



Agenda Item #: _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Ward and Members of the City Council

THROUGH: Richard Thompson, Interim City Manager

FROM: Jim Arndt, Public Works Director
Anna Luke, Management Analyst

DATE: September 7, 2010

SUBJECT: Consideration to Approve the Solid Waste Request For Proposal (RFP) for Public Distribution to Interested Waste Haulers

RECOMMENDATION:

Staff recommends that the City Council review and approve the City of Manhattan Beach's Solid Waste RFP and Franchise Agreement package for public release.

FISCAL IMPLICATION:

The Request for Proposal (RFP) process requires competitive proposals from interested haulers. User rates cannot be determined until RFP bids are received and pricing from bidding haulers is made public, and Council selects a solid waste hauler. If the proposed user rates exceed the amount of the existing user rates, a 2/3 vote is required, which allows residents to approve or reject the proposed rates for the next solid waste contract. The City's Administrative Fee covers the costs of City Staff in the execution of the solid waste contract, which is not included in the contractor proposal and will be added separately.

BACKGROUND:

At the April 6, 2010 meeting, the City Council directed staff to pursue the Request for Proposal process for the next solid waste contract, and on April 20, 2010 awarded a professional services contract to HF&H Consultants, LLC to assist the City with this process. City Council has had discussions surrounding the content and direction of the solid waste contract at the following public meetings:

May 5, 2009	April 6, 2010
July 7, 2009	May 4, 2010
December 1, 2009	July 6, 2010
February 16, 2010	July 20, 2010

In addition to the above City Council meetings, the Environmental Task Force (ETF) Solid Waste

and Recycling Subcommittee (SWRS) discussed the current contract through its term from October 2008 – April 2010. ETF meetings were open to the public and attended by City Council ETF Representatives, Mayor Ward and Councilmember Cohen.

At their August 3, 2010 meeting, the City Council deferred action approving the RFP to the September 7, 2010 meeting. Updates have been made in the RFP and Franchise Agreement in regards to the City’s commitment to environmental sustainability.

DISCUSSION:

The draft RFP and Franchise Agreement were reviewed and approved by the Finance Subcommittee on July 6, 2010. The new franchise agreement includes greater efficiencies, programs, and accountability. The attached RFP and Franchise Agreement includes enhanced environmental language since the August 3, 2010 City Council meeting, *highlighted in yellow* for easy reference. These changes reflect more clearly the City’s commitment to environmental sustainability and summarize the Environmental Task Force’s recommendations.

The contract has been drafted for a August 1, 2011 start date. Proposers are given the option to base their proposal on either a July 1, 2011 or August 1, 2011 start date. The successful hauler start dates will be adjusted accordingly in the final Franchise Agreement.

Notable Changes from the Current Waste Management Contract

The following notable changes are new terms, improvements to existing contract terms, or programs which have been in place but not formally written into the contract. These changes include the Environmental Task Force Solid Waste and Recycling Subcommittee’s recommendations, which are recognized with a (*):

All Sectors

- Contract term of seven (7) years
 - City option to extend monthly for twenty-four (24) months.
 - Proposed term of the contract from July 1, 2011 to June 30, 2018
- *New hauler-provided automated carts, city-wide with at least 20% recycled content for residential and commercial cart customers
- New carts will display City logo on side of cart and a label on the lid indicating items which can and cannot be placed in the container, including proper HHW disposal information
- *Abandoned item collection
- *Styrofoam recycling
- *Public Education Plan with emphasis on zero waste to all sectors including web-based outreach
 - Semi-annual brochures – one for residential, one for commercial
 - Quarterly notices – bill inserts in City utility bills
 - Annual notification of free commercial recycling
 - Web-based “e-book” or “e-catalogue”
- *Alternative fuel collection vehicles
- *(Option) Exclusive construction & demolition debris collection – if Council-approved after 2014, will require a minimum 70% recycling rate

- Exhibit 11 – City’s Commitment to Environmental Sustainability
- Recycled paper required for all hauler-provided outreach materials
- Hauler-provided Government Liaison, Service Liaison (Route Manager), Customer Service Liaison (responsible for City’s online work orders), and School Outreach Liaison

Residential Only

- *Automation of Sand Section (city-wide automation)
- *Sharps collection program – no co-pay
- *Residential 6-month food waste pilot (with option for full program)
- *Residential tiered-rate structure for TRASH CARTS – residents choose 35, 64, or 96 gallon and pay per TRASH CART ONLY
 - recycling (blue) and greenwaste (green) at no additional cost
- *(Option) Residential door-to-door hazardous waste pickup by appointment
- Quarterly recycling facility tours for residents
- Discounted compost bin program & three free annual composting classes

Commercial Only

- *Commercial 6-month food waste pilot (with option for full program)
- *Annual mixed waste processing of a portion of commercial bin waste – resulting in 1,365 tons of recyclables recovered from trash (in addition to business recycling program)
- *Overage fees for excessive, overflowing commercial refuse
- *Commercial zero waste recognition plan to improve recycling
- *(Option) Annual mixed waste processing of ALL commercial bin waste – resulting in 2,184 tons of recyclables recovered
 - in addition to the 1,365 tons recovered in standard program – for a total of 3,549 tons recyclables recovered annually from commercial trash
- Hauler-required visits to commercial businesses who do not have recycling accounts within first year of contract, including two-week follow up visits to assist with education; visits for new businesses
- Desk-side recycling containers for commercial – provided at cost
- Commercial green waste collection for select accounts (i.e.: florists, nurseries, etc.)
- Take-back program assistance

Schools Only

- Free recycling collection at all Manhattan Beach schools
 - Schools are exempt from solid waste franchise agreements; however, they may choose the services of the city’s contracted hauler
 - Regardless if the schools choose the services of the City’s hauler or if they contract their own, the schools will receive free recycling services under this contract
- *Hauler-supplied in-classroom and on-campus recycling containers
- *School zero waste outreach plan including web-based outreach
 - Minimum one assembly promoting recycling at each city each year

- Education & training on waste reduction and recycling to students and teachers
- Web-based resources for district and schools' websites
- Upon request "kick-off" event at the beginning of each school year & end of year "close-out" event
- Classroom presentations aimed at school and home recycling
- Training and ongoing consultation of waste reduction for school staff and volunteers
- Hauler to create annual awards program and incentive programs to promote on-campus sustainability
- Proper signage on all school sites on recycling
- Upon request provide teachers with sample lesson plans and activity sheets (recycled paper) on relevant topics of sustainability
- School Liaison contact each school at least once per semester to offer all services mentioned above.
 - Liaison will keep record of all activity and contact information
- Upon request hauler will work with school administration, parent volunteers, janitorial staff, etc. to review recycling practices and opportunities to reduce waste.
 - Liaison will follow up to make sure implementation is occurring
- Hauler must propose a minimum number of hours they will devote to this section

Multi-Family Only

- Flat rate cart customer rates; tiered rates for bin customers
- *Specific multi-family outreach plan
 - Proposers asked to provide minimum number of hours they will commit to these efforts
 - Recycling program guidelines, posters, etc. to property managers and residents
 - Hauler required to contact each MFD building owner or property manager within 14 months of new contract to implement recycling programs with emphasis on zero waste
 - Provide welcome packets for new residents upon move-in with info on what to recycle
 - Annual brochure mailing to each unit
- Hauler-supplied in-unit recycling containers to each MFD unit upon request of unit, property owner or manager.

Government

- Required hauler-diversion with liquidated damages for non-compliance
 - Proposers must submit a diversion percentage for their services of no less than 44%
 - Excludes third party recycling
 - The RFP states that the City will consider favorably a hauler who is able to provide a high diversion rate
- *City-facility hazardous waste pickup

*Environmental Task Force Recommendation

Changes since August 3, 2010

In addition to the environmental language, seven items were modified or added since the August 3, 2010 City Council meeting. These are believed to be minor to the overall impact of the contract. The location of each item is noted after each title; either in the RFP, which stands for Request for Proposal or FA, which stands for Franchise Agreement.

1. Extended Producer Responsibility assistance (RFP Section 17 iv/page 27, FA Section 4.3.10) – To accomplish the goal of Zero Waste, Extended Producer Responsibility must be incorporated, often in “Take-Back Programs.” The RFP asks the haulers to provide ideas on how they may assist the city with promoting Extended Producer Responsibility (ie: Take Back Programs). For example, a hauler may include in their Commercial Audit Form a section where they help company’s evaluate their environmental purchasing practices, or explore reuse ideas such allowing customers to bring back gently used items from the store which the store donates to the Salvation Army or Goodwill for a tax write-off. The goal of Extended Producer Responsibility is to make the manufacturers and sellers of goods active in the reuse or recycling of the waste they help generate.
2. Site visits to all commercial accounts without recycling programs (FA Section 3.2.3) – To comply with the solid waste and recycling portion of AB 32, California will require commercial recycling in January 2012 (state is still developing language). In order to proactively prepare for this new unfunded mandate, the contract states that the hauler must visit all bin customers within one year of the contract start date to try to set up a recycling account. They must keep record of their visits (contact information, whether new account set up, etc.) and provide the city a monthly update of their actions. Also, every six months the hauler must provide the city with an accounting of the bin customers who do not have recycling accounts.
3. Web-based resources for schools (FA Section 4.3.8) – Web-based resources were already written as part of the overall outreach program; however, specific mention in the school section was not listed before August 3rd. Since MBUSD heavily utilizes their website for correspondence, web-based resources seem essential.
4. All public outreach on, and identified as, recycled paper (FA Section 4.3.1) – Utilizing recycled paper for outreach materials is not formally written into the current agreement. As part of the commitment to environmental sustainability, staff included this requirement. The awarded hauler may choose to focus on web-based resources to reduce printing costs if recycled paper is too expensive.
5. Requiring recyclable content in new carts, and carts must be recyclable (RFP Section 8, FA Section 3.7.1.3) – Proposer must list the percentage of recyclable content which will be included in all new carts. The contract also requires that the new carts be recyclable.
6. Split bin request (RFP Section 15ii/page 26) – The contract requests for the proposers to provide size and cost information on optional split bins for locations with spatial constraints. San Luis Obispo utilizes split bins for areas with spatial constraints similar to Manhattan Beach’s. For example, the entire bin is 4 yards, divided, has separate locking lids, and is painted two separate colors with identification of the trash and

recycling sides. Split bins are capable of being serviced with the regular collection trucks as the undesired lid is locked so the materials do not empty into the truck's bin.

Updated RFP Schedule

Also on your agenda is an extension to the current Waste Management contract. If passed, the following chart reflects the new tentative schedule to complete the RFP process. Many tasks need to be completed in order to meet a deadline of August 1, 2011. If any tasks are delayed, the City may need to utilize additional extension months (up to 6 months, or October 31, 2011 per Council Item on September 7, 2010 current Agenda) with Waste Management to maintain service to all customers until the new contract begins. The following schedule includes tentative dates to execute each task:

DATE	DESCRIPTION OF TASK
September 7, 2010	City Council approve RFP package
September 8, 2010	Public release of RFP package
September 20, 2010	Pre-proposal conference with HF&H, staff, proposers
October 29, 2010 @ 3:00 PM	Deadline to submit proposals
November/December 2010	HF&H evaluate proposals
November 2, 2010	City Council approve Administrative Fee and any ordinance changes
December 7, 2010	HF&H meet with staff & Finance Subcommittee to review preliminary information on proposals
December 2010	Interview finalists, check references
December 2010/January 2011	HF&H, staff and final proposers meet to negotiate final agreement
January 18, 2011	Finance Subcommittee review final agreement
February 1, 2011 City Council Meeting	City Council award hauler with new agreement, establish rates, approve 5 year rate plan, approve any necessary ordinance changes
February 2, 2011	Start 218 process
February 4, 2011	Mail 218 ballots & place public notice
February 2011	Public Meeting (218) #1
February 2011	Public Meeting (218) #2
April 5, 2011	Public hearing for 218 process
April 19, 2011	City Council consider new rates
April 20, 2011	Hauler send out mailing for cart size options to customers
April 20 – May 16, 2011	Hauler provides City Billing Department the information on cart size option card information within (2) two days of receipt of card
May 16, 2011	Deadline for customers to return cart size cards to Hauler
May 18, 2011	Deadline for Hauler to provide all final customer information regarding cart size cards to City Billing Department
May/June 2011	City Billing Department inputs new customer cart information for August 1, 2011 start date
July 1 – 31, 2011	Hauler removes old carts & delivers new carts to customers
July 1, 2011	Hauler mails final 30 day reminder to all customers of new contract to begin August 1, 2011
August 1, 2011	New contract begins

CONCLUSION:

Staff recommends that the City Council review and approve the City of Manhattan Beach's Solid Waste RFP and Franchise Agreement package for public release.

Attachment:

- (1) Request for Proposals for Integrated Solid Waste Management Services

Cc: Laith Ezzet, HF&H Consultants, LLC
Bruce Moe, City of Manhattan Beach Finance Director

THE CITY OF MANHATTAN BEACH
REQUEST FOR PROPOSALS
FOR
INTEGRATED SOLID WASTE MANAGEMENT SERVICES

* * *

September 1, 2010

Prepared by:



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**CITY OF MANHATTAN BEACH
REQUEST FOR PROPOSALS FOR
INTEGRATED SOLID WASTE MANAGEMENT SERVICES**

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LIST OF ATTACHMENTS

Attachment 1: Proposal Outline

Attachment 2: Existing Service Data

Attachment 3: Rate Proposal Forms

Attachment 4: Supporting Costs and Operating Data Worksheets

Attachment 5: Anti-Collusion Affidavit

Attachment 6: Draft Franchise Agreement for Integrated Solid Waste Management Services

SECTION I - INTRODUCTION

OVERVIEW OF THE REQUEST FOR PROPOSAL

The City of Manhattan Beach ("City") is requesting proposals from qualified solid waste companies to provide solid waste collection, transportation, recycling, processing and disposal services **with a commitment of sustainability to reduce the landfill tonnage in the City of Manhattan Beach.** Waste Management ("WM") currently provides the City with exclusive residential and commercial collection services, including permanent roll-off and temporary non-construction and demolition bin services. Temporary roll-off box service and construction and demolition debris collected using temporary bins are non-exclusive.

COMMITMENT TO ENVIRONMENTAL SUSTAINABILITY

The City of Manhattan Beach has always been an environmentally-conscious city, implementing sustainable programs to preserve its natural beauty and keep the ocean safe. The City's General Plan, which lays out the long-term goals, programs and policies for future development, contains a number of policies which support a "greener" Manhattan Beach. Those dedicated to the topic of solid waste include:

- Implementing construction and demolition programs that require enhanced recycling efforts
- Encouraging maximum recycling in all sectors of the community, including residential, commercial, industrial, institutional, and construction
- Encouraging the City's franchise trash service to have more recycling programs

More recently, in 2007, the Manhattan Beach City Council signed the US Mayors Climate Protection Agreement. It acknowledged the dangers associated with global warming and made a commitment to take steps to reduce global warming pollution to seven percent below 1990 levels by 2012, a goal often referred to as the "Kyoto Protocol." This commitment to reducing the City's greenhouse gas pollution requires a dedication to reduce the City's landfill tonnage.

In 2008 the City published its comprehensive Green Report declaring a new level of commitment to environmental stewardship, not only for climate protection, but for all areas of city operations. The City created a 19-member citizen Environmental Task Force (ETF) who used the Green Report as a tool to create new programs and policies guiding the City toward greenhouse gas reduction. The Solid Waste and Recycling Subcommittee provided environmentally favorable recommendations for this RFP and created a Waste Reduction Plan for the City to utilize for future projects. The ETF's Solid Waste and Recycling Subcommittee's contract recommendations are as follows:

- Tiered residential rate structure with free recycling and green waste collection;
- Residential and restaurant food waste programs (included as pilot programs);

- City-wide automated residential collection of all three waste streams (refuse, recycling, green waste);
- Household hazardous waste door-to-door collection program;
- Abandoned Item Collection in the Public Right-of-Way;
- Sharps Collection Program;
- Processing a portion of commercial mixed waste to recover recyclables;
- Overage fees for excessive, overflowing refuse;
- Minimum 70% construction and demolition debris diversion requirements if City chooses to include this waste stream as exclusive to the franchise;
- A focus on “Zero Waste” in outreach to all sectors;
- Specific outreach plans for multi-family customers;
- School Zero Waste outreach plan and hauler-supplied in-classroom and on campus recycling containers;
- Commercial Zero Waste recognition plan to reduce waste and improve recycling in this sector;
- Alternative fuel collection vehicles;
- Styrofoam Recycling; and,
- City facility hazardous waste pickup.

It is imperative that the City enter into a franchise with a hauler who will actively and creatively assist the City in reducing its landfill tonnage.

TERM OF NEW AGREEMENT

The term of this agreement shall commence on July 1, 2011 or August 1, 2011, as proposed by the hauler, and expire on June 30, 2018. The City may extend the agreement for up to 24 months at its sole option. See Section 2.5 of the draft agreement.

SUMMARY OF REQUESTED SERVICES

A description of the service area is included in Section II of this RFP. Existing service data provided by WM and the City is included in Attachment 2. The services for which the City is seeking proposals are summarized in Table 1 below and are briefly described in Section III of this RFP. A more comprehensive description of the scope of services is found in the draft franchise agreement in Article 3.

Table 1: Requested Services

SERVICE TYPE	SERVICE DESCRIPTION
Residential Cart Customer Services	<ul style="list-style-type: none"> ◆ Automated Refuse Collection ◆ Automated Recyclables Collection ◆ Automated Green Waste Collection ◆ Backyard Service ◆ Compost Classes & Recycling Facility Tours - free to residents ◆ Compost Bin Distribution ◆ Multi-Family Recycling/Zero Waste Outreach Program
Commercial/Multi -Family Services	<ul style="list-style-type: none"> ◆ Permanent Refuse Bin Collection ◆ Temporary Non-C&D Refuse Bin Collection ◆ Commercial Refuse Cart and Can Collection ◆ Recyclables Bin and Cart Collection ◆ Green Waste Roll-Off Box Service ◆ Bin Waste Processing to Recover 1,365 Tons Annually ◆ Permanent Roll-Off Box Service ◆ Desk-side Recyclers for Businesses - provide at cost
City Services - Included At No Additional Charge	<ul style="list-style-type: none"> ◆ Refuse, Recyclables, Green Waste Collection From City Facilities ◆ Hazardous Waste Collection from City Facilities ◆ Street Litter Container Collection - Refuse and Recycling ◆ Abandoned Item Collection ◆ Refuse and Recyclables Collection and Recycling at City-Sponsored Events ◆ Public Education and Outreach Program (for multiple sectors) - focus on Zero Waste

Table 1: Requested Services (continued)

CUSTOMER TYPE	SERVICE DESCRIPTION
Special Services	<ul style="list-style-type: none"> ◆ Bulky Item Collection – free to residents, charge to businesses ◆ Holiday Tree Collection – free to all residents ◆ Sharps Collection Program – free to all residents ◆ Residential Food Waste Diversion Six-Month Pilot Program ◆ Commercial Food Waste Diversion Six-Month Pilot Program ◆ Implementation of Residential Volume-Based Rate System ◆ Composting Classes – free to residents ◆ Composting bin program – hauler to order and deliver bins, paid for by resident co-pay and City subsidy ◆ School Recycling/ Zero Waste Outreach Program
Optional Services	<ul style="list-style-type: none"> ◆ Door-to-Door HHW Collection ◆ Mixed Waste Processing of All Bin Waste ◆ Construction and Demolition Debris Collection (pending City Council approval after 2014)

Section V of this RFP describes the required contents of the proposal. Failure to complete and submit all of the forms and the other information required in Section V may be grounds to disqualify a proposal. The proposal should be organized according to the outline shown in Attachment 1.

Please note that the City’s procurement of Integrated Solid Waste Management Services is not subject to State or local public bidding laws, and the City does not intend to cause the current RFP process to become subject to such public bidding laws or regulations.

PROPOSAL CLARIFICATIONS AND UPDATES

After reviewing the RFP package, proposers may find that they require clarification of some requirements. Proposers may submit oral or written questions. Written responses to such questions, addenda and clarifications, if any, will be provided via e-mail to all potential proposers that leave their contact information when they request the RFP. Proposers should leave the primary contact name, company name, address, e-mail address, and phone number. Only written responses will govern. Written questions may not be accepted after the date shown in the schedule in Table 2 at the end of this section, as this would leave insufficient time for the City to provide an adequate response to all potential proposers. However, if proposers have simple questions regarding how to complete submittal forms or otherwise complete the proposal requirements, proposers may continue to request assistance via telephone until the proposal due date. See “Communications During RFP Process” below for instruction on where to submit timely questions.

COMMUNICATIONS DURING RFP PROCESS

Communications regarding this RFP shall be made exclusively through Laith Ezzet or Lisa Keating of HF&H Consultants, the City's consultant, by mail at 3990 Westerly Place, Suite 195, Newport Beach, California, 92660, Laith by telephone at (949) 251-8902, Lisa by telephone at (949) 251-4817, by fax at (949) 251-9741 and by e-mail at lezzet@hfh-consultants.com or lkeating@hfh-consultants.com, or through Anna Luke of the City of Manhattan Beach, who can be reached at (310) 802-5363, and by e-mail at aluke@citymb.info. Proposers and their representatives that contact other City personnel or City Council members after the City releases the RFP and throughout the evaluation period regarding this RFP process and contract award may have their proposals disqualified from consideration by review and action of the City Council. However, proposers and their representatives may contact HF&H Consultants, LLC at any time. The "RFP evaluation period" shall terminate when the City Council awards the solid waste handling services agreement.

PROPOSAL ADMINISTRATION

The City of Manhattan Beach shall have the right to perform, and each proposer must agree to cooperate with, an investigation and review of each proposer's ability to perform the work required. Such cooperation shall apply not only to the verification of the proposer's capability and experience in the provision of services, but also to the provision of any other component of work that may be required under this procurement.

In order to objectively evaluate all proposals, the City has attempted to describe the desired services and the terms and conditions in the draft franchise agreement in a manner that will allow a reasonable level of comparability among the proposals. Therefore, the City discourages, and may disqualify, proposals that substantially deviate from the RFP. Proposals that do not include the completed forms required herein and information required in Section V may be disqualified. Provided that the proposer has submitted a proposal that meets all of the minimum requirements of this RFP, the proposer may also offer additional enhancements that exceed the RFP requirements.

The City reserves the right to reject all proposals, disqualify nonconforming or incomplete proposals at its sole discretion, waive deviations from the RFP, and determine whether proposers are qualified. The City reserves the right to issue addenda to the RFP, to modify the RFP, to modify the franchise agreement, or to withdraw the RFP. The City may request clarification or additional information from any of the proposers at any point in the RFP process.

Proposals must comply fully with the requirements detailed in this RFP. Required supporting documentation must be included as attachments and be appropriately identified.

The existing service information presented in Section II and Attachment 2 of this RFP is for information only and the proposer agrees to indemnify and hold the City harmless for the accuracy of this data. All proposers should take whatever steps they believe are necessary to reasonably establish the actual existing service information when preparing their proposals.

SUBMISSION OF PROPOSALS

The draft franchise agreement containing the terms and conditions under which service will be provided (see Attachment 6) is an integral part of this RFP. This franchise agreement includes information related to service standards, rate setting, billing, reporting, and other activities related to the performance of these services.

Submission of a proposal shall constitute acknowledgment and acceptance of all the terms and conditions contained in this RFP, and in the draft franchise agreement, unless exception to particular terms and conditions are expressed in writing in the proposal. The successful proposer will be expected to enter into a franchise agreement with the City; only those exceptions noted in its proposal will be considered for modification. The City is not obligated to agree to these exceptions but reserves the right to negotiate modification of such noted exceptions to the draft franchise agreement.

Each and every term and condition of the proposal shall be irrevocable until the City enters into a franchise agreement to perform the scope of services for the proposed rates according to those terms and conditions. Within fifteen (15) business days of the selection of a proposal by the City Council, the selected proposer is bound to execute the franchise agreement, and furnish the required performance bond. The form of the performance bond is described in Section 8.5 of the draft franchise agreement. Within thirty (30) days following execution of the franchise agreement, and in any event prior to the performance of any services thereunder, the proposer is bound to provide evidence of all required insurance. The terms of this RFP and the proposals are firm for a period of two hundred and seventy (270) days. Once submitted, responses to this RFP cannot be altered without the City's express written consent. The City reserves the right to reject any or all proposals, and may elect to make a decision without further discussion or negotiation. This RFP is not to be construed as a contract of any kind. The City is not liable for any costs incurred by any potential proposer in the preparation of a response to this RFP. The City may withdraw or modify this request at any time.

Proposers must submit three (3) bound copies plus one (1) unbound photocopy-ready copy of the complete proposal in a sealed package. The package should be clearly labeled:

ATTENTION: CITY CLERK
PROPOSAL FOR INTEGRATED SOLID WASTE MANAGEMENT SERVICES
NAME OF PROPOSER
PROPOSER'S ADDRESS
PROPOSER'S CONTACT PERSON
PROPOSER'S TELEPHONE NUMBER
PROPOSER'S FAX NUMBER

The proposal may be mailed, couriered, or hand delivered to the City of Manhattan Beach, 1400 Highland Ave, Manhattan Beach, CA 90266. All proposals must be received by the City Clerk of Manhattan Beach by the date and time shown in the schedule in Table 2 at the end of this section, City of Manhattan Beach time. **Proposals received after this time and date may be returned unopened.** Postmarks will not be accepted as proof of receipt.

The successful proposer shall also provide an electronic copy to the City after the award of contract by City Council.

AWARD

To be considered, proposals must be complete and must conform to the requirements of this RFP as to form and content. The franchise agreement will be awarded to the proposer that the City Council determines will best assist the City to reach its goal of receiving the highest quality service at the lowest reasonable cost. The successful proposal may or may not be the lowest cost proposal. The City, however, reserves the right to reject any or all proposals, to accept or reject any one or more items of a proposal, or to waive any minor irregularities or informalities in the proposal.

SCHEDULE

The procurement schedule is shown in Table 2. These dates are subject to change by the City.

Table 2: Procurement Schedule

DATE	ACTIVITY
September 8, 2010	Request for Proposals available
September 20, 2010	Pre-proposal conference at 1:30PM, Public Works Training Room, 3621 Bell Ave., Manhattan Beach
	Following pre-proposal conference - City-conducted tour of City, highlighting collection challenges (1)
September 24, 2010	Last day to submit written questions
October 29, 2010	Proposals due to the City Clerk by 3:00 p.m.
February 2011	Award by City Council - begin Proposition 218 process
July 1, 2011 or August 1, 2011	Start of service

(1) Parties interested in participating in the City tour must contact Anna Luke with the City of Manhattan Beach after the release of this RFP at aluke@citymb.info or (310) 802-5363 to reserve a seat. Space may be limited and companies may be limited in the number of representatives permitted.

SECTION II – CURRENT SERVICE DATA

DESCRIPTION OF SERVICE AREA

The City of Manhattan Beach is an **environmentally-conscious, Ocean Safe City** located in the South Bay Region in southwestern Los Angeles County between the cities of El Segundo and Hermosa Beach. Approximately one-third of this City, running along the coast, is a densely populated beach community that has yet to be transitioned to automated residential collection service. The remaining two-thirds of the City contains many single-family homes and was transitioned to automated residential collection in 2002.

The following is City population and housing data according to the U.S. Census Bureau data as of 2000:

Population:	33,852	3 to 4 Units	1,097
Total Dwelling Units	15,094	5 to 9 Units	411
One Unit Detached	10,191	10 to 19 Units	265
One Unit Attached	1,347	20 or More Units	215
Two Units	1,535	Mobile Home	23(1)
		Boat, RV, van, etc.	10

(1) There are no mobile home parks in Manhattan Beach, although 23 units were reported on the 2000 Census. These may represent manufactured housing or construction trailers.

The City’s residential areas can be divided into five sections as listed below. The unit counts are approximate, based upon 2000 Census data, and include both residential cart and multi-family bin customer dwelling units.

<u>Section</u>	<u>Unit Count as Percentage of Total</u>
Sand Section	32% (majority receive manual collection)
Tree Section	22%
Hill Section	7%
El Porto	7%
East Side/Manhattan Village	32%

This census information is meant to provide an overview of the City. Please see Attachments 2-A through 2-C, 2-E and 2-F for data regarding customer counts.

CURRENT SERVICE DATA

The City has obtained from the hauler, or provided from its own records, the data provided in Attachment 2. As stated in Section I, the City neither warrants nor accepts responsibility for the accuracy of the information. It is the responsibility of each proposer to undertake, at

its sole cost, any verification of this information necessary for it to submit a response to this RFP.

CURRENT RATES

The current rates effective for fiscal year 2010 (July 1, 2009 to June 30, 2010) are in Attachments 2-B, 2-D, 2-E and 2-F, along with the estimated customer counts by rate category. The City's administrative fee is billed in addition to these fees.

RATE REVENUES

Total rate revenue received for calendar year 2009 is included as Attachment 2-K.

TONNAGE

Tonnage for years 2007 through 2009, as reported by the current hauler, is included in Attachments 2-G, 2-H and 2-I. Commercial carts are collected on both the commercial bin routes and on commercial cart routes. Therefore, tonnage would be included in either category. Some construction and demolition debris has been included in these tonnage reports. Construction and demolition debris collection is not exclusive under the current agreement and is listed as an optional exclusive service upon City Council approval in 2014.

AB 939 PLANS

The City is committed to fully complying **and exceeding** AB 939 and future increases in diversion rate goals. The City is part of the Los Angeles Regional Agency, or LARA. The City submits its annual report to LARA, and LARA compiles all member cities' information into one report for CalRecycle. Therefore, the City does not submit a separate annual report to CalRecycle with the City's individual diversion rate. LARA's estimated diversion rate is 63% for 2006. The current hauler-reported diversion rates for the material it collects for 2008 and 2009 are 40% and 36%, respectively. These hauler-reported diversion rates do not include diverted C&D debris, as C&D debris collection is not exclusive under this agreement.

The City would prefer to achieve higher hauler-diversion rates from solid waste collected under this agreement and will consider the proposed diversion level in its evaluation of the proposals.

SECTION III – PROPOSED SERVICE REQUIREMENTS

The City is requesting proposals for the services described below. If these services represent a significant change to current services, such changes are noted. A more comprehensive description of these services is found in the draft franchise agreement, included as Attachment 6 of this RFP. References to sections and appendices refer to the draft franchise agreement; references to attachments refer to attachments to this RFP.

RESIDENTIAL CART COLLECTION SERVICES

Automation of Sand Section – Currently, approximately one-third of the City, along the coast, receives manual collection of refuse and recyclables. While entitled to green waste collection, few currently receive such service. This area is known as the “Sand Section.” The hauler currently performs manual collection in this area using a front loader equipped with a Currotto can. The remainder of the City receives automated three-cart collection. Under the new agreement, contractor shall be required to convert this Sand Section to three-cart automated collection. The City was informed by the current hauler that the area could be automated with the exception of the following homes:

- 13th Street Alley - Seven homes on the North side between North Highland Avenue and Bayview Drive
- 13th Place Alley – Seven homes between Ocean Drive and N. Manhattan Avenue
- 14th Place – 12 multifamily homes in the South side (duplexes and fourplexes) between Ocean Drive and N. Highland Avenue and ten homes (fourplexes) on the North side

Currently, the hauler must move solid waste cans from these homes to an accessible street for collection and return them. Under the new agreement, these homes, and any other that proposers may determine cannot receive fully automated service, shall receive wheeled carts, and the contractor shall continue to move them as necessary for collection purposes.

Transition to Volume-Based Rates – Currently, residents with cart or can refuse service receive unlimited refuse, recycling and green waste collection for a flat rate. Individual homes are all charged the same rate. Buildings with two to nine units that receive cart or can refuse service pay a slightly reduced per unit rate.

Residents in the Sand Section receive recycling and green waste barrels from the contractor and provide their own refuse barrels. Residents in the remainder of the City are provided refuse, recycling and green waste carts by the contractor. Carts and cans distributed by the prior contractor are the property of the City. The new contractor shall be responsible for the removal and recycling of these containers when new carts are distributed.

Under the new agreement, individual, single family customers will be charged based on the number and size of refuse carts selected. Residential cart customers with two or more

dwelling units per building will continue to be charged a flat rate for unlimited service. See Section 3.1.1.

City-Wide New Cart Distribution – Contractor will provide new refuse, recycling and, if requested, green waste carts of 96- 64- or 32-gallons to all residents, and will provide the opportunity for residents to request the size and number of each cart to be distributed. If a selection is not made, the default in the Sand District will be one 64-gallon refuse cart and one 64-gallon recycling cart, and the default in the remainder of the City will be one 64-gallon refuse cart, one 64-gallon recycling cart and one 64-gallon green waste cart. All residential customers will have an opportunity to request one cart exchange at no charge within six months of the initial cart distribution. Subsequent cart exchanges are to be requested in accordance with the approved rate schedule. See Sections 3.1.1 and 3.7.1.

Proposers will be responsible for the removal and diversion of unwanted cans and may keep recyclables revenue, if any, that may be generated from containers. See Section 3.7.1.2.

Refuse Cart Collection – City-wide weekly automated cart collection will be implemented by the start of service under this agreement, including the automation of the Sand Section which was previously collected manually.

Recycling Cart Collection – Residential cart customers will receive once per week automated recycling collection on the same day as their refuse collection. Customers may request additional recycling carts at no additional charge. See Section 3.2.1.

Green Waste Cart Collection – Residential cart customers will receive weekly automated green waste collection on the same day as their refuse collection. The green waste carts will be issued to Sand Section customers upon request. Customers may request additional green waste carts at no additional charge. See Section 3.3.1.

Compost Bins – Contractor shall purchase composting bins approved by the City and deliver one to each residential customer that requests one. Contractor will bill customer a co-pay amount to be determined by the City. The difference between the amount billed to customer and the actual cost to contractor (excluding delivery and other associated costs) shall be reimbursed to contractor by the City. The contractor is also responsible for three annual, one-hour composting classes. In 2009, 42 composting bins and 30 worm bins were ordered at these classes, and, outside of the classes, an additional composting bin and three worm bins were ordered and shipped to residents. See Section 3.3.5.

RESIDENTIAL BIN AND COMMERCIAL COLLECTION SERVICES

Refuse Bin Service - Contractor shall provide bin service to commercial and industrial customers, and to multi-family customers that use bins. Bin service will occur at least once every week or more frequently if required to handle the waste stream. Contractor shall provide 2, 3, 4 and 6 cubic yard bins upon request. See Section 3.1.3.1.

Some commercial customers require collection twice per day due to space constraints prohibiting additional containers. See Attachment 2-Q for a list of these customers. This list may change from time to time.

Commercial Cart or Can Service – As an alternative to bin service, contractor shall offer 32-, 64- or 96-gallon commercial cart service to commercial customers that do not have space for, or do not generate enough waste to use bins. If automation of collection is not feasible, a 30-gallon can may be provided. Such carts and cans shall become property of the City upon distribution. See Section 3.1.3.3.

Temporary Bin Service - Contractor shall provide exclusive temporary bin service to all customers requesting such service, with the exception of construction and demolition debris collection which is not included under this agreement. If contractor does not provide the requested temporary bin within 48 hours, the customer can request temporary service from another company. See Section 3.1.3.2.

Bin Cleaning and Maintenance - Contractor will be required to clean or replace bins upon customer request once per year at no additional charge. Contractor may charge \$35 per cleaning for additional cleanings. See Section 3.7.5.

Locking Bins – Contractor may charge for locking bins. See Section 3.1.3.4.

Scout Service/Push-out Service – Contractor may not charge for scout service or push-out service. See Section 3.1.3.5.

Recyclables Collection for Residential Bin and Commercial Customers – Contractor will be required to provide unlimited recyclables collection service using bins or carts to all customers requesting it. Contractor will be required to visit each customer in an effort to establish recycling programs and will provide reporting to the City regarding these efforts. Company shall provide requesting businesses with desk-side recycling containers at contractor’s cost. City will not grant an extraordinary rate increase to accommodate for the implementation or discontinuation of the State’s mandatory commercial recycling requirements. See Section 3.2.2.

Construction and Demolition Waste Recycling – Contractor shall make reasonable efforts to prevent construction and demolition waste that is suitable for recycling from being taken to the landfill. See Section 3.2.4 for recommended diversion steps. The City reserves the right to require the contractor to exclusively collect all construction and demolition waste generated in the City, diverting a minimum of 70%, at rates to be requested in this RFP. The determination of whether to implement this requirement is dependent upon a subsequent vote by the City Council, and will not be implemented prior to December 2014, due to the five year notice sent by the City in December 2009.

Mixed Waste Processing of Commercial Bin Waste – Contractor shall recover a minimum of 1,365 tons of recyclables from processing mixed commercial bin waste. This program will be conducted at no additional charge. There is currently no processing of bin waste in the City. See Section 3.5.

Roll-Off Box Collection – Contractor must provide permanent roll-off box service to all customers that request such service. The rates will include a “per pull” rate plus a “per ton” rate equal to the contractor’s actual cost (not to exceed per ton cost in Exhibit 2). Revenue from recyclable material loads will be returned to customer. See Section 3.1.4.

Green Waste Roll-Off Service – Contractor shall make permanent roll-off green waste collection available to all customers at a rate not to exceed the roll-off box refuse rate. See Section 3.3.2.

SPECIAL SERVICES

Holiday Tree Collection and Recycling – Contractor shall operate the annual holiday tree collection and recycling program at no additional charge. The program shall include collection from single-family and multi-family customers, starting from the first collection day after December 25 and ending on the second Saturday in January. All collected trees shall be diverted from disposal. See Section 3.3.3.

On-Call Bulky Item Pickup - Contractor will be required to provide on-call bulky item pickup service to all customers. Single and multi-family customers are entitled to three bulky waste pickups per dwelling unit per year at no additional charge (additional pickups are subject to the rate schedule in Exhibit 2). Commercial customers may be charged for bulky item pickup in accordance with the rate schedule in Exhibit 2. See Sections 3.1.5.1 and 3.1.5.2.

Residential Food Waste Diversion 6 Month Pilot Program – Contractor will submit a proposal by July 1, 2011 to the City detailing a pilot program to collect food waste from residential customers. Once approved by the City, the pilot program will commence on July 1, 2012, to be conducted for a minimum of six months for one full residential route, one day per week. Information regarding the results of the pilot program will be reported to the City. See Section 3.2.7.

Commercial Food Waste Diversion 6 Month Pilot Program - Contractor will submit a proposal by July 1, 2011 to the City detailing a pilot program to collect food waste from 10% of the commercial food waste generating customers in the City. At this time, this represents an estimated ten customers. Once approved by the City, the pilot program will commence on July 1, 2012, to be conducted for a minimum of six months. Information regarding the results of the pilot program is to be reported to the City. See Section 3.2.8.

CITY AND OTHER SERVICES

City Facilities' Collection – Contractor shall collect and dispose of all solid waste generated and recyclable materials and green waste accumulated at premises owned and/or operated by the City at no additional charge (including bulky waste items). Such premises include, but are not limited to, offices, parks, street maintenance operations, and street litter containers. See Attachment 2-L for the current list of facilities and service levels. Note that these facilities and service levels may vary over the term of the new agreement, with no increase in compensation to the franchisee for additional collection services. See Section 3.6.1.

Contractor will be required to add additional green waste bins and carts at City parks than those listed in Attachment 2-L in order to lower the quantity of green waste transported to, and collected from, City yard.

City Facilities Hazardous Waste Collection – Contractor will collect as needed and properly dispose of hazardous waste generated at City facilities at no additional charge. Quantities of materials to be collected each year shall be reasonably consistent with Exhibit 10 of the draft agreement. See Section 3.6.2.

Abandoned Item Collection – Contractor shall collect items abandoned in the public right-of-way within 24 hours of notification by the City at no additional charge. See Section 3.6.3.

Street and Park Litter Containers – Contractor shall collect and recycle/dispose of all solid waste deposited in the City's street and park litter containers as necessary to prevent overflow at no additional charge. The City anticipates adding more recycling carts over time at no additional charge. Growth in the number of refuse litter carts at no additional charge will be limited to a 5% increase. See Attachment 2-P for current estimated service levels and container locations. See Section 3.6.4.

City Sponsored Events – Contractor shall provide solid waste and recycling collection service at City designated events each year at no additional charge. This service will include providing containers to collect and dispose of all solid waste (cardboard disposal boxes and liners, refuse bins and/or roll-off boxes), providing containers to collect recyclables, and disposing or processing of all collected material. Such events include, but are not limited to, those listed in Attachment 2-M. See Section 3.6.5.

Sharps Collection Program – Contractor shall provide up to three sharps containers per year to each single and multi-family resident requesting such service at no additional charge. Estimates from the California Department of Finance as of January 1, 2010 indicate 15,577 residential dwelling units in the City, including both cart and bin customers. See Section 3.6.7.

OPTIONAL SERVICES

Exhibit 9 of the draft agreement includes optional services for which the City has requested costs.

Door-to-Door Household Hazardous Waste Collection Services – The City may direct the contractor to begin the door-to-door household hazardous waste collection program upon 90 days' written notice. The household hazardous waste collection program would provide single family and multi-family customers with unlimited pickups. Proposers are requested to propose an annual cost for this program, to be adjusted annually by CPI. See Exhibit 9, Section A for program guidelines.

Mixed Waste Processing of All Bin Waste – The City may request contractor to process all bin refuse that is collected by the contractor to recover an additional 2,184 tons of recyclable materials (in addition to the 1,365 tons recovered per Section 3.5) for a total of 3,549 tons recovered per year. The City may instruct contractor to begin the additional processing upon a 90 days' notice. Proposers are requested to propose a percentage rate increase to bin rates for this service. See Exhibit 9, Section B.

Exclusive Construction and Demolition Debris Collection – In December 2009, the City distributed a “five-year” notice to construction and demolition debris service providers in the City that the City may contract exclusively for the provision of this service. The City may require the hauler at any time during this agreement term after December 2014 to provide exclusive construction and demolition debris services to the City. See Exhibit 9, Section D.

SECTION IV -KEY CONTRACT TERMS

A comprehensive description of contract terms is found in the draft franchise agreement. Below are some key terms to bring to your attention. Section references to the draft franchise agreement are included in the following summary.

HOLIDAY COLLECTION

If the regularly scheduled residential collection day falls on New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, or Christmas Day, collection days for the remainder of that week shall all be postponed one collection day. Commercial collection shall continue despite holidays. See Section 3.9.1.

EDUCATION AND PUBLIC AWARENESS

The City recognizes that effective public education is the key to implementing effective programs. The City intends to enhance public education efforts particularly for commercial and multi-family customers, and in its schools. The City intends to include a minimum number of staff hours to be dedicated to each of these three sectors in the agreement. A mailing list including addresses for each individual multi-family unit in the City is in the process of being assembled to facilitate mailing annual brochures. See Attachment 2-T for an estimate of participating schools and student populations. Refer to Section 4.3 of the draft franchise agreement for specific requirements relating to public outreach.

FAITHFUL PERFORMANCE BOND

Contractor will be required to provide a \$500,000 performance bond. See Section 8.5.

INSURANCE REQUIREMENTS

The draft agreement requires the contractor to maintain minimum insurance levels. See Section 8.4 for the minimum limits of insurance for general liability, automobile liability and workers compensation.

REPORTING AND AUDITING

The draft franchise agreement contains detailed auditing procedures, and specific reporting and record keeping requirements. See Article 7 of the draft franchise agreement for detailed information on the required records, reports, and review requirements.

Note that the contractor is required to reimburse the City for biennial audits, up to \$80,000 for the first audit after FY 2012 and \$50,000 for each subsequent biennial audit (subject to CPI adjustments). See Section 7.2.6.

MINIMUM DIVERSION RATES

The City's contractor has reported an average diversion rate of 38% for 2007, 2008 and 2009, including an average of 8% achieved through transformation. The City estimates that the volume-based rate structure and the mixed waste processing of a portion of the bin waste may provide another 6%, although proposers should develop their own estimates based upon their knowledge and experience. The City intends to continue improving waste reduction efforts and, therefore, the minimum diversion rate that may be proposed shall be no lower than 44% (38% + 6%). ***However, the City would prefer to achieve higher diversion rates from solid waste collected under this agreement and will consider the proposed diversion level in its evaluation of the proposals.*** Proposers are required to propose a diversion rate to which they will contractually commit and demonstrate how they will achieve that rate on Attachment 4-E.

Third-party diversion and tonnage collected outside of this agreement, such as construction and demolition debris and temporary roll-off box service, *is not to be included* in this calculation. See Section 3.8.1.

COLLECTION CONTAINER OWNERSHIP

All carts and cans distributed under the new agreement shall become and remain the property of the City. Only the City logo, not the company name, shall be hot stamped on the containers; contractor name and number shall be placed on a label on top of the container. Contractor shall be responsible for cart and can repair and maintenance, and for replacing lost, stolen or damaged carts and cans within three business days at no additional charge. See Section 3.7.4.

Contractor shall be responsible for collecting City-owned carts and cans already in distribution. Contractor shall be expected to recycle the carts to the extent possible and may retain any scrap value received for these containers.

All bins placed in the City by the contractor shall remain the property of the contractor. Contractor shall be responsible for continued maintenance of the bins, as well as the once per year cleaning or replacing of the bins at no additional charge if requested or if necessary. See Section 3.7.5.

COLLECTION VEHICLE REQUIREMENTS

Contractor shall use vehicles that are no more than 10 years old. All route vehicles shall use natural gas at the start of service under this agreement. See Section 3.9.2.

Contractor shall have a GPS tracking system on all route vehicles that permits the City to access vehicle locations online. The City converted its vehicles to the Zonar tracking system, which is currently in use at the City. The City is looking for a system that provides similar services. See Section 3.9.2.E.4.

Proposers should carefully evaluate any challenges involved in providing automated service in the Sand Section. Residents have expressed safety and traffic congestion concerns regarding the use of standard size solid waste collection vehicles on the difficult-to-service streets in the Sand Section. Streets and alleys may be narrow, run one-way or be dead-ends. The City will favorably view the use of smaller, more specialized vehicles in such areas if feasible.

DEDICATED ROUTES

Solid waste collected from the City may not be commingled with solid waste from other jurisdictions. See Section 3.12.

FEES/FUNDING

Contracting Cost Reimbursement - Upon execution of the franchise agreement, contractor will be required to remit to the City a one-time contracting cost reimbursement of \$120,000 to reimburse the City for its costs of developing and awarding the franchise. This cost should be included in the proposed rates. See Section 2.2.

Funding of City Recycling Needs - Contractor shall provide the City with \$28,000 on July 1, 2011, to support the City's efforts in conducting the annual commercial waste reduction and recycling audits, fund recycling programs and otherwise support the City's solid waste goals. This amount will be increase by \$1,000 each year, to be remitted to the City on July 1. See Section 3.2.3.

BILLING

Contractor shall bill the customers directly for the compost bin co-pay, roll-off box and temporary bin services.

City shall perform all other billings under that contract. The City shall remit the payment to contractor on a monthly basis, within 30 days of the City billing customers. See Sections 4.1.1 and 4.1.2.

RATE ADJUSTMENT METHOD

Contractor may request an annual rate adjustment based on weighted indices. See Article 5 for the rate adjustment methodology.

Proposers are asked to propose a method to adjust the disposal component of the rate. See #15 on page 22 of this RFP.

SECTION V - PROPOSAL SUBMISSION REQUIREMENTS

The following information must be organized according to the outline in Attachment 1. Requested information should be identified by letter or number in the outline. All items must be addressed.

1. GENERAL REQUIREMENTS

At the beginning of the proposal, include a:

- 1.a title page
- 1.b transmittal letter identifying the name, mailing address, e-mail address, telephone number and fax number of the proposal contact person
- 1.c table of contents
- 1.d an executed anti-collusion affidavit (Attachment 5)
- 1.e Executed signature page of RFP addenda

2. RATE PROPOSAL FORMS (ATTACHMENT 3)

The service rates proposed for each type of service should be included in the rate schedules in Attachment 3. In addition to the rates, proposers should calculate the estimated total annual rate revenue from each type of service. The total annual rate revenue from the proposed rates should be summarized in Attachment 3-A (“Summary of Rate Proposal”) and reconciled to the proposer’s estimated revenue requirement (explained below) in Attachment 4. Calculations from Attachments 3-B through 3-G should flow through to Attachment 3-A. The City reserves the right to rebalance rates prior to contract execution if the change is revenue neutral to the franchisee. Exhibit 3 of the draft agreement in Attachment 7 contains rates for other services that are set by the franchise agreement.

A proposal may be deemed nonconforming or incomplete unless Attachment 3 is complete and submitted in its entirety. After the deadline for submission of written questions, a Microsoft Excel file containing Attachment 3 will be available and e-mailed to proposers requesting it by contacting Lisa Keating of HF&H at (949) 251-4817 or by e-mail at lkeating@hfh-consultants.com.

3. SUPPORTING COSTS AND OPERATING DATA (ATTACHMENT 4)

The supporting cost and operating data worksheet in Attachment 4-A provides a format for proposers to estimate their annual revenue requirement for providing all of the proposed services. Proposers must provide the operational statistics on which their estimated costs are based in Attachment 4-B. The operating statistics will be used to evaluate the reasonableness of the proposer’s estimated revenue requirement. The proposer’s estimated revenue requirement will be used to evaluate the reasonableness of the proposed rates. Attachment 4-C must be completed and may be used to determine weightings of cost components for rate

adjustments. Attachment 4-E demonstrates how the proposer plans to reach required diversion levels. Note that diversion programs put forth in Attachment 4-E, and elsewhere in proposer's proposal, will be incorporated into the franchise agreement.

A proposal may be deemed nonconforming or incomplete unless Attachment 4 is complete and submitted in its entirety. After the deadline for submission of written questions, a Microsoft Excel file containing Attachment 4 will be available and e-mailed to proposers requesting it by contacting Lisa Keating of HF&H at (949) 251-4817 or by e-mail at lkeating@hfh-consultants.com.

4. EXCEPTIONS TO TERMS OF THE FRANCHISE AGREEMENT

Include a list of any exceptions to the RFP and draft franchise agreement. Please reference the agreement section, describe the nature of the proposed exception, and identify proposed substitute language. In order to demonstrate that, but for the noted exceptions, the proposer agrees to all terms and conditions of the agreement as written, sign and include in this proposal the signature page of the draft agreement, along with the noted exceptions. The proposal is not considered complete without this signed page.

5. PROPOSER OVERVIEW

5.a Business Structure

Provide the following information:

- i Legal name of proposing entity that would sign franchise agreement and whether it is an individual, a partnership, a corporation, or a joint venture
- ii Entity that would submit financial statements and whether it is an individual, a partnership, a corporation, or a joint venture. If other than proposing entity, indicate relationship and willingness to sign corporate guarantee (see Exhibit 5 to Attachment 6)
- iii Number of years in which proposing entity has been organized and doing business under this legal structure (if other than an individual)
- iv Names of owners/stockholders with more than 10% of the company's equity
- v Names of all officers
- vi Corporate headquarters
- vii Local headquarters (if different)

5.b Description of Proposer's Experience

Identify the names of all the public agencies in Los Angeles County in which the proposer currently provides service, including what type of service (manual or automated residential, commercial, roll-off, temporary bin) and the nature of the exclusivity (exclusive franchise, non-exclusive franchise, permit or open system).

Additionally, the proposer should submit a brief description of the proposer's experience in California providing solid waste services under exclusive agreements to city or county

customers that qualifies it to perform the services being procured through this RFP; provide a table, including each jurisdiction's services (residential, commercial, etc). Include preferably three or more detailed citations for current municipal customers with services most similar to those requested in this RFP. Citations shall include:

- i The name of the jurisdiction
- ii Time period during which proposer provided service to the jurisdiction
- iii The type of customers served (e.g. residential or commercial)
- iv The services performed (e.g. refuse collection, recyclable materials collection or green waste collection)
- v Residential collection methods (e.g. manual or automated)
- vi Whether the services were exclusively or non-exclusively provided in the jurisdiction by the proposer
- vii The name, address and telephone number of the jurisdiction representative responsible for administering the contract

Additionally, please provide at least one municipal citation for service transitions from another hauling company, including a brief description of the old and new services, and service transition dates, as well as the information listed in i. to vii. above.

5.c Information Regarding Past and Pending Litigation

Describe all civil legal actions with government agencies now pending or which have occurred in the past ten years with potential liability or actual damages greater than \$50,000, and all criminal legal actions now pending or that have occurred in the past 10 years against:

- i The key personnel described in Section 5.d
- ii. The owners and officers of the company
- ii The entity submitting the proposal
- iii Any parent or affiliated company for actions filed in the State of California (for affiliates, proposer may limit disclosures of non-criminal matters to those in the Los Angeles County area.)

5.d Key Personnel

Identify and describe the qualifications and experience the City can expect of the key personnel your company would assign to the City. Provide a brief biographical description of the proposed management team members that will fill these described jobs, specifically including the government and service liaisons per Sections 4.2.5 and 4.2.6 of agreement. Indicate the office locations for each key person assigned to the franchise.

5.e Financial Information

Initially, proposers must provide the following financial information in the proposal for the proposer or, if a corporate guaranty is to be provided, for the guarantor:

- i The type of financial statements produced (e.g. audited, reviewed or compiled) and the corporate entity that they represent (proposer or corporate guarantor).
- ii The most recently completed fiscal year for which financial statements are available.
- iii Annual revenue from the most recently completed financial statements.
- iv Current Assets to Current Liabilities ratio (current assets/current liabilities) from the most recently completed financial statements.
- v Total Liabilities to Total Assets ratio (total liabilities/total assets) from the most recently completed financial statements.

If selected for further consideration, proposers must be prepared to submit financial statements upon which this requested financial information is based within five (5) business days of the request for the most recently completed fiscal year. All such statements would need to be prepared and presented in accordance with Generally Accepted Accounting Principles applied on a consistent basis, and must include a statement by the chief financial officer of the proposer's company that there has been no material adverse change in conditions or operations, as reflected in the submitted balance sheets, income statements and cash flow statements, since the date on which they were prepared. If requested to submit financial statements, the proposer may submit a single copy of its financial statements stamped "confidential" with a written request that it be returned to the proposer after the proposal process is complete. The City will attempt to maintain the confidentiality of such a request, although confidentiality cannot be guaranteed.

Prior to award, the selected proposer will be required to submit "reviewed" or "audited" financial statements that demonstrate reasonable financial resources and stability to the satisfaction of the City. If awarded the contract, the financial statements shall remain with either the City or its consultant.

5.f Insurance

Proposer must submit evidence that the proposer either has, or is able to obtain, the insurance coverage required in the draft franchise agreement in Attachment 6, Section 8.4.

6. FACILITY DESCRIPTIONS REQUIRED IN PROPOSAL

6.a Transfer Facilities

For each transfer facility, if any, please identify the following:

- i The name and address of the facility.
- ii Statement regarding any relationship between the proposer and the facility owner/operator (if any).

- iii The price per ton for transfer and disposal of refuse
- iv Estimated date for start of operation, if facility is not currently in operation
- v. Indicate any solid waste facility capacity guarantees being offered.

6.b Processing Facilities

Proposers must identify in their proposals the processing facilities they plan to use for the:

- processing of the commingled recyclables
- processing of green waste
- processing of mixed waste
- transformation of refuse/waste-to-energy (if applicable)
- processing of food waste (pilot program)

For each facility, please identify the following:

- i The name and location of the facility.
- ii A statement regarding any relationship between the proposer and the facility owner/operator (if any).
- iii The material to be processed (green waste, commingled recyclables, mixed waste).
- iv The price per ton.
- v. Indicate any solid waste facility capacity guarantees being offered.

These four items must be included for each facility to be used.

6.c. Operating Facilities

Proposers must provide information about the operating facilities that they plan to use, including:

- i Yard address for equipment and personnel staging and arrangements for maintenance of equipment.
- ii Office address for customer service, public relations, billing, and franchise administration.
- iii Other operating facilities to be used in providing service under this agreement.

7. TRANSITION PLAN/PROPOSED SERVICE START DATE

The City anticipates a Proposition 218 hearing on April 5, 2011 to approve the new rates, assuming award of the contract in February 2011. The City anticipates needing from the successful proposer the detailed container sizes selected by single-family customers, assembled into an Excel spreadsheet to facilitate entry into the City's billing database. The Excel spreadsheet shall be updated and sent to the City at least every two days so that the

City will receive and be able to enter data into its billing system on an ongoing basis. Cards shall be mailed no sooner than April 20 (after April 19 Council Meeting), and shall be due by May 16, 2011, with all cart size and billing information provided to the City by May 18.

In consideration of this timeline, propose the following:

- i. Transition Plan - *Proposers should provide a transition schedule that demonstrates that your company has the ability to implement the services in accordance with the service start date proposed in 7ii below*, including meeting equipment, personnel, administration, maintenance, and public education requirements. Proposers should describe the assumptions regarding City staff's participation and (if appropriate) the current hauler's participation. City staff participation should be minimal.

Focus should be placed on tasks necessary to facilitate the transition to the tiered residential rate structure, including customer service. Specifically, proposers should indicate the length of time necessary after award of agreement to transition the Sand Section to automated collection, and provide the City with a listing of service levels for all single-family cart customers City-wide for billing purposes.

- ii. Service Start Date - The City has obtained an extension from its current hauler that provides some flexibility as to the start of service under the new agreement. *Proposers shall indicate whether they propose a July 1, 2011 or August 1, 2011 start date*, considering the City's timeline and proposer's transition plan proposed under 7i above.

8. AUTOMATED CARTS AND DESK-SIDE RECYCLING CONTAINERS

- i. Automated Carts - The City requires that carts include recycled content and be recyclable. Proposers should indicate:
 - a. the percentage of recycled content that shall be included in the carts; and,
 - b. the manufacturer of the carts proposed, along with a color brochure.
- ii. Desk-Side Recycling Containers - Proposers shall indicate the type of desk-side container to be offered to commercial customers and the current price for such a container (at contractor's cost per Section 3.2.2).

9. CUSTOMER SERVICE/CALL CENTER PROCEDURES

Customer service is very important to the City of Manhattan Beach. When a customer has a request for, or an issue with, solid waste service, the customer's first contact with the solid waste provider is the company's call center. Describe the company's call-in center procedures, including how each call is initially answered (i.e. phone tree, live operator). Indicate procedures taken to ensure that each Manhattan Beach caller will receive

information accurate to the City's contract. Describe procedures to satisfactorily respond to common customer complaints.

10. COLLECTION VEHICLE DESCRIPTIONS

Please provide the following information for each vehicle to be used under the collector agreement. If smaller, or otherwise unique, vehicles are proposed for use in the Sand Section, please identify those vehicles as such. Proposers should indicate proposed vehicle features that enhance safety and maneuverability on difficult-to-service streets.

1. Make
2. Model
3. Model Year
4. Type of fuel to be used (i.e. LNG, CNG)
5. Waste stream to be collected (i.e. cart, bin, roll-off)

11. VEHICLE TRACKING SYSTEM

Please describe your company's proposed vehicle tracking system. Information should include the manufacturer, what information shall be made available by the system on a real-time basis and as recorded, and how the City will be able to access this information. City has a preference for the Zonar vehicle tracking system that the City already uses, but this brand is not required See Section 3.9.2.E.4 of the agreement.

12. DOOR-TO-DOOR HOUSEHOLD HAZARDOUS WASTE COLLECTION PROGRAM (OPTIONAL SERVICE)

Proposers shall propose any additional program specifics and/or indicate where proposed door-to-door HHW program may differ from the example included in Exhibit 9, Section A of the draft agreement. Company should indicate any additional items it would collect under this program. Proposers are instructed to propose an annual rate for this program in Attachment 3-G.

13. PROCESSING OF ALL BIN REFUSE (OPTIONAL SERVICE)

Proposers are asked to propose an annual cost to process all bin refuse and recover a minimum of 3,549 tons (including the 1,365 already required to be recovered as part of the basic agreement per Section 3.5). See Exhibit 9, Section B of the draft agreement for further detail and Attachment 3-G to propose a percentage increase to bin rates. See Attachment 3-G.

14. C&D DEBRIS COLLECTION (OPTIONAL SERVICE)

Currently, the collection of construction and demolition debris and all temporary roll-off service is outside the scope of the agreement. In December 2009, the City issued a five-year notice to existing haulers that the City may make this service exclusive in or after December

2014. After that time, the City may opt to include all roll-off box and construction and demolition debris loads (including temporary bin loads) as exclusive services under its franchise agreement, with a minimum 70% diversion rate. Proposers are asked to propose rates for these services in Attachment 3-H. These rates will adjust in the same manner as permanent roll-off box service rates and temporary bin rates are adjusted. This does not oblige the City to incorporate these services into the exclusive agreement now or in the future. Nor does it prevent City from otherwise negotiating for these services.

15. OPTIONAL PROPOSAL ITEMS

Proposers may, but are not required to, respond to the following requests:

i. Additional Recyclable Materials - The agreement requires that certain materials be diverted. See Sections 3.2.1 and 3.2.2. If the proposer can commit to collecting and diverting additional materials, such as textiles, please indicate.

ii. Split Bins - The City would like to provide all customers, including space constrained commercial customers, with convenient recycling opportunities. If proposers are able to provide and service split (recycling/refuse) bins, please indicate the size(s) of split bins to be provided. The City anticipates that the cost to the rate payer would be equal to the rate for the same level of refuse service in a standard bin (i.e. a four-yard split bin would include two yards of refuse capacity and two yards of recycling capacity and be charged at the two yard refuse bin rate). Please confirm this rate structure or provide an alternative.

16. DIVERSION PERCENTAGE

Proposers are required to propose an overall diversion rate for material it collects under this agreement. Proposers must propose to divert a minimum of 44% of the material collected under this agreement; however, the City is very interested in increasing diversion and will favorably evaluate higher proposed diversion levels (without inclusion of third-party diversion). Proposers will be expected to contractually commit to reaching this diversion requirement. Attachment 4-E requires proposers to demonstrate how they plan to divert the sufficient waste to reach this diversion requirement. Contractor should describe any additional diversion programs proposed that are over and above those required by this RFP.

17. PUBLIC OUTREACH EFFORTS

Proposers shall indicate the minimum number of staff hours per year to be dedicated to fulfilling public outreach requirements for the following three sectors.

- i. Multi-Family Recycling Outreach Program, Section 4.3.6
- ii. Commercial Outreach Recognition Program, Section 4.3.7
- iii. School Recycling Outreach Program, Section 4.3.8

Note that the City will consider public outreach in evaluating proposals. Proposed hours will be added to the agreement to assist the City in ensuring sufficient effort is made in the area of

public education. Proposers may include any additional efforts (such as one-time, first year efforts), and examples of public outreach pieces applicable to agreement requirements that demonstrate the quality of the materials proposed to be used under this agreement. For additional efforts to be considered in the evaluation, proposer must agree to include such efforts as requirements under the agreement.

iv. Businesses in the community offer programs whereby the businesses will accept used items, including goods manufactured and/or sold by the business, thereby accepting extended producer responsibility. Please describe how proposer can assist in promoting take-back programs. The City is looking for creative ways to establish additional take-back programs in the community.

18. RATE ADJUSTMENT TERMS

- i. Propose a rate adjustment index/method for adjusting the disposal component of the rates. Proposers proposing to use third-party facilities where the City can easily verify gate rates paid by the contractor may propose a pass-through cost. Owners and operators of landfills and/or transfer facilities to be used are anticipated to indicate an index or a cap, or other method of confirming adjustment requests.
- ii. Indicate whether a cap on increases to the disposal or other rate components can be offered and, if so, describe the specific proposed terms. Provide information on facility ownership or long-term disposal or processing agreements that help support these caps.

Note to proposers: The landfill disposal component under the existing agreement has been fixed at \$34.00 per ton for the entire term of the agreement.

19. PROPOSAL ENHANCEMENTS

Provided that the proposer has submitted a proposal that meets all of the minimum requirements of this RFP, the proposer may also offer additional enhancements that exceed the requirements of this RFP and the franchise agreement. Any such enhancements shall be listed by number under this section in the RFP or it may be omitted from the proposal evaluation. Proposers should include the following information for each enhancement:

- i. The additional charge, if any, to City or ratepayer for enhancement.
- ii. How the enhancement exceeds RFP requirements.
- iii. How the enhancement benefits the City and how it would be incorporated into the contract service requirements or rate schedule.

SECTION VI - PROPOSAL EVALUATIONS

The proposal will be objectively evaluated based on criteria that may include, but is not limited to, the following factors.

PROPOSER'S QUALIFICATIONS

- ◆ General Experience – Demonstrated experience providing similar services to other jurisdictions, and experience of key personnel.
- ◆ Jurisdiction Satisfaction – Satisfaction of proposer references with services received, including but not limited to, implementation, customer services, reporting, assistance developing diversion programs, and working cooperatively with City staff. Customer service is of utmost importance to the City.

TECHNICAL QUALIFICATIONS

- ◆ Commitment to Environmental Sustainability – Demonstrated ability to proactively and creatively assist the City in meeting and/or exceeding its sustainable goals including a strong reduction in landfill tonnage, high hauler-diversion rates, and effective outreach programs. Ability to meet or exceed the diversion goals and programs proposed.
- ◆ Implementation Plan – Reasonableness of implementation schedule and ability to meet deadlines (i.e., equipment procurement schedules and personnel available), ability and resources to manage a service transition.
- ◆ Operations – Reasonableness of assumptions (e.g., number of routes).

EXCEPTIONS TO THE TERMS AND CONDITIONS

- ◆ Exceptions to the RFP and draft franchise agreement – Number and nature of the exceptions.

FINANCIAL RESOURCES

- ◆ Financial Stability – Comparison of additional revenue from this franchise to company's current revenue stream, financial stability of proposer based on its financial ratios.
- ◆ Insurance - Demonstrated ability of proposer to obtain adequate insurance.

COSTS

- ◆ Cost of service, as measured by rate revenues - Cost competitiveness relative to other proposals.
- ◆ Reasonableness of costs - Logically consistent relationship between costs and operational assumptions.

AWARD

To be considered, proposals must be complete and must conform to the requirements of this RFP as to form and content. The franchise will be awarded for the proposal that offer the greatest value to the City, within the budgetary limitations. The City, however, reserves the right to reject any or all proposals, to accept or reject any one or more items of a proposal, or to waive any minor irregularities or informalities in the proposal. It is anticipated that all services will be purchased. However, the City reserves the right to change such service descriptions prior to award.

Attachment 1

Proposal Outline

The following is an outline that proposers shall follow when completing their proposals. Under each section, proposer must include all information as outlined below, including all subheadings and subsections as identified in Section V. All information outlined in Section V is required to be addressed.

- 1) General Requirements
 - a) Title page
 - b) Transmittal letter
 - c) Table of contents
 - d) Anti-Collusion Affidavit (Attachment 5)
 - e) Executed signature page of RFP addenda
- 2) Rate Proposal Forms (Attachment 3)
- 3) Supporting Cost and Operating Data Worksheets (Attachment 4)
- 4) Exceptions to Terms of Franchise Agreement and Agreement Signature Page
- 5) Proposer Overview
 - a) Business Structure
 - b) Description of Proposer's Experience
 - c) Information Regarding Past and Pending Litigation
 - d) Key personnel
 - e) Financial information
 - f) Insurance
- 6) Facility Descriptions
 - a) Transfer facilities
 - b) Processing facilities
 - c) Operating facilities
- 7) Transition plan
- 8) Automated carts
- 9) Customer service/Call center procedures
- 10) Collection vehicle description
- 11) Vehicle tracking system
- 12) Door-to-door Household Hazardous Waste collection program (optional service)
- 13) Processing of all bin refuse (optional service)
- 14) Construction and demolition debris collection (optional service)
- 15) Optional proposal items
- 16) Diversion percentage
- 17) Public outreach efforts
- 18) Rate adjustment terms
- 19) Proposal enhancements

ATTACHMENT 2
EXISTING SERVICE DATA

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CART DISTRIBUTION AND NUMBER OF DWELLING UNITS
As of June 2010

Automated Cart Distribution

Row	Collection Day	Cart Size in Gallons (1)											
		Refuse			Recycling			Green Waste					
		35 gal	64 gal	96 gal	35 gal	64 gal	96 gal	35 gal	64 gal	96 gal			
1	Monday	217	2,221	31	500	1,846	33	237	1,856	57			
2	Tuesday	100	1,787	17	55	1,256	36	104	772	14			
3	Wednesday	222	2,546	130	376	2,236	69	222	1,872	420			
4	Thursday(2)	0	3	0	0	0	0	0	0	0			
5	Friday	<u>103</u>	<u>2,355</u>	<u>392</u>	<u>210</u>	<u>2,196</u>	<u>299</u>	<u>257</u>	<u>1,838</u>	<u>351</u>			
6	Total	642	8,912	570	1,141	7,534	437	820	6,338	842			
7	Grand Total		10,124			9,112			8,000				

(1) As reported by Waste Management 6/30/10.

(2) Three automated carts reported in the Sand Section. Sand Section is manually collected Tuesday and Thursday.

Number of Active Dwelling Units

Row	Service Type	Number of Dwelling Units Served
8	Total Residential Cart/Can Customers Billed (3)	13,849
9	Automated Cart Customer Count (2)	<u>9,525</u>
10	Estimated Manual Can Customers (4)	4,324

(2) City provided total residential cart customers as of June 2008.

(3) See Attachment 2-B.

(4) Based on difference between total cart/can customers and estimated cart customers.

RESIDENTIAL RATES AND NUMBER OF DWELLING UNITS

Residential Cart / Can Collection Contractor Rates and Service Levels

Row	Dwelling Units per Building	Standard Monthly Rate/Building (1)	# of Buildings (2)	# of Dwelling Units
1	1	\$12.02	10,918	10,918
2	2	\$22.83	950	1,900
3	3	\$33.05	183	549
4	4	\$43.27	91	364
5	5	\$53.46	3	15
6	6	\$63.69	10	60
7	7	\$73.90	5	35
8	8	\$84.12	1	8
9	9	\$94.33	0	0
10	Total		12,161	13,849

Residential Backyard Service Contractor Rates and Service Levels

Row	Dwelling Units per Building	Standard Monthly Rate/Building (1)	# of Buildings (2)(3)	# of Dwelling Units (3)
11	1	\$6.97	39	39
12	2	\$13.28	22	44
13	3	\$19.22	5	15
14	4	\$25.15	3	12
15	5	\$31.10	0	0
16	6	\$37.03	0	0
17	7	\$42.98	0	0
18	8	\$48.91	0	0
19	9	\$54.86	0	0
20	Total		69	110

(1) Rates effective July 1, 2009 to June 30, 2010.

(2) Building count provided by City as of October 2009

(3) Included in unit count for total building and dwelling units above.

ATTACHMENT 2

BIN AND COMMERCIAL CART SERVICE LEVELS
as of October 2009

Revenue-generating service levels listed below. Current estimated free City facility service levels are included in Attachment 2-L.

Row	Container Type/Size	Number of Container Collections per Week							Total Containers
		1	2	3	4	5	6	7	
1	Refuse Cart/Can	129	13	8	-	4	-	2	156
2	Refuse, size: 2 yards	86	53	24	4	2	4	7	180
3	Refuse, size: 3 yards	38	39	27	5	12	6	11	138
4	Refuse, size: 4 yards	16	18	23	7	14	11	9	98
5	Refuse, size: 6 yards	-	1	1	-	2	-	-	4
6	Refuse, Share bin size: 2 yards (1)	2	10	8	-	-	-	4	24
7	Refuse, Share bin size: 3 yards (1)	-	5	9	-	-	2	2	18
8	Refuse, Share bin size: 4 yards (1)	2	2	9	2	-	-	-	15
9	Refuse Compactor, size: 2 Cubic Yard	-	-	-	-	-	-	-	-
10	Refuse Compactor, size: 3 Cubic Yard	-	-	-	-	-	-	1	1
11	Refuse Compactor, size: 4 Cubic Yard	-	-	-	-	-	1	-	1
12	Refuse Compactor, size: 6 Cubic Yard	-	-	-	-	-	-	-	-
13	Recycle, Bin size: 2 Cubic Yard	19	5	4	3	-	1	-	32
14	Recycle, Bin size: 3 Cubic Yard	20	10	7	1	3	4	-	45
15	Recycle, Bin size: 4 Cubic Yard	20	7	4	2	1	22	-	56
16	Recycle, Bin size: 6 Cubic Yard	-	-	-	-	-	4	-	4
17	Recycle, Commercial Can size: 35 Gallon	51	1	-	3	-	5	1	61
18	Recycle, Commercial Can size: 64 Gallon	321	34	4	-	4	27	-	390
19	Recycle, Commercial Can size: 96 Gallon	183	33	16	9	3	20	-	264
20	Total Containers	887	231	144	36	45	107	37	1,487
21	Locking Bin				38				38

(1) - Some customers share bins and receive a split bill. Count is for bins, not for customers.

BIN AND COMMERCIAL CART RATES
July 1, 2009 - June 30, 2010

Row	Container Type/Size	Number of Collections per Week						
		1	2	3	4	5	6	7
1	Refuse Cart/Can (1)	\$ 13.15	\$ 26.30	\$ 39.45	\$ 52.60	\$ 65.75	\$ 78.90	\$ 92.05
2	Refuse, size: 2 yards	\$ 66.73	\$ 100.10	\$ 133.45	\$ 166.83	\$ 200.18	\$ 266.91	\$ 333.62
3	Refuse, size: 3 yards	\$ 85.72	\$ 126.99	\$ 169.31	\$ 211.64	\$ 253.96	\$ 338.60	\$ 423.26
4	Refuse, size: 4 yards	\$ 102.70	\$ 154.05	\$ 205.40	\$ 256.75	\$ 308.10	\$ 410.81	\$ 513.51
5	Refuse, size: 6 yards	\$ 132.03	\$ 198.04	\$ 264.07	\$ 330.09	\$ 396.11	\$ 528.15	\$ 660.17
6	Refuse Compactor, size: 2 Cubic Yard	\$ 113.95	\$ 170.86	\$ 227.80	\$ 287.78	\$ 341.72	\$ 455.67	\$ 569.70
7	Refuse Compactor, size: 3 Cubic Yard	\$ 145.30	\$ 217.96	\$ 292.65	\$ 363.18	\$ 435.78	\$ 581.08	\$ 726.37
8	Refuse Compactor, size: 4 Cubic Yard	\$ 176.88	\$ 265.27	\$ 353.70	\$ 442.08	\$ 530.56	\$ 707.37	\$ 884.33
9	Refuse Compactor, size: 6 Cubic Yard	\$ 228.21	\$ 342.30	\$ 456.43	\$ 570.50	\$ 684.60	\$ 912.81	\$ 1,141.02
10	Recycling - All Container Sizes	No charge						
11	Locking Bin	\$7.17/ month flat rate						

(1) Each additional can or weekly pickup is a multiple of \$13.15.

SPECIAL BIN SERVICE RATES
July 1, 2009 - June 30, 2010

Row	Service	Contractor Rate
1	Commercial Bulky Item Pickup - white goods with CFCs	\$ 15.00 per item
2	Commercial Bulky Item Pickup - all other items	\$ 10.00 per item
3	Additional Residential Bulky-Item - above three per year	\$ 20.00 per pick up
4	Emergency Collection Service - crew plus vehicle	\$ 70.00 per hour
5	Extra Pickups or Waste Placed for Collection in Excess of Capacity	
6	For Collection	\$ 17.92 per collection
7	Plus Per Yard Charge	\$ 4.52 per yard
8	Each Additional Pickup of Each City Litter Container	\$ 3.04 per collection
	Temporary Bin Rates (1)	Contractor Rate
		2 cubic yard 3 cubic yard 4 cubic yard 6 cubic yard
9	Pull Plus Delivery, 10 day rental	\$ 71.62 \$ 80.58 \$ 89.53 \$ 107.44
10	Each Additional Pull, 10 day rental	\$ 17.92 \$ 26.85 \$ 35.82 \$ 53.71
11	Rent per day beyond 10 days	\$ 1.79 \$ 1.79 \$ 1.79 \$ 1.79

(1) Hauler reports 116 first pulls and 193 additional pulls for 3 cubic yard temporary bins for calendar year 2009.

ATTACHMENT 2

ROLL-OFF RATES AND SERVICE LEVELS
for 12 Months Ended June 30, 2009

Row	Container/Service Type	Contractor Rate (1)(2)	# of Services Provided 12-Months Ended June 30, 2009
	<u>Service Component</u>		
1	Standard Box, any size	\$ 154.51 per load	678 pulls (3)
2	Compactor Box, any size	\$ 208.59 per load	138 pulls
3	Weekly Standard Roll-Off Box Rental (4)	\$ 27.68 per week	120 weeks
4	Weekly Compactor Roll-Off Box Rental (4)	\$ 37.27 per week	12 weeks
5	<u>Roll-off Per Ton Refuse Disposal Charge</u>	\$ 34.00 per ton	3,083 tons (5)

- (1) For permanent roll-off box service. Temporary roll-off box service is outside the scope of the contract.
- (2) Rates July 1, 2009 to June 30, 2010.
- (3) Includes 173 City service pulls provided at no additional charge.
- (4) If customer has fewer than 3 pulls per month. Hauler reported \$45,000 in roll-off box rental revenue for 2009.
- (5) Includes 1,214 City service tons provided at no additional charge.

TONNAGE
For the 12 Months Ended December 31, 2007

Tonnage Collected By Service	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Yearly Totals
	Tonnage	Tonnage	Tonnage	Tonnage	Tonnage	Tonnage	Tonnage	Tonnage	Tonnage	Tonnage	Tonnage	Tonnage	
Commercial													
Landfilled	828.88	727.77	1,035.36	1,026.52	1,065.17	1,022.89	1,066.03	1,099.80	981.57	1,010.30	1,037.97	805.74	11,708.00
Recycle America	101.02	81.81	92.27	87.93	92.88	88.32	90.51	96.18	84.69	54.63	59.48	95.44	1,025.16
Green Waste	-	-	-	-	-	-	-	-	-	-	-	-	-
SERRF	249.54	247.61	9.48	-	-	-	-	-	-	-	-	193.38	700.01
Total Tonnage Collected	1,179.44	1,057.19	1,137.11	1,114.45	1,158.05	1,111.21	1,156.54	1,195.98	1,066.26	1,064.93	1,097.45	1,094.56	13,433.17
Commercial Diversion %	29.7%	31.2%	8.9%	7.9%	8.0%	7.9%	7.8%	8.0%	7.9%	5.1%	5.4%	26.4%	12.8%
Residential													
Landfilled	1,176.73	687.99	800.01	757.72	1,160.04	176.00	352.09	1,223.99	1,039.26	1,191.71	1,215.71	1,105.83	10,887.08
Residual RAA, Recycling	89.95	73.17	78.72	74.42	85.10	77.98	80.13	85.30	72.99	59.70	95.37	91.48	964.31
Residual Green Waste	19.47	23.84	25.12	16.88	29.00	30.56	12.88	50.61	43.38	22.60	206.90	37.96	519.20
Christmas Trees	-	-	-	-	-	-	-	-	-	-	-	-	-
E-Waste	0.28	0.20	0.08	0.11	0.11	0.11	-	0.11	0.03	-	0.04	0.03	1.09
Recycling	701.47	570.56	613.90	580.37	663.65	608.09	624.85	665.21	569.20	465.55	743.71	713.37	7,519.93
Green Waste-Puente Hills	390.32	254.48	298.47	-	-	-	-	-	-	-	-	-	943.27
Green Waste-WM Simi Valley	-	-	-	355.46	368.96	278.54	-	-	-	65.60	-	-	1,068.56
Green Waste-WM Bradley LF	-	-	-	-	-	82.13	-	-	-	100.00	-	232.52	414.65
Green Waste-GMI	-	-	-	-	-	-	340.09	411.26	330.42	167.65	89.01	-	1,338.43
Commerce Burn Plant	-	-	291.02	-	234.63	252.37	461.42	-	-	-	-	-	1,239.44
SERRF	-	296.40	20.57	308.40	251.06	751.64	397.22	-	-	-	-	-	2,025.29
Total Tonnage Collected	2,378.22	1,906.64	2,127.89	2,093.36	2,792.55	2,257.42	2,268.68	2,436.48	2,055.28	1,972.81	2,450.74	2,181.19	26,921.25
Residential Diversion %	45.9%	58.8%	57.5%	59.4%	54.4%	87.4%	80.4%	44.2%	43.8%	35.4%	38.1%	43.4%	54.0%
Roll-off Service(1)													
Landfilled (through T/S)	506.61	348.72	375.11	382.38	366.91	403.39	344.60	422.38	367.95	361.95	391.18	335.73	4,606.91
Smurfit	6.49	1.64	-	-	-	-	-	5.14	-	-	-	5.30	18.57
Total Tonnage Collected	506.61	355.21	375.11	384.02	366.91	403.39	344.60	422.38	373.09	361.95	391.18	341.03	4,625.48
Roll-off Diversion %	0.0%	1.8%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	1.4%	0.0%	0.0%	1.6%	0.4%
Total Tonnage Collected (All Services)													
Landfilled	2,621.64	1,861.49	2,314.32	2,257.92	2,706.22	1,710.82	1,855.73	2,882.08	2,505.15	2,646.26	2,947.13	2,376.74	28,685.50
Recycled	802.77	652.57	706.25	668.41	756.64	696.52	715.36	761.50	653.92	520.18	803.23	808.84	8,546.18
Green Waste(Puente Hills)	390.32	254.48	298.47	-	-	-	-	-	-	-	-	-	943.27
Green Waste(Simi Valley)	-	-	-	355.46	368.96	278.54	-	-	-	65.60	-	-	1,068.56
Green Waste(Bradley)	-	-	-	-	-	82.13	-	-	-	100.00	-	232.52	414.65
Green Waste(GMI)	-	-	-	-	-	-	340.09	411.26	330.42	167.65	89.01	-	1,338.43
Commerce Burn Plant	-	-	291.02	-	234.63	252.37	461.42	-	-	-	-	-	1,239.44
SERRF	249.54	544.01	30.05	308.40	251.06	751.64	397.22	-	-	-	-	193.38	2,725.30
Other Diversion	-	6.49	-	1.64	-	-	-	-	5.14	-	-	5.30	18.57
Total Tons Collected	4,064.27	3,319.04	3,640.11	3,593.83	4,317.51	3,772.02	3,769.82	4,054.84	3,494.63	3,999.69	3,939.37	3,616.78	44,979.90
Total Tons Diverted	1,442.63	1,457.55	1,325.79	1,333.91	1,611.29	2,061.20	1,914.09	1,172.76	989.48	753.43	992.24	1,240.01	16,294.40
Total Diversion % All Services	35.5%	43.9%	36.4%	37.1%	37.3%	54.6%	50.8%	28.9%	28.3%	22.2%	25.2%	34.3%	36.2%
Total Transformation Tonnage	249.54	544.01	321.07	308.40	485.69	1,004.01	858.64	-	-	-	-	193.38	3,964.74
Total Transformation Div Credit*	6.1%	16.4%	8.8%	8.6%	11.2%	26.6%	22.8%	0.0%	0.0%	0.0%	0.0%	5.3%	8.8%

(1) Waste Management also reported collecting an additional 651 tons sent to C&D facilities in 2007. This tonnage is not included above, as C&D debris collection is not exclusive under this agreement.

**TONNAGE
For the 12 Months Ended December 31, 2008**

Tonnage Collected By Service	Jan-08 Tonnage	Feb-08 Tonnage	Mar-08 Tonnage	Apr-08 Tonnage	May-08 Tonnage	Jun-08 Tonnage	Jul-08 Tonnage	Aug-08 Tonnage	Sep-08 Tonnage	Oct-08 Tonnage	Nov-08 Tonnage	Dec-08 Tonnage	Yearly Totals
Commercial													
Landfilled	-	94719	98941	96025	99826	99254	1,033,90	98219	99238	96792	90380	95823	10,726,07
Recycle America	93.83	82,856	87,09	84,09	91,63	89,20	91,89	86,19	85,00	86,09	89,56	106,73	1,074,16
SERRE	1,010.40	-	-	-	-	-	-	-	-	-	10,99	-	1,021,39
Other Diversion	-	-	-	-	1.19	-	-	-	-	-	-	-	1.19
Total Tonnage Collected Commercial Diversion %	1,104.23 100.0%	1,030.05 8.0%	1,076.50 8.1%	1,044.34 8.1%	1,091.08 8.5%	1,081.74 8.2%	1,125.79 8.2%	1,068.38 8.1%	1,077.38 7.9%	1,054.01 8.2%	1,004.35 10.0%	1,064.96 10.0%	12,822.81 16.4%
Residential													
Landfilled	-	95642	87647	1,03678	96679	56176	83484	58361	1,06611	1,06068	96427	1,10309	10,010.82
Residual RA A, Recycling	66.84	56,30	56,13	58,65	59,03	58,59	60,17	52,91	57,44	60,08	56,00	70,49	712.63
Residual Green Waste	47.52	72,65	21,92	44,56	16,74	7,57	-	4,95	6,86	2,53	-	-	225.30
Christmas Trees	3.83	-	-	-	-	-	-	-	-	-	-	-	3.83
E-Waste	0.06	0.13	0.10	0.10	0.10	-	-	0.05	0.01	-	-	-	0.55
Recycling-WMRA	720.46	606,79	604,96	632,18	636,25	631,51	648,58	570,24	619,16	647,60	603,63	759,80	7,681.16
Green Waste-WM Bradley LF	293.09	250,07	337,68	330,97	408,03	387,18	453,14	412,73	405,43	394,75	351,24	296,10	4,320.41
SERRE	1,161.76	21,20	119,77	-	121,86	447,06	335,70	436,61	5,02	-	-	-	2,648.98
Total Tonnage Collected Residential Diversion %	2,293.56 94.8%	1,963.56 44.7%	2,017.03 52.7%	2,103.24 45.8%	2,208.80 52.8%	2,093.67 70.0%	2,332.43 61.6%	2,061.10 68.9%	2,160.03 47.7%	2,165.64 48.1%	1,975.14 48.3%	2,229.48 47.4%	25,603.68 57.2%
Roll-off Service(s)													
Landfilled (through T/S)	244.55	257,52	282,92	273,07	273,45	257,72	288,45	299,64	266,77	309,22	256,13	311,47	3,320.91
SERRE	118.48	-	-	-	-	-	-	-	-	-	-	-	118.48
Recycled	-	-	0.54	-	-	-	-	-	-	-	-	-	0.54
Total Tonnage Collected Roll-off Diversion %	363.03 32.6%	257.52 0.0%	283.46 0.2%	273.07 0.0%	273.45 0.0%	257.72 0.0%	288.45 0.0%	299.64 0.0%	266.77 0.0%	309.22 0.0%	256.13 0.0%	311.47 0.0%	3,439.93 3.5%
Total Tonnage Collected (All Services)													
Landfilled	358.91	2,290.08	2,226.85	2,373.31	2,214.27	1,878.18	2,217.36	1,923.30	2,389.56	2,400.43	2,180.20	2,443.28	24,995.73
Recycled	814.35	689,78	692,15	716,37	727,98	720,71	740,47	656,48	704,17	733,69	693,19	866,53	8,755.87
Green Waste(Puente Hills)	3.83	-	-	-	-	-	-	-	-	-	-	-	3.83
Green Waste(Bradley)	293.09	250,07	337,68	330,97	408,03	387,18	453,14	412,73	405,43	394,75	351,24	296,10	4,320.41
SERRE	2,290.64	21,20	119,77	-	121,86	447,06	335,70	436,61	5,02	-	10,99	-	3,788.85
Other Diversion	-	-	0.54	-	1.19	-	-	-	-	-	-	-	1.73
Total Tons Collected	3,760.82	3,251.13	3,576.99	3,420.65	3,573.33	3,433.13	3,746.67	3,429.12	3,504.18	3,528.87	3,235.62	3,605.91	41,866.42
Total Tons Diverted	3,401.91	961.05	1,150.14	1,047.34	1,259.06	1,554.95	1,529.31	1,505.82	1,114.62	1,128.44	1,055.42	1,162.63	16,870.69
Total Diversion % All Services	81.34 90.5%	24.32 29.6%	27.16 34.1%	11.17 30.6%	19.33 35.2%	45.3% 45.3%	40.8% 40.8%	43.9% 43.9%	5.40 31.8%	8.66 32.0%	32.6% 32.6%	32.2% 32.2%	191.97 40.3%
Total Transformation Tonnage	2,290.64	21,20	119,77	-	121,86	447,06	335,70	436,61	5,02	-	10,99	-	3,788.85
Total Transformation Div Credit*	60.9%	0.7%	3.5%	0.0%	3.4%	13.0%	9.0%	12.7%	0.1%	0.0%	0.3%	0.0%	9.0%

(1) Waste Management also reported collecting an additional 392 tons sent to C&D facilities in 2008. This tonnage is not included above, as C&D debris collection is not exclusive under this agreement.

ROUTES AND ROUTE HOURS
As of January 2010

Row	Truck Type	# of Truck Routes							Crew Size (1 or 2 persons)	Hours Per Route per Day (1)
		Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday		
1	Automated Refuse	3	1	3	-	3	-	-	1	11.5
2	Automated Recycling	3	1	3	-	3	-	-	1	12.0
3	Automated Green Waste	2	2	2	-	2	-	-	1	10.0
4	Manual Refuse	-	2	-	3	-	-	-	1	12.0
5	Manual Recycling	-	2	-	3	-	-	-	1	12.0
6	Bin Refuse (3)	2	2	2	2	2	1	1	2	12.0
7	Bin Recycling	1	1	1	1	1	1	-	1	10.0
8	Burro Vehicle/Strand (2)	1	1	-	1	1	1	1	1	3.0
9	Roll-Off	1	1	1	1	1	1	-	1	6.0
10	Total Routes	13	13	12	11	13	3	2		

(1) For example, 8, 9 or 10 hour days.

(2) Burro truck services Strand and City litter containers.

(3) No scout vehicles are used. However, the hauler reports using two crew on these routes due to alleys, hills and long roll-outs.

RATE REVENUE
for 12-Month Period Ended June 30, 2009

Row	Month	Residential Revenue - City Billed	Commercial Revenue - City Billed	Permanent & Temporary Roll-off - Hauler Billed	Commercial Temporary Bins - Hauler Billed	Total Revenue
1	July 2008	\$ 184,894	\$ 116,795	\$ 20,904	\$ 3,983	\$ 326,576
2	August 2008	\$ 187,302	\$ 116,713	\$ 21,137	\$ 3,070	\$ 328,222
3	September 2008	\$ 184,894	\$ 116,795	\$ 21,326	\$ 2,172	\$ 325,187
4	October 2008	\$ 187,560	\$ 118,208	\$ 23,629	\$ 4,309	\$ 333,706
5	November 2008	\$ 185,000	\$ 118,232	\$ 23,091	\$ 2,067	\$ 328,390
6	December 2008	\$ 187,363	\$ 117,407	\$ 25,459	\$ 3,606	\$ 333,835
7	January 2009	\$ 185,363	\$ 116,677	\$ 21,195	\$ 1,500	\$ 324,735
8	February 2009	\$ 188,122	\$ 115,710	\$ 21,163	\$ 1,688	\$ 326,683
9	March 2009	\$ 185,341	\$ 117,178	\$ 20,382	\$ 2,325	\$ 325,226
10	April 2009	\$ 187,926	\$ 116,000	\$ 21,801	\$ 1,918	\$ 327,645
11	May 2009	\$ 185,853	\$ 115,332	\$ 27,177	\$ 1,937	\$ 330,299
12	June 2009	\$ 198,525	\$ 104,779	\$ 27,318	\$ 2,741	\$ 333,363
13	Total Revenue July 2008 - June 2009	\$ 2,248,143	\$ 1,389,826	\$ 274,582	\$ 31,316	\$ 3,943,867
14	Administrative Fee Retained by City for FY 2009	\$ 330,586	\$ 204,372	\$ -	\$ -	\$ 534,958
15	Total Remitted to /Retained by Contractor FY 2009	\$ 1,917,557	\$ 1,185,454	\$ 274,582	\$ 31,316	\$ 3,408,909

ATTACHMENT 2

CITY FACILITIES
as of October 2009

The following services are not included in the service counts in Attachment 2-C. Services are included in Attachment 2-F as indicated in that attachment.

Row	NAME/LOCATIONS	WASTE TYPE	# CONTAINERS	CONTAINER SIZE	PU'S/WK
1	Fire Station #2	Refuse	1	4yd	1
2	Fire Station #2	Recycling	2	64gal	1
3	Manhattan Bch City Yard	Refuse	2	3yd	2
4	Manhattan Bch City Yard	Refuse	1	4yd	2
5	Manhattan Bch City Yard	Recycling	2	4yd	1
6	Manhattan Bch City Yard	Recycling	1	96gal	1
7	Manhattan Bch City Yard	Recycling	1	2yd	1
8	MB Fire / Police	Refuse	1	4yd	5
9	Live Oak Park Recreation	Refuse	1	2yd	3
10	Live Oak Park	Refuse	1	4yd	3
11	Live Oak Baseball Field	Refuse	1	3yd	3
12	Joslyn Center	Refuse	1	4yd	2
13	Manhattan Bch Yard	Refuse	1	25yd	2
14	Sand Dune Park	Refuse	1	3yd	3
15	Manhattan Beach Pier	Refuse	1	3yd	6
16	Manhattan Hts Com Bldg	Refuse	1	3yd	1
17	Polliwog Park	Refuse	2	4yd	3
18	Manhattan Heights Park	Refuse	1	3yd	2
19	Marine Park	Refuse	1	6yd	2
20	MB 1400 Parkway Dr	Refuse	1	4yd	1
21	New Marine Park	Refuse	1	3yd	1
22	City street litter containers	See Attachment 2-P			

CITY-SPONSORED EVENTS

The following are estimates of the service levels required at recent events. Each event is annual unless noted otherwise. The service levels may vary over time and may be higher, with no additional compensation provided. Franchisee will be expected to focus on recycling at such events.

Row	Event	Solid Waste Services Typically Provided at Past Events (# and size of refuse and recycling containers, event boxes, etc.)	Event Boxes and Liners	Solid Waste Collection Containers (1)
1	Earth Day Fair	Event Boxes: 100 trash, 100 recycling... Liners: 600		
2	Family Campout	Event Boxes: 20 trash, 20 recycling... Liners: 60		
3	Fishing Derby	Event Boxes: 10 trash, 10 recycle... Liners: 40		
4	Concerts in the Park (11 weeks)	Event Boxes: 50 trash, 50 recycle... Liners: 300		
5	Tennis Tournament	Event Boxes: 30 trash, 30 recycle... Liners: 60		
6	Sand Castle Design Contest	Event Boxes: 10 trash, 10 recycle... Liners: 40		
7	Employee Picnic	Event Boxes: 15 trash, 15 recycle... Liners: 30		
8	Polliwog Movie in the Park	Event Boxes: 20 trash, 20 recycle... Liners: 80		
9	Pet Appreciation Expo	Event Boxes: 20 trash, 20 recycle... Liners: 80		
10	6-Man Volleyball Tournament & Surf Festival (2)	Event Boxes: 150 trash, 150 recycle... Liners: 1200		(2) 40 Yard trash, (1) 25 Yard white recycle
11	Halloween Carnival	Event Boxes: 15 trash, 15 recycle... Liners: 30		
12	Downtown Open House/Pier Lighting Ceremony	Event Boxes: 50 trash, 50 recycle... Liners: 200		
13	Pier Fireworks Show	Event Boxes: 75 trash, 75 recycle... Liners: 250		(1) 30 Yard trash, (2) 4 Yard white recycle bins with lock
14	Family Crafts Night	Event Boxes: 10 trash, 10 recycle... Liners: 40		
15	Cultural Arts Fair	Event Boxes: 30 trash, 30 recycle... Liners: 60		(1) 10 Yard trash, (1) 6 Yard white recycle bin
16	Senior Health Fair	Event Boxes: 15 trash, 15 recycle... Liners: 30		
17	2012 City of MB Centennial Celebrations	One time event - No estimate available		

(1) Due to space constraints, City crews often collect from event boxes and transport to park containers or City yard containers, which may require hauler to provide extra collections from City facilities during and after events.

(2) 2009 data provided. This event may require a second 25-yard recycling roll-off box next year, and additional refuse and recycling containers due to anticipated event growth.

CITY HAZARDOUS WASTE MANIFEST

The following is an estimate of the types and volumes of materials generated by the City in need of collection and proper processing or disposal by Company on an annual basis.

Row	Item	Annual Quantity Disposed
1	City facility batteries only	apx. 1,000 pounds
2	Circuit Boards	(1) 32 gallon container
3	F-40 Lamps	870-900
4	F-60 Lamps	25-30
5	F-96 Lamps	25-30
6	HID Lamps	50-60
7	Printer Cartridges	Unknown
8	Toner	Unknown
9	Miscellaneous Electronic Waste - CRTs, keyboards, small appliances, etc.	40-50 per year
10	(Fire Dept) Combustible liquids N.O.S. (decamethylcyclopentasiloxane)	Small containers
11	(Fire Dept) This is noted (per the Waste Manifest) as non-RCRA hazardous waste, solid (absorbent contaminated with hydro carbons).	(4) 55 gallon drums
12	(Garage) Waste oil	Apx. 1,000 gallons per year (Bulk in 500 gallon above ground tank)
13	(Garage) Antifreeze	Apx. 700 gallons per year (Bulk in 250 Gal. above ground tank)
14	(Garage) Waste Oil Filters	(5) 55 gallon drums (apx. 50-70 filters per drum)
15	(Garage) Waste Fuel Filters	(2) 55 gallon drums (apx. 80-150 filters per drum)
16	(Garage) Absorbent/Pig Blankets (wipes)	(4) 55 gallon drums (average weight is 200 lbs. per drum)
17	(Garage) Tires	400
18	(Garage) Batteries (Automotive/Industrial)**	20
19	Miscellaneous liquids	(2) 55 gallon drums
20	(Streets Division) Aerosol Sprays	Apx. 60 cans per year
21	Paint - low VOC	Apx. 200-250 pails per year

ACCOUNTS WITH MULTIPLE DAILY PICKUPS

The following accounts were reported as receiving multiple daily pickups. The customers will be charged based on the number of containers and pickups that would be necessary to accomplish the same level of service if pickups were once per day. For example, one container picked up twice per day, seven days per week will be charged as though the customer had two containers being collected seven days per week.

Row	Customer	Reported Service Level
1	Manhattan Village, 157-103916	2-3 yd 7x week, 2x per day
2	Manhattan Village, 157-112968	1-4yd 7x week, 2x per day
3	Manhattan Village, 157-6621	1-3yd 7x week, 2x per day
4	Manhattan Village	all recycle containers, 2x per day (serviced at no charge under new agreement)
5	Hawthorn Victory 157-6517	1-4yd 6x week, 2x per day
6	Rockfish LLC 157-6499,	1-2yd 6x week, 2x per day
7	Grandview Elementary 157-6604	1-6yd, 3x week, 2x per day
8	Manhattan Beach Creamery, 157-96490	3-32 gallon 7x week
9	Manhattan Beach Creamery, 157-96490	1-32 gallon 2x per day on Saturday and Sunday
10	Mangiamo, 157-6502	5-32 gallon can Tuesday, Thursday, Saturday and Sunday
11	Mangiamo, 157-6502	4-32 galon cans on Friday only
12	Starbucks, 157-6367	1-3yd 7x week, 2x per day
13	Shellbeck Tavern, 157-6497	1-32 gallon can T-W-Th-F
14	Shellbeck Tavern, 157-6497	5-32 gallon 3x per day on Monday, Saturday and Sunday

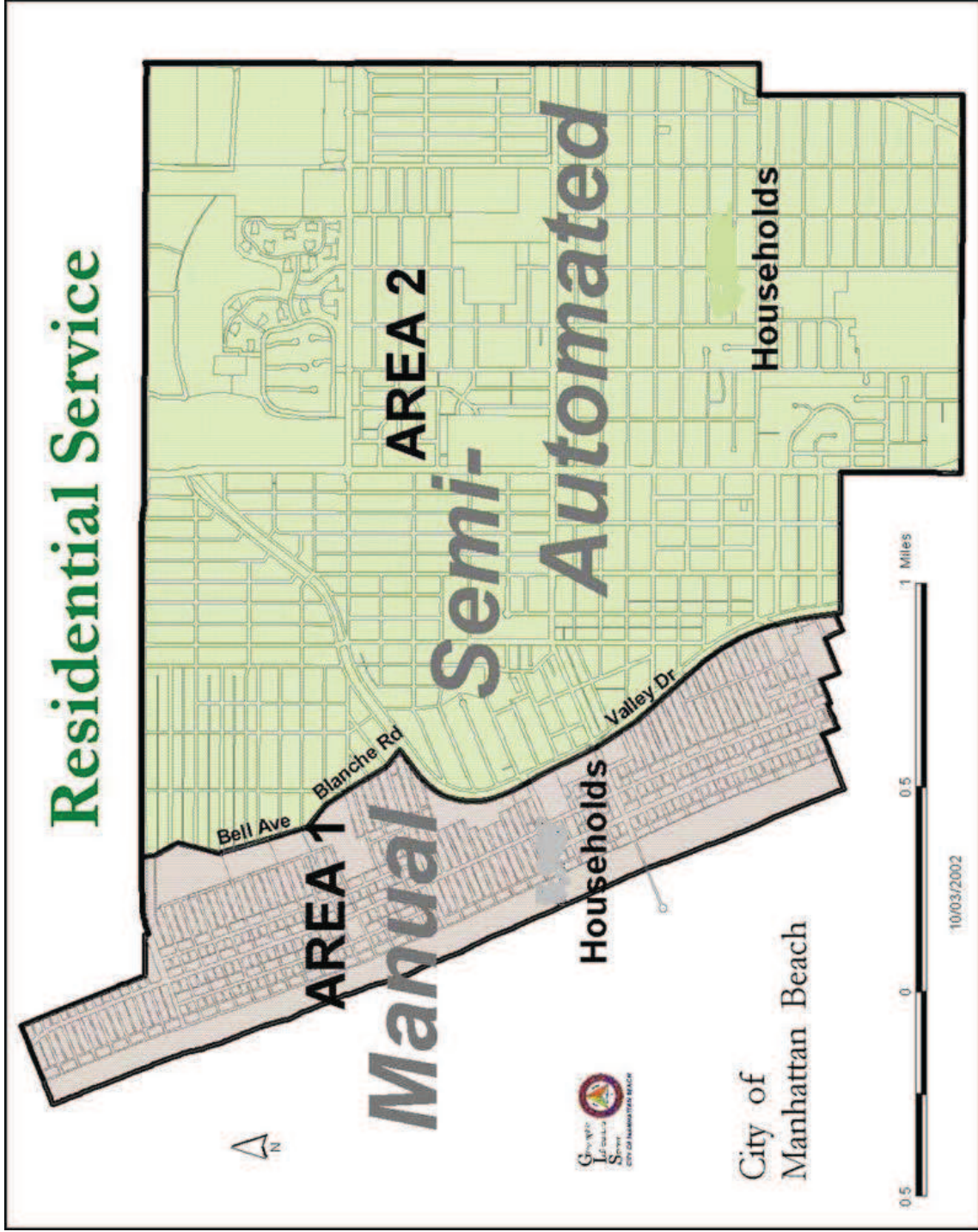
LOCATION	CURRENT MINIMUM PICKUP FREQUENCY	SEASONAL CHANGES	TYPE	Cement W/Plastic Lid (Refuse)	Cement Round (Recycle)	Cement With Tile no Lid	Cement Castle Shape trash and recycling	Not Identified
The Strand S/o 36th St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
The Strand S/o 36th St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
The Strand N/o 35th St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
W/s Highland N/o 35th St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
The Strand S/o Rosecrans	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
The Strand S/o Rosecrans	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
Beach N/o Rosecrans	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash	1				
Beach N/o Rosecrans	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash	1				
The Strand N/o 38th St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
The Strand N/o 38th St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
Beach between 38th St & 39th St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
Beach between 38th St & 39th St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
The Strand N/o 39th St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
The Strand N/o 39th St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
Beach N/o 39th St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
The Strand N/o 40th St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
The Strand N/o 40th St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
Beach N/o 40th St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
Beach S/o 40th St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
Highland between 42nd St & 43rd St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
S/s 40th St E/o Highland	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
Beach N/o 44th St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
Beach N/o 44th St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
The Strand N/o 44th St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
Beach N/o 44th St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
The Strand N/o 43rd St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
Beach N/o 43rd St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
Beach S/o 43rd St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
Beach S/o 43rd St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
The Strand N/o 42nd St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
Beach N/o 42nd St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
Beach S/o 42nd St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
The Strand N/o 41st St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
Beach N/o 41st St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
Beach S/o 41st St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
Beach S/o 41st St	Monday - Sunday - once/weekday, twice daily/weekend & holidays		Trash				1	
S/s Rosecrans W/o Redondo	Tuesday		Trash	1				
W/s Aviation S/o Rosecrans	Tuesday		Trash	1				
W/s Aviation N/o Marine	Tuesday		Recycle	1				
W/s Aviation N/o Marine	Tuesday		Recycle	1				
E/s Sepulveda N/o MBB	Tuesday		Recycle	1				
E/s Sepulveda N/o MBB	Tuesday		Recycle	1				
E/s Sepulveda N/o 18th St	Tuesday		Trash	1				
E/s Sepulveda N/o 18th St	Tuesday		Trash	1				
W/s Sepulveda & 18th St	Tuesday		Recycle	1				
W/s Sepulveda & 18th St	Tuesday		Recycle	1				
W/s Sepulveda S/o Marine	Tuesday		Recycle	1				
W/s Sepulveda S/o Marine	Tuesday		Recycle	1				
W/s Sepulveda N/o Marine	Tuesday		Recycle	1				
W/s Sepulveda N/o Marine	Tuesday		Recycle	1				
W/s Sepulveda S/o 30th St	Tuesday		Recycle	1				
W/s Sepulveda S/o 30th St	Tuesday		Recycle	1				
W/s Sepulveda S/o Rosecrans	Tuesday		Recycle	1				
W/s Sepulveda S/o Rosecrans	Tuesday		Recycle	1				
E/s Sepulveda N/o 30th St	Tuesday		Recycle	1				
S/s 36th St W/o Highland	Tues	Mon-Sun	Recycle				1	
W/s Highland N/o 33rd St	Tues	Mon-Sun	Recycle				1	
W/s Highland N/o 33rd St	Tues	Mon-Sun	Recycle				1	
E/s Highland between 32nd Pl & 33rd St	Tues	Mon-Sun	Recycle				1	
The Strand & 34th St		Mon-Sun	Trash				1	

LOCATION	CURRENT MINIMUM PICKUP FREQUENCY	SEASONAL CHANGES	TYPE	Cement W/Plastic Lid (Refuse)	Cement Round (Recycle)	Cement With Tile no Lid	Cement Castle Shape trash and recycling	Not Identified
The Strand & 33rd St	Tues-Thur-Sat-Sun	Mon-Sun	Trash				1	
The Strand S/o 32nd St	Tues-Thur-Sat-Sun	Mon-Sun	Trash				1	
The Strand S/o 31st St	Tues-Thur-Sat-Sun	Mon-Sun	Trash				1	
The Strand & 29th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash				1	
The Strand & 28th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash				1	
The Strand N/o 27th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash				1	
The Strand N/o 27th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash				1	
W/s Manhattan S/o 27th St	Tues	Mon-Sun	Trash				1	
W/s Highland N/o 26th St	Tues	Mon-Sun	Trash				1	
Deadend of 33rd St E/o Vista	Thursday		Trash	1				
Deadend of 34th St E/o Vista	Thursday		Trash	1				
W/s Highland S/o Marine Pl	Tues	Mon-Sun	Trash				1	
E/s Highland S/o Marine	Tues	Mon-Sun	Trash				1	
W/s Highland N/o 18th St	Tues	Mon-Sun	Trash				1	
E/s Highland between 17th Pl & 18th St	Tues-Fri	Mon-Sun	Trash				1	
Beach S/o 16th St	once/weekday, twice daily/weekend & holidays	Mon-Sun	Trash				1	
The Strand S/o 17th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash				1	
The Strand S/o 17th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash				1	
The Strand & 18th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash				1	
The Strand S/o 19th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash				1	
The Strand S/o 19th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash				1	
The Strand N/o 20th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash				1	
The Strand & 21st St	Tues-Thur-Sat-Sun	Mon-Sun	Trash				1	
The Strand S/o Marine	Tues-Thur-Sat-Sun	Mon-Sun	Trash				1	
The Strand S/o 23rd St	Tues-Thur-Sat-Sun	Mon-Sun	Trash				1	
The Strand N/o 23rd St	Tues-Thur-Sat-Sun	Mon-Sun	Trash				1	
The Strand N/o 23rd St	Tues-Thur-Sat-Sun	Mon-Sun	Trash				1	
The Strand N/o 23th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash				1	
The Strand & 26th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash				1	
The Strand & 26th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash				1	
The Strand & 24th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash				1	
The Strand between MBB & 12th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash				1	
S/s MBB E/o Ocean	Tues-Fri		Trash				1	
S/s MBB W/o Ocean	Tues-Fri		Recycle				1	
S/s MBB W/o Ocean	Tues-Fri		Trash				1	
E/s Ocean N/o 11th St	Tues-Fri		Trash				1	
S/s MBB W/o Manhattan	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
W/s Manhattan N/o 11th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
E/s Manhattan S/o 11th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
E/s Highland S/o 11th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
W/s Highland N/o 11th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
S/s MBB E/o Highland	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
N/s MBB W/o Highland	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
W/s Highland between MBB & Center Pl	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
N/s MBB	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
S/s MBB between Highland & Morningside	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
N/s MBB	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
N/s MBB	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
S/s MBB E/o Morningside	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
S/s MBB W/o Highland	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
N/s MBB E/o Manhattan	Thur		Trash	1				
S/s MBB E/o Manhattan	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
E/s Manhattan between MBB & Center Pl	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
W/s Manhattan between MBB & Center Pl	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		

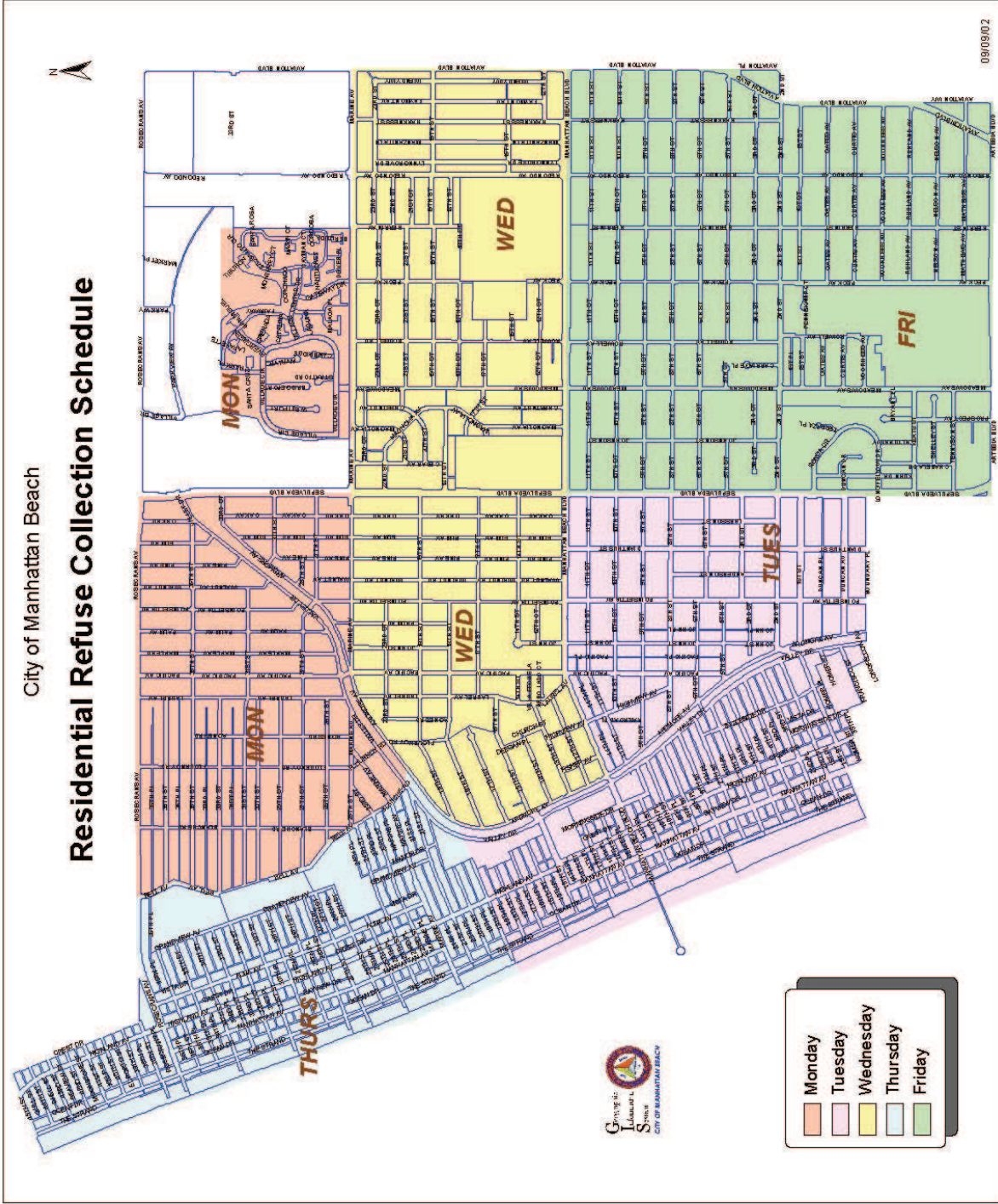
LOCATION	CURRENT MINIMUM PICKUP FREQUENCY	SEASONAL CHANGES	TYPE	Cement W/Plastic Lid (Refuse)	Cement Round (Recycle)	Cement With Tile no Lid	Cement Castle Shape trash and recycling	Not Identified
E/S Manhattan S/o 12th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
W/S Manhattan S/o 12th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
W/S Manhattan N/o 12th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
W/S Manhattan S/o 13th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
W/S Manhattan N/o 13th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
W/S Highland between Center Pl & 12th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
N/S 12th St E/o Highland	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
S/S 12th St E/o Highland	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
E/S Highland N/o 13th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
W/S Highland N/o 13th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
W/S Highland S/o 14th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
E/S Highland S/o 13th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand & 10th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand & 10th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand between 10th St & 11th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand & 11th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand & 11th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand between 11th St & MBB	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand between 11th St & MBB	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand between MBB & 12th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand & 12th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand & 12th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand between 12th St & 13th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand between 12th St & 13th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand & 13th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand & 13th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand between 13th St & 14th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand between 13th St & 14th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand & 15th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand & 15th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
Beach S/o 14th St	once/weekday, twice daily/weekend & holidays		Trash			1		
Beach N/o 14th St	once/weekday, twice daily/weekend & holidays		Trash			1		
The Strand & 15th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand & 15th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
S/S 12th St W/o Morningside	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
W/S Morningside between 12th St & Center Pl	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
S/S 12th St W/o Morningside	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
E/S Highland S/o Center Pl	Tues-Thur-Fri-Sat-Sun	Mon-Sun	Trash			1		
E/S Manhattan N/o 10th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
W/S Manhattan S/o 10th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand & 9th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand & 9th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
W/S Bayview Dr S/o 9th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
N/S 9th St E/o Bayview Dr	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand S/o 8th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand S/o 8th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand & 7th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand & 7th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand N/o 6th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand N/o 6th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand N/o 5th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand N/o 5th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand N/o 4th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand N/o 4th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand N/o 3rd St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand N/o 3rd St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand between 2nd St & 3rd St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand between 2nd St & 3rd St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
E/S Manhattan & 4th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
The Strand N/o 1st St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
N/S MBB W/o Valley	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		
W/S Manhattan N/o 26th St	Tues-Thur-Sat-Sun	Mon-Sun	Trash			1		

LOCATION	CURRENT MINIMUM PICKUP FREQUENCY	SEASONAL CHANGES	TYPE	Cement W/Plastic Lid (Refuse)	Cement Round (Recycle)	Cement With Tile no Lid	Cement Castle Shape trash and recycling	Not Identified
W/s Sepulveda S/o Rosecrans	Tues		Trash	1				
S/s Rosecrans W/o Blanche	Tues		Trash	1				
W/s Bell between 33rd St & 33rd Pl	Mon - Thur		Trash	1				
W/s Bell between 33rd Pl & 35th St	Mon - Thur		Trash	1				
W/s Aviation S/o MBB	Tues		Trash	1				
E/s Sepulveda S/o Duncan	Thur		Trash	1				
Postal Annex	once/weekday, twice daily/weekend & holidays		Trash/Recycle	1	4		2	
Live Oak Park	once/weekday, twice daily/weekend & holidays		Trash/Recycle	21	1	1	4	
Manhattan Beach Green Belt	once/weekday, twice daily/weekend & holidays		Trash/Recycle	31	1			
Manhattan Heights Park	once/weekday, twice daily/weekend & holidays		Trash/Recycle	8	1			
Manhattan Village Soccer Park	once/weekday, twice daily/weekend & holidays		Trash/Recycle	4	1			
Manhattan Village Soccer Field	once/weekday, twice daily/weekend & holidays		Trash/Recycle	5	3			
Marine Avenue Park	once/weekday, twice daily/weekend & holidays		Trash/Recycle	20	1			
Marine Sports Complex	once/weekday, twice daily/weekend & holidays		Recycle				11	
Bruce's Beach Park	once/weekday, twice daily/weekend & holidays		Trash/Recycle	2	2		2	
Pollack Park	once/weekday, twice daily/weekend & holidays		Trash/Recycle	49	2		10	
Public Works Facility	Mon - Fri		Trash/Recycle		6		1	
Sand Dune Park	once/weekday, twice daily/weekend & holidays		Trash	17				
Bell Avenue Right-of-Way	once/weekday, twice daily/weekend & holidays		Trash	4				
Live Oak Park & Marine Park Dog Runs	once/weekday, twice daily/weekend & holidays		Trash	1				
Begg Field North Diamond	once/weekday, twice daily/weekend & holidays		Trash/Recycle	1	1			
Center Field	once/weekday, twice daily/weekend & holidays		Trash/Recycle	5				
Grandview School	once/weekday, twice daily/weekend & holidays							1
Meadows School	once/weekday, twice daily/weekend & holidays		Trash/Recycle	1	1			
Pacific School	once/weekday, twice daily/weekend & holidays		Trash/Recycle	2	2			
Pennkamp School	once/weekday, twice daily/weekend & holidays		Trash/Recycle	2	2			
8th Street Parquette	once/weekday, twice daily/weekend & holidays		Trash	2				
Larsson Street Parquette	once/weekday, twice daily/weekend & holidays		Trash	2				
Block 35 Water Tower	once/weekday, twice daily/weekend & holidays		Trash	2				
Subtotal by Container Type				252	25	43	147	29
Total Containers			496					

MAP OF SAND SECTION



ROUTE MAP



CITY LITTER CONTAINER PICTURES



CITY LITTER CONTAINER PICTURES (continued)



CITY LITTER CONTAINER PICTURES (continued)



MANHATTAN BEACH SCHOOLS

Contractor is required to assist Manhattan Beach schools with public education and recycling efforts per Section 4.3.8 of the draft franchise agreement. Below are listed the Manhattan Beach School District schools and private schools anticipated to require assistance, with estimated student populations where available. Student populations may vary and additional schools may be added or deleted.

Row	School	Grade	Estimated Student Population
Manhattan Beach Unified School District - enrollment based upon May 28, 2010 Daily Enrollment Report			
1	Grand View School	K-5	718
2	Pacific School	K-5	655
3	Meadows School	K-5	496
4	Robinson School	K-5	410
5	Pennekamp School	K-5	573
6	Manhattan Beach Middle School	6-8	1312 (includes 5 home teach students)
7	Mira Costa High School	9-12	2382 (includes 75 home teach, independent study and SDC students)
8	MBUSD Enrollment Total		6,546
Private Schools - enrollment as reported on school websites			
9	American Martyrs Catholic Community	elementary	
10	Del Sol School	K-6	58
11	Mahattan Academy	preK-5	134
12	Montessori School of Manhattan Beach	elementary	
13	Mahattan Academy	high school	

ATTACHMENT 3
RATE PROPOSAL FORMS

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3-A	Summary of Proposed First-Year Rate Revenue
3-B	Proposed First-Year Rates - Single Family Cart Service
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3-D	Proposed First-Year Rates - Bin and Commercial Cart Service
3-E	Proposed First-Year Bin and Commercial Cart Service Revenue
3-F	Proposed First-Year Roll-Off Box and Temporary Bin Rates and Revenue
3-G	Proposed Annual Revenue for Optional Services
3-H	Optional Construction and Demolition Debris Rates

SUMMARY OF PROPOSED FIRST-YEAR RATE REVENUE

Proposing Company:

Confirm that rate revenue is accurately reflected, based upon proposer's proposed rates.

Row	Service Category	Proposed First Year Annual Rate Revenue	Reference
1	Single Family Cart Service	To Be Determined*	
2	Multi Family Cart Service Rate Revenue	\$ -	Attach. 3-C, Row 19
3	Bin and Commercial Cart Service Rate Revenue	\$ -	Attach. 3-E, Row 15
4	Roll-Off Box and Temporary Bin Service Rate Revenue	\$ -	Attach. 3-F, Row 17
Row	Optional Services	Annual Revenue	Reference
5	Door-to-Door HHW Service Revenue	\$ -	Attach. 3-G, Row 1
6	Mixed Waste Processing of All Bin Waste Revenue	\$ -	Attach. 3-G, Row 2

* For proposal evaluation purposes, single family cart service rate revenues will be estimated by the City using the contractor's proposed rate, and the cart distribution based on the average container distribution estimated by proposers.

Failure to complete and submit this form will deem the proposer's franchise proposal non-responsive.

PROPOSED FIRST-YEAR RATES - SINGLE FAMILY CART SERVICE

Proposing Company: _____

Provide rates in bold-outlined boxes. The other rates should automatically calculate. These rates shall apply to one-unit single family homes. See Attachment 4-A for annual revenue estimate.

Row	Service Category	Monthly Rate
1	Curbside Collection - 1x week, one refuse, recycling and green waste cart	
2	- 95-gallon refuse cart (1)	\$ -
3	- 64-gallon refuse cart - Base Rate	_____
4	- 35-gallon refuse cart (2)	\$ -
5	Extra Cart Services	
6	Backyard Service Charge Added to Curbside Rate (current estimate of 39 customers)	_____
7	Additional Refuse Cart Rates (for each refuse cart above one)	
8	- 95-gallon	\$8.00
9	- 64-gallon	\$6.00
10	- 35-gallon	\$4.00

- (1) 95-gallon refuse cart rate shall be set \$4.00 per month higher than the proposed 64-gallon rate.
- (2) 35-gallon refuse cart rate shall be set \$4.00 per month lower than the proposed 64-gallon rate.

Failure to complete and submit this form will deem the proposer's franchise proposal non-responsive.

PROPOSED FIRST-YEAR RATES AND REVENUE - MULTI FAMILY CART SERVICE

Proposing Company: _____

Provide rates in bold-outlined boxes. The other rates should automatically calculate. The proposed rates are to be applied on a per unit basis only to residential customer with two or more units. Rates are not volume based. Customers with multiple refuse carts or customers that share refuse carts will be charged the same rate.

Proposed Multi Family Rates for Cart Customers with 2-9 Dwelling Units

Per Unit Monthly Rate for Unlimited Cart Service for Multi-Family Customers with 2-9 Dwelling Units:					
Row	Dwelling Units per Building	Standard Monthly Rate/Building	# of Buildings	Monthly Rate Revenue	Annual Rate Revenue
1	2	\$ -	950	\$ -	\$ -
2	3	\$ -	183	\$ -	\$ -
3	4	\$ -	91	\$ -	\$ -
4	5	\$ -	3	\$ -	\$ -
5	6	\$ -	10	\$ -	\$ -
6	7	\$ -	5	\$ -	\$ -
7	8	\$ -	1	\$ -	\$ -
8	9	\$ -	0	\$ -	\$ -
9	Total			\$ -	\$ -

Proposed Multi Family Rates for Backyard Service Customers with 2-9 Dwelling Units

Per Unit Monthly Surcharge for Backyard Service for Multi-Family Customers with 2-9 Dwelling Units (1):					
Row	Dwelling Units per Building	Standard Monthly Rate/Building	# of Buildings(2)	Monthly Rate Revenue	Annual Rate Revenue
10	2	\$ -	22	\$ -	\$ -
11	3	\$ -	5	\$ -	\$ -
12	4	\$ -	3	\$ -	\$ -
13	5	\$ -	0	\$ -	\$ -
14	6	\$ -	0	\$ -	\$ -
15	7	\$ -	0	\$ -	\$ -
16	8	\$ -	0	\$ -	\$ -
17	9	\$ -	0	\$ -	\$ -
18	Total			\$ -	\$ -
19	Total Annual Multi-Family Cart Rate Revenue			\$ -	\$ -

(1) Incremental surcharge for backyard service, to be charged in addition to monthly service rate.

(2) Included in unit count for total buildings above.

Failure to complete and submit this form will deem the proposer's franchise proposal non-responsive.

PROPOSED FIRST-YEAR RATES - BIN AND COMMERCIAL CART SERVICE

Proposing Company: _____

Enter proposed rates in Bolded Boxes.

Proposed Rates

Row	Container Type/Size	Number of Collections per Week						
		1	2	3	4	5	6	7
1	Refuse Can							
2	35-gallon Cart (equal to can rate)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	64-gallon Cart (twice can rate)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	95-gallon Cart (three times can rate)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Refuse, size: 2 yards							
6	Refuse, size: 3 yards							
7	Refuse, size: 4 yards							
8	Refuse, size: 6 yards							
9	Refuse Compactor, size: 2 Cubic Yard							
10	Refuse Compactor, size: 3 Cubic Yard							
11	Refuse Compactor, size: 4 Cubic Yard							
12	Refuse Compactor, size: 6 Cubic Yard							

Service Levels (1)

Row	Container Type/Size	Number of Container Collections per Week							Total Containers
		1	2	3	4	5	6	7	
13	Refuse Can	129	13	8	-	4	-	2	156
14	35-gallon Cart (2)	-	-	-	-	-	-	-	-
15	64-gallon Cart (2)	-	-	-	-	-	-	-	-
16	95-gallon Cart (2)	-	-	-	-	-	-	-	-
17	Refuse, size: 2 yards	88	63	32	4	2	4	11	204
18	Refuse, size: 3 yards	38	44	36	5	12	8	13	156
19	Refuse, size: 4 yards	18	20	32	9	14	11	9	113
20	Refuse, size: 6 yards	-	1	1	-	2	-	-	4
21	Refuse Compactor, size: 2 Cubic Yard	-	-	-	-	-	-	-	-
22	Refuse Compactor, size: 3 Cubic Yard	-	-	-	-	-	-	1	1
23	Refuse Compactor, size: 4 Cubic Yard	-	-	-	-	-	1	-	1
24	Refuse Compactor, size: 6 Cubic Yard	-	-	-	-	-	-	-	-
25	Total Containers	273	141	109	18	34	24	36	635

(1) Revenue generating containers. Does not include city facility services provided at no additional charge.

(2) Cart count not available. May be included in can count.

Failure to complete and submit this form will deem the proposer's franchise proposal non-responsive.

PROPOSED FIRST-YEAR BIN AND COMMERCIAL CART SERVICE REVENUE

Proposing Company: _____

Ensure revenue is correctly calculated on this sheet.

Bin and Commercial Cart Revenue

Row	Container Type/Size	Proposed Rate Revenue							Revenue - Total Containers
		1	2	3	4	5	6	7	
1	Refuse Cart/Can	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	35-gallon Cart	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	64-gallon Cart	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	95-gallon Cart	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Refuse, size: 2 yards	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Refuse, size: 3 yards	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Refuse, size: 4 yards	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Refuse, size: 6 yards	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Refuse Compactor, size: 2 Cubic Yard	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Refuse Compactor, size: 3 Cubic Yard	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Refuse Compactor, size: 4 Cubic Yard	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Refuse Compactor, size: 6 Cubic Yard	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Projected Monthly Revenue								\$ -
14	Months								12
15	Projected Annual Revenue								\$ -

Failure to complete and submit this form will deem the proposer's franchise proposal non-responsive.

PROPOSED FIRST-YEAR ROLL-OFF BOX AND TEMPORARY BIN RATES AND REVENUE

Proposed Revenue: _____

Enter proposed rates in bolded boxes.

Row	Container/Service Type	Contractor Rate	# of Services Provided 12-Months Ended June 30, 2009 (1)	Annual Proposed First Year Revenue
	<u>Service Component</u>			
1	Standard Box, any size	per load	505 pulls	\$ -
2	Compactor Box, any size	per load	138 pulls	\$ -
3	Weekly Standard Roll-Off Box Rental (2)	per week	30 weeks	\$ -
4	Weekly Compactor Roll-Off Box Rental (2)	per week	4 weeks	\$ -
5	<u>Roll-off Per Ton Refuse Disposal Charge</u>			
6	Refuse	per ton	1,869 tons	\$ -
7	Mixed Recyclables	per ton		
8	Green Waste	per ton		
9	Subtotal Roll-Off Box Service Rate Revenue			\$ -
	<u>Temporary Bin Rates</u>			
		Proposed Contractor Rate Per Pull(3)		
		2 cubic yard	4 cubic yard	6 cubic yard
10	Pull Plus Delivery, 10 day rental	\$ -	\$ -	\$ -
11	Each Additional Pull, 10 day rental	\$ -	\$ -	\$ -
		Annual Pulls (calendar year 2009)		
12	Pull Plus Delivery, 10 day rental	-	116	-
13	Each Additional Pull, 10 day rental	-	193	-
		Estimated First Year Contractor Rate Revenue		
14	Pull Plus Delivery, 10 day rental	\$ -	\$ -	\$ -
15	Each Additional Pull, 10 day rental	\$ -	\$ -	\$ -
16	Temporary Bin Rate Surcharge	\$ -	\$ -	\$ -
17	Total Annual Rate Revenue			\$ -

(1) For purposes of estimating proposed first year rate revenue, these service levels include an estimate of revenue-producing services. Service levels estimated in Attachment 2-F have been reduced above by City facilities service levels from Attachment 2-L.

(2) For permanent roll-off boxes that are not pulled at least 3 times per week.

(3) Propose 3 cubic yard rates. Other rates will calculate based upon the current ratio between such rates.

Failure to complete and submit this form will deem the proposer's franchise proposal non-responsive.

PROPOSED ANNUAL REVENUE FOR OPTIONAL SERVICES

Proposing Company: _____

City may choose to implement one or more of the optional services listed below. Enter proposed revenue or percentage increase in bolded boxes. The rest of the table should calculate automatically. Confirm calculations.

Row	Optional Services	Proposed Costs/Rate Increase	Annual Proposed First Year Revenue	Comment
1	Door-to-Door Household Hazardous Waste Service	<div style="border: 1px solid black; width: 100px; height: 30px; margin-bottom: 5px;"></div> Total annual cost to service all residents.	\$ -	See Exhibit 9A of draft agreement and #10 on page 21 of RFP. Program is to provide unlimited service to single and multi-family customers.
2	Mixed Waste Processing of All Bin Waste	<div style="border: 1px solid black; width: 100px; height: 30px; margin-bottom: 5px;"></div> % increase to be applied to bin rates	\$ -	Proposed % increase to be applied to bin rates. See revenue estimated below (1). See Exhibit 9B of draft agreement and #11 on page 21 of RFP

(1) Estimated annual rate revenue to which percentage rate increase for mixed waste processing in Optional Service 2 above would be applied:

Projected Annual Bin and Commercial Cart Rate Revenue	\$ -
Less: Projected Annual Commercial Cart Rate Revenue	\$ -
Projected Annual Bin Rate Revenue	\$ -

Failure to complete and submit this form will deem the proposer's franchise proposal non-responsive.

OPTIONAL CONSTRUCTION AND DEMOLITION DEBRIS RATES

Proposed Revenue: _____

Enter proposed rates in bolded boxes.

Row	Container/Service Type	Contractor Rate
	Roll-Off Box Service	
	<u>Service Component</u>	
1	25 to 40 cubic yard roll-off box	<input type="text"/> per load
2	Low Boy (10 cubic yard) roll-off box	<input type="text"/> per load
	<u>Roll-off Per Ton Refuse Disposal/Processing Charge</u>	
3	Mixed Loads of C&D Debris	<input type="text"/> per ton
4	Source Separated (dirt, concrete, wood, etc.)	actual cost at facility, no higher than mixed load rate
	Temporary Bin Service (3 Cubic Yard)	
5	First dump, including delivery and disposal	<input type="text"/> per pull
6	Additional dumps, including disposal	<input type="text"/> per pull

Failure to complete and submit this form will deem the proposer's franchise proposal non-responsive.

ATTACHMENT 4
SUPPORTING COST AND OPERATING DATA WORKSHEETS

Table of Contents

<u>Page</u>	<u>Contents</u>
4-A	Proposed Rate Revenue
4-B	Projected Revenue Requirement for First Twelve Months of Franchise Agreement
4-C	Projected Routes and Route Hours
4-D	Cost Component and Cost Weightings
4-E	Tonnage Diversion Plan

PROPOSED RATE REVENUE

Proposing Company: _____

Provide unit count assumptions in bold-outlined boxes. Monthly rates shall reference proposed rates on Attachment 3-B, rows 2- 4, row 6, and rows 8 - 10.

Row	Service Category	Monthly Rate	Count	Monthly Revenue	Annual Revenue
1	Single Family Cart Service				
2	<u>Curb-side Collection - 1x week, one refuse, recycling and green waste cart</u>				
3	- 95-gallon refuse cart (1)	\$ -	units	\$ -	\$ -
4	- 64-gallon refuse cart - Base Rate	\$ -	units	\$ -	\$ -
5	- 35-gallon refuse cart (2)	\$ -	units	\$ -	\$ -
6	Total Cart Customers (must equal 10,918 units)		- units		
8	<u>Backyard Service Charge</u>				
		\$ -	39 units	\$ -	\$ -
9	<u>Additional Refuse Cart Rates (for each refuse cart above one)</u>				
10	- 95-gallon	\$ 10.00	units	\$ -	\$ -
11	- 64-gallon	\$ 8.00	units	\$ -	\$ -
12	- 35-gallon	\$ 6.00	units	\$ -	\$ -
13	Total Single Family Cart Service Rate Revenue			\$ -	\$ -
14	Multi Family Cart Service Rate Revenue (referenced from Attachment 3-C, Row 19)				\$ -
15	Bin and Commercial Cart Service Rate Revenue (referenced from Attachment 3-E, Row 15)				\$ -
16	Roll-Off Box and Temporary Bin Service Rate Revenue (referenced from Attachment 3-F, Row 17)				\$ -
17	Total Annual Revenue				\$ -

(1) 95-gallon refuse cart rate shall be set \$4.00 per month higher than the proposed 64-gallon rate.

(2) 35-gallon refuse cart rate shall be set \$4.00 per month lower than the proposed 64-gallon rate.

Failure to complete and submit this form will deem the proposer's franchise proposal non-responsive.

PROJECTED REVENUE REQUIREMENT FOR THE FIRST TWELVE MONTHS OF FRANCHISE AGREEMENT

Proposing Company: _____

Fill in boxes outlined in bold. Confirm automatic calculations.

Row		Automated Cart Service			Bin Service		Rolloff Service	Bulky Item Pickup, Holiday Trees, Abandoned Items, Special Events, Other	TOTAL ANNUAL REVENUE RQMT
		Refuse	Recyclables	Yard Waste	Refuse	Recyclables			
1	Operations								
2	Truck Operating Costs (a)							\$ -	
3	Transfer Station, Transport, MRF costs							\$ -	
4	Transformation Costs (WTE)							\$ -	
5	Greenwaste Processing/Disposal Costs							\$ -	
6	Landfill Disposal Costs							\$ -	
7	Container Depreciation/ Amortization Costs							\$ -	
8	Recyclable Material Sales Revenues (b)							\$ -	
9	Subtotal: Operations Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
10	General, Administrative and Profit								
11	Recycling Fee							\$ 28,000	
12	Annualized Auditing Fee (c)							\$ 25,116	
13	Amortized City Contracting Fee (d)							\$ 17,143	
14	Other								
15	TOTAL REVENUE REQUIREMENT							\$ -	
16	Tons Collected								
17	Operations Cost Per Ton Collected	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
18	Revenue Requirement per Ton Collected	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

(a) Includes Driver/Helper/Supervisor Wages and Benefits, Vehicle Depreciation and Maintenance, Vehicle Insurance, Fuel, Uniforms and Other Route Costs.

(b) Please enter recyclable material sales revenue as a negative number (to offset the operations costs).

(c) \$80,000 the second year, for an audit of the first fiscal year, and \$50,000 every other year thereafter.

(d) \$120,000 over the seven-year term.

Failure to complete and submit this form will deem the proposer's franchise proposal non-responsive.

PROJECTED ROUTES AND ROUTE HOURS

Proposing Company: _____

Instructions: Fill in boxes outlined in bold.

Row	Truck Type	# of Truck Routes							Total Route Days / Week	Hours Per Route per Day (1)	Total Route Hours / Week (2)
		Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday			
1	Automated Refuse								-		-
2	Automated Recycling								-		-
3	Automated Green Waste								-		-
4	Bin Refuse								-		-
5	Bin Recycling								-		-
6	Bulky Item Pick-Up Routes								-		-
7	Scout Vehicle (3)								-		-
8	Burro Vehicle/Strand								-		-
9	Roll-Off Box Routes								-		-
10	Other _____								-		-
11	Other _____								-		-
12	Total Routes	-	-	-	-	-	-	-	-		-

(1) For example, 8, 9 or 10 hour days.

(2) Total Route Days / Week multiplied by Hours Per Route Per Day

(3) If applicable; not currently used. Contactor may not charge an additional fee for scout or pushout service.

Failure to complete and submit this form will deem the proposer's franchise proposal non-responsive.

COST COMPONENTS AND COST WEIGHTINGS

Proposing Company: _____

Instructions: Fill in boxes outlined in bold. Percentages should automatically calculate.

Row	Cost Components	All Services Except Roll-Off		Roll-Off		Total	
		Annual Dollar Amount	Percentage of Total Costs	Annual Dollar Amount	Percentage of Total Costs		
1	Labor		0%		0%		
2	Fuel		0%		0%		
3	Equipment		0%		0%		
4	Transformation		0%	N/A (1)	N/A		
5	Disposal		0%	N/A (1)	N/A		
6	All Other		0%		0%		
7	Total	\$ -	0%	\$ -	0%	\$ -	
8	Roll-Off Box Disposal Costs from Attachment 3-F, Row 6:						\$ -
9	Total Cost Based Upon This Attachment 4-D:						\$ -
10	Total Projected Revenue Requirement Based Upon Attachment 4-A, Row 17, last column (should agree to Row 9):						\$ -
11	Difference (explain any significant difference in proposal):						\$ -

(1) Roll-off disposal/transformation is compensated on a per ton basis.

Failure to complete and submit this form will deem the proposer's franchise proposal non-responsive.

TONNAGE DIVERSION PLAN

Proposing Company: _____

Instructions: Fill in boxes outlined in bold. Confirm automatic calculations. Proposers must demonstrate how they will reach the contractually required diversion of hauler collected waste. Haulers are encouraged to divert additional waste. If a hauler will contractually commit to reaching a higher diversion rate, this should be clearly stated in the proposal as an enhancement and must be supported below.

Proposed Guaranteed Diversion Rate: (this rate should be no higher than the rate proposed on Row 8 below, and must be at least 44%)

Row	Waste Stream	Tons Collected	Tons Diverted					Tons Diverted as % of Tons Collected
			Commingled Recycling	Greenwaste	C&D Processing	Transformation	Other (1)	
1	Residential Refuse (cart)	-						-
2	Residential Recyclables	-						-
3	Residential Greenwaste	-						-
4	Commercial Refuse (Bin)	-						-
5	Commercial Recyclables	-						-
6	Rolloff Service	-						-
7	Holiday Trees/Bulky Items/Abandoned Items/Special Events/Other	-						-
8	Total for Franchise Agreement	-	-	-	-	-	-	-

Failure to complete and submit this form will deem the proposer's franchise proposal non-responsive.

Attachment 5

Anti-Collusion Affidavit

Proposer as a part of this proposal submits the following affidavit:

The undersigned deponent, of lawful age, being duly sworn, upon his oath deposes and says: That he has lawful authority to execute the within and foregoing proposal; that he has executed the same by subscribing his name hereto under oath for and on behalf of said proposer; that proposer has not directly or indirectly entered into any agreement, express or implied, with any proposer or proposers, having for its object the controlling of the price or amount of such proposal or proposals, the limiting of the proposals or proposers, the parceling or farming out to any proposer or proposers or other persons of any part of the contract or any part of the subject matter of the proposal or proposals or of the profits thereof, and that he has not and will not divulge the sealed Proposal to any person whomsoever, except those having a partnership or other financial interest with him in said proposal or proposals, until after the said sealed proposal or proposals are opened.

Deponent further states that the proposer has not been a party to any collusion among proposers in restraint of freedom of competition; by agreement to make a proposal at a fixed price or to refrain from submitting a proposal; or with any City official or employee as to quantity, quality, or price in the prospective contract; or in any discussions between proposers and any City official concerning exchange of money or other things of value for special consideration in the letting of a contract; that the proposer has not paid, given or donated or agreed to pay, give or donate to any official, officer or employee of the City directly or indirectly, in the procuring of the award of contract pursuant to this proposal.

Executed under penalty of perjury on this _____ day of _____, _____ at _____.

SIGNED _____

BY _____

TITLE _____

COMPANY _____

Failure to complete and submit this form will deem the proposer's proposal incomplete and nonconforming.
--

Attachment 6

Draft Franchise Agreement for Integrated Solid Waste Management Services

DRAFT

FRANCHISE

AGREEMENT

BETWEEN

CITY OF MANHATTAN BEACH

AND

FOR

INTEGRATED SOLID WASTE

MANAGEMENT SERVICES

* * *

September 1, 2010

DRAFT

FRANCHISE
AGREEMENT
BETWEEN
CITY OF MANHATTAN BEACH
AND

FOR
INTEGRATED SOLID WASTE
MANAGEMENT SERVICES

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RECITALS

This Franchise Agreement (Agreement) is entered into this __ day of _____, 2010, by and between the City of Manhattan Beach (City) and _____ (Company).

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 ("AB 939") (California Public Resources Code Section 40000 et seq.) has declared that it is in the public interest to authorize and require local agencies to make adequate provisions for Solid Waste handling within their jurisdictions to meet the goals and requirements of AB 939; and,

WHEREAS, the City is required pursuant to the AB 939 and SB 1016 to meet minimum diversion goals; and,

WHEREAS, the City seeks to contract with a solid waste hauler to work together to implement sustainable programs and practices to reduce landfill tonnage, increase producer responsibility, reuse, repair and recycling, and educate the community to sustain the City's natural beauty and ocean safety; and,

WHEREAS, pursuant to California Public Resources Code Section 40059(a)(2), the City has determined that the public health, safety, and well-being require that an exclusive Franchise be awarded to a qualified company for the Collection, transportation, Recycling, processing, and Disposal of Solid Waste and other services to meet the goals and requirements of AB 939; and,

WHEREAS, in response to a Request for Proposals, Company has submitted a proposal to City and City selected Company on the competitive advantages of that proposal over other proposals received by City; and,

WHEREAS, the Company agrees to and acknowledges that it shall properly dispose of all Solid Waste Collected in the City pursuant to this Agreement; and,

WHEREAS, the City and the Company (Parties) hereto desire to enter into this Agreement,

NOW, THEREFORE, in consideration of the premises above stated and the terms, conditions, covenants and agreements contained herein, the Parties do hereby agree as follows:

ARTICLE 1

DEFINITIONS

Whenever any term used in this Agreement has been defined by the provisions of Chapter 5.24 of the Manhattan Beach City Code or by Division 30, Part 1, Chapter 2 of the California Public Resources Code, the definitions in the Municipal Code or the Public Resources Code shall apply unless the term is otherwise defined in this Agreement, in which case this Agreement shall control.

Except as provided in Article 1, words beginning with lower case letters are being used with their common ordinary meanings, not as defined terms. Otherwise, the following capitalized words and terms shall have the following meanings:

1.1 AB 939

"AB 939" means the California Integrated Waste Management Act of 1989 (California Public Resources Code Section 40000 et seq.), as it may be amended from time to time.

1.2 Abandoned Items

"Abandoned Items" means items abandoned in the public right-of-way, including but not limited to Bulky Waste items and Green Waste, to be Collected by Company pursuant to Section 3.6.3.

1.3 Affiliate

"Affiliate" means all businesses (including corporations, limited and general partnerships and sole proprietorships) that are directly or indirectly related to the Company by virtue of direct or indirect ownership interest or common management shall be deemed to be "Affiliated with" the Company and included within the term "Affiliates" as used herein. An Affiliate shall include a business in which the Company owns a direct or indirect ownership interest, a business that has a direct or indirect ownership interest in the Company and/or a business that is also owned, controlled or managed by any business or individual that has a direct or indirect ownership interest in the Company. 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 Agreement, shall apply; provided, however, that (i) "ten percent (10%)" shall be substituted for "fifty percent (50%)" in Section 318(a)(2)(C) and in Section 318(a)(3)(C) thereof; and (ii) Section 318(a)(5)(C) shall be disregarded. For purposes of determining ownership under this paragraph and constructive or indirect ownership under Section 318(a), ownership interest of less than ten percent (10%) shall be disregarded and percentage interests shall be determined on the basis of the percentage of voting interest or value which the ownership interest represents, whichever is greater.

1.4 Agreement

"Agreement" means this Franchise Agreement between the City and the Company for the Collection, transportation, Recycling, processing and Disposal of Solid Waste, and other services related to meeting the goals and requirements of AB 939, including all exhibits and attachments, and any amendments thereto.

1.5 Section Deleted

1.6 Section Deleted

1.7 Billings

"Billings" means any and all statements of charges for services rendered, howsoever made, described or designated by the City or the Company, or made by others for the City or the Company, to Persons responsible for arranging for Solid Waste removal.

1.8 Bin

"Bin" means a metal Container with hinged lids and wheels serviced by a front-end loading truck with a capacity of 2 to 6 cubic yards, including Bins with compactors attached to increase the capacity of the Bin.

1.9 Bulky Waste

"Bulky Waste" means discarded furniture (including chairs, sofas, mattresses, and area rugs, but not carpeting); appliances (including refrigerators, ranges, washers, dryers, water heaters, dishwashers, plumbing, small household appliances and other similar items, commonly known as "white goods"); Electronic Waste (including stereos,

televisions, computers, VCRs and other similar items commonly known as “brown goods”, see Section 1.25); Residential wastes (including wood waste, tree trunks and large branches if no longer than two (2) feet in diameter, four (4) feet in length and fifty (50) lbs. in weight per bundle, scrap wood, in the aggregate not exceeding one cubic yard per Collection); clothing; and tires. Bulky Waste items do not include such things as car bodies or Construction and Demolition Waste, or any other items that cannot be handled by two persons.

1.10 CalRecycle

“CalRecycle” means the State of California’s Department of Resources Recycling and Recovery, and, as this department was structured prior to January 1, 2010, the California Integrated Waste Management Board or CIWMB.

1.11 Can

“Can” means a Solid Waste receptacle provided to Commercial Customers by the Company, approximately 30- to-35-gallons, serviced by manual Collection.

1.12 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.

1.13 City

"City" means the City of Manhattan Beach, a municipal corporation, and all the territory lying within the municipal boundaries of the City as presently existing or as such boundaries may be modified during the term of this Agreement.

1.14 Collect/Collection

"Collect" or "Collection" means to take physical possession, transport, and remove Solid Waste within and from the City.

1.15 Commercial and Industrial

"Commercial and Industrial" refers to property, or Owners of property, upon which business activity is conducted, including but not limited to retail sales, services, wholesale operations, manufacturing and industrial operations, but excluding businesses conducted upon Residential Property which are permitted under applicable zoning regulations and are not the primary use of the property.

1.16 Company

"Company" means _____, a _____ corporation and its officers, directors, employees, agents, companies and subcontractors.

1.17 Company Compensation

"Company Compensation" means the revenue received by the Company from Billings in return for providing services in accordance with this Agreement and any amendments to this Agreement.

1.18 Complaint

"Complaint" means a communication received by Company from a Customer or City indicating services have not been performed in accordance with this Agreement, or otherwise expressing dissatisfaction with service.

1.19 Composting

"Composting" means the separation of organic matter from the waste stream for controlled decomposition into a material that may be used as a soil amendment, such as through the use of composting bins provided under Section 3.3.5.

1.20 Construction and Demolition Waste

"Construction and Demolition Waste" means used or discarded construction materials removed from a Premise during the construction or demolition of a structure.

1.21 Containers

"Containers" means any and all types of Solid Waste receptacles, including Carts, Compactors, Bins, Cans and Rolloff Boxes.

1.22 CPI

"CPI" means the Consumer Price Index for All Urban Consumers (CUUR0000SAOL1E), all items less food and energy index - U.S. city average.

1.23 Customer

"Customer" means the Person having the care and control of any Premises in the City receiving Solid Waste Collection service from the Company.

1.24 Disposal

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

1.25 Disposal Site(s)

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

1.26 Electronic Waste or E-Waste

"Electronic Waste" or "E-Waste" means electronic equipment and includes, but is not limited to, stereos, televisions, computers and computer monitors, VCRs, cellular phones, fax machines, household copiers, computer printers, other items with electric plugs that are banned from landfilling, and other similar items commonly known as "brown goods."

1.27 Environmental Laws

"Environmental Laws" means all federal and State statutes, county, local and the City ordinances concerning public health, safety and the environment including, by way of example and not limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC §9601 et seq.; the Resource

Conservation and Recovery Act, 42 USC §6902 et seq.; the Federal Clean Water Act, 33 USC §1251 et seq.; the Toxic Substances Control Act, 15 USC §1601 et seq.; the Occupational Safety and Health Act, 29 USC §651 et seq.; the California Hazardous Waste Control Act, California Health and Safety Code §25100 et seq.; the California Toxic Substances Control Act, California Health and Safety Code §25300 et seq.; the Porter-Cologne Water Quality Control Act, California Water Code §13000 et seq.; the Safe Drinking Water and Toxic Enforcement Act, California Health and Safety Code §25249.5 et seq.; as currently in force or as hereafter amended, and all rules and regulations promulgated thereunder.

1.28 Facility

"Facility" means any plant or site, owned or leased and maintained, operated or used by the Company for purposes of performing under this Agreement.

1.29 Franchise

"Franchise" means the exclusive right granted by the City to provide Solid Waste services within the City.

1.30 Food Waste

"Food Waste" means Solid Waste that may be Collected as part of the Food Waste pilot programs included in Sections 3.2.7 and 3.2.8, which includes:

- All food (including fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese and eggshells);
- Food-soiled paper (including napkins, paper towels, paper plates); and,
- Tea bags, coffee grounds and filters.

1.31 Green Waste

"Green Waste" means leaves, grass, weeds, and wood materials from trees and shrubs (including holiday trees, but otherwise not more than four (4) inches in diameter or four (4) feet in length) and similar materials generated at the Premises.

1.32 Hazardous Substance

"Hazardous Substance" means any of the following: (a) any substances defined, regulated or listed (directly or by reference) as "Hazardous Substances", "hazardous materials", "Hazardous Wastes", "toxic waste", "pollutant" or "toxic substances" or similarly identified as hazardous to human health or the environment, in or pursuant to (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC §9601 et seq. (CERCLA); (ii) the Hazardous Materials Transportation Act, 49 USC §1802, et seq.; (iii) the Resource Conservation and Recovery Act, 42 USC §6901 et seq.; (iv) the Clean Water Act, 33 USC §1251 et seq.; (v) California Health and Safety Code §§25115-25117, 25249.8, 25281, and 25316; (vi) the Clean Air Act, 42 USC §7901 et seq.; or (vii) California Water Code §13050; (b) any amendments, rules or regulations promulgated thereunder to such enumerated statutes or acts currently existing or hereafter enacted; and (c) any other hazardous or toxic substance, material, chemical, waste or pollutant identified as hazardous or toxic or regulated under any other applicable federal, State or local Environmental Laws currently existing or hereinafter enacted, including, without limitation, friable asbestos, polychlorinated biphenyl's ("PCBs"), petroleum, natural gas and synthetic fuel products, and by-products.

1.33 Hazardous Waste

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

1.34 Household Hazardous Waste (HHW)

"Household Hazardous Waste" means Hazardous Waste generated at Residential Property.

1.35 Materials Recovery Facility

“Materials Recovery Facility” means a Facility licensed or permitted in accordance with AB 939 which separates secondary materials, such as paper and other fibers, plastic, mixed glass and metal containers and processes them for sale to end users or use by Company.

1.36 Mixed Waste Processing

“Mixed Waste Processing” means the separation and sorting of recyclables and other recoverable materials from Refuse at a MRF where commingled loads of Solid Waste are processed.

1.37 Multi-Family

"Multi-Family" means pertaining to any Residential Property with two or more units, irrespective of whether residence therein is transient, temporary or permanent.

1.38 Non-City Sponsored Events

“Non-City Sponsored Events” means periodic events (one-time, annual or occasional, but not year-round) not covered by Section 3.6.5.

1.39 Owner

"Owner" means the Person holding the legal title to the real property constituting the Premises to which Solid Waste Collection service is to be provided under this Agreement or the Person holding legal title to the Disposal Site, depending upon the context used in this Agreement.

1.40 Permanent Rolloff Box Service

“Permanent Rolloff Box Service” means the Collection of Solid Waste generated from ongoing operations at a Customer’s place of business using Rolloff Boxes or large Compactors. This includes, for example, the Collection of Solid Waste from a Commercial Premise that would otherwise be Collected using Bin service if the volume of Solid Waste generated were less. This does not include Rolloff Box service used for occasional higher volumes of waste due to special clean-up or other projects, or on construction or demolition sites.

1.41 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, town, city, or special purpose district.

1.42 Premises

"Premises" means any land, or building in the City where Solid Waste is generated or accumulated.

1.43 Putrescible Waste

"Putrescible Waste" means wastes that are capable of being decomposed by micro-organisms with sufficient rapidity as to cause nuisances because of odors, gases, or other offensive conditions.

1.44 Rate Year

"Rate Year" means the twelve-month period from July 1st to June 30th, each year of the Agreement.

1.45 Recycling

"Recycling" means any process by which materials which would otherwise become Solid Waste are Collected (source-separated, co-mingled, or as mixed waste), separated and/or processed and returned to the economic mainstream in the form of raw materials or products or materials which are otherwise salvaged or recovered for reuse.

1.46 Recyclable Materials

"Recyclable Materials" means Residential, Commercial or Industrial source separated by-products of some potential economic value, set aside, handled, packaged, or offered for Collection in a manner different from Refuse.

1.47 Refuse

"Refuse" means Putrescible and non-Putrescible Solid Waste or debris, except sewage, whether combustible or non-combustible.

1.48 Residential

"Residential" refers to property, or Owners of property, which is used for Residential purposes including Single-Family and Multi-Family Dwelling Units, irrespective of whether such dwelling units are rental units or are Owner-occupied.

1.49 Rolloff Box

"Rolloff Box" means an open-top metal Container or closed compactor boxes serviced by a rolloff truck with a capacity of 10 to 50 cubic yards.

1.50 Sand Section

"Sand Section" means approximately one third of the City which runs along the coast and received Residential Collection services manually prior to this Agreement. The Sand Section is to receive automated Collection at the start of service under this Agreement.

1.51 Single-Family

"Single-Family" means pertaining to any Residential Property with only one dwelling unit.

1.52 Solid Waste

"Solid Waste" means all Putrescible and non-Putrescible Refuse, Recyclable Material, and Green Waste, and as otherwise defined in Public Resources Code §40191. Any material that a Customer pays to be hauled away shall be defined to be Solid Waste and not a Recyclable Material.

1.54 State

"State" means the State of California.

1.54 Temporary Service

"Temporary Service" means Solid Waste Collection services provided on a project basis, such as Construction and Demolition projects and occasional clean-up projects using a

Rolloff Box or Bin. Regular Collection of Solid Waste generated by a business' ongoing operations is not included.

1.55 Transformation

"Transformation" means incineration, pyrolysis, distillation, gasification, or biological conversion other than composting. "Transformation" does not include composting.

1.56 Universal Waste

"Universal Waste" means any of the following waste that are conditionally exempt from classification as hazardous wastes pursuant to Title 22 of the California Code of Regulations (22 CCR), section 66261.9: (i) batteries as described in 22 CCR section 66273.2; (ii) thermostats as described in 22 CCR section 66273.4; (iii) lamps as described in 22 ccr section 66273.5; and (iv) cathode ray tube materials as described in 22 CCR section 66273.6.

1.57 Zero Waste

"Zero Waste" means a focus on reducing landfill tonnage by reducing consumption, minimizing waste, maximizing reuse, repair, and Recycling, ensuring products are made to be reused, repaired or Recycled back into nature or the marketplace.

ARTICLE 2

GRANT AND ACCEPTANCE OF FRANCHISE

2.1 Grant and Acceptance of Franchise

Subject to the terms and conditions of this Agreement, the City hereby grants to the Company a Franchise to Collect, transfer, transport, recycle, process, and dispose of Solid Waste accumulating in the City that is required to be accumulated and offered for Collection to the Company in accordance with this Agreement.

The Company hereby accepts the Franchise on the terms and conditions set forth in this Agreement.

2.2 Administrative Fee

The Company shall pay to the City an Administrative Fee in a one-time lump sum payment equal to One Hundred Twenty Thousand dollars (\$120,000) within seven days of execution of this Agreement to reimburse the City for its staff time and out-of-pocket costs of awarding this Franchise.

2.3 Exclusive Nature of Franchise

During the term of this Agreement, except as otherwise provided in Section 2.9, or as may otherwise be provided by federal or State law, the rights granted to the Company under this Agreement shall be exclusive to the Company. The City will not let any contract to, or enter into any agreement with, any other Person for the performance of the services herein required to be performed by the Company.

The City shall protect the Company's exclusive rights by proper ordinances. Should the City be required to take administrative, or other legal action against any Person that infringes on the Company's exclusive rights, the Company shall reimburse the City for its reasonable administrative, or other legal costs related to any such action. Nothing herein shall preclude Company from taking such legal action against third parties, as it deems appropriate to protect the exclusive nature of its Franchise.

2.4 Effective Date

The effective date of this Agreement shall be _____ ("effective date").

2.5 Term of Agreement

The term of this Agreement shall commence on August 1, 2011, and expire on June 30th, 2018, with a twenty-four (24) month extension permitted at the City's option. The City may, upon 90-day advance written notice to Company prior to Agreement expiration, exercise the extension option. The Agreement will automatically renew monthly, up to twenty-four (24) months unless City gives Company a 30-day written notice of termination.

2.6 Conditions to Effectiveness of Agreement

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

- a) Accuracy of Representations. Representations and warranties made by the Company throughout this Agreement are accurate, true and correct on and as of the effective date of this Agreement.
- b) Absence of Litigation. There is no litigation pending in any court challenging the award of this Franchise to the Company or the execution of this Agreement or seeking to restrain or enjoin its performance.
- c) Furnishing of Insurance and Bonds. The Company has furnished evidence of the insurance and bonds required by Article 8.
- d) Effectiveness of the City Council Action. The City's Resolution approving this Agreement shall have become effective pursuant to California law prior to the effective date of this Agreement.

2.7 Proposition 218

This Agreement is contingent upon approval of any refuse pick-up rate increase imposed herein by the Manhattan Beach City Council pursuant to the provisions of

Article XIII D of the California Constitution. City agrees to undertake the notice and protest process as provided in Article XIII D with respect to any proposed rate increase, to the extent required by applicable law. Should a majority protest, as provided for under Article XIII D, invalidate approval of any rate increases provided for herein, City shall have the option to terminate this Agreement with thirty days advance written notice at any time during the remainder of the term.

In addition, if at any time a voter initiative, as provided for in Article XIII C, Section 3, shall invalidate any portion of the fees imposed by the City in furtherance of this Agreement, City shall have the option to terminate this Agreement with thirty days advance written notice at any time during the remainder of the term. While the Agreement is in effect, Company shall be compensated in accordance with the Agreement terms.

2.8 Delegation of Authority

The administration of this Agreement by the City shall be under the supervision and direction of the Public Works Department, and the actions specified in this Agreement, unless otherwise stated, shall be taken by Public Works Director or the Director's designee.

2.9 Limitations on Scope of Franchise

The Franchise granted to the Company shall be exclusive except as to the categories of Solid Waste listed in this Section 2.9. The granting of this Franchise shall not preclude the categories of Solid Waste listed below from being delivered to and Collected and transported by others provided that nothing in this Agreement is intended to or shall be construed to excuse any Person from obtaining any authorization from the City that is otherwise required by law:

- a) Recyclable Materials source separated from Solid Waste by the Customer and for which Customer sells or is otherwise compensated by other Persons in a manner resulting in a net payment to the Customer;
- b) All Temporary Rolloff Box service;
- c) Temporary Bin service for the Collection of Construction and Demolition Waste;

- d) Roll-Off Box and Bin service provided at Non-City Sponsored Events;
- e) Construction and Demolition Waste that is incidentally removed by a duly licensed construction or demolition company or as part of a total service offered by said licensed company or by the City, where the licensed company utilizes its own equipment and employees;
- f) Solid Waste, including Recyclable Materials and Green Waste, which is removed from any Premises by the Customer, and which is transported personally by the Customer off such Premises (or by his or her full-time employees) to a processing or Disposal Facility;
- g) Recyclable Materials and Green Waste which are source separated at any Premises by the Customer and donated to youth, civic, or charitable organizations;
- h) Containers delivered for Recycling under the California Beverage Container Recycling Litter Reduction Act, Section 14500, et. seq., California Public Resources Code;
- i) Green Waste removed from a Premises by a gardening, landscaping, or tree trimming company utilizing its own equipment and employees as an incidental part of a total service offered by the company rather than as a hauling service;
- j) Animal waste and remains from slaughterhouse or butcher shops for use as tallow;
- k) By-products of sewage treatment, including sludge, sludge ash, grit and screenings;
- l) Collection services related to take-back programs in which manufacturers or retail establishments accept extended responsibility for Recycling goods produced or sold.
- m) Hazardous Waste, medical waste, and radioactive waste, regardless of its source; and,
- n) The casual or emergency Collection, removal, Disposal or diversion of Solid Waste by the City through the City officers or employees.

The Company acknowledges and agrees that the City may permit other Persons besides the Company to Collect any or all types of the Solid Waste listed in this Section 2.9 without seeking or obtaining approval of the Company under this Agreement. City

may enter into agreements with other entities for the solid waste and Recycling services not provided for in this Agreement, including but not limited to, Disposal of street sweeping debris and Green Waste from City landscaping maintenance operations, contract services, “niche” Recycling services, and Hazardous Household Waste pickups.

This grant to the Company of an exclusive Franchise, right and privilege to Collect, transport, or process and Dispose of Solid Waste shall be interpreted to be consistent with State and federal laws, now and during the term of the Franchise, and the scope of this exclusive Franchise shall be limited by current and developing State and federal laws with regard to Solid Waste handling, exclusive Franchise, control of Recyclable Materials, Solid Waste flow control, and related doctrines. In the event that future interpretations of current law, enactment or developing legal trends limit the ability of the City to lawfully provide for the scope of Franchise services as specifically set forth herein, the Company agrees that the scope of the Franchise will be limited to those services and materials which may be lawfully provided for under this Agreement, and that the City shall not be responsible for any lost profits claimed by the Company to arise out of further limitations of the scope of the Agreement set forth herein. In such an event, it shall be the responsibility of the Company to minimize the financial impact to other services being provided as much as possible.

2.10 City's Right to Direct Changes

2.10.1 General

The City may direct the Company to perform additional 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 that may entail new Collection methods, different kinds of services and/or new requirements for Customers, and alternative rate structures are included among the kinds of changes that the City may direct. The Company shall be entitled to an adjustment in its Company Compensation for providing such additional or modified services, if Company demonstrates that its cost of service would increase.

2.10.2 New Diversion Programs

The Company shall present, within 30 days of a request to do so by the 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 of materials Containers to be utilized;
- Provision for program publicity/education/marketing; and,
- 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.

2.10.3 City's Right to Acquire Services

The Company acknowledges and agrees that the City may permit other Persons besides the Company to provide additional Solid Waste services not otherwise contemplated under this Agreement. If pursuant to Section 2.10.2, the Company and the City cannot agree on terms and conditions of such additional or expanded diversion services within ninety (90) days from the date when the City first requests a proposal from the Company to perform such services, the Company acknowledges and agrees that the City may permit Persons other than the Company to provide such services.

2.11 Ownership of Solid Waste

Once Solid Waste is collected, ownership and the right to possession shall transfer directly from the Customer to the Company by operation of this Agreement. Subject to the Company's objective to meet the source reduction and Recycling goals which apply to the City and the City's right to direct the Company to process and dispose of Solid Waste at a particular licensed Solid Waste Facility or to dispose of Solid Waste at a particular licensed Disposal Site, if and only if the City exercises such right by providing specific written direction to the Company, the Company is hereby granted

the right to retain, Recycle, process, Dispose of, and otherwise use such Solid Waste, or any part thereof, in any lawful fashion or for any lawful purpose desired by the Company. Subject to the provisions of this Agreement, the Company shall have the right to retain any benefit resulting from its right to retain, Recycle, process, Dispose of, or reuse the Solid Waste, Green Waste, and Recyclable Materials which it Collects. Solid Waste, Green Waste, and Recyclable Materials, or any part thereof, which is disposed of at a Disposal Site or Sites (whether landfill, Transformation Facility, transfer station, processing Facility or Material Recovery Facility) shall become the property of the Owner or operator of the Disposal Site(s) once deposited there by the Company. The City may obtain ownership or possession of Solid Waste placed for Collection upon written notice of its intent to do so, however, nothing in this Agreement shall be construed as giving rise to any inference that the City has such ownership or possession unless such written notice has been given to the Company.

2.12 Company Status

The Company represents and warrants that it is duly organized, validly existing and in good standing under all applicable laws. It is duly licensed and qualified to transact business in the State of California and has the power to provide services as required by this Agreement.

2.13 Company Authorization

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

2.14 Annexations

This Agreement extends to any territory annexed to the City during the term of this Agreement which is not within the service area for another solid waste enterprise which qualifies under Public Resources Code Section 49521 to continue to provide solid waste services shall be added to the Franchise area covered by this Agreement. In such event,

this Agreement shall become effective as to such area at the earliest possible date permitted by law, and the City agrees that it shall cooperate with the Company to fulfill any requirement necessary for the Company to serve the annexed area consistent with this paragraph.

2.15 Business License

The company and any subcontractors shall annually obtain a City of Manhattan Beach Business License. No contracts for services provided in the City shall be awarded to any vendor until such business license has been obtained, and all fees paid therefore, by the vendor and the subcontractors.

ARTICLE 3

DIRECT SERVICES

3.1 Refuse Collection Services

The work to be done by the Company pursuant to this Agreement 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 the Company of the duty to furnish all others, as may be required, whether enumerated elsewhere in the Agreement or not.

The work to be done by the Company pursuant to this Agreement shall be accomplished in a thorough and professional manner so that the residents within the City are provided reliable, courteous and high-quality Solid Waste Collection at all times.

3.1.1 Residential Refuse Cart Service

Company shall Collect Refuse delivered for Collection by Single-Family Customers and Multi-Family Customers not receiving Bin service not less than once per week. The designated Collection location of Containers, if disputed by the Customer or the Company, shall be determined by the City. Additionally, if in the City's opinion the existing Collection location is inappropriate, the City may require the Customer and/or the Company to relocate the Collection location. City-wide automated Cart service must be implemented by the start of service under this Agreement, including automation of the Sand Section of the City which was Collected manually prior to the start of service under this Agreement.

Company will supply each Residential Refuse Cart Customer with new Refuse Carts of 96- 64- or 32-gallons, as requested by Customer as described in Section 3.7.1.1. Single Family Customers shall be charged based upon the size and number of Refuse Carts requested. Multi-Family Cart Customers (two or more units) shall continue to be charged a flat rate for unlimited service.

Customers may request "Backyard Service" for an additional charge in accordance with the approved rate schedule. Backyard Service means that Company removes all Collection Carts, Green Waste bundles and Refuse Cart Overages per Section 3.1.2 from a Cart Customer's designated Collection location other than curbside, such as backyard, side yard, or driveway, for Collection, and returns Carts when Collection is complete.

3.1.2 Refuse Cart Overage

Residential Cart Customers may periodically generate more Refuse than will fit in the Refuse Cart(s). Residential Customers are therefore entitled to two annual pickups, taking place on the regular Collection day, per calendar year of material that does not fit in the Refuse Cart(s) at no additional cost. One pickup shall consist of up to the equivalent of three (3) large bags, boxes or barrels of Refuse. Contractor shall instruct Customers to call in for overage pickups. Contractor shall Collect all Refuse placed for Collection in addition to the foregoing two (2) pickups to be provided at no charge whether or not pickup was called in. If pickup was not called in, a notice shall be left for the Customer indicating a Cart overage Collection was made.

Contractor shall provide a three-month grace period at the start of service in which it will leave notices on Carts when overages are Collected, informing Customers as to this new policy, including how to call for an additional or larger Refuse Cart. Recording of overage pickups and overage charges will begin August 1, 2010.

Residential Customers may be charged per pickup in accordance with the approved rate schedule in Exhibit 3 for overage pickups above two (2) per year. In addition to the two (2) free pickups, Contractor shall Collect all additional Refuse placed out for Collection in the Residential Customer's own Containers (bags, barrels, etc.) at no additional charge for two weeks beginning each December 26. This service is limited to Refuse that could otherwise be placed in the Refuse Cart, and not Bulky Items which are Collected in accordance with Section 1.9 and 3.1.5. Commercial Customers may request Cart overage Collections in accordance with the approved rate, but are not entitled to free overage collections.

3.1.3 Commercial and Multi-Family Service

3.1.3.1 Bin Services

Company shall provide Bin service to Commercial and Industrial Customers and to Multi-Family Customers that use Bins. Company shall Collect and remove all Refuse that is placed in Bins from Multi-Family, Commercial and Industrial Properties receiving Bin service, at least once every week or more frequently if required to handle the waste stream of the Premises where the Bins are located.

Customers that require twice per day Collection shall be charged as though they had twice the number of Containers being Collected once per day.

Customers may lease from Company or third parties compaction equipment that may be attached to Bins. The provision of compaction equipment is outside the scope of this Agreement. Collection of Bins using these devices remains within the scope of this Agreement unless otherwise excluded per Section 2.9.

3.1.3.2 Temporary Bin Services

Company shall provide exclusive Temporary Bin Service to all Customers requesting such service. However, if Company does not provide the requested Container within 48 hours of request, Customer can call and receive Temporary Service from another company.

Special consideration shall be given when determining the pickup area to ensure that the flow of traffic is not impeded.

3.1.3.3 Commercial Cart or Can Service

Company shall Collect Commercial Refuse placed at the curb in Company-provided 32, 64 or 96-gallon Carts or, if automation of Collection is not feasible, 30-gallon Cans labeled with the Customer's address and days of the week to be Collected. Company shall provide such service at the frequency requested by the Customer, but not less than once per week.

3.1.3.4 Locking Bins

Contractor may charge for locking bin service in accordance with the approved rate schedule. No additional fees shall be permitted for provision or installation of the lock.

3.1.3.5 Scout Service/Push-Out Service

Contractor may not charge an additional fee for scout service, whereby a second vehicle is used to position the Container for Collection, or push-out service, whereby the driver must move the Container a significant distance for Collection.

3.1.4 Rolloff Box Service

Company must provide permanent Rolloff Box service to all Customers requesting service at a rate not to exceed the approved maximum rate contained in Exhibit 3. Customers may lease from Company or third parties compactor Rolloff Boxes. The provision of compaction equipment is outside the scope of this Agreement. Collection from these compactor Rolloff Boxes remains within the scope of this Agreement, unless otherwise excluded per Section 2.9.

3.1.5 On-Call Bulky Waste Pickup

Company shall provide Bulky Waste pickup service to all Customers. Customers will be instructed in educational materials to provide the Company with forty-eight (48) hours notice, and the items will be Collected on the Customer's regular Collection day.

Bulky Waste Collected by Company may not be landfilled or disposed of until the following hierarchy has been followed by Company:

- a) Reuse as is (if energy efficient)
- b) Disassemble for reuse or Recycling
- c) Recycle
- d) Disposal

This hierarchy precludes the use of front- or rear loading packer vehicles for bulky goods unless the compaction mechanism is not used to compact the Bulky Goods, unless they have been designated for Disposal.

3.1.5.1 Single and Multi-Family Customers

Single and Multi-Family Customers, whether Bin, or Cart Customers, are entitled to three Bulky Waste pickups per dwelling unit per year at no additional charge, with additional pickups Billed in accordance with the approved rate schedule in Exhibit 3. Customers may place up to three (3) items out for Collection per pick-up.

3.1.5.2 Commercial Customers

Company may charge Commercial Bin, Cart, and Can Customers for pickups in accordance with the rate schedule contained in Exhibit 3, based on the number and type of items. Timing and place of pickup shall be arranged so traffic and sidewalks are not obstructed prior to or during pickup.

3.1.6 Commercial Container Overflow Procedures

3.1.6.1 Service Level Upgrade

Customers that regularly produce more Solid Waste than their current level of service can accommodate may have their service level increased in accordance with the following procedure:

First Incident in Three Month Period – If more material is placed for Collection than fits in a Container, Company shall photograph the overflowing Container, Collect the Solid Waste, and send to the Customer (at both the service and billing addresses) the picture and a letter instructing that the next instance of an overflowing Container may result in a charge, and possibly in an increase in the level of service.

Second Incident in Three Month Period – Upon the second event of an overfilled Container in a three-month period, Contractor shall photograph the overflowing Container, Collect the Solid Waste, and send to the Customer the picture and a letter instructing that a third incident in that same three month period will result in an increase in the level of service, and that a Container overage fee may be charged in the future to clean up spilled waste or waste left beside Container for Collection.

Third Incident in Three Month Period – Upon the third event of an overfilled Container in a three-month period, Contractor shall photograph the overflowing Container, Collect the Solid Waste, and send to the Customer the picture and a letter documenting the third incident. Thereafter, Company is authorized to deliver the next larger-sized

Container, or an additional Container, or increase frequency of Collection, as best addresses Collection needs, to the Premises, and to adjust the service rate to the rate then in effect for service using the delivered Containers.

3.1.6.2 Container Overage Fee

If Solid Waste was left beside the Container for Collection or Company cleaned up spilled waste from an overflowing container, Company may charge the Container Overage Fee in the approved rate schedule after the third incident in one calendar year, provided Company has sent written warnings for the first two incidents.

3.2 Recycling Services

3.2.1 Residential Recycling Service

Company shall provide weekly Recycling Collection to all Residential Cart Customers on the same day as Refuse Collection. Company will provide each Residential Customer with a Recycling Cart. Company will make available one or more additional Recycling Carts to Customers who regularly recycle more than will fit into their existing Recycling Cart(s). No extra fee will be charged for Recycling service or additional Recycling Carts.

Company shall provide new 96-, 64- and 32-gallon Recycling Carts to all Residential Cart Customers, including Sand Section Customers, as described in Section 3.7.1.1. Company shall Collect and remove all Recyclable Materials placed in Recycling Carts for Collection.

At a minimum, Recyclable Material Collected shall include, but not be limited to: aluminum cans; glass jars and bottles; steel, bi-metal, and tin cans; empty aerosol containers; PET plastic; HDPE plastic; plastics types 3 – 7 (including polystyrene); plastic bags, shrink wrap, plastic toys and tools, and other plastic materials (if readily identifiable as being recyclable); juice boxes and milk cartons (aseptic packaging, Tetra Pak® and waxed cardboard); Scrap metal, coat hangers and metal foil; newspaper; mixed paper (e.g., ledger, computer, junk mail, magazines, paperback books, cereal boxes, envelopes, paper shopping bags and non-metallic wrapping paper); corrugated cardboard; and telephone books.

3.2.2 Commercial Recycling

Recyclables Collection at No Additional Charge - The Company agrees to provide, at no additional charge, Recycling Collection service to all Refuse Bin service and Commercial Cart and Can Customers requesting it from the Company. Company may purchase Recyclable Materials from its Customers as well. The Company agrees to provide Recycling Bins or Carts to Bin Refuse Customers in sufficient quantities to meet the Recycling needs of each Customer. Recycling Collection programs shall be made available at a minimum for: aluminum cans; glass jars and bottles; steel, bi-metal, and tin cans; empty aerosol containers; PET plastic; HDPE plastic; plastics types 3 - 7 (including polystyrene); plastic bags, shrink wrap, plastic toys and tools, and other plastic materials (if readily identifiable as being recyclable); juice boxes and milk cartons (aseptic packaging, Tetra Pak® and waxed cardboard); Scrap metal, coat hangers and metal foil; newspaper; mixed paper (e.g., ledger, computer, junk mail, magazines, paperback books, cereal boxes, envelopes, paper shopping bags and non-metallic wrapping paper); corrugated cardboard; and telephone books.

Source separated Recycling provided under this section shall be Collected on a separate route from mixed Refuse, and recovery of Recyclables on these source separated routes are not to be credited toward minimum Recyclables recovery required under Section 3.5 and, if applicable, Exhibit 9, Section B.

The Company also agrees to use commercially reasonable efforts to make programs available for all other Recyclable Materials for which it has established markets. The Company shall notify all Customers via a mailed flyer each year of the availability of Recycling Collection programs.

Commercial Recycling Site Visits - Company will send a Company representative to visit each Multi-Family Bin and Commercial Customers' Premises not currently subscribing to recycling service and meet with the Customer for the purpose of establishing a Recycling Program. Fifty percent (50%) of the Customers shall be contacted within the first six (6) months, and one hundred percent (100%) of the Customers shall be contacted during the first twelve (12) months. Company will provide a monthly log to the City, including the name and address of Customer, the date of the visit and the contact name and phone number, demonstrating that the required visits have been made, and reason provided for not establishing a recycling

program. Company shall ask, and the report shall indicate, whether the Customer has another Recycling program in-house or through a third party and, if so, what type.

At the end of the first six (6) months of service, and again at the end of the first twelve (12) month of service, Company will provide City with two (2) lists, one (1) of Multi-Family Bin and Commercial Customers with Company Recycling Containers and one (1) of Multi-Family Bin and Commercial Customers without Company Recycling Containers. Each list shall include Customer names and addresses, contact names and phone numbers, Refuse service levels including number and size of Containers and number of weekly pickups, and Recycling service levels (if applicable), including number and size of Containers and number of weekly pickups. Lists shall also include whether the Customer indicated that they had an alternative recycling program and, if so, what type. The lists shall be sorted so that Customers with and without Recycling Containers are grouped separately.

Company will visit all new Customers added after the start of this Agreement within two weeks of the start of new service. Company will continue to conduct on-site visits to Multi-Family Bin and Commercial Customers throughout the term of the Agreement to implement new and optimize existing Recycling programs for each Customer. A list of new account and ongoing account visits, including all the information required above, shall be provided to the City each six (6) months for the term of the Agreement.

Desk-Side Recycling Containers – Upon Customer request, Company shall provide Commercial Customers with desk-side Recycling Containers in order to facilitate Commercial Recycling Programs. Company may charge requesting Customers at a rate no higher than Company cost for each Container.

3.2.3 Funding of City Recycling Needs

Company shall provide the City with \$28,000 on August 1, 2011 to conduct annual Commercial waste reduction and Recycling audits, fund Recycling programs or otherwise support the City's Solid Waste goals. This amount shall be increased by \$1,000 annually and remitted to the City on each subsequent July 1st as follows:

<u>Payment Date</u>	<u>Payment Amount</u>	<u>Payment Date</u>	<u>Payment Amount</u>
August 1 st , 2011	\$28,000	July 1 st , 2015	\$32,000

July 1 st , 2012	\$29,000	July 1 st , 2016	\$33,000
July 1 st , 2013	\$30,000	July 1 st , 2017	\$34,000
July 1 st , 2014	\$31,000	July 1 st , 2018*	\$35,000

* If City exercises option to extend Agreement beyond June 30, 2018, July 1 payments will continue to be increased by \$1,000 per year.

3.2.4 Construction and Demolition Waste Recycling

The Company shall make reasonable efforts to prevent Construction and Demolition Waste that is suitable for Recycling from being taken to the landfill by:

- Following the City’s Construction and Demolition Debris Diversion requirements of the Municipal Code;
- Transporting all Construction and Demolition Waste loads to a Materials Recovery Facility where it will be processed for reuse, or, if material has been source separated, it may be taken directly to a construction and demolition materials facility for reuse;
- Inquiring of all Rolloff Box Customers as to the type of Solid Waste to be generated, instructing all potential Construction and Demolition Waste generators regarding how to divert such materials, and providing a how-to brochure with alternative processing Facility contact information; and,
- Contacting contractors on a list provided by the City annually to educate them on Construction and Demolition Waste diversion.

3.2.5 Marketing and Sale of Recyclable Materials

The Company shall be responsible for marketing and sale of all Recyclable Materials Collected pursuant to this Agreement. Company shall retain proceeds from sales of Recyclable Materials, except to the extent that recyclables revenue received from Rolloff Box loads offsets the pull service cost.

3.2.6 Universal Waste

Company shall instruct Customers not to set out universal waste for Collection except through programs included in this Agreement specifically tailored for the Collection of such items, including SHARPS Collection programs, Bulky Waste Collection, or the optional door-to-door HHW Collection program. The Company will utilize facilities to process Universal Waste at its cost and in compliance with all existing regulations regarding Universal Waste. The Company will issue warnings to Customers who inappropriately place Universal Waste in Containers for collection of waste, recyclables, or green waste, and shall tag and not Collect Universal Waste improperly placed for Collection if identified prior to Collection. In the event that Company Collects improperly set-out Universal Waste, Company is responsible for disposing of it at a properly permitted facility.

3.2.7 Residential Food Waste Diversion Pilot Program

Company shall submit a proposal to the City by July 1, 2011 detailing a pilot program to Collect Food Waste from Residential Cart Customers. Program shall be subject to City approval. Company shall conduct the approved Residential food waste pilot program at no additional cost to City or ratepayers, beginning July 1, 2012 (unless start date is extended by City).

Pilot program shall be conducted for a minimum of six months. Participants shall include one full Residential route for one day each week. Company shall develop, produce and deliver public education materials to all Customers on the participating route. Materials shall be subject to advance City approval.

Company shall collect baseline tonnage data from this route for a 90-day period prior to the start of the pilot program in order to assist in determining the effectiveness of the program. Company shall, at a minimum, report the quantity of Food Waste recovered by the pilot program. Other information to be collected shall be agreed to between City and Company based upon specifics of the program to be implemented. Company shall provide this data to City on a monthly basis within 30 days of the end of each month.

If City instructs Company to implement a Residential food waste program City-wide at any time during the Agreement term (after completion of the pilot program), Company

shall receive an adjustment to Company Compensation in accordance with Section 2.10 of the Agreement.

3.2.8 Commercial Food Waste Diversion Pilot Program

Company shall submit a proposal to the City by July 1, 2011 detailing a pilot program to Collect Food Waste from Commercial Food Waste generating Customers. Program shall be subject to City approval. Company shall implement a Commercial Food Waste pilot program for a minimum of six months beginning July 1, 2012 (unless start date is extended by City) for 10% of Food Waste generating Commercial Customers in the City at no additional cost to either City, participants or rate payers.

Prior to the start of the pilot program, Company shall meet with all participants to provide management and employee training, the start and end dates, materials to be collected and required Refuse capacity prior to the start of the pilot. . Company collect baseline tonnage data from pilot Customers for a 90-day period prior to the start of the pilot program in order to assist in determining the effectiveness of the program. Company shall, at a minimum, report the quantity of food waste recovered by the pilot program. Other information to be collected shall be agreed to between City and Company based upon specifics of the program to be implemented. Company shall provide this data to City on a monthly basis within 30 days of the end of each month.

If City instructs Company to implement a Commercial food waste program City-wide at any time during the Agreement term (after completion of the pilot program), Company shall receive an adjustment to Company Compensation in accordance with Section 2.10 of the Agreement.

3.3 Green Waste Program

3.3.1 Residential Green Waste Collection

Company shall provide weekly Collection of Green Waste on the same day as Refuse and Recycling Collection to all Refuse Cart Customers. Company shall distribute each Residential Cart Customer one new 96-, 64- or 32-gallon Green Waste Cart in accordance with Section 3.7.1.1. Company shall make available one or more additional Green Waste Carts to Customers that regularly separate more Green Waste than will fit

in their current Cart(s). Green Waste Services and additional Green Waste Carts shall be provided at no additional charge.

Company shall Collect an unlimited amount of tied bundles of Green Waste. Green Waste bundles are limited to the Manhattan Beach City Code 5.24.010(E) size restrictions of bundles a maximum of forty-eight (48) inches long and eighteen (18) inches in diameter, and bundled weight limit of fifty (50) lbs.

Florists and nurseries will be entitled to Residential-style Green Waste Cart service in accordance with the approved rate schedule. (This service does not include the Collection of Green Waste bundles at no additional charge.)

3.3.2 Rolloff Box Service

Company shall make permanent Rolloff Box Green Waste Collection available to all Customers at a rate not to exceed the Rolloff Box Refuse rate for Collection and Disposal.

3.3.3 Holiday Tree Collection Program

Company shall operate and notify Customers about an annual Holiday Tree Collection and Recycling program. The program shall include both Collection from Single Family and Multi-Family Customers. Collection period shall be from the first Collection day after December 25 and ending on the second Saturday in January. The Company shall reasonably cooperate with the City in the scheduling and operation of the Holiday Tree Collection program. Trees must be cut into lengths no longer than seven (7) feet, be free of ornaments, garlands, and tinsel, and stands must be removed. Trees shall be diverted from Disposal.

3.3.4 End Uses for Green Waste

Company shall divert Green Waste materials from Disposal. The Company must provide end uses for Green Waste that maximize diversion credits for the City according to regulations established by CalRecycle.

3.3.5 Compost Bin Distribution

Company shall purchase composting and worm bins approved by the City and deliver one to each Residential Customer that requests one. Company will bill Customer a co-pay amount to be determined by City. The difference between the amount billed to the Customer and the actual cost of the bin to the Company (excluding delivery or other associated costs) shall be reimbursed to Contractor by the City. City may inform Contractor as to an annual cap or overall cap on the number of compost bins to be distributed.

Company shall develop a public education flyer for this program and provide it to City for distribution. Company, including a Company-provided instructor, shall conduct three annual, one-hour composting classes, in May, July and October of each year.

3.4 Warning Notice

The Company shall warn Customers who have non-Recyclable Materials in their Recycling Container or contaminated Green Waste in their Green Waste Container. If, after three written warnings in a six-month period, the Container continues to be contaminated, the Company may remove the Recycling or Green Waste Container from Customers who fail to sort properly and segregate Recyclable Materials or Green Waste. Company must leave instructive warning notices on the contaminated Containers, indicating the issue, how to correct it, and that the Container may be removed if behavior is not corrected. The format of the warning notice must be approved by the City. Customer may regain Cart after a six-month period or if there is a change in Customer at the address in question. The Company shall report monthly to the City any warning notices issued.

3.5 Commercial Mixed Waste Processing

Company shall send sufficient tons of Bin Refuse for processing to recover a minimum of 1,365 tons of Recyclables from such processing each calendar year. The annual tonnage requirement shall be pro-rated for August 1 through December 31, 2011. This program shall be conducted at no additional cost to City or rate payers.

3.6 City Services

3.6.1 City Facilities Collection

Company shall Collect and dispose of all Solid Waste generated and Recyclable Materials and Green Waste accumulated at Premises owned and/or operated by the City at no additional charge, including Bulky Waste items placed for Collection by City. Such Premises include, but are not limited to, offices, parks, street maintenance operations, and Street Litter Containers (see Section 3.6.4 below). Collections shall be scheduled at a time mutually agreed upon by the Company and the City. Company will provide all Containers required.

3.6.2 City Facilities Hazardous Waste Collection

Company shall Collect as needed and properly dispose of hazardous waste that is generated by City Staff or at City facilities at no additional charge. Quantities of materials to be Collected at no additional charge each year shall be reasonably consistent with (defined as no more than 20% higher than) quantities of materials included in Exhibit 10. City shall contact Company when a pickup is needed, indicating the type of material in need of Collection, and arrange for a Collection.

3.6.3 Abandoned Item Collection

Company shall Collect items abandoned in the public right-of-way within 24 hours of notification by City at no additional charge.

3.6.4 Street and Park Litter Containers

Company shall Collect and dispose of material in Refuse Containers, or divert material in Recycling Containers, all Solid Waste deposited in City's Street and Park Litter Containers as necessary to prevent overflow at no additional cost at all existing locations. Additional Recycling Containers may be added by City for Company Collection at no additional charge. The number of street and park litter Refuse Containers to be Collected at no additional charge may be increased by up to 5% during the term for no additional charge. There shall be no rate adjustment for increases in frequency of collections.

3.6.5 City Sponsored Events

The Company shall provide Solid Waste and Recycling Collection service at City designated events each year. This shall include providing Containers to Collect and Dispose of all Solid Waste, using waste boxes, waste box liners, Roll-Off Boxes and Bins, and providing Containers to Collect source-separated Recyclables. The Company shall provide these services at no additional cost to the City, the ratepayers, or the event sponsors. Such events include, but are not limited to, those listed in Exhibit 8.

3.6.6 Emergency Collection and Disposal Service

Company will assist City at the City's request for emergency Collection and Disposal service (in the event of major disaster, such as an earthquake, storm, tidal wave/ tsunami, riot or civil disturbance), or as otherwise determined necessary by the City), by providing Collection vehicles and drivers normally assigned to the City, at the rates provided in Exhibit 3. The rate for this service is to remain fixed for the term of the Agreement.

3.6.7 Sharps Collection Program

Company shall provide Sharps containers to requesting Residential Customers, both Single and Multi-Family Cart and Bin Customers. Each individual resident may receive up to three containers per year (if multiple residents in one dwelling unit use Sharps, each such resident shall receive up to three containers per year). Sharps containers shall either be pre-paid mail back containers, or, if the City implements the door-to-door HHW collection program in Exhibit 9, Company may alternatively arrange for door-to-door Collection of such containers through this program. "Sharps waste" includes, but is not limited to, hypodermic needles, pen needles, intravenous needles, lancets, and other devices that are used to penetrate the skin for the delivery of medications or medical testing. Company will develop and distribute public education materials to promote this program. This program will be provided at no additional charge to City or Customers and shall be operational within 30 days of the execution of this Agreement.

3.7 Containers

3.7.1 Carts

3.7.1.1 Residential Cart Distribution

Company shall mail a return postage paid postcard and information describing the new rate structure and Cart options to all Residential Cart Customers (see Section 4.3.2). Company must obtain City approval of post card and information to be sent prior to distribution. Postcard will provide Customers with an opportunity to select the size and number of Refuse, Recycling and Green Waste Carts to be delivered. Company shall deliver all new Carts to each Customer.

If a selection is not made, Sand Section Customers will receive one Refuse Cart and one Recycling Cart, each 64-gallons, and other Customers will receive one Refuse Cart, one Recycling Cart and one Green Waste Cart, each 64 gallons.

After initial Cart distribution, Customers may request one Cart exchange at no charge each year. After one exchange per year, Customers may request Cart exchanges in accordance with the approved rate schedule. One Cart exchange includes all Cart adjustments requested at one time, and multiple Carts and Cart types (Refuse, Recycling, Green Waste) may be exchanged.

Company shall provide City the number and size of Refuse Cart(s) used by each Customer, at the start of City-wide automation (no later than May 18, 2011 to allow City sufficient time to update its Billing system) and as changes are made throughout the Term for Billing purposes.

3.7.1.2 Removal of Existing Containers

Upon and after distributing new Refuse, Recycling and Green Waste Carts, Company shall remove, and Recycle to the extent possible before Disposing, City-owned Carts and Cans and Customer-provided Cans, if Customer does not intend to retain the Cans. Company shall establish and advertise a system whereby Customers can indicate what Cans should and should not be Collected. Company is responsible for all costs associated with Container collection and Disposal or Recycling. Company may retain any scrap value received from the Recycling of collected Containers.

3.7.1.3 Cart Design Requirements

The Carts 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 approval.

Carts shall include a minimum of _____% recycled material and be recyclable.

3.7.1.4 Capacity

The Company shall provide new Carts in three sizes for Residential Refuse, Recycling and Green Waste Collection. Sections 3.1, 3.2 and 3.3's references to Cart sizes of 35, 64, and 96-gallons are approximate. Acknowledging the different sizes provided by the various Cart manufacturers, the Carts shall be uniform in appearance and must conform to the following ranges in size:

- 30 to 40-gallons,
- 60 to 70-gallons, and
- 90 to 101-gallons.

3.7.1.5 Cart Handles

The Cart handles and handle mounts may be an integrally molded part of the Cart body or molded as part of the lid. The Cart handles will provide comfortable gripping area for pulling or pushing the Cart or lifting the lid. Pinch points are unacceptable.

3.7.1.6 Cart Lid

Each Container shall be provided with a lid that continuously overlaps and comes in contact with the Container body or otherwise causes an interface with the Container body that simultaneously:

- Prevents the intrusion of rainwater, rodents, birds, and flies;
- Prevents the emission of odors;

- Enables the free and complete flow of material from the Container during the dump cycle without interference with the material already deposited in the truck body or the truck body itself and its lifting mechanism;
- Permits users of the Container to conveniently and easily open and shut the lid throughout the serviceable life of the Container;
- The lid handle shall be an integrally molded part of the lid;
- The lid (and body) must be of such design and weight that would prevent an empty Container from tilting backward when flipping the lid open; and,
- The lid shall be hinged to the Cart body in such a manner so as to enable the lid to be fully opened, free of tension, to a position whereby it may rest against the backside of the Container body.

3.7.1.7 Cart Colors

The Refuse, Recycling and Green Waste Carts will be differentiated by color, matching current colors in distribution. 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 gray. Recycling Carts will be blue. Green Waste Carts, including Commercial Green Waste Carts, will be green.

3.7.1.8 Cart Labeling

Company shall label and hot stamp all Carts with information meeting the requirements of this section, and including graphics indicating which materials may and may not be placed in each cart and instructions on how to properly dispose of HHW. New Carts shall be delivered with labels attached and hot stamped. Labels shall be replaced when worn. Labeling and hot stamping must be approved by City prior to ordering Carts. The City's logo and, if requested by City, the City website shall appear on the Carts. Company's name and phone number shall be included on a label on the Cart lid (Company's name or logo shall not be visible on the side of the Cart).

3.7.1.9 Identification Markings

All markings on the Containers shall be approved by the City in advance of ordering Carts. Company shall not hot stamp Company name on Carts.

TRASH, RECYCLING or **GREENWASTE** must be hot stamped in white color on the front or sides of the Cart in characters no less than one inch.

Company shall develop labels identifying materials that are and are not permitted in each Cart type, in English, with graphics and instructions for proper disposal of HHW, and shall place labels on top of all Carts delivered to Customers.

3.7.2 Cart Performance Requirements

All Carts shall be designed and manufactured to meet the minimum performance requirements described below.

3.7.2.1 Cart Load Capacity

Depending on the capacity, the Carts shall have a minimum load capacity as noted below without Container distortion, damage, or reduction in maneuverability or any other functions as required herein.

Cart Size (Gallons)	Minimum Load Capacity (LBS)
90-101	200
60-70	130
30-40	70

3.7.2.2 Cart Durability

Carts shall remain durable, and at a minimum, shall meet the following durability requirements to satisfy its intended use and performance, for the term of this Contract:

- Maintain its original shape and appearance;
- Be resistant to kicks and blows;

- Require no routine maintenance and essentially be maintenance free;
- Not warp, crack, rust, discolor, or otherwise deteriorate over time in a manner that will interfere with its intended use;
- Resist degradation from ultraviolet radiation;
- Be incapable of penetration by biting or clawing of household pets (i.e., dogs and cats);
- The bottoms of Cart bodies must remain impervious to any damage, that would interfere with the Cart's intended use after repeated contact with gravel, concrete, asphalt or any other rough and abrasive surface;
- All wheel and axle assemblies are to provide continuous maneuverability and mobility as originally designed and intended; and,
- Resist degradation by other airborne gases or particulate matter currently present in the ambient air of the City.

3.7.2.3 Chemical Resistant

Carts shall resist damage from common household or Residential products and chemicals. Carts, also, shall resist damage from human and animal urine and feces.

3.7.2.4 Stability and Maneuverability

The Carts shall be stable and self-balancing in the upright position, when either empty or loaded to its maximum design capacity with an evenly distributed load, and with the lid in either a closed or open position.

The Carts shall be capable of maintaining its upright position in sustained or gusting winds of up to 25 miles per hour as applied from any direction.

The Carts shall be capable of being easily moved and maneuvered, with an evenly distributed load equal in weight to its maximum design capacity on a level, sloped or stepped surface.

3.7.2.5 Lid Performance

Cart lid assemblies shall meet the following minimum requirements:

- Prevent damage to the Cart body, the lid itself or any component parts through repeated opening and closing of the lid by residents or in the dumping process as intended;
- Remain closed in winds up to 25 miles per hour from any direction. All lid hinges must remain fully functional and continually hold the lid in the original designed and intended positions when either opened or closed or any position between the two extremes; and,
- Lid shall be designed and constructed such that it prevents physical injury to the user while opening and closing the Container.

3.7.2.6 Reparability

Minor cracks, holes, and other damages to hinges, wheels, axle, hardware, and other component parts shall be readily repairable by the contractor personnel. All repairs must restore the Container to its full functionality to meet the design and performance requirements as set for herein.

3.7.3 Can Design and Performance Requirements

The Cans shall be manufactured by injection or rotational molding and meet the Can design and performance requirements as specified below. All Cans selected shall be subject to City approval.

3.7.3.1 Capacity

The Company shall provide Cans for Commercial Refuse when Commercial Customers cannot accommodate a Cart or Bin. References in this Agreement to a Can size of 30-gallons is approximate. Acknowledging the different sizes provided by the various Can manufacturers, the Cans shall be uniform in appearance and must be 30 to 35-gallons in size.

3.7.3.2 Can Handles

The Can handles will provide comfortable gripping area for carrying the Can.

3.7.3.3 Can Lid

Each Container shall be provided with a lid that continuously overlaps and comes in contact with the Container body or otherwise causes an interface with the Container body that simultaneously:

- Prevents the intrusion of rainwater, rodents, birds, and flies;
- Prevents the emission of odors;
- Is easily removed by driver for Collection;
- Permits users of the Container to conveniently and easily open and shut the lid throughout the serviceable life of the Container; and,
- The lid handle shall be an integrally molded part of the lid.

3.7.3.4 Can Colors

The Commercial Refuse and Recycling Cans 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. Commercial Trash Cans will be gray. Recycling Cans will be blue.

3.7.3.5 Identification Markings

Commercial Refuse Cans shall be labeled as TRASH or RECYCLING, and shall be marked to identify the Customer's address and days of the week that the Can is to be Collected on the side of the Can. Markings may be made by applying stickers, or another method, provided the method is approved by the City in advance and the character size is no less than one inch and clearly distinguishable.

3.7.3.6 Can Load Capacity

Cans shall have a sufficient load capacity so that the Container will not experience distortion, or damage or loss of any other functions as required herein when fully loaded.

3.7.3.7 Can Durability

Cans shall remain durable, and at a minimum, shall meet the following durability requirements to satisfy its intended use and performance, for the term of this Contract:

- Maintain its original shape and appearance;
- Be resistant to kicks and blows;
- Require no routine maintenance and essentially be maintenance free;
- Not warp, crack, rust, discolor, or otherwise deteriorate over time in a manner that will interfere with its intended use;
- Resist degradation from ultraviolet radiation;
- Be incapable of penetration by biting or clawing of household pets (i.e., dogs and cats);
- The bottoms of Can bodies must remain impervious to any damage, that would interfere with the Can's intended use after repeated contact with gravel, concrete, asphalt or any other rough and abrasive surface; and,
- Resist degradation by other airborne gases or particulate matter currently present in the ambient air of the City.

3.7.3.8 Chemical Resistant

Cans shall resist damage from common household or Residential products and chemicals. Cans, also, shall resist damage from human and animal urine and feces.

3.7.3.9 Reparability or Replacement

Minor cracks, holes, and other damages shall be readily repairable by the contractor personnel or else the Can shall be replaced. All repairs must restore the Container to its full functionality to meet the design and performance requirements as set for herein

3.7.4 Cart and Can Ownership and Maintenance Responsibilities

All Carts and Cans in distribution at the start of service under this Agreement, other than those provided by Customers, and all Carts and Cans that are distributed by

Company under this Agreement, shall become and remain the property of the City. The Company shall be responsible for Cart and Can repair and maintenance, and replacing lost, stolen or damaged Carts and Cans within three business days at no additional charge to the Customer or to the City. Graffiti shall be removed or the Container replaced within one business day. However, the Company may charge the Customer for repairing or replacing a Cart or Can if the damage was due to the Customer's willful negligence or abuse. In no event shall this charge be greater than the Company's actual cost for replacement parts or the new Cart or Can.

3.7.5 Bins and Compactors

The Company shall provide Customers with Bins, or Compactors upon request, for Collection of Solid Waste. Customers may obtain Bin Compactors and Roll-Off Compactors from either Company or a third party; the leasing of such equipment is outside the scope of this Agreement. The Company shall maintain its Containers in a clean, sound condition free from Putrescible residue. Containers shall be constructed of heavy metal, or other suitable, durable material, and shall be watertight and well painted. Wheels, forklift slots, and other appurtenances, which were designed for movement, loading, or unloading of the Container, shall be maintained in good repair. Company shall inspect, and if necessary or requested by the Customer, clean or replace all Containers once per year at no charge. Company shall perform cleaning or replacement of Containers more frequently if necessary, for an additional fee, to prevent a nuisance caused by odors or vector harborage. Customer may request additional cleanings in accordance with the approved rate schedule. Company shall remove graffiti at no additional charge from any Container within twenty-four (24) hours of request by City or Customers. All Bins and Compactors provided by Company shall remain the property of Company.

Each Container placed in the City by the Company shall have the name and phone number of the Company in letters not less than three inches high on the exterior of the Container so as to be visible when the Container is placed for use. The Company shall identify the Containers that are assigned to each Commercial and Industrial Customer, and each Multi-Family Customer with Bin service, using a method that is acceptable to the City. Company shall repaint Bins upon the City's request.

3.7.6 Rolloff Boxes

The Company shall provide clean Rolloff Boxes, free from graffiti, equipped with reflectors, and shall have the name and phone number of the Company in letters not less than three inches high on the exterior of the Container so as to be visible when the Container is placed for use. The Company shall properly cover all open Rolloff Boxes during transport as required by the State Vehicle Code.

3.8 Diversion Requirements

3.8.1 Hauler Diversion Requirements

The minimum amount of tonnage that shall be diverted by Company through Recycling, Green Waste Collection, Mixed Waste Processing, and Transformation is ____% of the waste Collected by Company under this Agreement during each year of this Agreement; diverted tonnage shall be tonnage Collected and processed in a manner such that the tonnage is not considered as Disposal by the State (per annual reports to CalRecycle). Diversion achieved by Transformation shall be credited toward reaching this diversion requirement only to the extent that the State grants the City diversion credit. Diversion from Construction and Demolition Debris and Temporary Roll-Off Box loads, which are not collected exclusively under this Agreement, and third-party diversion shall not be considered towards the minimum diversion rate.

3.8.2 City-wide Diversion Rate

Should the City not reach the City-wide AB 939 50% diversion goal for its entire waste stream, and if the City determines that the Company has not maximized diversion from the services and programs contemplated under this Agreement, the Company agrees to undertake reasonable efforts to implement programs and provide equipment necessary in order for the City to meet the 50% diversion goal.

3.9 Operations

3.9.1 Schedules

To preserve peace and quiet, no Solid Waste shall be Collected between the hours of 6:00 P.M and 7:30 A.M. Site and route-specific exemptions may be made to this limitation by City's Director of Public Works. Company shall adjust the early morning

start point of Collection routes to address and minimize service complaints when warranted and as practicable. If the regularly scheduled Collection day falls on New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, or Christmas Day, alternate Collection shall be performed on the following day, with collection delayed for one day for the remainder of the calendar week. One exception shall be that Customers with seven day per week service will continue to be serviced on all holidays. All other Collection days falling on a legal holiday shall remain as scheduled. Residential Collection shall only take place Monday through Friday, except when Saturday Collection is necessary due to a holiday.

For example, a Wednesday holiday would delay Wednesday, Thursday, and Friday collection each to the following day. Friday Residential Collection would be permitted on Saturday. Saturday service would only be provided to seven day per week Customers. Sunday service would be uninterrupted as Sunday service is typically provided to seven day per week customers.

The Company shall be prepared to review its operations plan outlining the Collection routes, intervals of Collection and Collection times for all materials Collected under this Agreement with the City once annually upon 30-day written notice requesting said review. More frequent reviews may be required if operations are not satisfactory based on documented observations or reports of complaints. If the plan is determined to be inadequate by the City, the Company shall revise its plan incorporating any changes into a revised plan and review said revised plan with the City within thirty (30) calendar days.

3.9.2 Vehicles

A. General. The Company shall provide Collection vehicles sufficient in number and capacity to efficiently perform the work required by this Agreement in strict accordance with its terms as described in this Agreement. Any additional vehicles/routes that may be required to meet the service standards during the term of this Agreement shall be done so at the Company's sole expense. The Company shall have available on Collection days sufficient back-up vehicles for each type of Collection vehicle used to respond to complaints and emergencies.

B. Specifications. At no time during the Agreement term shall Company use vehicles for the Collection of Solid Waste in the City that are more than ten (10) years

old. All route vehicles shall use liquefied natural gas (LNG) or compressed natural gas (CNG) at the start of service under this Agreement. Company shall be in compliance with all rules and regulations currently in force or passed during the contract term, including SCAQMD and the Air Resource Board's regulations. No rate adjustments shall be made for such changes in law. All vehicles used by the Company in providing Solid Waste Collection services shall be registered with the California Department of Motor Vehicles. All such vehicles shall have watertight bodies designed to prevent leakage, spillage or overflow.

Roll-Off Box vehicles, Container delivery vehicles, scout vehicles, supervisor pickup trucks, and vehicles used for holiday tree Collection, special events and Bulky Item Collection are only required to use LNG or CNG fuel to the extent required by law, including SCAQMD and Air Resources Board regulations, with no rate adjustments granted for such changes in law.

C. Vehicle Identification. The Company's name, local telephone number, and a unique vehicle identification number designed by the Company for each vehicle shall be prominently displayed on all vehicles, in letters and numbers no less than (3) three inches high. The Company shall not place the City's name and/or any City logos on the Company vehicles. Vehicles shall all be painted in a standard color.

D. Cleaning and Maintenance

- 1) The Company shall maintain all of its properties, vehicles, Facilities, and equipment used in providing service under this Agreement in a good, safe, neat, clean and operable condition at all times.
- 2) Vehicles used in the Collection of Solid Waste shall be painted, thoroughly washed, and thoroughly steam cleaned on a regular basis so as to present a clean appearance. The City may inspect vehicles at any time to determine compliance with this Agreement. The Company shall also make vehicles available to the Los Angeles County Health Department for inspection, at any frequency it requests. The Company agrees to replace or repair to the City's satisfaction, any vehicle that the City determines to be of unsightly appearance, leaking, or in unsatisfactory operating condition.

- 3) The Company shall repaint all vehicles used in the Collection of Solid Waste within sixty (60) days' notice from the City, if the City determines that their appearance warrants painting. City shall not request that vehicles be painted more than once every three years.
- 4) The Company shall inspect each vehicle daily to ensure that all equipment is operating properly. Vehicles that are not operating properly, or vehicles in such a condition as to be unsafe or excessively noisy, shall be removed from service until repaired and operating properly. The Company shall reasonably perform all scheduled maintenance functions in accordance with the manufacturer's specifications and schedule. The Company shall keep accurate records of all vehicle maintenance, recorded according to date and mileage (or hours of operation) and shall make such records available to the City upon request.
- 5) The Company shall repair, or arrange for the repair of, all of its vehicles and equipment for which repairs are needed because of accident, breakdown or any other cause so as to maintain all equipment in a safe and operable condition. The Company shall maintain accurate records of repair, which shall include the date and mileage (or hours of operation), nature of repair and the verification by signature of a maintenance supervisor that the repair has been properly performed.
- 6) Upon request by the City, the Company shall furnish the City a written inventory of all equipment, including Collection vehicles, used in providing service, and shall update the inventory annually. The inventory shall list all equipment by manufacturer, ID number, date of acquisition, type, and capacity.

E. Operation.

- 1) Vehicles shall be operated in compliance with the California Vehicle Code, and all applicable safety and local ordinances. The Company shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by State or local weight restrictions on vehicles.
- 2) Equipment shall comply with US EPA noise emission regulations, currently codified at 40 CFR Part 205 and other applicable noise control regulations, and shall incorporate noise control features throughout the entire vehicle. In no event

shall the noise level of equipment used for Collection exceed 75 dB when measured at a distance of twenty-five (25) feet from the vehicle, five (5) feet from the ground. Company shall submit to the City, upon City's request, a certificate of vehicle noise level testing of all vehicles by an independent testing entity. The Company shall store all equipment in safe and secure locations in accordance with the City's applicable zoning regulations.

- 3) Subject to Section 8.1, the Company shall be responsible for any damage resulting from or directly attributable to any of its operations, and which it causes to: the City's driving surfaces (excluding normal wear and tear), whether or not paved; associated curbs, gutters and traffic control devices; other public improvements; and private roads and alleys.
- 4) Company shall equip all route vehicles with a GPS tracking system and enable the City to monitor route vehicle activity through this system by computer at the City through read-only access. Company shall provide activity reports upon request. With this service, Company shall ensure that the City has access to the online system to pull up GPS data from trucks at any time during the day.

F. City Inspection Per Code. The City may cause any vehicle used in performance of this Agreement to be inspected and tested at any commercially reasonable time and in such manner as may be appropriate to determine that the vehicle is being maintained in compliance with the applicable provisions of the State Vehicle Code, including all Vehicle Code sections regarding smog equipment requirements. The City may direct the removal of any vehicle from service if that vehicle is found to be in nonconformance with applicable codes. No vehicle directed to be removed from service by the City shall be returned to service until it conforms with, and its return to service has been approved by, the City.

G. Brake Inspections. The brake system of each vehicle used in performance of this Agreement shall be inspected and certified according to State law by the California Highway Patrol or by a brake inspection station licensed by the California Highway Patrol. Notice of certification shall be made available to the City within thirty (30) days of request. Failure to submit the required certification if requested shall be grounds for terminating this Agreement.

H. Correction of Defects. Following any inspection, the Public Works Director shall have the right to cause the Company, at its sole cost and expense, to recondition or replace any vehicle or equipment found to be unsafe, unsanitary or unsightly. The Public Works Director's determination may be appealed to the City Council, which decision shall be final.

3.9.3 Litter Abatement

A. Minimization of Spills. The Company shall use due care to prevent Solid Waste or fluids from leaking, being spilled and/or scattered during the Collection or transportation process. If any Solid Waste or fluids leak or are spilled during Collection, the Company shall promptly clean up all such materials. Company shall notify City within 30 minutes of spill of any material with the potential to reach the storm drains, including all liquids. Each Collection vehicle shall carry a broom and shovel at all times for this purpose.

The Company shall not transfer loads from one vehicle to another on any public street, unless it is necessary to do so because of mechanical failure, accidental damage to a vehicle, or a pre-approved method of Solid Waste transfer between vehicles, without prior written approval by the City.

B. Clean Up. During the Collection or transportation process, the Company shall clean up litter in the immediate vicinity of any Solid Waste storage or Collection area whether or not the Company has caused the litter. The Company shall identify instances of repeated spillage not caused by it directly with the Customer responsible and will report such instances to the City. The City will attempt to rectify such situations with the Customer if the Company has already attempted to do so without success.

3.9.4 Personnel

The Company shall furnish such qualified drivers, mechanical, supervisory, clerical, management and other personnel as may be necessary to provide the services required by this Agreement in a satisfactory, safe, economical and efficient manner. All drivers shall be trained and qualified in the operation of vehicles they operate and must possess a valid license, of the appropriate class, issued by the California Department of Motor Vehicles.

The Company also agrees to establish and vigorously enforce an educational program that will train the Company's employees in the identification of Hazardous Waste. The Company's employees shall not knowingly place such Hazardous Waste in the Collection vehicles, nor knowingly dispose of such Hazardous Wastes at the processing Facility or Disposal Site.

The Company shall train its employees in Customer courtesy, shall prohibit the use of loud or profane language, and shall instruct Collection crews to perform the work quietly. The Company shall use its best efforts to assure that all employees present a neat appearance and conduct themselves in a courteous manner. If any employee is found to be discourteous or not to be performing services in the manner required by this Agreement, the Company shall take all necessary corrective measures including, but not limited to, transfer, discipline or termination. If the City has notified the Company of a complaint related to discourteous or improper behavior, the Company will consider reassigning the employee to duties not entailing contact with the public while the Company is pursuing its investigation and corrective action process.

The Company shall provide suitable operations, health, and safety training for all of its employees who use or operate equipment or who are otherwise directly involved in Collection or other related operations.

3.9.5 Identification Required

The Company shall provide its employees, companies and subcontractors with identification for all individuals who may make personal contact with residents or businesses in the City. The City may require the Company to notify Customers yearly of the form of said identification. The Company shall provide a list of current employees, companies, and subcontractors to the City upon request.

The City reserves the right to perform a security and identification check through law enforcement agencies upon the Company and all its present and future employees, in accordance with accepted procedures established by the City, or for probable cause.

3.9.6 Fees and Gratuities

The Company shall not, nor shall it permit any agent, employee, or subcontractors employed by it, to request, solicit, demand, or accept, either directly or indirectly, any

compensation or gratuity for the Collection, transportation, Recycling, processing, and Disposal of Solid Waste other than required under this Agreement.

3.9.7 Non-Discrimination

The Company shall not discriminate in the provision of service or the employment of Persons engaged in performance of this Agreement on account of race, color, religion, sex, age, physical handicap or medical condition in violation of any applicable federal or State law.

3.9.8 Change in Collection Schedule

The Company shall notify the City forty-five (45) days prior to, and Residential Customers not later than fourteen (14) days prior to, any change in Collection operations which results in a change in the day on which Residential Solid Waste Collection occurs. The Company will not permit any Customer to go more than seven (7) days without service in connection with a Collection schedule change. The City's approval of any change in Residential Collection is required prior to such change, and such approval will not be withheld unreasonably.

Any changes in the route map or Collection schedule shall require the prior approval of the City. The City may require changes in the route map or Collection schedule, to improve service, to resolve complaints or for other reasons.

3.9.9 Report of Accumulation of Solid Waste; Unauthorized Dumping

The Company shall direct its drivers to note the addresses of any private Premises at which they observe that Solid Waste is accumulating and is not being delivered for Collection; and the address, or other location description, at which Solid Waste has been dumped in an apparently unauthorized manner. The Company shall deliver the address or description to the City within five (5) working days of such observation. Company shall cooperate with City in the investigation and prosecution of any violations of the Manhattan Beach City Code, health codes or other laws.

3.10 Transportation, Disposal and Processing

The Company shall transport all Refuse Collected under Section 3.1 to a transfer station, MRF, Transformation Facility or Disposal Site. Unless the City otherwise obtains

ownership of the Solid Waste or Refuse stream as described in Section 2.11, the primary Disposal Site shall be the _____. The Company agrees to make all reasonable efforts to separate Recyclable Materials from Refuse for diversion from landfill Disposal.

The Company shall maintain complete, accurate and up-to-date records of the quantities of Solid Waste transported to the transfer station, MRF, Transformation Facility or Disposal Site and will cooperate with the City in any audits or investigations of such quantities.

The City reserves the right to designate the Solid Waste Facility (whether landfill, Transformation Facility, transfer station, processing Facility or Material Recovery Facility) at a later date. City and Company will use their best efforts to obtain indemnification against CERCLA, State Environmental Laws, and related claims from the operator of the landfill or other destination the City designates. In the event that City selects a Disposal Site or other Facility, the City or Company is entitled to a rate adjustment to offset an increase or decrease in rates due to a change in tip fee or transportation costs.

3.11 Status of Disposal Site

Any Disposal Site utilized by the Company shall be designed and constructed in accordance with 23 California Code of Regulations Section 2510 *et seq.* ("Subchapter 15"). Any such landfill must have been issued all permits from federal, State, regional, county and the City agencies necessary for it to operate as a Class III Sanitary Landfill and is in full regulatory compliance with all such permits.

3.12 Dedicated Routes

Solid Waste Collected in the City may not be commingled in Collection vehicles with Solid Waste from other jurisdictions. All routes shall be dedicated exclusively to City of Manhattan Beach Solid Waste. Company may request permission from the City for an exception on a case-by-case basis.

3.13 Annual Route Audit

Once during the first year and every third year thereafter, the Company shall conduct an audit of its Collection routes in the City. The annual route audit, at minimum, shall

consist of an independent physical observation by person(s) other than the route driver or route supervisor of each Residential and Commercial Customer in the City. The annual route audit information shall include, at a minimum, the following information for each account:

For Residential Cart Customers:

- Route Number;
- Truck Number;
- Number and size of Carts by waste stream (Refuse, Recycling, Green Waste);
- Service Address; and,
- Cart condition.

For Commercial and Multi-Family Bin Customers:

- Route Number;
- Truck Number;
- Account Name;
- Account Number;
- Account Service Address;
- Whether each individual address is Commercial or Multi-Family;
- Number of Residential Dwelling units at each Multi-Family account;
- Service Level per Billing System (Quantity, Size, Frequency);
- Service Level per Routing System;
- Observed Containers (Quantity and Size).
- Bin condition;
- Proper signage; and,
- Graffiti.

Within 30 days after the completion of the route audit, the Company shall submit to the City a report summarizing the results of the annual audit. One copy shall be submitted to the Public Works Director and one to the City's billing manager. This summary shall include:

- Identification of the routes;
- Truck numbers;

- Number of accounts, by route and in total (Residential Cart, Multi-Family Bin, and Commercial);
- Types of billing and service exceptions observed;
- Number of billing and service exceptions by type;
- Total monthly billing, pre-audit;
- Total monthly billing, post-audit (subsequent to corrections of identified exceptions; and,
- Percentage of billing and service exceptions:
 - Percentage of the number of accounts with errors to the total number of accounts served;
 - Percentage of the “net” change in monthly billing as a result of the audit to the total pre-audit monthly billing; and,
 - Percentage of the “absolute” change in net monthly billing as a result of the audit to the total “pre-audit” monthly billing.

The report shall include a description of the procedures followed to complete the annual route audit. This description shall include the names and titles of those supervising the route audits and the name and titles of those performing the observations. Additionally, the report shall include a description of the pre-audit training of the route auditors, particularly if temporary personnel are used.

The report shall also include a description of the changes and the Company’s plans to resolve the exceptions. The results of the annual audit shall be available for review by the City or its representative.

3.14 Service Exceptions; Hazardous Waste Notifications

A. Failure to Collect. When Solid Waste is not Collected from any Customer, the Company shall notify the Customer in writing, at the time Collection is not made, through the use of a “tag” or otherwise, of the reasons why the Collection was not made.

B. Hazardous Waste Inspection and Reporting. The Company reserves the right to inspect Solid Waste put out for Collection and to reject Solid Waste observed to be contaminated with Hazardous Waste and the right not to Collect Hazardous Waste put

out with Solid Waste. The Company shall notify all agencies with jurisdiction, if appropriate, including the California Department of Toxic Substances Control and Local Emergency Response Providers and the National Response Center of reportable quantities of Hazardous Waste, found or observed in Solid Waste anywhere within the City. In addition to other required notifications, if the Company observes any substances that it or its employees reasonably believe or suspect to contain Hazardous Wastes unlawfully disposed of or released on any City property, including storm drains, streets or other public rights of way, the Company will immediately notify the Public Works Director or the Public Works Director's designee.

C. Hazardous Waste Diversion Records. The Company shall maintain records showing the types and quantities, if any, of Hazardous Waste found in Solid Waste and which was inadvertently Collected from Customers within the City, but diverted from landfilling.

3.15 Hazardous Waste Management Component

The Company shall maintain a Hazardous Waste Management Plan and make it available to the City upon request.

ARTICLE 4
OTHER SERVICES

4.1 Services and Customer Billing

4.1.1 Company Billing

Company shall bill for the services in subsections A and B below.

A. Compost Bin Co-Pay. The Residential Customers' co-pay for compost bins shall be billed by the Company.

B. Rolloff Box and Temporary Bin Services. In regard to the billing of Rolloff Box Customers and the collection of those bills:

For Customers requesting temporary Bin service, the Company shall accept major credit cards for payment. Such Customers that do not use credit cards may be required by the Company to post a security deposit or pay on a "Cash on Delivery" (C. O. D.) basis. Any unused portion of a security deposit shall be refunded to the Customer within five (5) business days of the termination of service.

For Customers receiving Permanent Rolloff Box Service, the Company shall invoice monthly or semi-monthly in arrears with payment due within 15 days from the invoice date (i.e., the beginning of the month or the inception of service).

4.1.2 City Billing

City shall perform all billing under this contract, other than Rolloff Box service, temporary Bin service, and compost bin co-pays. City reserves the right to direct Company at any time during the Agreement Term to charge Customers for periodic charges such as Bulky Waste pickups, Cart overage pickups, and Bin Container Overage Fees.

4.1.3 Company Compensation

City shall pay Company on a monthly basis, within 30 days of the City billing Customers. Payment will be based on City's records of services rendered and will be

subject to subsequent audit and adjustment in succeeding invoices. Payment will be accompanied by Customer and service level list (see 4.1.4 below).

4.1.4 Company Responsible for Service Level Accuracy

Along with the City's monthly payment to the Company (see section 4.1.3 above), the City shall send the Company a list of Customer accounts, and service levels, and billed rates on which the payment is based. The Company shall review this list and must dispute or accept the accuracy of this list within 45 days of receipt. Failure to notify the City in writing within 45 days shall confirm the Company's approval and acceptance of the payment amount.

The Company must also notify City within 72 hours of the Company being notified of any change in service.

4.1.5 Review of Billings

The Company shall review Billings to customers under Sections 4.1.1 and 4.1.2. The purpose of the review is to determine that the amount which is being Billing to each Customer is correct in terms of the level of service being provided to such Customer by the Company. The Company shall review Customer accounts annually, and submit to the City a written report of that review annually on the anniversary of the Effective Day of this Agreement.

The Company shall maintain copies of said Billings and receipts, each in chronological order, for a period of five (5) years after the date of service for inspection by the City upon request. The Company may, at its option, maintain those records in computer form, on microfiche, or in any other manner, provided that the records can be preserved and retrieved for inspection and verification in a timely manner, are sufficient to verify accuracy of Franchise Fees owed to the City, and may be produced in a form and manner sufficient to establish the existence of Customer obligations in a court of competent jurisdiction.

4.1.6 Suspension of Service Due to Non-Payment

For Customers billed by Company, once a payment is 30 days past due, Company shall send Customers a notice that service will be suspended if payment is not made within an additional 30 days. Service may only be suspended after these minimum time

periods and notice. City will not be responsible for or assist with the collection of delinquent accounts.

4.1.7 Franchise Fee

A. Amount

In consideration of the exclusive Franchise granted pursuant to this Agreement, and in the event that Company assumes Billing of permanent Bin and Commercial Cart and Can Customers, the Company shall pay to the City a Franchise Fee equal to a percentage of the Company's permanent Bin and Commercial Cart and Can rate revenue. This fee shall be determined by the City and added on to the approved rates and billed by the Company. The Company shall remit this fee to the City as set forth below.

B. Time and Method of Payment

Company shall remit the Franchise Fee payments on or before the thirtieth (30th) day following the end of each quarter, during the term of this Agreement. If the Franchise Fee is not paid on or before the thirtieth (30th) day following the end of the quarter, the Company shall pay to the City a service charge, and not as interest, in an amount equal to ten percent (10%) of the amount owing for that quarter. The Company shall pay an additional ten percent (10%) service charge on any unpaid balance for each additional thirty (30) day period the Franchise Fee remains unpaid. Late payment service charges shall not be included in any revenue requirement. The Company agrees that the service charges contemplated by this section reasonably reflect the cost to the City to process any delinquency calculations and notices, and to monitor the Company's services, all in an effort to collect the delinquent Franchise Fees that, together with all other remedies afforded City under this Agreement (including any award of attorney's fees and costs), and in accordance with applicable laws, are intended to compensate City in any collection efforts in the event of Company's default in the payment of Franchise Fees.

4.2 Customer Service

4.2.1 Office Hours

Company office hours shall be, at a minimum, from 8:00 A.M. to 5:00 P.M., Monday through Friday, excluding holidays, and from 8:00 A.M. to 12:00 P.M. on Saturday. A

responsible and qualified representative of the Company shall be available during office hours for communication with the public at the office. Normal office hour telephone numbers shall be a toll free call. The Company's telephone system and number of representatives shall be adequate to handle the volume of calls typically experienced on the busiest days. A live operator shall answer calls placed during office hours within one minute of the initial ring. The Company shall also maintain a toll free telephone number for use during other than normal business hours. The Company shall have a representative, answering or message providing/receiving (voice-mail) service available at said after-hours telephone number. After-hours calls shall be responded to on the next business day.

Company shall provide the City staff with the phone number or pager number of a live Person who may be reached 24 hours a day.

4.2.2 Missed Pick-ups

When notified of a missed pick-up, the Company shall Collect the Refuse, Recyclable Materials, and/or Green Waste the same day, if notified by 12:00 noon, otherwise by 5:00 P.M. of the following day, unless Company can provide documentation that Container was not placed for Collection in a timely manner (evidence may include a report by the driver, provided at time of normal Collection, indicating no Container had been placed out for Collection). A summary of missed pickups shall be submitted to the City monthly.

4.2.3 Complaint Documentation

All service complaints shall be directed to the Company. Daily logs of complaints concerning Collection of Solid Waste shall be retained for a minimum of twenty-four (24) months and shall be available to the City at all times upon request. A summary of complaints shall be submitted to the City monthly.

The Company shall log all complaints received by telephone and said log shall include the date and time the complaint was received, name, address and telephone number of caller, description of complaint, employee recording complaint and the action taken by the Company to respond to and remedy complaint. All written Customer complaints and inquiries shall be date-stamped when received. All complaints shall be initially

responded to within one (1) business day of receipt. The Company shall log action taken by the Company to respond to and remedy all complaints.

All Customer service records and logs kept by the Company shall be available to the City upon request and at no cost to the City. The City shall, at any time during regular Company business hours, have access to the Company's Customer service department for purposes that may include monitoring the quality of Customer service or researching Customer complaints.

4.2.4 Resolution of Customer Complaints

Disputes between the Company and its Customers regarding the services provided in accordance with this Agreement may be resolved by the City. The City's decision shall be final and binding.

Intervention by the City is not a condition precedent to any rights or remedies third parties might otherwise have in any dispute with Company. Nothing in this section is intended to affect the remedies of third parties against the Company. To the extent that remedies are warranted through this Agreement, this shall apply.

4.2.5 Government Liaison

The Company shall designate in writing a "Government Liaison" who shall be responsible for working with the City and/or the City's designated representative(s) to resolve Customer complaints and assist with waste reduction programs. City shall have the right to approve the Company's choice for a liaison.

Government Liaison shall be the community relations liaison for Manhattan Beach business, residential, and school and municipal issues for continuous and consistent collaboration with City and Customers, including his\her physical presence when requested or appropriate at schools, businesses and business organizations, community events, Environmental Task Force meetings, City Council meetings and workshops, et al.

4.2.6 Service Liaison

Company shall designate in writing a field supervisor (i.e. route manager) as "Service Liaison" who shall be responsible for working with City and/or City's designated

representative(s) to resolve Customer service related complaints, and strategize with City on an on-going basis regarding more efficient Collection practices. Service Liaison will have daily presence in City and daily contact with City staff, and will coordinate with City engineering department to coordinate Collection practices to accommodate City road projects. City shall have the right to approve the Company's choice for a liaison.

4.2.7 Customer Service Liaison

Company shall designate a customer service representative to which the City can direct customers that contact the City with Solid Waste service questions. Customer Service Liaison will take responsibility for completing and closing out work orders within the City's designated work order system.

4.2.8 School Outreach Liaison

Company shall designate a School Outreach Liaison to oversee and coordinate all waste reduction activities under Section 4.3.8 below.

4.3 Education and Public Awareness

4.3.1 Manhattan Beach Zero Waste Program

Company acknowledges and agrees that education and public awareness are critical, key and essential elements of any efforts to achieve AB 939 requirements. Accordingly, the Company agrees to implement a public education plan for the Manhattan Beach Zero Waste Program, with strategies and timetables, to expand public and Customer awareness concerning the need to and methods of reducing, reusing and recycling Solid Waste. The Company will provide and distribute Zero Waste literature in the form of online resources, web-ads, fliers, cards, magnets or other methods acceptable to the City. Any outreach material utilizing paper, provided and distributed by the Company, shall be made from recycled-content paper and must be labeled "Printed on Recycled Paper" on the outreach material. Company shall cooperate fully with City in this regard. Company shall submit the public education plan for approval by the City prior to the Effective Date of the Agreement. The approved public education plan shall be incorporated as Exhibit 2 into this Agreement.

Company shall maintain its own program of providing information relevant to billing and Solid Waste services, issues and needs, to all of its Customers. Company shall assist the City in maintaining its Multi-Family mailing list for all Multi-Family dwelling units by reporting changes in Multi-Family Customers and providing addresses of each new or eliminated dwelling unit to the City. All public education materials shall be approved in advance by City. All printed materials shall be printed on recycled paper.

4.3.2 Implementation and On-going Education Requirements

Company will provide a minimum of the following public education items to be developed at Company's expense and distributed, after City approval, as indicated below:

- **Initial Cart Selection Mailing** – Company shall prepare and distribute the mailing described in Section 3.7.1.1 to all Residential Cart Customers.
- **Pre-Roll-Out Mailing** – At least 30 days prior to August 1, 2011, Company will prepare and mail, using City-provided labels, an initial mailing to Residential and Commercial Customers explaining the transition from the existing programs to the new programs. The mailing will describe program changes, route changes, dates of program implementation, and other necessary information. For Residential Cart Customers, this mailing will be in addition to the initial mailing requesting Cart Customers to select Cart sizes and numbers.
- **Web-based Program Catalogue** - Company shall be required to develop and provide updated information details for each program to City in an “e-book” or “e-magazine” format, or an alternative format only if approved in advance by City (not PDF), ready for addition to the City and Company websites. Company shall update this based on any program, service or date changes.
- **Instructional Packet Accompanying Company-Provided Containers** – An information packet shall be attached to each set of Carts or Cans distributed to a Customer. Packet should describe available services, including how to place Carts or Cans for Collection, which materials should be placed in each Cart or Can, Collection holidays, and a Customer service phone number.

- **Semi-Annual Brochures** – Four (4) pages, full color informing Customers of how to use available services, including holiday collection schedules and customer services numbers. Twice per year, two (2) separate brochures shall be developed: one for Residential Customers, and one for Commercial and Industrial Customers. Said brochures shall be prepared and direct-mailed by the Company twice per year (total of four (4) brochures per year) for each year in which this contract is in effect, using City-provided mailing labels.
- **Quarterly Notices** – Company is responsible for preparing notices promoting and explaining programs (such as Recycling, Green Waste, Holiday Tree and Bulky Item Collections, free Commercial Recycling, and proper Household Hazardous Waste Disposal) and Collection schedules, including holiday schedules, at least quarterly to all Customers, at the City’s request and with City’s review and approval of the materials. Notices will be mailed by the City with customer’s bills, if size of the item and time permits. Otherwise, mailing using mailing labels from the City is the Company’s responsibility.
- **Annual Notifications of Free Commercial Recycling Services** – Company will provide all Bin Customers with notification and description of the free Commercial Recycling program available to them. Notification will be mailed by the City with customer’s bills, if size of the item and time permits. Otherwise, mailing using mailing labels from the City is the Company’s responsibility.
- **Corrective Action Notice** – For use in instances where the Customer sets out inappropriate materials.
- **Company Representative** - Company shall provide a representative able to visit civic groups, school assemblies, homeowners’ associations, building managers, the Chamber of Commerce, and Commercial businesses to promote and explain the Recycling programs, and participate in demonstrations, parades and civic events.

All brochures, mailings, and other educational materials are to be approved by the City in advance of distribution, and shall not bear the City seal unless otherwise approved by the City. Any outreach material utilizing paper provided and distributed by the Company shall be made from recycled-content paper and must be labeled “Printed on Recycled Paper” on the outreach material.

4.3.3 Contract Launch Campaign

In addition to Initial Mailings, Web-Based Programs Catalogue and Instructional Packets required under Section 4.3.2 above, prior to initiation of services under the new Agreement, Company will conduct a minimum of two residential public workshops, with at least one on a weekend, and present at a Chamber of Commerce meeting/event describing program changes, route changes, dates of program implementation, and other necessary information. Company will display new Carts to be distributed, and may also display Commercial Cans that are in use where Carts could not be accommodated. Residential workshops shall be conducted at a facility to be determined by City.

4.3.4 Zero Waste Community Events

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

4.3.5 Use of "Manhattan Beach Recycles" Program Name

The program name "Manhattan Beach Recycles" refers to all Solid Waste management services available to the residents of the City. This name is the exclusive property of the City. Company may use "Manhattan Beach Recycles" to help people identify with the civic pride and environmental good of responsibly managing solid waste. The Company's use of the name does not relieve the Company of its ownership of its operations, any consequences of its actions, nor obligations under this Agreement. The Company's use of the name is not to be construed as constituting an arrangement by the City for the Disposal of Solid Waste, nor to create an agency relationship.

4.3.6 Multi-Family Recycling Outreach Program

Company shall provide in-unit Recycling Containers to each Multi-Family Customer Dwelling Unit upon request of individual Dwelling Unit, property owner or manager. In-unit Containers shall be hot stamped or labeled with items that may be placed in the Recycling Container, and shall not carry Company logo and shall become the property

of the City upon distribution. City logo may be used. Company will provide all property managers and Residents with Bin service with Recycling program guidelines, posters to be placed in laundry rooms, refuse/recyclable container enclosures and other community areas at each building, and other outreach materials tailored to Multi-Family Bin Customer service. Company shall contact each Multi-Family Customer building owner or property manager by September 30, 2011 in an effort to implement recycling programs **with an emphasis on Zero Waste**, provide educational materials, and to train owner/manager in how to work with tenants to Recycle. Company shall provide each building owner and property manager with welcome packets for owner/manager to provide to each new resident upon move-in; packets will include information on what should be placed in the recyclables containers.

Company shall prepare and mail a brochure with recycled content and labeled “Made from Recycled Paper” at least once per year to each Multi-Family Dwelling unit that does not individually receive semi-annual and quarterly notices under Section 4.3.2; brochure shall describe all Solid Waste programs and holiday schedules as they apply to Multi-Family Cart Customers and to Residential Bin Customers.

Company commits a minimum of ____ hours of Company staff, or third-party contractor, time per year towards meeting Multi-Family outreach efforts as described in this section.

4.3.7 Commercial Outreach Recognition Program

Company commits a minimum of ____ hours of Company staff, or third-party contractor, time per year towards meeting Commercial outreach efforts as described in this section.

Green Business Certification Recognition

Company will work with City, Chamber of Commerce, and the Downtown Manhattan Beach Business Association to certify and recognize “green” businesses **making efforts to become a Zero Waste Business in the community**. Company will develop a comprehensive program to promote the following:

- Reduce solid waste disposal and promote recycling;
- Become energy and water efficient;

- Purchase products that are less harmful to human health and the environment;
- Minimize pollution contributions;
- Help improve indoor air quality and reduce smog formation; and,
- Educate businesses and their customers and employees about green business practices.

To participate, businesses must be located in the City and complete a two page application and self assessment information about Zero Waste (waste reduction) practices in place and other green policies practiced.

Awards will be presented annually at an event, Council meeting or award ceremony to be mutually agreed upon by City and Company. Company will provide selected companies with an award to be mutually agreed upon by City and Company.

Zero Waste Green Works – Promoting Recycling at the Work Place

Company will provide businesses with recycled-content prizes such as reusable water bottles, reusable grocery bags, and/or other incentives for managers to provide to employees who contribute to the business' Zero Waste green program.

Company will provide business managers with promotional information, flyers and instructional posters made from recycled paper and labeled "Made from Recycled Paper" to implement a comprehensive waste reduction and recycling program, including information on what cannot be placed in the recycling container (i.e.: HHW).

Company shall provide initial and on-going consultation and support to businesses who request it to ensure long term success of their business' waste reduction and recycling program.

4.3.8 School Zero Waste Outreach Program

Company shall provide the following services to all City schools, including the Manhattan Beach Unified School District and private schools, to promote waste reduction. The following programs will be implemented by Company to the fullest extent possible, based on the individual school's willingness to participate.

- Classroom, lunch area, cafeteria, and administrative recycling containers to be provided and replaced as needed;
- Source Separated Recyclables shall be Collected from the schools at no charge;
- Conduct a minimum of one assembly promoting recycling at each school in the City each year;
- Education and training on proper recycling and waste reduction techniques to students and teachers and web-based resources for the district and schools' websites;
- A kickoff event at the beginning of each school year for schools that request it as well as end of school year recycling programs as requested;
- Provide school assemblies and classroom presentations aimed at educating and promoting recycling at school and home;
- Provide training and ongoing consultation of proper waste reduction techniques for school staff and volunteers;
- Create an annual awards and incentive programs to promote on-campus sustainability program;
- Proper signage for all school sites;
- Provide teachers with sample lesson plans and activity sheets made from recycled paper and labeled "Made from Recycled Paper" on relevant topics on an as requested basis; and,
- Contact each school at least once per semester to offer all services included in this section. City or school may request that more frequent contacts be made. Records of contact attempts shall be retained and submitted to City annually. Records shall include name and position of person contacted, date and time of contact, and, if contact declines to conduct an assembly and participate in the other services offered under this section, the reason for decline. To enhance the likelihood of conducting assemblies and providing other Recycling support at schools, Company shall make

an effort to work with other organizations promoting Recycling and environmental education in schools.

If requested, Company will work with school administration, parent volunteers, and janitorial staff to review current recycling practices and look for opportunities for program enhancement. Company will provide follow-up with school management, janitorial staff, faculty and student volunteers to ensure that improved recycling and waste reduction techniques have been implemented.

Company commits a minimum of ____ hours of Company staff, or third-party contractor, time per year towards meeting School outreach efforts as described in this section. Time allocated to contacting schools to offer programs shall not be counted towards minimum.

4.3.9 Recycling Facility Tours

Company shall provide City Customers and organizations tours of its Recycling facility. Company may schedule tours on a quarterly basis and shall inform City of all quarterly tour dates 90 (ninety) days in advance.

4.3.10 Take-Back Programs

[TO BE COMPLETED BASED UPON PROPOSAL]

4.4 Waste Generation/Characterization Studies

Contractor acknowledges that City must perform Solid Waste generation and Disposal characterization studies periodically to comply with the requirements of AB 939. 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 AB 939. 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.

ARTICLE 5

COMPANY COMPENSATION AND RATES

5.1 General

The Company Compensation provided for in this Article shall be the full, entire and complete compensation due to the Company pursuant to this Agreement for all services, labor, equipment, materials and supplies, taxes, insurance, bonds, overhead, Disposal, transfer, profit and all other things necessary to perform all the services required and reasonably anticipated by this Agreement in the manner and at the times prescribed.

The Company will perform the responsibilities and duties described in this Agreement in consideration of the right to receive compensation for services rendered at maximum rates fixed by the City from time-to-time.

5.2 Initial Rates

The Company Compensation from August 1, 2011 through June 30, 2012 shall not exceed those set forth in Exhibit 3, unless amended by a written amendment to this Agreement entered into by and between the City and the Company. Unless and until the maximum rates set forth on Exhibit 3 are adjusted, the Company will provide the services required by this Agreement, receiving no more than the Company Compensation authorized by Exhibit 3, except as provided herein and in Section 5.3.

5.3 Schedule of Future Adjustments

Beginning with the Rate Year commencing on July 1, 2012, and for all subsequent Rate Years, the Company may request an annual adjustment to the Company Compensation for all rate categories shown in Exhibit 3, as adjusted in accordance with this Section 5.3. The Company shall submit its request in writing, to be received by the City in Person or via certified mail, at least ninety (90) days prior to the start of the new Rate Year based on the method of adjustment described in Section 5.4. Failure to submit a written request at least ninety (90) days prior to the start of the new Rate Year shall result in the Company waiving the right to request such an increase for the subsequent year.

The City may, at its discretion, decrease the rates in accordance with Section 5.4 in the event that the rate adjustment formula produces a decline. If any rates would decline based upon Section 5.4 calculations and a rate decrease is not implemented, the subsequent rate adjustment shall be based upon the average changes in indices since previous rate adjustment instead of the average change over the prior year.

The rate adjustments shall apply to the Contractor Compensation rates included in Exhibit 3. The Contractor Compensation rates exclude any amounts that may be added by the City to Customer invoices for the City to recover its administrative costs.

5.4 Method of Adjustments

5.4.1 General

For Rate Years beginning July 1, 2012, Company may request an adjustment to Company Compensation for all rate categories included in Exhibit 3 according to the method described below and the formulas shown in Exhibit 4, subject to review and approval of City. All future adjustments are to be effective July 1 of the same year.

5.4.2 Cost Components for Rate Adjustment Indices

The approved Company Compensation consists of the following cost component categories. Each cost component may be adjusted by the change in the corresponding index below. See Section 5.4.3 for detailed Company Compensation adjustment procedures.

<u>Cost Category</u>	<u>Initial Weightings</u>		<u>Rate Adjustment Factor (1)</u>
	Exhibit 3A Bin & Cart	Exhibit 3B Roll-off	
Labor			Employment Cost Index CIU20100005200000I, Total compensation, Private industry, Index number, Transportation and material moving
Fuel			Producer Price Index WPU 0531, Not seasonally adjusted, Fuels and related products and power, natural gas
Equipment	TO BE PROPOSED		Producer Price Index, PCU336120336120, Heavy duty truck manufacturing
Disposal			Consumer Price Index for All Urban Consumers (CUUR0000SA0L1E), all items less food and energy index - U.S. city average [OR AS PROPOSED]
Transformation (if applicable)			Actual change in the per ton gate rate at the waste-to-energy facility approved for use
All Other			Consumer Price Index for All Urban Consumers (CUUR0000SA0L1E), all items less food and energy index - U.S. city average
Total	100.0%	100.0%	

(1) If an index is discontinued, an alternative index must be approved by the City's Public Works Director.

5.4.3 Rate Adjustment Steps

Bin, Can and Cart Rates

Bin, Can and Cart rates will be adjusted using the cost component weightings identified above for Bin, Can and Cart rates as described below. See Exhibit 4A.

Step One - Calculate the percentage increase or decrease in each index listed in Section 5.4.2. The increase or decrease in the labor component is calculated as described in Section 5.4.2 above. The increase or decrease in the transformation component is based on the transformation tipping fee at the transformation facility. The increase or decrease in the published indices for fuel, equipment, disposal and all other (CPI) will be the change in the average annual published index between the calendar year ended the

December prior to the Rate Year anniversary date and prior calendar year (See Exhibit 4C).

Step Two – The first rate adjustment cost components as a percentage of total costs are provided in Section 5.4.2 above, with subsequent components calculated in Step Four of the rate adjustment. For Step Two of each subsequent rate adjustment, use the cost components recalculated in Step Four during the previous rate adjustment.

Multiply the percentage changes for each rate adjustment component by that component's weighting and add these resulting percentages together to get the total weighted change to the rates.

Step Three – Multiply the total weighted percent change from Step Two by the existing Customer rates to calculate the increase or decrease to the maximum rates. Add the rate increase or decrease to the existing rates to derive the newly adjusted rates.

Step Four – Recalculate weightings for the following year based upon these changes.

Roll-Off Box Rates

Roll-Off Box pull rates will be adjusted using the same methodology above, with the weightings identified above for Roll-Off Pulls. The per ton Roll-Off Box Refuse Disposal rate shall adjust based upon the change in the disposal component of the rates (the average annual change in the CPI). See Exhibit 4B. **[OR AS PROPOSED]**

5.5 Extraordinary Adjustments

The Company may not request an adjustment in Company Compensation other than the adjustments permitted under Section 5.3. Company is expected to comply with SCAQMD regulations including Rule 1193, the Air Resource Board's regulations, and other Federal, State and local laws and regulations that may be enacted during the term of this Agreement, with no additional compensation. No adjustments may be made for such changes as a change in the market value of Recyclables, or processing costs for Recyclables and Green Waste, from the values assumed by the Company or inaccurate estimates by the Company of its proposed cost of operations, unionization of Company's workforce, change in wage rates or employee benefits, or the implementation or discontinuation of mandatory Recycling requirements.

City will permit an adjustment to the Disposal Component of the rate based on an increase or decrease in a direct per ton surcharge assessed at the disposal site by Federal, State or local regulatory agencies after the effective date of this Agreement, to the extent the percentage change in these adjustments exceed the cumulative percentage change in the Disposal component adjustments granted under Section 5.3.

For each request for an adjustment to the maximum rates that Company may charge Customers brought pursuant to this section, Company 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 Company in preparing the estimate. Company shall also submit a schedule showing how its total costs and total revenues have changed over the past three years for the services provided under this Agreement. City may request a copy of Company's annual financial statements in connection with the City's review of Company's rate adjustment request. City may review tonnage reports and all other applicable documentation to determine the accuracy of the rate adjustment request, including the tonnage to which it applies, the impact on Customer rates, the possible reweighting of the Disposal component and any other issues City determines to be relevant to this review.

City shall review Company's request and, in City's sole judgment and absolute 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 Company's total revenues and total cost of services when reviewing an extraordinary rate adjustment request.

ARTICLE 6

REVIEW OF SERVICES AND PERFORMANCE

6.1 Performance Hearing

The City may hold a public hearing on or about the two year anniversary of the start of this Agreement, and annually thereafter, at which time the Company shall be present and shall participate, to review the Solid Waste Collection, source reduction, processing and other diversion services and overall performance. The purpose of the hearing 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 with adequate quality, effectiveness and economy.

Forty-five (45) days after receiving notice from the City of a Solid Waste Services and Performance Review Hearing, the Company shall, at a minimum, submit a report to the City indicating the following:

- a) Recommended changes and/or new services to improve the City's ability to meet the goals of AB 939 and to contain costs and minimize impacts on rates.
- b) Any specific plans for provision of changed or new services by the Company.
- c) Results of the most recent route audit as described in Section 3.13.

The reports required by this Agreement regarding Customer complaints shall be used as one basis for review. The Company may submit other relevant performance information and reports for consideration. The City may request the Company to submit specific information for the hearing. In addition, any Customer may submit comments or complaints during or before the hearing, either orally or in writing, and these shall be considered.

Topics for discussion and review at the Solid Waste Services and Performance Review Hearing shall include, but shall not be limited to, services provided, route audit results, feasibility of providing new services, application of new technologies, Customer

complaints, amendments to this Agreement, developments in the law, new initiatives for meeting or exceeding AB 939's goals, regulatory constraints, and the Company's performance. The City and the Company may each select additional topics for discussion at any Solid Waste Services and Performance Review Hearing.

Not later than sixty (60) days after the conclusion of each Solid Waste Services and Performance Review Hearing, the City may issue a report. As a result of the review, the City may require the Company to provide expanded or new services within a reasonable time and for reasonable rates and compensation and the City may direct or take corrective actions for any performance inadequacies.

6.2 Performance Satisfaction Survey

If requested by the City, Company will create and conduct a survey at Company's expense in preparation for any Solid Waste Services and Performance Review Meeting held pursuant to Section 7.1. City shall notify Contractor of its desire for such a survey at least 90 days in advance of the Solid Waste Services and Performance Review Meeting. The purpose of the survey is to determine Customer satisfaction with current Collection services and Customer service provided by Contractor. The Survey will be distributed to a minimum of ten percent (10%) of the Residential Customers and ten percent (10%) of the Commercial Customers, selected at random. City may instruct Contractor to send out separate Single Family and Multiple-Family/Commercial surveys. Contractor shall obtain City's approval of each survey's content, format, and mailing list prior to its distribution. City may choose to write or re-write the survey. City may require that Contractor have Customer responses to the survey returned directly to City. The survey results shall be made available to the City thirty (30) days prior to the Solid Waste Services and Performance Review Meeting.

ARTICLE 7

RECORDS, REPORTS AND INFORMATION REQUIREMENTS

7.1 General

The Company shall maintain such accounting, statistical and other records related to its performance under this Agreement as shall be necessary to develop the financial statements and other reports required by this Agreement. Also, the Company agrees to conduct data Collection, information and record keeping, and reporting activities needed to comply with applicable laws and regulation and to meet the reporting and Solid Waste program management needs of the City, in particular, reporting obligations imposed by AB 939. To this extent, such requirements set out in this and other Articles of this Agreement shall not be considered limiting or necessarily complete. In particular, this Article is intended to only highlight the general nature of records and reports and is not meant to define exactly what the records and reports are to be and their content. Further, with the written direction or approval of the City, the records and reports to be maintained and provided by the Company in accordance with this and other Articles of the Agreement shall be adjusted in number, format, or frequency.

7.2 Records

7.2.1 General

The Company shall maintain records required to conduct its operations, to support requests it may make to the City, and to respond to requests from the City in the conduct of the City business. Adequate record security shall be maintained to preserve records from events that can be reasonably anticipated such as a fire, theft and earthquake. Electronically maintained data/records shall be protected and backed up. All records shall be maintained for five (5) years, and the last five (5) years of records shall be maintained for an additional three (3) years after the expiration of this Agreement.

The Company agrees that the records of any and all companies conducting operations addressed in the Agreement shall be provided or made available to the City and its official representatives during normal business hours. The City may review or utilize

any of the records described in this section for any purpose whatsoever. Failure to provide said records may be considered a material breach of this Agreement.

7.2.2 Financial Records

Financial records shall be maintained and expense and revenue information for the City shall be segregated from other areas served by the Company.

7.2.3 Solid Waste Service Records

Records shall be maintained by the Company for the City relating to:

- a) Customer services and billing (for limited services billed by Company);
- b) Routes;
- c) Facilities, equipment and personnel used;
- d) Complaints;
- e) Missed pick ups;
- f) Number of Refuse, Recycling, and Green Waste Containers, both Residential and Commercial;
- g) Tons Collected, processed, diverted, and disposed by type of service, waste stream and Customer; and,
- h) Weight of each Recyclable Material recovered at a MRF, if one is utilized.

7.2.4 CERCLA Defense Records

The City views the ability to defend against the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), State Hazardous Substance Law, and related litigation as a matter of great importance. For this reason, the City regards the ability to prove where Solid Waste Collected in the City was taken for Disposal, as well as where it was not taken, to be matters of concern. The Company shall maintain data retention and preservation systems which can establish where Solid Waste Collected in the City was landfilled (and therefore establish where it was not landfilled) and provide a copy of the reports required in Section 7.3 for five (5) years after the term during which Collection services are to be provided pursuant to this Agreement, or to provide copies of such records to the City. Company shall continue to retain records

required to be retained under the previous agreement in accordance with Section 7.2.4 for five (5) years after the term during which Collection services are to be provided pursuant to this Agreement. The Company agrees to notify the City's Risk Manager and the City Attorney at least 90 days before destroying such records. This provision shall survive the expiration of the period during which Collection services are to be provided under this Agreement.

7.2.5 Other Programs' Records

Records for other programs shall be tailored to specific needs. In general, they shall include:

- a) Plans, tasks, and milestones; and,
- b) Accomplishments in terms such as dates, activities conducted, quantities of products used, produced or distributed, and numbers of participants and responses.

7.2.6 Biennial Audit

Company shall fund biennial audits as described below. The scope of the audit, and auditing party, will be determined by City and the scope may include, but is not limited to, compliance with terms of this Agreement, Customer service levels and Billing, fee payments, Gross Receipts, tonnage, and verification of Diversion rate. The first audit will be based on the Contractor's reports and records for Fiscal Year 2012 and may be conducted as soon as relevant data, such as tonnage, is available. Audits will be performed every other year thereafter (the biennial audit). Company will reimburse to the City the cost of such audits up to \$80,000 for the first audit, and \$50,000 for each subsequent biennial audit in 2012 dollars. The \$50,000 amount in subsequent years shall be increased annually by the change in CPI from June 2012 to the June CPI index preceding the audit.

City has the option to audit the Company's operations, services, and Billings provided under this Agreement. Should such an audit disclose that two percent (2%) or more of the Customers' actual service levels based on field inspections differ from the service levels recorded at the City for the period under review due to the Company's failure to properly and promptly notify the City of service level or other Customer changes, City

may expand the scope of the audit and recover additional audit costs from the Contractor.

7.2.7 Payments and Refunds

Should an audit by the City disclose that the Company Compensation payable to the Company was overpaid or underpaid or that Customers were overcharged or undercharged, due to the Company's failure to properly and promptly notify the City of service level or other Customer changes or for any other reason, for the period under review, in addition to any other remedies which may be available to City, the Company shall pay to the City any overpayment of Company Compensation and/or refund the Customers any overcharges directly, or the City shall pay to the Company any underpayment of Company Compensation and/or bill the Customers for any undercharges directly, as the case may be. Any refunds to shall be due and payable (30) days following the date of the audit.

7.3 Reports

7.3.1 Report Formats and Schedule

Records shall be maintained in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed. Reports are intended to compile recorded data into useful forms of information that can be used to, among other things:

- a) Determine and set rates and evaluate the efficiency of operations;
- b) Evaluate past and expected progress towards achieving AB 939 goals and objectives;
- c) Determine needs for adjustment to programs; and,
- d) Evaluate Customer service and complaints.

The Company may propose report formats that are responsive to the objectives and audiences for each report. The format of each report requires approval by the City. The Company agrees to submit all reports on computer discs or by electronic means in a format compatible with the City's software/computers at no additional charge, if requested by the City. The Company will provide a certification statement, under

penalty of perjury, by an authorized Company official, that the report being submitted is true and correct.

Monthly reports shall be submitted within twenty (20) calendar days after the end of each month. Quarterly reports shall be submitted within twenty (20) calendar days after the end of the calendar quarter. If requested, the Company's complaint summary, described in Section 7.3.3 (a), shall be sent to the Public Works Director within 5 days of request. Annual reports shall be submitted before January 31 following the reporting year.

All reports shall be submitted electronically to the City, as directed, and to:

Public Works Director (or designated representative)
Department of Public Works
3621 Bell Avenue
Manhattan Beach, CA 90266

7.3.2 Monthly Reports

The information listed shall be the minimum reported:

- a) Solid Waste Collected by the Company for each month, sorted by type of solid Waste (Refuse, Recycling, Green Waste, Food Waste, tonnage recovered through the processing of mixed waste) and type of Customer (Residential Cart, Bin and Commercial Cart Service, Rolloff) in tons, and the Facilities where the tons were processed or disposed. Bulky Waste items shall be separately reported.
- b) Materials Recovered. Statement showing kinds of material and quantity sold (in tons).
- c) Narrative summary of problems encountered (including scavenging) and actions taken with recommendations for the City, as appropriate.
- d) Warning notices issued for contaminated Recyclable Materials and Green Waste Containers.
- e) Number of Commercial Food Waste Diversion Program Participants, if applicable.

- f) Commercial tons processed and recovered through Commercial mixed waste processing.
- g) HHW Collected.
- h) Summary of missed pickups per Section 4.2.2.
- i) Summary of complaints per Section 4.2.3.

7.3.3 Quarterly Reports

Report should contain at a minimum the information required in the monthly report and the following:

- a) Complaint summary for the quarter summarized by nature of complaints on a compatible computer disc.
- b) Copies of promotional and public education materials sent during the quarter.
- c) Other information or reports that the City may reasonably request or require.
- d) Tons Collected from City Facilities and litter Containers.
- e) List of Commercial Customers actively participating in Recycling programs with Company, and their service levels.

7.3.4 Annual Report

The Annual Report is to be essentially in the form and content of the monthly and quarterly reports combined, but shall also include:

- a) A complete inventory of equipment used to provide all services (such as vehicles and Containers by size and waste stream type Container is used for).
- b) Results of route audits, including a summary of the number of Bins by size and service level, Can and Cart counts by size (32-, 64-, or 96-gallon) and type of service (Refuse, Recycling, Green Waste, and Residential versus Commercial), and Rolloff Box pulls per month by material type.
- c) Environmental Litigation Defense records required under Section 7.2.4.
- d) General information about the Company, including a list of officers and members of its board of directors, most recent annual report and other periodic public financial reports of the Company and its subsidiaries and Affiliated

- companies, and of other entities that may perform services under this Agreement, as the City may request.
- e) Copy of Hazardous Waste diversion records showing types and quantities, if any, of Hazardous Waste that was inadvertently Collected, but diverted from landfilling.
 - f) Number of routes and route hours per day by type of service.

7.3.5 Financial Report

The City may, at the City's option, request the Company's financial reports/statements for the most recently completed fiscal year in connection with Company's performance or obligations under this Agreement, including a rate adjustment, performance audit, billing audit, or verification of other information required under this Agreement.

Financial statements shall include a supplemental combining schedule showing the Company's results of operations, including the specific revenues and expenses in connection with the operations provided for in this Agreement, separated from others included in such financial statements. The supplemental combining schedule may be audited, reviewed, or compiled, as determined by City. The financial statements and footnotes shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and audited, in accordance with Generally Accepted Auditing Standards (GAAS) by a certified public accountant (CPA) licensed (in good standing) to practice public accounting in the State of California as determined by the State of California Department of Consumer Affairs Board of Accountancy. The cost for preparation of the financial statements and audit shall be borne by the Company as a direct cost of service. The Company may provide to the City the supplemental schedule on a compiled basis.

The Company shall, in its agreement with the CPA preparing the audit above, have its CPA make available to the City (or the City's designated representative) such CPA's working papers related to the audit. The cost, if any, incurred by the Company's CPA shall be included in the cost of the audit.

At the City's request, the Company shall provide the City with copies of working papers or other documentation deemed relevant by the City relating to information shown in the disclosure letter. The disclosure letter shall be provided to the City.

7.4 Adverse Information

A. Reporting Adverse Information. The Company shall provide the City two copies (one to the City Manager and one to the City Attorney) of all reports, pleadings, applications, notifications, Notices of Violation, communications or other material relating specifically to the Company's performance of services pursuant to this Agreement, submitted by the Company to, or received by the Company from, the United States or California Environmental Protection Agency, CalRecycle, the Securities and Exchange Commission or any other federal, State or local agency, including any federal or State court. Copies shall be submitted to the City simultaneously with the Company's filing or submission of such matters with said agencies. The Company's routine correspondence to said agencies need not be routinely submitted to the City, but shall be made available to the City promptly upon the City's written request.

B. Failure to Report. The refusal or failure of the Company to file any required reports, or to provide required information to the City, or the inclusion of any materially false or misleading statement or representation by the Company in such report shall be deemed a material breach of the Agreement as described in Section 10 and shall subject the Company to all remedies which are available to the City under the Agreement or otherwise.

7.5 Right to Inspect Records

The City shall have the right to inspect or review the specific documents or records required expressly or by inference pursuant to this Agreement, or any other similar records or reports of the Company or its related party entities that the City shall deem, in its sole discretion, necessary to evaluate annual reports, compensation applications provided for in this Agreement and the Company's performance provided for in this Agreement. Failure to make such records readily available shall be deemed a material breach of this Agreement.

ARTICLE 8

INDEMNIFICATION, INSURANCE AND BONDS

8.1 Indemnification

The Company hereby agrees to and shall indemnify and hold harmless the City, its elected and appointed boards, commissions, officers, employees, and agents (collectively, Indemnitees) from and against any and all loss, liability, penalty, forfeiture, claim, demand, action, proceeding or suit in law or equity of any and every kind and description (including, but not limited to, injury to and death of any Person and damage to property, or for contribution or indemnity claimed by third parties) including attorney's fees arising or resulting from and in any way connected with (1) the negligence or willful misconduct of the Company, its officers, employees, agents, Companies and/or subcontractors in performing services under this Agreement; (2) the failure of the Company, its officers, employees, agents, Companies and/or subcontractors to comply in all respects with the provisions of this Agreement, applicable laws (including, without limitation, the Environmental Laws), ordinances and regulations, and/or applicable permits and licenses; (3) the acts of the Company, its officers, employees, agents, Companies and/or subcontractors in performing services under this Agreement for which strict liability is imposed by law (including, without limitation, the Environmental Laws). The foregoing indemnity shall apply regardless of whether such loss, liability, penalty, forfeiture, claim, demand, action, proceeding, suit, injury, death or damage is also caused in part by any of the Indemnitees negligence, but shall not extend to matters resulting from the Indemnitees sole or active negligence, willful misconduct or breach of this Agreement. The Company further agrees to and shall, upon demand of the City, at the Company's sole cost and expense, defend (with attorneys acceptable to the City) the Indemnitees against any claims, actions, suits in law or equity or other proceedings, whether judicial, quasi-judicial or administrative in nature, arising or resulting from any of the aforementioned events.

The Company, upon demand of the City, made by and through the City Attorney, shall protect the City and appear in and defend the Indemnitees, in any claims or actions by third parties, whether judicial, administrative or otherwise, including, but not limited to disputes and litigation over the definitions of "Solid Waste" or "Recyclable Material" or

the limits of the City's authority with respect to the grant of licenses, or agreements, exclusive or otherwise, asserting rights under the Dormant Commerce Clause or federal or State laws to provide Solid Waste services in the City. This provision shall survive the expiration of the period during which Collection services are to be provided under this Agreement. The City and the Company agree to confer following any trial to decide jointly whether to appeal or to oppose any appeal. In the event the City and the Company jointly agree to appeal, or to oppose any appeal, the City and the Company agree to share equally the costs of appeals. Should either the City or the Company decide to appeal, or to oppose an appeal, and the other decide not to appeal, or to oppose an appeal, the party which decides to appeal, or to oppose an appeal, shall bear all fees and costs of the appeal or the opposition to the appeal.

The Company's duty to indemnify and defend from the aforementioned events arising during the Term of the Agreement and as it may be extended shall survive the expiration or earlier termination of this Agreement.

8.2 Hazardous Substances Indemnification

The Company shall defend with counsel reasonably acceptable to the City, indemnify, protect and hold harmless the Indemnitees from and against all claims, damages (including but not limited to special, consequential, natural resources and punitive damages), injuries, costs, (including without limit any and all response, remediation and removal costs), losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties, attorney's fees for the adverse party and expenses (including without limit attorneys' and expert witness fees and costs incurred in connection with defending against any of the foregoing or in enforcing this indemnity), (collectively, Damages) of any kind whatsoever paid, incurred or suffered by, or asserted against, the Indemnitees arising from or attributable to the acts or omissions of the Company, its officers, directors, employees, companies or agents, whether or not negligent or otherwise culpable, in connection with or related to the performance of this Agreement, including without limit Damages arising from or attributable to any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure or other plan (regardless of whether undertaken due to governmental action) concerning any Hazardous Substance, Hazardous Waste, Household Hazardous Waste, Solid Waste, and/or other waste that has been generated, Collected, stored, transported, or disposed in the City. The

foregoing indemnity is intended to operate as an agreement pursuant to §107(e) of the Comprehensive Environmental Response, Compensation and Liability Act, CERCLA, 42 USC. §9607(e), Resource Conservation and Recovery Act (“RCRA”), 42 U.S.C. §§6901 *et seq.*, and California Health and Safety Code §25364, to defend, protect, hold harmless, and indemnify the Indemnitees from liability. This provision is in addition to all other provisions in this Agreement and shall survive the end of the term of this Agreement. The liability of the Company pursuant to this Section 8.2 is not limited to the limits of the policies of insurance provided pursuant to Section 8.4.

If the City exercises its option under Section 3.10, in writing, to direct refuse to another landfill that is not owned or operated by Company or its affiliates, or a landfill that has not been previously used by Company in performance of this Agreement, then this indemnity shall not apply to that portion of the waste that the City has redirected. Waiver of this indemnification will not apply to residue left over from processing activities that is disposed, even if the City directs waste to a particular processing facility.

8.3 AB 939 Indemnification

The Company shall indemnify and hold harmless the City from and against all fines and/or penalties imposed by CalRecycle if the source reduction and Recycling goals, or any other requirement of AB 939, are not met by the City with respect to the waste stream Collected under this Agreement. Company’s indemnification of the City is subject to all of the following restrictions:

- a. The Company’s obligation to indemnify the City shall not be enforceable if the Board-imposed penalty is based solely upon the failure of the City to establish and maintain a source reduction and recycling element pursuant to Section 41000 *et. seq.* of the Public Resources Code.
- b. No payment required under the company’s obligation to indemnify the City may exceed that portion of any penalty assessed by the Board against the City that was attributable to the Company’s breach of or noncompliance with an express obligation or requirement. Further, the Company shall not be liable under the indemnity obligation to the extent that the company’s breach or non-compliance resulted from City’s action

or failure to act, determined as a result of judicial review, hearing or appeal to CalRecycle.

8.4 Insurance

The City does not, and shall not, waive any rights against the Company which it may have by reason of the aforesaid hold harmless agreements, because of acceptance by the City or the deposit with the City by the Company of the insurance policies described in this provision. The insurance required is in addition to and separate from any other obligations contained in the contract.

A. Minimum Scope of Insurance. Coverage shall be at least as broad as:

1. The most recent editions of Insurance Services Office Commercial General Liability coverage ("occurrence" form CG 1996 or later).
2. The most recent editions of Insurance Services Office form number CA 00 01 covering Automobile Liability, code 1 "any auto" and endorsement CA 00 25.
3. Workers' Compensation insurance as required by the Labor Code of the State of California and Employers Liability insurance.

B. Minimum Limits of Insurance. The Company shall maintain in force for the term of this Agreement limits no less than:

1. General Liability: Ten Million Dollars (\$10,000,000) limit aggregate and Five Million Dollars (\$5,000,000) limit per occurrence, for bodily injury, personal injury and property damage per year. If Commercial General Liability insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: Five Million Dollars (\$5,000,000) per accident for bodily injury and property damage.
3. Workers' Compensation and Employers Liability: Workers' compensation limits as required by the Labor Code of the State of California and Employers Liability limits of One Million Dollars (\$1,000,000) per accident.

C. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Indemnitees; or the Company shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses in the amount of such deductibles or self-insured retentions.

D. Other Insurance Provisions. The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverages
 - a) The City of Manhattan Beach and its officers and employees are to be named as additional insureds by policy endorsement as respects: liability arising out of activities performed by or on behalf of the Company; products and completed operations of the Company; Premises owned, leased or used by the Company; or vehicles owned, leased, hired or borrowed by the Company. The coverage shall contain no additional limitations on the scope of protection afforded to the City of Manhattan Beach, its elective and appointive boards, commissions, officials, employees, agents or volunteers unless specifically agreed to in writing by the City.
 - b) The Company's insurance coverage shall be primary insurance as respects the Indemnitees. Any insurance or self-insurance maintained by the City, its officials, elective and appointive boards, commissions, employees, agents or volunteers shall be excess of the Company's insurance and shall not contribute with it.
 - c) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Indemnitees.
 - d) Coverage shall state that the Company'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.

2. Workers' Compensation and Employers Liability Coverage - The insurer shall agree to waive all rights of subrogation against the Indemnitees for losses arising from work performed by the Company for the City.
3. All Coverages - Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

E. Acceptability of Insurers. The insurance policies required by this section shall be issued by an insurance company or companies authorized to do business in the State of California and with a rating in the most recent edition of Best's Insurance Reports of size category VII or larger and a rating classification of A or better.

F. Verification of Coverage. The Company shall furnish the City with certificates of insurance and with original endorsements affecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a Person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be on forms provided by or acceptable to the City and are to be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time. The City will attempt to maximize confidentiality of the policies to the extent permitted by law.

Renewal certificates will be furnished periodically to the City to demonstrate maintenance of the required coverage throughout the Term.

G. Companies and Subcontractors. The Company shall include all other companies and subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each other company and subcontractor. All coverages for companies and subcontractors shall be subject to all of the requirements stated herein.

H. Required Endorsements

1. The Workers' Compensation policy shall contain an endorsement in substantially the following form:

"Thirty (30) days prior written notice by certified mail (10 days in the event of cancellation for non-payment), return receipt requested, shall be given to the City in the event of cancellation, reduction in coverage, or non-renewal of this policy. Such notice shall be sent to:

Risk Manager
City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, CA 90266

2. The Public Liability policy shall contain endorsements in substantially the following form:

a) "Thirty (30) days prior written notice (10 days in the event of cancellation for non-payment) shall be given to the City in the event of cancellation, reduction in coverage, or non-renewal of this policy. Such notice shall be sent to:

Risk Manager
City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, CA 90266

b) "The City, its officers, elective and appointive boards, commissions, employees, and agents are additional insureds on this policy."

c) "This policy shall be considered primary insurance as respects any other valid and collectible insurance maintained by the City, including any self-insured retention or program of self-insurance, and any other such insurance shall be considered excess insurance only."

d) "Inclusion of the City as an insured shall not affect the City's rights as respects any claim, demand, suit or judgment brought or recovered against the Company. This policy shall protect the Company and the City in the same manner as though a separate policy had been issued to each, but this shall not operate to increase the Company's liability as set forth in the policy beyond the amount shown or to which the Company would have been liable if only one party had been named as an insured."

I. Other Insurance Requirements

1. Company will establish an insurance policy repository and maintain copies of insurance policies required pursuant to this Agreement for one hundred (100) years after the end of the term during which Collection services are to be provided pursuant to this Agreement. Company shall notify City's risk manager and City attorney before destroying copies of such policies. This provision shall survive the expiration of the period during which Collection services are to be provided under this Agreement.
2. In the event any services are delegated to another company or subcontractor, the Company shall require such company or subcontractor to provide statutory workers' compensation insurance and employer's liability insurance for all of the other company or subcontractor's employees engaged in the work in accordance with this section. The liability insurance required by this section shall cover all company or subcontractors or the company or subcontractor must furnish evidence of insurance that meets all of the requirements of this section.
2. The Company shall comply with all requirements of the insurers issuing policies. The carrying of insurance shall not relieve the Company from any obligation under this Agreement. If any claim exceeding the amount of any deductibles or self-insured reserves is made by any third party against the Company or any company or subcontractor on account of any occurrence related to this Agreement, the Company shall promptly report the facts in writing to the insurance carrier and to the City.

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

8.5 Performance Bond

Concurrently with execution of this Agreement, the Company shall deliver to the City a performance bond, from an admitted surety insurer with a Bests Rating of not less than A-, in the amount of \$500,000 (Five Hundred Thousand Dollars) similar to the form provided in Exhibit 6, which secures the faithful performance of this Agreement, including, without limitation, payment of any penalty and the funding of any work to

cure a breach of this Agreement. The bond shall contain the original notarized signature of an authorized officer of the surety and affixed thereto shall be a certified and current copy of his power of attorney. The bond shall be unconditional, continuously renewed, and remain in force during the entire term of the Agreement and shall be null and void at the conclusion of the term of this Agreement only if the Company promptly and faithfully performs all terms and conditions of this Agreement.

8.6 Forfeiture of Performance Bond

In the event the Company shall for any reason become unable to, or fail in any way to, perform as required by this Contract, the 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, the Company shall restore the performance bond to its face amount within 30 days of the City's declaration. Failure to restore the performance bond to its full amount within 30 days shall be a material breach of contract.

8.7 Performance Bond Beyond Service Term

Some Agreement requirements extend beyond the Term and other requirements, such as minimum Diversion rates per Section 3.8, will not be substantiated until after the final service date. Therefore, the Company shall not terminate the performance bond, and will renew it to ensure continuous availability to the City, until receiving a written release from the City. Any performance bond will automatically expire at the end of 36 months after the end of the Term unless City has notified Company in writing as to a specific contractual area of concern yet to be resolved, instructing Company to retain bond. Neither permission from the City to discontinue holding this bond, nor permitted expiration after 36 months, shall relieve Contractor of payments to the City that may be due, or may become due.

8.8 Property Damage

Any physical damage caused by the negligent or willful acts or omissions of employees of Company to public or private property shall be repaired or replaced by Company at Company's sole expense.

8.9 Pavement Damage

Company shall be responsible for damage to City's driving surfaces, whether paved or not paved, beyond normal wear and tear. Company understands that the exercise of this Franchise may involve operation of its Collection vehicles over private roads and streets. Disputes between Company and its service recipients as to damage to private pavement are civil matters and complaints of damage will be referred to Company as a matter within its sole responsibility and as a matter within the scope of Section 8.1.

ARTICLE 9

CITY'S RIGHT TO PERFORM SERVICE

9.1 General

In addition to, but not in lieu of, any other rights or remedies City might have under this Agreement, at law or in equity, in the event that the Company, for any reason whatsoever, fails, refuses or is unable to Collect, Recycle, process, transport or dispose of any or all Solid Waste that it is required by this Agreement, at the time and in the manner provided in this Agreement, for a period of more than seventy-two (72) hours, and if, as a result thereof, Solid Waste should accumulate in the City to such an extent, in such a manner, or for such a time that the City should find that such accumulation endangers or menaces the public health, safety or welfare, then the City shall have the right, but not the obligation, upon notice to the Company during the period of such emergency as determined by the City, as hereinafter set forth, (1) to perform, or cause to be performed, such services itself with its own or other personnel without liability to the Company; and/or (2) to take possession of any or all of the Company's land, equipment and other property used or useful in the Collection and transportation of Solid Waste, and to use such property to Collect and transport any Solid Waste generated within the City which the Company would otherwise be obligated to Collect, transport and properly dispose of or process pursuant to this Agreement.

Notice of the Company's failure, refusal or neglect to Collect, transport and properly dispose of or process Solid Waste may be given orally by telephone to the Company at its principal office and shall be effective immediately. Written confirmation of such oral notification shall be sent to the Company within twenty-four (24) hours of the oral notification.

The Company further agrees that in such event:

- A. It will take direction from the City to effect the transfer of possession of equipment and property to the City for the City's use.
- B. It will, if the City so requests, keep in good repair and condition all of such equipment and property, provide all motor vehicles with fuel, oil and other service, and

provide such other service as may be necessary to maintain said property in operational condition.

C. The City may immediately engage all or any personnel necessary or useful for the Collection and transportation of Solid Waste, including, if the City so desires, employees previously or then employed by the Company. The Company further agrees, if the City so requests, to furnish the City the services of any or all management or office Personnel employed by the Company whose services are necessary or useful for Solid Waste Collection, transportation, processing and Disposal operations and for the billing and Collection of fees for these services.

The City agrees that it assumes complete responsibility for the proper and normal use of such equipment and Facilities while in its possession.

If the interruption or discontinuance in service is caused by any of the reasons listed in Section 10.5, the City shall pay to the Company the reasonable rental value of the equipment and Facilities, possession of which is taken by the City, for the period of the City's possession, if any, which extends beyond the period of time for which the Company has rendered bills in advance of service, for the class of service involved.

9.2 Billing and Compensation to the City During the City's Possession

During such time that the City is providing Solid Waste services, as above provided, the City shall bill and collect payment from all users of the above-mentioned services as described in Section 4.1. The Company further agrees that, in such event, it shall reimburse the City for any and all costs and expenses incurred by the City beyond that billed and received by the City in taking over possession of the above-mentioned equipment and property for Solid Waste service in such manner and to an extent as would otherwise be required of the Company under the terms of this Agreement. Such reimbursement shall be made from time to time after submission by the City to the Company of each statement listing such costs and expenses, but in no event later than five (5) working days from and after each such submission.

9.3 City's Right to Relinquish Possession

It is further mutually agreed that the City may at any time at its discretion relinquish possession of any or all of the above-mentioned property to the Company and

thereupon demand that the Company resume the Solid Waste services as provided in this Agreement, whereupon the Company shall be bound to resume the same.

9.4 City's Possession Not A Taking

Except as otherwise expressly provided in the previous paragraph, the City's exercise of its rights under this Article: (1) does not constitute a taking of private property for which compensation must be paid; (2) will not create any liability on the part of the City to the Company; and (3) does not exempt the Company from the indemnity provisions of Article 9, which are meant to extend to circumstances arising under this section, provided that the Company is not required to indemnify the City against claims and damages arising from the sole negligence of the City, its elective and appointive boards, commissions, officers, employees and agents in the operation of Collection vehicles during the time the City has taken possession of such vehicles.

9.5 Duration of the City's Possession

The City's right pursuant to this Article to retain temporary possession of the Company's Facilities and equipment, and to render Collection services, shall terminate when the City determines that such services can be resumed by the Company, or when the City no longer reasonably requires such property or equipment. In any case, the City has no obligation to maintain possession of the Company's property or equipment and/or continue its use for any period of time and may at any time, in its sole discretion, relinquish possession to the Company.

ARTICLE 10

DEFAULT, REMEDIES AND LIQUIDATED DAMAGES

10.1 Events of Default

All provisions of this Agreement to be performed by the Company are considered material. Each of the following shall constitute an event of default.

- A. Fraud or Deceit or Misrepresentation.** If the Company engages in, or attempts to practice, any fraud or deceit upon the City or makes a misrepresentation regarding material information to the City.
- B. Insolvency or Bankruptcy.** If the Company becomes insolvent, unable, or unwilling to pay its debts, files a bankruptcy petition or takes steps to liquidate its assets.
- C. Failure to Maintain Coverage.** If the Company fails to provide or maintain in full force and effect the Workers' Compensation, liability, or indemnification coverage as required by this Agreement.
- D. Violations of Regulation.** If the Company violates any orders or filings of any regulatory body having jurisdiction over the Company or City relative to the performance of this Agreement, provided that the Company may contest any such orders or filings by appropriate proceedings conducted in good faith, in which case no breach of the Franchise and this Agreement shall be deemed to have occurred until a final decision adverse to the Company is entered.
- E. Failure to Perform.** If the Company ceases to provide Collection, processing or Recycling services as required under this Agreement over all or a substantial portion of its Franchise area for a period of two (2) consecutive days or more, unless excused per Section 10.5.
- F. Failure to Pay.** If the Company fails to make any payments required under this Agreement and/or refuses to provide the City, within ten (10) days of the demand,

with required information, reports, and/or records in a timely manner as provided for in the Agreement.

G. Acts or Omissions. Any other act or omission by the Company related to performance under this Agreement which violates the terms, conditions, or requirements of this Agreement, the California Integrated Waste Management Act of 1989, any Environmental Law as it may be amended from time to time, or any law, statute, ordinance, order, directive, rule, or regulation issued thereunder and which is not corrected or remedied within the time set in the written notice of the violation or, if the Company cannot reasonably correct or remedy the breach within the time set forth in such notice, if the Company should fail to commence to correct or remedy such violation within the time set forth in such notice and diligently effect such correction or remedy thereafter.

H. False or Misleading Statements. Any representation or disclosure made to the City by the Company in connection with or as an inducement to entering into this Agreement, or any future amendment to this Agreement, which proves to be false or misleading in any material respect as of the time such representation or disclosure is made, whether or not any such representation or disclosure appears as part of this Agreement.

I. Attachment. There is a seizure of, attachment of, or levy on, the operating equipment of the Company, including without limits its equipment, maintenance or office Facilities, or any part thereof.

J. Failure to Provide Assurance of Performance. If the Company fails to provide reasonable assurances of performance as required under Section 10.6.

The Company shall be given seventy-two (72) hours from notification by the City to cure any default arising under subsections E, F, I and J provided, however, that the City shall not be obligated to provide the Company with a notice and cure opportunity if the Company has committed the same or similar breach within a six-month period. City is not obligated to provide an opportunity to cure a default arising under the other subsections.

10.2 Criminal Activity of Company

Should the Company or any of its officers, directors or employees be found guilty of felonious conduct related to the performance of this Contract, or of felonious conduct related to anti-trust activities, illegal transport or disposal of hazardous or toxic materials, or bribery of public officials, the City reserves the right to unilaterally terminate this Contract or impose other such sanctions (which may include financial sanctions, temporary suspensions or any other condition deemed appropriate short of termination) as it shall deem proper. Such action shall be taken after Contractor has been given notice and opportunity to present evidence in mitigation. The term "found guilty" shall be deemed to include any judicial determination that Company or any of Company's officers, directors or employees is guilty and any admission of guilt by Company or any of Company's officers, directors or employees including, but not limited to, the plea of "guilty", "nolo contendere", "no contest", and "guilty to a lesser charge" entered as part of any plea bargain. If the agreement is terminated pursuant to the above, such termination shall not occur if, within six months after City determines to terminate, the Company completes a transfer of its contract rights and obligations to an individual or entity acceptable to the City pursuant to this Agreement.

10.3 Right to Terminate Upon Default

Upon a default by the Company, the City shall have the right to terminate this Agreement upon a ten (10) days notice if the public health or safety is threatened, or otherwise a thirty (30) days notice, but without the need for any hearing, suit or legal action.

The City's rights to terminate this Agreement, or to take possession of the Company's Facility are not exclusive, and the City's termination of this Agreement shall not constitute an election of remedies. Instead, they shall be in addition to any and all other legal and equitable rights and remedies which the City may have.

By virtue of the nature of this Agreement, the urgency of timely continuous and high-quality service, the time required to effect alternative service, and the rights granted by the City to the Company, the remedy of damages for a breach hereof by the Company is inadequate and the City shall be entitled in injunctive relief.

10.4 Liquidated Damages

A. General. The City finds, and the Company agrees, that as of the time of the execution of this Agreement, it is impractical, if not impossible, to reasonably ascertain the extent of damages which shall be incurred by the City as a result of a breach by the Company of its obligations under this Agreement. The factors relating to the impracticability of ascertaining damages include, but are not limited to, the fact that: (i) substantial damage results to members of the public who are denied services or denied quality or reliable service; (ii) such breaches cause inconvenience, anxiety, frustration, and deprivation of the benefits of the Agreement to individual members of the general public for whose benefit this Agreement exists, in subjective ways and in varying degrees of intensity which are incapable of measurement in precise monetary terms; (iii) the services provided under this Agreement might be available at substantially lower costs than alternative services and the monetary loss resulting from denial of services or denial of quality or reliable services is impossible to calculate in precise monetary terms; and (iv) the termination of this Agreement for such breaches, and other remedies are, at best, a means of future correction and not remedies which make the public whole for past breaches.

B. Service Performance Standards; Liquidated Damages for Failure to Meet Standards. The parties further acknowledge that consistent, reliable Solid Waste Collection service is of utmost importance to the City and that the City has considered and relied on the Company's representations as to its quality of service commitment in awarding the Franchise to it. The parties further recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The parties further recognize that if the Company fails to achieve the performance standards, or fails to submit required documents in a timely manner, the City and its residents will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages which the City will suffer. Therefore, without prejudice to the City's right to treat such non-performance as an event of default under this Article 11, the parties agree that the following liquidated damage amounts represent a reasonable estimate of the amount of such damages considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to the City that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical. In placing their initials at the places provided, each

party specifically confirms the accuracy of the statements made above and the fact that each party has had ample opportunity to consult with legal counsel and obtain an explanation of the liquidated damage provisions at the time that the Agreement was made.

Company _____ City _____
Initial Here _____ Initial Here _____

The Company agrees to pay (as liquidated damages and not as a penalty) the amounts set forth below:

1. **Collection Reliability**

- a) For each failure to commence service to a new Customer account within seven (7) days after order, which exceed five (5) such failures annually:
\$150.00
- b) For each failure to deliver Bins, Carts, or Containers on the day scheduled for delivery that exceeds five (5) such failures annually: \$ 50.00
- c) For each failure to correct a missed pickup within the timing allotted for correction per Section 4.2.2, and for each additional business day in which the Collection is not made up, which exceeds ten (10) such failures annually:
\$50.00/day
- d) For each failure to Collect Solid Waste, which has been properly set out for Collection, from the same Customer on two (2) consecutive scheduled pickup days:
\$150.00

2. **Collection Quality**

- a) For each occurrence of damage to private property which exceeds five (5) such occurrences annually: \$250.00
- b) For each occurrence of failure to properly return empty Containers to avoid pedestrian or vehicular traffic impediments or to place Containers upright with lids closed which exceeds ten (10) such occurrences annually:
\$150.00

- c) For each failure to clean up Solid Waste spilled from Solid Waste Containers within 90 minutes that exceeds ten (10) such failures annually:

\$150.00
- d) For each occurrence of Collecting Solid Waste during unauthorized hours (see Section 3.9.1) which exceeds five (5) such occurrences annually:

\$250.00
- e) For each failure to clean or replace Commercial and Industrial Containers in accordance with Section 3.7.5 of this Agreement which exceeds ten (10) such failures annually:

\$150.00
- f) For each failure to deliver a Rolloff Box or temporary Bin within 48 hours of a Customer's request:

\$ 50.00

3. **Customer Responsiveness**

- a) For each failure to initially respond to a Customer complaint within one (1) business day, and for each additional day in which the complaint is not addressed:

\$250.00
- b) For each failure to process Customer complaints to the City as required by Article 5 herein:

\$250.00
- c) For each failure to notify City within one (1) hour from the time Company has remedied a complaint forwarded by City.

\$ 10.00
- d) For each failure to remove graffiti from Containers, or to replace with Containers bearing no graffiti, within one business day of request from City or Customers:

\$150.00
- e) For each failure to process a claim for damages within thirty (30) days from the date submitted to Company.

\$100.00
- f) For each additional thirty (30) day increment of time in which Company has failed to resolve a claim for damages within thirty (30) days from the claim date.

\$100.00

4. **Timeliness of Submissions to the City**

Any report shall be considered late until such time as a correct and complete report is received by the City. For each calendar day a report is late, the daily liquidated damage amount shall be:

- a) Monthly or Quarterly Reports: \$100 per day
- b) Annual Reports: \$350 per day

5. **Accuracy of Billing Information**

- a) For each failure to notify the City within 72 hours of a Customer or service change so that Customer billing records may be updated: \$100/occurrence

6. **Implementation of Public Education Plan**

- a) Each day past the agreed upon deadline that the Company fails to perform a task set forth in its public education plan. \$100 per day

7. **Diversions Efforts**

- a) For every Green Waste or Recycling Cart Collected as Refuse without issuing a red tag per Section 3.4: \$25 per Cart
- b) For every ton of diversion Company falls below the minimum necessary to meet the ___% diversion requirement per Section 3.8.1: \$25 per ton

8. **Cooperation with Service Provider Transition**

- a) For each day routing information requested by City in accordance with Section 11.8 is received after City-established due dates, both for preparation of a request for proposals and for new service provider's implementation of service : \$1,000/day
- b) For each day delivery of keys, access codes, remote controls, or other means of access to Solid Waste Containers is delayed beyond one (1) day prior to new service provider servicing Customers with access issues, as described in Section 11.8: \$1,000/day

The City may determine the occurrence of events giving rise to liquidated damages through the observation of its own employees or representative or investigation of Customer complaints.

Prior to assessing liquidated damages, the City shall give the Company notice of its intention to do so. The notice will include a brief description of the incident(s)/non-performance. The Company may review (and make copies at its own expense) all non-confidential information in the possession of the City relating to incident(s)/non-performance. The Company may, within ten (10) days after receiving the notice, request a meeting with the City Manager or his or her designee. The Company may present evidence in writing and through testimony of its employees and others relevant to the incident(s)/non-performance. The City Manager or his or her designee will provide the Company with a written explanation of his or her determination on each incident(s)/non-performance prior to authorizing the assessment of liquidated damages. The decision of the City Manager or his designee shall be final.

C. Amount. The City may assess liquidated damages for each calendar day or event, as appropriate, that the Company is determined to be liable in accordance with this Agreement.

D. Timing of Payment. The Company shall pay any liquidated damages assessed by the City within ten (10) days after they are assessed. If they are not paid within the ten (10) day period, the City may withhold amount due from the next monthly payment to Company, may proceed against the Bond required by the Agreement or order the termination of the Franchise granted by this Agreement, or exercise any other right or remedy available to City under this Agreement or at law or in equity, or any combination of these remedies.

10.5 Excuse from Performance

10.5.1 Force Majeure

The parties shall be excused from performing their respective obligations hereunder in the event they are prevented from so performing by reason of floods, earthquakes, other natural disasters, war, civil insurrection, riots, acts of any government (including judicial action), and other similar catastrophic events which are beyond the control of and not the fault of the party claiming excuse from performance hereunder.

10.5.2 Labor Unrest

Labor unrest, including but not limited to strike, work stoppage or slowdown, sick-out, picketing, or other concerted job action conducted by the Company's employees or directed at the Company will be considered an excuse from performance to the extent that Company meets the terms of this Section 10.5. Notwithstanding other remedies to which the City shall be entitled under this Agreement in event of failure to perform, in the event of Company's failure to perform, or anticipated failure to perform, due to labor unrest, Company shall:

- 1) Provide a contingency plan to the City within ninety (90) days of the execution of this Agreement demonstrating how services will be provided during the period of labor unrest. The contingency plan is subject to City approval and Contractor shall amend the plan to meet City requirements, including reasonably demonstrating how City's basic Collection and sanitary needs will be met to the City's satisfaction. Plan shall address, at a minimum, the priority of Collection by customer type (residents, hospitals, restaurants, nursing homes, etc.) and waste streams, additional Collection options to be provided (drop-off sites, etc.), source of additional personnel to be utilized and detailed communications procedures to be used.
- 2) Notify Public Works Director sixty (60) days prior to the expiration of its drivers' labor agreement.
- 3) Meet the requirements agreed to in the contingency plan.
- 4) Meet requirements of 10.5.3 below.

Contractor shall meet all requirements under this section or City may choose to revoke this excuse from performance offered under this Agreement and may choose to use enforcement provisions under this Agreement, including Sections 10.1, 10.3 and 10.4, in which case Contractor is not excused from performance and Contractor shall be obligated to continue to provide service notwithstanding the occurrence of any or all of such events.

10.5.3 Procedures In Event of Excused Performance

The party claiming excuse from performance under Section 10.5.1 or 10.5.2 shall, within two (2) days after such party has notice of such cause, give the other party notice of the

facts constituting such cause and asserting its claim to excuse under this section. Throughout service disruption, Company shall:

- 1) Provide City with a minimum of daily service updates.
- 2) Shall notify Customers on a real-time basis as to alternative Collection procedures. At a minimum, Company shall update its website and shall provide ongoing updates to City for use on its website, and a “reverse 911” contact method to reach all possible Customers. Should enhanced contact technologies become available, Company shall use such methods upon approval from City.

The interruption or discontinuance of the Company's services caused by one or more of the events excused shall not constitute a default by the Company under this Agreement. Notwithstanding the foregoing, however, if the Company is excused from performing its obligations hereunder for any of the causes listed in this section for a period of thirty (30) days or more, the City shall nevertheless have the right, in its sole discretion, to terminate this Agreement by giving ten (10) days' notice, in which case the provisions relative to taking possession of the Company's land, equipment and other property and engaging the Company's Personnel in Article 10 and this Article 11 will apply.

10.6 Assurance of Performance

The City may, at its option and in addition to all other remedies it may have, demand from the Company reasonable assurances of timely and proper performance of this Agreement, in such form and substance as the City may require. If the Company fails or refuses to provide satisfactory assurances of timely and proper performance in the form and by the date required by the City, such failure or refusal shall be an event of default.

ARTICLE 11

OTHER AGREEMENTS OF THE PARTIES

11.1 Relationship of Parties

The parties intend that the Company shall perform the services required by this Agreement as an independent Company engaged by the City and not as an officer or employee of the City nor as a partner of or joint venture with the City. No employee or agent or Company shall be or shall be deemed to be an employee or agent of the City. Except as expressly provided herein, the Company shall have the exclusive control over the manner and means of conducting the Solid Waste Collection services performed under this Agreement, and all Persons performing such services. The Company shall be solely responsible for the acts and omissions of its officers, employees, Companies, subcontractors, Affiliates and agents. Neither the Company nor its officers, employees, Companies, subcontractors, Affiliates and agents shall obtain any rights to retirement benefits, workers' compensation benefits, or any other benefits which accrue to the City employees by virtue of their employment with the City.

11.2 Compliance with Law

In providing the services required under this Agreement, the Company shall at all times, at its sole cost, comply with all applicable laws and regulations of the United States, the State of California, and local agencies. The City shall comply with all applicable regulations promulgated by federal, State, regional or local administrative and regulatory agencies, now in force and as they may be enacted, issued or amended during the Term.

11.3 Governing Law

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

11.4 Jurisdiction

Any lawsuits between the parties arising out of this Agreement shall be brought and concluded in the courts of the State of California, which shall have exclusive jurisdiction over such lawsuits.

With respect to venue, the parties agree that this Agreement is made in and will be performed in Los Angeles County.

11.5 Assignment

Except as may be provided for in Article 10 (the City's Right to Perform Service), neither party shall assign its rights, nor delegate, subcontract or otherwise transfer its obligations under this Agreement to any other Person without the prior written consent of the other party. Any such assignment made without the consent of the other party shall be void and the attempted assignment shall constitute a material breach of this Agreement.

For purposes of this section when used in reference to the Company, "assignment" shall include, but not be limited to (i) a sale, exchange or other transfer of substantially all of the Company's assets dedicated to service under this Agreement to a third party; (ii) a sale, exchange or other transfer of outstanding common stock of the Company to a third party provided said sale, exchange or transfer may result in a change of control of the Company; (iii) any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction to which results in a change of Ownership or control of the Company; (iv) any assignment by operation of law, including insolvency or bankruptcy, making assignment for the benefit of creditors, writ of attachment for an execution being levied against this Agreement, appointment of a receiver taking possession of the Company's property, or transfer occurring in the event of a probate proceeding; and (v) any combination of the foregoing (whether or not in related or contemporaneous transactions) which has the effect of any such transfer or change of Ownership, or change of control of the Company.

The Company acknowledges that this Agreement involved rendering a vital service to the City's residents and businesses, and that the City has selected the Company to perform the services specified herein based on (1) the Company's experience, skill and

reputation for conducting its operations in a safe, effective and responsible fashion, at all times in keeping with applicable Environmental Laws, regulations and best Solid Waste management practices, and (2) the Company's financial resources to maintain the required equipment and to support its indemnity obligations to the City under this Agreement. The City has relied on each of these factors, among others, in choosing the Company to perform the services to be rendered by the Company under this Agreement.

If the Company requests the City's consideration of and consent to an assignment, the City may deny or approve such request in its complete discretion, except for an assignment to an Affiliate, which the city shall deny or approve in its reasonable discretion. No request by the Company for consent to an assignment need be considered by the City unless and until the Company has met the following requirements:

- a) Contractor shall pay City its reasonable expenses for attorney's and/or consultant's fees and investigation costs necessary to investigate the suitability of any proposed assignee, and to review and finalize any documentation required as a condition for approving any such assignment. An advance payment towards expenses may be requested by City prior to City consideration of any assignment request and Contractor shall be responsible to pay all costs incurred by City in considering a request for assignment, including those in excess of the aforesaid deposit amount, regardless of whether City consents to the assignment.
- b) The Company shall pay a transfer fee to the City equal to 1% of the annual revenue for the most recent 12 months prior to the effective date of the change of ownership multiplied by the number of remaining years, or fraction thereof, under this Agreement. Notwithstanding the above, payment of a transfer fee will not be required in the event of an assignment to an Affiliate of the Company;
- c) The proposed assignee must furnish the City with audited financial statements of the proposed assignee's operations for the immediately preceding three (3) operating years. If assignment is to an Affiliate and Affiliate provides a performance guarantee from the parent company, the parent company's audited financial statements may be provided;

- d) A proforma financial statement (income statement and balance sheet) for the proposed assignee with the projected results of operations assuming that the assignment is completed. Such proforma financial statement shall reflect any debt to be incurred by the assignee as part of the acquisition of Contractor's operations.

- e) Except for an assignment to an Affiliate of the Company, the proposed assignee must furnish the City with satisfactory proof: (i) that the proposed assignee has at least ten (10) years of Solid Waste management experience on a scale equal to or exceeding the sale of operations conducted by the Company under this Agreement; (ii) that in the last five (5) years, the proposed assignee has not suffered any significant citations or other censure from any federal, State or local agency having jurisdiction over its Solid Waste management operations due to any significant failure to comply with State, federal or local Environmental Laws and that the assignee has provided the City with a complete list of such citations and censures; (iii) that the proposed assignee has at all times conducted its operations in an environmentally safe and conscientious fashion; (iv) that the proposed assignee conducts its Solid Waste management practices in accordance with sound Solid Waste management practices in full compliance with all federal, State and local laws regulating the Collection and Disposal of Solid Waste including Hazardous Substances; and, (v) of any other information required by the City to ensure the proposed assignee can fulfill the Terms of this Agreement in a timely, safe and effective manner.

Under no circumstances shall the City be obliged to consider any proposed assignment by the City if the Company is in default at any time during the period of consideration.

11.6 Contracting or Subcontracting

The Company shall not engage any companies or subcontractors for Collection, transfer, processing, Recycling or Disposal of Solid Waste without the prior written consent of the City. Transport from the transfer station to processing or disposal facilities is excluded from this paragraph.

11.7 Binding on Assigns

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

11.8 Transition to the Next Company

If the transition of services to another company occurs through expiration of term, default and termination, or otherwise, the Company will cooperate with the City and subsequent company(ies) to assist in an orderly transition which will include, but not be limited to, the Company providing detailed route lists, billing and service-level information and other operating records needed to service all properties covered by this Agreement. The failure to cooperate with City following termination shall be conclusively presumed to be grounds for specific performance of this covenant and/or other equitable relief necessary to enforce this covenant.

Contractor shall provide a new service provider with all keys, security codes and remote controls used to access garages and Bin enclosures. Contractor shall be responsible for coordinating transfer immediately after Contractor's final pickups, so as not to disrupt service. Contractor shall provide City with detailed route sheets containing service names and addresses, Billing names and addresses, monthly rate and service levels (number and size of Containers and pickup days) at least 90 days prior to the transition date, and provide an updated list two weeks before the transition and a final list of changes the day before the transition. Contractor shall provide means of access to the new service provider at least one full Working Day prior to the first day of Collection by another party, and always within sufficient time so as not to impede in any way the new service provider from easily servicing all Containers.

Company shall cooperate in good faith with City and new service provider in scheduling exchanges of Company containers with containers provided by the new service provider so as to assure that customers neither need to find storage for two sets of containers nor go without a container for an inconvenient length of time.

11.9 Parties in Interest

Nothing in this Agreement, whether express or implied, is intended to confer any rights on any Persons other than the parties to it and their representatives, successors and permitted assigns.

11.10 Waiver

The waiver by either party of any breach or violation of any provisions of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach or violation of the same or any other provision. The subsequent acceptance by either party of any moneys that become due hereunder shall not be deemed to be a waiver of any pre-existing or concurrent breach or violation by the other party of any provision of this Agreement.

11.11 The Company's Investigation

The Company has made an independent investigation (satisfactory to it) of the conditions and circumstances surrounding the Agreement and the work to be performed by it.

11.12 Condemnation

The City fully reserves the rights to acquire the Company's property utilized in the performance of this Agreement, by purchase or through the exercise of the right of eminent domain. This provision is additive, and not intended to alter the rights of the parties set forth in Article 10.

11.13 Notice

All notices, demands, requests, proposals, proposals, approvals, consents and other communications which this Agreement requires, authorizes or contemplates shall be in writing and shall either be personally delivered to a representative of the parties at the address below or be deposited in the United States mail, first class postage prepaid, addressed as follows:

If to the City: City Manager
 City of Manhattan Beach
 1400 Highland Avenue

Manhattan Beach, CA 90266

Copy to: Public Works Director
Department of Public Works
City of Manhattan Beach
3621 Bell Avenue
Manhattan Beach, CA 90266

And to: City Attorney
City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, CA 90266

If to the Company: _____

Copy to: _____

The address to which communications may be delivered may be changed from time to time by a written notice given in accordance with this section.

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

11.14 Representatives of the Parties

References in this Agreement to the "City" shall mean the City Council and all actions to be taken by the City shall be taken by the City Council except as provided below. The City Council may delegate, in writing, authority to the City Manager, and/or to other City employees and may permit such employees, in turn, to delegate in writing some or all of such authority to subordinate employees. The Company may rely upon actions taken by such delegates if they are within the scope of the authority properly delegated to them.

The Company shall, by the effective date, designate in writing a responsible officer who shall serve as the representative of the Company in all matters related to the Agreement and shall inform the City in writing of such designation and of any limitations upon his or her authority to bind the Company. The City may rely upon action taken by such designated representative as actions of the Company unless they are outside the scope of the authority delegated to him/her by the Company as communicated to the City.

11.15 City Free to Negotiate with Third Parties

Notwithstanding the exclusive nature of the Franchise, the City may investigate all options for the Collection, transporting, Recycling, processing and Disposal of Solid Waste at any time prior to the expiration of the Term. Without limiting the generality of the foregoing, the City may solicit proposals from the Company and from third parties for the provision of Collection services, Disposal services, Recycling services, Green Waste services and processing, and any combination thereof, and may negotiate and execute agreements for such services which will take effect upon the expiration or earlier termination under Section 10 of this Agreement.

11.16 Compliance with Municipal Code

The Company shall comply with those provisions of the municipal code of the City which are applicable, and with any and all amendments to such applicable provisions during the term of this Agreement.

11.17 Privacy

The Company shall strictly observe and protect the rights of privacy of Customers. Information identifying individual Customers or the composition or contents of a Customer's waste stream shall not be revealed to any Person, governmental unit, private agency, or company, unless upon the authority of a court of law, by statute, or upon valid authorization of the Customer. This provision shall not be construed to preclude the Company from preparing, participating in, or assisting in the preparation of waste characterization studies or waste stream analyses which may be required by AB 939. This provision shall not apply to reports or records provided to City pursuant to this Agreement so long as City maintains reports or records with Customer identification or confidential information in accordance with this section, in which case this section shall apply to City in the same manner to which it applies to Company.

11.18 Compliance with Immigration Laws.

The Company agrees that, in the performance of this Agreement, it will comply with all immigration laws.

11.19 Proprietary Information, Public Records

The City acknowledges that a number of the records and reports of the Company are proprietary and confidential. The Company is obligated to permit the City inspection of its records on demand and to provide copies to the City where requested. The City will endeavor to maintain the confidentiality of all proprietary information provided by the Company. Notwithstanding the foregoing, and notwithstanding Section 11.18 (as it applies to City), any documents provided by the Company to the City that are public records may be disclosed pursuant to a proper public records request.

11.20 Guarantee of Contractor's Performance

Pursuant to a guarantee in substantially the form attached as Exhibit 5, _____, a _____ corporation which owns all of the issued and outstanding common stock of _____, has agreed to guarantee the Company's performance of this Agreement. The Guarantee is being provided concurrently with the Company's execution of this Agreement.

11.21 Attorney's Fees

In any action or proceeding to enforce or interpret any of the terms or conditions of this Agreement the prevailing party shall be entitled to an award to attorney's fees in the amount reasonably incurred in the prosecution or defense of such action. The term "prevailing party" shall mean the party entitled to recover costs of suit, upon the conclusion of the matter, in accordance with the laws of the State of California.

ARTICLE 12

MISCELLANEOUS AGREEMENTS

12.1 Entire Agreement

This Agreement, including the Exhibits, represents the full and entire Agreement between the parties with respect to the matters covered herein. No verbal agreement or conversation with any office, agent, or employee of the City, either before, during, or after the execution of this contract, shall affect or modify any of the terms or obligations herein contained nor such verbal agreement or conversation entitle the Company to any additional payment whatsoever under the terms of this contract.

12.2 Section Headings

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

12.3 References to Laws and Other Agreements

All references in this Agreement to laws shall be understood to include such laws as they may be subsequently amended or recodified, unless otherwise specifically provided. This Agreement supersedes any and all agreements heretofore entered into by the parties and the City.

12.4 Interpretation

This Agreement, including the exhibits attached hereto, shall be interpreted and construed reasonably and neither for nor against either party, regardless of the degree to which either party participated in its drafting.

12.5 Agreement

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

12.6 Severability

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

12.7 Exhibits

Each of the Exhibits identified in this Agreement is attached hereto and incorporated herein and made a part hereof by this reference.

12.8 Non-Waiver Provision

Failure of either party to exercise any of the remedies set forth herein within the time periods provided for shall not constitute a waiver of any rights of that party with regard to that failure to perform or subsequent failures to performing whether determined to be a breach, excused performance or unexcused defaults by the other party.

IN WITNESS WHEREOF, the City and the Company have executed this Agreement as of the day and year first above written.

CITY OF MANHATTAN BEACH

("City")

ATTEST: _____
CITY CLERK

By: _____
CITY OF MANHATTAN BEACH

APPROVED AS TO FORM:

COMPANY NAME

City Attorney

By: _____
Name:
Title:

EXHIBIT 1
COMPANY PROPOSAL

EXHIBIT 2
PUBLIC EDUCATION PLAN
(to be prepared by Company)

EXHIBIT 3
MAXIMUM INITIAL COMPANY COMPENSATION

Residential Monthly Rates (as of August 1, 2011)

Volume-Based Automated Three-Cart Collection Service for Single Unit Homes	Monthly Rate		
	Standard Service	Extra Refuse Cart	Backyard Service Surcharge (2)
96-gallon refuse ⁽¹⁾		\$ 8.00	
64-gallon refuse ⁽¹⁾		\$ 6.00	
35-gallon refuse ⁽¹⁾		\$ 4.00	

Automated Three-Cart Collection Service for Residential Cart Customers with 2 to 9 Units	Monthly Rate Per Building	
	Standard Service	Backyard Service Surcharge (2)
2 Dwelling Units		
3 Dwelling Units		
4 Dwelling Units		
5 Dwelling Units		
6 Dwelling Units		
7 Dwelling Units		
8 Dwelling Units		
9 Dwelling Units		

(1) Rate for first refuse container at each dwelling unit.

(2) Backyard Service Surcharge is in addition to Standard Service fee and is assessed per dwelling unit.

Note: Additional refuse carts for customers with 2 to 9 units, and additional recycling and green waste carts for all residential cart customers shall be provided at no additional charge.

EXHIBIT 3 (continued)
MAXIMUM INITIAL COMPANY COMPENSATION
(as of August 1, 2011)

Commercial Bin Rates

Refuse Bin Size (in Cubic Yards)	Number of Pickups Per Week							Extra Pickups
	1	2	3	4	5	6	7	
Commercial Can								\$ 3.50
32-Gallon Cart								\$ 3.50
64-Gallon Cart								\$ 7.00
96-Gallon Cart								\$ 10.00
2 Cubic Yard								\$ 19.35
3 Cubic Yard								\$ 29.00
4 Cubic Yard								\$ 38.69
6 Cubic Yard								\$ 58.01
2 Cubic Yard Compactor								\$ 33.04
3 Cubic Yard Compactor								\$ 49.15
4 Cubic Yard Compactor								\$ 66.64
6 Cubic Yard Compactor								\$ 100.27

EXHIBIT 3 (continued)
MAXIMUM INITIAL COMPANY COMPENSATION
(as of August 1, 2011)

Rolloff Box Rates

Rate Per Pull, Excluding Disposal	
Standard Box, Any Size	per pull
Compactor Box, Any Size	per pull
Rolloff Per Ton Charges	
Refuse Disposal	per ton
Mixed Recyclables	per ton
Green Waste	per ton
Additional Container Rental - (for boxes emptied less than 3x/month)	
Standard Box, Any Size	per week
Compactor Box, Any Size	per week

Optional C&D Rates

Rate Per Pull, Excluding Disposal	
25-40 cubic yard roll-off box	per pull
Low Boy (10 cubic yard) roll-off box	per pull
Rolloff Per Ton Charges	
Mixed Loads of C&D Debris	per ton
Source Separated (dirt, concrete, wood, etc.)	actual cost at facility, no higher than mixed load rate
Temporary Bin Service	
First Dump, including delivery and disposal	per dump
Additional dumps, including disposal	per dump

EXHIBIT 3 (continued)
MAXIMUM INITIAL COMPANY COMPENSATION
(as of August 1, 2011)

Temporary Bins

Service Category	Bin Size (Cubic Yards)			
	2	3	4	6
10 Day Rental with One Dump Included				
Each Additional Dump				
Rent Per Day Beyond 10 Days	\$ 1.93	\$ 1.93	\$ 1.93	\$ 1.93

Extra Services

Hasp and Lock Services	\$ 7.74 per bin per month (any frequency)
Cart Exchange	\$ 15.00 per applicable overage (see Section 3.7.1.1)
Refuse Cart Overage	\$ 5.00 per applicable overage (see Section 3.1.2)
Additional Residential Bulky Item Pickup	\$ 21.60 per pickup (three items) in excess of three pickups per year
Commercial Bulky Item Pickup Per Item	
• White Goods with CFCs	\$ 16.20 per item
• All Other Items	\$ 10.80 per item
Nursery/Florist Green Waste Cart (Section 3.3.1)	\$ 7.38 per 95-gallon green waste cart per month
	\$ 6.43 per 64-gallon green waste cart per month
	\$ 5.62 per 35-gallon green waste cart per month
Emergency Collection and Disposal	\$ 75.60 per hour
Bin Overage Charge	\$ 35.00 per applicable overage (see Section 3.1.6)

EXHIBIT 4A

EXAMPLE CART & BIN RATE ADJUSTMENT FORMULA

Step One: Calculate percentage change in indices							
Row	Adjustment Factor	Index	A	B	C		
			Old Index Value	New Index Value	Percent Change In Index ((Column B/Column A)-1)		
1	Labor	(1)	107.30	109.15	1.7%		
2	Fuel	(2)	344.0	159.1	-53.8%		
3	Equipment	(3)	118.9	124.3	4.5%		
4	Disposal	(5)	215.8	219.2	1.6%		
5	Transformation	(6)	\$ 48.00	\$ 55.00	14.6%		
6	All Other	(4)	215.8	219.2	1.6%		
Step Two: Determine components							
Row	Adjustment Factor	Index	D	E	F		
			Cost Factor Category Weighted as a % of Component Total (7)	Percent Change In Index (from Column C)	Total Weighted Change (Columns D x E)		
7	Labor	(1)	31.1%	1.7%	0.5%		
8	Fuel	(2)	4.5%	-53.8%	-2.4%		
9	Equipment	(3)	12.9%	4.5%	0.6%		
10	Disposal	(5)	33.4%	1.6%	0.5%		
11	Transformation	(6)	2.3%	14.6%	0.3%		
12	All Other	(4)	13.5%	1.6%	0.2%		
13	Total		97.7%		-0.3%		
Step Three: Apply percentage change to rates							
Row	Rate Category		G	H	I	J	
			Current Customer Rate (8)	Total Weighted Percent Change (from Column F)	Rate Increase or Decrease (Column G x Column H)	Adjusted Rate (Column G + Column I)	
14	64-gallon Cart Service		\$ 12.85	-0.3%	\$ (0.04)	\$ 12.81	
15	2 unit Service		\$ 24.04	-0.3%	\$ (0.07)	\$ 23.97	
16	1 unit backyard		\$ 7.34	-0.3%	\$ (0.02)	\$ 7.32	
17	2 unit backyard		\$ 13.99	-0.3%	\$ (0.04)	\$ 13.95	
18	Extra bulky item		\$ 21.60	-0.3%	\$ (0.06)	\$ 21.54	
19	Special Pickup/Cart Ov.		\$ 5.00	-0.3%	\$ (0.02)	\$ 4.98	
20	Commercial Can		\$ 13.80	-0.3%	\$ (0.04)	\$ 13.76	
21	3 yd bin, 1x week		\$ 89.95	-0.3%	\$ (0.27)	\$ 89.68	
22	3 yd comp., 1x week		\$ 152.46	-0.3%	\$ (0.46)	\$ 152.00	
23	3 yd bin, extra pickup		\$ 29.00	-0.3%	\$ (0.09)	\$ 28.91	
Step Four: Re-weight cost components							
Row	Adjustment Factor	Index	K	L	M	N	O
			Cost Component (Column D)	Percent Change In Index (Column E)	Change in Cost Component Weightings (Column K x Column L)	Adjusted Cost Component Weightings (Column K + Column M)	Cost Components Reweighted to Equal 100% (Column N Row divided by Column N Total)
24	Labor	(1)	31.1%	1.7%	0.5%	31.6%	32.4%
25	Fuel	(2)	4.5%	-53.8%	-2.4%	2.1%	2.2%
27	Equipment	(3)	12.9%	4.5%	0.6%	13.5%	13.9%
28	Disposal	(5)	33.4%	1.6%	0.5%	33.9%	34.8%
29	Transformation	(6)	2.3%	14.6%	0.3%	2.6%	2.7%
30	All Other	(4)	13.5%	1.6%	0.2%	13.7%	14.2%
31	Total		97.7%			97.4%	100.2%

(1) Employment Cost Index CIU201000052000001, Total compensation, Private industry, Index number, Transportation and material moving.
 (2) Producer Price Index, WPU 0531 not seasonally adjusted, Fuels and related products and power, natural gas - average annual change.*
 (3) Producer Price Index, PCU336120336120, Heavy duty truck manufacturing - average annual change.*
 (4) Consumer Price Index for All Urban Consumers, less food and energy, U.S. city average - average annual change.*
 (5) TBD.
 (6) Gate rate at transformation facility (if applicable)
 (7) First year based on Section 6.4. After the first adjustment, this column comes from Column O of the previous year's rate adjustment worksheet.
 (8) Example rates listed. Adjustment applies to all applicable rate categories.

* See Exhibit 4C.

EXHIBIT 4B

EXAMPLE ROLL-OFF BOX RATE ADJUSTMENT FORMULA

Step One: Calculate percentage change in indices

Row	Adjustment Factor	Index	A	B	C
			Old Index Value	New Index Value	Percent Change In Index ((Column B/ Column A)-1)
1	Service Component (Pull Rate)				
2	Labor	(1)	107.30	109.15	1.7%
3	Fuel	(2)	344.0	159.1	-53.8%
4	Equipment	(3)	118.9	124.3	4.5%
5	All Other	(4)	215.8	219.2	1.6%
6	Refuse/Ton	(5)	215.8	219.2	1.6%

Step Two: Determine components

Row	Adjustment Factor	Index	D	E	F
			Cost Factor Category Weighted as a % of Component Total (6)	Percent Change In Index (from Step One, Column C)	Total Weighted Change (Columns D x E)
7	Service Component (Pull Rate)				
8	Labor	(1)	48.4%	1.7%	0.8%
9	Fuel	(2)	6.9%	-53.8%	-3.7%
10	Equipment	(3)	20.0%	4.5%	0.9%
11	All Other	(4)	21.1%	1.6%	0.3%
12	Service Component Total		96.4%	n/a	-1.7%
13	Refuse/Ton	(5)	100.0%	1.6%	1.6%

Step Three: Apply percentage change to rates

Row	Rate Category	Current Customer Rate	G	H	I	J
			Total Weighted Percentage Change (from Column F)	Rate Increase or Decrease (Column H x Column I)	Adjusted Rate (Column H + Column J)	
14	Standard Roll off Box Pull Rate	\$ 166.87	-1.7%	\$ (2.84)	\$ 164.03	
15	Compactor Roll off Box Pull Rate	\$ 225.28	-1.7%	\$ (3.83)	\$ 221.45	
16	Refuse/Ton	\$ 36.72	1.6%	\$ 0.59	\$ 37.31	

Step Four: Re-weight service component cost components

Row	Adjustment Factor	Index	K	L	M	N	O
			Cost Component (Column D)	Percent Change In Index (Column E)	Change in Cost Component Weightings (Column K x Column L)	Adjusted Cost Component Weightings (Column K + Column M)	Cost Components Reweighted to Equal 100% (Column N Row divided by Column N Total)
17	Labor	(1)	48.4%	1.7%	0.8%	49.2%	52.0%
18	Fuel	(2)	6.9%	-53.8%	-3.7%	3.2%	3.4%
19	Equipment	(3)	20.0%	4.5%	0.9%	20.9%	22.1%
20	All Other	(4)	21.1%	1.6%	0.3%	21.4%	22.5%
21	Total		96.4%			94.7%	100.0%

(1) Employment Cost Index CIU201000052000001, Total compensation, Private industry, Index number, Transportation and material moving.*

(2) Producer Price Index, WPU 0531 not seasonally adjusted, Fuels and related products and power, natural gas - average annual change.*

(3) Producer Price Index, PCU336120336120, Heavy duty truck manufacturing - average annual change.*

(4) Consumer Price Index for All Urban Consumers, less food and energy, U.S. city average - average annual change.*

(5) TBD.

(6) First year based on Section 6.4. After the first adjustment, this column comes from Column O of the previous year's rate adjustment worksheet.

* See Exhibit 4C.

EXHIBIT 4C

EXAMPLE CALCULATION FOR AVERAGE ANNUAL CHANGE IN PUBLISHED PRICE INDICES

Rate adjustment indices for labor, fuel, equipment, disposal [if applicable] and “all other” are calculated using the “average annual change” as demonstrated in the example below. The Bureau of Labor Statistics publishes these monthly indices, and the “Annual” index, which is an average of the calendar year’s monthly indices.

The following example is for the Consumer Price Index for All Urban Consumers all items less food and energy index - U.S. City average that is used to adjust the “all other” cost components. If a rate adjustment based on this CPI index were to be implemented as of July 1, 2010, the 2009 average annual index of 219.235 would have been the “New Index Value” to be used in Column B of the example rate adjustment formulas in Exhibits 3A and 3B, and the 2008 average annual index of 215.572 would have been the “Old Index Value” in Column A. This would have resulted in a 1.7% increase to the “disposal” and “all other” cost components in Column C.

Consumer Price Index - All Urban Consumers, U.S. City Average
All items less food and energy, CUUR0000SAOL1E

Year	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Average
2008	213.138	213.866	214.866	215.059	215.18	215.553	216.045	216.476	216.862	217.023	216.690	216.100	215.572
2009	216.719	217.685	218.639	219.143	219.128	219.283	219.350	219.596	220.137	220.731	220.384	220.025	219.235

Average Annual Change: **1.7%**

EXHIBIT 5

CORPORATE GUARANTY

Guaranty

THIS GUARANTY (the "Guaranty") is given as of the ____ day of ____, 2010.

THIS GUARANTY is made with reference to the following facts and circumstances:

A. _____, hereinafter ("Owner") is a corporation organized under the laws of the State of California, all of the issued and outstanding stock of which is owned by _____, (Guarantor).

B. Owner and the City of Manhattan Beach ("the City") have negotiated an Agreement for Collection, Processing, and Disposal of Solid Waste dated as of _____, (hereinafter "Agreement"). A copy of this Agreement is attached hereto.

C. It is a requirement of the Agreement, and a condition to the City entering into the Agreement, that Guarantor guaranty Owner's performance of the Agreement.

D. Guarantor is providing this Guaranty to induce the City to enter into the Agreement.

NOW, THEREFORE, in consideration of the foregoing, Guarantor agrees as follows:

1. **Guaranty of the Agreement.** Guarantor hereby irrevocably and unconditionally guarantees to the City the complete and timely performance, satisfaction and observation by Owner of each and every term and condition of the Agreement which Owner is required to perform, satisfy or observe. In the event that Owner fails to perform, satisfy or observe any of the terms and conditions of the Agreement, Guarantor will promptly and fully perform, or cause to perform them in the place of the Owner or cause them to be performed, satisfied or observed. Guarantor hereby guarantees payment to the City of any damages, costs or expenses which might become recoverable by the City from Owner due to its breach of the Agreement.

2. Guarantor's Obligations Are Absolute. The obligations of the Guarantor hereunder are direct, immediate, absolute, continuing, unconditional and unlimited, and with respect to any payment obligation of Owner under the Agreement, shall constitute a guarantee of payment and not of collection, and are not conditional upon the genuineness, validity, regularity or enforceability of the Agreement. In any action brought against the Guarantor to enforce, or for damages for breach of, its obligations hereunder, the Guarantor shall be entitled to all defenses, if any, that would be available to the Owner in an action to enforce, or for damages for breach of, the Agreement (other than discharge of, or stay of proceedings to enforce, obligations under the Agreement under bankruptcy law).

3. Waivers. Except as provided herein the Guarantor shall have no right to terminate this Guaranty or to be released, relieved, exonerated or discharged from its obligations under it for any reason whatsoever, including, without limitation: (1) the insolvency, bankruptcy, reorganization or cessation of existence of the Owner; (2) the actual or purported rejection by a trustee in bankruptcy of the Agreement, or any limitation on any claim in bankruptcy resulting from the actual or purported termination of the Agreement; (3) any waiver with respect to any of the obligations of the Agreement guaranteed hereunder or the impairment or suspension of any of the City's rights or remedies against the Owner; or (4) any merger or consolidation of the Owner with any other corporation, or any sale, lease or transfer of any or all the assets of the Owner. Without limiting the generality of the foregoing, Guarantor hereby waives the rights and benefits under California Civil Code Section 2819.

The Guarantor hereby waives any and all benefits and defenses under California Civil Code Section 2846, 2849, and 2850, including without limitation, the right to require the City to (a) proceed against Owner, (b) proceed against or exhaust any security or collateral the City may hold now or hereafter hold, or (c) pursue any other right or remedy for Guarantor's benefit, and agrees that the City may proceed against Guarantor for the obligations guaranteed herein without taking any action against Owner or any other guarantor or pledgor and without proceeding against or exhausting any security or collateral the City may hold now or hereafter hold. City may unqualifiedly exercise in its sole discretion any or all rights and remedies available to it against Owner or any other guarantor or pledgor without impairing the City's rights and remedies in enforcing this Guaranty.

The Guarantor hereby expressly waives, diligence, presentment, demand for payment or performance, protest and all notices whatsoever, including, but not limited to, notices of non-payment or non-performance, notices of protest, notices of any breach or default, and notices of acceptance of this Guaranty. If all or any portion of the obligations guaranteed hereunder are paid or performed, Guarantor's obligations hereunder shall continue and remain in full force and effect in the event that all or any part of such payment or performance is avoided or recovered directly or indirectly from the City as a preference, fraudulent transfer or otherwise, irrespective of (a) any notice of revocation given by Guarantor or Owner prior to such avoidance or recovery, and (b) payment in full of any obligations then outstanding.

4. **Term.** This Guaranty is not limited to any period of time, but shall continue in full force and effect until all of the terms and conditions of the Agreement have been fully performed or otherwise discharged and Guarantor shall remain fully responsible under this Guaranty without regard to the acceptance by the City of any performance bond or other collateral to assure the performance of Owner's obligations under the Agreement. Guarantor shall not be released of its obligations hereunder so long as there is any claim by the City against Owner arising out of the Agreement based on Owner's failure to perform which has not been settled or discharged.

5. **No Waivers.** No delay on the part of the City in exercising any rights under this Guaranty or failure to exercise such rights shall operate as a waiver of such rights. No notice to or demand on Guarantor shall be a waiver of any obligation of Guarantor or right of the City to take other or further action without notice or demand. No modification or waiver of any of the provisions of this Guaranty shall be effective unless it is in writing and signed by the City and by Guarantor, nor shall any waiver be effective except in the specific instance or matter for which it is given.

6. **Attorney's Fees.** In addition to the amounts guaranteed under this Guaranty, Guarantor agrees in the event of Guaranty's breach of its obligations including to pay reasonable attorney's fees and all other reasonable costs and expenses incurred by the City in enforcing this Guaranty, or in any action or proceeding arising out of or relating to this Guaranty, including any action instituted to determine the respective rights and obligations of the parties hereunder.

7. **Governing Law: Jurisdiction.** This Guaranty is and shall be deemed to be a contract entered into in and pursuant to the laws of the State of California and shall be governed and construed in accordance with the laws of California without regard to its conflicts of laws, rules for all purposes including, but not limited to, matters of construction, validity and performance. Guarantor agrees that any action brought by the City to enforce this Guaranty may be brought in any court of the State of California and Guarantor consents to personal jurisdiction over it by such courts. Guarantor appoints the following Person as its agent for service of process in California:

With a copy by certified mail to:

8. **Severability.** If any portion of this Guaranty is held to be invalid or unenforceable, such invalidity will have no effect upon the remaining portions of this Guaranty, which shall be severable and continue in full force and effect.

9. **Binding On Successors.** This Guaranty shall inure to the benefit of the City and its successors and shall be binding upon Guarantor and its successors, including transferee(s) of substantially all of its assets and its shareholder(s) in the event of its dissolution or insolvency.

10. **Authority.** Guarantor represents and warrants that it has the corporate power and authority to give this Guaranty, that its execution of this Guaranty has been authorized by all necessary action under its Article of Incorporation and By-Laws, and that the Person signing this Guaranty on its behalf has the authority to do so.

11. **Notices.** Notice shall be given in writing, deposited in the U.S. mail, registered or certified, first class postage prepaid, addressed as follows:

To the City:

City Manager
City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, CA 90266

with a copy to the City Counsel at the same address.

To the Guarantor:

By: _____
(title)

By: _____
(title)

EXHIBIT 6

COMPANY'S FAITHFUL PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS:

That, _____, a _____ corporation, as PRINCIPAL, and _____, a Corporation organized and doing business by virtue of the laws of the State of California, 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 State of California, as SURETY, are held and firmly bound to City, hereinafter called OBLIGEE, in the penal sum of Five Hundred Thousand (\$500,000) lawful money of the United States, for the payment of which, well and truly to be made, we and each of us hereby bind ourselves, and our and each of our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS, the above bounden PRINCIPAL has entered into a contract, entitled "INTEGRATED SOLID WASTE MANAGEMENT SERVICES" with City, to do and perform the following work, to wit: Collect, Process and Dispose of Solid Waste generated within City, in accordance with the contract.

NOW, THEREFORE, if the above bounden PRINCIPAL shall well and truly perform, or cause to be performed each and all of the requirements and obligations of said contract to be performed by said PRINCIPAL, as in said contract set forth, then this BOND shall be null and void; otherwise it will remain in full force and effect.

And the said Surety, for value received hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to the work to be performed thereunder or the specifications accompanying the same shall in any wise affect its obligations on this BOND, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the work or to the specifications.

IN WITNESS WHEREOF, said PRINCIPAL and said SURETY have caused these presents to be duly signed and sealed this _____ DAY OF _____, 2010.

a _____ Corporation

SURETY

By: _____
(PRINCIPAL)

By: _____
(ATTORNEY IN FACT)

(SEAL)

(SEAL)

EXHIBIT 7

NOTARY CERTIFICATION

STATE OF CALIFORNIA)

COUNTY OF _____) ss:

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

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

Notary Public

My Commission Expires:

EXHIBIT 8

CITY SPONSORED SPECIAL EVENTS

Row	Event
1	Earth Day Fair
2	Family Campout
3	Fishing Derby
4	Concerts in the Park (11 weeks)
5	Tennis Tournament
6	Sand Castle Design Contest
7	Employee Picnic
8	Polliwog Movie in the Park
9	Pet Appreciation Expo
10	6-Man Volleyball Tournament & Surf Festival
11	Halloween Carnival
12	Downtown Open House/Pier Lighting Ceremony
13	Pier Fireworks Show
14	Family Crafts Night
15	Cultural Arts Fair
16	Senior Health Fair
17	2012 City of MB Centennial Celebrations

EXHIBIT 9

OPTIONAL PROGRAMS

City may instruct Company to implement the following programs during the Agreement Term in accordance with the terms described below. Company shall be required to send a public outreach piece at the beginning of each program.

A. Door-to-Door HHW Collection Program

City may direct Company to begin the following program upon 90 days written notice, with the following rate adjustment effective upon full implementation of program. Upon initiation of this program, City will adjust Company Compensation to compensate Company for \$_____ per year (\$_____ per month) while the program is in place. City will determine how the increase shall be billed to Customers. This \$_____ per year rate is effective as of August 1, 2011 and will subsequently be adjusted by the change in CPI calculated in the same manner as under Section 5.3 beginning with the first adjustment as of July 1, 2012.

Company shall provide unlimited door-to-door collection of Household Hazardous Waste (HHW) from both Single Family and Multi-Family Customers. Company shall provide Residential Customers with a number to call in to schedule an appointment for the Collection of HHW. Individual Customers may request unlimited pickups per year.

Materials collected will include, at a minimum, the following:

- Garden Chemicals (such as fertilizer, insect sprays, weed killers, and other poisons);
- Swimming Pool Chemicals (such as pool acid and liquid and tablet chlorine);
- Automotive Waste (such as motor oil, antifreeze, waxes, polishes, cleaners, brake fluid, gasoline, used oil filters, oily rags, transmission fluid, windshield washer fluid, hydraulic fluid, and automotive batteries);
- Paint Products (such as oil-based, latex and spray paints, stripper, stains, caulking, wood preservatives, glue; and thinner);
- Household Cleaners (such as bleach, cleaning compounds, floor stripper, drain cleaner, tile remover, tile cleaners, and rust remover); and

- Miscellaneous Household Waste (such as household batteries, fluorescent tubes, thermometers, hobby glue, artist's paint, and non-controlled pharmaceuticals).

Electronic wastes shall be advertised to be collected as Bulky Items under Section 3.1.5, and Sharps shall be advertised to be collected as part of the Sharps program under Section 3.6.7.

Company shall be required to send a public outreach piece to all Residential Dwelling units at the beginning of the program with a program description, the start date, materials to be collected, and instructions on how to call in for a pickup. Company shall be required to update the City's "e-book" or "e-magazine" (see Section 4.3.2) to include this program and periodic program updates. Company shall include ongoing information for this program (including the location of the City's "e-book") in public education mailers required under Section 4.3.2.

B. Additional Processing of Bin Route Refuse

City may request to have Company process sufficient Refuse that is Collected on Bin routes to recover a minimum of 3,549 tons per calendar year from this program, including the 1,365 tons required to be recovered under Section 3.5 and an additional 2,184 tons to be recovered. These annual tonnage requirements shall be pro-rated if program begins or ends partially through a calendar year. City may instruct Company to begin the additional processing upon 90 days notice, with a corresponding Company Compensation increase of _____% to be applied to monthly Bin Collection service rates and extra bin pickup rates and temporary Bin service, but excluding ancillary service rates such as Bin rental or locking Bin charges.

For each ton short of the required 3,549 tons (or as pro-rated) that Company fails to divert each calendar year from landfilling through this processing of Commercial Refuse, Company shall be assessed liquidated damages of \$____ per ton. Alternatively, provided Company is sending all Commercial Bin, Cart and Can Refuse Collected on Bin routes for processing, but failing to meet the minimum diverted tonnage requirement due to a low recovery rate from this material, Company may off-set this diversion tonnage shortfall by sending additional tonnage (i.e. Residential Cart Refuse, processing residue) to a transformation facility to the extent the City is provided with additional diversion credit. To the extent the additional tons diverted through transformation offset the processing tonnage diversion shortfall, liquidated damages will not be assessed.

Tonnage processed and recovered under this program shall be separately listed on monthly tonnage reports. This program will enhance, and not replace, the provision of source separated Recyclables Collection at no additional charge. This is intended to increase diversion over and

above current program levels. This program does not include any business instruction and therefore does not need to be placed in outreach materials.

C. Exclusive Construction and Demolition Debris Collection

City reserves the right to require Company to exclusively Collect all Construction and Demolition Waste generated in the City at rates not to exceed the rates included in Exhibit 3 at any time during the Agreement Term. Company will be required to divert a minimum of 70% of all Construction and Demolition Waste Collected from landfilling under this option. Construction and Demolition Wastes does not apply towards diversion requirements under Section 3.8.1. Such maximum rates shall be adjusted in accordance with Article 6. This does not preclude City from continuing to permit open competition, to select another exclusive hauler for Construction and Demolition Waste, to competitively procure an exclusive Construction and Demolition Waste collector, or to negotiate with Company for Construction and Demolition Waste Collection.

EXHIBIT 10

CITY HAZARDOUS WASTE MANIFEST

The following is an estimate of the types and volumes of materials generated by the City in need of Collection and proper processing or disposal by Company on an annual basis as of the start of this Agreement. See Section 3.6.2.

Item	Annual Quantity Disposed
City facility batteries only*	apx. 1,000 pounds
Circuit Boards	(1) 32 gallon container
F-40 Lamps	870-900
F-60 Lamps	25-30
F-96 Lamps	25-30
HID Lamps	50-60
Printer Cartridges	Unknown
Toner	Unknown
Miscellaneous Electronic Waste - CRTs, keyboards, small appliances, etc.	40-50 per year
(Fire Dept) Combustible liquids N.O.S. (decamethylcyclopentasiloxane)	Small containers
(Fire Dept) This is noted (per the Waste Manifest) as non-RCRA hazardous waste, solid (absorbent contaminated with hydro carbons).	(4) 55 gallon drums
(Garage) Waste oil	Apx. 1,000 gallons per year (Bulk in 500 gallon above ground tank)
(Garage) Antifreeze	Apx. 700 gallons per year (Bulk in 250 Gal. above ground tank)
(Garage) Waste Oil Filters	(5) 55 gallon drums (apx. 50-70 filters per drum)
(Garage) Waste Fuel Filters	(2) 55 gallon drums (apx. 80-150 filters per drum)
(Garage) Absorbent/Pig Blankets (wipes)	(4) 55 gallon drums (average weight is 200 Lbs. per drum)
(Garage) Tires	400
(Garage) Batteries (Automotive/Industrial)**	20
Miscellaneous liquids	(2) 55 gallon drums
(Streets Division) Aerosol Sprays	Apx. 60 cans per year
Paint - low VOC	Apx. 200-250 pails per year

EXHIBIT 11

COMMITMENT TO ENVIRONMENTAL SUSTAINABILITY

The City of Manhattan Beach has always been an environmentally-conscious city, implementing sustainable programs to preserve its natural beauty and keep the ocean safe. The City's General Plan, which lays out the long-term goals, programs and policies for future development, contains a number of policies which support a "greener" Manhattan Beach. Those dedicated to the topic of solid waste include:

- Implementing construction and demolition programs that require enhanced recycling efforts
- Encouraging maximum recycling in all sectors of the community, including residential, commercial, industrial, institutional, and construction
- Encouraging the City's franchise trash service to have more recycling programs

More recently, in 2007, the Manhattan Beach City Council signed the US Mayors Climate Protection Agreement. It acknowledged the dangers associated with global warming and made a commitment to take steps to reduce global warming pollution to seven percent below 1990 levels by 2012, a goal often referred to as the "Kyoto Protocol." This commitment to reducing the City's greenhouse gas pollution requires a dedication to reduce the City's landfill tonnage.

In 2008 the City published its comprehensive Green Report declaring a new level of commitment to environmental stewardship, not only for climate protection, but for all areas of city operations. The City created a 19-member citizen Environmental Task Force (ETF) who used the Green Report as a tool to create new programs and policies guiding the City toward greenhouse gas reduction. The Solid Waste and Recycling Subcommittee provided environmentally favorable recommendations for this RFP and created a Waste Reduction Plan for the City to utilize for future projects. The City included recommendations from the ETF's Solid Waste and Recycling Subcommittee in this Agreement, with the intent of entering into this franchise agreement with a contractor who will actively and creatively assist the City in reducing its landfill tonnage.