejo staff, customers and residents. All educational material, including videos, flyers and pre-scheduled community workshops as well as seminars will be planned and conducted by the local team.



Further, Waste Management has extensive experience working with Mission Viejo’s current third-party consultant in legislative compliance measures, including developing educational flyers and programs. Mission Viejo can capitalize on this synergy for seamless expansion as we include all aspects of the new Contract.

This knowledge is not only instilled in Mission Viejo’s customized Green Pages, but all Waste Management CSRs have direct access to both Mr. Shokair and Ms. Brunier, 24 hours a day, 7 days a week. The same goes for City staff, residents and businesses. Waste Management believes that in-person communication is the best conduit for shared understanding and ultimate customer service excellence. As such, our local team is fully available to provide total assistance whenever needed.

Proposers utilizing a national-accounts-type program, where corporate-based account managers are assigned to national retail, restaurant and other chains, shall include a Memorandum of Understanding from the director of the national accounts program regarding the local liaison requirements described in Article 8.5C.

Waste Management intends to fully comply with Article 8.5C of the new Contract and implement a Memorandum of Understanding once negotiations are completed. Further, through customer service testimonies and experiences, our local team have analyzed any perceived deficiencies in customer service excellence and will continue to act and support streamlined and accurate communication between account representatives and national businesses.

3. Billing System: Proposers shall provide description of their billing approach and procedures for handling customer billing activities. Proposers should describe any innovative systems in place for customer bill payment.

A Fully Integrated Billing System

At Waste Management, everything we do is about creating an outstanding experience for our customers. That is why we use the equipment and software that we do. The fully integrated capability of our system confirms that customer information is correct, and the overall customer experience is exceptional. For Waste Management, our billing system is not just “back office” processing; it is the backbone of the customer’s experience.

As previously stated, Waste Management utilizes MAS as our customer billing system. MAS software operates on an IBM iSeries AS400 Platform, running i5/OS version 7.1. It can be accessed through a secure, internet VPN-based connection 24 hours each day, seven days a week.

Waste Management’s Billing System Features and Benefits

Fully Integrated Billing. MAS integrates all billing, routing, and customer service information into one operating system. Waste Management’s invoice format is based on extensive research, customer feedback, and field testing. Our invoices provide the opportunity to create custom billing inserts and messages that are tailor-made for Mission Viejo. For online customers, we post electronic versions of the inserts to their online invoice for a total “green” experience.

Reliability and Redundancy. We perform ongoing data quality assurance audits to confirm that all information is accurate and up-to-date. Our billing system data, like all our critical systems, are continuously backed up to reduce the risk of data loss.

Efficient Route Sequencing. Electronic route logs are generated from billing data every day to confirm service accuracy. These electronic records are downloaded to the drivers’ tablets nightly. New customers and customers with service level changes are placed at the top of the driver’s route screen

**SIMPLE GUIDE TO YOUR INVOICE
(BACK)**

- 8** **What Do I Need to Know**
Here you'll find messages, updates and special offers just for you.
- 9** **How Do I Pay**
Five easy ways to make a payment.
- 10** **Change Your Contact Information**
It's easy. Complete this section to make sure you receive your invoice and stay connected.
- 11** **Set Up Automatic Payments**
Sign up for our automatic payment service for a convenient way to establish recurring payments on your account.

IMPORTANT MESSAGES

EASY WAYS TO PAY

HOW TO READ YOUR INVOICE

EXPLANATION OF COMMON CHARGES

CHECK HERE TO CHANGE CONTACT INFO

CHECK HERE TO SIGN UP FOR AUTOMATIC PAYMENT SERVICE

Paperless Billing

A growing number of Waste Management customers prefer to view their bill electronically rather than receiving a traditional paper bill. For these customers, we offer a secure online invoice presentation as well as convenient options for bill payment. Customers can select to either make a one-time payment or to register their Waste Management account to:

- Enroll in paperless billing – eliminating printed invoices.
- Set up automatic (recurring) payments – making payment effortless.
- Store payment information – creating a faster, easier, and safer payment option.



B. Diversion Outreach and Education Plans

The Proposer shall to comply with all CalRecycle requirements for Outreach and Education, Monitoring and Reporting, and Performance Standards and other applicable regulations. The City requires programs that will achieve full compliance with AB 939, AB 341, AB 1594, AB 1826 and SB 1383; and all related state laws and regulations in effect during the term of the Agreement. The Proposer shall include proven strategies and innovative, dynamic approaches to achieve outreach, education and monitoring. The selected contractor's proposed Diversion Outreach and Education Plan shall be incorporated into the Agreement as part of Exhibit 7. Proposers should include a thorough description of their plans, examples of proven strategies, and demonstrate their understanding of the City's desired services.

1. Transition Public Education and Outreach Plan

1. Transition Public Education and Outreach Plan: Proposer shall describe their proposed public education and outreach plan for the activities required to transition to new services. The plan shall include, at a minimum, the following components: • Budget • Timeline • Description of all proposed activities • Description of all proposed printed materials and electronic content • Examples of materials and content the proposer has developed for other jurisdictions (proposer may include materials as an attachment or provide images of the material within the proposal text).

In today's world, we cannot rely on one form of customer communication, which is why we have many methods of connecting with our customers. All of our outreach efforts share a common goal - to provide clear, concise, and relevant service information. In addition, Waste Management wholly intends to achieve full compliance with AB 939, AB 341, AB 1594, AB 1826, and SB 1383 requirements. To achieve this mission, Waste Management understands that a mass education and outreach campaign will be needed early on to attain the desired recycling behavior and knowledge among Mission Viejo residents and businesses.

During the new Contract implementation, Mission Viejo residents and businesses will want to know:

- Who will be picking up their material and how to contact them?
- What the major changes will be and how those changes impact them?
- When new services and service-related changes go into effect?
- How to properly participate in new services?
- Where to go for more information?

We will proactively answer these questions and engage customers in-person, online, through local news outlets, and by providing printed material via direct mail. Waste Management plans to allot approximately \$100,000 to help facilitate the education and outreach effort we feel is required to transition residents and businesses to new programs and services related to these state mandates and the new Contract. This budget allocates for the implementation of the transition plan, which includes design and development of educational materials along with printing, distribution, training, and staffing. In addition, Waste Management plans to allot roughly \$250,000 in year two of the Agreement to adjust residents, MFD tenants, and commercial businesses to the requirements of SB 1383. The proposed strategies for SB 1383 outreach and education are discussed in the sections detailing SB 1383 requirements.



Mission Viejo Children's Environmental Day Event. Compost Class for 3rd Graders led by Recycling Consultant Lisa Ryder

Waste Management would like to begin our public education and outreach campaign in the fourth quarter of 2020 to prepare customers for the new Agreement, which is to take effect on January 1, 2021. The public education and outreach campaign will be ready by February 28, 2020, so that it may be reviewed by the City and allow for timely distribution of the material. In addition, Waste Management will participate in a kick-off meeting by April 15, 2020, with City staff and/or the Diversion Monitoring Consultant to review, adapt, and initiate the plan. Much of the materials, methodologies, and strategies behind Waste Management's proposed campaign have been successfully utilized in previous years in cities such as Santa Ana, Laguna Beach, Laguna Woods, Irvine, Manhattan Beach, Tehachapi, and more. Please see the following description of proposed strategies and materials, along with the timeline and examples from other Waste Management jurisdictions.

SFD Public Education and Outreach Activities

24/7 access to wm.com

The initiation of the kick-off meeting will allow our team to begin collaborating with City staff to build out a Mission Viejo-specific webpage that includes meaningful service information, photos, and resources that reflect the interests of the SFD, MFD, and commercial businesses throughout your community. Using Waste Management's local website, customers will easily find information about the upcoming Contract transition as well as service information, disposal resources, rates, and recycling resources. Online account management functionality allows customers to:


- Initiate service or request additional services.
- Schedule an empty and return (roll off customers only).
- View pickup schedule and collection ETA.
- Schedule an extra pickup or bulky item collection.
- Request cart or container repair.
- Edit account contact information.

For SFD customers specifically, the website will also contain information about pertinent State mandates such as AB 939, AB 1594, and SB 1383 and what residents need to do to comply. In addition, the website will have a Frequently Asked Questions (FAQs) page and a form that will allow customers to submit recycling questions directly to Waste Management's Mission Viejo-dedicated Recycling Coordinator.

Welcome Letter

By October 1, 2020, we will mail each customer a simple note to inform them of the upcoming new Contract transition and reassure them that more information will be provided as we get closer to the implementation date. At this time, we will also direct customers to our website, customer service center, and upcoming community meetings for more information.

The City of Mission Viejo
RFP for Integrated Solid Waste Collection Services



City of Tehachapi Residential Service Information

Welcome to Waste Management!

Waste Management is proud to be your waste and recycling service provider in Tehachapi. This guide will assist you in using your residential service.

CUSTOMER SERVICE
(805) 822-2200

To get started, Waste Management provides you with two different wheeled carts: one for recyclables and one for trash. Your trash cart is serviced once per week on your regularly scheduled service day and your recycling cart is serviced once every other week on your service day. Information about what materials should go into each cart are included on the follow page of this guide.

For more information about your residential service, visit tehochapicityhall.com or contact the City of Tehachapi at (805) 822-2200, through the methods listed in this guide. By working together, we can keep Tehachapi a clean, green community!

ADDITIONAL SERVICES & ACCOUNT UPDATES

- For information on additional services, such as bulky item collection and additional trash or recycle carts, please visit wm.com and type in your address.
- To discontinue service or update the billing information on your account, please visit the City of Tehachapi's website, tehochapicityhall.com and complete a Utility Service Termination or Update/Change Form.

CART SERVICE REMINDERS

- Place all materials in the appropriate container and close the lid.
- Material left outside the cart(s) will not be collected.
- Roll carts into street or alleyway and place them against the curb, handles facing your home. Place carts at least two feet apart from other carts and objects.
- Place your carts at the curb by 6:00 a.m. on your service day. Emptied carts should be removed from curbside by 6:00 p.m. on the same day.




HOLIDAY SCHEDULE

Collection service does not occur on the following holidays:

> New Year's Day	> Memorial Day	> Independence Day
> Labor Day	> Thanksgiving Day	> Christmas Day

When a holiday falls on a weekday, your collection will be delayed one day. If a holiday falls on a Saturday or Sunday, there will be no delays in your service.

Follow these three simple rules while recycling:

-  **1** Recycle all empty bottles, cans and paper.
-  **2** Keep foods and liquids out of the recycling bin.
-  **3** Keep recyclables loose and not bagged in plastic bags. Take plastic bags back to your local grocer.

FOR RECYCLABLES (INFO ON THE BACK OF THIS PAGE).

THINK GREEN!

RECYCLING COLLECTION

Your cart with a Blue Lid is for Recycling Collection. Waste Management and the City of Tehachapi are working together to help residents to Recycle Often, Recycle Right.™ Just follow the guidelines below and then place your recycle cart at the curb on your regularly scheduled service day every other week. Because we value your participation, Recycling Collection is being provided at no additional cost to you.



RECYCLE OFTEN


Metal Cans
Soda, tin & automotive cans,
vegetable, food & tuna cans


Plastic Bottles &
Containers


Paper
Covers, newspapers, news-
papers, office paper,
magazines, paper napkins


Paper Cardboard,
Dairy & Juice
Containers


Rethrow Cardboard
& Paperboard


Glass Bottles & Jars

RECYCLE RIGHT

Always use care to ensure quality materials in recycling.









Items that should not be included in your recycling cart:

- Food waste
- Polystyrene cups or containers
- Plastic bags and film
- Needles and syringes

TRASH COLLECTION

Your cart with a Black Lid is for Trash Collection. Trash guidelines:

- Trash is household waste that cannot be recycled.
- Cart weight is not to exceed 250 lbs.
- Material should be loosely packed to empty easily.

Oil paint, batteries, CFL, bulbs, oil, electronics or needles.

ADDITIONAL SERVICES

Waste Management provides additional, value-added services in the City of Tehachapi upon request. These services include:

- Sewer Pumping
- Portable Toilets
- Propane Service

To find out more about these additional services, contact (805) 822-5273.

ADDITIONAL INFORMATION

Waste Management's website wm.com contains additional information about the following:

- Bulky Item Collection
- Car Care
- Billing and Payment Options

HAZARDOUS HOUSEHOLD WASTE (HHW)

Hazardous Household Waste (HHW), such as household cleaners, paint, fluorescent light-bulbs, motor oil and electronic waste is harmful to the environment and should not be disposed of in your outside cart.

To ensure proper disposal of these items, Kern County has three designated Special Waste Facilities as well as regular One-Day Hazardous Waste Collection Events for residents. To learn more about HHW events, visit kerncountywaste.com.

THINK GREEN!

Sample Welcome Letter

A Comprehensive Welcome Packet

Immediately following the award of the contract, we will develop a comprehensive guide to services which will be ready for City review by February 28, 2020. By December 1, 2020, we will mail each SFD customer a welcome packet that contains an overview of key implementation information and dates, new services, rates, a collection schedule, a recycling guide, and information on how to access local resources to learn about upcoming events through the Waste Management local website. The welcome packet will also include information on State-mandated programs and what each customer needs to do to comply. In the event a customer's service day is changing, we will also notify them of their new pickup day as part of this mailing. New customers throughout the term of the Contract will also receive a welcome packet upon signing up for services with Waste Management.



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This proposal is printed on 100% recycled paper



The City of Mission Viejo RFP for Integrated Solid Waste Collection Services

Recycling and Diversion Programs

Participate in the following recycling and diversion program to reduce your trash.

Recycling: Weekly Collection Services Laguna Beach residents are provided free biweekly recycling bins. 22 bins per calendar year. Bins are collected every two weeks. Items accepted include newspapers, magazines, catalogs, and household waste up to 12 inches long by 12 inches wide by 6 inches high. Laguna Beach residents may request additional bins for collection at a charge. Bins are collected separately from the residential curbside program. Laguna Beach residents must call the Customer Service Center to schedule a bin swap.

Leaf Collection Program: Available October 1 - February 28, Laguna Beach residents may participate in the Leaf Management curbside collection program. Residents may request additional bins or swap to the leaf collection program. Residents may request additional bins or swap to the leaf collection program.

Holiday Tree Recycling: Waste Management will collect and recycle holiday trees for the first three weeks following Christmas. Residents may request additional bins or swap to the tree recycling program. Residents may request additional bins or swap to the tree recycling program.

Drop-off Box for Expired and Unusable Medicines: Laguna Beach residents can bring expired and unusable medications to the Laguna Beach Drop-off Box. Residents may request additional bins or swap to the medication drop-off program. Residents may request additional bins or swap to the medication drop-off program.

Events

Annual One Day Event for Drop off of Universal Waste, E-Waste, Paint and Document Shredding: Open to all Laguna Beach residents. Residents may request additional bins or swap to the one-day event program. Residents may request additional bins or swap to the one-day event program.

Community Workshops: Waste Management will host community workshops on recycling and composting. Residents may request additional bins or swap to the community workshop program. Residents may request additional bins or swap to the community workshop program.

Annual Spring Compost Give-Away Event: Laguna Beach residents may request additional bins or swap to the annual spring compost give-away event program. Residents may request additional bins or swap to the annual spring compost give-away event program.

THINK GREEN!

Learn more at www.wm.com



Waste Management
1800 South Coast Drive
Westlake, CA 91391



City of Laguna Beach Residential Recycling and Refuse Services Guide

How to Use This Guide

The City of Laguna Beach and Waste Management want to make it easy for residents to get rid of their waste in a way that helps protect the environment. This guide is intended to provide residents with important information on what to recycle, what to reuse, and other recycling and diversion programs available in Laguna Beach. Please keep this service guide to reference throughout the year.

Weekly Collection Services

Residential Recycle and Recycling collection is provided once per week. The residential waste collection schedule is available on the City's website at <http://www.lagunabeachcity.org/recycling>.

Automated Cart Services:

Waste Management offers trash and recycling carts. 20 gallon, 64 gallon or 96 gallon. Residents may request additional bins or swap to the automated cart program. Residents may request additional bins or swap to the automated cart program.

Holiday Schedule:

Residents may request additional bins or swap to the holiday schedule program. Residents may request additional bins or swap to the holiday schedule program.

Special Services:

Special services include: Holiday Tree Recycling, Leaf Collection, and Medication Drop-off. Residents may request additional bins or swap to the special services program. Residents may request additional bins or swap to the special services program.

Billing Information:

Residents may request additional bins or swap to the billing information program. Residents may request additional bins or swap to the billing information program.

Additional Carts:

Residents may request additional bins or swap to the additional carts program. Residents may request additional bins or swap to the additional carts program.

Automated Cart Service for Special Service Areas:

Residents may request additional bins or swap to the automated cart service for special service areas program. Residents may request additional bins or swap to the automated cart service for special service areas program.

Service Inquiries:

Residents may request additional bins or swap to the service inquiries program. Residents may request additional bins or swap to the service inquiries program.

Customer Service 949-842-1151

www.wm.com

What Goes in Your Cart

Recycling



Paper/Cardboard



Plastics



Metal/Glass



Green Waste



Acceptable Items:



Not Acceptable:



Trash



Acceptable Items:



Not Acceptable:



Cart service reminders:

1. Place your cart on the curb on the day of collection.
2. Do not place items in the cart that are not accepted for collection.
3. Do not place items in the cart that are not accepted for collection.
4. Do not place items in the cart that are not accepted for collection.
5. Do not place items in the cart that are not accepted for collection.

Programs to Safely Dispose of Household Hazardous Waste

At Your Door Special Collection: Electronics, Paint, Used Motor Oil, Household Batteries, Garden Chemicals and Household Cleaners. Waste Management offers a drop-off service for hazardous waste.

1. Contact us for more information.
2. Schedule a drop-off appointment.
3. Bring your hazardous waste to the drop-off location.

Mail-Back Kits for Safe Disposal of Waste and Shingles. Laguna Beach residents may request a mail-back kit for the safe disposal of hazardous waste.

- Liquor Drop: 228 Bradley Laguna Beach 949-715-8288
- CVS Pharmacy: 30843 N. Coast Hwy, Laguna Beach 949-766-2722
- Petland Pharmacy: 807 N. Coast Hwy, Laguna Beach 949-766-1363

Drop-off Locations for Recycling of Household Batteries, Tubes and Compact Fluorescent Lamps across the City of Laguna Beach. Residents may request additional bins or swap to the drop-off program.

- Batteries: Community and Public Services Center - 240 Broadway
- Compact Fluorescent Lamps: Community and Public Services Center - 240 Broadway

Additional Disposal Options

Company Web Services: Residents may request additional bins or swap to the company web services program. Residents may request additional bins or swap to the company web services program.

Resident Drop-off: Residents may request additional bins or swap to the resident drop-off program. Residents may request additional bins or swap to the resident drop-off program.

Household Hazardous Waste Collection: Residents may request additional bins or swap to the household hazardous waste collection program. Residents may request additional bins or swap to the household hazardous waste collection program.

Sample Residential Service Guide



Cart Tags

Beginning January 1, 2021, Waste Management will include service guide cart tags when delivering new containers to residents. The service guide will explain with images and bilingual text what waste stream each cart color represents, which materials are acceptable, and what common materials are considered contamination. The cart tag will also contain the contact information of the customer service center and how to access the Waste Management local website for more information or questions.

Cart Labels

Should Waste Management be awarded the new contract, we will immediately begin designing a label to be attached to SFD carts which will be compliant with CalRecycle's guidelines for signage. The design will be ready by February 28, 2020, in time for the City to review and suggest any modifications. Likewise, the labels will be printed in the fourth quarter of 2020 in time for the roll-out of the new carts in January 2021.

Community Meetings

Waste Management will hold bi-weekly community meetings beginning November 2020 through January 2021. These meetings will be held at convenient and accessible locations to introduce residents to new service offerings and review key transition information. Each meeting will include a new service overview, followed by an open question and answer session. Informational meeting dates will be included in all pre-implementation press releases and resident mailings. Potential locations for scheduled community information meetings include:

- Norman P. Murray Community and Senior Center
- Mission Viejo City Hall
- Mission Viejo Library

Throughout the transition, our Public Sector team will also be available to attend Mission Viejo City Council meetings to provide updates and address questions from Council members, City staff, and the community.

How-to-Video

Waste Management will coordinate with a videographer to produce a service tutorial so that residents can easily learn how to use their Waste Management source-separated containers. The video will illustrate how to source separate recyclables and organics waste and explain what should and should not be placed in each container. This video production is estimated to occur in the summer of 2020 so that it may begin circulating in the fourth quarter in 2020. Waste Management will post the video on Mission Viejo's local Waste Management website and will promote through paid social media ads that are and geo-targeted to reach the Mission Viejo community.

Media Outreach

We will collaborate with City staff to conduct outreach to local news sources. Press releases will be distributed throughout the Contract implementation to promote key implementation messages and dates, new service offerings, and community educational events. In addition, Waste Management will generate geo-targeted social media ads to Mission Viejo residents about new services and upcoming community events. We will also explore the use of popular local social media pages, such as the Mission Viejo Connection Page which contains over 12,000 members, to spread awareness throughout the community.

MFD Public Education and Outreach Activities

Waste Management will customize our education and outreach activities to meet the specific needs of MFD properties. Specialized public education resources and outreach efforts for MFD properties will include:

24/7 access to wm.com

In addition to the features previously mentioned, MFD residents and staff will have 24/7 access to the Waste Management local website, which will specifically contain information pertinent to them. This includes information on State mandates such as AB 939, AB 1594, AB 341, AB 1826, and SB 1383 and what residents and staff need to do to comply. In addition, the website will have a FAQs page and a form that allows customers to submit recycling questions which will go directly to the Mission Viejo-dedicated Recycling Coordinator.

Welcome Letter/Site Visits

By October 1, 2020, we will mail each MFD property manager and/ or owner a personalized letter to inform them of the upcoming Contract transition and provide them an overview of key implementation information and dates. The letter will contain the contact information of the Designated Recycling Coordinator who will conduct a site visit and provide free technical assistance in reviewing collection services, State-mandated programs, and implementation plans prior to the beginning of the new Contract. The Recycling Coordinator will organize with the property manager/owner to distribute MFD specific educational materials and welcome packets to tenants toward the beginning of the new Contract. The Recycling Coordinator will also be available throughout the term of the Agreement and will work with property management and staff to confirm the MFD is prepared to meet SB 1383 requirements by January 2021.

In addition to the above activities, MFD tenants and staff will also be exposed to the community meetings and media outreach as previously described.

Commercial Public Education and Outreach Activities

Waste Management will customize our education and outreach activities to meet the specific needs of commercial properties. Specialized public education resources and outreach efforts for commercial properties will include:

24/7 access to wm.com

In addition to the features previously mentioned, commercial customers will have 24/7 access to the Waste Management local website, which will specific contain information pertinent to them. This will include information on State mandates such as AB 939, AB 1594, AB 341, AB 1826, and SB 1383 and what businesses need to do to comply. In addition, the website will have a FAQs page and a form that allows customers to submit recycling questions which will go directly to the Mission Viejo-dedicated Recycling Coordinator.

Welcome Letter

By October 1, 2020, we will mail each commercial customer a simple note to inform them of the upcoming Contract transition and reassure them that more information will be provided as we get closer to the implementation date. At this time, we will also direct customers to our website, customer service center, and upcoming community meetings for more information.

A Comprehensive Service Guide

By December 1, 2020, we will mail each commercial customer a service guide that contains an overview of key implementation information and dates, new services, rates, a collection schedule, recycling guide, and information on how to access local resources and the Mission Viejo-dedicated Recycling Coordinator through the Waste Management local website. The welcome packet will also include information on State-mandated programs and what they need to do to comply.



Sample Commercial Service Guide

Site Visits

Commercial customers will be visited by a Waste Management recycling specialist and are eligible to receive technical assistance, educational tools, and resources to help maximize the effectiveness of their recycling program. While with the customer, we will also confirm the accuracy of contact information and that containers on-site match the data we have on file.

2. Annual Diversion Outreach and Education Plan

2. Annual Diversion Outreach and Education Plan: Proposer shall describe their proposed Annual Diversion Education and Outreach Plan. The plan shall include, at a minimum, the following components: • Budget • Timeline • Description of all proposed activities • Description of all proposed printed materials and electronic content • Examples of materials and content the proposer has developed for other jurisdictions (proposer may include materials as an attachment or provide images of the material within the proposal text).

The true environmental and economic benefits of diversion programs are dependent upon not only making the effort to recycle (placing materials in the recycling carts) but making the effort to recycle right (placing the correct material in the correct cart). This consumer approach requires new and ongoing proactive education so consumers are conscious and careful about what they place in their carts. Focusing on recycling the right things has never been more important. At Waste Management, we are focusing on quality, increasing demand, and reducing the economic and environmental impact of the materials we manage for our customers. However, for recycling and organics programs to be

successful and sustainable for years to come, we must all commit to recycling only the right materials the right way.

As we have learned, it takes ongoing education and consistent enforcement efforts to make a true impact on behavior change. This is why Waste Management strives to provide an annual robust and encompassing education and outreach plan that will serve as ongoing reminders for the residents and businesses of Mission Viejo. Each year, Waste Management plans to allocate \$25,000 toward diversion program education and outreach for Mission Viejo residents and businesses. This will include the material design, development, printing, distribution, training, and any additional staffing required to fulfill the plan. Each year, the Waste Management Designated Recycling Coordinator will create a specialized diversion public education plan which will be submitted to the City for review by July 1st, prior to the start of each Contract year, beginning July 1, 2020. Within two months of submission of this plan, it is anticipated that the Recycling Coordinator will have the opportunity to meet with the City to review, adapt, and initiate the plan. The plan will include activities required to meet all AB 939, AB 341, AB 1826, SB 1383, and any other applicable regulatory requirements as described in Exhibit 9 of the Agreement, Diversion Performance Measures.

Following is a detailed list of proposed outreach and education activities with proven examples from other Waste Management jurisdictions where these tactics have been effective in improving diversion results among single-family residents, multi-families, and businesses.



Children's Environmental Fair

SFD Diversion Outreach and Education Activities

Quarterly Newsletters

Waste Management will produce quarterly newsletters to educate residents about recycling and organics recycling programs within the City. In addition, the City will have the discretion to dictate article topics or Waste Management staff can produce articles on topics such as recycling tips, food waste reduction best practices, Waste Management organics/recycling processes and programs, environmental facts, and more. These newsletters will be created two months before being mailed to residents along with their bills, which allows the City ample time to review and adjust as needed. Following is an example of a recent quarterly newsletter delivered to Mission Viejo residents:

Mission Viejo

Recycling News Fall 2019

Isn't it Time You Start Composting?



Composting is nature's way of recycling food and yard waste into a valuable and organic fertilizer for your garden. Nearly 20% of waste that ends up in landfills could be composted. Adding compost to your soil reduces watering needs, adds nutrients to the soil, eliminates the need for chemical fertilizers and keeps those harsh substances out of our storm drains and waterways. Best of all, it's free!

Composting uses a simple recipe:

1. Organic material: Greens (food scraps, yard trimmings, grass) and Browns (dry leaves, sawdust, straw, wood ashes, newspaper)
2. Water: Add water occasionally to moisten the pile
3. Air: Mix the pile every two weeks to add air to the pile

To learn simple composting techniques, join Waste Management at the City of Mission Viejo's free composting class:

When: Saturday, October 5 at 10:00 am
Where: Kershaw Garden at City Hall 200 Civic Center

Mission Viejo residents in attendance will receive discounts on Compost Bins and Worm Bins. For more information and reservations, contact Denise Matson at dmatson@cityofmissionviejo.org or (949) 470-3010.

Join WM at the City of Mission Viejo's Hometown Halloween!

Hometown Halloween includes carnival game booths, crafts, face painting, music and pony rides. After 6:00 p.m. check out the glowing haunted maze! Most activities are free, but there's a small fee for some. Kids are invited to come in costume for the trick or treat event, so don't forget to bring a bucket or a bag for candy!

When: Saturday, October 26 from 4:00 – 7:00 pm
Where: Oso Viejo Community Park, 24932 Veterans Way
Cost: Free Entry

Fun Fact: Over 1.3 billion pumpkins are produced in the United States each year! Did you know you can recycle your holiday pumpkin in the green waste cart? Please ensure your pumpkin is completely empty of candles or decorations before placing it in the green waste cart.

Mission Viejo Free Shred Event

Waste Management has proudly partnered with the City of Mission Viejo to sponsor free quarterly shredding events for Mission Viejo residents and business owners in 2019! Disposal of up to 10 banker-size file boxes (24" wide x 12" high) is permitted. Please ensure all documents and boxes are free of binders, paper clips, plastic sleeves and metal butterfly clips. Items not accepted include CDs, credit cards, three-ring binders, wire dividers, newspapers, magazines and spiral notebooks.

When: Saturday, November 9
Where: Mission Viejo High School 25025 Chisanta Drive, Mission Viejo
Time: 9:00-11:00 am, or until truck capacity is reached.

Holiday Tree Recycling

Curbside tree collection for residents will take place on your collection day from December 26, 2019, through January 16, 2020. Please place trees at the curb, or in your green waste cart, on your regular collection day.

- Trees longer than six (6) feet must be cut in half
- Please remove all decorations including tinsel, lights, ornaments and tree stands
- Flocked trees will be collected but cannot be recycled

You can also take your tree to the designated WM bin at any of these locations:

- Mission Viejo Animal Services Center 28095 Hillcrest
- Marty Russo Youth Athletic Park 22056 Olympiad Road
- Gilleran Park 24960 Felipe Road

Holidays

Waste Management observes the following:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

Residential collection service will be delayed one day following the above holidays. If a holiday falls on a Saturday or Sunday, there will be no delays.



RECYCLE OFTEN. RECYCLE RIGHT.

Recycling DOs & DON'Ts

DO recycle all empty bottles, cans, paper and cardboard.
DO keep foods and liquids out of recycling.
DO place your recyclables loosely in the cart.

DON'T include food-soiled items – they can turn an entire load of recycling into trash.
DON'T add sharp or dangerous materials like needles and electronics – they can cause injury to our workers.
DON'T toss in "tanglers" like rubber hoses and wires – they can shut down an entire recycling center!
DON'T include bulky items like propane tanks or construction debris.


Trash


Recycling


Green waste

WASTE MANAGEMENT CUSTOMER SERVICE
1-866-WM-RECYCLE (949) 642-1191 home.wm.com/mission-viejo

Media Outreach

Waste Management will continuously provide media outreach to local news sources throughout the area to promote diversion program education, how-to-videos, and upcoming community events. Below are media coverage samples that are a result of our past media outreach in Mission Viejo:

Patch Mission Viejo, CA

Waste Management Shares Practical Recycling Tips for Businesses and Properties



Mary Hartley, Business Mission Viejo, CA

OC WEEKLY

OC WEEKLY BEST OF 2019

CALENDAR

JUN 29

FREE SHRED EVENT FOR MISION VIEJO RESIDENTS

JUN 29TH - 9:00 AM - 11:00 AM - MISSION VIEJO HIGH SCHOOL

Waste Management and the City of Mission Viejo will be offering a FREE Shred Event for Mission Viejo residents. The event will be held from 9:00 am to 11:00 am on June 29th at Mission Viejo High School.

Social Media Advertising

Waste Management will place geo-targeted social media ads and explore advertising on popular local social media platforms and pages throughout your community, such as the Mission Viejo Connection Facebook Page, to educate residents about diversion programs, recycling information and tips, and upcoming events.

24/7 access to wm.com

Waste Management will continuously update and make necessary changes to the Mission Viejo-specific website. In addition to updated information about AB 939 and SB 1383, the residential page will host the most recent:

- Newsletters.
- Flyers.
- Videos.
- Community workshops dates.
- Compost class dates.
- Shred event dates.
- HHW event dates.
- Waste Management event.

Residents will also be able to contact the Designated Recycling Coordinator in real time by submitting recycling questions through a question form.

Community Events

Waste Management prides itself on being more than just a waste and recycling service provider for our municipal partners. We view ourselves not as a “trash service provider,” but a community service provider. This means that we provide comprehensive services that focus on investment within our partner communities through event and organization sponsorships, recycling education, and first-class customer service. As part of Mission Viejo’s annual education and outreach campaign, Waste Management will have the Designated Recycling Coordinator at a minimum of six community events throughout the year. Each event will allow the Recycling Coordinator to distribute educational flyers and speak with members of the community to address any questions or concerns. Waste Management will also bring actual carts to appropriate events to showcase what materials should and should not be placed into each container. Waste Management also typically organizes table set up through the event coordinator. However, we can come prepared with our own equipment, if needed. This portion of the campaign will begin prior to the beginning of the new Agreement to expose residents to new service changes ahead of time, and to allow them to feel more comfortable and well informed about programs.

Quarterly Community Workshops. Waste Management will host quarterly program and service educational workshops at a City facility such as the Norman P. Murray Community and Senior Center, or another as preferred by the City. These workshops will be led by the designated Waste Management Recycling Coordinator and serve to educate residents about acceptable and unacceptable materials, and what Waste Management recycling processes are. Waste Management will bring real carts to these workshops to help residents visualize what should and should not be placed into each container. Toward the end of each workshop, there will be time for residents to ask questions and gather informational

materials. Workshops will be advertised through social media advisories, the Waste Management quarterly newsletters, the Waste Management local website, the Mission Viejo Connection Facebook page, and other social media platforms.

Cart Labels

As previously mentioned in the Transition Public Education and Outreach Plan, Waste Management will immediately begin designing a label to be attached to SFD Carts which will be compliant with CalRecycle's guidelines for signage. The design will be ready by February 28, 2020, in time for the City to review and suggest any modifications. Waste Management will be applying co-collected green waste and food waste cart labels in year one of the Agreement, upon the roll out of the new containers. By removing the need to replace organics cart labels with new labels in the second year of the Agreement, Mission Viejo residents will obtain additional savings in their rates. Waste Management will not be promoting commingled food waste with green waste until Year Two of the Agreement, but for any food waste that is tossed in the Organics container in Year One, Waste Management's facilities will be able to accept the material as the amount of food waste present is expected to be minimal.

Commercial and MFD Diversion Outreach and Education Activities

Site Visits

Annually, each commercial customer under the AB 341 and AB 1826 generation threshold and all MFD properties will be contacted by the Recycling Coordinator who will notify them of the associated State and/or local regulatory recycling and diversion requirements. The Recycling Coordinator will provide recycling and organic waste recycling program educational material in addition to information on local edible food donation options if applicable. For existing compliant customers, the Recycling Coordinator will organize with the decision-maker to conduct a site visit to confirm full participation in the program and to assess if further education or training is needed. For noncompliant customers, the Recycling Coordinator will confirm current service levels and organize with the decision-maker to set up a date and time for an in-person site visit so that a program implementation plan can be created and initiated. The Recycling Coordinator will provide free technical assistance, right-sizing, and training to all those who need it.

Educational Flyers

Each year, all commercial customers and MFD properties will receive a bill insert that provides information that explains how to meet and exceed State/local mandates pertinent to AB 939, AB 341, AB 1826, SB 1383 and any other applicable laws. This flyer will also include information on local edible food donation programs and resources that can be utilized to participate in food recovery. The flyer will contain the contact information of the Designated Recycling Coordinator for customers who have questions or for those in need of technical assistance. In addition, the flyer will promote the use of the Waste Management local webpage for commercial customers where they can find additional information and ask questions directly to the Recycling Coordinator. The City will have full discretion to alter the flyer as needed and place the City Seal on the letterhead.

24/7 Access to wm.com

All customers will have access to the Waste Management local website, which will showcase a page specifically tailored to both commercial and MFD customers. This page will feature information on State and/or local mandates, Waste Management diversion programs, local edible food recovery resources, FAQs, and a form that allows customers to request technical assistance and connect with the Designated

Recycling Coordinator. The website will regularly be updated to provide the latest information and details regarding state mandates, programs, services, and upcoming community events.

3. SB 1383 (SFD) Requirements

3. SB 1383 (SFD) Requirements: Proposer shall describe the plan for notifying all SFD customers of the co-collected organics program that will be activated on Jan 1, 2022. The plan should include a minimum of three touchpoints per household. Examples of touchpoint strategies include, but are not be limited to:

Waste Management firmly believes in the importance of a robust public education outreach campaign. For an organics recycling program to work, Waste Management knows that we have a responsibility to help recyclers learn how to recycle right so that our local organics recycling programs remain viable. Waste Management will dedicate ongoing resources to educate customers on exactly what materials can and cannot be placed in their organics recycling containers. As we have learned, it takes ongoing education and consistent enforcement efforts to make a real impact on behavior change.

As such, we must allocate responsibilities and resources for both education and enforcement in this Contract. Waste Management is committed to not only meeting but exceeding required annual public outreach efforts. As part of a vigorous educational campaign, Waste Management suggests the following beginning in the fourth quarter of 2021. Through this educational campaign, residents will have the opportunity to be introduced to new value-added services through multiple outlets and feel more comfortable and well informed about any proposed service offerings and changes to existing services.

Direct mail: describe the proposed type (e.g. postcard, letter, packet, etc.), content and schedule for mailing.

Direct Mailer

To introduce residents to the new organics recycling program, Waste Management will direct mail a letter to all Mission Viejo single-family dwellings by October 1, 2021. This letter will contain information about SB 1383, what the new organics recycling program is, when the co-collected organics program will commence, what Waste Management's organics recycling processes are, how to successfully participate in the program (i.e.: Contaminants, Dos and Don'ts), and when the in-home food waste containers will be delivered. The letter will also contain the dates of the initial community workshops which will allow for residents to learn more about the new program and ask further questions. The City will have full discretion to alter the letter as needed and place the City Seal on the letterhead.

• Educational materials: describe the proposed type (e.g. brochures, magnets, etc.), content, quantity and schedule for distribution of materials.

Educational Materials

By the end of Quarter Two in 2021, Waste Management will create an educational flyer that describes and/or illustrates what SB 1383 is, what are Waste Management's technologies and processes for recycling organics waste, and what can and cannot be placed into the organics recycling cart. This flyer will be reviewed by the City for modification and final approval. The intent is to have the flyers ready for print by September 2021 so that they may begin to be distributed at community events and workshops and inserted with the direct mailer that is initially sent out in the fourth quarter of 2021. It will also remain on the Waste Management local website for reference.

Printed Material: As mentioned previously, as part of the Annual Diversion Outreach and Education Plan, Waste Management will produce regular quarterly newsletters that will serve to educate residents about recycling and organics recycling programs within the City. In addition, the City will have the

discretion to dictate article topics, or Waste Management staff can produce articles on topics such as recycling tips, food waste reduction tips, Waste Management organics/recycling processes and programs, environmental facts, and more.

-
- *Community workshops: describe the proposed number and timeframe, as well as the proposed workshop agenda, workshop locations, and methods for advertising the workshops*
-

Community Workshops

Waste Management will host bi-weekly organics recycling educational workshops at a City facility such as the Norman P. Murray Community and Senior Center from November 2021 to January 2022. These workshops will be led by the Designated Waste Management Recycling Coordinator and serve to educate residents about what should and should not be placed in the organics recycling container and what Waste Management processes are utilized in order to recycle the material. Toward the end of each workshop, there will be time for residents to ask questions and gather informational materials. Following the initial transition phase beyond January 2022, the Recycling Coordinator will continue to host quarterly community workshops to promote ongoing education and diversion. These workshops will be advertised through social media advisories, the Waste Management quarterly newsletters, the Waste Management local website, and the Mission Viejo Connection Facebook page.

-
- *How-to video: describe the development and distribution of a video to showcase best practices for in-home co-collection programs within residential households.*
-

How-To Video

Waste Management will coordinate with a videographer to produce a simple, yet effective tutorial so that residents can learn how to participate in the organics recycling program. The video will specifically illustrate how to source separate organics waste and what should and should not be placed in the organics container. The video will also highlight some best management practices such as how to keep your organics container clean and how to reduce odor. This video will be produced and ready for circulation by the October 1, 2021 and it will be circulated on the Waste Management local website, where it will be available regularly, and other geo-targeted social media platforms.

-
- *Dedicated website: describe the development of timeline for launching a dedicated website that contains all pertinent information about the program.*
-

Dedicated Website

Waste Management currently has an effective and easy to use Mission Viejo-specific website that allows customers to view their service options, as well as educational information about programs and upcoming Waste Management events. This website will be used to upload various information about the City's organics recycling program such as newsletters, flyers, videos, community workshops dates, compost class dates, and more. The website will also contain information about SB 1383 and other applicable State mandates for residents to reference. In addition, the website will have a FAQs page and form that allows customers to submit recycling questions which will directly go to the Designated Recycling Coordinator.

-
- *Community events: describe the proposed number of events, the staffing plan and the approach for providing a table with outreach and information about the program for at events prior to the program roll-out.*
-

Community Events

As mentioned previously in the Annual Outreach and Education Plan, Waste Management prides itself on providing a comprehensive community service that focuses on investment within the community through event and community organization sponsorship, recycling education and compliance, and first-class customer service. As part of the organics education and outreach campaign, Waste Management will have the Designated Recycling Coordinator at a minimum of six (6) community events throughout the year. Each event will allow the recycling coordinator to distribute educational flyers and speak with members of the community to directly address any questions or concerns. Waste Management typically organizes table set up through the event coordinator, however Waste Management can come prepared with our own equipment if needed. This portion of the campaign will begin in the first year of the new Agreement in order to expose residents to the new service changes ahead and to allow them to feel more comfortable and well informed about the program.

- *School outreach: describe the approach to conduct direct outreach to schools within the City to provide educational programming for students including a staffing plan for conducting education presentations and/or assemblies for all schools within the City that request them.*

School Outreach

As previously stated, Waste Management's approach is intensely local. Our team is involved by participating in community-sponsored events, hosting tours of our facilities for local organizations and City residents, and working closely with schools to integrate recycling education into their school curriculum. For all schools in the City of Mission Viejo that request educational presentations or assemblies, Waste Management's Designated Recycling Coordinator will work closely with their staff to coordinate a preferred time and date for the presentation. Regardless if Waste Management is the school's designated hauler, many students will benefit from a Waste Management taught presentation as it is assumed that most students live within the City and they can use the recommended practices at home. Waste Management has performed various school presentations throughout Orange County and in Mission Viejo, which have included subjects such as a "Touch-a-Truck" presentation to a compost class. Waste Management is also happy to work with staff, administration, or environmental student organization groups to help kick-off school organics programs.

- *Other strategies designed by the proposer to ensure that the contractor will comply with the performance metrics described in Exhibit 9 and that the City will comply with SB 1383.*

In-Home Food Waste Containers

Waste Management understands that recycling food waste will be new to most residents. It is our goal to make this process as simple and convenient as possible. To prevent residents from discarding food waste into the trash container at home, we will provide each SFD a portable food waste container that can be placed in the kitchen. These containers are specifically designed with food waste in mind. They include vented lids which allow for airflow to circulate to reduce moisture and odor-causing bacteria. Each container comes with an easy-grip handle and clasp lid, which allows for easy transportation and odor and spill control. The lid can also remain open at a 90-degree angle for easier



filling, and it can be removed for regular cleaning. These containers will be delivered by Waste Management staff and third-party personnel to each SDF during a designated week on the resident's collection day in the fourth quarter of 2021. Notice of the delivery will be addressed in the direct mailer as previously mentioned.

4. SB 1383 (MFD) Requirements:

4. SB 1383 (MFD) Requirements: Proposer shall describe the targeted outreach plan for notifying all MFD complexes and residents of the co-collected organics program that will be activated on Jan 1, 2022. The strategies described above to meet SFD requirements may be used for MFD customers.

Multifamily dwellings will receive a similar targeted outreach plan as single-family dwellings, which include community events, local workshops, school outreach, and a website that features information on programs and services, newsletters, flyers, videos, FAQs, event dates and more. However, to more effectively reach MFD tenants, some of the methods have been customized. Please these the following education and outreach methods that Waste Management is proposing for MFD dwellings specifically:

- Describe the three proposed touchpoints and the proposed approach to customizing the strategy and/or materials for MFD complexes and residents.
-

Direct Mailer

Multifamily property managers or owners will receive a direct mailer that introduces staff to the new organics recycling program by October 1, 2021. This letter will contain information about SB 1383, what the new organics recycling program is, when the organics program will commence, what Waste Management's organics recycling processes are, and how to successfully participate in the program (i.e., contaminants, dos and don'ts, etc.). The letter will also contain the contact information of the Recycling Coordinator who will help implement the organics program at the property and assist with right-sizing and scheduling of the delivery of the organics carts and/or bins, if not already completed earlier in the year. The Recycling Coordinator will also assist with the education and outreach to tenants and coordinate the hand-delivery of in-home food waste containers and the MFD specific informational materials, which will include program information and workshop dates. The City will have the full discretion to alter the letter as needed and place the City Seal on the letterhead.

In-Home Food Waste Containers

Similar to single-family dwellings, we will provide each MFD household with a portable food waste container that can be placed in the kitchen. These containers will be hand-delivered by Waste Management staff and third-party personnel to each MFD during a designated week in the fourth quarter of 2021 that is agreed upon by the property manager and/or owner.

Educational Materials

By the end of Quarter Two in 2021, Waste Management will design an educational flyer that describes and/or illustrates what SB 1383 is, what are Waste Management's technologies and processes for recycling organics waste, and what can and cannot be placed into organics recycling carts. For MFDs that opt for organics bin service, an image of an organics bin will be used instead of a cart. This flyer will be distributed at community events and workshops and it will be inserted with the direct mailer that is initially delivered to MFD properties in the fourth quarter of 2021. It will also be posted to the Waste Management local website for reference.

- Describe the proposed for responding to MFD complex owners, managers and staff questions (e.g. telephone, e-mail or text, social media, website, etc.).

For complex owners, property managers, or staff members who have questions about the organics recycling program, the Designated Recycling Coordinator will be available via email and phone. The Recycling Coordinator's contact information will be available on both the direct mailer that is sent to property management in the fourth quarter of 2021 and on the Waste Management local website. The Recycling Coordinator can schedule to meet with staff onsite to discuss service options and needs and assist with providing education to tenants. In addition, the Recycling Coordinator can also organize with a route manager to assess space constraint concerns and develop potential solutions, as needed.

5. Commercial Food Waste Requirements

Approach to preparing a Food Waste Recycling plan in consultation with each business to determine and distribute the appropriate number and sizes of Containers, collection frequency and provide and distribute appropriate containers, Bins, Roll-Off Boxes or compactors to Customers.

The Waste Management Recycling Coordinator will continue to collaborate with the City's hired third-party consultant on education, right-sizing, and implementing recycling and organics programs. The Recycling Coordinator will be able to conduct site visits and perform waste assessments to determine customers' collection frequency needs. In addition, the Recycling Coordinator will be able to consult with businesses and coordinate the delivery of the appropriate number and size of containers.

Following is the standardized approach that will be taken for preparing a Food Waste Recycling Diversion plan for each business:

- Annually, all commercial customers will receive a bill insert that provides information that explains how to comply with State/local mandates such as AB 341, AB 1826, and SB 1383. This flyer will also include information on local edible food donation programs and resources. The flyer will contain the contact information of the Designated Recycling Coordinator for customers who have questions or for those in need of technical assistance. In addition, the flyer will promote the use of the Waste Management local webpage for commercial customers. The City will have the full discretion to alter the flyer as needed and place the City Seal on the letterhead.
- Annually, each commercial customer under the AB 341 and AB 1826 generation threshold will be contacted by the Recycling Coordinator who will notify them of the associated State and/or local regulatory recycling and diversion requirements. The Recycling Coordinator will provide food waste recycling program educational material and information on local edible food donation options. For existing compliant customers, the Recycling Coordinator will organize with the decision-maker to conduct a site visit to confirm full participation in the program and to assess if further training or education is needed. For noncompliant customers, the Recycling Coordinator will confirm current service levels and organize with the decision-maker to set up a date and time for an in-person site visit and food waste recycling training.
- On the day of the site visit, the Recycling Coordinator will perform an audit of the customer's waste stream to estimate solid waste, recyclable material, and organics materials generated by the customer. The Recycling Coordinator will also identify locations throughout the property where recyclable and organic materials are generated to further assess the volume produced onsite. From this waste assessment summary, the Recycling Coordinator will be able to determine if existing compliant customers are fully participating in the program. If the customer is not fully participating in the program, the Recycling Coordinator will provide additional education and training needed to increase diversion. For noncompliant customers, the Recycling

Coordinator can use the waste characterization summary to recommend service levels and frequencies and provide the associated costs and alternative options if needed. If a customer has an internal or back-hauling program for organic material, the Recycling Coordinator will document and verify the program to certify that 100 percent of the material is captured. If the customer does not have an internal organics program and accepts the proposed services, the Recycling Coordinator will organize with Waste Management's operations team to adjust service levels as desired and confirm delivery of the organics container.

- The Recycling Coordinator will perform an in-person food waste training for all commercial customers who request one or for all noncompliant customers who consent to one. This training typically does not take more than 15 minutes and it allows for staff to receive hand-on information about State and/or local mandates, learn about Waste Management's organics program and diversion processes, understand best practices for source separating food waste, and ask questions directly to the Recycling Coordinator and/or the City's third-party consultant.
- For Tier 1 and Tier 2 customers, or for those who could benefit from a food recovery program, the Recycling Coordinator will act as a liaison between the customer and food recovery organizations within the region. The Recycling Coordinator will maintain a list with the contacts of local food donation organizations in hopes of supporting the statewide goal of achieving a 20 percent increase in edible food recovery by 2025.
- All customers will have access to the Waste Management local website, which will showcase a page specifically tailored to commercial customers. This page will feature information on State and/or local mandates, Waste Management diversion programs, local edible food recovery resources, FAQs, and a form that allows customers to request technical assistance and connect with the Designated Recycling Coordinator.

6. Monitoring and Reporting

The monitoring and reporting requirements are provided in Exhibit 8. The selected contractor shall conduct all monitoring and reporting activities according to the provided specifications. Proposers shall demonstrate their understanding of the Exhibit 8 monitoring and reporting requirements

Waste Management has fully adapted to the City's desired monitoring approach, which demands the least inconvenience and impact on residents and businesses. Waste Management will complete all specified education and outreach activities to increase participation in diversion programs and maintain compliance with CalRecycle. Waste Management fully acknowledges that CalRecycle may modify the requirements prior to the commencement of the Agreement and/or during the term of the Agreement and is prepared to implement or modify new monitoring requirements if needed. Please the following description of Waste Management's proposed monitoring and reporting methods to confirm full compliance with AB 341, AB 1826, and SB 1383 as demonstrated in Exhibit 8 of the Agreement.

AB 341 and AB 1826 Monitoring

As previously mentioned in the Commercial Food Waste Requirements, Waste Management will annually mail all commercial customers a bill insert that provides information explaining how to meet and exceed State/local mandates pertinent to AB 341, AB 1826, and SB 1383. This flyer will also detail information on local edible food donation programs and resources that can be utilized to participate in food recovery. The flyer will contain the contact information of the Designated Recycling Coordinator for customers who have questions or for those in need of technical assistance. In addition, the flyer will promote the use of the Waste Management local website page for commercial customers.

Waste Management will also cooperate with the Diversion Compliance Consultant to conduct annual site visits for each commercial customer under the AB 341 and/or AB 1826 generation threshold. This site visit will serve to confirm continued 100 percent participation in recycling and organics programs, and/or to allow for the Recycling Coordinator to provide free technical assistance and education to commercial customers who have yet to obtain full compliance. If a customer should need additional training, or lack the requirements to obtain full compliance, Waste Management will conduct the same approach that is mentioned previously in the Commercial Food Waste Requirements section, and follow the steps described in Section 2 of Exhibit 8 of the Agreement.

SB 1383 Monitoring

Waste Management will perform waste composition studies for SFD, MFD, and commercial routes, as currently allowed by CalRecycle to monitor contamination. We understand that CalRecycle may modify the requirements for measuring contamination and/or that the City may determine the waste composition studies are not achieving the desired results. Accordingly, the methods may need to be altered and unless otherwise directed by CalRecycle and/or the City, we will utilize the waste composition study methodology as highlighted in Section C of Exhibit 8 of the Agreement. Waste Management will work together with the City's contracted State Diversion Compliance Consultant to conduct the semi-annual waste composition studies beginning in 2022 at our local MRF. Following is Waste Management's understanding of the current waste composition study methodology requirements:

SFD, MFD, and Commercial Waste Composition Studies

Waste Management will conduct waste composition studies every six months for prohibited contaminants in containers in sampled SFD collection routes in the following manner:

- a. Waste composition studies will be performed by trained Waste Management personnel at least twice per year, and in two distinct seasons of the year.
- b. The waste composition studies will include samples of each waste stream, except for the refuse or grey/black waste stream.
- c. The waste composition studies will include samples taken from different areas in the City that are representative of the jurisdiction and account for no less than one half of one percent (0.5 percent) of the weekly tonnage collected in the City.
- d. The waste composition studies will include at least the following minimum number of samples from all the routes included in the studies:
 - For routes with less than 1,500 customers, the study will include a minimum of 25 samples.
 - For routes with 1,500 – 4,000 customers, the study will include a minimum of 30 samples.
 - For routes with 4,000 – 7,000 customers, the study will include a minimum of 35 samples.
 - For routes with more than 7,000 customers, the study will include a minimum of 40 samples.

Waste Management will transport all of the material collected for sampling to our current designated sorting/waste composition study area at our local MRF, which is a permitted solid waste facility as required by CalRecycle. There the material will be measured to assess the presence of prohibited container contaminants for each container type by determining the ratio of prohibited contaminants present in each container type by weight. The following protocol will be used to determine the ratio of prohibited container contaminants:

- a. One sample of at least 200 pounds will be taken from the material collected from each container stream for sampling.
- b. The 200-pound sample will be randomly selected from different areas of the pile of collected material for that container type.
- c. For each 200-pound sample, all prohibited container contaminants will be removed and weighed.
- d. The ratio of prohibited container contaminants in the sample will be measured by dividing the total weight of the prohibited container contaminants by the total weight of the sample (i.e., 200 pounds).

If the sample weight of the prohibited container contaminants exceeds 25 percent of the measured sample for any container type, Waste Management will perform a targeted route review of containers on the routes sampled as part of the waste composition study to determine the sources of contamination and notify those customers of their obligation to properly source separate materials. Waste Management will notify the targeted customers by either placing a written notice on containers, mailing education notices, and/or having direct contact with the customer.

Waste Management understands that if we can demonstrate that 75 percent of the organics stream is being diverted, and less than 25 percent of the material in the MSW stream is recoverable organics, these audit requirements may be suspended by CalRecycle and the City.

Reporting

Waste Management will submit monthly, quarterly, and annual reports according to the deadlines established in Article 8.7 of the Agreement. Waste Management acknowledges that liquidated damages may be assessed for the late submittal of reports as defined in Article 12.6 of the Agreement and that the City reserves the right to modify any of the reporting categories and required data.

To further improve the submittal of accurate and organized reports, Waste Management is proposing the use of a software service called The Recyclist Program Tracker.

The Recyclist Program Tracker is designed specifically for municipal solid waste and recycling program managers to improve commercial and MFD data by making it more accessible, understandable, and convenient. The Recyclist Program Tracker has grown into a full-featured program management tool which is used by more than 25 cities, counties, haulers, and waste management authorities throughout California. The Program Tracker optimizes program manager's time so that less time is spent on spreadsheets, and more time is spent doing the important work of reducing waste and diverting recyclables and organics from the landfill. The Program Tracker also provides unprecedented visibility into commercial and MFD programs, with all information conveniently stored in one central location. The Program Tracker is customized to meet the specific needs and workflows of individual programs or jurisdictions. Some of the Program Tracker's most popular capabilities include:



- Processing service-level / hauler account data into a single, comprehensive list of all commercial and MFD generators that is easy to view, search, and analyze.
- Quarterly data updates to identify new accounts, closed accounts, and changes in service levels.
- Tracking of AB 341, AB 1826, SB 1383 (in development), and local ordinances/programs.

- Powerful, visual reporting that allows for the generation of charts and graphs with a single click.
- Automated generation of answers to the Mandatory Commercial Recycling (MCR) and Mandatory Organics Recycling (MORe) questions for the CalRecycle Electronic Annual Report.
- Managing, tracking, and scheduling of outreach communications and activities.
- Identifying and targeting generators that are not compliant with regulations and/or waste diversion goals.
- Mobile app (iOS & Android) that allows access to service details and outreach history from the field, as well as documenting outreach activity.
- Ability to take photos of contamination, enclosures etc. in the field, with automated uploading of photos to the system via the mobile app.
- Tool for generating right-sizing estimates/service proposals based on current rates, with the ability to email PDFs directly to decision-makers.
- System for tracking strip malls and their associated businesses.
- Proactive planning for SB 1383, including the tracking of edible food generators and food recovery, organics collection, and waiver eligibility.



A comprehensive suite of features to track SB 1383 is also in development by Recyclist and will be added once the regulations are finalized by CalRecycle. The features will directly address all of the jurisdictional recordkeeping and reporting requirements, including the requirement that all records be kept in one central, readily accessible location.

Waste Management firmly believes that the subscription to the Recyclist Program Tracker will greatly benefit both the hauler and the City's effort to comply with state mandates and report all required data efficiently. Having all data stored in one central place, and maintaining access for all parties involved, promotes a solid partnership with effective communication and quality results.

Monthly Reporting

Waste Management will submit monthly reports, including the following categories:

- A. Diversion Tonnage.
- B. AB 341 Education, Outreach and Monitoring.
- C. AB 1826 Education, Outreach and Monitoring.
- D. SB 1383 Education, Outreach and Monitoring.
- E. C&D Diversion Compliance.

Monthly AB 341 and AB 1826 Reporting

By using the Recyclist Program Tracker, AB 341, AB 1826, and SB 1383 data will be standardized, organized, and efficiently reported. As mentioned, the Recyclist Program Tracker will help identify the

number of customers mandated under the law, the number of compliant and noncompliant customers, the customer type (commercial, MFD, or SFD), and any and all service levels and service changes for each existing or new account. In addition, the Program Tracker will account for education and outreach efforts, including print, electronic, and direct contact with customers, along with a log of interactions between the customer and the Recycling Coordinator. This log will specify challenges encountered and efforts to mitigate them. Efforts to reduce food waste at the source and increase edible food recovery will also be tracked. Lastly, the Recycling Coordinator will also document "Self-Certification Forms" for customers who have internal programs or receive an exemption from the City/State. Waste Management will report the tonnage of material collected monthly from customers, which will include the total amount of recyclables and organics being diverted.

Monthly SB 1383 Reporting

For specific SB 1383 reporting, Waste Management will distinguish the total number of generators by generator type, service type, and level of service. Waste Management will provide the RDRS Number for each high diversion organic waste processing facility utilized. For contamination monitoring for SFD, MFD, and commercial customers, Waste Management will provide the results of any waste composition studies conducted during the month, with the associated documentation attached. The monthly report will include the year-to-date number of waste composition studies conducted and the remaining amount of waste composition studies required before the end of the year. The report will also detail the number notices, violations, or targeted educational materials that were issued to generators for prohibited container contaminants, as well as the number of notifications received from a solid waste facility operator regarding prohibited container contaminants received at the facility.

For SB 1383 education and outreach, the Recycling Coordinator will track how many organic waste generators and edible food generators receive information, and what type of method is used to distribute the materials. The Recycling Coordinator will keep track of the number of limited English speaking and linguistically isolated households that receive information. All methods of distribution and the educational material type will be tracked and provided to the City via a copy of the print or electronic outreach, or a description of the direct contact with the customer.

Monthly Cal-Green Building Standards

Waste Management will provide the number of construction and demolition debris removal activities conducted and the tonnage collected and diverted by these activities monthly.

Monthly Account Listing

Waste Management will provide the City a monthly account listing of all commercial customers within the jurisdiction. The account listing will include, but is not limited to, the service address of each facility, the types of service and service levels on the account, the service frequency, and the number of containers by type and size. This information will be presented to the City in an acceptable Excel format.

Quarterly Reporting

Waste Management will submit quarterly reports to the City, which include the following categories:

- A. Customer Base and Collection Services Data.
- B. Customer Service Data.
- C. City Services Data.
- D. Other Services.

E. Public Education and Information Activities.

Waste Management will follow the quarterly reporting requirements and provide the following data for each category in Section 4.2 of Exhibit 8 in the Agreement per the following:

A. *Customer Base and Collection Services Data*

1. Number of SFD, MFD, and commercial and City Service Units.
2. Number of SFD, MFD, commercial and City Containers (i.e., Carts, Bins, Roll-Off Boxes, Compactors) including the size of containers and frequency of collection.
3. Number of C&D and Temp Bin Services billed.
4. Tons collected by material (i.e., Solid Waste, Recyclable Materials, Green Waste, Food Waste, co-Collected Green Waste and Food Waste, and C&D).
5. Number of Bulky Items services and tons collected.
6. Diverted tons by DPS code.
7. List of Notifications for improper procedure as described in Articles 7.14, 7.15 and 7.16 of the Agreement.
8. List of all other customer notifications by type.
9. Any other service data associated as requested by the Contract Administrator.

B. *Customer Service Data*

1. Tabulation of complaints by category and compliments.
2. Average monthly customer service initial hold time.
3. Number of incidents of customer service initial hold time exceeding 60 seconds for more than four hours.
4. List of customer notifications.
5. Any other service data associated as requested by the Contract Administrator.

C. *City Services Data*

1. City-sponsored events (for each event held during the reporting quarter).
 - a. Date, name, and location of event.
 - b. Name, phone number, and email address of primary event contact.
 - c. Containers provided (number by material and size.)
 - d. Tons collected by material type.
 - e. Attach Event Diversion Plan to Report.
2. Number of illegally dumped bulky item collections.

D. *Other Services*

1. Household Hazardous Waste Collection Activity (type, quantity collected).
2. Home Composting Workshop (if conducted during reporting quarter).

- a. Number of attendees.
 - b. Number and type of composting bins sold.
 - c. Retail price of composting bins and rate charged to attendees.
3. Compost Give Away (if conducted during reporting quarter).
- a. Date and location.
4. Document Shredding Event (if conducted during reporting quarter).
- a. Date, location, and tons shredded.

E. Public Education and Information Activities

1. List of all printed and electronic materials distributed during the reporting quarter.
2. List of community education booths, including name of event/location, date, and description of education information and activities provided.
3. List of school visits, facility tours, and other community interactions, including date and description.

Annual Reporting

Waste Management will submit annual reports which include, but are not limited to, the following categories:

- A. Customer Base and Collection Services Data.
- B. Tonnage Data.
- C. Vehicle Inventory.

Waste Management will provide the required information as described in the reporting requirements in Section 4.3 of Exhibit 8 of the Agreement below.

A. Customer Base and Collection Services Data

1. Number of SFD, MFD, commercial and City service units.
2. Number of SFD, MFD, commercial and City containers (i.e., carts, bins, roll-off boxes, compactors) including size of containers and frequency of collection.
3. Number of C&D and temporary bin services billed.

B. Tonnage Data

1. Tons disposed by Waste Management at approved facilities.
2. Total City tons disposed.
3. Total tons collected by material (i.e., solid waste, recyclable materials, green waste, food waste, co-collected green waste and food waste, C&D debris and all other materials collected) and total combined tons collected.
4. Total tons collected by generator (i.e., SFD, MFD, commercial, and roll-offs) and total combined tons collected (Note: for purposes of this report, roll off shall include both

permanent and temporary bins and roll off box service, collection of compactors of 10 cubic yards or larger in size, and collection of C&D debris.)

5. Tons diverted by DPS code.
6. Attach copies of all records used as source documents for the tonnage data.
7. Attach copies of all County of Orange and CalRecycle reports.

C. Vehicle Inventory

1. inventory of Collection vehicles and major equipment as required in Article 7.9F of the Agreement.
 - a. Vehicle identification number.
 - b. DMV license number.
 - c. Type (e.g., automated front loader, etc.) and capacity.
 - d. Date of acquisition.
 - e. Age of the chassis and body.
 - f. Maintenance and rebuilt status.
 - g. Type of fuel used.
 - h. Decibel rating.

7. Performance Standards

Proposers shall provide a summary detailing how the proposed strategies described in response to 5.6B 1-5 above will achieve the annual performance standards described in Exhibit 9 of the Agreement for each year. The summary should demonstrate that the proposed activities can reasonably meet or exceed the performance standards.

Waste Management’s overall outreach goal for the City of Mission Viejo and the community is to provide proactive, ongoing education, diversion, and compliance. No other hauler has been in Mission Viejo longer than Waste Management and combined with our experience in a plethora of various Orange County and California jurisdictions, Waste Management trusts our practiced comprehensive education and outreach plans will be able to meet and exceed performance standards defined by CalRecycle and this Agreement. To summarize, Waste Management will provide a combination of the following education and outreach strategies which we believe will provide the greatest impact on diversion and compliance within the City:

SFD Diversion and Education Activities

Direct Mailers	Community Workshops	Educational Flyers
Cart Tags and Labels	How-to-video	Quarterly Newsletters
Hand-delivered Food Waste Pails	Comprehensive Welcome Packet	Community Events
School Outreach	24/7 Access to wm.com	Media Outreach



MFD Diversion and Education Activities

Direct Mailers to Property Managers	Welcome Letters	Comprehensive Welcome Packet
Educational Flyers	Hand-Delivered Food Waste Pails	In-Person Site Visits
Free Technical Assistance, Waste Characterizations, Right-Sizing, and Training	Direct contact with the Designated Recycling Coordinator	
Community Workshops	Community Events	School Outreach
24/7 Access to wm.com	Media Outreach	How-to-Video

Commercial Diversion and Education Activities

Direct Mailers	In-Person Site Visits	Welcome Letters
24/7 Access to wm.com	Educational Flyers	Media Outreach
Direct contact with the Designated Recycling Coordinator	Comprehensive Service Guide	Free Technical Assistance, Waste Characterizations, Right-Sizing, and Training

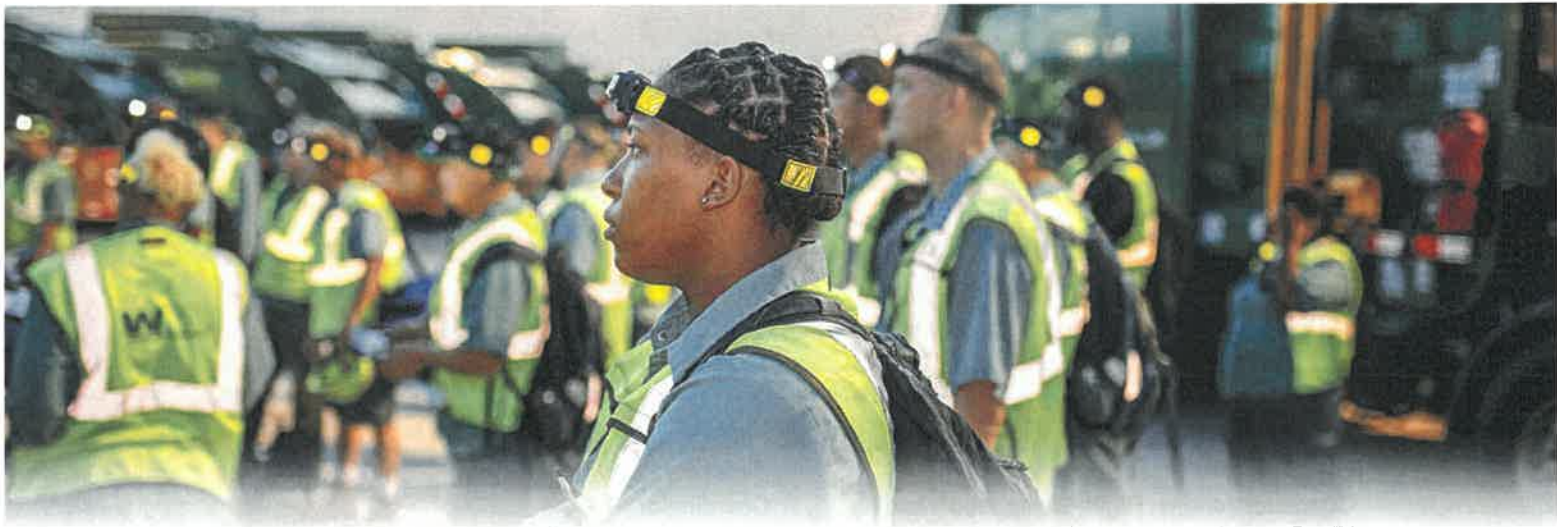
In addition, Waste Management will be performing regular SB 1383 Waste Composition Studies and tracking all program outreach and compliance efforts through the use of the Recyclist Program Tracker. We firmly believe that the use of this tracker will greatly benefit both the hauler and the City's effort to comply with state mandates and report all required data easily and efficiently, as all information will be conveniently stored and readily accessible in one location.

Of course, should diversion results not meet the expected or required standards, Waste Management has the resources and capital needed to provide additional support and education to increase participation and improve results. The Waste Management Recycling Coordinator will be 100% devoted to the City of Mission Viejo and will continuously work with City Staff and the Diversion Consultant to create, amend, and improve diversion programs. If needed, Waste Management is prepared to create a new educational campaign and go door-to-door to educate residents and businesses.

Waste Management is committed to be a partner to the City of Mission Viejo and trusts that the proposed education and outreach plan will be tailored to the community's needs. Of course, should there be any questions in regard to the proposed strategies mentioned, Waste Management would be delighted to clarify or expand on the matter further.



Saddleback College Tour



4 | EMPLOYEE RETENTION (AB 1669 COMPLIANCE)

Our Team is the Foundation of Our Success

Proposers shall describe their employee retention plan and demonstrate that the plan meets or exceeds AB 1669 requirements described in Section 3.6 and Attachment 8 of the RFP.

Waste Management fully intends to comply with all aspects of Section 3.6 and Attachment 8 of the City's RFP.

Employee Engagement and Retention

Our employees in Mission Viejo are the lifeblood of the work we do for the City every day. That is why we focus on developing talent at every level of the organization through career path planning and best-in-class training that is specifically designed for success in the service industry. At the heart of our engagement and retention strategy is a steadfast commitment to Waste Management's values of people first and success with integrity.

Employee turnover continues to be a concern in the environmental services industry due to high demand in a strong economy for our skilled workers - especially truck drivers, route managers, and maintenance technicians. The American Trucking Association estimated a shortfall of 48,000 drivers in 2018, with projections that the shortage could increase to 175,000 by 2025. To combat this growing issue, we strive to be a workplace of choice through competitive pay, solid benefits for long-term financial and personal health, and opportunities for growth across our ranks. We believe strongly in promoting from within and offer a wide array of training opportunities designed to help employees maximize their effectiveness at their jobs and gain new skills so they can take the next step in their careers.

Our goal is to reduce driver and fleet technician new-hire turnover by 50 percent. Our voluntary employee turnover remains a real challenge, clearly impacted by low employment rates and stiff competition for drivers and technicians expert at handling the sophisticated equipment and systems we use in the recycling and environmental services industry.

Recognized for Employment



Waste Management has been named to the "50 Best Companies to Sell For" by Selling Power magazine from 2015 to 2019, coming in at #13 overall in 2019. The corporate research team at Selling Power identifies and ranks the best companies to sell for among the top sales forces in the U.S., which includes Waste Management. Three general categories were used to determine company candidacy, including: compensation and benefits; hiring, sales training, and sales enablement; and customer retention.

Being an employer of choice will be critical to our efforts to reverse the trend on employee turnover, and it motivates us to sharpen our focus on our values that help us retain and empower good employees. We also understand that competitive compensation is important. In 2018, we distributed savings from the new U.S. corporate tax restructure to every North American employee who does not participate in a company bonus or sales incentive plan. Approximately 34,000 Waste Management employees received a \$2,000 reward in appreciation of their hard work.

Building a Better Workforce: Employee Training and Development

Investing in our People

When you choose to partner with Waste Management, our employees become part of your community. Our drivers service your homes and businesses each week. Our customer experience team welcomes new customers each day, and, our sustainability experts work hand-in-hand with customers to help them recycle right. Needless to say, our people are the foundation of our success.

Providing Mission Viejo with service that truly exceeds expectations requires that all Waste Management employees have the ability to reach their full potential. This is why our employees participate in an expansive array of learning and development opportunities.

We take a “learner-centric” approach to provide employees with a mix of options for continual learning in areas like professional development, sales, leadership, and technical, and compliance training. Our learning and development programs are interactive, incorporating coaching, feedback, and annual performance reviews on a consistent basis. All Waste Management training programs share a common focus, creating a continuous learning culture that drives performance, improves our talent, and supports a superior customer experience.

All employees participate in annual training that includes job-specific programs as well as a variety of general professional development trainings. Training programs are easily accessible and are delivered by instructors face-to-face, through in-class videos, and virtually through mobile and online communications.

Training by the Numbers

- 43,700 Employees trained annually
- 100% Employees offered training
- 29 Average hours of training per employee
- \$500 Average spent on training per full time employee
- >275,000 annual training hours among full time employees
- 100% Drivers receive safety training annually
- 100% Current employees trained on code of conduct

- **Job-Specific Training.** Each major department within Waste Management conducts job-specific training and development. Some of the most critical positions in the company are drivers, fleet technicians, and post collections workers, such as heavy equipment operators. These employees receive regularly scheduled training throughout the year. Required training topics include: driving skills, emergency response, injury prevention, personal protective equipment, hazard communication, and procedures for handling of chemicals and hazardous substances.
- **E-Learning Resources.** Our intranet learning management system - Waste Management Talent Central - has over 3,000 training modules available to all employees. Courses cover all aspects of the company’s operation and teach career advancement skills.
- **Tuition Assistance.** Waste Management partners with colleges and credit-granting organizations to provide employees, and, in some cases, their families, with tuition discounts, scholarships, grants, and waived fees.

Driver/Technician Training

The skills and behaviors learned at our Training Centers are key to continually improving our safety performance, including our Total Recordable Injury Rate and Vehicle Accident Recordable Rate. Since 2012, more than 10,000 drivers and technicians have attended training at a Waste Management training center.

Additionally, and as previously mentioned, Waste Management drivers are now certified in our SAFETY Defensive Driving system, an advanced training program that teaches the critical skills of safe driving. The principles learned through SAFETY are revisited monthly through an ongoing video series focused on drivers' daily operating environments. Topics include managing intersections, pedestrians, bicyclists, rollover prevention, following distance, and braking. These awareness videos work in conjunction with ongoing safety discussions, observations, and coaching.

Post-Collection Employee Training

Our Injury and Illness Prevention program is focused on preventing injuries among our post-collection employees who work in our transfer station, landfill, waste-to-energy, and material recovery facilities. The program examines equipment, processes, policies, and other potential causes of injury and illness for employees and evaluates possible interventions and the success of these interventions on prevention. Data gathered is used to formulate or refine monthly training topics under our Safety Awareness Training Calendar. Following are a few elements of our Post Collection training program:

Post Collection Employee Training Elements

Heavy Equipment Training

Area designated trainers attend a two-day "train the trainer" session and then train site trainers to deliver web-based and on-the-job training for articulated dump truck, dozer, compactor, wheel loader, excavator, and motor grader equipment. After training, area designated trainers return to each site and sign off on each operator's ability to safely operate the equipment using equipment-specific checklists.

Rules Book

Every employee in our landfill, transfer station, and materials recycling facilities receives a Rules Book that consists of rules and safety practices that must be followed at our sites.

Training Center Expansions



Waste Management opened its second driver and technician Training Center in Glendale, Arizona in June 2019. The 13-acre property includes a 30,000 SF maintenance shop and a 10-acre driver training course in addition to classrooms, computer labs, and a driver launch area to simulate driver experience at hauling facilities. The center accommodates up to 130 students at a time for a two-week training course.

It is the second major driving/technician training center expansion in as many years. In March 2017, we expanded our Fort Myers, Florida training center by doubling it in capacity – increasing the number of new drivers trained from 1,200 to 2,500 per year.

Environmental Protection Learning Series

Consists of quarterly e-learning training for managers on topics such as managing asbestos and process water, air regulations, and stormwater. Each site also delivers monthly instructor-led environmental protection training topics for front line employees.

Other ongoing training initiatives for our post-collection employees include our Hazardous Energy Control Program as well as programs timed with seasonal risks such as heat illnesses in the summer and slips, trips, and falls in the fall and winter.

Senior Management Leadership Program

Beyond helping our employees gain skills necessary for their current positions, we believe it is also our responsibility to give employees opportunities to grow the skills they need for advancement. In 2015, Waste Management created a leadership program to grow internal bench strength for senior management level opportunities. The program includes a series of business-related modules that incorporate classroom instruction, practical projects, leadership assessments with executive coaching, and exposure to the senior leadership team in both formal and informal settings. Components of this program are integrated with leadership programs that support development and retention of our midlevel leaders. We continue to refine our succession planning processes to anticipate how to best support millennials advancing within the organization and to anticipate the need for successors for our retiring leaders.

Contractor Training

Doing things the right way means seeking to protect the safety of everyone that visits or works at a Waste Management facility, beyond our own employees and visitors. This also includes the safety of contract service providers that support our facilities. To educate all subcontractors working on our sites about potential risks or hazards, we have developed a Contractor Safety Orientation program. In 2016, we updated the program to include a revised basic safety program module, landfill safety module, landfill gas module, electrical safety module, and a renewable energy module. Today, 235 Waste Management landfills are active on the program, with 2,000 contractor companies and 12,000 contractor employees registered. We also have a toll-free helpline available to contractors 24/7.



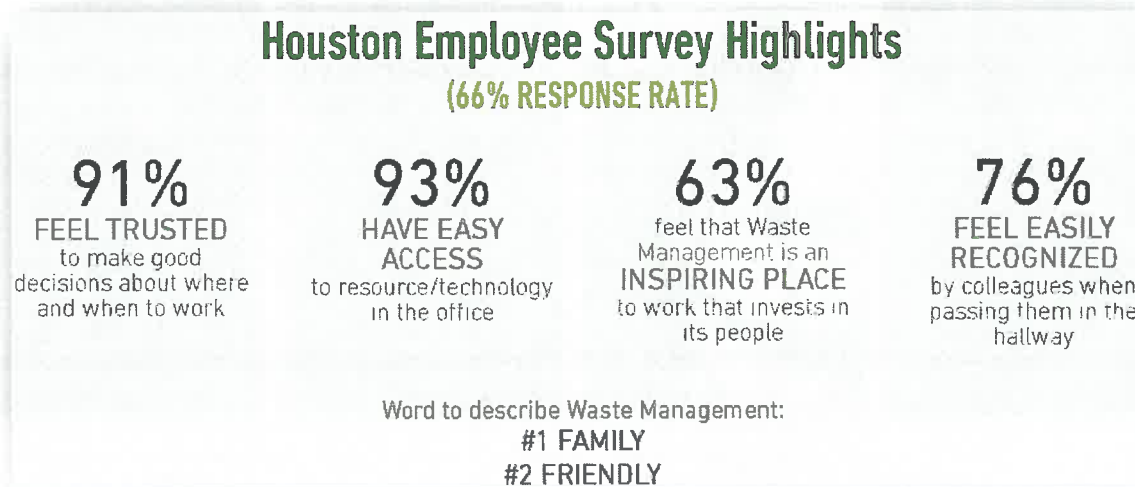
Employee Benefits

To further complement our retention efforts, we offer robust benefits for our employees. At Waste Management, each eligible employee receives a comprehensive benefits package that includes healthcare, family care, and financial and educational benefits.

Healthcare	Family Care	Financial and Educational Benefits
Comprehensive health care coverage	Flexible spending accounts	Life and accidental death and dismemberment insurance
Prescription drug plan	Adoption assistance program	Business travel accident insurance
Dental plan	Education savings accounts	401(k) plan with generous company match
Vision plan	WM scholarship programs	Employee stock purchase plan
Salary continuance (short and long-term disability)	Paid vacation and holidays	Legal services
Employee and family assistance program	Sick leave	Employee discount programs
Retiree medical coverage		Free online training programs

Gauging our Progress

To make sure our engagement and retention efforts are meeting the needs of our workers, we ask for their feedback. In 2017, we completed a workplace study for our corporate headquarters. The study allowed us to evaluate our current work environment and better understand how we interact and engage to support field operations. This involved measuring space utilization, conducting visioning and focus group sessions with corporate employees and conducting an employee survey.





5 | EXCEPTIONS TO THE AGREEMENT

Transparent Operations from the Start

Waste Management strives to be transparent in our proposals. We understand it can be very difficult when contractors attempt to negotiate new terms after an award is made, and that is not how we do business. At the same time, we feel a balanced Contract will benefit both parties over the term of the Agreement. As such, we have provided the following requested additions, clarifications, and exceptions for your review and consideration. We would welcome the opportunity to discuss and negotiate these items with the City.

As specified, our exceptions are identified here. A Word version of the Model Franchise Agreement that notes all requested changes is included as a separate file on the flash drive with the electronic copy of our response.

City of Mission Viejo RFP Contract Exceptions

Note: In preparing these contract exceptions, it is assumed that all of the contract revisions and statements of intent contained in the City's responses to proposer questions in Addendum #2 will be reflected in the final contract document and will not be discussed further here.

Moreover, given its longstanding partnership with the City, it was assumed in preparing your cost proposal that the parties will reach agreement on mutually acceptable contract terms. As a result, most of the proposed exceptions would not have a rate impact. However, there are some instances where, if the exception is not agreed to, there would be additional costs that would impact rates. Particularly, commercial rates would increase by the following percentages if certain ancillary rates were not included in the final contract. Specifically:

- Overage Charge – Additional Increase Required to Commercial Rates – 2.3%
- Locking Bin – Additional Increase Required to Commercial Rates - 1%
- Roll Out Fee – Additional Increase Required to Commercial Rates - .4%
- Extra Residential Cart Fee – Additional Increase Required to Residential Rates – 2.9%

Rationale: These costs were not placed into the base rates as Waste Management believes through public education, right sizing and recycling efforts, the cost to process additional disposal (as captured through overage charges) would decrease. Subsequently, it would not be prudent to burden the entire commercial rate structure. In addition, the same for locking bins, roll out and residential extra carts (as these are seen to be additional services specific to each customer). However, under City direction Waste Management can incorporate the aforementioned services and increase the entire rate structure for both residential and commercial, although it is preferred to maintain ancillary rates as it is within the current franchise agreement.

Various. Bin and Roll-off Sizes

Change all references to Bin sizes to state that Contractor will provide _____ cubic yard Bins and change all references to Roll-off sizes to state that Contractor will provide _____ cubic yard Roll-off Boxes.

Rationale: These revisions would be made as part of final negotiations to reflect the actual Bin and Roll-off sizes to be used in the City.

Financial Impact: No financial impact, since acceptance by the City to this revision would simply reflect current container sizes. If additional container sizes were required, a rate adjustment would be required to reflect increased capital costs.

7.15 Recycling - Improper Procedure

Except as set forth below, the CONTRACTOR shall not be required to Collect Recyclable Materials if the Residential or Commercial Service Recipient does not segregate the Recyclable Materials from Solid Waste, Organic Waste, Green Waste, Exempt Waste or Construction and Demolition Debris. The first (1st) time Recyclable Materials are contaminated through commingling with Solid Waste, Green Waste, Exempt Waste or Construction and Demolition Debris, the CONTRACTOR ~~shall contact the Customer to discuss the Contamination and~~ shall Collect the Container and cause the material contained therein to be disposed or processed in the most appropriate manner **as solid waste, assess a contamination/extra pickup charge, and tag the recyclable materials or organic waste container with a notice that includes:**

- The fact the Container required special handling, and the contents could not be recycled due to the presence of inappropriate material in the Container;
- A description of the Recyclable Materials that are appropriate for collection in the Container;
- An explanation that a subsequent incident of excessive Contamination may result in non-collection, the imposition of an additional contamination/extra pickup charge, and, where warranted, requiring additional or larger-sized Solid Waste Containers, additional Collections of existing Containers, or the use of locking or slotted Containers, at an additional cost to the Customer; and
- A phone number to contact CONTRACTOR to obtain additional information and/or receive responses to questions the Customer may have.

On the second (2nd) time that the CONTRACTOR finds that a Service Unit has set out contaminated Recyclable Materials, the CONTRACTOR shall ~~contact the Customer to discuss the Contamination and shall Collect the Container and cause the material contained therein to be disposed or processed in the most appropriate manner~~ **as Solid Waste, an assess a contamination/extra pickup charge.** If a third (3rd) instance of improper procedure occurs within a rolling twelve month period, the CONTRACTOR may present documentation of the prior two instances to the CITY, and , and the subsequent communication with the Customer, to the CITY and request authorization to remove the Recycling Cart(s) or Bin(s) and stop Collecting Recyclable Materials from that Residential or Commercial Service Unit. The CITY reserves the right to require further outreach and education by the CONTRACTOR or to conduct its own notification process prior to authorizing removal. **May, as appropriate: 1) deliver additional or larger solid waste Containers to the premises, or require additional weekly collections and charge the Customer for such increased or additional services; or 2) install locking Bins or slotted Bins at the premises.**

Rationale: In USA Waste's experience, the program to minimize contamination is not robust enough to be effective and sustainable, may be subject to delays due to the significant City involvement, and does not compensate for additional cost incurred. USA Waste also believes that the program as described will not be sufficient to meet CalRecycle requirements, given its strong emphasis on minimizing contamination. The proposed program is consistent with that used by USA Waste in a number of other cities.

Financial Impact: This proposed provision is integral to an effective and sustainable program to minimize contamination. It is also intended to allow recapture of costs incurred. Acceptance by the City would not result in any rate reduction. However, if this proposed revision were declined, it would require an increase of ____% in the rate proposal.

Section 10.5.B and Exhibit 2 - CPI

Change all references to "local CPI" to "Consumer Price Index, CUSR0000SEHG02 CPI-U Garbage and Trash Collection, US City Average, not seasonally adjusted, as published by the United States Department of Labor, Bureau of Labor Statistics."

Rationale: The "local CPI" adjusts based on factors that have virtually no relationship with the increases in the costs of providing solid waste handling services. On the other hand, CPI- Garbage and Trash is designed to reflect those cost changes and would allow changes in the rates to more clearly track actual changes in the cost of providing services.

Financial Impact: Since this revision is designed simply to keep contractor whole through the term of the agreement, acceptance by the City would not result in any rate reduction. However, if this proposed revision were declined, it would require an increase of ____% in the rate proposal.

Section 10.6 Extraordinary Rate Adjustments

The CONTRACTOR may petition the CITY in writing at reasonable times other than that allowed under 10.4 (Annual Rate Adjustment) for an adjustment in the maximum rates due to (i) extraordinary circumstances beyond the CONTRACTOR's control, or (ii) due to new programs and services requested by CITY as provided herein, (iii) due to a change in law, including but not limited to new or increased fees on the collection, processing or disposal of Solid Waste, Recyclable Materials or Organic Materials, or (iv) changes in Organics Materials processing costs. The CONTRACTOR shall provide documentation and analysis to the satisfaction of CITY of the reasons for such adjustment. ~~Petitions regarding extraordinary circumstances beyond the CONTRACTOR's control shall satisfy all of the following conditions: (i) materially alters CONTRACTOR's operations or overall costs; (ii) could not reasonably have been foreseen by a prudent operator; and (iii) by all reasonable expectations will continue for a period of at least six (6) months. Such changes shall not include changes in the market value of Recyclables or inaccurate estimates by the CONTRACTOR of its cost of operations.~~

The CONTRACTOR's request shall contain substantial proof and justification to support the need for the adjustment. For each request brought pursuant to this section CONTRACTOR shall prepare a schedule documenting the extraordinary costs. Such request shall be prepared in a form acceptable to the CITY with support for assumptions made by the CONTRACTOR in preparing the estimate. ~~The CONTRACTOR shall also submit a schedule showing how its total costs and total revenues have changed over the past two (2) years for the services provided under this Agreement.~~

The CITY may request from the CONTRACTOR such further information as it deems necessary to fully evaluate the request and make its determination. ~~CITY may request a copy of the CONTRACTOR's annual financial statements in connection with the CITY's review of the CONTRACTOR's rate adjustment request. CITY shall review the CONTRACTOR's request and, in the City Council's sole judgment and~~

~~absolute, unfettered discretion~~ **reasonable judgment**, make the final determination as to whether an adjustment to the maximum rates will be made, and, if an adjustment is permitted, the appropriate amount of the adjustment. ~~The City Council may consider increases or decreases in the CONTRACTOR's total revenues and total cost of services when reviewing an extraordinary rate adjustment request.~~

The CITY and the CONTRACTOR may make changes in the service levels under this Agreement sufficient to avoid the need for a rate adjustment. Extraordinary rate adjustments shall only be effective after approval by the City Council and may not be applied retroactively.

First, Contractor appreciates the opportunity to obtain a rate adjustment based on changes in Recyclable Materials processing costs and commodity values, which we understand would be separate component and not part of a request for an extraordinary rate adjustment.

As written, the grounds for obtaining an extraordinary rate adjustment are quite narrow. Particular issues of concern to Contractor are the potential for a substantial increase in the state integrated waste management fee, and a substantial increase in organic materials processing costs once AB 1584 takes effect. This also points out why the conditions precedent for obtaining an extraordinary rate adjustment are not workable. While there is an understanding that these things are likely to occur, the exact impact is unknown. But because one might argue they were "reasonably foreseen", an extraordinary rate adjustment might be disallowed on this basis alone.

The purpose of an extraordinary rate adjustment is to receive compensation to cover increased costs arising from a specified event. The first two sentences of the second paragraph of this section are consistent with that intent. However, requiring a financial statement, and potentially disallowing an otherwise justified extraordinary rate adjustment due to "total costs and revenues" is not consistent with that intent.

Finally, any request for an extraordinary rate adjustment must be considered in good faith. For instance, as written, the City could mandate a change in scope under Section 5.5, but then deny any rate adjustment in its sole discretion.

Financial Impact: A reasonable opportunity to obtain an extraordinary rate adjustment was considered in making Contractor's rate proposal. Acceptance by the City would not result in any rate reduction. Contractor is willing to work with the City to develop mutually acceptable terms.

Section 11.1.A General Indemnification

GENERAL. The CONTRACTOR shall defend, with counsel reasonably acceptable to the CITY, indemnify and hold harmless, to the fullest extent allowed by law, CITY, its officers, officials, employees, volunteers, agents and assignees (collectively, "Indemnitees"), from and against any and all causes of action, claims, costs, loss, damages (including but not limited to special and consequential damages), liability, penalties (including attorneys' fees for the adverse party), forfeitures, demands, proceedings or suits, in law or in equity, of every kind and description (including, but not limited to, injury to and death of any Person and damage to property, or for contribution or indemnity claimed by third parties) arising out of or in any way connected with the performance of this Agreement by ~~the CITY, its agents, directors or employees, or by~~ the CONTRACTOR, its agents, directors or employees, whether such claims, liens, demands, damages, losses or expenses are based upon a contract or upon a claim for personal injury, death or property damage or upon any other legal or equitable theory whatsoever to include without limitation, claims arising or resulting from or made by third parties alleging: (i) the negligence or willful misconduct of the CONTRACTOR, its agents, employees and/or Subcontractors, in exercising the privileges granted to it by this Agreement; (ii) the failure of the CONTRACTOR, its agents, employees and/or Subcontractors in the performance of this Agreement to comply in all respects with the provisions and requirements of this Agreement, Applicable Laws, ordinances and regulations, and/or applicable permits and licenses; (iii) the acts of the CONTRACTOR, its agents, employees and/or Subcontractors in performing services under this Agreement for which strict liability is imposed by law; and, (iv) claims that arise out of or result from the performance of this Agreement by the CITY, its agents, directors or employees or CONTRACTOR, its

agents, directors or employees, whether such claims, liens, demands, damages or losses or expenses are based upon a contract or upon a claim for personal injury, death or property damage or upon any other legal or equitable theory, whatsoever. Notwithstanding this defense obligation, the CONTRACTOR shall not be required to indemnify the CITY from loss or liability to the extent such loss arises from the sole negligence or willful misconduct of the CITY, its agents, directors and employees, at such time that such sole negligence or willful misconduct has been finally determined by a court of competent jurisdiction. The CONTRACTOR shall provide the CITY with a defense until such determination has been made (i.e., until a court of competent jurisdiction has determined that the loss or liability arises from the sole negligence or willful misconduct of the CITY, the CONTRACTOR shall provide a defense as to such loss or liability).

Rationale: The purpose of an indemnity is to protect the City against liability from the negligence, etc. of the Contractor, not to protect the City from liability for its own negligence, etc. That type of protection (subject to the limitations provided), is done through insurance.

Financial Impact: No financial impact from acceptance by the City, since Contractor would still have the cost of providing insurance to protect the City.

Section 11.1.D Environmental Indemnity

Environmental Indemnity. The CONTRACTOR shall defend, indemnify, and hold the CITY harmless against and from any and all claims, suits, losses, penalties, damages, and liability for damages of every name, kind and description, including attorneys' fees and costs incurred, attributable to the negligence or willful misconduct of the CONTRACTOR in handling Exempt Waste. **Notwithstanding any provision herein to the contrary, the indemnities set forth in subsections C. and D. shall not apply to the extent arising from Exempt Waste generated at CITY Facilities and delivered by CITY to CONTRACTOR.**

Rationale: It would not be reasonable to expect Contractor to indemnify City where the underlying cause of the claim arose from the City's actions in improperly delivering Exempt Waste to Contractor.

Financial Impact: No financial impact, since this revision would protect Contractor from claims where it should have no exposure to liability.

Section 11.1.E Related To Propositions 218 And 26

Related to Propositions 218 and 26. Should there be a Change in Law or a new judicial interpretation of Applicable Law, including, but not limited to, Article XIII C and D of the California Constitution (Commonly Proposition 218 and Proposition 26), which impacts the CITY'S ability to set or change Rates for the Collection services established in accordance with this Agreement, CONTRACTOR agrees to meet and confer with the CITY to discuss the impact of such Change in Law on either Party's ability to perform under this Agreement.

The CITY shall not be in default of this Agreement, ~~if it is determined by a court of competent jurisdiction, that CITY lacks the authority to set Rates or increase Rates for charges related to providing Collection services under this Agreement~~ **any rate adjustment is denied, or disallowed by operation of Applicable Law.** Should a court of competent jurisdiction determine that the CONTRACTOR cannot ~~request to charge and/or increase its Rates for any charges incorporated into the Rates under this Agreement~~ **is denied, or disallowed, by operation of Applicable Law,** CONTRACTOR shall reduce the Rates it charges Customers a corresponding amount, providing said ~~denied or disallowed~~ **denied or disallowed** fees, Rates and/or charges ~~disallowed by the court~~ are not related to the cost of providing service hereunder and had been incorporated in the Rates charged by CONTRACTOR to its Customers. **In addition, CONTRACTOR will have the right, within thirty (30) days after notice of any such denial or disallowance of any increase to the**

charges and/or rates related to the costs of providing service hereunder, to request, in writing, that CITY negotiate in good faith regarding reductions in programs and services, to compensate for any negative impact from the denied or disallowed rate increase. If CITY fails to commence negotiations in good faith or negotiations are not completed within forty-five (45) days following the date of receipt of CONTRACTOR's request, CONTRACTOR may terminate this Agreement no earlier than eighteen (18) months after written notice to CITY. Nothing herein is intended to imply that California Constitution, Articles XIII C or XIII D, apply to the Rates established for services provided under this Agreement; rather this Section is provided merely to allocate risk of an adverse judicial interpretation between the Parties.

Rationale: This provision, as written, is overly narrow in that it only addresses the effect of a change in law or court ruling but does not address the impact from the loss of a requested increase due to a majority protest. While Contractor would not have to reduce rates related to the cost of providing service, it would not be able to increase rates for providing services that it was otherwise entitled to. These revisions make that clarification and provide a process for negotiation in the event that a rate increase is denied by operation of Applicable Law, including a majority protest. They also provide a process for good faith negotiation in the event that a rate increase related to the cost of providing services is denied or disallowed.

Financial Impact: No financial impact, as these revisions clarify the situations in which this issue may arise and relates to a process to address any issues.

Section 11.3 Hazardous Substances Indemnification

Add sentence to end of provision: **The foregoing indemnity shall not apply to the extent arising from Exempt Waste generated at CITY Facilities and delivered by CITY to CONTRACTOR.**

Rationale: It would not be reasonable to expect Contractor to indemnify City where the underlying cause of the claim arose from the City's actions in improperly delivering Exempt Waste to Contractor.

Financial Impact: No financial impact, since this revision would protect Contractor from claims where it should have no exposure to liability.

Section 11.4 Separate Counsel

The CITY may elect to have and consult separate legal counsel from the CONTRACTOR at any time during the pendency of any claim at its sole discretion. the CITY shall be responsible for paying its separate counsel unless: (i) the CITY reasonably determines and notifies CONTRACTOR that separate counsel is required to represent the CITY during the resolution of any claim; or (ii) a court of competent jurisdiction rules that the CONTRACTOR has refused to satisfy its obligations under this Article 11. Notwithstanding the preceding sentence or the first sentence of Article 11.1, with respect to a particular claim, if the CONTRACTOR confirms to the CITY in writing CONTRACTOR's obligation to indemnify and defend the CITY, ~~without reserving a right to later seek reimbursement from the CITY with respect to such claim,~~ the CITY shall not object to the counsel representing it being the same counsel that represents CONTRACTOR in the defense of such claim and shall, if permitted by law, provide such written conflict-of-interest waiver as may be required for such joint representation. If the CONTRACTOR provides the aforementioned confirmation, but the CITY declines to consent to such joint representation, the CITY may retain its own counsel at its own expense, the CITY shall have no right of defense or reimbursement of defense costs with respect to such claim (but the CITY shall still be entitled to indemnity), the CITY shall reasonably cooperate with CONTRACTOR in the defense and settlement of such claim. If the CONTRACTOR does not provide the aforementioned confirmation, or if the CONTRACTOR provides such confirmation and the CITY is prohibited by law from providing such waiver, then the CONTRACTOR

shall reimburse the CITY for the reasonable attorneys' fees and costs of the CITY's separate counsel with respect to such claim.

Rationale: This clause is contrary to the various limitations to Contractor's indemnification obligation provided in other portions of Article 11.

Financial Impact: No financial impact, since this revisions makes this provision consistent with other portions of Article 11.

Section 11.11.A, seventh paragraph, Section 11.11.B, third paragraph and Section 11.11.C, first sentence SELF-INSURED RETENTION

Delete from these subsections:

~~The CONTRACTOR's self insured retention for commercial general liability shall be no more than X Dollars (\$X).~~

~~The CONTRACTOR's self insured retention for automobile liability shall be no more than X Dollars (\$X).~~

The CONTRACTOR shall procure, maintain and keep in full force and effect during the life of this Agreement workers' compensation coverage in an amount not less than the State statutory limits and employers' liability insurance in an amount not less than One Million Dollars (\$1,000,000) each accident for bodily injury by accident or One Million Dollars (\$1,000,000) each employee for bodily injury by disease. ~~, both subject to no more than One Million Dollars (\$1,000,000) self-insured retention.~~

Contractor's general liability, automobile and worker's compensation coverages do not have a self-insured retention.

Financial Impact: No financial impact, this is a clarification to reflect Contractor's insurance coverages.

Section 11.11.D

1. Pollution Legal Liability for Transfer Stations – Owned and Non-Owned – Claims Made. The CONTRACTOR shall procure, maintain and keep in full force and effect during the life of this Agreement Pollution and Remediation Legal Liability insurance applicable to bodily injury; property damage, including loss of use of damaged property or of property that has not been physically injured or destroyed; transit exposures, cleanup costs; and defense, including costs and expenses incurred in the investigation, defense, or settlement of claim; arising out of pollution condition at on or under of the Transfer Station. Coverage shall be maintained in an amount not less than Two Million (\$2,000,000) ~~, with a self-insured retention of no more than X Dollars (\$X).~~

Coverage as required above shall apply to sudden and non-sudden pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids, or gases, waste materials, or other irritants, contaminants, or pollutants.

Said Pollution and Remediation Legal Liability insurance shall be on a claims-made form and shall be retroactive to the date CONTRACTOR first began providing services in the CITY as the exclusive franchisee for Solid Waste Collection services. Said Pollution and Remediation Legal Liability insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of this Agreement.

If pollution liability insurance coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a "Retro Date" prior to the contract effective date, the CONTRACTOR

must purchase "extended reporting" coverage for a minimum of five (5) years after completion of this Agreement.

The CONTRACTOR shall procure, maintain and keep in full force and effect during the life of this Agreement any other insurance required by law. The limits of insurance herein shall not limit the liability of the CONTRACTOR.

2. **CONTRACTOR Pollution Legal Liability –~~Occurrence form.~~** The CONTRACTOR shall procure, maintain and keep in full force and effect during the life of this Agreement, CONTRACTOR'S Pollution Legal Liability for contracting operations for the collection, transportation, temporary storage and Disposal of the waste. Coverage to include unloading and loading of the waste, all forms of transportation, mis-delivery of the waste and non-owned site Disposal coverage. ~~The coverage is to be on an Occurrence form with defense outside the limit of liability.~~ The coverage is to apply to pollution conditions arising out of the services under this Agreement for liability arising for bodily injury, property damage including natural resource damage liability and cleanup costs. Coverage shall be maintained in amount not less than Two Million (\$2,000,000) ~~, with self-insured retention of no more than X Dollars (\$X).~~

Rationale: Contractor has purchased this coverage on a claims made basis, and it is not available to its operations on an occurrence basis. Waste Management has hundreds of operating locations around the country, and it is not possible to determine in advance what level of self-insurance is required or practical for this coverage, as policies are periodically negotiated. Also, since policies are negotiated at a national level, it is not practical for local customers to place limits on its insurance arrangements.

Financial Impact: No impact if accepted by City, since this reflects current insurance arrangements, and in any event occurrence based coverage is not available regardless of price.

Section 11.11.F Self-Insurance

Self-Insurance. ~~For the self-insured layers, upon request by the CITY, the CONTRACTOR shall provide an annual statement to the CITY advising that the CONTRACTOR has sufficient assets to fund its workers' compensation, general liability, automobile liability and Pollution and Remediation Legal Liability cost obligations for the past three years and that sufficient assets are available to fund no less than 65% confidence level actuarially estimated workers' compensation, general liability, automobile liability and Pollution and Remediation Legal Liability loss costs for the next 12 months. Said annual statement shall be accompanied by statistical information to illustrate the accuracy of the comments and shall be prepared by a Fellow of the Actuarial Society.~~

Rationale: This provision is unclear as to its scope but seems to apply only to situations where a Contractor is entirely self-insured. In any event, as noted above Contractor does not have a self-insured retention for most of its coverages. In addition, Contractor is part of a Fortune 200 company providing a parent guaranty, so there is no reasonable question as to its ability to pay any self-insured retentions. Waste Management's publicly available financial statements are to be provided to the City.

Section 11.11.G Additional Insurance Requirements

Additional Requirements. The type and amount of coverage, ~~including the amount of the self-insured retentions,~~ required hereunder may be amended in the future to limits reasonably required by the CITY (such amendment to be considered a CITY-Directed Change and handled pursuant to Article 5.5). The CONTRACTOR shall provide the CITY an endorsement to its insurance policies ~~specifically~~ naming the

CITY, its officers, officials, agents, independent contractors, employees and volunteers as additional insureds under the commercial general liability and automobile liability policies, providing coverage for claims that arise out of the work or operations performed by or on behalf of the CONTRACTOR or that in any way concerns this Agreement and include coverage for the additional insureds for both ongoing and completed operations so long as the liability of an additional insured arises out of the work of the named insured, or so long as an additional insured's liability arises out of the named insured's performance of this Agreement. ~~The CONTRACTOR shall not utilize an omnibus endorsement, but shall provide an endorsement that specifically names the CITY, its officers, officials, agents, independent contractors, employees and volunteers as additional insureds under the policy.~~ The additional insured endorsement shall not contain any provisions not included in the additional insured forms referenced in this Agreement which limit or restrict coverage for the additional insureds beyond the extent set forth in this Agreement. The coverage provided to the CITY shall be equal and identical to the coverage of the CONTRACTOR under "Proof of Insurance." Upon commencement of this Agreement, the CITY shall receive, at a minimum, a certificate of insurance along with policy forms endorsements confirming coverage required under this Agreement. ~~Upon request of the CITY, the CONTRACTOR shall provide a certified copy of the entire policy.~~

Upon request from CITY, the CONTRACTOR shall ~~provide CITY a copy~~ **make copies** of all policies of insurance (including all endorsements) **available at Contractor's local office** within ten (10) Business days following receipt of a written request from the CITY for the same. The required ~~insurance Policy Endorsement~~ **Certificate of Insurance** shall be filed by the CONTRACTOR with the CITY Clerk prior to the commencement of the CONTRACTOR's operations under this Agreement, which **Certificate of Insurance Endorsement** shall reflect the coverage as set forth herein. Following the binding of any policy of insurance, the CONTRACTOR shall deliver a new **Certificate of Insurance** ~~Policy Endorsement~~ from the insurance company to the CITY Clerk. The general liability, Pollution and Remediation Legal Liability, excess liability, umbrella liability and automobile liability policies are to contain, or be endorsed to contain, the following **(or equivalent)** provisions:

- 1. Primary Insurance.** For any claims related to this Agreement the CONTRACTOR's insurance coverage shall be primary insurance as respects the CITY, its officers, officials, agents, independent contractors, employees, and volunteers. Any insurance or self-insurance maintained by the CITY, its officers, officials, employees, or volunteers shall be excess of the CONTRACTOR's insurance and shall not contribute with it.
- 2. Notification of Cancellation.** The CONTRACTOR is required to notify the CITY by ~~certified-mail, return receipt requested,~~ of the cancellation, non-renewal or material change of any insurance coverage or policy immediately upon receiving notice of cancellation, non-renewal or material change.

Rationale: These revisions are generally clarifying in nature, to reflect current insurance arrangements. Given its many thousands of customers, a blanket additional insured endorsement is utilized. The insurance policies contain confidential and privileged information, and for that reason the policies may be reviewed but copies not provided, so as to prevent any possibility of them becoming public.

Financial Impact: No financial impact if accepted by City, these revisions reflect current insurance arrangements, and would help protect confidential and proprietary information.



Section 11.11.H Subcontractors

Subcontractors. Any Subcontractor(s), independent contractor(s) or any type of agent(s) performing work in the City or for the City (i.e. Street Sweeping subcontractor, Waste Composition Study consultant, etc.) ~~or hired to perform any term or condition of this Agreement on behalf of the CONTRACTOR, or as may be allowed by this Agreement,~~ hereinafter referred to as "SECONDARY PARTIES," shall comply with each term and condition of this Agreement, including each term and condition of Article 11.11 entitled "INSURANCE." Furthermore, the CONTRACTOR shall be responsible for the SECONDARY PARTIES' acts, omissions and satisfactory performance of the terms and conditions of this Agreement. All Subcontractors, independent contractors and agents to the CONTRACTOR are disclosed on Exhibit 4, attached hereto.

Rationale: Makes this provision consistent with Section 13.4, as modified in Section E.8 of the responses to proposer questions.

Financial Impact: No financial impact if accepted by City, as revision makes this section consistent with Section 13.4.

Section 11.11.I Occurrence Based Coverage And Thirty-Day Notice

Occurrence-based coverage and Thirty-Day Notice. Except for the pollution liability policy, which is written on a claims-made basis, each insurance policy required by this clause shall be occurrence-based or an alternate form as approved by the CITY and endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or limits except after thirty (30) days' (ten (10) days' for non-payment of premium) prior written notice by certified mail, return receipt requested, has been received by the CITY.

Rationale: Conforms with actual policy language.

Financial Impact: No financial impact if accepted by City, as it reflects current insurance arrangements.

Section 11.11.L Rights Of Subrogation

Rights of Subrogation. All required insurance policies shall preclude any underwriter's rights of recovery or subrogation against the CITY with the express intention of the Parties being that the required insurance coverage protects both Parties as the primary coverage for ~~any and all~~ losses covered by the above-described insurance. The CONTRACTOR shall ensure that any companies issuing insurance to cover the requirements contained in this Agreement agree that they shall have no recourse against the CITY for payment or assessments in any form on any policy of insurance. The clauses 'Other Insurance Provisions' and 'Insured Duties in the Event of an Occurrence, Claim or Suit' as it appears in any policy of insurance in which the CITY is named as an additional insured shall not apply to the CITY, **subject to the terms and conditions set forth in Article 11.**

Rationale: Makes this provision consistent with the limitations to Contractor's indemnity obligations in Article 11.

Financial Impact: No financial impact if accepted by City, as this revision makes this section consistent with other portions of Article 11.

Section 12.6.B, first paragraph

Service and Diversion Performance Standards; Liquidated Damages for Failure to Meet Standards. The Parties further acknowledge that consistent and reliable Collection Service is of utmost importance to the CITY and that the CITY has considered and relied on CONTRACTOR's representations as to its quality of service commitment in entering into this Agreement with it. The Parties further recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The Parties further recognize that if the CONTRACTOR fails to achieve

the performance standards, or fails to submit required documents in a timely manner, the CITY and the CITY's residents and businesses will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages. Therefore, without prejudice to the CITY's right to treat such non-performance as an event of default under Article 12, ~~the Parties agree~~ CITY asserts that the liquidated damages amount defined below represent reasonable estimates of the amount of such damages considering all of the circumstances existing on the effective date of this Agreement, including the relationship of the sums to the range of harm to the CITY, Customers and the community as a whole that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical. In placing their initials at the places provided, each Party specifically confirms the accuracy of the statements made above and the fact that each Party that it has had ample opportunity to consult with legal counsel and obtain an explanation of the liquidated damage provisions at the time that this Agreement was made.

Rationale: Contractor is unable to agree with the City's assertions, since the information requested by it related as to the basis for each proposed imposition of liquidated damages was not provided in the response to proposer questions.

Financial Impact: No financial impact, since this is intended to correct an inaccurate statement.

Exhibit 5 List of Diversion Program Materials

Remove milk/juice cartons, empty aerosol can and plastics #'s 3, 4, 6, and 7 from the list of acceptable materials, and add to list of unacceptable materials. Add plastic bags to the list of unacceptable materials.

Rationale: Reflects current limitations on processing capabilities and available markets.

Financial Impact: No financial impact if accepted by City, as it reflects current processing capabilities and available markets. If not accepted, it would require additional capital and operating costs, and/or the need to make a payment for acceptance of the material.

Exhibit 8, Section 4, Step 5 Residual Maximum

Step 5: Expressly subject to CITY's timely undertaking of the ordinance requirements adopted to comply with SB 1383, within ninety (90) days after implementation of any Diversion program at the Premises of the Customer, Contractor shall ensure that the program is operating effectively such that the MSW Container(s) at the Premises contain no more than twenty percent (20%) Recyclable Materials and Food Scraps (combined), and the Recyclable Materials Container(s) contain no more than ten percent (10%) MSW and Food Scraps, combined (if the Customer generates Food Scraps). If the Premises is participating in the Source-Separated Commercial Food Scrap Collection Program, the Food Scrap Container(s) shall contain no more than ten percent (10%) of any non-food item(s).

Rationale: In Section F.7 of the responses to proposer questions, the City refused to allow Contractor to implement procedures to address container contamination, instead indicating it would do so itself through its ordinance and City enforcement. Contractor cannot be held responsible for these residual maximum requirements if the City does not undertake adequate enforcement measures, as Sections 7.14 through 7.16 give Contractor very little practical ability to address container contamination. Also, timing is an issue. Sections 7.15 and 7.16 contemplate a process that could take up to one year before Contractor could take any direct action with a customer, while this residual requirement takes effect in 90 for each customer.

Financial Impact: No financial impact if accepted by City, as it reflects the City's commitment made in its responses to proposer questions. If not accepted, it would require additional capital and operating costs for enhanced customer outreach (which is likely to be of limited value without having available adequate procedures to address contamination) and processing.



7 | OTHER PROPOSAL FORMS

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Addenda Acknowledgements

Waste Management acknowledges the receipt and thorough review of the following Addenda:

- City of Mission Viejo RFP: Addenda #1 - August 15, 2019
- City of Mission Viejo RFP: Addendum #2 - August 21, 2019

Surety

Waste Management has provided all Surety documents under separate cover as requested.

A. Proposer Code of Conduct and Non-Collusion Affidavit

The Proposer Code of Conduct and Non-Collusion Affidavit was completed and submitted at the pre-bid meeting as specified. The Code of Conducts is provided on the following pages.



ATTACHMENT 2: PROPOSER CODE OF CONDUCT

The City of Mission Viejo is planning to request and receive proposals for Solid Waste Management and Recycling Services within the jurisdiction of the City. The members of the City Council are obligated to comply with the Political Reform Act of 1974 ("PRA") and the Brown Act (Government Code §56950 et seq.). The City has a desire to maintain a process free from any undue influence and the appearance of impropriety. The City prepared this "Proposer Code of Conduct".

A potential proposer is defined as any individual or entity involved in making a proposal to the City under the Collector Selection Process ("Potential Proposer"). Each Potential Proposer is individually responsible for ensuring compliance with the following Code of Conduct. The Potential Proposer's responsibility to comply with this Code of Conduct shall extend to the Potential Proposer's employees, agents, consultants, lobbyists, or other parties or individuals engaged for the purposes of developing or supporting the Potential Proposer's proposal.

The Proposer Code of Conduct is presented below:

1. Ex Parte Communications Prohibited

From July 11, 2019, until the execution of the Agreement with the selected Proposer, potential Proposers are prohibited from having any verbal or written communications (ex parte contacts) with any City Council Members related to any matter related to the RFP process or Collector Selection process, except in the course of a legally noticed meeting of the City Council, or the Solid Waste Ad Hoc Subcommittee of the Council, or in conjunction with an ex parte contact arranged by and involving the City staff, including the City Manager and/or the City Attorney and the City's consultants. If any such unauthorized ex parte contact occurs, the Council member shall disclose its occurrence at the next meeting of the City Council that next follows the said ex parte contact.

2. Gift and Compensation Prohibited

From July 11, 2019, until the execution of the Agreement with the selected Proposer, potential Proposers are prohibited from giving any gift of any monetary value, or compensation of any kind (as defined under the California Political Reform Act) to a City Council Member or any City staff member or consultant. Please be aware that any Council Member who accepts such a gift or compensation may be subject to censure by the City Council. Any City staff member who violates this policy may be subject to discipline including termination of services, and any consultant who violates this policy may be subject to termination of services. Any Potential Proposer who violates this policy as to gifts or compensation may be subject to disqualification by the City Council from the Collector Selection Process.

3. Collusive Activities Prohibited

From July 11, 2019, until the execution of the Agreement with the selected Proposer, collusive activities among Potential Proposers are expressly forbidden and will likely result in immediate disqualification from the Collector Selection Process. If two or more potential Proposers are developing a joint proposal, the Potential Proposers must notify Sloan Vazquez McAfee using the email provided in Section 4.4 no later than thirty (30) days prior to the deadline for submission of proposals. This notification will be kept confidential until after submission of all technical and cost proposals.

The following affidavit is submitted by proposer as a part of this proposal:



City of Mission Viejo, California

Attachments

The undersigned deponent, of lawful age, being duly sworn, upon his oath deposes and says: that he has lawful authority to execute the within and foregoing proposal; that he has executed the same by subscribing his name hereto under oath for and on behalf of said proposer; that proposer has not directly or indirectly entered into any agreement, express or implied, with any proposer or proposers, having for its object the controlling of the price or amount of such proposal or proposals, the limiting of the proposals or proposers, the parceling or framing out to any proposer or proposers or other persons of any part of the agreement or any part of the subject matter of the proposal or proposals or of the profits thereof, and that he has not and will not divulge the sealed proposal to any person whomsoever, except those having a partnership or other financial interest with him in said proposal or proposals, until after the said sealed proposal or proposals are opened.

Deponent further states that the proposer has not been a party to any collusion among proposers in restraint of freedom of competition; by agreement to make a proposal at a fixed price or to refrain from submitting a proposal; or with any state official or employee as to quantity, quality, or price in the prospective agreement; or in any discussions between proposers and any City of Mission Viejo official concerning exchange of money or other things of value for special consideration in the letting of an agreement; that the proposer/Company has not paid, given or donated or agreed to pay, give or donate to any official, officer or employee of the City of Mission Viejo directly or indirectly, in the procuring of the award of agreement pursuant to this proposal.

4. Submission of Code of Conduct

The signed, notarized Code of Conduct must be submitted as described in Section 4.3.1. Proposer Code of Conduct.

I declare under penalty of perjury of the laws of the State of California that the foregoing is true and correct and that this Code of Conduct was executed on this 25 day of

July 2019 at Mission Viejo

SIGNED BY: H. S. Hashem Shokair

TITLE: Public Sector Manager

Subscribed and sworn to before me on this _____ day of _____

2019 at _____

Notary Public My Commission expires: See Attach for My Comm





CALIFORNIA JURAT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)

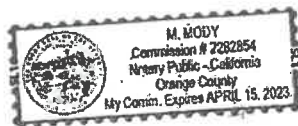
COUNTY OF Orange)

Subscribed and sworn to (or affirmed) before me on this 25th day of July, 2019
Date Month Year

by Hashem Shokair
Name of Signers

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature: [Signature]
Signature of Notary Public



Seal
Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent attachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Request for proposal for integrated solid waste collection service

Document Date: 7/1/19

Number of Pages: 47+1

Signer(s) Other Than Named Above: _____

B. Street Sweeping Proposal



Respectfully submitted by

Jonset Corporation
dba Sunset Property Services
16251 Construction Circle West
Irvine, CA 92606
(949) 551-5151
AHowhannesian@SunsetPropertyServices.com

Due Date:
September 10th, 2019

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Since 1967

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September 1, 2019

Mr. Dennis Wilberg,
City Manager
City of Mission Viejo
200 Civic Center
Mission Viejo, CA 92691

Subject: Street Sweeping Proposal - RFP for Integrated Solid Waste Collection Services

Dear Mr. Wilberg:

We are pleased to provide the City of Mission with our proposal for street sweeping services. Sunset Property Services is a local, family owned and operated business that has been proud to be a part of the Orange County community for over 41 years.

Sunset offers more than 51 years of experience and a substantial amount of comparable knowledge from our existing contracts and client relationships. We are a proven provider of quality street sweeping services to the city of Mission Viejo. We uphold our pledge of excellence to our clients through constant communication and reporting to ensure that we can proactively handle a variety of needs in a timely, cost effective manner.

Our veteran team is eager to continue our partnership with your staff. We are best qualified as Sunset provides the highest value and competitive pricing with the delivery of the highest quality service. Sunset goes unparalleled, not only in the proximity of our fleet and personnel headquarters in the city, but also in the variety and extent of services we can effectively and efficiently mobilize being so close to Mission Viejo. No other competitor can match us in the vast services that would be at your disposal. Our headquarters and fleet, with limited notice, can perform any service task to the highest quality with little to no limitation on fleet availability or distance/time constraints. This proximity also equates to a lower response cost for any emergency needs or service; including quicker execution and greater public safety.

We are proud to offer the latest technology with our modern fleet. For this contract we would utilize our state-of-the-art TYMCO 600 regenerative air sweepers. As an added benefit, Sunset's sweepers are also equipped with broom assist head (BAH) for added efficiency. This allows for a better cleaning and more thorough removal of heavy debris through our investment in this option. Our sweepers are AQMD approved as well as PM10 certified for the cleanest level of removing debris that also mitigates airborne particulates.

Sunset was first in the nation to introduce the TYMCO Alternative Fuel 600 sweepers, in 1993, ten years before it was mandated.

Sunset acknowledges this integration is different from previously experienced proposals for Street Sweeping. We know we can partner well with Waste Management, Inc. in order to facilitate providing a seamless transition, quick turnaround, better communication and a cost effective performance.

While undergoing this divergent proposal method for the city's street sweeping contract, we do wish to highlight that the proposed rates are preliminary and are not intended to be final and binding. Sunset reserves the right to modify its rate proposal, if needed, based on negotiations with the City.

We would like to thank you for your consideration of our proposal and look forward to the opportunity to continue working with your city.

Sincerely,



John D. Howhannesian
President

Project Understanding and Work Plan

Sunset Property Services is a family owned and operated business that has been proud to be headquartered in Irvine since 1978. For over 51 years Sunset has grown in California to become one of the premier providers for all service needs.

Project Onboarding

Our expert operations team works to keep you actively informed of your sites status while functioning to provide innovative and precautionary measures to ensure the utmost level of safety, health and service. Our management team places an emphasis on being in the field, not just behind a desk. We save our clients' money by being the first line of communication for facility issues and are unequalled in our response time to any emergency or special needs.

Not only do we rely on the sharpened ears and eyes of our crews, but we have placed an emphasis on our reporting and the data we establish for every client. Our experienced team provides routine quality checks of our services daily, through reporting and through consistent site visits. Our continuous safety, training and certification meetings are also strictly adhered to, so that the locations of service are being maintained at the optimum feasible level of efficiency. Due to our high standards, as well as the benefit of our headquarters being based eighteen miles away from the City of Mission Viejo, you can expect that all concerns can be addressed proactively and that they are being consistently monitored by our experienced and highly trained staff. In case of emergencies, our location allows quick and direct access to our expansive and diversified services.

We utilize electronic work order reporting to document all aspects of a service from customer calls to special concerns. This detailed history keeps a progressive synopsis of our projects readily available to any personnel involved from the top down. Our method of reporting provides an invaluable culmination of records on a per service level which can also be used to emphasize a larger picture of the areas of service. We are also able to provide complementary services instantaneously based on our wide range of services and centrally located fleet & crew.

Service Request

All service requests are channeled through our 24/7/365 office which is tracked on a proprietary system to ensure execution, efficiency and tracking. Additionally, a client log is simultaneously kept to keep record of hotspots and client needs. Due to our proximity and consummate knowledge, service requests are created as they come in through our Contracts Manager and can be scheduled in short notice (under 2 hours) if emergency services are needed.

In addition to our timely response, we have a wide range of in house services that can be readily used by the City.

Sunset provides a wide array of complementary services available with a locally centralized crew and complete scheduling flexibility. Our range is inclusive of but not limited to:

- | | |
|--------------------------------|---------------------------------|
| ❖ GRAFFITI REMOVAL | ❖ RD-2000 OIL ABSORBENT |
| ❖ SEALING | ❖ CUSTODIAL /DAYPORTER |
| ❖ AWNING CLEANING | ❖ PARKING LOT SWEEPING |
| ❖ HAULING | ❖ STREET SWEEPING |
| ❖ HYDROWASH/RECLAMATION | ❖ SPECIAL EVENTS |
| ❖ PRESSURE WASHING/RECLAMATION | ❖ CONSTRUCTION SITE CLEAN-UP |
| ❖ WINDOW WASHING | ❖ PARK BENCH/BUS BENCH CLEANING |

FOR SUBMITTAL: STREET SWEEPING PROPOSAL FORM

GPS Utilization

For over 12 years we have provided the benefit and accountability of GPS tracking on our entire fleet of vehicles to our clients. Sunset pairs physical quality checks with technological advances and in depth on demand reporting capabilities. Through our GPS we enable our customers to have access to real-time data and assurance of vehicle location. Our system also includes features that monitor everything from the speed to equipment activity. With this advanced supervising enabled through any internet connection, we can assert that our vehicles maintain the appropriate speed for optimum cleaning and can provide hard reporting to substantiate our affirmation.

Through our GPS, site and city transitions are easily obtained and real time monitoring can be affirmed so that the learning curve of new work is nearly non-existent. The other features of the GPS system provide a quick analysis to pinpoint inefficiencies on new accounts so that through our transition we can propose more effective ways to serve our clients.

Real-time quick mapping lets us see our fleet at a glance and dispatch according. We also know at all times where these vehicles are, what speed and direction they are traveling, the route they have taken and much more. Historical routing of each vehicle and the location at a specific time can also be retrieved and used for analysis. When Sunset promises a vehicle at a certain time and location, we can guarantee our prompt response and completion, even at obscure hours.



Our GPS system allows business rules to be entered so that we can immediately receive notifications of violations even outside of normal business hours. These alerts can even be received by phone or tablet to maintain full around the clock accountability and makes our ability to react to situations instantaneous. Alerts can be defined on: vehicle idle time, hard braking, hard swerving, fuel & oil level, engine data,

speeding against posted speed limit, maintenance and much more so that we can back our commitment to safety and performance with hard data.

Flexible reporting with a full suite of reports, ranging from very detailed to high level, are also processed quickly and automatically from the system. Run reports by vehicle, fleet, driver or team. All are generated in an easy-to-read format that can be printed, saved or set to send automatically to one or more recipients. Reporting is easy to use, but can be set up internally for our clients hassle free.

A screenshot of a data reporting table from the GPS tracking system. The table has multiple columns and rows, displaying various data points such as vehicle IDs, locations, and performance metrics. The text is small but clearly organized in a grid format.

Work Plan

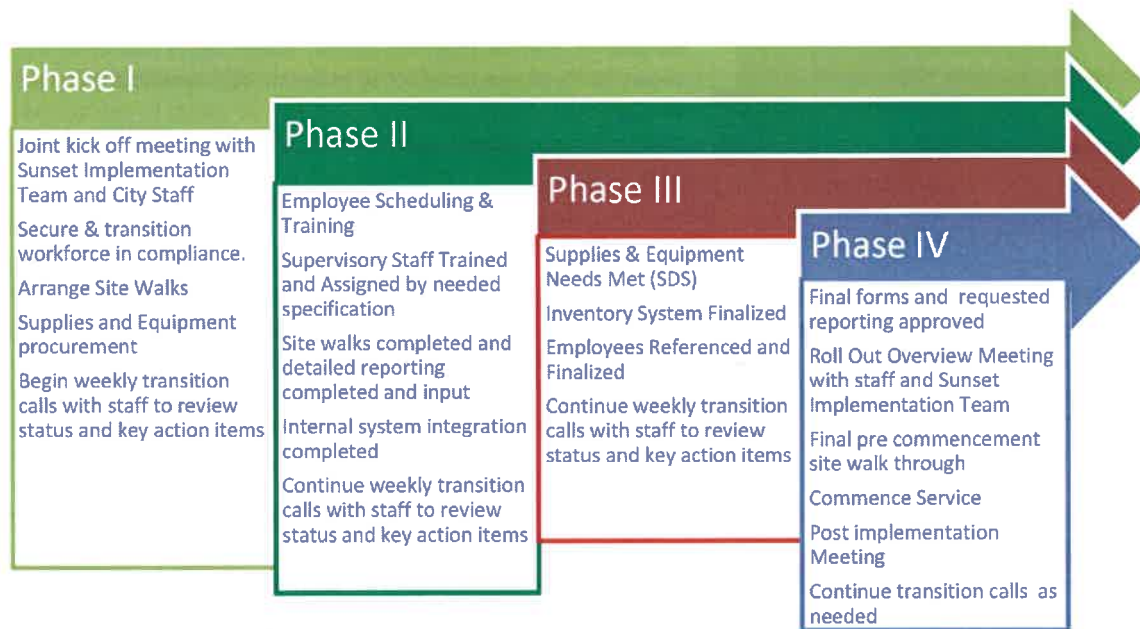
Sunset Property Services as a company has approximately 85-120 employees that work mostly full time with about 10 employees working part time. This combination allows us to easily cover absenteeism and needed vacation or time requested off for our employees. We have the ability to

FOR SUBMITTAL: STREET SWEEPING PROPOSAL FORM

provide on-site leadership during both the day and night shifts. We have mobile supervisors that can respond to emergencies when necessary to support any special needs of the crews working at any of our locations. Our trained supervisors also provide quality control checks to ensure the highest level of service is provided to each and every client. Our Director of Operations and our Asst. Operations Manager interface directly with clients on a routine basis to obtain feedback on service while allowing the client direct contact with our management team.

Below are the guidelines and reporting highlights that have allowed us to be a seamless success when taking on large and expansive new projects:

- Maximize our labor potential by assigning key roles based on experience and skills
- Maintain daily reporting to guarantee all services are met
- Utilize our Quality Control program to locate areas with special needs or areas of concern
- Provide site walks by veteran management for better control
- Conserve energy through management of procedures and key personnel
- Report and analyze all aspects of the work performed and actively come up with new ways to better our services
- Constant communication with the client to follow up on needs and keep all needed personnel informed and minimizing learning curve while continuing to gather and address feedback
- Utilize technology for identifying all aspects of the project implementations to manage and assign tasks accordingly to design an efficient infrastructure



FOR SUBMITTAL: STREET SWEEPING PROPOSAL FORM

Quality Assurance/QC Program

We offer a customized set of processes for each scope of work, implemented seamlessly and reported consistently for quality assurance. Effective communication and fleet/vehicle monitoring and scheduling via GPS is an essential part of our success and the pervasive tool throughout our service integration and continuation. Utilizing technology, we adhere to a strict and thorough integration plan that has enabled us to become adaptive and successful when transitioning projects. The following actions are observed for new accounts:

- **Area/Site Analysis** – identify individual needs and highlight any potential areas that may require special attention
- **Pre-Service Team Brief/Assignment** – assess and communicate to teams directly assigned to the project any areas of special care and assign crew with strengths best suited for the needs of the project to guarantee accountability, stability and exceptional work
- **Establish History and Quality Control** – meet regularly to go over performance, initial feedback as well as review current methods and execution to ensure that each project is receiving specialized attention and that all crew members are fully aware of changes or modifications as necessary
- **Report** – as the eyes and ears of our clients, report back any potential problems or suspicious/irregular activity and recommend additional services as necessary according to the needs of the property
- **Familiarize and Nurture Growth** – reliability is key but continuing to analyze and discover fresh approaches or needs is the cornerstone to progress

Crews

Sunset takes pride in its accomplishments as a team and the dedication, as well as experience, of our crews. We value loyalty and consider all employees a part of the Sunset family. Sunset strives to maintain exceptional quality in our work as well as in our relationships with our crews and staff, evidenced by the average 10-year tenure of our employees. This is a direct result of our commitment to supporting our crews, implementing exceptional project strategy and our ability to pair quality with loyalty. Their training and experience is an essential part of how Sunset seamlessly transitions new contracts.

Employee Benefit Program

Another pivotal point to the success of our business has been to create an incentive program for our crews. Part of quality assurance means proactively giving our crew the tools and encouragements to excel. Our program gives greater accountability to translate into a more effective workforce with greater benefits and a happier working environment. This positively impacts employees' conduct and performance to give greater value, savings and quality for our clients.

Corrective Action Plan

Sunset's procedure for corrective action currently utilizes our electronic Q.A. reporting system which is documented and communicated through our encompassing proprietary electronic Work Order system. Sunset's supervisors and Q.A. personnel are trained to fill out an inspection report which is then delivered back to our main office and input electronically. If the reported results does not meet our high level of standards or there is a unique issue, a work order is opened and

FOR SUBMITTAL: STREET SWEEPING PROPOSAL FORM

immediate action is taken. This simultaneously archives the report and creates an action plan accompanied with completion dates and a new inspection date. We are able to report and monitor the historical data in order to identify potential trends.

This process is multipurpose and carefully documents areas that need special care and are notes them for future reference. This can also integrate with our scheduling system to assert better controls and easily identifiable service history. Our experience in other accounts allows for a cross check between new locations and veteran locations that already have an accumulation of data so we can distinguish areas to closely monitor before we even commence services. We can provide polls to residents to actively search for their feedback to confirm we are providing services to the best of our abilities and with resident high approval. Correspondence logs are also maintained and communicated to staff to keep a transparent log of any calls from residents. Our internal systems ensure that we comply with the contract time frames on all levels.

Accountability & Customer Service

At Sunset, we hold our work to the highest standards and we know that accountability is of the utmost importance. Our goal is to provide the highest quality service possible. In order to maintain accountability and quality we have a dedicated contract manager as well as a client services representative, that handles any requests or concerns that our clients may have. Additionally, we have an operations team that meets daily, headed by our director of operations, to discuss any issues, new requirements or concerns to ensure that everything is running smoothly. Service and direct contact to our team is available 24 hours a day, 7 days a week.

Our proprietary work order system designed in house, creates electronic work orders to ensure that any special notes as well as basic information can be kept for reference. Client information is meticulously maintained to ensure that all documentation for the client is kept up to date and ready at any time for any potential needs or verification. Our accounting provides a customized and exhaustive breakdown of the city and the billing for each invoice cycle for fully disclosed communication and 100% accuracy. We want to ensure that accurate accounts are kept and recorded and that past information can be accessed at a moment's notice.

If special services or requests are made, outside of the scope of work, Sunset crews are prepared to handle any needs at any time. We believe we offer the best of both worlds; providing big company solutions with distinct personal touches.

FOR SUBMITTAL: STREET SWEEPING PROPOSAL FORM

Statement of Compliance

Sunset Property Services has an in depth and intimate understanding of the city-wide street sweeping requirements as set forth by the City of Mission Viejo. Sunset further guarantees that the work performed under the contract will exceed the highest standards specified in the Request for Proposal and remain as such for the term of the contract.

All services outlined within the Scope of Work are within Sunset’s proven capability and understanding. This proposal is in compliance with the Request for Proposal and the City’s Standard Maintenance Services Agreement and no exceptions to either are proposed. We are already a seasoned provider in the foundation needed to transition and provide quality street sweeping services with many opportunities to hone our ability to integrate and perform.

NOTE: Proposers are not limited to the space provided under each question and may expand the space or attach additional pages as necessary.

FOR SUBMITTAL: STREET SWEEPING PROPOSAL FORM

1. PROPOSER OR SUBCONTRACTOR INFORMATION

Proposer declares under penalty of perjury under the laws of the State of California that the following information regarding the Proposer's Street Sweeping Services or if using a subcontractor, the following information regarding the Proposer's subcontractor is true and correct:

Name: Jonset Corporation dba Sunset Property Services

Business Address: 16251 Construction Circle West, Irvine CA 92606

Telephone: (949) 551-5151

Email Address: Ahowhannesian@SunsetPropertyServices.com

State Contractor's License No. and Class: Not Applicable

Original Date Issued: N/A

Expiration Date: N/A

a. Names, titles, addresses and telephone numbers of all individuals, firm members, partners, joint venturers and/or corporate officers having a principal interest in this proposal:

John D Howhannesian/President – Mission Viejo CA (949) 551-5151
Andrea Howhannesian/Secretary – Rancho Santa Margarita CA (949) 551-5151

b. Dates of any voluntary or involuntary bankruptcy judgments against any principal having an interest in this proposal are as follows:

None

c. All current and prior DBAs, alias and/or fictitious business names for any principal having an interest in this proposal are as follows:

Sunset Property Services

d. Have you ever been disqualified from any contract? Yes ___ No X

If yes, explain the circumstances.

Not Applicable

2. EQUIPMENT

a. List the types of equipment and number of each to be assigned to this contract:

Two (2) TYMCO 600s; One (1) TYMCO 210

b. Note any equipment that will also be used on another contract:

Pressure Washing Unit: TYMCO 210s

c. Will all trucks be uniform in color and with company name/logo? Yes X No ___

FOR SUBMITTAL: STREET SWEEPING PROPOSAL FORM

d. List the back-up equipment available:

Two (2) TYMCO 600s; Two (2) TYMCO 210s; Entire Irvine Fleet

e. List the type of equipment, and if rented, from where it will be rented:

TYMCO 210s, TYMCO 600s – Owned (never rented)

3. SUPPORT FACILITIES

a. Address of the yard from which work crews will be assigned:

16251 Construction Circle West, Irvine CA 92606

b. Address of main office:

16251 Construction Circle West, Irvine CA 92606

c. Local toll-free telephone number:

(949) 551-5151

d. Emergency response number: (Note: voice mail or answering service is preferable.)

(949) 283-3733

e. Communication system to be used to communicate between field and office:

Smartphones & Vehicle Tablets

4. PROPOSER OR SUBCONTRACTOR STREET SWEEPING SERVICE REFERENCES

Project	Location	Contract Amount	Contract Dates	Reference for Name, Address and Phone number
1. County Sweeping	County Unincorporated	\$395K+	Over 5 Years - Current Project	Kris Ruiz 2301 N Glassell St, Orange, CA 92865 (714) 955-0346
2. City Sweeping & Supporting Services	City of Laguna Hills	\$155K+	Over 10 Years - Current Project	Vince Cardona 24035 El Toro Road, Laguna Hill, CA 92653 (949) 718-3481
3. City Sweeping & Supporting Services	City of Rancho Santa Margarita	\$150K+	Over 10 Years - Current Project	Terry Gregory 22112 El Paseo, Rancho Santa Margarita, CA 92688 (949) 635-1800 ex. 6102

FOR SUBMITTAL: STREET SWEEPING PROPOSAL FORM

5. COST PROPOSAL FORM

A. Sweeping and Air Blowing City Parking Lots

Item A	Base Proposal	Cost per Curb Mile
	Sweeping residential streets	21.98/CM
	Sweeping arterial streets	21.98/CM

Residential:

Cost per curb mile \$ 21.98 X 347.58 miles x 26 (bi-weekly) cycles = \$ 198,635.02

Arterial:

Cost per curb mile \$ 21.98 X 179.90 miles x 52 (weekly) cycles = \$ 205,618.50

Total Combined Residential and Arterial Annual Cost: \$ 404,253.52

B. Sweeping and Air Blowing City Parking Lots

Item B	Facility	Location	Cost Per Week
1	William S. Craycraft Park (Alicia)	23691 Via Linda	\$46.25
2	Mission Viejo Animal Services Center (Animal Shelter)	28095 Hillcrest	\$53.96
3	Beebe Park	25190 Olympiad Road	\$25.76
4	Curtis Park	24460 Olympiad Road	\$33.92
5	Felipe Tennis and Recreation Center	27161 Nogal	\$24.15
6	Gilleran Park	24960 Felipe Road	\$50.88
7	Marguerite Aquatics Center and Tennis Pavilion	27474 Casta Del Sol	\$33.92
8	Melinda Park	28951 Melinda Road	\$24.15
9	Montanoso Recreation and Fitness Center	25800 Montanoso Road	\$33.92
10	Norman P. Murray Community and Senior Center (lower and upper tier)	24932 Veterans Way	\$88.81
11	Pavion Park Parking Lots - Regular and ADA (2 lots)	24051 Pavion	\$24.15
12	Sierra Recreation and Fitness Center	26887 Recodo Lane	\$24.15
13	Marty Russo Youth Athletic Park (2 lots)	Olympiad Road	\$77.09
14	Mission Viejo Library & City Hall	100 & 200 Civic Center	\$58.59
15	Corporate Yard	27204 La Paz Road	\$69.37
16	Florence Joyner Olympiad Park	22760 Olympiad Road	\$40.26
17	Potocki Center for the Arts	27301 La Paz Road	\$49.95
TOTAL COST PER WEEK:			\$759.28

Cost for sweeping parking lots shall be based on separate prices for each location. Parking lots shall be completely swept (curb to curb) with areas behind curb stops to be air blown once a week. Sweeping of parking lots shall meet the same quality standards and requirements as arterial and

FOR SUBMITTAL: STREET SWEEPING PROPOSAL FORM

residential streets. Contractor shall submit parking lot sweeping schedule to City for approval. All parking lot sweeping shall be performed Monday through Friday between the hours of 7:30 a.m. and 11:30 a.m., with the exception of Montanoso and Felipe Recreation Centers which are swept after 1:00 pm.

C. Cleaning and Removing Debris from Sidewalk/Bike Lane Area by Street Sweeper, Air and/or Push Broom and Pressure Washing/Paint Spill Removal

Item C	Cleaning and Removing Debris	Cost Per Linear Foot
1	0-14,999 Linear Feet	\$0.050
2	15,000 to 29,999 Linear Feet	\$0.049
3	30,000+ Linear Feet	\$0.042

One linear foot shall equal one foot (1') long by up to fifteen feet (15') wide. Sidewalk and adjacent bike lane shall be included as single price per linear foot. Price per linear foot shall include cost of labor, equipment, disposal fees and all incidentals associated with the cost of cleaning sidewalks.

	Pressure Washing and Paint Spill Removal	Hourly Rate
4	Pressure washing of street/sidewalk to include traffic accident clean up and paint spill removals (normal working hours)	\$142.00
5	Pressure washing of street/sidewalk to include traffic accident clean up and paint spill removals (emergency hours)	\$163.00

Includes pressure washer and street sweeper to reclaim debris and all related traffic control as needed.

D. Custodial Hand Crew Services

Item D	Hand Crew Services	Cost Per Crew
1	Custodial hand crew	\$25.00
2	One (1) work truck and one (1) worker hour, one (1) hour minimum	\$46.00
3	Each additional custodial hand crew employee, one (1) hour minimum	\$25.00

E. Montanoso Street Services

Item E	Montanoso Street Weekly Street Sweeping Service and Custodial Hand Crew	Cost Per Week
	One (1) Tymco 600 (or equivalent) and one (1) smaller Tymco 210 sweeper (or equivalent) and custodial hand crew Contractor shall sweep entire street (of 1.50 curb miles) and use smaller sweeper and custodial hand crew to clean and remove all debris from tight curb radii (radius) around curbed roadway planters.	\$86.50

FOR SUBMITTAL: STREET SWEEPING PROPOSAL FORM

F. Aliso Villas Community Services

Item F	Aliso Villas Community Bi-Weekly Street Sweeping Service and Custodial Hand Crew	Cost Per Week
	Sweeper and custodial hand service of Aliso Villas Community-streets to be serviced include: Via Pera, Via Pimiento, Via Cereza, Via Roble, and Via Nuez, which totals 1.68 residential curb miles. Contractor shall remove all gutter and street debris by shovel, hand broom, and air brooming around and under vehicles, blowing light debris to center of street for street sweeper to remove. This service shall be performed bi-weekly.	\$150.50

G. Emergency, Special and Saturday Services

Item G	Description	Rate
1	EMERGENCY SWEEPS: Emergency call for all City requested services between the hours of 4:30 p.m. and 7:30 a.m.	\$170.00
2	SPECIAL SWEEPS: For scheduled (24 hours in advance) and non- scheduled (between the hours of 7:30 a.m. and 4:30 p.m.) street sweeping of residential and/or arterial streets	\$120.00
3	SATURDAY STREETSWEEPING: For scheduled streetsweeping of arterial and residential streets on listed Saturdays throughout the year	
	Curb mile cost of sweeping residential streets:	\$27.47
	Curb mile cost of sweeping arterial streets:	\$27.47



8 | COMMUNITY SERVICE AND SUPPORT

Working Alongside Customers to Recycle More. Recycle Right.

Waste Management not only provides vital services to homes, schools, businesses and government facilities in Mission Viejo, but has also established a partnership with the City that is evident in the many ways we support Mission Viejo community. Our employees live, work and raise their families in your City. Beyond that, our business improves the health and safety of your community and individuals we serve in a very tangible way. We may be a large company with facilities that span the North American continent, but when it comes to delivering our services, we are extremely local.

Waste Management embraces the opportunity to be a good community citizen through a vigorous and growing relations program. We are involved in local community organizations. We participate in numerous community activities and initiatives. Our employees volunteer in many ways throughout Mission Viejo. After all, supporting your community - making it cleaner, safer, and stronger - is what Waste Management is all about. Our customers are our neighbors, associates, friends, and family. The schools we serve are the same schools that teach our own children. The businesses we serve are the same businesses that serve us as customers. The hospitals, police departments, governments, and civic organizations we serve are also the same ones that care for and protect the communities where we live

For all these reasons, we have a personal interest in helping make your community a better place to work and live. It is a responsibility we take to heart. We will continue to partner with the Mission Viejo community in a variety of ways, through volunteer services from our employees, financial contributions to worthy organizations, and/or through in-kind services for community events.

Further we are proud to be actively involved in the City of Mission Viejo, with more than \$68,900 donated in the past two



Moms of Mission Viejo



MV Bunny Days



Mission Viejo Summer Shred Event

years alone, in addition to the 2019 \$50,000 monetary donation to the Mission Viejo Nadadores. Please reference the next pages for the organizations and events that were supported by Waste Management in Mission Viejo during 2018 and 2019 service years.



 **Customer Comments**

On behalf of the Mission Viejo Nadadores Diving Team, I would like to thank you and Waste Management for your incredible support of our recent FINA Grand Prix Diving Championships at the Marguerite Aquatic Center.

Your corporate support of this international competition genuinely made the difference for us. As a significant and historic athletics program in Mission Viejo, your affiliation with us was critical to lend credibility to our event. We had other sponsors join us because Waste Management understood that giving back to the "crown jewel" of Mission Viejo was a "good neighbor" policy in which to invest.

Beyond the financial help, Waste Management was very generous with other items such as bag stuffers, T-shirts and recycling boxes. Further, your staff was incredibly responsive and enthusiastic to work with for the event. Anything I requested was quickly sent to me and your personnel was so pleasant.

Thanks so much for your support of the Mission Viejo Nadadores and I sincerely look forward to working with you and Chip Monaco in the future.

Warm Regards,
 Michele Mitchell, Ph.D., Head Coach
 1984 & 1988 Olympic Silver Medalist



Mission Viejo - Waste Management Partnerships

Annual Campout	Arts Alive	Bunny Days
Children's Environmental Fair	City of Mission Viejo Annual Facility Clean Out	Dawg Walk & Adoption Extravaganza
Earth Day/Arbor Day Celebration	Home Depot Mission Viejo	Hometown Halloween
Irish Festival	Mariners Church	Mariners Serve Day at Olivewood Elementary
Mission Viejo 4th of July Street Fair	Mission Viejo Chamber of Commerce	Mission Viejo Christian School
Mission Viejo Compost Giveaway	Mission Viejo Concerts on the Green	Mission Viejo High School
Mission Viejo Hospital	Mission Viejo Montessori	Mission Viejo Nadadores
Mission Viejo Quarterly Shred Events	Mission Viejo Relay for Life	Mission Viejo Softball Tournament
MOMS Club	Mount of Olives Church	National Night Out

Mission Viejo - Waste Management Partnerships

Oktoberfest

Oso Fit 5k & Community Health Fair

Pacific Symphonies in the City

Shakespeare in the Park

Stoneridge Church

Trabuco Hills High School Annual
 Marching Band Competition

USA/FINA Diving Grand Prix

Walk Against Drugs



Compost Class



Concerts on the Green



Concert on the Green



*Mission Viejo Children's Enviro Fair
 Recycling Relay*



Children's Environmental Fair



*Residents at the Mission Viejo
 Irish Festival Event*



9 | CONCLUSION

Why Waste Management remains the Best Partner for the City of Mission Viejo

Without question, Waste Management is your longtime environmental solutions and community partner. We have provided waste and recycling management services to the City for over 30 years. The City, its residents and businesses, are familiar with our company, our team, and our professional approach over the long term, and we are excited about the opportunity to continue to work with you in managing your waste and recycling needs.

We are proud to have fulfilled the individual tenets and each requirement of your RFP and have organized this response to each proposal element outlined.

This is a significant Contract for both Waste Management and Mission Viejo, and as your long-term partner, we are strongly invested in your City and want to continue to be your waste solutions provider of the future. We understand your priorities, the way you work, and what makes your City such a great place to live and work, making us uniquely qualified to provide tailored services to meet your operational needs.

Waste Management, its staff and families are committed to strengthening our current relationship by continuing to provide high-quality, reliable service for the entire term of a new Contract. We have already shown ourselves to be a dependable partner in our current Agreement and have the resources to make needed adjustments to facilitate continued satisfaction for your residents and businesses. Waste Management will continue to offer uninterrupted stability backed by innovation, value, and price, and most importantly, to be an active partner in attaining the City's goals and objectives of diversion and compliance.

In addition, continuing a partnership with Waste Management means there will be no transition period where costly mistakes and problems are most likely to occur, as our team is intimately familiar with your operations and has developed a strong working partnership with your staff. We would like to thank the City, its staff and hired consultant for this opportunity and the consideration of our merits and candidature.

Respectfully,

The Waste Management Team

EXHIBIT 4: LIST OF CITY FACILITIES

The list of facilities provided below may change at any time. The City reserves the right to add or remove any facility or modify this list at any time.

Location Name	Location Address
Mission Viejo Library & City Hall	100 & 200 Civic Center
Corporate Yard	27204 La Paz Road
Florence Joyner Olympiad Park	22760 Olympiad Road
Norman P. Murray Community and Senior Center*	24932 Veterans Way
Mission Viejo Animal Services Center	28095 Hillcrest
William S. Craycraft Park	23691 Via Linda
Beebe Park	25190 Olympiad Road
Curtis Park	24460 Olympiad Road
Gilleran Park	24960 Felipe Road
Oso Viejo Park*	24932 Veterans Way
Marty Russo Youth Athletic Park	Olympiad Road
Felipe Tennis and Recreation Center	27161 Nogal
Marguerite Aquatics Center	27474 Casta Del Sol
Marguerite Tennis Pavilion	27474 Casta Del Sol
Casta Del Sol Golf Course	27601 Casta Del Sol
Montanoso Recreation and Fitness Center	25800 Montanoso Road
Sierra Recreation and Fitness Center	26887 Recodo Lane
Potocki Center for the Arts	27301 La Paz Road

*This facility has two trash enclosure areas. Oso Viejo Park shares an enclosure with NPM Senior & Community Center.

EXHIBIT 4: LIST OF CITY FACILITIES (CONT.)

Battery Collection Locations & Service Levels

The list of facilities provided below may change at any time. The City reserves the right to add or remove any facility or modify this list at any time.

Location Name	Location Address	Collection Frequency
Mission Viejo Library	100 Civic Center	Bi-weekly
Mission Viejo City Hall	200 Civic Center	Bi-weekly
Corporate Yard	27204 La Paz Road	On-call
Norman P. Murray Community and Senior Center	24932 Veterans Way	Bi-weekly
Marguerite Tennis Pavilion	27474 Casta Del Sol	Bi-weekly
Montanoso Recreation and Fitness Center	25800 Montanoso Road	Bi-weekly
Sierra Recreation and Fitness Center	26887 Recodo Lane	Bi-weekly
Casta Del Sol Residential Retirement Community	27651 Casta Del Sol	Bi-weekly
Palmia Residential Retirement Community	21455 Monterey	On-call

EXHIBIT 5: LIST OF DIVERSION PROGRAM MATERIALS

SINGLE STREAM RECYCLABLE MATERIALS

ACCEPTABLE MATERIALS

UNACCEPTABLE MATERIALS

Paper

- White paper, colored paper, envelopes, junk mail, soft cover books/manuals glossy paper, shredded paper, brown paper bags, packaging, wrapping paper and carbonless paper
- Paper tissues, paper towels, paper with plastic coating (i.e. photographs, label paper), paper with food, waxed paper, foil lined paper, hard cover books/manuals, Tyvex (non-tearing) envelopes and non-paper bags

Cardboard

- Cardboard, chipboard/boxboard, milk/juice cartons, egg cartons
- Waxed cardboard

Aluminum and Tin

- Empty aluminum cans, empty aerosol cans
- Tin cans, loose jar lids

Glass

- Glass including empty glass beverage containers, empty glass food containers, all glass colors
- Windows, mirrors, dishware, ceramics, light bulbs, fluorescent tubes, Pyrex or similar material

Plastic

- Empty PET bottles #1, HDPE bottles #2, plastics #3, #4, #6 and #7, and HDPE bottles #5
- Plastic liners (i.e. cereal bags), bubble wrap, plastic film

Other

- Wood furniture, Styrofoam, Solid Waste, Hazardous Waste, fiberglass materials, tarps, textiles, clothes, shoes, E-Waste, U-Waste and small manufactured goods (e.g. purses, handbags and backpacks)

SOURCE SEPARATED CARDBOARD RECYCLING

ACCEPTABLE MATERIALS

- Clean cardboard, chipboard

UNACCEPTABLE MATERIALS

CARDBOARD

- Solid Waste, waxed cardboard, all non-cardboard items, Hazardous Waste

GREEN WASTE MATERIALS

ACCEPTABLE MATERIALS

- Loose green material from the yard, grass clippings, leaves, weeds, tree prunings, bush prunings, plant material, vineyard clippings, tree trunks/stumps/branches 3" or less in diameter

UNACCEPTABLE MATERIALS

Yard Trimmings

- Rocks, dirt, plastic bags, Solid Waste, Single-Stream Recyclables, Food Waste pet waste, Hazardous Waste, and tree trunks, stumps and branches greater than 6" in diameter

FOOD WASTE MATERIALS

ACCEPTABLE MATERIALS

- All food, fruits, vegetables, meat and bones, poultry, seafood, shellfish, dairy products, cheese, eggs and eggshells, rice, beans, bread, pasta, coffee grounds, and plate scrapings of these materials

UNACCEPTABLE MATERIALS

Food Waste

- Glass, plastics, metal, plastic wrap, silverware, plates, cups, glasses, diapers, Solid Waste, Single Stream Recyclable Materials, Green Waste Materials, food processing liquids, Hazardous Waste) kitty litter, pet waste, rocks, dirt,

Food-Soiled Paper and Food Service Items*

- Food soiled paper towels, tissue products, paper napkins, paper plates and cups, coffee filters, tea bags, waxed paper, butcher paper, single use PLA cups, single serve coffee brewing cups and other plant-based utensils; paper take-out boxes and containers, greasy pizza boxes, paper bags and cardboard and wax-coated cardboard produce boxes
- Biodegradable food service ware includes ASTM D6400 designed to disintegrate and biodegrade quickly.
- Polystyrene, plastic-backed paper, blue-line paper or blueprints or any paper containing plastics, aluminum foil or foil-lined food wrap

CO-COLLECTED GREEN WASTE AND FOOD WASTE MATERIALS

ACCEPTABLE MATERIALS

UNACCEPTABLE MATERIALS

Green Waste, Food Waste and Food-Soiled Paper and Food Service Items

- Loose green material from the yard, grass clippings, leaves, weeds, tree prunings, bush prunings, plant material, vineyard clippings, tree trunks/stumps/branches 3" or less in diameter, all food, fruits, vegetables, meat and bones, poultry, seafood, shellfish, dairy products, cheese, eggs and eggshells, rice, beans, bread, pasta, coffee grounds, and plate scrapings of these materials.
- Glass, plastics, metal, plastic wrap, silverware, plates, cups, glasses, diapers, Solid Waste, Single Stream Recyclable Materials, Food Processing Liquids, Hazardous Waste Polystyrene, plastic-backed paper, blue-line paper or blueprints or any paper containing plastics, aluminum foil or foil-lined food wrap), kitty litter, pet waste, rocks, dirt, and tree trunks, stumps and branches greater than 6" in diameter

CONSTRUCTION AND DEMOLITION MATERIALS

ACCEPTABLE MATERIALS

UNACCEPTABLE MATERIALS

MIXED C&D LOADS

- All acceptable wood, concrete, asphalt, metal, dry wall, cardboard, and Green Waste
- Solid Waste, Food Waste, Hazardous Waste

WOOD

- Non-treated wood, stained wood, wood with nails, wood with small metal items, and tree trunks, stumps, and branches (free from leaf and brush material)
- Painted wood, lacquered wood, creosote treated wood, railroad ties, telephone poles, excessive nails, large metal items, Hazardous Waste

CONCRETE

- Clean concrete, concrete with rebar, asphalt not exceeding 5% of incoming load by weight, bricks, ceramic tiles, baselite blocks, concrete roof tiles, concrete pipe without asbestos
- Solid Waste, all other non-concrete materials (such as stucco), Hazardous Waste (including concrete pipe with asbestos), asphalt exceeding 5% of incoming load by weight

ASPHALT

- Clean broken asphalt pavement with dirt not exceeding 5% of incoming load by weight
- Solid Waste, all other non-asphalt materials, Hazardous Waste, dirt exceeding 5% of incoming load by weight

METAL

- Ferrous metal, non-ferrous metal
- Solid Waste Items less than 90% metal, fluids, Hazardous Waste

DRY WALL

- Clean dry wall (gypsum)
- Solid Waste, all other non-dry-wall materials such as stucco, Hazardous Waste

**EXHIBIT 6: LIST OF ACCEPTABLE HOUSEHOLD HAZARDOUS,
UNIVERSAL AND ELECTRONIC WASTE MATERIALS**

HOUSEHOLD HAZARDOUS, UNIVERSAL AND ELECTRONIC WASTE MATERIALS

ACCEPTABLE WASTE

Garden Chemicals

- Insect sprays
- Weed killers
- Other poisons
- Fertilizer

Swimming Pool Chemicals

- Pool acid
- Chlorine: tablets, liquid

Automotive Waste

- Motor oil
- Antifreeze
- Waxes
- Polishes
- Cleaners
- Brake fluid
- Gasoline
- Used oil filters
- Oily rags
- Transmission fluid
- Windshield washer fluid
- Hydraulic fluid
- Automotive batteries

Paint Products

- Oil-based paint
- Latex paint
- Spray paint
- Stripper
- Stains
- Caulking
- Wood preservative
- Glue
- Thinner

Household Cleaners

- Bleach
- Cleaning compounds
- Floor stripper
- Drain cleaner
- Tile remover
- Tile cleaners
- Rust remover

Miscellaneous Household

- Household batteries- thermometers
- Electronics, TV, CRT, consumer item
- Fluorescent tubes
- Smoke detectors
- Fire extinguishers

UNACCEPTABLE WASTE

Ammunition

Appliances larger than microwave*

Asbestos

Biological waste

Commercial chemicals (for business use)

Construction materials

Driveway sealer (>5 gallons)

Explosives

Leaking containers

Liquid mercury

Pressurized cylinders

Radioactive materials

Tires

Trash

Unknowns (must be tested)

Waste in 6-gallon or larger container

*Collected as Bulky Items

EXHIBIT 7: OUTREACH AND EDUCATION PROGRAM REQUIREMENTS

1. PROGRAM EXPECTATIONS

The CONTRACTOR shall design and execute an innovative, dynamic and effective Diversion outreach and education program. The CONTRACTOR shall be responsible for the implementation of all program activities, and for all **costs and staffing required to conduct the program**. The effectiveness of the outreach and education will be measured by (i) the achievement of the monitoring requirements detailed in Exhibit 8, and (ii) the achievement of the performance requirements detailed in Exhibit 9.

Should the program fail to achieve the monitoring requirements and/or performance requirements, the CONTRACTOR shall conduct the additional SB 1383-mandated outreach and education activities. The CITY reserves the right to direct the CONTRACTOR to modify the program at any time.

Additional expectations include, but are not limited to the following:

- The CONTRACTOR shall work cooperatively with the City and its State Diversion Monitoring Consultant.
- SB 1383-specific education shall be included in all printed and electronic materials in the plan for approval by the CITY or its representative during the transition period, upon commencement of the Agreement and throughout the term of the Agreement.
- The CONTRACTOR shall provide all materials to the CITY according to the submittal requirements for review prior to finalization and distribution.
- The CONTRACTOR shall provide, as requested by the CITY, Spanish translations of written communication (packets, billing inserts, website content, etc.) to meet the needs of CITY SFD, MFD and Commercial Customers. CONTRACTOR shall comply with Section 18985.1.e of SB 1383 and provide additional translations of printed outreach if 5% or more of residents do not speak English or Spanish and shall provide online, electronic copies of all outreach in a language spoken by 0.5% or more of residents.
- The CONTRACTOR is required to comply with all CalRecycle regulations and achieve CalRecycle participation and contamination goals. The CITY requires the implementation of SB 1383 outreach and education to start upon the transition to the new Agreement and continue throughout the term of the Agreement.
- The CONTRACTOR is required to conduct thorough training of all customer service representatives who may respond to CITY customer calls regarding SB 1383 requirements. Customer service representatives shall accurately communicate program requirements and the accepted and prohibited materials for each material stream for each customer type. New customer service representatives shall not be assigned to the CITY prior to completing SB 1383 training. The CITY reserves the right to require changes to the call routing process and the training and qualifications for CITY-assigned customer service representatives if a pattern of inaccurate information provision is observed.

2. RECYCLING COORDINATOR JOB DESCRIPTION

CONTRACTOR shall provide one (1) full time Recycling Coordinator to implement Diversion programs in the CITY. The Recycling Coordinator will devote 100% time to Diversion programs exclusively for the CITY. At the CITY's request, and when reasonably available the Recycling Coordinator shall work up to two (2) days per week at the CITY's offices, in a space provided by the CITY. Examples of reasonable unavailability include during weeks when implementing daily outreach, education, training and monitoring activities with CITY customers and during weeks when the Recycling Coordinator is using paid time off.

A. Minimum Qualifications

- A minimum of three (3) years of experience in the design, implementation and operation of Recycling, Composting and Diversion outreach, education, monitoring and reporting. *(If the CONTRACTOR wishes to propose an employee with less than three (3) years of experience, the CONTRACTOR may request an exemption from this requirement through a written request that justifies the selection of the proposed Recycling Coordinator. The CITY may, but is not obligated, to approve the proposed Recycling Coordinator.)*
- Knowledge of the requirements AB 939, AB 901, AB 341, AB 1826, SB 1383 and other applicable laws and regulations.

B. Minimum Duties, Work Tasks, and Requirements

1. Public Outreach and Education Plans

- a. Prepare Draft Initial and Annual Plans
- b. Submit Draft to CITY for approval and incorporate CITY-required changes

2. Reporting

- a. Prepare and submit all monthly, quarterly and annual reports as required in Exhibit 8
 - i. Coordinate with CONTRACTOR operations and customer service to obtain data as necessary
- b. Assist CITY in responding to any CalRecycle request for data with 5 business days of request
 - i. Provide data according to CITY-established deadline to ensure compliance with CalRecycle requirements
- c. Assist CITY with State reports and other reports upon request

3. Outreach and Education Strategies

Develop, obtain CITY approval, and implement outreach and education materials, to with collection service, customer service and diversion program information including, but not limited, to the following:

- a. Printed Material: Develop, obtain approval, and distribute promotional materials to SFD, MFD and Commercial accounts at inception of the new program and during the term of the Agreement, including all outreach and education materials necessary to meet or exceed AB 939, AB 341, AB 1826 and SB 1383 requirements.
- b. CONTRACTOR and CITY Websites: Develop, obtain approval, and implement a website plan featuring content including program requirements, Question and Answer pages, Frequently Asked Questions (FAQ) page, a form that allows Customers to submit questions re: diversion programs, a form to allow business to request technical assistance, and other

information and resources to meet or exceed AB 939, AB 341, AB 1826 and SB 1383 requirements.

- c. Social Media: Develop, obtain approval, and implement a public education plan to meet or exceed AB 939, AB 341, AB 1826 and SB 1383 requirements using available social media outlets including, but not limited to Facebook, Twitter, Instagram, Neighborhood groups, etc.
4. SFD Outreach and Education
 - a. SB 1383 – coordinate neighborhood organics workshops, staff tables at City-events, provide educational assemblies to local schools, coordinate outreach deliverables and City feedback on outreach materials, etc.
5. MFD Outreach and Education
 - a. Achieve 100% Compliance with AB 341, AB 1826 and SB 1383 as required in Exhibit 8
 - b. Prepare all outreach and education materials as required in this Exhibit 7
 - c. Coordinate all monitoring activities as required in Exhibit 8
6. Commercial Outreach and Education
 - a. Achieve 100% Compliance with AB 341, AB 1826 and SB 1383 as required in Exhibit 8
 - b. Prepare all outreach and education materials as required in this Exhibit 7
 - c. Coordinate all monitoring activities as required in Exhibit 8
7. CITY Services
 - a. Implement and maintain the Diversion program at City Hall and all other CITY facilities including responding to questions about the program. Provide training and signage to City facilities upon request.
8. CITY-Sponsored Events
 - a. Prepare and Coordinate Implementation of Event Diversion Plan
 - i. Prepare Event Diversion Plan to maximize Recyclables and Organics diversion including:
 - Plan for Containers (Cardboard Event Boxes, Carts and/or Bins, Organics containers) including type of material, size and number of Containers;
 - Plan and execution of diversion training for event
 - Plan and execution of signage type, number and placement for event staff and attendee diversion information
 - Identification and mitigation of potential contamination of materials
 - Documentation of event diversion results, including tons diverted by DPS code.
 - Post-event debriefs with events staff and CITY and/or Diversion Monitoring Consultant including lessons learned to be considered in to future CITY-Sponsored event diversion plans. Debriefs shall be completed via phone, email, written report or in-person, as preferred by event staff, CITY and/or Diversion Monitoring Consultant.
 - b. Community Outreach and Education

- I. Provide education at homeowner, civic group and other community meetings where Recycling and the environment are the theme or topic and participate as requested

9. Other Duties and Responsibilities

- a. Prepare any other public education materials as required in this Agreement as well as other public education materials that may be requested by CITY or the CITY'S Diversion Monitoring Consultant
- b. Serve as a community resource with regard to Recycling and Diversion Programs
- c. Work cooperatively with the CITY and the Diversion Monitoring Consultant in troubleshooting and implementing programs, including audits
- d. Other duties as may be assigned by CITY. CITY reserves the right to re-direct the work efforts of the Recycling Coordinator and to prioritize the tasks to be completed as needed throughout the Term of this Agreement.

EXHIBIT 8: DIVERSION MONITORING AND REPORTING REQUIREMENTS

1. DIVERSION PERFORMANCE REQUIREMENTS

The CONTRACTOR is required to achieve the Diversion Performance Measures described in Exhibit 9 of this Agreement, including:

- **100% AB 341 Compliance:** (68 non-compliant accounts as of April 2019) by December 31, 2021
- **100% AB 1826 Compliance:** (209 non-compliant accounts as of June 2019) Tiers 1-4 by December 31, 2022
- **100% SB 1383 Compliance (MFD):** ±20 MFD accounts, ±4,000+ housing units by December 31, 2023
- **100% SB 1383 Compliance (SFD):** Compliance requirement TBD by CalRecycle by December 31, 2024
- **100% SB 1383 Compliance:** Completion of all outreach, education, monitoring and reporting requirements by December 31, 2025
- **100% SB 1383 Compliance:** Completion of all outreach, education, monitoring and reporting requirements by December 31, 2026

The CONTRACTOR is also required to maintain 100% compliance for each Performance Measure upon achievement of the requirement and throughout the term of the Agreement.

2. REQUIRED STEPS TO ACHIEVE 100% COMPLIANCE

To be deemed 100% compliant with AB 341, AB 1826, and SB 1383 for MFD customers, the CONTRACTOR is required to complete the following actions with customers not already documented as compliant with the respective law:

Step 1: CONTRACTOR has contacted the customer (decision maker) and notified them of the associated State and/or local regulatory requirements for Recycling and Diversion. CONTRACTOR will provide the associated outreach and education information, including local Edible Food donation options for customers generating Food Waste.

Step 2: CONTRACTOR has conducted a site-visit to provide the customer (decision maker) with a summary of estimated Solid Waste, Recyclable Materials, Organics Materials and/or other materials generated by the customer, and recommendations for service levels and frequencies and the associated costs with the recommended services. Customer either accepts or declines services.

Step 3: If Customer declines services for some or all of the materials because of their use of an in-house program or other existing program (e.g. backhauling, landscapers, etc.), the CONTRACTOR shall notify the City and the City-selected State Diversion Compliance Consultant (“Diversion Compliance Consultant”) to initiate the process of obtaining the appropriate “Self-Certification Form” from the customer. (If the customer declines services for some or all of the materials and does not use an in-house or other existing program, the CONTRACTOR will skip ahead to step #8.)

Step 4: If Customer accepts services for some or all of the materials, the appropriate Containers have been delivered to the Customer and Collection services have commenced.

Step 5: Expressly subject to the CITY's timely undertaking of the ordinance requirements adopted to comply with SB 1383, within ninety (90) days after implementation of any Diversion program at the Premises of the Customer, CONTRACTOR shall ensure that the program is operating effectively such that the MSW Container(s) at the Premises contain no more than twenty percent (20%) Recyclable Materials and Food Scraps (combined), and the Recyclable Materials Container(s) contain no more than ten percent (10%) MSW and Food Scraps, combined (if the Customer generates Food Scraps). If the Premises is participating in the Source-Separated Commercial Food Scrap Collection Program, the Food Scrap Container(s) shall contain no more than ten percent (10%) of any non-food item(s).

Step 6: Any necessary training, troubleshooting, technical assistance and/or right-sizing of service has been completed.

Step 7: The CITY reserves the right to conduct site audits throughout the Term of the Agreement to confirm completion of the implementation requirements and to confirm that these performance standards are maintained.

Step 8: If the Customer (decision maker) declines the services mandated under the associated State and/or local regulatory requirements for Recycling and Diversion, the CONTRACTOR will provide the Diversion Compliance Consultant with documentation of the Customer site visit. Documentation will include:

- Date and time of site visit
- Customer name
- Name, title, phone number and email address of Decision Maker who declined service
- Copy of the following materials provided to the Customer:
 - Summary of estimated Solid Waste, Recyclable Materials, Organics Materials and/or other materials generated by the customer
 - Recommendations for service levels and frequencies and the associated costs with the recommended services
 - Description of the type, nature, and number of contacts made by the CONTRACTOR to the Customer to discuss the DIVERSION programs. A summary of the Customer's objections to the proposed DIVERSION program(s).

The Diversion Consultant may contact the Customer to follow up on the Site Visit(s) and confirm receipt of the documents and decision to decline services. The Diversion Consultant, in consultation with the CITY, may initiate a CITY enforcement action.

Step 9: If the Customer, after communication with the Diversion Consultant and/or CITY enforcement action, accepts services, the CONTRACTOR will resume Step #4. If the Customer declines services, the Customer will be deemed non-compliant and will not be counted against the CONTRACTOR for the purposes of the achievement of the performance measurement.

3. MONITORING

The CONTRACTOR shall complete all outreach and education activities required to achieve and maintain compliance with CalRecycle. The CITY and CONTRACTOR acknowledge that CalRecycle may modify the requirements prior to the commencement of the Agreement and/or during the term of the Agreement. CONTRACTOR shall be required to implement any new or modified monitoring requirements.

The objective of the Diversion program is to achieve regulatory compliance, maximize customer participation and minimize Contamination. Contamination includes the placement of any prohibited material into a Container. By way of example, this could include:

- The placement of Recyclables and/or Green Waste into a solid waste Container
- The placement of Solid Waste and/or Organic Materials into a Recyclable Materials Container
- The placement of Solid Waste and/or Recyclables into an Organic Material Container
- The placement of Food Waste into a Green Waste Container

The CITY requires a monitoring approach with the least impact on and inconvenience for Residents. Currently, CalRecycle allows waste composition studies to be used to monitor Contamination. The CONTRACTOR is required to conduct the waste compositions studies unless (i) CalRecycle modifies the requirements for measuring Contamination or (ii) the CITY determines the waste composition studies are not effectively achieving desired results. In the case of (i) or (ii), the CONTRACTOR shall conduct the new or modified requirements. The CONTRACTOR shall pay for all costs associated with monitoring and at no time shall the CITY pay for any of these costs.

3.1 AB 341 and AB 1826 Monitoring

The CITY may require the Diversion Compliance Consultant (or the CONTRACTOR in cooperation with the Diversion Compliance Consultant) to conduct an annual review of covered Customers to confirm continued full implementation at 100% of all the Customers required to have AB 341 and AB 1826 programs. The CONTRACTOR shall conduct a site visit to each Customer that meets the generation thresholds of AB 341 and AB 1826 annually to determine if additional training is needed and to verify each Customer's AB 341 and AB 1826 compliance status. If the CONTRACTOR determines that the Customer is out of compliance, the CONTRACTOR shall implement the eight steps included in Section 2 of this exhibit. At least once annually, the CONTRACTOR shall send written notice to all Customers that meet the generation thresholds of AB 341 and AB 1826 of their obligations regarding AB 341 and AB 1826. This notice shall be approved by the CITY prior to distribution.

3.2 SB 1383 Monitoring

A. SFD Monitoring

The primary method of monitoring the effectiveness of the CONTRACTOR'S SB 1383 program is the waste composition study, as described in the Section 3.2C below. If less than 25% contamination rate is found, the CITY will accept the CONTRACTOR's existing outreach and education plan as effective. Additional follow-up notification or outreach and education beyond the scope of the CONTRACTOR'S proposed and accepted program will not be required.

However, if 25%+ contamination rate is found, the CITY will require additional Customer notification, outreach and education beyond the scope of the CONTRACTOR'S proposed and accepted program. The CONTRACTOR

shall be responsible for all additional costs. A supplemental notification, outreach and education plan will be established by the CITY and executed by the CONTRACTOR at no cost to the CITY. Examples of supplemental activities could include, but are not limited to, notification of generators via direct mail, door-to-door outreach, a targeted route review using hang tags, flyers, and direct contact.

B. MFD and Commercial Customer Monitoring

The primary method of monitoring the effectiveness of the CONTRACTOR'S SB 1383 program for MFD and Commercial Customers is the waste composition study, as described in Section 3.2C below. If less than 25% contamination rate is found, the CITY will accept the CONTRACTOR'S existing outreach and education plan as effective. Additional follow-up notification or outreach and education beyond the scope of the CONTRACTOR'S proposed and accepted program will not be required.

C. SB 1383 Waste Composition Study Methodology

The CONTRACTOR is required to conduct annual waste composition studies commencing in Agreement Year 2022, according to the methodology described below and in coordination with the CITY'S State Diversion Compliance Consultant.

- **SFD Waste Composition Study**

1. The CONTRACTOR shall conduct waste composition studies every six months for prohibited container contaminants contained in the contents of containers in sampled SFD collection routes in the following manner:
 - a. Waste composition studies shall be performed at least twice per year and occur in two distinct seasons of the year.
 - b. The waste composition studies shall include samples of each container type served by the CONTRACTOR except for black containers.
 - c. The waste composition studies shall include samples taken from different areas in the CITY that are representative of the CITY and account for no less than one half of one percent (0.5%) of the weekly tonnage collected in the CITY.
 - d. The waste composition studies shall include at least the following minimum number of samples from all the routes included in the studies:
 - For routes with less than 1,500 Customers the study shall include a minimum of 25 samples
 - For routes with 1,500-4,000 Customers the study shall include a minimum of 30 samples
 - For routes with 4,000-7,000 Customers the study shall include a minimum of 35 samples
 - For routes with more than 7,000 Customers the study shall include a minimum of 40 samples
2. CONTRACTOR shall transport all of the material collected for sampling to a sorting area at a permitted solid waste facility where the presence of prohibited container contaminants for each

container type is measured to determine the ratio of prohibited container contaminants present in each container type by weight. To determine the ratio of prohibited container contaminants the CONTRACTOR shall use the following protocol:

- a. Take one sample of at least a 200 pounds from the material collected from each container stream for sampling (e.g. a 200-pound sample taken from the contents of all of the green containers collected for sampling).
 - b. The 200-pound sample shall be randomly selected from different areas of the pile of collected material for that container type.
 - c. For each 200-pound sample, remove any prohibited container contaminants and determine the weight of prohibited container contaminants.
 - d. Then determine the ratio of prohibited container contaminants in the sample by dividing the total weight of prohibited container contaminants by the total weight of the sample.
3. If the sampled weight of prohibited container contaminants exceeds 25 percent of the measured sample for any container type, the CONTRACTOR shall perform a targeted route review of containers on the routes sampled for waste composition studies to determine the sources of contamination and notify those Customers of their obligation to properly separate materials. The CONTRACTOR may provide this information to these generators by placing a written notice on containers, mailing education notices, or direct contact with Customers.

- **Commercial/MFD Waste Composition Study**

1. The CONTRACTOR shall conduct waste composition studies every six months for prohibited container contaminants contained in the contents of containers in sampled Commercial/MFD collection routes in the following manner:
 - a. Waste composition studies shall be performed at least twice per year and occur in two distinct seasons of the year.
 - b. The waste composition studies shall include samples of each container type served by the CONTRACTOR except for gray containers.
 - c. The waste composition studies shall include samples taken from different areas in the CITY that are representative of the CITY and account for no less than one half of one percent (0.5%) of the weekly tonnage collected in the CITY.
 - d. The waste composition studies shall include at least the following minimum number of samples from all the routes included in the studies:
 - For routes with less than 1,500 Customers the study shall include a minimum of 25 samples
 - For routes with 1,500-4,000 Customers the study shall include a minimum of 30 samples
 - For routes with 4,000-7,000 Customers the study shall include a minimum of 35 samples
 - For routes with more than 7,000 Customers the study shall include a minimum of 40 samples

2. CONTRACTOR shall transport all of the material collected for sampling to a sorting area at a permitted solid waste facility where the presence of prohibited container contaminants for each container type is measured to determine the ratio of prohibited container contaminants present in each container type by weight. To determine the ratio of prohibited container contaminants the CONTRACTOR shall use the following protocol:
 - a. Take one sample of at least a 200 pound from the material collected from each container stream for sampling (e.g. a 200-pound sample taken from the contents of all of the green containers collected for sampling).
 - b. The 200-pound sample shall be randomly selected from different areas of the pile of collected material for that container type.
 - c. For each 200-pound sample, remove any prohibited container contaminants and determine the weight of prohibited container contaminants.
 - d. Then determine the ratio of prohibited container contaminants in the sample by dividing the total weight of prohibited container contaminants by the total weight of the sample.

If the sampled weight of prohibited container contaminants exceeds 25 percent of the measured sample for any container type, the CONTRACTOR shall perform a targeted route review of containers on the routes sampled for waste composition studies to determine the sources of contamination and notify those Customers of their obligation to properly separate materials. The CONTRACTOR may provide this information to these generators by placing a written notice on containers, mailing education notices, or direct contact with Customers.

If hauler can demonstrate that it is diverting 75%+ from organics stream and less than 25% of material in the MSW stream is recoverable organics, these audit requirements may be suspended.

4. REPORTING

CONTRACTOR shall complete monthly, quarterly and annual reports. The reports shall be submitted according to the deadlines established in Article 8.7 of the Agreement. Late submittal of reports is subject to liquidated damages as defined in Article 12.6 of the Agreement. The CITY reserves the right to modify any of the reporting categories and required data.

4.1 Monthly Reporting

CONTRACTOR shall submit monthly reports including the following categories:

- A. Diversion Tonnage
- B. AB 341 Education, Outreach and Monitoring
- C. AB 1826 Education, Outreach and Monitoring
- D. SB 1383 Education, Outreach and Monitoring
- E. C&D Diversion Compliance

The following is a description of the reporting requirements for each category.

4.1.1 Monthly Tonnage Reporting

Provide monthly and year-to-date Diversion tonnages by CalRecycle Diversion Program System (DPS) code including, but not limited to, single-family curbside recycling, single-family green waste recycling, single-family co-collected organics recycling, single-family bulky recycling, single-family white goods recycling, single-family sharps collection, single-family e-waste recycling, single-family HHW collection, MFD recycling, MFD organics recycling, MFD bulky item recycling, MFD e-waste, MFD HHW, commercial recycling, commercial organics recycling, commercial bulky item recycling, commercial e-waste, commercial HHW, etc.

4.1.2 Monthly AB 341 Reporting

AB 341 Education and Outreach

1. Describe education and outreach methods for electronic, print and direct contact
 - a. Describe electronic contact conducted this month, including a copy of the electronic outreach and the distribution methods and distribution list
 - b. Describe print contact conducted this month, including a copy of the print outreach and the distribution methods and distribution list
 - c. Describe direct contact conducted this month, including a description of the direct contact outreach and the list of customers contacted
2. If applicable, describe any challenges encountered in implementing education and outreach for the commercial recycling program and a listing of customers that refused recycling programs
3. AB 341 Monitoring
 1. List the total number of covered businesses
 - a. Provide a list of the covered businesses recycling, including the service levels (container numbers, sizes and frequencies). Include a running tabulation of service changes month-over-month
 2. Total number of covered businesses not recycling
 3. Total number of covered multifamily complexes
 - a. Provide a list of the covered multi-family complexes recycling, including the service levels (container numbers, sizes and frequencies).
 - b. Identify new accounts recycling, including the service levels (container numbers, sizes, frequencies).
 - c. Include a running tabulation of service changes month-over-month
 4. Total number of covered multifamily complexes not recycling
 - a. What was done to inform those not recycling about the law and how to recycle this month
 - b. If applicable, describe any challenges encountered in implementing the monitoring program
 - c. If applicable, document "Self-Certification Forms" completed this month
 - d. Provide a running monthly amount of recyclable materials (in tons) that is being diverted by covered businesses/ multifamily complexes

C. Monthly AB 1826 Reporting

AB 1826 Education and Outreach

1. Describe education and outreach methods for electronic, print and direct contact
 - a. Describe electronic contact conducted this month, including a copy of the electronic outreach and the distribution methods and distribution list
 - b. Describe print contact conducted this month, including a copy of the print outreach and the distribution methods and distribution list
 - c. Describe direct contact conducted this month, including a description of the direct contact outreach and the list of customers contacted
2. If applicable, describe any challenges encountered in implementing education and outreach for the commercial recycling program and a listing of customers that refused organics recycling programs

AB 1826 Monitoring

1. List the total number of covered businesses
 - a. Provide a list of the covered businesses recycling organics, including the service levels (container numbers, sizes and frequencies). Include a running tabulation of service changes month-over-month
2. Total number of covered businesses not recycling organics
3. Total number of covered multifamily complexes
 - a. Provide a list of the covered multi-family complexes recycling organics, including the service levels (container numbers, sizes and frequencies). Include a running tabulation of service changes month-over-month
4. Total number of covered multifamily complexes not recycling organics
5. What was done to inform those not recycling organics about the law and how to recycle this month
6. If applicable, describe any challenges encountered in implementing the monitoring program
7. Provide a running monthly amount of recyclable organic materials (in tons) that is being diverted by covered businesses/ multifamily complexes
8. If applicable, document "Self-Certification Forms" completed this month
9. Describe efforts to reduce food waste at the source and increase edible food recovery

D. Monthly SB 1383 Reporting

SB 1383 Service Overview

1. Describe the type of organic waste collection service(s) provided
2. Provide the total number of generators that receive each type of organic waste collection service, by generator type and service type. Include service levels (container size, number and frequency)
3. If using an organic waste collection service that requires transport of the contents in containers to a high diversion organic waste processing facility, identify the RDRS Number for each facility

SB 1383 SFD Contamination Monitoring

1. Results of any SFD Waste Composition Studies conducted during the month. (The complete report and any documentation associated with any SB 1383 contamination monitoring waste composition study conducted in the report month shall be attached to the report.)
 - a. Year-to-Date Waste Composition Studies conducted
 - b. Remaining Waste Composition Studies to be conducted before year end
2. Number of times notices, violations or targeted education materials were issued to generators for prohibited container contaminants
3. Number of notifications received from a solid waste facility operator regarding prohibited container contaminants received at the facility

SB 1383 Commercial and MFD Contamination Monitoring

1. Results of any Commercial and MFD Waste Composition Studies conducted during the month. (The complete report and any documentation associated with any SB 1383 contamination monitoring waste composition study conducted in the report month shall be attached to the report.)
 - a. Year-to-Date Waste Composition Studies conducted
 - b. Remaining Waste Composition Studies to be conducted before year end
2. Number of times notices, violations or targeted education materials were issued to generators for prohibited container contaminants
3. Number of notifications received from a solid waste facility operator regarding prohibited container contaminants received at the facility

SB 1383 Education and Outreach

1. The number of organic waste generators and edible food generators that received information and the type of education and outreach used
2. The number of limited English speaking and linguistically isolated households that received information
3. Describe education and outreach methods for electronic, print and direct contact
 - a. Describe electronic contact conducted this month, including a copy of the electronic outreach and the distribution methods and distribution list
 - b. Describe print contact conducted this month, including a copy of the print outreach and the distribution methods and distribution list
 - c. Describe direct contact conducted this month, including a description of the direct contact outreach and the list of customers contacted
4. If applicable, describe any challenges encountered in implementing education and outreach for the program

E. Monthly Cal-Green Building Standards

1. The number of construction and demolition debris removal activities conducted and tonnage collected/diverted by these activities.

F. Monthly Account Listing

1. CONTRACTOR shall submit an account listing to the CITY that includes, but is not limited to, the following components:
 - a. the address of each facility serviced and the precise services provided to each address including, Commercial Solid Waste Handling Services broken down by type (i.e., Recyclable Materials, Food Scraps, Green Waste, Construction and Demolition Debris, and/or Municipal Solid Waste) presented in an Excel format acceptable to the CITY
 - b. the frequency of Commercial Solid Waste Handling Services provided to each address
 - c. the number of containers by type and size at each address and the frequency of collection

4.2 Quarterly Reporting

CONTRACTOR shall submit quarterly reports including the following categories:

- A. Customer Base and Collection Services Data
- B. Customer Service Data
- C. CITY Services Data
- D. Other Services
- E. Public Education and Information Activities

The following is a description of the reporting requirements for each category.

A. Customer Base and Collection Services Data

1. Number of SFD, MFD, and Commercial and CITY Service Units
2. Number of SFD, MFD, Commercial and CITY Containers (i.e. Carts, Bins, Roll-Off Boxes, Compactors) Including size of Containers and frequency of Collection
3. Number of C&D and Temp Bin Services billed
4. Tons collected by material (i.e. Solid Waste, Recyclable Materials, Green Waste, Food Waste, co- Collected Green Waste and Food Waste, and C&D).
5. Number of Bulky Items services and tons collected
6. Diverted tons by DPS code
7. List of Notifications for improper procedure as described in Articles 7.14, 7.15 and 7.16 of the Agreement
8. List of all other customer notifications by type
9. Any other service data associated as requested by the Contract Administrator.

B. Customer Service Data

1. Tabulation of complaints by category and compliments
2. Average monthly Customer service initial hold time
3. Number of incidents of Customer service initial hold time exceeding sixty (60) seconds for more than four (4) hours
4. List of Customer notifications
5. Any other service data associated as requested by the Contract Administrator.

C. CITY Service Data

1. CITY-Sponsored events (for each event held during the reporting quarter)
 - a. Date, name and location of event
 - b. Name, phone number and email address of primary event contact
 - c. Containers provided (number by material and size)
 - d. Tons collected by material type
 - e. Attach Event Diversion Plan to Report
2. Number of illegally dumped bulky item collections

D. Other Services

1. Household Hazardous Waste Collection Activity (type, quantity collected)
2. Home Composting Workshop (if conducted during reporting quarter)
 - a. Number of attendees
 - b. Number and type of composting bins sold
 - c. Retail price of composting bins and rate charged to attendees
3. Compost Give Away (if conducted during reporting quarter)
 - a. Date and location
4. Document Shredding Event (if conducted during reporting quarter)
 - a. Date, location and tons shredded

E. Public Education and Information Activities

1. List of all printed and electronic materials distributed during reporting quarter
2. List of community education booths, including name of event/location, date, and description of education information and activities provided
3. List of school visits, facility tours and other community interactions, including date and description

4.3 Annual Reporting

CONTRACTOR shall submit annual reports including the following categories:

- A. Customer Base and Collection Services Data
- B. Tonnage Data
- C. Vehicle Inventory

The following is a description of the reporting requirements for each category.

A. Customer Base and Collection Services Data

- 1. Number of SFD, MFD, Commercial and CITY Service Units
- 2. Number of SFD, MFD, Commercial and CITY Containers (i.e. Carts, Bins, Roll-Off Boxes, Compactors) Including size of Containers and frequency of Collection
- 3. Number of C&D and Temp Bin Services billed

B. Tonnage Data

- 1. Tons disposed by CONTRACTOR at Approved Facilities
- 2. Total CITY tons disposed
- 3. Total tons collected by material (i.e. Solid Waste, Recyclable Materials, Green Waste, Food Waste, co-Collected Green Waste and Food Waste, C&D debris and all other materials Collected) and total combined tons collected
- 4. Total tons collected by generator (i.e. SFD, MFD, Commercial, Roll-Off box) and total combined tons collected (Note: For purposes of this report, Roll Off shall include both permanent and temporary Bins and Roll Off Box service, Collection of Compactors of ten (10) cubic yards or larger in size, and Collection of C&D Debris.)
- 5. Tons diverted by DPS code
- 6. Attach copies of all records used as source documents for the tonnage data
- 7. Attach copies of all County of Orange and CalRecycle reports

C. Vehicle Inventory

- 1. inventory of Collection vehicles and major equipment as required in Article 7.9F of the Agreement.
 - a. Vehicle identification number
 - b. DMV license number
 - c. Type (e.g. automated front loader, etc.) and capacity
 - d. Date of acquisition
 - e. Age of the chassis and body
 - f. Maintenance and rebuilt status
 - g. Type of fuel used
 - h. Decibel rating

EXHIBIT 9: DIVERSION PERFORMANCE REQUIREMENTS

1. FIRST EXTENSION OF INITIAL TERM

If CONTRACTOR achieves the Diversion performance measures described in **Table 1: First Extension Performance Measures** below, and is in full compliance with all requirements of this Agreement, the CONTRACTOR is eligible for the first extension of the initial term as described in Article 3.2 of this Agreement.

A description of the requirements necessary with successfully completing and achieving compliance with each performance measure and requirement listed in the table below is provided either in *Exhibit 7: Public Outreach and Education* or *Exhibit 8: Diversion Monitoring and Reporting*.

Table 1: First Extension Performance Measures

Year	Performance Measure	Ongoing Performance Requirement	Completion Deadline
2021	100% AB 341 Compliance 68 non-compliant accounts as of April 2019	N/A	December 31, 2021
2022	100% AB 1826 Compliance 209 non-compliant accounts as of June 2019 Tiers 1-4	100% Compliance: <ul style="list-style-type: none"> • AB 341 	December 31, 2022
2023	100% SB 1383 Compliance (MFD) ±20 MFD accounts ±4,000+ housing units	100% Compliance: <ul style="list-style-type: none"> • AB 341 • AB 1826 	December 31, 2023
2024	100% SB 1383 Compliance (SFD) Compliance requirement TBD by CalRecycle	100% Compliance: <ul style="list-style-type: none"> • AB 341 • AB 1826 • SB 1383 (MFD) 	December 31, 2024
2025	100% SB 1383 Compliance Completion of all outreach, education, monitoring and reporting requirements	100% Compliance: <ul style="list-style-type: none"> • AB 341 • AB 1826 • SB 1383 (MFD) • SB 1383 (SFD) 	December 31, 2025
2026	100% SB 1383 Compliance Completion of all outreach, education, monitoring and reporting requirements	100% Compliance: <ul style="list-style-type: none"> • AB 341 • AB 1826 • SB 1383 (MFD) • SB 1383 (SFD) 	December 31, 2026

2. SECOND EXTENSION OF TERM

If CONTRACTOR achieves the Diversion performance measures described in **Table 2: Second Extension Performance Measures** below, and is in full compliance with all requirements of this Agreement, the CONTRACTOR is eligible for the second extension of term as described in Article 3.3 of this Agreement.

A description of the requirements necessary with successfully completing and achieving compliance with each performance measure and requirement listed in the table below is provided either in *Exhibit 7: Public Outreach and Education* or *Exhibit 8: Diversion Monitoring and Reporting*.

Table 2: Second Extension Performance Measures

Year	Performance Measure	Ongoing Performance Requirement	Completion Deadline
2027	100% SB 1383 compliance Completion of all outreach, education, monitoring and reporting requirements	100% Compliance: <ul style="list-style-type: none"> • AB 341 • AB 1826 • SB 1383 (MFD) • SB 1383 (SFD) 	December 31, 2027

EXHIBIT 10: APPROVED SUBCONTRACTORS

1. Sunset Properties Services

2. Can Do! Services

