

LA MIRADA SOLID WASTE SERVICES CONTRACT

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LA MIRADA SOLID WASTE SERVICES CONTRACT

This Solid Waste Services Contract ("Contract") made and entered into this ___ day of December, 2009, by and between La Mirada, a general law City of the State of California, hereinafter referred to as "City" and EDCO Disposal Corporation, a California corporation, hereinafter referred to as "Contractor".

Now, therefore, in consideration of the mutual covenants, Contracts and consideration contained herein, the City and Contractor hereby agree as hereinafter set forth:

ARTICLE 1. DEFINITIONS

For the purpose of this Contract, the definitions contained in this Article shall apply unless otherwise specifically stated. 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. The meaning of terms or word not defined herein shall be as commonly understood in the solid waste collection services industry when the common understanding is uncertain.

1.01 ACT

"Act" means the California Integrated Management Act of 1989 (California Public Resources Code Section 40000 se seq.), as it may be amended from time to time.

1.02 AFFILIATE

"Affiliate" means all businesses (including corporations, limited and general partnerships and sole proprietorships) which are directly or indirectly related to Contractor by virtue of direct or indirect ownership interest or common management. An Affiliate shall include a business in which Contractor owns a direct or indirect ownership interest, a business which has a direct or indirect ownership in Contractor and/or a business which is also owned, controlled or managed by any business or individual which has a direct or indirect ownership interest in Contractor. For purposes of determining whether an indirect ownership interest exists, the constructive ownership provisions of Section 318(a) of the Internal Revenue Code of 1986, as in effect on the date of this Contract, shall apply.

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1.03 ANNUAL DIVERSION REPORT

"Annual Diversion Report" means the annual report submitted by the Contractor to the City describing the previous year's diversion activities, diversion percentages and associated calculations and the description of the diversion activity planned for the upcoming year, if applicable. The Annual Diversion Report shall be prepared in a manner that directly corresponds to the reporting requirements of the CIWMB and the CIWMB Act, as amended.

1.04 BILLINGS

"Billings" or "Billing" or "Bill" means the statement(s) of charges provided to Customers for services rendered by Contractor.

1.05 BIN

"Bin" means a detachable metal container with a capacity of less than ten (10) cubic yards, equipped with a lid, and designed for mechanical pick-up by collection vehicles.

1.06 BIN SERVICE

"Bin Service" means Collection Service in which a Bin is used for the Collection of Solid Waste.

1.07 BIOHAZARDOUS OR BIOMEDICAL WASTE

"Biohazardous or Biomedical Waste" means any waste which may cause disease or reasonably be suspected of harboring pathogenic organisms; included are waste resulting from the operation of medical clinics, hospitals, and other facilities processing wastes which may consist of, but are not limited to, human and animal parts, contaminated bandages, pathological specimens, hypodermic needles, sharps, contaminated clothing and surgical gloves.

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1.08 BROWN GOODS

"Brown Goods" means electronic equipment such as stereos, televisions, computers, VCR's and other similar items.

1.09 BULKY ITEMS

"Bulky Items" means Solid Waste that cannot and/or would not typically be accommodated within a Cart including specifically: furniture (including chairs, sofas, mattresses, rugs, and other similar items); appliances (including refrigerators, ranges, washers, dryers, water heaters, dishwashers, plumbing, small household appliances and other similar items, commonly known as "white goods"); Residential wastes (including wood waste, tree branches, scrap wood, and bagged Green Waste or bundled Green Waste no larger than four feet long and 18 inches in diameter); and clothing. Bulky Items do not include car bodies, Construction and Demolition Debris or items requiring more than two persons to remove. Other items not specifically included or excluded above will be collected provided that they are not more than eight feet in length, four feet in width, or more than 150 pounds. In the event a question ever arises as to whether a specific item or category of items meets the definition of Bulky Items, City shall be responsible to determine the answer, , which determination shall be final and binding on the Parties. Bulky Items do not include items herein defined as Exempt Waste. Bulky Items must have been generated by on the Customer's Premises.

1.10 CART

"Cart" means a plastic Container with a hinged lid and wheels serviced by an automated or semi-automated truck with a capacity of no less than 30- and no greater than 101-gallons.

1.11 CELL PHONES

"Cell Phones" means all telephones used for mobile or cellular communications including batteries used to power cell phones.

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1.12 CITY

"City" means the City of La Mirada, California.

1.13 CITY COUNCIL

"City Council" means the City Council of the City of La Mirada, California.

CITY FACILITIES

"City Facilities" means those City properties listed in Exhibit 4 which is attached to and included in this Contract, as such Exhibit 4 now exists or may subsequently be amended by City.

1.14 CITY MANAGER

"City Manager" means the City Manager of the City of La Mirada or his or her designee.

1.15 CIWMB

CIWMB means the California Integrated Waste Management Board.

1.16 COLLECTION SERVICE

"Collection Service" means the process whereby Solid Waste is removed and transported from within the City.

1.17 COLLECTOR FEES

"Collector Fees" means the fee paid to City by the Contractor pursuant to this Contract.

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1.18 COMMERCIAL PREMISES

“Commercial Premises” means Premises upon which business activity is conducted, including but not limited to retail sales, services, wholesale operations, manufacturing and industrial operations, but excluding Residential Premises upon which business activities are conducted when such activities are permitted under applicable zoning regulations and are not the primary use of the property.

1.19 COMMERCIAL SERVICE

“Commercial Service” means Collection Service performed at or for Commercial Premises.

1.20 COMPACTOR

“Compactor” refers to any mechanical apparatus that serves to compact the content of a refuse or recycling collection bin, regardless of size, whether stationary or mobile.

1.21 CONSTRUCTION AND DEMOLITION DEBRIS

“Construction and Demolition Debris” means Solid Waste generated at a Premises that is directly related to construction, remodeling, repair or demolition activities occurring thereon.

1.22 CONTAINER

“Container” means any and all types of Solid Waste receptacles, including Carts, Bins and Roll-off Boxes.

1.23 CONTRACT

“Contract” means this Solid Waste Services Contract and all amendments hereto.

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1.24 CONTRACT ADMINISTRATOR

"Contract Administrator" means the person, or their designee, designated by the City to administer and monitor the provisions of this Contract.

1.25 CONTRACT YEAR

"Contract Year" means each twelve (12) month period from July 1 to June 30, beginning July 1, 2009.

1.26 CONTRACTOR

"Contractor" means the person or entity entering into this Contract with the City, as identified in the introductory paragraph of this Contract.

1.27 COUNTY

"County" means Los Angeles County, California.

1.28 CPI

"CPI" means the Consumer Price Index for All Urban Consumers (CPI-U), Los Angeles – Riverside – Orange County, all items index.

1.29 CUSTOMER

"Customer" means a Person receiving Solid Waste Services from Contractor pursuant to the terms of this Contract.

1.30 DISPOSAL

"Disposal" means the ultimate disposition of Solid Waste Collected by Contractor at a landfill or otherwise in full regulatory compliance.

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1.31 DISPOSAL SITE(S)

"Disposal Site(s)" means the Solid Waste handling Facility or Facilities utilized for the ultimate Disposal of Solid Waste Collected by Contractor.

1.32 ELECTRONIC WASTE

"Electronic Waste" means "Covered Electronic Wastes" as defined in the Act (Section 42463 of Public Resources Code) including discarded electronic equipment such as, but not limited to, television sets, computer monitors, central processing units (CPUs), laptop computers, and peripherals (e.g., external computer hard drives, computer keyboards, computer mice, and computer printers), and other similar items commonly known as "brown goods" and "e-waste".

1.33 EXEMPT WASTE

"Exempt Waste" means Biohazardous or Biomedical Waste, Hazardous Waste, Sludge, Stable Matter, Green Waste or lumber that is more than four (4) feet in length in its longest dimension or eighteen (18) inches in diameter, automobiles, automobile parts, boats, boat parts, boat trailers, internal combustion engines, lead-acid batteries, and those wastes under the control of the Nuclear Regulatory Commission.

1.34 GREEN WASTE

"Green Waste" means any vegetative matter resulting from normal yard and landscaping maintenance that is not more than four (4) feet in its longest dimension or four (4) inches in diameter. Green Waste includes plant debris, such as grass clippings, leaves, pruning, weeds, branches, brush, Holiday trees, and other forms of organic waste that is generated at the Premises wherein the Green Waste is collected. Green Waste excludes yucca and palm fronds, which should be collected as Refuse. Green Waste does not include items herein defined as Exempt Waste or materials from gardens or landscape areas, such as brick, rock, gravel, large quantities of dirt, concrete, sod, non-organic wastes, oil, and painted or treated wood products.

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1.35 GROSS RECEIPTS

"Gross Receipts" means any and all revenue received from Billings by City or Contractor, and compensation in any form, of Contractor or subsidiaries, parent companies or other Affiliates of Contractor, for the Collection, processing, Disposal and transportation of Solid Waste pursuant to this Contract, in accordance with generally accepted accounting principals, including, but not limited to, Customer fees for Collection of Solid Waste, without subtracting Collector Fees or other fees or any other cost of doing business.

1.36 HAZARDOUS WASTE

"Hazardous Waste" is any material which is defined as a hazardous waste under California or United States law or any regulations promulgated pursuant to such law, as such law or regulations may be amended from time to time.

1.37 HOUSEHOLD BATTERIES

"Household Batteries" means disposable or rechargeable dry cells (e.g. A, AA, AAA, B, C, D, 9-volt, button-type) commonly used as power sources for household or consumer products including, but not limited to, nickel-cadmium, nickel metal hydride, alkaline, mercury, mercuric oxide, silver oxide, zinc oxide, nickel-zinc, nickel iron, lithium, lithium ion, magnesium, manganese, and carbon-zinc batteries, but excluding automotive lead acid batteries.

1.38 MATERIALS RECOVERY FACILITY ("MRF")

"Materials Recycling Facility" or "MRF" means a fully permitted facility where Solid Waste, Recyclable Materials, and other materials are processed, sorted or separated for the purposes of recovering reusable or Recyclable Materials, processing or composting.

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1.39 MULTI-FAMILY DWELLING

"Multi-Family Residential Complex" is the building(s) containing Residential Premises consisting of five (5) or more individual residential living units. Such Premises normally have centralized Solid Waste and Recyclables Materials Collection service for all units in the building and are billed to one address (typically the Owner or property manager.)

1.40 NON-COLLECTION NOTICE

"Non-Collection Notice" is a form developed and used by the Contractor, as approved by the City, to notify Customers of the reason for non-collection of materials set out by the Customer for Collection by Contractor pursuant to this Contract.

1.41 OCCUPANT

"Occupant" refers to a person who occupies Premises.

1.42 ON-CALL SERVICE

"On-Call Service" means Collection service provided by Contractor that is not regularly scheduled or is scheduled more than twenty-four (24) hours in advance. On-Call Service is initiated by a Customer by calling, emailing, or requesting the service in person at Contractor's office.

1.43 OWNER

"Owner" means the Person holding legal title to the real property constituting the Premises to which Solid Waste service is to be provided under this Contract.

1.44 PERSON

"Person" means any individual, firm, association, organization, partnership, corporation, business trust, joint venture, the United States, the State of California, the County of Los Angeles, cities, and special purpose districts.

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1.45 PREMISES

"Premises" means any land or building where Solid Waste is generated or accumulated.

1.46 REBUILT VEHICLE

For purposes of this Contract, "rebuilt" means, at a minimum, replacement of worn parts and reconditioning or replacement of hydraulic systems, transmissions, differentials, electrical systems, engines, and brake systems. In addition, the rebuilt vehicle must be repainted and its tires must have at least eighty-five percent (85%) of tread remaining.

1.47 RECYCLING

"Recycling" means the processing of Recyclable Materials for the purpose of returning them to the economy in the form of raw materials for new, reused, or reconstituted products. The Collection, transportation or Disposal of Solid Waste not intended for, or capable of, reuse is not Recycling. Recycling does not include use of Solid Waste for conversion to energy.

1.48 RECYCLABLE MATERIALS

"Recyclable Materials" means those materials that are capable of being recycled. Recyclable Materials include: newsprint (including inserts); mixed paper (including magazines, catalogs, envelopes, junk mail, corrugated cardboard, Kraft brown bags and paper, paperboard, paper egg cartons, office ledger paper, and telephone books); glass containers; aluminum beverage containers; small scrap and cast aluminum (not exceeding ten (10) pounds in weight nor two (2) feet in any dimension for any single item); steel including "tin" cans and small scrap (not exceeding ten (10) pounds in weight nor two (2) feet in any dimension for any single item); bimetal containers; mixed plastics such as plastic containers (1-7), and bottles including containers made of HDPE, LDPE, PET, or PVC; and aseptic containers, or any other such materials designated by the City. Polystyrene foam and film plastic, including plastic bags are specifically excluded from collection and processing.

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1.49 RECYCLING BIN

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

1.50 RECYCLING CART

"Recycling Cart" is a heavy plastic receptacle with a rated capacity of at least thirty (30) gallons and not more than one-hundred one (101) gallons, having a hinged tight-fitting lid, and wheels, that is approved for such purpose by the City and is appropriately labeled as a Recycling Cart.

1.51 REFUSE

"Refuse" means putrescible and non-putrescible Solid Waste.

1.52 RESIDENTIAL PREMISES

"Residential Premises" means Premises upon which Single Family or Multi-Family Dwellings exist, including, without limitation, , apartments, boarding or rooming houses, condominiums, mobile homes, efficiency apartments, and second units.

1.53 RESIDENTIAL SERVICE

"Residential Service" means Collection Service performed at and for Residential Premises.

1.54 ROLL-OFF BOX

"Roll-Off Box" means a metal container with a capacity of (10) or more cubic yards that is normally loaded onto a motor vehicle and transported to an appropriate facility.

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1.55 SERVICE AREA

"Service Area" means the corporate limits of the City of La Mirada.

1.56 SINGLE FAMILY DWELLING (SFD)

"Single Family Dwelling" or "SFD" means a unit in a building or on a lot containing four or fewer Residential dwelling units. Single Family Dwelling units generally receive individual Cart Refuse Collection service.

1.57 SOLID WASTE

"Solid Waste" means all discarded putrescible and non-putrescible solid, semisolid, and liquid wastes, including Refuse, Construction and Demolition Debris, Bulky Items, Recyclable Materials, and Green Waste, or any combination thereof which are permitted to be disposed of in a Class III landfill, and which are included in the definition of "Non-hazardous Solid Waste" set forth in the California Code of Regulations.

1.58 SOLID WASTE SERVICES

"Solid Waste Services" means the Collection, transfer, transport, Recycling, processing and Disposal of Solid Waste.

1.59 SOURCE SEPARATED

"Source Separated" means the segregation by the Waste Generator of materials that would otherwise become Solid Waste (such as glass bottles, metal cans, newspapers, cardboard, plastic containers, etc.) into separate Containers(s) for the purpose of allowing the Recycling of such materials.

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1.60 SPECIAL ITEMS

"Special Items" means any bulky or heavy objects that require bin service and are not Bulky Items, including, but not limited to, dirt, sod, brick, manure, waste from any poultry yard or stable, and Construction and Demolition Debris.

1.61 TRANSFORMATION

"Transformation" means incineration, pyrolysis, distillation, gasification, or biological conversion other than composting.

1.62 TRANSFER STATION

"Transfer Station" means a Facility that receives Solid Waste from collection vehicles and transfers the material to larger vehicles for transport to landfills and other destinations. Transfer Stations may or may not also include MRFs, transferring residual Refuse (Refuse left after the sorting of Recyclable Materials) to landfills and Recyclable Materials, including Green Waste and/or Construction and Demolition debris, to processors, brokers or end-users.

1.63 UNIVERSAL WASTE OR U-WASTE

"Universal Waste" or "U-Waste" means all waste defined by Title 22, Subsections 66273.1 through 66273.9 of the California Code of Regulations. These include, but are not limited to, batteries, fluorescent light bulbs, mercury switches, and Electronic Waste.

1.64 WASTE GENERATOR

"Waste Generator" means any Person as defined by the Public Resources Code, whose act or process produced Solid Waste as defined in the Public Resources Code.

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1.65 WHITE GOODS

"White Goods" means inoperative and discarded refrigerators, microwave ovens, ranges, water heaters, freezers, and other similar household appliances.

1.66 WORK DAY

"Work Day" means any day, Monday through Saturday that is not one of the holidays identified in Section 7.01.2 of this Contract.

ARTICLE 2. TERM OF CONTRACT

2.01 EFFECTIVE DATE; COMMENCEMENT OF SERVICES

This Contract shall become effective at the date first set forth above (the "Effective Date"). The obligations of the parties hereunder, and the provision of Solid Waste Services by Contractor, shall commence on July 1, 2009. Contractor understands and agrees that the time between the Effective Date and July 1, 2009 is intended to provide Contractor with ample and sufficient time to, among other things, order equipment, prepare necessary routing schedules and route maps, obtain any permits and licenses, establish/build facilities, obtain required service agreements, and begin the public awareness campaign as part of Contractor's transition program as specified in this Contract.

2.02 TERM

The term of this Contract shall be for a period beginning July 1, 2009 and terminating on June 30, 2019.

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ARTICLE 3. SCOPE OF CONTRACT

3.01 GRANT OF CONTRACT

Except as otherwise provided in this Contract, the Contractor is herein granted the exclusive right to provide Residential Collection Services and Commercial Collection Services in the Service Area. No other solid waste or recycling services shall be exclusive to the Contractor.

3.02 LIMITATIONS ON SCOPE OF GRANT TO CONTRACTOR

The right granted to the Contractor is exclusive, except for the categories of solid waste listed below. The granting of this right does not preclude the categories of solid waste listed below from being delivered to, collected, and transported by others, provided that no person is excused from obtaining from the City any authorization that is required by law. Contractor may, but is not obligated to, provide the services described below on a non-exclusive basis.

- a) Source-separated Recyclable Materials that the Waste Generator sells to, or otherwise receives compensation from, other persons in a manner resulting in a net payment to the customer after consideration of collection, handling, or processing costs;
- b) Solid Waste, including Recyclable Materials, Green Waste and Bulky Items, which is removed from any Premises by the Waste Generator, and which is transported personally by such Generator (or by its full-time employees) to a processing or disposal facility in a manner consistent with all applicable laws and regulations;
- c) The donation of source-separated materials to any Person or entity.
- d) Containers delivered for recycling under the California Beverage Container Recycling Litter Reduction Act, Sections 14500, et seq., California Public Resources Code;

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- e) Green Waste removed from premises by a gardening, landscaping, or tree trimming company using its own equipment and employees as an incidental part of a total service offered by the company, as opposed to a hauling service;
- f) Construction and Demolition Debris that is incidentally removed by a duly-licensed construction or demolition company, as part of a total service offered by such licensed company or by the City, and where the licensed company uses its own equipment and employees;
- g) The collection, transfer, transport, Recycling, processing, and disposal of animal waste and remains from slaughterhouse or butcher shops for use as tallow;
- h) The collection, transfer, transport, Recycling, processing, and disposal of Hazardous Substances, Hazardous Waste, and radioactive waste regardless of its source.
- i) The collection, transfer, transport, Recycling, processing, and disposal of Solid Waste by City through City officers or employees in the normal course of their employment; and,
- j) 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.

3.03 RECYCLABLE MATERIALS AND BULKY ITEM DISPOSAL BY WASTE GENERATOR

Nothing in this Contract shall be construed as requiring Customers to set out Recyclable Materials or Bulky Items for Collection by Contractor. Customers may dispose of Recyclable Materials and Bulky Items by other appropriate means, including but not limited to, taking Recyclable Materials or Bulky Items to drop-off facilities and donating or selling such items to private or public entities.

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ARTICLE 4. COLLECTION SERVICES

4.01 GENERAL

The work to be done by Contractor pursuant to this Contract shall include, but not be limited to, the furnishing of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform the services required. The enumeration of, and specification of requirements for, particular items of labor or equipment shall not relieve Contractor of the duty to furnish all other items as may be required, whether enumerated elsewhere in the Contract or not.

The work to be done by Contractor pursuant to this Contract shall be accomplished in a thorough and professional manner so that all Customers are provided reliable, courteous and high-quality Solid Waste Services at all times. The enumeration of, and specification of requirements for, particular aspects of service quality shall not relieve Contractor of the duty of accomplishing all other aspects in the manner provided in this section, whether such other aspects are enumerated elsewhere in the Contract or not.

4.02 SOLID WASTE COLLECTION

4.02.1 Single Family Dwelling (SFD) Solid Waste Collection

Contractor shall Collect and remove Solid Waste from all SFDs once per week from Contractor-provided Carts. Contractor shall provide each Customer with a ninety-six (96) gallon Cart as the default service. Customers may request to substitute the ninety-six (96) gallon Cart with either a thirty-two (32) gallon or a sixty-four (64) gallon Cart. In all cases, the charge per household, as set forth in Exhibit 1, will remain the same.

Customers that regularly require more than 96-gallons of Refuse Cart capacity may request additional Solid Waste Carts for an additional charge per Cart per month in accordance with the approved rate schedule.

Contractor shall Collect Carts curbside unless the Customer has requested Valet Service and has agreed to pay the premium service Rate approved by the City. In such

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case, Contractor shall Collect Carts from and return Carts to the alternative service location (such as the side yard or back yard) specified by the Customer.

Collection of Green Waste, Recyclable Materials, and Solid Waste from the SFD shall occur on the same day each week.

4.02.2 Multi-Family Dwellings (MFD) 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 containers as part of the Collection Service at rates set forth in Exhibit 1. The size of the container and the frequency (above the minimum) of Collection 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.

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 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.

4.02.3 Commercial Premises Solid Waste Collection

Contractor shall Collect Solid Waste from Commercial Premises 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 containers as part of the Collection Service at rates set forth in Exhibit 1. The size of the container and the frequency (above the minimum) of

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Collection 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.

Specifically, the Contractor shall offer the following Collection service methodologies to Commercial Customers:

1. Individual Bin Service. Contractor shall allow each Commercial Premises to use Bins, Compactors, or Roll Off Boxes for Solid Waste Collection. In special circumstances, Carts may be used for Commercial service by special arrangement between the Contractor and Customer.
2. Centralized Bin or Cart Service. Contractor shall allow each Commercial Premises to use Bins (or Carts, if special arrangements are made per paragraph 1) for Solid Waste Collection that are shared by the Occupants of two or more adjacent Commercial Premises. In such case, Contractor shall provide one or more Carts or Bins as requested by the Customer(s) provided that capacity shall be sufficient to provide that no Solid Waste need be placed outside the Container(s).
3. Permanent Roll Off Boxes and Compactors. Contractor shall allow a Customer to use a Roll Off Box or Compactor for Solid Waste Collection to meet the Customer's permanent Disposal needs. In such case, Contractor shall provide Customer with a choice of Container capacities including ten (10), twenty (20), and forty (40) cubic yards. Contractor shall offer Customers the option to purchase or lease Compactors through either the Contractor or an outside vendor. Regular maintenance of Compactors shall be provided by Contractor (or outside vendor) as frequently as needed to keep the Compactors in good working order and functioning at high compaction levels.
4. Roll-Out (Scout) Services. Contractor shall provide "Roll-Out" services as requested by the Customer. Roll-Out services shall include, but not be limited to moving manually or by a specialized "scout" truck the Bins or Carts from their storage location for Collection and returning the Bins or Carts to their storage location.

4.02.4 City Facilities Solid Waste Collection

Contractor shall Collect Solid Waste from City Facilities as frequently as scheduled by the City, but not less than once per week. City Facilities will be provided collection

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services at “no charge”. Contractor shall allow each City Facility to use Carts, Bins, Compactors, or Roll Off Boxes for Solid Waste Collection, as determined by City.

4.03 RECYCLING COLLECTION

4.03.1 Single Family Dwelling (SFD) Recycling Collection

Contractor shall Collect and remove Source Separated Recyclable Materials from SFDs once per week from Contractor-provided Carts. Contractor shall provide each Customer with a ninety-six (96) gallon Cart as the default service. Customers may request to substitute the ninety-six (96) gallon Cart with either a thirty-two (32) gallon or a sixty-four (64) gallon Cart. In all cases, the charge per Customer will remain the same. Customers may request additional Recycling Carts at no additional charge.

Contractor shall Collect Carts curbside unless the Customer has requested Valet Service and has agreed to pay the premium service Rate approved by the City. In such case, Contractor shall Collect Carts from and return Carts to the alternative service location (such as the side yard or back yard) specified by the Customer.

4.03.2 SFD Household Batteries Recycling Collection

The Contractor shall provide weekly collection of Household Batteries to all SFD Units.

4.03.3 SFD Cell Phones Recycling Collection

The Contractor shall provided weekly collection of Cell Phones to all SFD Units.

4.03.4 Commercial & Multi Family Dwelling (MFD) Recycling

All Solid Waste Collected from Commercial Premises and MFDs shall be transported to a “Dirty MRF”, or mixed waste processing facility for processing and recovery of recyclable materials. The processing facility must be approved by the City. Failure to comply with this provision shall result in the levy of an administrative charge as specified in this Contract and may result in the Contractor being in default under this Contract. The designated “Dirty MRF” shall process the Solid Waste in a manner that achieves the highest practicable level of recovery and diversion. By designating the “Dirty MRF”, the Contractor shall guarantee a minimum 35 percent recovery of materials

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from the Commercial and MFD waste streams and that all of the recovered materials will be diverted from disposal as defined by the Act.

4.03.5 Marketing and Sale of Recyclable Materials

Contractor shall be responsible for marketing and sale of all Recyclable Materials Collected pursuant to this Contract. Contractor may retain revenue from the sale of Recyclable Materials.

4.04 GREEN WASTE RECYCLING COLLECTION

4.04.1 Single Family Dwelling (SFD) Green Waste Collection

Contractor shall Collect Source Separated Green Waste from SFDs once per week from Contractor-provided Carts. Contractor shall provide each Customer with a ninety-six (96) gallon Cart as the default service. Customers may request to substitute the ninety-six (96) gallon Cart with either a thirty-two (32) gallon or a sixty-four (64) gallon Cart. In all cases, the charge per Customer will remain the same. Customers may request additional Carts at no additional charge.

Contractor shall Collect Carts Curbside unless the Customer has requested Valet Service and has agreed to pay the premium service Rate approved by the City. In such case, Contractor shall Collect Carts from and return Carts to the alternative service location (such as the side yard or back yard) specified by the Customer.

4.04.2 Multi-Family and Commercial Premises Green Waste Collection

Multi-Family and Commercial Customers shall have the option of voluntarily subscribing to Green Waste Collection services and shall pay Contractor for such service in accordance with City approved Rates. Contractor shall Collect Source Separated Green Waste from Multi Family Residential Complexes and Commercial Premises that have subscribed to Green Waste Collection service as frequently as scheduled by Customer, but not less than once per week. Contractor shall allow Multi-Family and Commercial Customers to select a Collection service method that best suits the needs of its Premises. Specifically, the Contractor shall offer to the Containers and service choices that are similar to that offered for Commercial Solid Waste Collection pursuant to Section 4.02.3. Contractor shall Collect Green Waste at the location agreed upon by

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Contractor and Customer. The designated Collection location, if disputed by Customer or Contractor, shall be determined by the City.

4.04.3 City Facilities Green Waste Collection

City Facilities shall have the option of voluntarily subscribing to Green Waste Collection services. Contractor shall Collect Green Waste from City Facilities that have subscribed to Green Waste Collection service as frequently as scheduled by Customer, but not less than once per week. Contractor shall allow City Facilities to select a Collection service method that best suits the needs of its Premises. Specifically, the Contractor shall offer to City Facilities service choices that are similar to that offered for Commercial Solid Waste Collection pursuant to Section 4.02.3.

4.04.4 Annual Holiday Tree Recycling Collection

Annually, commencing December 26 and for fifteen (15) consecutive days, the Contractor shall Collect Holiday Trees from SFDs and MFDs. SFD Customers are required to place the Holiday Trees curbside on the scheduled Collection day for Solid Waste. Holiday Trees from MFDs will be collected on Customer's normal collection days at Customer's collection location for Solid Waste.

In addition, Contractor shall deliver a Roll Off Box for Holiday Tree Collection at a location to be determined by the City. The roll off box 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 to the SFD and MFD Customers.

4.05 ON-CALL BULKY ITEM COLLECTION SERVICE

4.05.1 SFD and MRF Unlimited On-Call Bulky Item Collection

The Contractor shall provide unlimited Bulky Item Collection Service at no additional charge to all SFD and MFD Customers in the Service Area whose Bulky Items have been placed within three (3) feet of the curb, swale, paved surface of the public roadway, closest accessible roadway, or other such location agreed to by the Contractor

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and Customer, that will provide safe and efficient accessibility to the Contractor's Collection crew and vehicle.

Contractor may instruct Customers to provide Contractor with a minimum of twenty-four (24) hours' notice of the need for Bulky Item Collection Service, which shall take place on the Customer's regular Collection day. Contractor shall collect the following as a Bulky Item Collection Service:

- A. All Bulky Items.
- B. Late Holiday Tree Collection – Holiday trees to be collected after the second week in January.

4.05.2 Commercial On-Call Bulky Item Collection

Contractor shall provide Special Pickup service for Commercial Customers and may charge a fee for service. Items to be Collected, and corresponding costs, include:

- A. All Bulky Items. See approved rate schedule for fee
- B. Electronic Waste or "E-Waste". See approved rate schedule for fee.
- C. Other special items, such as Universal Wastes. At rates to be negotiated between Contractor and Customer on a case-by-case basis.

4.05.3 Bulky Item Collection Restrictions

The following applies to items Collected under this Section:

- No single item that cannot be handled by two workers will be accepted.
- The following items will not be picked up: Hazardous Substances, Hazardous Waste, including waste oil or anti-freeze; concrete and dirt. Electronic Waste shall be collected and disposed of in accordance with subsection 4.05.2.
- Vehicles used for Collection of Bulky Items shall not use compactor mechanisms or mechanical handling equipment that may damage reusable goods or release Freon or other gases from pressurized appliances.

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4.05.4 Bulky Items Containing Freon

In the event Contractor Collects Bulky Items that contain Freon, Contractor shall handle such Bulky Items in a manner such that the Bulky Items are not subject to regulation as hazardous waste under applicable state and federal laws or regulations.

4.05.5 Maximum Reuse and Recycling

Contractor shall dispose of Bulky Items 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 Items unless the Bulky Items cannot be reused or recycled. Contractor shall record by class and weight (in tons) the Solid Waste Collected under this Section 4.05, and shall record the kinds and weights (in tons) of Solid Waste diverted, if any, from landfilling through Recycling, reuse, Transformation or other means of diversion.

4.05.6 City Direction of Bulky Items

City reserves the right to direct Contractor to take Bulky Items Collected pursuant to this Section to a designated site or sites for the purpose of permitting persons who will reuse or recycle such Bulky Items to obtain the Bulky Items at no cost. Contractor shall have no obligation to dispose of the Bulky Items or Bulky Item residue remaining at the directed site or sites after reusers and recyclers have removed reusable or recyclable Bulky Items.

4.06 CITY SPONSORED EVENTS

Contractor shall provide Solid Waste and Recycling Collection and Disposal/processing service for all City-sponsored events, including the "Helping Hands" monthly clean up, at no additional charge. This shall include providing Containers (Bins, Roll-off Boxes,

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Recycling Containers and cardboard waste boxes with liners) to Collect and dispose of or process all Solid Waste and Recyclable Materials, as determined by City.

ARTICLE 5. DISPOSAL, PROCESSING, AND DIVERSION REQUIREMENTS

5.01 TRANSPORTATION OF SOLID WASTE

Contractor shall transport all Refuse Collected to the Transfer Station, MRF, Transformation Facility or Disposal Site. Contractor agrees to make all reasonable efforts to separate Recyclable Materials from Refuse for diversion from landfill Disposal.

Contractor shall maintain accurate records of the quantities of Solid Waste transported to the Transfer Station, MRF, Transformation Facility or Disposal Site and will cooperate with City in any audits or investigations of such quantities.

Contractor shall cooperate with the operator of any Transfer Station, MRF, Transformation Facility or Disposal Site 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.

5.02 DISPOSAL OF REFUSE

The Contractor shall dispose of Refuse Collected, but not sent to a processing or Transformation Facility, at the Disposal Site.

5.03 STATUS OF DISPOSAL SITE

Any Disposal Site utilized by Contractor shall be designed and constructed in accordance with 23 California Code of Regulations Section 2510 et seq. ("Subchapter 15"). Any such Disposal Facility shall have been issued all permits from federal, state, regional, county and City agencies necessary for it to operate as a Class III Sanitary Landfill and be in full regulatory compliance with all such permits. Contractor has designated the Puente Hills Sanitary Landfill, Whittier, CA as the Disposal Site as of the effective date of this Contract.

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5.04 GREEN WASTE PROCESSING SERVICES

Contractor shall deliver all Collected Green Waste to a fully permitted Green Waste Processing Facility or a fully permitted Green Waste transfer station. All expenses related to Green Waste processing and marketing will be the sole responsibility of Contractor. Contractor shall ensure that all Green Waste Collected pursuant to this Contract are diverted from the landfill in accordance with the Act and any subsequent or other applicable legislation and regulations. Contractor shall ensure that the Green Waste Collected pursuant to this Contract is not disposed of in a landfill, except as a residue resulting from processing. Contractor must provide end uses for Green Waste that maximize diversion credits for City according to regulations established by the California Integrated Waste Management Board. Green Waste may be used as Alternative Daily Cover to the extent that the City will get full diversion credit for its use. Contractor is responsible for monitoring how the Green Waste will be diverted at selected facilities and for selecting alternative facilities if necessary to ensure full diversion credit. Failure to do so places the Contractor in default. City has the option, but not obligation, to direct Contractor where to deliver the material.

5.05 CONSTRUCTION AND DEMOLITION DEBRIS DIVERSION

Contractor will send all Construction and Demolition (C&D) debris loads to a permitted C&D processor.

5.06 MINIMUM RECYCLING REQUIREMENTS

Contractor shall recycle or divert from landfilling sufficient waste to ensure that the City meets current the Act requirements for 50% diversion Citywide. Contractor shall be considered to have met this requirement under this Contract if the City's annual report to the California Integrated Waste Management Board (CIWMB) shows a greater than 50% diversion rate and if the CIWMB approves the City's reports as having a greater than 50% diversion rate in connection with efforts to meet City's the Act diversion mandate.

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Beginning with calendar year 2010, if the annual report the City submits to the CIWMB reflects a diversion rate of less than 50%, or if such a report is later revised to reflect a rate less than 50%, the Contractor shall be liable for any liquidated damages in accordance with Section 13.06 for failure to meet this mandate. If a report is revised and approved by the CIWMB to reflect 50% or higher diversion, City will reimburse Contractor any liquidated damages that had been submitted based upon that year's report. As reports to the CIWMB lag the actual collection period reported on, this requirement and liability for liquidated damages will extend beyond Contractor's provision of Collection services under this Contract.

If the State increases waste diversion requirements, or the City increases waste diversion requirements, Contractor may request a rate adjustment for the additional waste diversion requirements services that may be required, and the provisions of this Section will apply using the higher diversion rate.

5.07 FAILURE TO MEET MINIMUM REQUIREMENTS

Upon Contractor's failure to meet the minimum waste diversion requirements set forth above in Section 5.06, and if the City determines that the Contractor has not met waste diversion from the services and programs contemplated under this Contract, the Contractor agrees to implement programs and provide equipment necessary in order for the City to meet the State mandated 50% diversion requirement. Such programs and equipment may include additional public education efforts, on-site business waste audits, additional recycling carts or bins at multi-family complexes, high grading of commercial loads, secondary processing of commercial solid waste, and processing of Construction and Demolition Debris from roll-off boxes.

5.08 OWNERSHIP OF SOLID WASTE

City and Contractor understand and agree that it is Contractor, and not City, who will arrange to Collect Solid Waste, that City has not, and, by this Contract does not, instruct Contractor on its Collection methods, nor supervise the Collection process; nor do the Parties intend to place title to Solid Waste Collected by Contractor in City. Rather, the Parties intend that whatever, if any, title in and to the Solid Waste that is Collected by Contractor which otherwise might exist in or with City in the absence of this Contract is hereby transferred to Contractor; and further that if Contractor gains title to such Solid

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Waste it is by operation of law and agreement with its Customers and is not the result of this Contract. At no time does City obtain any right of ownership or possession of Solid Waste or Recyclable Materials placed for Collection, and nothing in this Contract shall be construed as giving rise to any inference that City has any such rights. City and Contractor agree that, for the purposes of the Uniform Commercial Code and all other laws imposing liability for defective products, it is Contractor, and not City which is to be considered the merchant of goods recycled pursuant to this Contract. Subject to the provisions of this Contract, and unless City exercises its rights to direct the location for Disposal and processing of Solid Waste, Contractor shall have the right to retain, Recycle, process, dispose of, and otherwise use Solid Waste 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 which it Collects.

ARTICLE 6. OTHER SERVICES

6.01 RESPONSIBILITY FOR SERVICE BILLING AND COLLECTION

The Contractor shall be responsible for the billing and collection of payments for Collection Services within the Service Area. Notwithstanding the proceeding provision, the Contractor shall not bill for Collection Services provided to City Facilities.

6.01.1 Billing Frequency

Contractor shall bill Single-Family Customers quarterly, in advance, in amounts equal to the Rate for service for a three (3) month period (i.e., using a quarterly format). Contractor shall bill Commercial Customers monthly, in advance, in the amount equal to Customers' subscribed Rate for service for a one (1) month period.

Customers may, on an individual basis, request annual payment schedules, and Contractor will work in good faith with individual Customers to reasonably accommodate such requests.

6.01.2 Automated Billing Payment

In an effort to reduce paper waste, Contractor shall make available to all Customers an automated billing and payment system. This system should be website based and allow customers to view and pay bills through Contractor's website. Through the Contractor's

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website, Customers may request to cease paper billing and receive all bills through e-mail and/or Contractor's website. Contractor will ensure that the electronic billing and payment website conforms to industry-standard practices for electronic commerce security. Contractor must ensure that these customers are compiled in a list to ensure that billing inserts are mailed directly. Contractor shall promote the website-based billing and payment system on all paper bills sent to Customers.

6.01.3 Rates

City shall establish, by resolution, maximum rates for the types of service provided as described in Exhibit 1. Contractor shall bill and Collect at rates that do not exceed the maximum rates set by the City Council.

6.01.4 Partial Month Service

If, during a month, service to Customer is added to or deleted, the Contractor's Billing shall be pro-rated based on the weekly service rate (weekly service rate shall be the monthly service rate divided by four (4)) times the number of actual weeks in the month that service was provided to the Customer.

6.01.5 Records

Contractor shall maintain, for inspection by the City, copies of all billings and receipts, in chronological order, for a period of three (3) years after the date of service. Contractor shall maintain those records in electronic format. City staff or representatives shall be given access to such records upon one (1) Business Day notice.

6.01.6 Temporary Service Stop

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. 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 Refuse, Recycling, or Green Waste Carts out for Collection, then Contractor shall resume regular service and charge the Residential Customer at the rates established in Exhibit 1.

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6.01.7 Delinquent Service Accounts

Contractor shall diligently pursue collection of delinquent accounts by every means reasonably available to Contractor, including delinquency letters, telephone calls, employment of collection agencies, and small claims court.

The Contractor shall have no right to terminate service to SFD Customers in the event of delinquency or otherwise.

If a Commercial Service Account is delinquent at least seventy (70) days, Contractor shall provide written notice to the business owner and, if different, the property owner, of the delinquent amount, and of Contractor's intent to discontinue service to the Commercial Service Account.

Contractor shall not terminate service to the Commercial Service Account, in the event of delinquency or otherwise, without prior written consent from the City Manager. Contractor shall deliver to the City Manager a copy of the written notice of Contractor's intent to discontinue service to the Commercial Service Account, copies of all invoices and notices delivered to the Commercial Service Account business owner regarding the delinquent account, and evidence of all other efforts to collect the delinquent account, at least two (2) weeks prior to the requested termination date.

6.02 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 and efficient manner. In the case of a dispute between the Contractor and a Customer, the matter will be reviewed and a decision made by the Contract Administrator.

- For those complaints related to missed Collections that are received by 12:00 noon, the Contractor will return to the Customer address and Collect the missed materials before the end of the same business day. For those complaints related to missed Collections that are received after 12:01 p.m. on a Work Day, the Contractor shall have until the end of the following Work Day to resolve the complaint. For those complaints related to repair or replacement of carts or bins, the appropriate Sections of this Contract shall apply

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- Contractor agrees that it is in the best interest of the CITY that all Residential Waste and Recyclable 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. In the event a Customer requests missed Collection service more than two (2) times in any consecutive two (2) month period the Contract Administrator will work with the Contractor to determine an appropriate resolution to that situation. In the event the Contractor believes any complaint to be without merit, Contractor shall notify the Contract Administrator, either by Fax or e-mail. The Contract Administrator will investigate all disputed complaints and render a decision.
- Contractor's service and emergency telephone numbers shall be accessible by a local (La Mirada) phone number. The telephone number (s) shall be listed in the area's telephone directories under the Contractor's name in the White Pages and Yellow Pages. Contractor shall also provide a toll free number.

6.02.1 Contractor's Office

The Contractor shall maintain an office where complaints can be received. Such office shall be equipped with sufficient telephones that all Collection Service related calls received during normal business hours are answered by an employee within five (5) rings, and shall have responsible persons in charge during Collection hours and shall be open during such normal business hours, 8:00 a.m. to 5:00 p.m. on all Work Days and on those Saturdays when Collections Services are required as a result of the holiday Collection policy set forth in Contract. The Contractor shall provide either a local or toll free telephone number, and a telephone answering service or mechanical device to receive Customer inquiries during those times when the office is closed. Calls received after normal business hours shall be addressed the next Work Day morning.

Customer service representatives receiving multiple complaints are to be transferred from Customer service duties or disciplined and appropriately trained.

6.02.2 Complaint Documentation

Service complaints received by City shall be directed to Contractor. Contractor shall keep daily logs of complaints forwarded to it for a minimum of three (3) years.

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Contractor shall log all complaints received, including the date and time the complaint was received, the name, address and telephone number of the caller/complainant, a description of the complaint, the name of the employee recording the complaint and the action taken by Contractor to respond to and remedy the complaint. Log shall also include each instance that Solid Waste and/or Recyclables are not collected and the form of notification used to inform the participants of the reasons of non-Collection and the end result or means of resolution of the incident.

All written Customer complaints and inquiries shall be date-stamped when received. All oral Customer complaints shall be recorded in a logbook. Receipt of all complaints, both written and oral shall be acknowledged to Customer within one (1) business day of receipt. Contractor shall use best efforts to resolve complaints within two (2) business days and must respond in writing to all complaints within five (5) business days of receipt. Contractor shall log action taken by Contractor to respond to and remedy the complaint.

All Customer service records and logs kept by Contractor shall be available to City upon request. City shall, at any time during regular Office Hours, have access to Contractor's Customer service department for purposes that may include monitoring the quality of Customer service or researching Customer complaints.

6.02.3 Resolution of Customer Complaints

Should Contractor and Customers not be able to resolve a complaint, not be able to establish a mutually acceptable fee to be charged for services not included on the approved rate schedule, or otherwise disagree, the matter shall be determined by the Director of Public Works, whose decision shall be final.

Intervention by City is not a condition precedent to any rights or remedies third parties might otherwise have in any dispute with Contractor. Nothing in this section is intended to affect the remedies of third parties against Contractor.

6.02.4 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. A live person, not voice-mail, shall be available at that number at all times, twenty-four hours per day.

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6.02.5 Multilingual/TDD Service

Contractor shall at all times maintain the capability of responding to telephone calls in English and such other languages as City may direct. Contractor shall at all times maintain the capability or responding to telephone calls through Telecommunications Device for the Deaf (TDD) Services. Contractor shall be entitled to a rate adjustment to recover increased costs in the event that City directs that telephone service be provided in more than English and Spanish.

6.02.6 Customer Calls

During office hours, Contractor shall maintain a telephone answering system capable of accepting at least fifteen (15) incoming calls at one time. Contractor shall record all calls including any inquiries, service requests and complaints into a customer service log. All incoming calls will be answered within 5 rings. Any call "on-hold" in excess of 1.5 minutes shall have the option to remain "on-hold" or to be switched to a message center where Customer can leave a message. Contractor's customer service representative shall return Customer calls. For all messages left before 3:00 p.m., all "call backs" shall be attempted a minimum of one time prior to 6:00 p.m. on the day of the call. For messages left after 3:00 p.m., all "call backs" shall be attempted a minimum of one time prior to noon the next Work Day. Contractor shall make minimum of three (3) attempts within twenty-four hours of the receipt of the call. If Contractor is unable to reach the Customer on the next Work Day, Contractor shall leave a voice message, and if no voice recording is available shall send a postcard to the Customer on the second Work Day after the call was received.

6.02.7 Contract Liaison

Contractor shall designate in writing a "Contract Liaison" who shall be responsible for working with City and/or City's designated representative(s) to resolve Contract related issues. City shall have the right to approve the Contractor's choice for a liaison. City shall be notified in advance of any change in Contract Liaison.

6.02.8 Service Liaison

Contractor shall designate in writing a field supervisor as "Service Liaison" who shall be responsible for working with City and/or City's designated representative(s) to resolve Customer service related complaints. City shall have the right to approve the

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Contractor's choice for a liaison. City shall be notified in advance of any change in Service Liaison.

6.03 PUBLIC OUTREACH AND EDUCATION SERVICES

Contractor, at their own expense, shall prepare, submit and implement an annual (calendar year) Public Education and Outreach Program beyond the City's Public Education and Outreach Program. The proposed action plan must be submitted annually for City approval no later than September 30 for the next calendar year. The program must include a minimum of four campaigns per calendar year, designed to increase diversion and resident participation. Campaigns should target certain Recyclable Materials or "problem" areas of the Service Area where improvements can be maximized. Targets of outreach should be based on local trends and recycling patterns based on information obtained by both the Contract Administrator and Contractor staff.

6.03.1 Implementation and On-going Education Services

In order to promote public education, in addition to any other materials it develops, Contractor shall create the following public education materials and programs at its expense, which will be distributed as indicated below. All brochures, mailings, and other educational materials are to be approved by City in advance of distribution.

- **Initial Mailing/Cart Options** – Contractor will prepare and mail (or be responsible for seeing that the City has mailed) an initial information packet to all Customers explaining the transition from the existing Solid Waste Handling Service program to the new program as defined by this Contract. The mailing will describe program changes, route changes, dates of program implementation, Recycling and diversion programs available, and other pertinent information.

Contractor shall notify Cart Customers of the upcoming automation of Collection, and the distribution of Carts. Contractor will provide a reply card on which Customers may select the size Carts which they will be distributed.

- **Instructional "How-to" Packets** – An information packet shall be provided to each Customer at the start of service under this Contract and to each new

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Customer throughout the Contract term. Contractor may attach these packets to the Carts upon initial Cart distribution. This packet shall: describe available services, including available Recycling and diversion programs; provide instructions for proper use of the Carts and Bins provided (such as how to place Carts or other permitted items for Collection, the types of materials to be placed in each Cart); detail holiday Collection schedules; and provide Billing and Customer service telephone numbers. This packet will contain updated information on how to use Containers, when, where and how to place Solid Waste for Collection, and who to contact with service or Billing questions, and for Bulky Item Collection.

The packet should also clearly indicate what materials, such as syringes and other Household Hazardous Wastes (HHW), should not be disposed of in these Containers. This brochure shall include instructions on how Customers should dispose of HHW, such as information on the HHW drop-off facilities and other available programs.

- **Container Labels and Hot Stamps** – Recyclables and Green Waste Containers shall carry stickers/labels and hot stamps as described in Section 7.06.1.4.
- **Annual Newsletter** – Not less than once per year during each Rate Year, Contractor shall prepare and distribute to each Customer a brochure or newsletter promoting and explaining: all Solid Waste programs offered by City and Contractor (such as Recycling, Green Waste, Holiday Tree and Bulky Items pickups) describe in detail; the environmental, regulatory, and other benefits of participating in Recycling; how to properly dispose of Household Hazardous Waste such as syringes, paint, etc. through the County's program or other means; Collection schedules, including holiday schedules; Customers service numbers; and the procedures to begin and terminate services. City may provide mailing labels from its Billing system.
- **Corrective Action Notice** – Contractor shall develop a corrective action notification form for use in instances where a Customer sets out inappropriate materials for Collection that explains the appropriate manner for Disposal of such items.

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- **Website** – Contractor shall develop and maintain a website with a page specific to the City, to enable City's Customers to contact Contractor and to display holiday schedules, proper HHW disposal procedures, which materials are to be placed in Recyclables Containers and other useful information. Contractor will assist the City in establishing a link on the City's website to Contractor's page.

6.03.2 Annual Collection Service Notice

Each year during the term of this Contract, the Contractor shall publish and distribute a notice to all SFD Customers regarding the SFD Collection Service programs. The notice shall contain at a minimum; definitions of the materials to be Collected, procedures for setting out the materials, service rates and discounts, maps of the Service Area indicating the days when SFD Refuse, Recycling and Green Waste Collection Services, SFD Bulky Items Collection Services will be provided, and the City customer service phone number. The notice shall be provided in English, and other languages as directed by the City and shall be distributed by the Contractor no later than June 15, 2009 during the first year of the Contract and no later than December 1 of each year thereafter.

6.03.3 Contractor Representative

Contractor shall retain on its staff an individual who shall, as part of his or her job function, routinely visit civic groups, school assemblies, homeowners' associations, Multi-Family complexes and businesses, to promote and explain the Recycling and other programs Contractor offers, and participate in demonstrations and civic events.

6.03.4 Community Events

At the direction of City, Contractor shall participate in and promote Recycling and other diversion techniques at community events and local activities. Such participation would normally include providing, without cost, Collection and educational and publicity information promoting the goals of City's Solid Waste program.

6.04 WASTE GENERATION / CHARACTERIZATION STUDIES

Contractor acknowledges that City must perform Solid Waste generation and Disposal characterization studies periodically to comply with the requirements of the Act.

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Contractor agrees to participate and cooperate with City and its agents and to accomplish studies and data collection and prepare reports, as needed and directed by City, to determine weights and volumes of Solid Waste Collected and characterize Solid Waste generated, disposed, transformed, diverted or otherwise handled/processed, by Customer type (Single Family, Multi-Family, Commercial), to satisfy the requirements of the Act. Contractor will at its sole expense conduct such a waste generation and characterization study upon request of City, but not more than once every two years.

6.05 PROGRAMS AND SERVICES

Contractor shall provide additional services and programs, such as pilot programs, special studies, etc., as requested by City at a price to be mutually agreed upon between the Contractor and the Contract Administrator. In the event the Contractor and the Contract Administrator cannot reach a mutually agreed upon price for the requested service or program, City shall have the right to procure the service of other vendors or contractors to provide the requested service.

6.06 EMERGENCY SERVICES

In the event of a tornado, major storm, earthquake, tsunami, fire, natural disaster, or other such event, the Contract Administrator may grant the Contractor a variance from regular routes and schedules. 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 Contract, 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 Contract provided the Contractor has first secured written authorization and approval from the City through the Contract Administrator.

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6.07 NEWS MEDIA RELATIONS

Contractor shall notify the Contract Administrator by Fax, e-mail or phone of all requests for news media interviews related to the Collection Services program within twenty-four (24) hours of Contractor's receipt of the request. Before responding to any inquiries involving controversial issues or any issues likely to affect participation or Customer perception of services, Contractor will discuss Contractor's proposed response with the Contract Administrator.

6.07.1 News Releases

Copies of draft news releases or proposed trade journal articles related to the Contract Services shall be submitted to City for prior review and approval at least five (5) business days in advance of release, except where Contractor is required by any law or regulation to submit materials to any regulatory agency in a shorter period of time, in which case Contractor shall submit such materials to City simultaneously with Contractor's submittal to such regulatory agency.

6.07.2 Copies of Articles

Copies of articles resulting from media interviews or news releases shall be provided to the City within five (5) days after publication.

ARTICLE 7. REQUIREMENTS FOR OPERATIONS, EQUIPMENT, AND PERSONNEL

7.01 COLLECTION HOURS AND SCHEDULES

7.01.1 Day and Time of Collection

Residential collection shall be conducted Monday through Friday except as provided herein for holidays. Commercial/industrial collection shall be conducted Monday through Saturday. Collection shall not be made on Sundays.

In Commercial/Industrial areas that are not contiguous to Residential Premises, no Collection or delivery/removal of containers shall be made between the hours of six p.m. and five a.m. Monday through Saturday or at any time on Sunday.

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The Contract Administrator may waive the requirements of this section when necessitated by conditions beyond the control of the Contractor. The Contract Administrator may require the Contractor to change hours of operations in Residential or Commercial/Industrial areas if disruption occurs.

7.01.2 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 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 Work Day thereafter will be delayed one Work 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.

7.02 COLLECTION ROUTES

Ninety (90) days prior to commencement of Collection Services, the Contractor shall provide for City approval maps precisely defining Collection routes, together with the days and the times at which Collection shall regularly commence. If the City has not approved or requested changes within fifteen business day (15) days upon receipt of the service route maps, they shall be deemed as approved.

7.02.1 Collection Routes Changes

The Contractor shall submit to the City, in writing, any proposed route change (including maps thereof) not less than sixty (60) calendar days prior to the proposed date of implementation. The Contractor shall not implement any route changes without the prior review and approval of the Contract Administrator. The Contractor shall notify those Customers in writing of route changes not less than thirty (30) days before the proposed date of implementation. The Contractor shall be responsible for all costs associated with the changing of the street sweeping routes related to changes in the solid waste collection routes.

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7.02.2 Collection Route Audits

The City reserves the right to conduct audits of Contractor's Collection routes. The Contractor shall cooperate with the City in connection therewith, including permitting City employees or agents, designated by the Contract Administrator, to ride in the Collection vehicles in order to conduct the audits. The Contractor shall have no responsibility or liability for the salary, wages, benefits or worker compensation claims of any person designated by the Contract Administrator to conduct such audits.

The scope of the audit, and auditing party, will be determined by City and the scope may include, but is not limited to, Customer service levels and Billing, fee payments, Gross Receipts, tonnage, verification of weightings of cost components used in the rate adjustment formula described in 9.04, and verification of diversion rate.

If inaccuracies are found, City may expand the scope of the audit and recover additional audit costs from the Contractor.

7.02.3 Payments and Refunds

Should an audit disclose that fees payable by the Contractor were underpaid or that Customers were overcharged for the period under review, Contractor shall pay to City any underpayment of fees and/or refund to Contractor's Customers or to City, as directed by City, any overcharges within thirty (30) days following the date of the audit. Contractor shall pay interest to the City for any underpayment at an annual rate of 10%. Undercharges shall not be billed in arrears for more than ninety (90) days of service, with any remaining undercharges absorbed by Contractor. Should an audit disclose that fees were overpaid, City shall credit such amounts against future fees payable by Contractor.

7.03 COLLECTION STANDARDS

7.03.1 Implementation of Service

The Contractor's implementation of the services required by the Effective Date under this Contract shall occur in a smooth and seamless manner so that Customers and/or Generators do not experience disruption in Collection services when services are initiated on the Commencement Date. Contractor shall be responsible for managing

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implementation of new Collection services and other related services and shall do so in accordance with the Implementation Plan prepared by the Contractor.

7.03.2 Servicing Containers

Contractor shall Collect the contents and return each Container to the location where the Occupant properly placed the Container for Collection. Contractor shall place the Containers upright with lids properly closed and secured. Contractor shall use due care when handling Containers. Contractor shall not throw, roughly handle, damage, or break Containers.

Upon Customers request, Contractor shall provide special services including: unlocking and locking Containers; accessing Container locked enclosures (e.g., with a key or combination lock); and pulling or pushing Containers to the Collection vehicle. Contractor shall charge Customers for extra services in accordance with Agency approved Rates.

7.03.3 Missed Pick-Ups

When notified of a missed pick-up, Contractor shall Collect the Solid Waste, Recyclable Materials, or Green Waste on the day the notice is received, if possible, and in all cases shall Collect the missed pick-up by 6:00 p.m. of the next scheduled Collection day following receipt of the missed pick-up notification, with the exception that if the notice is received on a Saturday or Holiday, the missed Collection shall be required by 6:00 p.m. on the next regularly scheduled Collection day.

7.03.4 New Customer and Change in Service Levels

Contractor shall deliver Containers and initiate Collection services for a new Customer within five (5) Business Days of the Customer's request for service. If an existing Customer requests a change in the number or size of their Solid Waste, Recyclable Materials, or Organic Materials Containers and/or frequency of Collection, the Contractor shall deliver additional Containers and/or remove Containers and shall initiate changes in the Collection services within five (5) Business Days of the Customer's request for a change in service.

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7.03.5 No Commingling of Solid Waste

Contractor shall separately Collect and segregate Solid Waste, Recyclable Materials, and Green Waste Materials from each other and shall not Comingle these materials at any time without the express prior written authorization of the Contract Administrator.

7.03.6 Conditions of Service

Contractor shall Collect all Refuse, Recycling, or Green Waste Bins or Carts that are readily accessible to the Contractor's crew and vehicles and not blocked, where the Carts have been placed curbside or other such location agreed to by the Contractor and Customer, that will provide safe and efficient accessibility to the Contractor's Collection crew and vehicle.

Contractor shall not be required to Service

1. Recycling Carts with Recyclable Materials that have not been segregated from Solid Waste and Green Waste.
2. Green Waste Carts with Green Waste that have not been segregated from Solid Waste and Recyclable Materials.
3. Carts that exceed the maximum load limit specified by the Container Manufacturer.
4. Any Commercial Solid Waste that is not placed in a Bin unless such Commercial Solid Waste is outside the Solid Waste Bin as a result of overflow.

7.03.6.1 Set-Out Instructions to Customers

Contractor shall instruct Customers as to any preparation of Solid Waste, Recyclable Materials, or Green Waste and the proper placement of Containers. If Customers are not adhering to Contractor's instructions, Contractor shall notify such Customers in writing.

7.03.6.2 Non-Collection

In cases of failure to comply with the instructions, Contractor may decline Collection Service provided that Contractor leaves an adequate number of Non-Collection Notices on the Container, as determined by the City, indicating the reason for refusing to Collect

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the material. Such Notices shall also identify the steps Generator must take to recommence Collection service.

7.03.6.3 Non-Collection Notices

In the event of non-collection, Contractor shall affix to the Container a Non-Collection Notice explaining why Collection was not made. The Non-Collection Notice shall be affixed prominently onto the Container to ensure that it is not inadvertently removed from Cart due to weather conditions. The Non-Collection Notices must be protected from rain, if precipitation is present or forecasted, by placing the Notice in a clear plastic bag prior to affixing to Container.

Contractor shall document Non-Collection Notices recording the date and time of issuance, address of Customer, reason for issuance, name of employee who issued the notice, and truck and route numbers. The warning notice shall be at least two inches by six inches (2" x 6") in size. The Non-Collection Notices must identify the steps the Generator must take to recommence Collection service.

Contractor shall report monthly to City any Non-Collection Notices issued. Contractor shall take direction from the City with regard to termination or reinstatement of service to a Customer due to numerous Non-Collection Notices issued to the same Customer.

7.03.7 Commercial Bin Overflow

In the case of repeated overflows of Commercial Solid Waste, Contractor shall contact the Commercial Service Customer management to arrange for an appropriate change in Bin size, Collection frequency or both. In the event, Contractor cannot successfully contact the Commercial Service Customer management after three attempts, or cannot reach an agreement with such management regarding the change in service, Contractor shall advise the Contract Administrator, either by Fax or e-mail, of the details of the Commercial Solid Waste overages, and the attempts at communication with the Commercial Service Customer management. The Contract Administrator shall respond to Contractor's report and make a final written determination. Within five (5) Work Days of receipt of the Contract Administrator's written determination, Contractor shall change the Collection Service in accordance with such written determination.

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7.03.8 Care of Private Property

Contractor's employees shall follow the regular walk for pedestrians while on private property and shall neither trespass nor cross property to the adjoining premises unless the occupant or owner of both properties has given permission. Care should be taken to prevent damage to property, including flowers, shrubs, and other plantings. Contractor shall repair, to its previous condition, all damage to private or public property caused by its employees.

7.03.9 Spillage and Litter

The Contractor shall not litter premises and shall exercise all reasonable care and diligence in providing Collection Services so as to prevent spilling or dropping of Solid Waste. The Contractor shall not be responsible for cleaning up sanitary conditions caused by the carelessness of the Customer; however, the Contractor shall clean up any material or residue that are spilled or scattered by the Contractor or its employees.

Contractor shall immediately, at the time of occurrence, clean up any spilled or dropped Solid Waste. 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, Contractor shall apply a suitable cleaning agent to the street surface to provide adequate cleaning, and shall notify the Contract Administrator, and applicable Hazardous Materials Management Agencies within two (2) hours of such a spill or leak. Contractor shall meet or exceed for National Pollutant Discharge Elimination System (NPDES).

The above paragraphs notwithstanding, Contractor shall clean up any spillage or litter caused by Contractor within two (2) hours upon notice from the City.

7.03.10 Vehicles Equipped with Absorbent, Broom and Shovel

To facilitate such cleanup, Contractor's vehicles shall at all times carry sufficient quantities of petroleum absorbent materials along with a broom and shovel.

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7.04 CONTRACTOR FACILITIES

Contractor shall provide all Facilities needed for vehicle parking and maintenance, container storage and maintenance, employee parking, administration, billing, customer service, and other activities required to fulfill its obligations hereunder. Contractor shall own or lease the Facilities; secure all permits needed to conduct their operations; design, finance, and complete any site improvements; maintain the Facilities; and make any other arrangements necessary to fulfill its obligations required by this Contract.

7.05 VEHICLES

Contractor is responsible for providing all vehicles that may be required for the Collection of Solid Waste that are sufficient in number and capacity to efficiently perform the work required by this Contract in strict accordance with its terms. Contractor is expressly obligated to provide such Collection Vehicles and routes as are required to meet the service standards set forth herein. Contractor shall have available on Collection days sufficient back-up vehicles for each type of Collection Vehicle used to respond to complaints and emergencies.

7.05.1 Specifications

1. The vehicles shall be designed and operated so as to prevent Collected materials from escaping from the vehicles. Hoppers shall be closed on top and on all sides with screening material to prevent Collected materials from leaking, blowing or falling from the vehicles. All trucks and containers shall be watertight and shall be operated so that liquids do not spill during Collection or in transit.
2. All Collection Vehicles used in performance of this Contract to provide Residential and Commercial Services shall be new at the inception of the Contract. New or used vehicles may be used for on-call services, roll-off services and support vehicles, however, such vehicles shall be no older than ten years at any time during their use in the City unless such vehicle is a Rebuilt Vehicle.
3. At all times during the term of this Contract, Contractor's Collection vehicles shall comply with South Coast Air Quality Management District Requirements and the

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California Air Resource Board's emission standards as they may be approved for Refuse removal vehicles, as well as other Federal, State and local laws and regulations that may be enacted during the term of this Contract.

4. All vehicles used by Contractor in providing Collection Services under this Contract, except those vehicles used solely on Contractors premises, are to be registered with the California Department of Motor Vehicles.
5. All Collection Vehicles must comply with U.S. EPA noise emission regulations, currently codified at 40 CFR Part 205, and other applicable state noise control regulations.

7.05.2 Vehicle Identification

Collection vehicles shall be marked with Contractor's name, toll free number, and the number of the vehicle painted in letters of contrasting color, at least four (4) inches high, on each side and the rear of each vehicle. City must approve truck labeling, and may place billboards with public notices on vehicles at no additional charge. No advertising shall be permitted other than the name of the Contractor except that City may place billboards with public notices on vehicles at no additional charge.

7.05.3 Vehicle Inventory

Contractor shall furnish the City a written inventory of all vehicles used in providing service, and shall update the inventory annually. The inventory shall indicate each Collection vehicle by Contractor assigned 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 by type, the date of acquisition, the decibel rating and the maintenance and rebuild status. Each inventory shall also include the tare weight of each vehicle as determined by weighing at a public scale and not at a disposal or other facility scale used by Contractor. Each vehicle inventory shall be accompanied by a certification signed by Contractor that all Collection vehicles meet the requirements of this Contract.

7.05.4 Vehicle Cleaning

All Collection Vehicles shall be washed at least once each week. Collection Vehicles shall be thoroughly washed, and thoroughly steam cleaned on a regular basis so as to

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present a clean appearance. City may inspect vehicles at any time to determine compliance with this Contract. Contractor agrees to replace or repair to the City's satisfaction, any Collection Vehicle which City determines to be of unsightly appearance, leaking, or in unsatisfactory operating condition.

7.05.5 Vehicle Maintenance

Contractor shall inspect each Collection Vehicle daily to ensure that all equipment is operating properly. Collection Vehicles, which are not operating properly, shall be removed from service until repaired and operating properly. Contractor shall perform all scheduled maintenance functions upon Collection Vehicles in accordance with the manufacturer's specifications and schedule.

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. Contractor shall maintain accurate records of repair, which shall include the date, nature of repair and the verification by signature of a maintenance supervisor that the repair has been properly performed.

Contractor shall keep accurate records of all Collection Vehicle maintenance and shall make such records available to City upon request. The log shall at all times be accessible to City by physical inspection upon request of Contract Administrator, and shall show, at a minimum, each vehicles Contractor assigned identification number, date purchased or initial lease, dates of performance of routine maintenance, dates of performance of any additional maintenance, and description of additional maintenance performed.

7.05.6 Painting

Contractor shall repaint all vehicles (including vehicles striping) during the term of this Contract on a frequency as necessary to maintain a positive public image as reasonably determined by the Contract Administrator, but not less often than every five (5) years for any Collection Vehicle more than five (5) years old, beginning July 1, 2009.

Contractor shall repaint any or all Collection Vehicles within thirty (30) days' notice from City, if City determines that their appearance warrants painting. All vehicle colors require the prior approval of the City.

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7.05.7 Vehicle Operation

Vehicles shall be operated in compliance with Federal, State and local laws and regulations including, but not limited to, the California Vehicle Code, the regulations of the California Air Resources Board (CARB) Waste Collection Vehicle Regulations as established in the California Code of Regulations Title 13 Section 2700 et seq. and all applicable safety and local ordinances. Annually, Contractor shall provide the City with documentation of such compliance for each vehicle. For example, with regard to CARB regulations, such documentation shall demonstrate, at a minimum, the vehicle number, make, model, year, control technology used or planned, and the year that the control technology was applied or is planned to be applied. Contractor shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by Federal, State, or local weight restrictions on vehicles or roads.

7.05.8 Vehicle Certification

For each Collection vehicle used in the performance of services under this Contract, Contractor shall obtain a certificate of compliance (smog check) issued pursuant to Part 5 of Division 26 of the California Health and Safety Code (Section 43000 et seq.) and regulations promulgated thereunder and/or a safety compliance report issued pursuant to Division 14.8 of the California Vehicle Code (Section 34500 et seq.) and the regulations promulgated thereunder, as applicable to the vehicle. Contractor shall maintain copies of such certificates and reports and shall make such certificates and reports available for inspection upon request by the Contract Administrator.

7.05.9 California Heavy Duty Inspection Program

No later than April 1, 2010, Contractor shall submit to the Contract Administrator verification that each of the Contractor's Collection vehicles has passed the California Heavy Duty Vehicle Inspection. Thereafter, Contractor shall cause each vehicle in Contractor's Collection fleet to be tested annually in the California Heavy Duty Inspection Program and shall submit written verification to City within ten (10) Work Days of the completion of such test. Contractor shall not use any vehicle that does not pass such inspection.

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7.05.10 Vehicle Inspections

Upon City request, Contractor shall submit the Safety Compliance Report/Terminal Record Update from its Biennial Inspection of Terminal, or BIT. If Contractor receives a terminal rating below satisfactory, Contractor shall notify the City, and Contractor is in violation of the Contract. Contractor has the time allowed by the Department of California Highway Patrol ("CHP") to cure violations and bring the terminal rating up to satisfactory. If the CHP does not adjust the rating to satisfactory or better within six (6) months, then the Contractor shall be considered in default of the contract and the City may terminate this Contract.

7.06 CONTAINERS

7.06.1 Carts

7.06.1.1 Purchase and Distribution of Carts

Each SFD Customer will be provided one (1) 96 Gallon Solid Waste Cart, one (1) 96 Gallon Recycling Cart and one (1) 96 Gallon Green Waste Cart. Customers may request additional Carts for Refuse, Recycling or Green Waste Collection Service. In addition, Contractor shall provide thirty-two (32) and sixty-four (64) gallon carts as substitutes under special circumstances. In all cases, the charge per SFD Service will remain the same.

The Contractor shall be responsible for the purchase and distribution of fully assembled and functional Carts to Customers in the Service Area. All Carts provided by Contractor utilized in the performance of this Contract shall be manufactured by injection or rotational molding and meet the Cart design and performance requirements as specified below.

All Carts selected shall be subject to City's approval. Carts must meet color, size, uniformity and quality requirements of the City. The City will not permit Carts with inconsistent colors or in poor condition to be used in the City at any time during the term of this Contract, and may require Contractor to replace such Carts.

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7.06.1.2 Cart Capacity

The references in Sections 4.02, 4.03 and 4.04 to Cart sizes of 96, 64 and 32-gallons may be approximate. The Cart size may fall within the following range:

- 30 – 35 gallons
- 60 – 70 gallons
- 90 – 101 gallons

The selected sizes must be consistent throughout the City for a uniform appearance.

7.06.1.3 Cart Color and Appearance

The Refuse, Recycling and Green Waste Carts will be differentiated by color. The colors shall be colorfast and resistant to fading as a result of weathering or ultraviolet degradation. Color must be uniform within each Container. Refuse Carts will be black. Recycling Carts will be blue. Green Waste Carts will be green. Cart colors shall be consistent throughout City.

7.06.1.4 Cart Labeling and Hot Stamping

Labels used on Carts shall be placed on the inside of the Cart lid, and hot stamps shall be on the top of the lid and/or on the body of the Cart. Design for both the labels and the hot stamps must be approved by City prior to ordering labels or Carts. City shall approve what information is included on the label and in the hot stamp, as well as approve design and quality. Labels shall be replaced when worn. Cart labels and hot stamps will include specific instruction on what materials should and should not be placed in each Cart. Carts shall include the telephone number to call for Bulky Item Collection (see Section 6.03).

7.06.1.5 Replacement of Carts

Contractor's employees shall take care to prevent damage to carts by unnecessary rough treatment. Any cart damaged by the Contractor shall be replaced by the Contractor, at the Contractor's expense, within five (5) Work Days at no cost or inconvenience to the Customer.

Upon notification to the Contractor by the City or a Customer that the Customer's Refuse, Recycling, or Green Waste Cart(s) has been stolen or damaged beyond repair,

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the Contractor shall deliver a replacement cart(s) to such Customer within five (5) Work Days at no additional cost unless Contractor can demonstrate to the Director of Public Works beyond a reasonable doubt that the damage or loss was due exclusively the Customer's intentional or negligent behavior. Director of Public Works shall make the final determination. All repairs must restore the Cart to its full functionality. Unsightly/worn-out Carts shall be replaced by Contractor upon Customer request. The Contractor shall maintain records documenting all cart replacements occurring on a monthly basis.

Contractor shall be responsible for graffiti removal within one (1) business day at no additional charge to the Customer or to City.

Each Customer shall be entitled to the replacement of one (1) lost, destroyed, or stolen Refuse Cart, one (1) lost, destroyed, or stolen Recycling Cart, one (1) lost, destroyed, or stolen Green Waste Cart, on one occasion during the life of this Contract at no cost to the Customer, unless caused by the fault of the Customer. Except in the case of a cart that must be replaced because of damage caused by Contractor or in the case where Contractor elects to replace a cart rather than repair it on-site, Contractor shall be compensated for the cost of those replacements in excess of one (1) per type of cart per Customer during the life of the Contract, in accordance with the "Cart Exchange" Service Rate set forth in Exhibit 1, or as may be adjusted by the City from time to time as provided under the terms of this Contract.

Contractor understands and agrees that this provision is intended to be applied on a per cart type basis and accordingly each Customer could receive up to three (3) replacement carts, one (1) of each type, every seven (7) years during the life of the contract.

7.06.1.6 Repair of Carts

Contractor shall be responsible for repair of carts in the areas to include but not be limited to, hinged lids, wheels and axles, unless caused by the fault of the Customer. Within five (5) Work Days of notification by the City or a Customer of the need for such repairs, the Contractor shall repair the cart or if necessary, remove the cart for repairs and deliver a replacement cart to the Customer.

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7.06.1.7 Refuse Cart Exchange

Upon notification to the Contractor by the City or a Customer that a change in the size of a Refuse Cart is requested, the Contractor shall deliver such different-sized Refuse Cart to such Customer within five (5) Work Days. Each SFD Customer shall be eligible to receive one (1) free Refuse Cart exchange per Contract Year during the term of this Contract. Accordingly Contractor shall be compensated for the cost of those exchanges in excess of one (1) per Contract Year, in accordance with the "Cart Exchange" service rate as set forth in Exhibit 1 or as may be adjusted under the terms of this Contract.

7.06.1.8 Additional Refuse Carts

Upon notification to the Contractor by the City or a Customer that additional Refuse Carts are requested, the Contractor shall deliver such Refuse Carts to such Customer within five (5) Work Days. Each SFD Customer shall be eligible to receive one (1) free Refuse Cart request each Contract Year during the term of this Contract, with a maximum of five (5) Refuse Carts at each SFD Customer. Accordingly, Contractor shall be compensated for the cost of Refuse Cart Requests in excess of one (1) per Contract Year, in accordance with the "SFD Excess Cart Exchange Or Additional Cart Request" as set forth in Exhibit 1 or as may be adjusted under the terms of this Contract.

7.06.1.9 Additional Recycling or Green Waste Carts

Contractor shall provide an unlimited number of additional SFD Recycling and Green Waste Carts to SFD Customers within five (5) days of request at no additional cost provided that additional carts are used by SFD Customers for the purposes of setting out additional Recycling or Green Waste Materials for regular weekly Recycling or Green Waste Collection Service.

7.06.1.10 Ownership of Refuse, Recycling and Green Waste Carts

Ownership of Refuse, Recycling, and Green Waste Carts shall rest with the Contractor.

7.06.2 Collection of Customers' Discarded Collection Containers

The Contractor shall collect used, discarded, or unwanted collection containers used for collection prior to July 1, 2009 at no cost. To the extent feasible, Contractor shall recycle, or cause to have recycled the used, discarded, or unwanted collection containers.

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7.06.3 Bins

7.06.3.1 Purchase and Distribution of Containers

The Contractor shall be responsible for the purchase and distribution of Containers such as Bins and Roll-offs Boxes to all Commercial Customers in the Service Area.

Contractor shall also distribute Containers new Commercial Customers that are added to the Service Area during the term of this Contract. Containers to be distributed shall be completed within five (5) Work Days of receipt of the request by the Commercial Customer.

7.06.3.2 Replacement of Containers

Care shall be taken by Contractor's employees to prevent damage Bins and Roll-off Boxes by unnecessary rough treatment. Any Container damaged by the Contractor shall be replaced by the Contractor, at the Contractor's expense, within five (5) business days at no cost or inconvenience to the Customer.

7.06.3.3 Repair of Containers

Contractor shall be responsible for repair of Bins and Roll-off Boxes at no additional charge, unless caused by the fault of the Customer. Within five (5) Work Days of notification by the City or a Customer of the need for such repairs, the Contractor shall repair the Container or if necessary, remove the Container for repairs and deliver a replacement Container to the Customer. Container repair shall also include the removal of graffiti from the Container within forty-eight hours notice by the Customer or the Contract Administrator.

7.06.3.4 Bin Exchange

Upon notification to the Contractor by the City or a Customer that a change in the size or number of the Bins is required, the Contractor shall deliver such different-sized or number of Bins to such Customer within five (5) Work Days.

7.06.3.5 Ownership of Containers

Ownership of Bins or Roll-offs distributed by the Contractor shall rest with the Contractor.

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7.06.3.6 Annual Cleaning

Once each Contract Year, at no charge to the Commercial Service Customer, CONTRACTOR shall clean all Bins at a Commercial premise or shall replace the dirty bins with clean bins and remove the dirty bins for cleaning.

7.06.3.7 Bin Enclosure Cleanout

Contractor is responsible for cleaning out Customers' overflowing Bins and enclosures within twenty-four (24) hours of notification by City at no additional cost. Contractor may follow the procedures in Section 7.03.8 to address habitual offenders.

7.06.4 Bin Signage, Painting, and Cleaning

All metal bins of any service type furnished by the Contractor shall be either painted or galvanized. All metal or plastic bins shall display the Contractor's name, CONTRACTOR'S customer service telephone number, and the number of the bin and shall be kept in a clean and sanitary condition. Such bins as are provided by the Contractor shall be steam cleaned by the Contractor as frequently as necessary so as to maintain them in a sanitary condition. At a minimum, Contractor shall steam clean the bins once per year at Contractor's expense. Bins will be subject to periodic, unscheduled inspections by the City and determination as to sanitary condition shall be made by the City.

7.07 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 City may request the transfer of any employee of the Contractor who materially violates any provision hereof, or who is wanton, negligent, or discourteous in the performance of his duties.
- Contractor's field operations personnel shall be required to wear a clean uniform shirt bearing the Contractor's name. Contractor's employees, who normally come

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into direct contact with the public, including drivers, shall bear some means of individual photographic identification such as a name tag or identification card.

- Each driver of a Collection vehicle shall at all times carry a valid California driver's license and all other required licenses for the type of vehicle that is being operated.
- Each driver of a Collection vehicle shall be proficient in written and spoken English.
- Each driver of a Collection vehicle shall at all times comply with all applicable state and federal laws, regulations and requirements.
- Contractor's employees, officers, and agents shall at no time be allowed to identify themselves or in any way represent themselves as being employees of the City.
- The Contractor's name and the Customer Service telephone number shall be properly displayed on all Collection vehicles.

7.08 PERFORMANCE REVIEW MEETING

Contractor acknowledges and agrees that one of City's primary goals in entering into this Contract is to ensure that the Collection Services are of the highest caliber, that Customer satisfaction remains at the highest level, that maximum diversion levels are achieved, and that materials Collected are put to the highest and best use to the extent possible.

City may hold a meeting or a public hearing annually to review Contractor's Solid Waste Collection efforts, source reduction, processing and other diversion services and overall performance under this Contract. The purpose of the Performance Review Meeting is to provide for a discussion and review of technological, economic, and regulatory changes in Collection, source reduction, Recycling, processing and Disposal to achieve a continuing, advanced Solid Waste Collection, source reduction and Recycling and Disposal system; and to ensure services are being provided by Contractor with adequate quality, effectiveness and economy, and in full compliance with the terms of this Contract. Topics for discussion and review at the Solid Waste Services and Performance Review Meeting shall include, but shall not be limited to, services provided, feasibility of providing new services, application of new technologies, Customer complaints, amendments to this Contract, developments in the law, new initiatives for meeting or exceeding the Act's mandates, regulatory constraints, results of

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route audits, and Contractor performance. City and Contractor may each select additional topics for discussion at any Performance Review Meeting.

City shall notify Contractor of its intent to hold a Performance Review Meeting at least sixty (60) calendar days in advance thereof. Thirty (30) calendar days after receiving notice from City of a Performance Review Meeting, Contractor shall submit a report to City which may contain such information as it wished to have considered, and shall contain the following:

- a) Current diversion rates and a report on Contractor's outreach activities for the past year.
- b) Recommended changes and/or new services to improve City's ability to meet the goals of the Act and to contain costs and minimize impacts on rates. A specific plan for the Act compliance shall be included.
- c) Any specific plans for provision for new or changed services by Contractor.
- d) Customer complaint records. The reports required by this Contract regarding Customer complaints shall be used as one basis for review of Contractor's performance, and Contractor may submit other relevant performance information and reports for consideration at the Solid Waste Services and Performance Review Meeting. In addition to the above, City may request Contractor to submit any other specific information relating to its performance for consideration at the Solid Waste Services and Performance Review Meeting, and any Customer may submit comments or complaints before or during the Meeting, either orally or in writing. Contractor shall be present at and participate in the Solid Waste Services and Performance Review Meeting.

As a result of its findings following any Solid Waste Services and Performance Review Meeting, City may require Contractor to provide expanded or new services within a reasonable time and City may direct or take corrective actions for any performance inadequacies (although nothing contained in this provision should be construed as requiring City to hold a Solid Waste Services and Performance Review Meeting in order to enforce any rights or remedies it has pursuant to the terms hereof.) Should City require expanded or new services as a remedy for Contractor's failure to perform its obligations hereunder, no additional compensation shall be due for such services.

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Otherwise, any new or expanded services required of Contractor shall be subject to the provisions of Section 14.07.

ARTICLE 8. FEES PAID TO THE CITY

In addition to any other consideration set forth herein, as part of its consideration for entering into this Contract, and for the exclusive right and privilege to provide Solid Waste Services as specified herein, Contractor shall provide the following:

8.01 COLLECTOR FEE PAYMENT

The Collector Fee Payment to the City shall be due on the 20th day of the month following the end of each preceding month that revenues are collected. Each such payment shall be accompanied by an accounting, substantially in the form attached hereto as Exhibit 5, which sets forth Contractor's Gross Receipts collected during the preceding month. 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 Contract. Revenue received by the Contractor from the sale of Recyclable Materials, including California Redemption Value, shall not be considered as Gross Receipts for purposes of the calculation of Collector Fees. For Residential Collection Services, the Collector Fee percentage shall be 12 percent of Gross Receipts during the term of this Contract unless adjusted by the City. For Commercial Collection Services, the Collector Fee percentage shall be 15 percent of gross receipts during the term of this Contract unless adjusted by the City.

In addition, the Contractor shall pay, concurrently with payment of the Collector Fee, a solid waste management fee consisting of three percent (3%) on Gross Receipts.

8.02 PROCUREMENT FEE PAYMENT

The Contractor shall make a one-time lump sum payment of Eighty Thousand dollars (\$80,000) within seven (7) business days of execution of this Contract to reimburse the City for costs it incurred in connection with entering this Contract.

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8.03 COMMUNITY ORGANIZATION SUPPORT CONTRIBUTION

Beginning on July 1, 2009 and on July 1st each year thereafter, the Contractor shall make payments to the City in the amount of Thirty Thousand dollars (\$30,000). The contribution will be dispersed, by direction of the City Council and/or City Manager, to organizations and projects serving the residents of the City.

8.04 CONTRACT PERFORMANCE AUDIT FEE

Commencing July 1, 2010 and on July 1st each year thereafter, Contractor shall make a payment of Twenty Thousand dollars (\$20,000) as a Contract Performance Audit Fee. This fee will be used to offset the City's costs of managing the exclusive collection Contract, including the audit of Collection Contract payments; waste diversion and recycling reports; complaint logs; compliance with customer service and public education requirements; rate adjustments applications; and other contract requirements.

8.05 ACCEPTANCE OF PAYMENT BY CITY

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 Contract. All amounts paid shall be subject to independent audit and recompilation by City. If, after the audit, such recompilation indicates an underpayment of more than one-half percent (0.5%) of the amounts as specified in Section 8.01, Contractor shall pay to City the amount of the underpayment within ten (10) days of receipt of written notice from City that such is the case. If, after the audit, such recompilation indicated an underpayment, Contractor shall reimburse City for all reasonable costs and expenses incurred in connection with the audit and recompilation, within ten (10) days of receipt of written notice from City that such is the case. If, after audit, such recompilation indicates an overpayment, City shall notify the Contractor in writing of the amount of the overpayment, less costs and expenses incurred in connection with the audit and recompilation. Contractor may offset the amounts next due following receipt of such notice by the amount specified therein.

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ARTICLE 9. CHARGES AND RATES

9.01 GENERAL

The service rates as established in Exhibit 1 which is attached hereto and included in this Contract and as may be adjusted under the terms of this Contract shall be the maximum amount Contractor may charge Customers as full, entire and complete compensation due pursuant to this Contract for all labor, equipment, materials and supplies, taxes, insurance, bonds, letters of credit, overhead, Disposal, transfer, profit and all other things necessary to perform all the services required by this Contract in the manner and at the times prescribed. Contractor shall impose no other charges for services provided to Customers unless approved in advance in writing by the City.

Contractor shall not charge for Collection Services provided to City Facilities as included in Exhibit 4.

9.02 INITIAL RATES

The maximum rates that Contractor may charge Customers through the Rate Year ending June 30, 2011 shall not exceed the maximum rates set forth in Exhibit 1.

9.03 SCHEDULE OF FUTURE ADJUSTMENTS

Beginning with the Rate Year starting July 1, 2011 and ending on June 30, 2012 and for all subsequent Rate Years, Contractor may request an annual adjustment to the maximum rates shown in Exhibit 1. The Contractor shall submit its request in writing directly to City staff or via certified mail, on or before March 15, 2011 and each succeeding year, and shall be based on the method of adjustment described in 9.04. Failure to submit a written request by March 15th of each year shall result in Contractor waiving the right to request such an increase for the subsequent Rate Year. Missed rate adjustments may not be added to rate adjustment applications in ensuing years.

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9.04 METHOD OF ADJUSTMENTS

Pursuant to Section 9.03, the Company may request an adjustment to the maximum rates according to the method described below and the formulas shown in Exhibit 2 subject to review and approval of City. All future adjustments are to be effective July 1. The rate adjustment calculations shall be separately performed for Cart rates & Multi-Family Dwelling Other Services (Exhibit 2A), Bin rates (Exhibit 2B), and Roll-off Box and Temporary Service rates (Exhibit 2C).

9.04.1 Cost Component and Rate Adjustment Indexes

The approved rates consist of the following cost components, followed by the initial weightings of each component by waste stream. Each cost component may be adjusted by the change in the corresponding index below. See Section 9.04.2 for detailed rate adjustment procedures.

	Cost Component	% of Costs (1)			Rate Adjustment Index	Starting Index
		Cart	Bin	Roll-Off		
A.	Service	62.5%	45.2%	95% (2)	Consumer Price Index - All Urban Consumers, All items - Los Angeles - Riverside - Orange County, CA	January 2009.
B.	Fuel	5.0%	5.0%	5% (2)	DOE Diesel (on highway) prices publishing in the Official Energy Statistics from the United States Department of Energy website: http://tonto.eia.doe.gov/dnav/pet/pet_pri_gnd_dcus_scam.htm .	January 2009.
C.	Direct Disposal	20.8%	n/a	n/a	Actual change in the posted per ton rate at Puente Hills Landfill for disposal of solid waste.	\$33.22

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D.	Green Waste	11.7%	n/a	n/a	Actual change in the per ton posted gate rate at Puente Hills for Green Waste (3)	\$14.30
E.	MRF Disposal	n/a	30.3	100% (2)	Actual change in the posted per ton rate at Puente Hills Landfill disposal of Solid Waste.	\$34.63
F.	MRF Service	n/a	19.5	n/a	Consumer Price Index - All Urban Consumers, All items - Los Angeles - Riverside - Orange County, CA	January 2009

- (1) Weightings may be adjusted for the rate adjustment following, and based upon results from each audit per Section 7.02.2.
- (2) Weightings for Roll-Off will be applied separately for Service Component and for Disposal Component as described in Section 1.03.2
- (3) Should any facility become unavailable due to closure, limited access, or other reasons, the rate at the replacement facility will be used to compute the Green Waste component index.

9.04.2 Rate Adjustment

Cart, Bin and Roll-off Box rates will be adjusted using the same method, but will be calculated separately due to the differences in the weightings of the cost components for each Customer type, as listed in Section 9.04.1.

Step One – Calculate the percentage increase or decrease in the Service, Fuel, Direct Disposal, Green Waste, MRF Disposal and the MRF Service Component indices listed in Section 9.04.1. The increase or decrease in the Service, Fuel and MRF Service Component indices will be for the twelve (12) month period ending January 31 prior to the July 1 when the rate change will take effect. The maximum allowed percentage increase shall not exceed 3.5% for any one index for any Rate Year. Whenever an index exceeds 3.5% in any Rate Year, the difference will be carried forward on a cumulative basis and any accumulated amount will be allowed to be applied in any future Rate Year in which the index does not exceed the 3.5% maximum allowed percentage increase.

The Direct Disposal, MRF Disposal and the Green Waste indices will be based on the percentage change in the gate rate at Puente Hills Landfill from those in effect as of January 31 prior to the rate change to January 31 before July 1 when the rate change will take effect. The maximum allowed percentage increase for the Direct Disposal,

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MRF Disposal or the Green Waste Index shall not exceed 6% for any one index. Whenever an index exceeds 6.0% in any Rate Year, the difference will be carried forward on a cumulative basis and any accumulated amount will be allowed to be applied in any future Rate Year in which the index does not exceed the 6.0% maximum allowed percentage increase. Puente Hills rates shall be used as the basis for adjustment until such time that the Puente Hills landfill ceases to operate. Thereafter, the adjustment shall be based upon the actual disposal rates at the landfill.

The Per Ton MRF Processing Fee for Roll-Off and Compactor Service is composed of a MRF Service Component and a MRF Disposal Component at the initial rate of \$54.67 per ton which is the sum of \$20.04 for MRF Service and \$34.63 for MRF Disposal. To arrive at an adjusted Per Ton MRF Processing Fee for Roll-Off and Compactor service the MRF Disposal Component and the MRF Service Component will be adjusted individually. Adjustments to the MRF Disposal Component will be based on increases or decreases to the MRF Disposal index weighted at 100%. Adjustment to the MRF Service component, the Per Pull Fee for Roll-Off and Compactor Service, fees for 3-Yard Clean-up Bin Service and other Temporary Services as listed in EXHIBIT 2C will be based on increases or decreases to the Service and Fuel Indices weighted at 95% and 5%, respectively.

Step Two – For rate adjustments prior to the first audit (see Section 7.02.2): Cost components are weighted as listed in Section 9.04.1. For subsequent rate adjustments: The relative weightings of the service and disposal cost components will be determined by the most recent audit conducted per Section 7.02.2.

Multiply the percentage changes for each rate adjustment component, as determined in Step One, by that component's weighting as a percentage of total cost.

Step Three – Multiply the weighted permitted percent change from Step Two by the existing maximum Cart, Bin and Roll-Off Box Collection rates to determine the increase or decrease in maximum rates. Then add (subtract) the change in rates to (from) the existing maximum rates to determine the new maximum rates.

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9.05 EXTRAORDINARY ADJUSTMENT

CONTRACTOR may petition the CITY in writing at reasonable times other than that allowed under Section 9.04 for an adjustment in the maximum rates in the event of extraordinary changes in the costs of operations or programs that 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. Extraordinary rate adjustments shall only be effective after approval by City Council and may not be applied retroactively.

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 City with support for assumptions made by Contractor in preparing the estimate. Contractor shall also submit a schedule showing how its total costs and total revenues have changed over the past two years for the services provided under this Contract.

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 Contractor's rate adjustment request. City shall review the Contractor's request and, in City'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. City may consider increases or decreases in the Contractor's total revenues and total cost of services when reviewing an extraordinary rate adjustment request.

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9.06 SENIOR DISCOUNT

The rate for SFD service for La Mirada Seniors shall be 60% of the standard SFD fee. Seniors sixty-five (65) and older, who claim financial hardship, may apply for the discount rate. All the following requirements must be met to be eligible for senior service.

1. The customer is age 65 or older as evidenced by a driver's license or other document issued by a governmental entity;
2. The customer is a head of household as evidenced by his or her name on a utility or telephone bill for the involved premises.

ARTICLE 10. RECORD KEEPING AND REPORTING REQUIREMENTS

10.01 GENERAL

Contractor shall compile and maintain records related to its performance under this Contract as necessary to develop the reports required by this Contract. Contractor agrees to conduct data collection, information and record keeping, and reporting activities needed to comply with and to meet the reporting and Solid Waste program management needs of the City, the Act, other Applicable Laws, and the requirements of this Contract.

Record keeping and reporting requirements specified in this Contract shall not be considered limiting or necessarily complete. In particular, Article 10 is intended to highlight the general nature of records and reports and their minimum content and is not meant to comprehensively define the scope and content of the records and reports. Upon written direction or approval of City, the records and reports required by Contractor in accordance with this and other Articles of the Contract shall be adjusted in number, format, or frequency.

Contractor shall maintain all records necessary to allow the City to determine Contractor's compliance with the Terms of the Contract and compliance with the

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Performance Standards presented in this Contract. The records shall be maintained in a manner that allows for easy verification of Contractor's performance.

10.02 RECORD KEEPING

10.02.1 General

Contractor shall maintain records required to conduct its operations, to support requests it may make to City, and to respond to requests from City. All records shall be maintained for five (5) years after the expiration or early termination of this Contract.

In order to set Contractor's Compensation pursuant to Article 9, it is necessary for Contractor to maintain accurate, detailed financial and operational information in a consistent format and to make such information available to the City in a timely fashion, and in accordance with reporting requirements specified in this Article.

10.02.2 Inspection of Records

City shall have the right to inspect or review the payroll tax reports, specific documents or records required expressly or by inference pursuant to this Contract, or any other similar records or reports of Contractor or its Affiliates that City shall deem, in its sole discretion, necessary to evaluate annual reports, compensation applications provided for in this Contract, and Contractor's performance provided for in this Contract.

Contractor agrees that the records of any and all companies conducting operations addressed in the Contract shall be provided or made available to City and its official representatives for review. The City, its auditors and other agents selected by the City, shall have the right, during regular business hours, to conduct unannounced on-site inspections and review of the records and accounting systems of Contractor and to make copies of any documents relevant to this Contract.

10.02.3 Retention of Records

Unless otherwise herein required, Contractor shall retain all records and data required to be maintained by this Contract for the Term of this Contract plus at least five (5) years after expiration or early termination of the Contract. Records and data shall be in a chronological and organized form and readily and easily interpreted. At the City's request, records and data required to be retained shall be retrieved in a timely manner

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(which shall not exceed more than ten (10) Business Days unless Contractor obtains prior written approval from the City) by Contractor and made available to the City.

Contractor shall maintain copies of all Billings and Billing collections (e.g., Customer payments) records or copies of Billing summary reports (that document all Billings and Billing Collections for each Customer) for five (5) years, following the date of Billings, for inspection and verification by City.

Records and data required to be maintained that are not specifically directed to be retained that are, in the sole opinion of the City, material to the determination of Contractor's Compensation or Rates or to determine Contractor's performance under this Contract, shall be retrieved by Contractor and made available to the City in a timely manner (which shall not exceed ten (10) Business Days unless Contractor obtains prior written approval from the City). When records and data are not retained or provided by the Contractor, the City may make reasonable assumptions regarding what information is contained in such records and data, and such assumption(s) shall be conclusive in whatever action the City takes.

10.02.4 Record Security

Contractor shall maintain adequate record security to preserve records from events that can be reasonably anticipated such as a fire, theft, and an earthquake. Electronically-maintained data and/or records shall be protected, backed up, and stored at a separate site from the original data.

10.02.5 Accounting Records

Contractor shall maintain full, complete and separate financial, statistical and accounting records, pertaining to cash, billing, and provisions of all Collection Services, prepared on an accrual basis in accordance with generally accepted accounting principles. Billing, gross receipt, rebate and disposal records only shall be subject to audit, copy, and inspection. Contractor shall maintain and preserve all billing, gross receipts, rebate and disposal records for a period of not less than five (5) years following the close of each of the Contractor's fiscal years.

10.02.6 Collection Service Records

Contractor shall maintain and retain Records relating to:

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Customer and Billing information including, but not limited to, the following for each Customer:

1. All Collection Vehicles used in performance of this Contract shall be no older than ten years at any time during their use in the City. All Commercial Collection Vehicles used in performance of this Contract shall be no older than ten years at any time during their use in the City unless such vehicle is a Rebuilt Vehicle.
 - a) Names, addresses, and phone numbers of Customer, billing contact person, and, if appropriate, for property manager or on-site contact person;
 - b) Solid Waste service level, Recyclable Materials service level, and Organic Materials service level (where service level includes the number of Containers, size of each Container, and the Collection frequency of each Container);
 - c) Number of tenant or living units at Multi-Family Residential Complexes;
 - d) Service exemptions for SFD Premises (if applicable);
 - e) Special services (e.g., Backyard and Special Handling Collection for SFD Premises, push/pull charges, lock/unlock charges, etc.).
 - f) Contractor's Customer and Billing system shall allow for information to be compiled easily and separately for each Service Sector.
2. Quantities of Residential Solid Waste and Commercial Solid Waste by type (e.g., Solid Waste, Recyclable Materials, Green Waste), Collected purchased, processed, sold, donated or given for no compensation, and residue disposed.
3. Route sheets and route maps identifying the accounts serviced by each Collection vehicle on a daily basis.
4. Facilities, equipment and personnel used.
5. Facilities and equipment operations, maintenance and repair.
6. Tonnage of Solid Waste, Recyclable Materials, and Green Waste Materials listed separately by materials type and Service Sector and the facility where materials were delivered.

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7. Monthly Overall Diversion Level, monthly SFD Diversion Level, and the monthly Commercial Diversion Level (each stated as a percentage) and calculated in accordance with Attachment I.
8. Recyclable Materials, Household Batteries, Cell Phones and Green Waste Collection participation and setout rates.
9. Tonnage of materials Collected from on-call Bulky and community drop-off events as described in Section 4.05 reported separately by material type Collected and listing facilities where materials were delivered (e.g., Goodwill Industries, Transfer Station and Processing Site, etc.).
10. Tonnage of Solid Waste, Recyclable Materials, and Green Waste Collected from Venues and Events reported separately by material type Collected and reported separately for each Venue and Event as the total tonnage of each material type for each Event or Venue monthly.

10.02.7 Other Records

Contractor shall maintain all other records reasonably related to provision of Collection Services, whether or not specified in this the Contract.

10.02.8 Customer Service Records

Daily logs of all Complaints and Inquiries provided under this Contract shall be retained for a minimum of thirty-six (36) months. Contractor shall maintain and retain customer service center records, which include, but are not limited to the following customer service center statistics.

1. Number of calls received on a daily and monthly basis;
2. Number of calls answered on a daily and monthly basis;
3. Number of abandoned (dropped) calls on a daily and monthly basis;
4. Average abandoned time (i.e., hold time before abandoning call)
5. Number of delayed calls (i.e., calls where caller is placed on hold before speaking with a Customer service agent) on a daily and monthly basis;

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6. Average Hold Time for incoming calls on a daily and monthly basis;
7. Percentage of calls answered by a person within thirty (30) seconds on a daily and monthly basis;
8. Percentage of calls answered within three (3) minutes on a daily and monthly basis;
9. Number of e-mail responses sent from the Customer service department to Customers on a monthly basis;
10. Number and percentage of Complaint and Inquiry e-mails or submissions through Contractor website that received responses before close of business on the day received on a monthly basis;
11. Number and percentage of Complaint and Inquiry e-mails that received responses by the close of business on the day following the receipt of the Complaint or Inquiry;
12. Number of Complaints and Inquiries received through Contractor's website on a daily and monthly basis;
13. Names of all customer service representatives employed;
14. Minimum, average, and maximum number of customer service representatives employed during each month; and,
15. Number of customer service representatives employed during each month.

10.03 ANNUAL REPORTING

10.03.1 General

Annual reports shall be submitted no later than April 1 for the previous Contract Year. Annual reports shall be submitted in hard copy, and shall be provided electronically in software acceptable to the City.

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10.03.2 Financial Reports

CONTRACTOR shall prepare an annual Financial Report for submittal to the City by April 1, 2010, and each April 1st thereafter covering the Contractor's prior calendar year operations. At a minimum, the Financial Report shall include the number of SFD Customers and Commercial Customers provided with Collection Services, including any additional services, and the Contractor's gross billing and amount collected for each type of Customer, per ton and total annual disposal and processing fees paid, and the amount received for the sale of recyclable materials.

- If the Contractor has Audited, Reviewed, or Compiled Financial Statements prepared each year by an Independent Certified Public Accountant, such Financial Statements shall be made available, upon request, to City Manager or designee for review only at the Contractors office.
- In the event that the Contractor does not have Financial Statements Audited, Reviewed, or Compiled each year, then the Contractor must have Financial Statements prepared by an Independent Certified Public Accountant. Such Financial Statements shall be made available, upon request, to City Manager or designee for review only at the Contractors office.

10.03.3 CIWMB Reports

Contractor shall assist the City to prepare annual reports for information required by the California Integrated Waste Management Board (CIWMB).

10.03.4 City Reports

Annual reports to the City shall include:

- Contractor shall prepare a report that summarizes the public education and information activities undertaken during the year, including distribution of bill inserts, collection notification tags, community information and events, tours and other activities related to the provision of Collection Services. This report shall discuss the impact of these activities on Recycling program participation and include amounts Collected from RD and Commercial Customer s.

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- Contractor shall prepare a report that summarizes Recycling and Green Waste Collection, processing and marketing issues or conditions (such as participation, setouts, contamination, etc) and possible solutions, discussed separately for RD and Commercial programs.

10.03.5 Solid Waste Data

The number of SFD and Commercial Customers and the number of Solid Waste Bins and Carts distributed by size and Customer type.

10.03.6 Recycling Data

Gross tons Collected daily on average by material type by route for SFD and Commercial Recycling service. The average participation rates by quarter relative to the total number of Customers by Customer type. Indicate, by material type (and grade where appropriate), quarterly totals of Recyclable Materials processed and sold including facility name and location, average price received per ton and total recycling revenue received for the quarter. Indicate any quantities, by material type, donated or otherwise disbursed without compensation. Indicate number of Recycling Bins and Carts distributed by size and Customer type. Also provide quarterly totals and location for residue disposed.

10.03.7 Green Waste Data

Include average daily gross tons Collected by route. Indicate average daily number of set-outs by route. Indicate average participation rates relative to the total number of Customers in terms of weekly set-out counts. Indicate number of Green Waste Bins and Carts distributed by size and Customer type. Also provide totals and location for Residue Disposed.

10.03.8 Customer Service Log

A copy of the customer service log, including a summary of the type and number of complaints and their resolution. Copies of a written record of all calls related to missed pickups and responses to such calls.

- A summary narrative of problems encountered with Collection and processing activities and actions taken. Indicate type and number of Non-Collection Notices left at Customer locations. Indicate instances of property

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damage or injury, significant changes in operation, market factors, publicity conducted, needs for publicity. Include description of processed material loads rejected for sale, reason for rejection and disposition of load after rejection.

10.03.9 Bin and Cart Inventory

An updated complete inventory of Bins, Carts and Roll-offs by type and size.

10.03.10 Additional Reporting

The Contractor shall furnish the City with any additional reports as may reasonably be required, such reports to be prepared within a reasonable time following the reporting period.

- 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 Customers for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Contract or pursuant to this Contract.
- Contractor shall maintain all documents and records, which demonstrate performance under this Contract for a minimum period of three (3) years, or for any longer period required by law, from the date of termination or completion of this Contract.
- Any records or documents required to be maintained pursuant to this Contract 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 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 Contractor's address indicated for receipt of notices in this Contract.

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ARTICLE 11. INSURANCE

11.01 INSURANCE POLICIES

Contractor shall secure and maintain throughout the term of this Contract insurance with insurance company admitted to write insurance in California, or carriers with a rating of, or equivalent to, A-:VII by A. M. Best & Company to, and approved by the City, against claims for injuries to persons or damages to property which may arise from or in connection with Contractor's performance of work or services under this Contract. Contractor's performance of work or services shall include performance by Contractor's employees, agents, representatives and subcontractors.

11.01.1 Minimum Scope of Insurance

Insurance coverage shall be at least this broad:

- Insurance Services Office Form No. GL 0002 (Ed. 1/96) covering Comprehensive General Liability and Insurance Services Office Form No. GL 0404 covering Broad Form Comprehensive General Liability; or Insurance Services Office Commercial General Liability coverage ("occurrence" form CG 0001), including X, C, U where applicable.
- Insurance Services Office Form No. CA 0001 (Ed. 12/93) covering Automobile Liability, code 1 "any auto", or code 2 "owned autos" and endorsement CA 0025. Coverage shall also include code 8, "hired autos" and code 9 "non-owned autos".
- Workers' Compensation insurance as required by the California Labor Code and Employers Liability Insurance.
- Hazardous Waste and Environmental Impairment Liability Insurance.

11.02 MINIMUM LIMITS OF INSURANCE

Contractor shall maintain insurance limits no less than:

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- Comprehensive General Liability: \$3,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability insurance with a general aggregate limit is used, either the general aggregate limit shall apply separately to this Contract or the general aggregate limit shall be \$5,000,000.
- Automobile Liability: \$5,000,000 combined single limit per accident for bodily injury and property damage.
- Workers' Compensation and Employers Liability: Workers' Compensation limits as required by the California Labor Code and Employers Liability limits.
- Hazardous Waste and Environmental Impairment Liability: \$3,000,000 per occurrence.

11.03 DEDUCTIBLES AND SELF-INSURED RETENTION

Any deductibles or self-insured retention must be declared to, and approved by, City's Risk Manager. At the option of City, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects City, its officers, employees, agents and contractors; or Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses in an amount specified by City's Risk Manager.

11.04 ENDORSEMENTS

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

11.04.1 General Liability and Automobile Liability Coverage

- The City, its officers, employees, agents and contractors are to be covered as additional insureds as respects: Liability arising out of activities performed by, or on behalf of, Contractor; products and completed operations of Contractor; premises owned, leased or used by Contractor; and automobiles owned, leased, hired or borrowed by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City, its officers, employees, agents and contractors.

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- Contractor's insurance coverage shall be primary insurance as respects City, its officers, employees, agents and contractors. Any insurance, or self-insurance maintained by City, its officers, employees, agents or contractors shall be in excess of Contractor's insurance and shall not contribute with it.
- Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its officers, employees, agents, or contractors.
- Coverage shall state that Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

11.04.2 All Coverage

Each insurance policy required by this Contract shall be endorsed to state that coverage shall not be suspended, voided, canceled, or reduced in limits except after thirty (30) calendar days prior written notice has been given to City.

11.05 ACCEPTABILITY OF INSURERS

Insurance is to be placed with insurers authorized to do business in the State of California and with a rating in the most recent edition of Best's Insurance Guide of category VII or larger, and a rating classification of A- or better acceptable to City's Risk Manager.

11.06 VERIFICATION OF COVERAGE

Contractor shall furnish City with certificates of insurance and with original endorsements affecting coverage required by this Contract. The certificates and endorsement for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. Contractor shall furnish City with a new certificate of insurance and endorsements on each renewal of coverage or change of insurers.

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11.06.1 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 Clerk:

CITY OF LA MIRADA
City Clerk
La Mirada
13700 La Mirada Blvd.
La Mirada, CA 90638

11.07 SUBCONTRACTORS

Contractor shall include all subcontractors as insured under its policies or shall obtain separate certificates and endorsements for each subcontractor.

11.08 MODIFICATION OF INSURANCE REQUIREMENTS

The insurance requirements provided in this Contract may be modified or waived by City's Risk Manager, in writing, upon the request of Contractor if the City's Risk Manager determines such modification or waiver is in the best interest of City considering all relevant factors, including exposure to City.

11.09 RIGHTS OF SUBROGATION

All required insurance policies shall preclude any underwriter's rights of recovery or subrogation against 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. Contractor shall ensure that any companies issuing insurance to cover the requirements contained in this Contract agree that they shall have no recourse against 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 City is named as an additional insured shall not apply to City.

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ARTICLE 12. INDEMNIFICATION AND BOND

12.01 INDEMNIFICATION

Contractor shall indemnify and hold harmless City, public officials, officers, directors, employees, agents and other contractors, from and against any and all claims, costs, losses and damages (including but not limited to all fees and charges of engineers, architects, attorneys and other professionals as well as all Court or other dispute resolution costs), liabilities, expenditures or causes of action of any kind (including negligent, reckless, willful or intentional acts or omissions of the Contractor, any subcontractor, any supplier, any person or organization directly or indirectly employed by any of them to perform or furnish any services or anyone for whose acts any of them may be liable), arising from, relative to or caused by the performance of the services authorized or required by this Contract. This indemnity includes but is not limited to claims attributable to bodily injury, sickness, disease or death and to injury or destruction of tangible property. Contractor agrees, at Contractor's expense, after written notice from the City, to defend any action against the City that falls within the scope of this indemnity, or the City, at the City 's option, may elect not to tender such defense and may elect instead to secure its own attorneys to defend any such action and the reasonable costs and expenses of such attorneys incurred in defending such action shall be payable by Contractor. Additionally, if Contractor, after receipt of written notice from the City, fails to make any payment due under this Contract to the City, Contractor shall pay any reasonable attorneys' fees or costs incurred by the City in securing any such payment from Contractor. Payment of any amount due pursuant to the foregoing indemnity shall, after receipt of written notice by Contractor from the City that such amount is due, be made by Contractor prior to the City being required to pay same, or in the alternative, the City, at the City 's option, may make payment of an amount so due and Contractor shall promptly reimburse the City for same, together with interest thereon at the rate of 12% per annum simple interest from the date of receipt by Contractor of written notice from the City that such payment is due.

Contractor agrees to protect and defend City with counsel selected by Contractor and approved by City, to pay all attorneys' fees, and to indemnify and hold City harmless from and against all fines or penalties imposed by the California Integrated Waste

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Management Board if the diversion goals specified in California Public Resources Code Section 41780 as of the date hereof and hereafter throughout are not met by the City with respect to the Materials Collected by Contractor and if the lack in meeting such goals are attributable to the failure of the Contractor to implement and operate the recycling or diversion programs or undertake the related activities required by this Contract.

12.02 HAZARDOUS SUBSTANCES INDEMNIFICATION

Without regard to any insurance coverage or requirements, and without limiting the above general indemnification obligation in any way, Contractor specifically agrees to and shall, to the maximum extent permitted by law, defend (with counsel acceptable to City), reimburse, indemnify, and hold harmless Indemnitees harmless from and against any and all claims, actions, liabilities, damages, demands, judgments, losses, costs, liens, expenses, suits, actions, attorneys' fees, consultant fees, penalties and any and all other losses, damages, fees and expenses of whatever kind or nature ("Claims") (including but not limited to response costs, investigative costs, assessment costs, monitoring costs, treatment costs, cleanup costs, removal costs, remediation costs, and similar costs, damages and expenses) that arise out of or are alleged to arise out of or in any way relate to any action, inaction or omission of Contractor that:

1. Results in any demand, claim, notice, order, or lawsuit, asserting that any Indemnitee is liable, responsible or in any way obligated to investigate, assess, monitor, study, test, treat, remove, remediate, or otherwise cleanup, any Hazardous Contaminant (as defined herein); or
2. Relates to material Collected, transported, recycled, processed, treated or disposed of by Contractor.

Contractor's obligations pursuant to this section shall apply, without limitation, to:

1. Any Claims brought pursuant to or based on the provisions of any Environmental Law;
2. Any Claims based on or arising out of or alleged to be arising out of the ownership, use, lease, sale, design, construction, maintenance or operation of Contractor of any Facility;

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3. Any Claims based on or arising out of or alleged to be arising out of the marketing, sale, distribution, storage, transportation, Disposal, processing or use of any materials recovered by Contractor;

4. Any Claims based on or arising out of or alleged to be arising out of any breach of any express or implied warranty, representation or covenant arising out of or in connection with this Contract.

The foregoing indemnity and defense obligations shall apply irrespective of the negligence or willful misconduct of Contractor or any Affiliate of Contractor.

For purposes of this section, the term "Hazardous Contaminant" shall mean any Hazardous Substance, any Hazardous Waste any crude oil or refined or unrefined petroleum product or any fraction or derivative thereof; and any asbestos or asbestos-containing material. The term "Hazardous Contaminant" shall also include any and all amendments to any referenced statutory or regulatory provisions made before or after the date of execution of this contract.

THE PROVISIONS OF THIS SECTION SHALL NOT TERMINATE OR EXPIRE, SHALL BE GIVEN THE BROADEST POSSIBLE INTERPRETATION AND SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS CONTRACT.

12.03 THE ACT INDEMNIFICATION AND GUARANTEE

To the extent authorized by law, Contractor agrees to indemnify and hold harmless City from and against all fines and/or penalties imposed by the California Integrated Waste Management Board in the event the source reduction and Recycling mandates or any other requirement of the Act are not met by City.

Contractor warrants and represents that it is familiar with City's waste characterization study as set forth in City's Source Recovery and Recycling Element (SRRE), and that it has the ability to and will provide sufficient programs and services to ensure City will meet or exceed the diversion requirements (including, without limitation, amounts of Solid Waste to be diverted, time frames for diversion, and any other requirements) set forth in the Act.

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12.04 PERFORMANCE BOND

Within ten (10) calendar days from the date the City Council approves this Contract, the Contractor shall furnish to the City, and keep current, a Performance Bond in a form substantially similar as set forth in Exhibit 3 which is included in and attached to this Contract, for the faithful performance of this Contract and all obligations arising hereunder in an amount as follows:

- From July 1, 2009, the Contractor shall maintain a performance bond throughout the term of this Contract in the amount of Seven Hundred Thousand Dollars (\$700,000).
- The performance bond shall be executed by a surety company licensed to do business in the State of California, having an, A: VII or better rating, and approved by the City; and included on the list of surety companies approved by the Treasurer of the United States.

12.04.1 Letter of Credit

As an alternative to the performance bond required by Section 12.04, at City's option, Contractor may deposit with City an irrevocable letter of credit in an amount as set forth in this Contract. If allowed, the letter of credit must be issued by an FDIC insured banking institution chartered to business in the state of California, in the City's name, and be callable at the discretion of the City. Nothing in this Section shall, in any way, obligate the City to accept a letter of credit in lieu of the performance bond.

12.05 FOREFEITURE OF PERFORMANCE BOND

In the event Contractor shall for any reason become unable to, or fail in any way to, perform as required by this Contract, City may declare a portion or all of the performance bond which is necessary to recompense and make whole the City forfeited to the City. Upon partial or full forfeiture of the performance bond, Contractor shall restore the performance bond to its face amount within thirty (30) days of the City's declaration. Failure to restore the performance bond to its full amount within thirty (30) days shall be a material breach of the Contract.

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12.06 PERFORMANCE SECURITY BEYOND SERVICE TERM

Some Contract requirements extend beyond the Term of this Contract and other requirements, such as State-approved diversion rates per Section 4.2.8, will not be substantiated until after the final service date. Therefore, the Contractor shall not terminate the performance bond or letter of credit, and will renew them to ensure continuous availability to the City, until receiving a written release from the City. Any performance bond or letter of credit will automatically expire at the end of 36 months after the end of the Term of this Contract. Permission from the City to discontinue holding these performance securities does not relieve Contractor of payments to the City that may be due, or may become due.

12.07 OBLIGATION

The execution of this Contract by the Contractor shall obligate the Contractor to comply with the foregoing indemnification provision; however, the collateral obligation of providing insurance must also be complied with as set forth in this Contract.

12.08 EXCEPTION

Notwithstanding other provisions of this Contract, Contractor's obligation to indemnify, hold harmless and defend City, its officers and employees shall not extend to any loss, liability, penalty, plain, damage, action or suit arising or resulting from acts or omissions constituting willful misconduct or active negligence of the City or its officers or employees, provided such active negligence or willful misconduct is determined by agreement between the parties or by findings of a court of competent jurisdiction. In instances where City, its officers and/or employees are shown to have been actively negligent or engaged in willful misconduct and where that negligent or willful misconduct accounts for only a percentage of the liability involved, the obligation of Contractor, will be for the entire portion or percentage of liability not attributable to the active negligence or willful misconduct of City, its officers and/or employees, or from the City's direction to deliver Solid Waste to a MRF, or processing center other than a facility owned and operated by Contractor or an affiliate.

ARTICLE 13. DEFAULT OF CONTRACT

13.01 TERMINATION

The City may cancel this Contract, except as otherwise provided below in this Section, by giving the Contractor thirty (30) calendar days advance written notice, to be served as provided in this Contract, upon the happening of any one of the following events:

1. The Contractor shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy (court) or a petition or answer seeking an arrangement for its reorganization or the readjustment of its indebtedness under the Federal bankruptcy laws or under any other law or statute of the United States or any state thereof, or consent to the appointment of a receiver, trustee or liquidator of all or substantially all of its property; or
2. By order or decree of a Court, the Contractor shall be adjudged bankrupt or an order shall be made approving a petition filed by any of its creditors or by any of the stockholders of the Contractor, seeking its reorganization or the readjustment of its indebtedness under the Federal bankruptcy laws or under any law or statute of the United States or of any state thereof, provided that if any such judgment or order is stayed or vacated within sixty (60) calendar days after the entry thereof, any notice of default shall be and become null, void and of no effect; unless such stayed judgment or order is reinstated in which case, the default shall be deemed immediate; or
3. By, or pursuant to, or under the authority of any legislative act, resolution or rule or any order or decree of any Court or governmental board, agency or officer having jurisdiction, a receiver, trustee or liquidator shall take possession or control of all or substantially all of the property of the Contractor, and such possession or control shall continue in effect for a period of sixty (60) calendar days; or
4. The Contractor has defaulted, by failing or refusing to pay in a timely manner the liquidated damages or other monies due the City and the default is not cured within thirty (30) calendar days of receipt of written notice by City to do so; or

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5. The Contractor has defaulted by allowing any final judgment for the payment of money to stand against it unsatisfied and the default is not cured within thirty (30) calendar days of receipt of written notice by City to do so; or
6. In the event that the monies due the City under Section 24.01.3 above or an unsatisfied final judgment under Section 24.01.4 above is the subject of a judicial proceeding, the Contractor shall not be in default if the sum of money is bonded. All bonds shall be in the form acceptable to the City Attorney; or
7. The Contractor has defaulted, by failing or refusing to perform or observe the terms, conditions or covenants in this Contract or any of the rules and regulations promulgated by the City pursuant thereto or has wrongfully failed or refused to comply with the instructions of the Contract Administrator relative thereto and the default is not cured within thirty (30) calendar days of receipt of written notice by the City to do so, or if by reason of the nature of such default, the same cannot be remedied within thirty (30) calendar days following receipt by the Contractor of written demand from the City to do so, the Contractor fails to commence the remedy of such default within thirty (30) calendar days following such written notice or having so commenced shall fail thereafter to continue with diligence the curing thereof (with the Contractor having the burden of proof to demonstrate (a) that the default cannot be cured within thirty (30) calendar days, and (b) that it is proceeding with diligence to cure the default, and such default will be cured within a reasonable period of time). Notwithstanding anything contained herein to the contrary, for the failure of the Contractor to provide Collection Services for a period of three (3) consecutive Work Days, the City may secure the Contractor's records on the fourth (4th) Work Day in order to provide interim Collection services until such time as the matter is resolved and the Contractor is again able to perform pursuant to this Contract; provided, however, if the Contractor is unable for any reason or cause to resume performance at the end of thirty (30) calendar days all liability of the City under this Contract to the Contractor shall cease and this Contract may be deemed terminated by the City.

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13.02 VIOLATIONS

Notwithstanding the foregoing and as supplemental and additional means of termination of this Contract under this Article, in the event that the Contractor 's record of performance show that the Contractor has frequently, regularly or repetitively defaulted in the performance of any of the covenants and conditions required herein to be kept and performed by the Contractor, in the opinion of the City and regardless of whether the Contractor has corrected each individual condition of default, the Contractor shall be deemed a "habitual violator", shall be deemed to have waived the right to any further notice or grace period to correct, and all of the defaults shall be considered cumulative and collectively shall constitute a condition of irredeemable default. In order to be deemed a "habitual violator" such violation must have occurred not less frequently than three (3) times in any Contract Year. The City shall thereupon issue the Contractor a final warning citing the circumstances therefore, and any single default by the Contractor of whatever nature, subsequent to the occurrence of the last of the cumulative defaults, shall be grounds for immediate termination of the Contract. In the event of any such subsequent default, the City may terminate this Contract upon giving of written final notice to the Contractor, such cancellation to be effective upon the date specified in the City's written notice to the Contractor, and all contractual fees due hereunder plus any and all charges and interest shall be payable to that date, and the Contractor shall have no further rights hereunder. Immediately upon the specified date in such final notice the Contractor shall proceed to cease any further performance under this Contract.

13.03 EFFECTIVE DATE OF TERMINATION

In the event of events specified in Sections 14.03 or 14.04, and except as otherwise provided in these subsections, termination shall be effective upon the date specified in the City's written notice to the Contractor and upon that date this Contract shall be deemed immediately terminated and upon such termination all liability of the City under this Contract to the Contractor shall cease, and the City shall have the right to call the performance bond and shall be free to negotiate with other contractors for the operation of the herein specified services. The Contractor for failure to perform shall reimburse the City all direct and indirect costs of providing interim Collection Services.

LA MIRADA SOLID WASTE SERVICES CONTRACT

13.04 IMMEDIATE TERMINATION

City may terminate this Contract immediately upon written notice to Contractor in the event Contractor fails to provide and maintain the performance bond as required by this Contract, Contractor fails to obtain or maintain insurance policies endorsements as required by this Contract, Contractor fails to provide the proof of insurance as required by this Contract, or Contractor offers or gives any gift prohibited by City Municipal Code.

13.05 TERMINATION CUMULATIVE

City's right to terminate this Contract is cumulative to any other rights and remedies provided by law or by this Contract.

13.06 LIQUIDATED DAMAGES

It shall be the duty of Contractor to perform services under this Contract in such a manner as to implement the goals set forth in Section 7.10 above. In the event Contractor fails to perform the services set forth in this Contract, City may assess liquidated damages against Contractor in the following amounts:

LIQUIDATED DAMAGES		
a.	Failure or neglect to resolve each complaint within the time set forth in this Contract.	\$100.00 per incident per Customer
b.	Failure to clean up spillage or litter caused by Contractor.	\$100.00 per incident per location, and any other fine levied by state, local or federal agencies.
c.	Failure to repair damage to customer property caused by Contractor or its personnel.	\$100.00 per incident per location.
d.	Failure to maintain equipment in a clean, safe, and sanitary manner.	\$100.00 per incident per day.
e.	Failure to have a vehicle operator properly licensed.	\$100.00 per incident per day.
f.	Failure to maintain office hours as required by this Contract.	\$100.00 per incident per day.

LA MIRADA SOLID WASTE SERVICES CONTRACT

LIQUIDATED DAMAGES		
g.	Failure to maintain or timely submit to City all documents and reports required under the provisions of this Contract.	\$100.00 per incident per day.
h.	Failure to properly cover materials in Collection vehicles.	\$100.00 per incident, and any other fine levied by state, local or federal agencies.
i.	Failure to display Contractor's name and customer service phone number on Collection vehicles, except for reserve vehicles.	\$100.00 per incident per day.
j.	Failure to comply with the hours or days of operation as required by this Contract.	\$1,000.00 per incident per day.
k.	Failure or neglect to complete at least ninety percent (90%) of each route on the regular scheduled Collection Service Work Day.	\$500.00 for each route not completed.
l.	Failure to notify Contract Administrator of failure to complete daily routes.	\$250.00 per incident per day.
m.	Changing routes without proper notification to the Contract Administrator.	\$250.00 per incident per day.
n.	Commingling Residential or Commercial Solid Waste with Recyclable Materials.	\$500.00 per incident.
o.	Commingling of materials Collected inside and outside the City of La Mirada without prior approval by the City.	\$500.00 per incident.
p.	Failure to repair or replace damaged carts or bins within the time required by this Contract.	\$100.00 per incident per day.
r.	Failure to deliver or exchange carts or bins within the time required by this Contract.	\$100.00 per incident per day.
s.	Failure to have Contractor personnel in proper uniform.	\$100.00 per incident per day.
t.	Disposal of Recyclable Materials in the Disposal Facility without first obtaining the required permission of the City.	\$500.00 per occurrence
u.	Failure to provide required communications equipment.	\$100.00 per incident per day.
v.	Failure to deliver any Collected materials to the Disposal Facility, Materials Recycling Facility, or Green Waste Processing Facility, as appropriate, except as otherwise expressly provided in this Contract.	\$500 per incident
w.	Delivery to the Disposal Facility of any Solid Waste Collected outside of the City boundaries of La Mirada commingled with Solid Waste Collected as part of this Contract without prior approval by the City.	\$500 per incident

LA MIRADA SOLID WASTE SERVICES CONTRACT

LIQUIDATED DAMAGES		
x.	If after full implementation of programs, City's diversion rate falls below 50%, as determined by CIWMB	\$250.00 for each day City is deemed non-compliant by CIWMB, plus all fines and penalties levied by CIWMB.

13.07 PROCEDURE FOR REVIEW OF LIQUIDATED DAMAGES

The City Manager may assess liquidated damages pursuant to this Contract on a monthly basis. At the end of each month during the term of this Contract, the City Manager shall issue a written notice to Contractor ("Notice of Assessment") of the liquidated damages assessed and the basis for each assessment.

1. The assessment shall become final unless, within ten (10) calendar days of the date of the notice of assessment, Contractor provides a written request for a meeting with the City Manager to present evidence that the assessment should not be made.
2. The City Manager shall schedule a meeting between Contractor and the Director of Public Works or the Director's designee as soon as reasonably possible after timely receipt of Contractor's request.
3. The City Manager or the City Manager's designee shall review Contractor's evidence and render a decision sustaining or reversing the liquidated damages as soon as reasonably possible after the meeting. Written notice of the decision shall be provided to Contractor.
4. In the event Contractor does not submit a written request for a meeting within ten (10) calendar days of the date of the Notice of Assessment, the City Manager's determination shall be final and City may deduct the liquidated damages from amounts otherwise due to Contractor.
5. City's assessment or collection of liquidated damages shall not prevent City from exercising any other right or remedy, including the right to terminate this Contract, for Contractor's failure to perform the work and services in the manner set forth in this Contract.

LA MIRADA SOLID WASTE SERVICES CONTRACT

ARTICLE 14. OTHER AGREEMENTS OF THE PARTIES

14.01 INDEPENDENT CONTACTOR

In the performance of services pursuant to this Contract, Contractor shall be an independent contractor and not an officer, agent, servant or employee of City. Contractor shall have exclusive control of the details of the services and work performed and over all persons performing such services and work. Contractor shall be solely responsible for the acts and omissions of its officers, agents, employees, contractors and subcontractors, if any. Neither Contractor nor its officers, employees, agents, contractors or subcontractors shall obtain any right to retirement benefits, Workers Compensation benefits, or any other benefits which accrued to City employees and Contractor expressly waives any claim it may have or acquire to such benefits.

14.02 COMPLIANCE WITH LAW

In the performance of this Contract, Contractor shall comply with all applicable laws, regulations, ordinances and codes of the federal, state and local governments, including without limitation the City of La Mirada Municipal Code.

14.03 NO ASSIGNMENT

No assignment of this Contract or any right occurring under this Contract shall be made in whole or in part by the Contractor without the express prior written consent of the City. The City shall have full discretion to approve or deny, with or without cause, any proposed or actual assignment by the Contractor, except for an assignment to an affiliate of Contractor, which shall not be withheld unreasonably. Any assignment of this Contract made by the Contractor without the express written consent of the City shall be null and void and shall be grounds for the City to declare a default of this Contract and immediately terminate this Contract by giving written notice to the Contractor, and upon the date of such notice this Contract shall be deemed immediately terminated, and upon such termination all liability of the City under this Contract to the Contractor shall cease, and the City shall have the right to call the performance bond and shall be free to negotiate with other contractors, the Contractor, or any other person or company for the

LA MIRADA SOLID WASTE SERVICES CONTRACT

service which is the subject of this Contract. In the event of any assignment, the assignee shall fully assume all the liabilities of the Contractor.

14.04 USE OF SUBCONTRACTOR

The use of a subcontractor to perform services under this Contract shall not constitute an assignment of Contractor's duties provided that 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. Contractor shall be responsible for directing the work of Contractor's subcontractors and any compensation due or payable to Contractor's subcontractor shall be the sole responsibility of Contractor. The Contract Administrator shall have the right to require the removal of any approved subcontractor for reasonable cause.

14.05 SUBCONTRACTORS

The Contractor shall require all subcontractors to enter into a contract containing the provisions set forth in the preceding subsection in which contract the subcontractor agrees that Contractor and subcontractor are independent contractors and have no other agency relationship with City.

14.06 NONDISCRIMINATION

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

14.07 MODIFICATIONS

The City shall have the power to make changes in this Contract as the result of changes in law, changes in the City of La Mirada Municipal Code, or both, to impose new rules and regulations on the Contractor under this Contract relative to the scope and methods of providing Collection Services as shall from time-to-time be necessary and desirable

LA MIRADA SOLID WASTE SERVICES CONTRACT

for the public welfare. The City shall give the Contractor notice of any proposed change and an opportunity to be heard concerning those matters.

14.07.1 Change in Law

The City and the Contractor understand and agree that the California Legislature and regulatory agencies have the authority to make comprehensive changes in Solid Waste Management legislation and regulations, including but not limited to fees and charges imposed under federal, state or local law related to the provisions of solid waste services, and that these and other changes in law in the future which mandate certain actions or programs for counties or municipalities may require changes or modifications in some of the terms, conditions or obligations under this Contract. The Contractor agrees that the terms and provisions of the City of La Mirada Municipal Code, as it now exists or as it may be amended in the future, shall apply to all of the provisions of this Contract and the Customers of the Contractor located within the Service Area. In the event any future change in the City Code, state law or regulations that materially alters the obligations of the Contractor, the City requests a change in the scope of services, or there is a increase or decrease in a fee or charge applicable to the provision of solid waste services then the affected service rates, as established in Exhibit 1 of this Contract shall be adjusted. Nothing contained in this Contract shall require any party to perform any act or function contrary to law. The City and Contractor agree to enter into good faith negotiations regarding modifications to this Contract which may be required in order to implement changes in the interest of the public welfare or due to change in law. When such modifications are made to this Contract, the City and the Contractor shall negotiate in good faith a reasonable and appropriate compensation adjustment for any increase or decrease in the services or other obligations required of the Contractor due to any modification in the Contract under this Article. The City and the Contractor shall not unreasonably withhold agreement to such compensation adjustment.

14.07.2 City's Right to Direct Changes

City may direct Contractor to perform additional Solid Waste Collection and diversion services (including new diversion programs, etc.) or modify the manner in which it performs existing services or Bills for services. Pilot programs and innovative services which may entail new Collection methods, and different kinds of services and/or new requirements for Waste Generators are included among the kinds of changes which City may direct. Contractor shall be entitled to an adjustment in its Contractor

LA MIRADA SOLID WASTE SERVICES CONTRACT

Compensation for providing such additional or modified services, including a profit factor equal to ten percent (10%) of the incremental cost of such additional or modified services. City may utilize cost components provided with Contractor's proposed rates in calculating equitable rate adjustments. If the City Manager and Contractor cannot agree upon the amount of a rate adjustment authorized pursuant to this section, the City Council shall make a final determination and its decision is final and binding.

14.07.3 New Diversion Programs

Contractor shall present, within thirty (30) days of a written request to do so by City, a proposal to provide additional or expanded diversion services. The proposal shall contain a complete description of the following:

- Collection methodology to be employed (equipment, manpower, etc.).
- Equipment to be utilized (vehicle number, types, capacity, age, etc.).
- Labor requirements (number of employees, by classification).
- Type(s) of Containers to be utilized.
- Type(s) of materials to be collected.
- Provision for program publicity/education/marketing.
- Three-year projection of the financial results of the program's operations in an operating statement format including documentation of the key assumptions underlying the projections and the support for those assumptions.
- The added cost for providing such additional or expanded diversion services.

14.08 TRANSITION TO NEXT CONTRACTOR

In the event Contractor is not awarded a Contract to continue to provide Collection Services following the expiration or early termination of this Contract, Contractor shall cooperate fully with City and any subsequent contractors to assure a smooth transition of services described in this Contract. Such cooperation shall include but not be limited to transfer of computer data, files and tapes; providing routing information, route maps, vehicle fleet information, and list of Customers; providing a complete inventory of all

LA MIRADA SOLID WASTE SERVICES CONTRACT

carts and bins; providing adequate labor and equipment to complete performance of all Collection Services required under this Contract; taking all actions necessary to transfer ownership of carts and bins, as appropriate, to City; including transporting such containers to a location designated by the Contract Administrator; coordinating Collection of materials set out in new containers if new containers are provided for a subsequent Contract and providing other reports and data required by this Contract.

Where City has reason to believe that such records or documents may be lost or discarded due to the dissolution, disbandment or termination of Contractor's business, City may, by written request or demand of any of the above named officers, require that custody of the records be given to City and that the records and documents be maintained in City Hall. Access to such records and documents shall be granted to any party authorized by Contractor, Contractor's representatives, or Contractor's successor-in-interest.

ARTICLE 15. MISCELLANEOUS PROVISIONS

15.01 GOVERNING LAW

The law of the State of California shall govern the rights, obligations, duties and liabilities of City and Contractor under this Contract and shall govern the interpretation of this Contract.

15.02 JURISDICTION

The parties agreed that any litigation between City and Contractor concerning or arising out of this Contract shall be filed and maintained exclusively in the Municipal or Superior Courts of Los Angeles County, State of California, or in the United States District Court for the Central District of California to the fullest extent permissible by law. Each party consents to service of process in any manner authorized by California law.

15.03 WAIVER

Waiver by City or Contractor of any breach for violation of any term covenant or condition of this Contract 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

LA MIRADA SOLID WASTE SERVICES CONTRACT

term, covenant or condition. The subsequent acceptance by City of any fee, tax, or any other monies which may become due from Contractor to City shall not be deemed to be a waiver by City of any breach for violation of any term, covenant or condition of this Contract.

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.

15.04 ENTIRE CONTRACT

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

This Contract and the Exhibits attached hereto constitute the entire Contract 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.

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

15.05 SECTION HEADINGS

Headings in this document are for convenience of reference only and are not to be considered in any interpretation of this Contract.

LA MIRADA SOLID WASTE SERVICES CONTRACT

15.06 CONSIDERATION

It is specifically understood and agreed that the consideration inuring to the Contractor for the execution of this Contract consists of the promises, payments, covenants, rights and responsibilities contained in this Contract.

15.07 SEVERABILITY

If any provision of this Contract or the application of it to any person or situation shall to any extent be held invalid or unenforceable, the remainder of this Contract 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.

15.08 DAMAGE BY CONTRACTOR

If Contractor's employees or subcontractors cause any injury, damage or loss to City property, including but not limited to City streets or curbs, Contractor shall reimburse City for City's cost of repairing such injury, damage or loss. Such reimbursement is not in derogation of any right of City to be indemnified by Contractor for any such injury, damage or loss. With the prior written approval of City, Contractor may repair the damage at Contractor's sole cost and expense.

15.09 ACKNOWLEDGEMENT

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 Contract and, accordingly, the rule that a contract shall be interpreted strictly against the party preparing the same shall not apply herein due to the joint contributions of both parties.

LA MIRADA SOLID WASTE SERVICES CONTRACT

15.10 CONTRACTOR STATUS

Contractor represents and warrants that it is duly organized, validly existing and in good standing under applicable laws. It is qualified to transact business in the State of 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 Contract.

15.11 CONTRACTOR AUTHORIZATION

Contractor represents and warrants that it has the authority to enter into and perform its obligations under this Contract. The Board of Directors of Contractor (or the shareholders, if necessary) has taken all actions required by law, its articles of incorporation, its bylaws or otherwise to authorize the execution of this Contract. The Persons signing this Contract on behalf of Contractor have authority to do so. Contractor shall authorize one employee for the City as a single point of contact for issues arising under this Contract, and Contractor acknowledges and agrees that City may expect and assume that this employee's actions are taken on behalf of and with the full approval of the Contractor.

15.12 REPRESENTATIONS

Contractor warrants and represents that no elected official, officer, agent or employee of the City has a financial interest, directly or indirectly, in this Contract the compensation to be paid under it and, further, that no City employee who acts in the City as a "purchasing agent" as defined in the appropriate Section of California Statutes, 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.

LA MIRADA SOLID WASTE SERVICES CONTRACT

Contractor represents that Contractor is familiar with City's prohibition against the acceptance of any gift by a City officer or designated employee. Contractor shall not offer any City officer or designated employee any gifts prohibited by the City.

15.13 PERMITS & LICENSES

Contractor shall obtain, at its own expense, all permits and licenses required by law or ordinance and maintain same in full force and effect throughout the term of this Contract. 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.

15.14 CITY OWNERSHIP

All reports, documents, brochures, public education materials, and other written, printed, electronic or photographic materials developed by City or Contractor in connection with the services to be performed under this Contract, whether developed directly or indirectly by City or Contractor shall be and shall remain the property of City without limitation or restrictions on the use of such materials by City. Notwithstanding the above, all financial records and data remain the property of Contractor. Contractor shall not use such materials in connection with any project not connected with this Contract without the prior written consent of the Contract Administrator. This Article 15.14 does not apply to ideas or concepts described in such materials and do not apply to the format of such materials.

15.15 EXEMPT WASTE

The Contractor shall not be required to Collect or dispose of Exempt Waste, but may offer such services. All such Collection and disposal of Exempt Waste is not regulated under this Contract, but if provided by the Contractor shall be in strict compliance with all federal, state and local laws and regulations. If Contractor is aware of any Exempt Waste and chooses not to collect it, Contractor must notify City of the Exempt Waste.

LA MIRADA SOLID WASTE SERVICES CONTRACT

ARTICLE 16. NOTICES

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 and to 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 La Mirada
City Manager or His Designee
13700 La Mirada Blvd.
La Mirada, CA 90638
Telephone: (562) 943-0131
Fax: (714) 522-5800

As to the CONTRACTOR:

EDCO Disposal Corporation
Steve South - President
6762 Stanton Ave.
Buena Park, CA 90621
(760) 744-8364

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. Facsimile transmission is acceptable notice, effective when received; 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. The original of items that are transmitted by facsimile equipment must also be mailed as required herein.

Notice by City to Contractor of a Collection or other Customer problem or complaint may be given to Contractor orally by telephone at Contractor's local office with confirmation sent to Contractor through the Customer Service System by the end of the Work Day.

IN WITNESS WHEREOF, the City and the Contractor have executed this Contract on the respective date(s) below each signature.

CITY OF LA MIRADA

Contractor

By: Hal Malbin

By: Edward Burr
Name

Title: MAYOR

EDWARD BURR
Title: Chairman

ATTEST: [Signature]
City Clerk

By: [Signature]
Name

APPROVED AS TO FORM

SANDRA BURR
Title: Vice Chair

By: [Signature]
City Attorney

LA MIRADA COLLECTION SERVICES CONTRACT

EXHIBIT 1 – RATE SCHEDULES MAXIMUM SINGLE FAMILY DWELLING (SFD) SERVICE RATES

	SFD – CORE SERVICES	MAXIMUM RATE
A.	SFD CART SERVICE – One 96 gallons capacity each: refuse, recycling, and green waste carts – weekly collection	
B.	Weekly Household Battery Collection and Recycling	
C.	Weekly Cell Phone Collection and Recycling	
D.	On-Call E-Waste Collection & Recycling	
E.	On-Call U-Waste Collection & Recycling	
F.	Sharps Collection	
G.	Unlimited On-Call Bulky Item Collection	
H.	Annual Holiday Tree Collection	
I.	Drop-Off Community Clean-Up Event (Two events per year)	
J.	TOTAL FEE FOR SFD CORE SERVICES (A+B+C+D+E+F+G+H+I)	
K.	TOTAL FEE FOR SENIOR SFD CORE SERVICES	\$10.04 per Month
L.	Additional Refuse Cart(s) – Each	\$4.71 per Month
M.	Additional Green Waste Cart(s) – Each Note: Second Green Waste Cart free of charge	\$2.35 per Month
N.	Cart Size Exchange – multiple exchanges permitted on one trip. Note: One free exchange for each waste stream (refuse, recycling, and green waste) – three total per year.	\$23.53 per Trip
O.	Cart Valet Service (Charge in addition to Core Service Fee)	\$30.59 per Month

LA MIRADA COLLECTION SERVICES CONTRACT

MAXIMUM MONTHLY GREEN WASTE BIN SERVICES RATES

Container Size	Pickups per week					
	1	2	3	4	5	6
1 Cubic Yard	\$85.10	\$145.94	N/A	N/A	N/A	N/A
2 Cubic Yards	\$113.48	\$194.59	\$261.48	\$333.18	\$414.99	\$496.80
3 Cubic Yards	\$170.20	\$291.89	\$392.20	\$499.75	\$622.49	\$745.20
6 Cubic Yards	\$255.31	\$437.83	\$588.31	\$749.64	\$933.73	\$1,117.80
Locking Bin Fee	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50
Scout Service	Included	Included	Included	Included	Included	Included

* Green Waste Bin Service for Commercial, Multi-Family Dwelling or Single-Family Dwelling

MAXIMUM MONTHLY RECYCLING BIN SERVICE RATES

Container Size	Pickups per week					
	1	2	3	4	5	6
1 Cubic Yard	\$31.25	\$62.50	N/A	N/A	N/A	N/A
2 Cubic Yards	\$37.50	\$75.00	\$112.50	\$150.00	\$187.50	\$225.00
3 Cubic Yards	\$43.75	\$87.50	\$131.25	\$175.00	\$218.75	\$262.50
6 Cubic Yards	\$62.50	\$125.00	\$187.50	\$250.00	\$312.50	\$375.00
Locking Bin Fee	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50
Scout Service	Included	Included	Included	Included	Included	Included

* Recycling Bin Service for Commercial, Multi-Family Dwelling or Single-Family Dwelling

LA MIRADA COLLECTION SERVICES CONTRACT

MAXIMUM PERMANENT ROLL-OFF & COMPACTOR SERVICE RATES

ITEM	SERVICE	10 YARD	20 YARD	40 YARD	COMPACTOR
A.	Per Pull	\$266.83	\$266.83	\$266.83	\$355.70
B.	Per Ton MRF Processing Fee	\$54.67	\$54.67	\$54.67	\$54.67
C.	Daily Rental (after 7 days with no dump)	\$8.75	\$8.75	\$8.75	\$8.75
D.	Dead Run	\$65.00	\$65.00	\$65.00	\$65.00

MAXIMUM TEMPORARY BIN & ROLL-OFF BOX SERVICE RATES

ITEM	TEMPORARY BIN SERVICE	
A.	3-Yard Clean-Up Bin: Includes one dump	\$120.00
B.	3-Yard Clean-Up Bin: Each additional dump	\$40.00
C.	3-Yard Clean-Up Bin Dead run	\$18.75
D.	3-Yard Clean-Up Bin Rental after 7 days with no dump	\$3.75 / per day
	TEMPORARY ROLL-OFF SERVICE	
E.	Roll-Off Box: Transportation Fee	\$266.83
F.	Roll-Off Box: Per Ton Processing Fee	\$54.67
G.	Roll-Off Box: Dead run	\$65.00
H.	Roll-Off Box: Rental after 7 days with no dump	\$8.75 / per day

MAXIMUM RATES FOR TILT HOPPERS & STORAGE BOXES

	Other Services	Delivery	Monthly Rental
A.	Tilt Hopper	\$31.25	\$37.50
B.	Storage Box	\$106.25	\$75.00

MAXIMUM RATES – MULTIFAMILY DWELLING (MFD) OTHER SERVICES

LA MIRADA COLLECTION SERVICES CONTRACT

MFD – OTHER SERVICES		
A.	Weekly Household Battery Collection & Recycling	
B.	Weekly Cell Phone Collection & Recycling	
C.	On-Call E-Waste Collection & Recycling	
D.	On-Call U-Waste Collection & Recycling	
E.	Sharps Collection	
F.	TOTAL FEE FOR MFD OTHER SERVICES (A+B+C+D+E) Per unit / per month	\$0.81
G.	On-Call Bulky Item Collection	\$12.50 per Item
H.	Annual Holiday Tree Collection including disposal	\$362.50 per Pull

MAXIMUM RATES – COMMERCIAL OTHER SERVICES

COMMERCIAL – OTHER SERVICES		
I.	On-Call Bulky Item Collection	\$31.25 per Item
J.	On-Call E-Waste Collection & Recycling – for a reasonable amount of items	\$31.50 per stop
K.	On-Call U-Waste Collection & Recycling – for up to 100lbs of material	\$156.25 per stop

MAXIMUM RATES – CITY SERVICES OTHER SERVICES

CITY SERVICES – OTHER SERVICES		
L.	On-Call E-Waste Collection & Recycling	No Charge
M.	On-Call U-Waste Collection & Recycling	No Charge

MAXIMUM RATES – GENERAL OTHER SERVICES

GENERAL – OTHER SERVICES		
N.	Emergency Service	\$125.00 per hour
O.	Maximum Late Fee	10% per month

LA MIRADA COLLECTION SERVICES CONTRACT

EXHIBIT 2

RATE ADJUSTMENT EXAMPLE

LA MIRADA COLLECTION SERVICES CONTRACT

EXHIBIT 3

PERFORMANCE BOND

(To be inserted after contract award)

LA MIRADA COLLECTION SERVICES CONTRACT

EXHIBIT 4

LIST OF CITY PROPERTIES

Behringer Park (BAF)	16044 Alicante
Behringer Park North (BAF)	16205 Alicante
Benton School Fields	15709 Olive Branch Rd
Oak Creek Park	LMB/Oak Wood
Creek Park	12021 Santa Gertrudes
Frontier Park	13212 Marquardt
Gardenhill	14435 Gardenhill
Gymnasium	15105 Alicante
Kling Center Fields	12900 Bluefield
Neff Park	14300 San Cristobal
Windermere Park	15261 Cheshire
City Hall	13700 La Mirada Blvd
Activity Center	13810 La Mirada Blvd
Resource Center	13710 La Mirada Blvd
SPLASH! Aquatics Center	13806 La Mirada Blvd
Community Gardens	13518 Biola
Annex Bldg	15715 Phoebe
La Mirada Sheriff Station	13716 La Mirada Blvd
Public Works Office	15515 Phoebe
Transit Facility	15679 Phoebe
Mc Coy Rigby Theatre Warehouse	15519 Phoebe
Theatre Warehouse	15517 Phoebe
Stage Road Facility	14510 Stage Rd
La Mirada Theatre	14900 La Mirada Blvd

INTERNATIONAL FIDELITY INSURANCE COMPANY

BOND NO. 0472076

PREMIUM: \$10,500.00

KNOW ALL MEN BY THESE PRESENTS THAT WE,

Edco Disposal Corporation

as Principal, and **INTERNATIONAL FIDELITY INSURANCE COMPANY**, a corporation duly organized and doing business under and by the virtue of the laws of the State of New Jersey, and duly licensed for the purpose of making, guaranteeing or becoming sole surety upon bonds or undertakings required or authorized by the laws of the said State, as Surety, are held and firmly bound unto

City of La Mirada

(Hereinafter called the Obligee)

in the sum of **Seven Hundred Thousand and 00/100 Dollars (\$700,000.00)** for the payment whereof well and truly to be made we and each of us bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH THAT, WHEREAS, the above bounden PRINCIPAL entered into a Agreement dated _____ 20 _____, (a copy of which agreement is or may be attached hereto, and is hereby referred to and made a part hereof), with the said Obligee to do and perform the following work, to wit:

La Mirada Solid Waste Services

1. This bond shall have the term beginning 12/18/2008 and ending 12/18/2009, but may be continued by certificate at the option of the Surety. Neither non-renewal by the surety, nor failure, nor inability of the Principal to file a replacement bond shall constitute a loss to the Obligee recoverable under this bond. Surety shall provide Obligee and Principal with a written notice of its intent not to continue this bond at least sixty (60) days prior to its anniversary date.
2. In the event of default by the Principal in the performance of the franchise agreement during the term of this bond, the Surety shall be liable only for damages incurred by Obligee up to termination date of this bond.
3. No claim shall be had or maintained against the Surety on this instrument unless such be brought or instituted and process served upon the Surety prior to expiration date of the bond; no suit shall be maintained against the Surety unless it be brought within thirty days after the expiration date of the bond.
4. If any conflict or inconsistency exists between the Surety's obligations or undertakings as described in this bond and as described in the underlying document, then the terms of this bond shall prevail.

5. This bond shall not bind the Surety unless the bond is accepted by the Obligee. The acknowledgement and acceptance of this bond is demonstrated by signing where indicated below. If this obligation is not accepted by way of signature of the Obligee below, this bond shall be deemed null and void.

NOW, THEREFORE, if the above bounden Principal shall well and truly perform the work contracted to be performed under said Franchise agreement, then this obligation to be null and void, otherwise to remain in full force and effect. No right of action shall accrue under this bond to or for the use of any person other than the said Obligee.

SIGNED AND SEALED THIS 18th day of December 20 08.

Edco Disposal Corporation

By 

International Fidelity Insurance Company

By: 
Lawrence F. McMahon, Attorney-in-Fact

THE ABOVE TERMS AND CONDITIONS OF THIS BOND HAVE BEEN REVIEWED AND ACCEPTED BY THE

(OBLIGEE)

ACKNOWLEDGED AND ACCEPTED BY OBLIGEE

BY: _____
PRINTED NAME & TITLE: _____
DATE: _____

PLEASE RETURN A COPY OF ACCEPTED BOND TO:

**Alliant Insurance Services
ATTN: Lawrence F. McMahon
701 B Street, 6th Floor
San Diego, CA 92101**

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of San Diego }

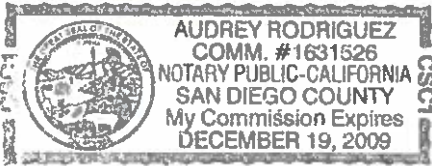
On DEC 18 2008 before me, Audrey Rodriguez, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Lawrence F. McMahon
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(x) whose name(x) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(x) on the instrument the person(x), or the entity upon behalf of which the person(x) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Place Notary Seal Above

Signature Audrey Rodriguez
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

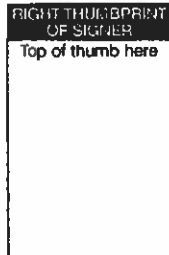
Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

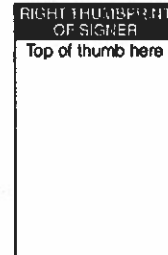
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer is Representing: _____

POWER OF ATTORNEY INTERNATIONAL FIDELITY INSURANCE COMPANY

HOME OFFICE: ONE NEWARK CENTER, 20TH FLOOR
NEWARK, NEW JERSEY 07102-5207

FOR BID BOND/RIDER/CONSENTS/AFFIDAVITS

KNOW ALL MEN BY THESE PRESENTS: That INTERNATIONAL FIDELITY INSURANCE COMPANY, a corporation organized and existing laws of the State of New Jersey, and having its principal office in the City of Newark, New Jersey, does hereby constitute and appoint

CHRISTINE A. PATERSON, LAWRENCE F. MCMAHON, JACK T. WARNOCK, JEROLD D. HALL,
LETICIA SAN MARTIN, PENNY E. KELLEY, VALERIE M. PEARCE, BART B. STEWART,
MARIA V. DRIPPS
San Diego, CA.

its true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be as binding upon the said INTERNATIONAL FIDELITY INSURANCE COMPANY, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be revoked, pursuant to and by authority of Article 3-Section 3, of the By-Laws adopted by the Board of Directors of INTERNATIONAL FIDELITY INSURANCE COMPANY at a meeting called and held on the 7th day of February, 1974.

The President or any Vice President, Executive Vice President, Secretary or Assistant Secretary, shall have power and authority

- (1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof and,
- (2) To remove, at any time, any such attorney-in-fact and revoke the authority given.

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 29th day of April, 1982 of which the following is a true excerpt:

Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.



IN TESTIMONY WHEREOF, INTERNATIONAL FIDELITY INSURANCE COMPANY has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 29th day of August, A.D. 2003.

STATE OF NEW JERSEY
County of Essex

INTERNATIONAL FIDELITY INSURANCE COMPANY

[Handwritten Signature]
Secretary

On this 29th day of August 2003, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said he is the therein described and authorized officer of the INTERNATIONAL FIDELITY INSURANCE COMPANY; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.



IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my Official Seal, at the City of Newark, New Jersey the day and year first above written.

[Handwritten Signature]

A NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Nov. 21, 2005

CERTIFICATION

I, the undersigned officer of INTERNATIONAL FIDELITY INSURANCE COMPANY do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, with the ORIGINALS ON IN THE HOME OFFICE OF SAID COMPANY, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect

IN TESTIMONY WHEREOF, I have hereunto set my hand this _____ day of

DEC 18 2008

[Handwritten Signature]
Assistant Secretary