

AGREEMENT FOR
RESIDENTIAL RECYCLING SERVICES

Between

THE CITY OF OAKLAND

and

CALIFORNIA WASTE SOLUTIONS

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- Vehicle Identification Number
- Make
- Model Year
- 5. Chassis:
 - Vehicle Identification Number
 - Make
 - Model Year
- 6. Predetermined individual vehicle tare weight
- 7. Date of predetermined individual vehicle tare weight

11.3 Annual Program Status Report. Contractor shall submit Annual Program Status Reports due on or before the 20th day of each subsequent calendar year being reported. The Annual Program Status Report shall include but not be limited to the following:

- a. A discussion of public awareness campaign activities and their impact on participation and recovered volumes;
- b. A summary of public education expenditures;
- c. A summary of the quantity of recycling containers delivered and remaining in stock;
- d. Notification of any route changes made during the reporting period;
- e. Dates and locations of all Small Business events attended;
- f. A correction and listing of any errors or omissions in Contractor's monthly and/or quarterly reports; and
- g. Recommendations for modifications and/or improvements to the Program.

11.4 Other Reports or Information. The City may, from time to time, request additional reports or information reasonably related to the Program from Contractor, including but not limited to: route maps; route information; and access to commodity sales revenue information. Such requests shall be subject to the provisions of Article 17.28. Contractor shall comply with requests for information within two weeks of request or at a mutually agreed upon time. Failure to comply with requests shall result in the withholding of all compensation until requests are fulfilled or, at the discretion of the City, the termination of the Agreement pursuant to the provisions of Article 13.00. Access to, and release of information shall be subject to the California Public Records Act and other applicable law governing such access and/or release.

ARTICLE 12.00 -- PAYMENT TO CONTRACTOR

12.1 Monthly Payment to Contractor. Monthly payments by the City to Contractor shall be based on the following:

- a. Contractor's monthly Household Rate times the number of occupied Single Family Dwellings within the Service Area. The City and Contractor agree that the number of occupied Single Family Dwellings at the Effective Date of this Agreement is 39,104 and that this number has been provided by the holder of the City's Solid Waste Franchise Agreement. The number of Single Family Dwellings may be adjusted each month based on evidence acceptable to the City that the dwelling(s) in question is (i) newly constructed, and (ii) occupied. Evidence which is acceptable to the City is (i) a Temporary Certificate of Occupancy or a Certificate of Occupancy as issued by the City's Community and Economic Development Agency or (ii) confirmation of commencement of Single Family Solid Waste collection service by the holder of the City's Solid Waste Franchise Agreement. Compensation shall be prorated for all new Single Family Dwellings receiving service for less than a full month.
- b. Contractor's monthly Household Rate times the number of multi-family units served during the preceding month. The City and Contractor agree that Contractor shall be reimbursed for 27,896 multi-family units commencing with the Effective Date of this Agreement. Contractor shall continue to receive payment for the base number of multi-family units until such time that:
 1. Contractor provides documentation satisfactory to the City that more than 27,896 units are being serviced;
 2. The City notifies Contractor, pursuant to Section 4.4.8.2, of the removal of Multi-Family Dwellings from the multi-family billing/service list. The City agrees to not invoke this provision until the end of the implementation period of this Agreement, or January 1, 2007, whichever is earlier. Any affected dwellings may be reinstated subject to the provisions and limitations of Section 4.4.8.1.

Compensation shall be prorated for all multi-family units receiving service for less than a full month. Receipt of collection service shall be demonstrated by the placement and service of recycling containers for Targeted Recyclable Materials in designated areas within the proper confines of the Multi-Family building and consistent with the agreement of building ownership or management. Distribution of applicable Program outreach materials must occur prior to or concurrent to the delivery of recycling containers.

- c. The windfall profit sharing payment to be calculated in January and deducted from Contractor's payment in the month following the calculation, or from Contractor's last payment in the final year of this Agreement.
- d. Deductions for the assessment of any liquidated damages.
- e. Small Business rate subsidy, if any, times the number of Small Business customers. The number of Small Business customers shall be prorated to a weekly basis if said service is provided for less than a full month.

- f. The number of oil filters collected times a per-filter rate agreed upon by the City and Contractor.
- g. Premium Backyard Service fee equal to 1/3rd of the amount received by the holder of the City's Solid Waste Franchise Agreement for said service from Customers who do not qualify for special handling service as set forth in Section 4.3.3. As of July 1, 2004 said fee shall be \$4.25 per month and shall be paid to Contractor upon the actual start of backyard recycling cart collection service. Adjustment of this rate shall be made in accordance with Section 12.3.
- h. Deduction of unspent Public Education funds referenced in Section 9.1 at the end of the calendar year. The deduction is to be made from Contractor's January payment or from Contractor's last payment in the final year of this Agreement.
- i. Reimbursement for additional recycling containers required pursuant to Section 4.3.6.

Contractor shall receive payment from the City within thirty (30) calendar days after receipt of the invoice. The City shall contact Contractor within ten (10) business days of invoice receipt if the City disputes any portion of the amounts set forth in Contractor's monthly billing invoice. The City shall pay those amounts not in dispute, while requesting either clarification or back-up information for those amounts in dispute. Once the dispute is resolved, the City shall pay the mutually agreed upon disputed amount within ten (10) business days.

12.2 Monthly Household Rate. Commencing year one of the Agreement, Contractor shall receive \$3.20 each month for each Single Family Dwelling and each unit in a Multi-Family Dwelling as provided by Section 12.1.

12.3 Annual Adjustments to Contractor's Household Rate.. Contractor's monthly Household Rate shall be adjusted upward or downward on January 1 of each year of the Agreement beginning January 1, 2006 as provided in this Section.

- a. The monthly Household Rate shall be annually adjusted by a percentage change determined by the following calculation:
 - Eighty percent (80%) of the percentage change in the Consumer Price Index between the Annual Average (January-December) index in the year immediately preceding the year in which rates are being changed and the Annual Average index twelve (12) months earlier. Any decreases in the index shall be reflected as a negative adjustment.

The annual net CPI percentage change (NetCPI) shall be calculated by the following formula:

$$\text{NetCPI} = (((\text{CPI}_{(i)} - \text{CPI}_{(i-1)}) / \text{CPI}_{(i-1)}) * 80\%)$$

Where

$CPI_{(i)}$ = Index value of the Annual Average (January-December) index immediately preceding the January in which the adjustment occurs; and,

$CPI_{(i-1)}$ = Index value of the Annual Average (January-December) index of the year immediately preceding the year used for $CPI_{(i)}$.

The monthly Household Rate paid to Contractor shall be adjusted by the percentage as calculated above and the new rates paid shall remain in effect until the next annual adjustment.

- c. Adjustments to Contractor's monthly Household Rate will be effective January 1, 2006 through the end of the Service Term or Extended Term.
- d. Adjustment to the payments shall be rounded to the nearest one-tenth of one percent, i.e., 0.001.
- e. The annual increase or decrease to Contractor's per unit rate shall not exceed, in any event, five percent (5%) in any one year. Increases or decreases above five percent (5%) may not be applied to future periods.

12.4 Other Adjustments to Contractor's Payment.

- a. If Contractor's scope of service is modified as a result of changes in Federal and/or State laws and regulations with respect to the termination of used motor oil collection, Contractor's per unit payment will be reduced equal to the amount of the incremental cost of providing said service, adjusted for inflation in accordance with Section 12.3, or at a mutually agreed upon amount.
- b. Should Contractor receive payment from the State of California (pursuant to the Public Resources Code 14549.6 (a) or other incentive payments made through the California Beverage Container Recycling and Litter Reduction Act), said funds shall be provided to the City for public education and Program outreach activities or for other activities mutually agreeable to the City and Contractor.

12.5 Windfall Profit Sharing. Contractor shall share with the City revenues from the sale of scrap paper commodities including but not limited to old news paper (ONP#6 and ONP#8), old corrugated containers (OCC) and mixed paper (MP), when the scrap paper markets meet the windfall profit conditions described in this Article. Windfall profit sharing shall be calculated on an annual basis.