



## Item No. 3 Town of Atherton

### **CITY COUNCIL STAFF REPORT – REGULAR AGENDA**

**TO: HONORABLE MAYOR AND CITY COUNCIL**

**FROM: GEORGE RODERICKS, CITY MANAGER**

**DATE: JULY 27, 2020**

**SUBJECT: CONSIDERATION OF AWARD OF A 20-YEAR FRANCHISE FOR SOLID WASTE COLLECTION AND POST COLLECTION SERVICES TO GREENWASTE RECOVERY; AND AUTHORIZATION FOR THE CITY ATTORNEY, CITY MANAGER AND SUBCOMMITTEE TO FINALIZE NEGOTIATIONS WITH GREENWASTE RECOVERY SUBJECT TO THE SPECIFIED TERMS, PREPARE THE FRANCHISE AGREEMENT; AND AUTHORIZATION FOR THE CITY MANAGER TO EXECUTE THE AGREEMENT ON BEHALF OF THE TOWN**

### **RECOMMENDATION**

Consider award of a 20-year franchise for solid waste collection and post collection services to Greenwaste Recovery (GWR); and authorize the City Attorney, City manager and Subcommittee to finalize negotiations with GWR, subject to the specified terms; prepare the franchise agreement; and authorize the City Manager to execute the agreement on behalf of the Town.

### **BACKGROUND**

The Town engaged R3 Consulting Group, Inc. (R3) to evaluate the opportunity for use of a different service provider for solid waste collection, recycling, processing and disposal services. This effort was undertaken in support of the Town's objective to reach a decision regarding extension of its contract with Recology San Mateo County (Recology) versus contracting with a new service provider.

On August 26, 2019, the Town issued an RFP for solid waste collection services only, and for collections, recycling, processing and disposal services together. The Town received one proposal from GreenWaste Recovery (GWR). The Ad Hoc Subcommittee of Council Members Wiest and Widmer reviewed the response(s) from GWR along with analysis provided by R3. The Subcommittee held several preliminary meetings with R3 and GWR to help understand and refine the proposal. R3 provided an analysis that identified current services and costs; evaluated those services against the proposal(s) provided by GWR; and provided a brief analysis of next steps.

In February 2020, the Council directed that the Subcommittee pursue in-depth negotiations with GWR for a franchise agreement for collection and post-collection services with the Town. The City Council directed pursuit of GWR's Option 3, GWR Collection and GWR Post-Collection Compensation – Food Scraps in Black Bin. This Option ensured that the Town will be fully compliant with SB 1383 and provides the Town with better long-term financial certainty and control.

A Notice of Intent to Withdraw was sent to the South Bayside Waste Management Authority (SBWMA) on June 30 with withdrawal set for December 31, 2020. The Subcommittee continues ongoing negotiation with the SBWMA to effectuate that withdrawal.

### **ANALYSIS**

Presented here this evening is a negotiated 20-year franchise agreement with GWR for the provision of collection and post-collection services. R3 Consulting Services and the Town's Refuse Services Ad Hoc Subcommittee have reviewed the Agreement and the Term Sheet and recommends that the City Council authorize the City Attorney to prepare and the City Manager to execute a 20-year Franchise Agreement with GWR, subject to specified terms, for the provision of solid waste collection and post-collection services. There remain a few issues of final negotiation related to various exhibits, specified contractual language, and term provisions related to effective date of the agreement in relation to withdrawal from the SBWMA. These can be finalized post approval.

While the proposed franchise agreement with GWR is a 20-year franchise, R3 and the Subcommittee compared compensation requirements of Recology/SBWMA against that of GWR at the 15-year mark as that is the term of the Recology/SBWMA franchise. Over the course of a 15-year term, total compensation due to Recology/SBWMA is projected to be \$4.2 million higher than that of GWR.

The base term sheet for the GWR Franchise is attached. Key provisions in broad summary:

- 20-year franchise agreement, up to 5-years of extension, beginning January 1, 2021.
- Franchise only effective if the Town's withdrawal from the SBWMA is finalized.
- New collection vehicles, carts and containers would be provided.
- 2 On-Call "Bulky Item" clean up events per resident per year.
- Community Drop-Off Event with Compost Giveaway and Records Destruction Event
- Provisions for Hazardous Materials Collections
- Provisions for Excess Material Collections
- Holiday Tree Recycling
- Indemnification for Diversion Goals
- Year 1 – Base Compensation set at \$3.15 million
- Years 2 through 3 – Allowed Compensation Adjustment of 4% per year
- Years 4 through 6 – Allowed Compensation Adjustment of 11% per year
- Year 7 – Allowed Compensation Adjustment of 8%

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- Year 8 – Allowed Compensation Adjustment of CPI plus 3%
- Year 9 through 20 – Allowed Compensation Adjustment of CPI
- Franchise Fee Pass-Through of 10%
- Yearly Administrative Support Payment of \$14,000
- Street Sweeping Pass-Through of \$24,000
- One-Time Negotiation Reimbursement of \$175,000

With the above terms, R3 Consulting Group, staff, and the Town’s Subcommittee recommend the Council move forward with finalizing the franchise agreement with GWR.

**POLICY ISSUES**

Policy issues related to this item involve a discussion of whether to proceed with the Amended and Restated Franchise Agreement with Recology or move forward with an alternate service provider. The City Council can opt, at any time prior to its expiration in December 2020, to execute the Amended and Restated Franchise Agreement.

**FISCAL IMPACT**

As noted above.

**PUBLIC NOTICE**

Public notification was achieved by posting the City Council agenda, with this agenda item being listed, at least 72 hours prior to the meeting in print and electronically. Information about the project is also disseminated via the Town’s electronic News Flash and Atherton Online. There are approximately 1,200 subscribers to the Town’s electronic News Flash publications. Subscribers include residents as well as stakeholders – to include, but not limited to, media outlets, school districts, Menlo Park Fire District, service providers (water, power and sewer), and regional elected officials.

**COMMISSION/COMMITTEE FEEDBACK/REFERRAL**

This item \_\_\_ has or X has not been before a Town Committee or Commission.

- \_\_\_ Audit/Finance Committee (meets every other month)
- \_\_\_ Bicycle/Pedestrian Committee (meets as needed)
- \_\_\_ Civic Center Advisory Committee (meets as needed)
- \_\_\_ Environmental Programs Committee (meets every other month)
- \_\_\_ Park and Recreation Committee (meets each month)
- \_\_\_ Planning Commission (meets each month)
- \_\_\_ Rail Committee (meets every other month)
- \_\_\_ Transportation Committee (meets every other month)
- \_\_\_ Tree Committee (meets each month)

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**ATTACHMENTS**

Report from R3 Consulting and Financial Analysis

Term Sheet

Draft Franchise Agreement

**Northern California Office**

1512 Eureka Road, Suite 220, Roseville, CA 95661  
Tel: 916-782-7821 | Fax: 916-782-7824

**San Francisco Bay Area Office**

2600 Tenth Street, Suite 424, Berkeley, CA 94710  
Tel: 510-647-9674

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**To:** George Rodericks, Atherton City Manager  
**From:** Garth Schultz, R3 Consulting Group  
**Date:** July 23, 2020  
**Subject:** Solid Waste RFP Results and Draft Franchise Agreement with GWR

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**Background and Summary**

The Town of Atherton (Town) engaged R3 Consulting Group, Inc. (R3) to help the Town reach a decision regarding potential extension of its exclusive solid waste collection franchise agreement with Recology San Mateo County (Recology) vs. entering into a new solid waste collection contract with a different solid waste collection service provider. In testing the market, the Town sought to determine whether cost savings and other benefits could be achieved with a different solid waste services provider.

This memorandum summarizes the results of R3's financial analysis of the two solid waste contracting alternatives available to the Town; namely adoption of the draft Franchise Agreement with GreenWaste Recover (GWR) or executing the amended and restated agreement with Recology and remaining a member of the South Bayside Waste Management Authority (SBWMA). This memorandum further summarizes results of negotiations with GWR, including highlights of key differences between the current solid waste system and GWR's proposed system.

**RFP and Proposal Process**

On August 26, 2019, with the support of R3, the Town issued a request for proposals (RFP) soliciting responses from solid waste services providers. That RFP, included as Attachment A, sought proposals for both a) solid waste collection services only, without post-collection disposal, processing, and recycling services, and b) combined solid waste collection services with recycling, processing, and disposal services.

Though the Town invited six viable solid waste service companies to provide proposals (in addition to publicly posting the RFP on the Town's website) the Town received only one proposal, from GreenWaste Recovery (GWR), included as Attachment B. GWR's proposal was found to be complete and responsive to the Town's RFP.

**GreenWaste Recovery Proposal**

R3 and the Town analyzed and compared the financial provisions of GWR's proposal to the projected costs of the Town's current solid waste management system, which utilizes Recology (for solid waste collection service) and SBWMA (for solid waste post-collection and other services). R3 and Town staff reported initial findings to the City Council on January 9, 2020 (Attachment C) and presented updated findings City Council on February 19, 2020 (Attachment D).

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During the February 19 City Council meeting, the Council directed staff to negotiate deal points and prepare a Franchise Agreement with GWR. R3's engagement with the Town was continued, with R3 assisting Town to assist staff and the Council Ad Hoc Subcommittee on Solid Waste in developing and negotiating deal points and compensation terms, preparing a Franchise Agreement, and conducting further analysis of financial impacts.

The Town and R3 negotiated large reductions in GWR's proposed initial compensation, with base compensation for 2021 being reduced overall by over \$1.1 million (27%). Reductions in initial 2021 compensation resulted in set increases in base compensation of 4% in 2022-23, 11% in 2024-26, 8% in 2027, 3% plus consumer price index (CPI) in 2028, and CPI (historical average of ~3%) only for all other years. Table 1, below, shows the overall reductions in proposed GWR compensation for 2021.

**Table 1: Reductions in 2021 GWR Compensation**

	October-19	November-19	April-20	June-20
Collection	\$ 3,015,788	\$ 2,534,337	\$ 2,508,994	\$ 1,888,307
Post-Collection	\$ 1,274,437	\$ 1,274,437	\$ 1,261,693	\$ 1,261,693
<b>Total Base Compensation</b>	<b>\$ 4,290,226</b>	<b>\$ 3,808,774</b>	<b>\$ 3,770,687</b>	<b>\$ 3,150,000</b>

### Comparison to Town's Current Solid Waste System

R3 analyzed and projected costs of the Town's current solid waste system configuration utilizing Recology and SBWMA and compared those to outcomes of negotiations with GWR. To ensure a fair comparison, R3 reviewed Recology's current and projected future collection compensation, SBWMA's current and projected future post-collection compensation, and GWR's proposed current and projected future collection and post-collection compensation. R3's analysis anticipates changes in the Town's share of SBWMA's expenses for rising organics processing expenses and other needs, including estimated expenses for compliance with SB 1383.

R3 prepared conservative estimates projecting future costs of the Town's current solid waste system (which will be subject to change based on a number of variables) and also negotiated with GWR regarding GWR's compensation. As a result of compensation negotiations, R3 projects that compensation via solid waste rates to GWR will be approximately 5% below the conservative estimates of ratepayer costs via the current system over the term of the agreement. Total compensation to GWR for the first three years of services – from January 1, 2021 through December 31, 2023 – are projected to be approximately \$980,000 (8%) below projected costs with Recology and SBWMA, as shown in Table 2, on the following page.

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**Table 2: Estimates of Solid Waste System Cost, 2021-2023**

	PROJECTED		
	2021	2022	2023
	<b>RECOLOGY &amp; SBWMA</b>		
<b>Recology Collection Compensation</b>	\$ 1,612,000	\$ 1,693,000	\$ 1,778,000
<b>SBWMA Post-Collection Compensation</b>	\$ 1,624,000	\$ 1,786,000	\$ 1,965,000
<b>Agency Fees</b>	\$ 379,000	\$ 394,000	\$ 420,000
<b>Unscheduled and Intermittent Services</b>	\$ 170,000	\$ 78,000	\$ 78,000
<b>Total Compensation</b>	<b>\$ 3,785,000</b>	<b>\$ 3,951,000</b>	<b>\$ 4,241,000</b>
	<b>GREENWASTE RECOVERY</b>		
<b>GWR Collection Compensation</b>	\$ 1,888,307	\$ 1,964,000	\$ 2,043,000
<b>GWR Post-Collection Compensation</b>	\$ 1,261,693	\$ 1,312,000	\$ 1,364,000
<b>Agency Fees</b>	\$ 353,000	\$ 366,000	\$ 379,000
<b>Unscheduled and Intermittent Services</b>	\$ 21,000	\$ 21,000	\$ 21,000
<b>Total Compensation</b>	<b>\$ 3,524,000</b>	<b>\$ 3,663,000</b>	<b>\$ 3,807,000</b>
<b>\$ Variance (GWR less Recology &amp; SBWMA)</b>	<b>\$ (261,000)</b>	<b>\$ (288,000)</b>	<b>\$ (434,000)</b>

### Reliability of Cost Projections

Projections of costs for the Town's current solid waste system cannot be made with high confidence due to a number of fiscal variables that remain unknown, primarily for post-collection costs. Under the current system, future revenues and costs are uncertain for many reasons including:

- Shifts in tonnages due to COVID-19, affecting revenue collection;
- Needs to fund and enact SB 1383 compliance measures, including new capital expenses; and
- Expected and potential increases in overall post-collection costs, including new capital and equipment.

In contrast, GWR's compensation over the first seven years is set in advance, and with compensation increases in the remaining years being set by CPI (and not actual costs). Per the Franchise Agreement with GWR, compensation would only change outside of these expectations in response to:

- Increases in subscription to backyard services and additional recycling and organics carts (above the one recycling cart and two organics carts provided via base compensation for all customers);<sup>1</sup>
- Changes in law, which are possible; and
- Town-directed changes in scope, which are unlikely.

<sup>1</sup> It should be noted that subscriptions to backyard and additional cart services have remained very stable in the Town, with only minor variations over the last three years of information analyzed by R3. It should also be noted that while the Town's current solid waste system does shield the Town from changes in these subscription levels, given the small amounts of historical variation, this projection does not appear to provide much value to the Town. Finally, the Town sets the customer rates for backyard and additional services, and can set rates to cover the costs of these services.

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As a result, future costs of the Town's solid waste system with GWR are anticipated to be largely predictable, and not subject to same unknown variables as with the current system. This could lead to greater rate stability for the Town, and less need for future Town efforts related to analysis and decisions regarding future solid waste system costs.

### **Preparation for SB 1383 (Short Lived Climate Pollutants)**

SB 1383 sets statewide goals to reduce organic waste disposal by 50% from the 2014 level by 2020, and 75% from the 2014 level by 2025. It also establishes a target of recovering 20% of currently disposed edible food for human consumption by 2025. The law's requirements become effective on January 1, 2022, with some requirements having a longer time frame.

SBWMA has proactively begun planning for SB 1383 compliance, however, what pathway it will take is uncertain as it is subject to multiple interests. The currently proposed pathway recommendation involves processing multi-family and commercial solid waste through the Organics-to-Energy (O2E) project at the Shoreway, and procurement of RNG and/or compost. SBWMA would perform the programmatic, policy, outreach, monitoring, reporting, and procurement requirements, while Member Agencies would be responsible for enforcement (estimated at \$1,000-\$3,000/year for Atherton).

Initial estimates prepared by SBWMA's consultant indicate high costs for implementation (estimated at up to \$8M/year SBWMA). Atherton would share in those costs and its compliance would largely be achieved through SBWMA's SB 1383 activities; however, the Town would have limited influence over the approach and corresponding cost.

GWR offers an alternative to Town's SB 1383 compliance, one subject to the Town's interests and with greater cost certainty. The proposal submitted by GWR incorporates the Town's compliance with SB 1383 into the cost-model, and in the long-term, the Town could potentially achieve greater cost savings on SB 1383 implementation with GWR than with SBWMA. Per the draft Franchise Agreement, GWR would become Town's solid waste collector and manage its processing and disposal services.

Most services to residents and businesses would remain unchanged. However, as a convenience to the Town's customers, food scraps and other organic wastes that are required by State Law to be recycled would be placed in the garbage (black) carts<sup>2</sup> instead of the yard trimmings (green) carts.<sup>3</sup> This alternative avoids the need for further sorting by residents, and may provide greater customer convenience. Garbage materials will be sorted through for recovery, potentially achieving higher landfill waste diversion. In other words, there would be no requirement for residents and businesses to separate their food scraps and food soiled paper to meet the requirements of SB 1383.

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<sup>2</sup> Food scraps in the black bin is an alternative practice of placing food waste (and food soiled paper) in the garbage for collection and processing to recover organic materials for composting. Food waste is commonly found in garbage despite programs which favor source separation; processing garbage places less onus on the waste generator to source separate and may lead to higher rates of recovery. Incidental recyclables incorrectly placed in the garbage would also be recovered.

<sup>3</sup> Food scraps in the green bin is the current practice of placing food waste (and food soiled paper) together with green waste for collection and composting as a mixed organic material stream.

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### **Other Solid Waste System Differences**

As stated previously, overall solid waste programs and services offered to the Town's residents and businesses via the draft Franchise Agreement with GWR would remain largely unchanged. Future solid waste system costs would be more predictable, and customers would not be required to separate the food scraps and other organics to achieve compliance with SB 1383. Compensation will change with changes to backyard service subscriptions and additional recycling and organics cart subscriptions; however, the Town sets the rates for these services and can cover necessary cost increases.

Except for a change in law or change in scope, GWR's compensation will not change outside of set increases and CPI, whereas costs for the Town's current solid waste system are subject to a number of variables and interests that are broader than the Town's. Additionally, there are other notable differences between the services offered in the draft Franchise Agreement with GWR and the Town's option to remain with Recology and SBWMA. These are summarized below.

#### Excess Materials

If the Town remains with its current solid waste system, the Town anticipates that customers will be charged for "overages" whenever solid waste collection carts are overfilled with the lid open. Such overage charges are anticipated to be punitive (at the level of the base monthly rate) and broadly applied.

Overages via the draft Franchise Agreement with GWR would: allow for carts to be up to 8 inches open without being subject to additional charges; provide for one courtesy collection of an overage over 8 inches annually without charge; and, come at a charge that is aligned with the cost of providing the additional service, which would be less than the punitive charges anticipated via the current system. Overall, it is anticipated that the GWR agreement would result in fewer excess "overage" charges.

#### Town Control

In the Town's current solid waste system, the Town does not have a high degree of control over its costs and services. Overall system costs for the Town are influenced by regional interests that are not necessarily aligned with the Town's interests. This is primarily because the Town does not have the added complexity that waste streams from commercial and multi-family present for other communities. Via the draft Franchise Agreement with GWR, the Town would have sole control over its solid waste system. However, the Town would also be responsible for State compliance activities and other obligations that are currently provided by the SBWMA, and which are highlighted in Attachments A and B.

#### Debris Boxes and C&D Recycling

Per the Franchise Agreement, GWR would become the exclusive provider of the Town's roll-off / debris box / construction and demolition (C&D) services on January 1, 2026 (after the Town enacts a five-year noticing process to current non-contracted solid waste operators). This solution would allow the Town to provide more streamlined reporting to the State regarding compliance with C&D recycling regulations under the State's CALGreen building codes, as well as better known recycling and recovery efforts compared to the current system. While this is a solution that could theoretically have been accomplished via the current solid waste system, such a solution is not available to the Town via the amended and restated agreement with Recology.

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**Negotiation and Transition Reimbursement**

If the Town executes the Franchise Agreement with GWR, GWR will make a one-time payment to the Town of \$175,000 to reimburse the Town for its costs related to the RFP and negotiation process, costs related to the resulting transition to a new Franchise agreement and solid waste systems service provider, and other costs related to Town's transition to the new solid waste system configuration as noted in Attachments A and B.

# Atherton

## Request for Proposals (RFP) from Solid Waste Franchise Contractors

**Issued To:** Qualified Solid Waste Service Providers

**Issued On:** August 26, 2019

**Submission Deadline:** October 7, 2019, 1:00 pm PDT

**Attachments:**

1. Amended and Restated Franchise Agreement with RSMC
2. Second Amended and Restated Joint Exercise of Powers Agreement
3. Collection and Post-Collection Proposal Forms

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## Background

The Town of Atherton (Town) currently has a franchise agreement with Recology San Mateo County (RSMC) for the collection of residential and commercial solid waste, recyclables, and organics. The contract is set to expire on December 31, 2020. The Town is issuing this request for proposals (RFP) to a limited number of qualified proposers to provide exclusive solid waste handling services for its residents and businesses. The Town envisions developing a new franchise agreement based on negotiations with the selected respondent, using the amended and restated franchise agreement with RSMC as a general template (Attachment 1) and tentatively awarding the contract in Q1 2020 with an effective date of January 1, 2021. Proposals will be evaluated primarily on the basis of total compensation for providing service; maximum customer rates would be set by the Town in order to collect the revenue required to compensate the selected service provider.

Please note Attachment 1 includes provisions that are not currently applicable to the Town due to its demographics or land use. These provisions have been “grayed” within the document, and generally pertain to multi-family and mixed-used development service. Furthermore, Attachment 1 includes sections describing the partnership between contractor and RethinkWaste, and partnership between the Town and RethinkWaste. These partnerships may be re-structured, or no longer apply, as a result of this procurement.

The Town is a member of RethinkWaste, a Joint Powers Authority which seeks to provide cost effective programs for its member agencies to meet state mandates. RethinkWaste provides management of services providers that collect, process, recycle and dispose of materials for member agencies. RethinkWaste also owns and manages the Shoreway Environmental Center. If the Town elects to negotiate for alternative post-collection services, Atherton would begin withdrawal proceedings. The Joint Exercise of Powers Agreement is provided as Attachment 2 of this RFP.

Proposers are requested to provide cost information for solid waste services by line of business, and for collection separately from post-collection, using the provided forms (Attachment 3). Please fill out both tabs of the Excel workbook. The Town will evaluate its options for securing a different service provider for 1) collection services only, and for 2) collection, recycling, processing and disposal services together. Current available tonnage data and customer counts are provided in Table 1 and Table 2, below. The current franchise hauler has reported that there are approximately 2,353 active residential accounts, but approximately 2,500 total residential accounts, and 11 current commercial accounts. The Town is

primarily single-family residential, and the majority of collected material is organic waste. Residents are provided with two 96-gallon organics carts as part of the base level of service; there are currently no multi-family properties. Atherton is a well-established community encompassing approximately 5.0 square miles; no additional development is anticipated.

The Town does not guarantee the accuracy or validity of information provided in Table 1 and Table 2. The Town neither warrants nor accepts responsibility for the accuracy of the information contained herein. It is the responsibility of the respondent, at its sole cost, to conduct its own investigation and research and to independently verify all material facts and information necessary for it to submit a response to the RFP.

<b>Table 1. 2019 Tonnage Data (approximate)</b>			
	<b>Organic Diverted</b>	<b>Recycle Diverted</b>	<b>Landfilled</b>
<b>Residential</b>	8,033	1,423	1,781
<b>Commercial</b>	345	183	343
<b>Town Facilities</b>	241	15	70
<b>Total</b>	<b>8,619</b>	<b>1,621</b>	<b>2,194</b>
<b>2018 Tonnage Data</b>			
<b>Residential</b>	7,571	1,435	1,791
<b>Commercial</b>	325	180	345
<b>Town Facilities</b>	227	32	71
<b>Total</b>	<b>8,123</b>	<b>1,647</b>	<b>2,206</b>
<b>2017 Tonnage Data</b>			
<b>Residential</b>	7,751	1,409	1,758
<b>Commercial</b>	400	180	354
<b>Town Facilities</b>	128	24	71
<b>Total</b>	<b>8,279</b>	<b>1,613</b>	<b>2,183</b>

<b>Table 2. Customer Count</b>	
<b>Residential</b>	
<b>Number of Landfill Carts</b>	2,560
<b>Number of Recycling Carts</b>	2,711
<b>Number of Organics Carts</b>	6,533
<b>Accounts with Backyard Collection</b>	177
<b>Accounts with Key Service</b>	8

Table 2. Customer Count						
Commercial Landfill Waste						
	1x/week	2x/week	3x/week	4x/week	5x/week	6x/week
32 Gal	1	0	0	0	0	0
64 Gal	0	0	0	0	0	0
96 Gal	0	0	0	0	0	0
1 CY	1	0	0	0	0	0
2 CY	1	0	1	1	0	0
3 CY	0	0	0	0	0	0
4 CY	1	0	1	0	0	0
6 CY	1	0	0	0	0	0
6 CY (2)	0	2	0	0	0	0
8 CY	0	0	0	1	0	0
Commercial Organic Waste						
	1x/week	2x/week	3x/week	4x/week	5x/week	6x/week
32 Gal	1	0	0	0	0	0
1 CY	1	0	0	0	0	0
2 CY	0	0	2	0	0	0
3 CY	1	1	1	0	0	0
4 CY	0	1	1	0	0	0
6 CY	0	0	1	0	0	0
Commercial Recycling						
	1x/week	2x/week	3x/week	4x/week	5x/week	6x/week
96 Gal	2	0	0	0	0	0
96 Gal (2)	1	0	0	0	0	0
96 Gal (6)	1	0	0	0	0	0
96 Gal (20)	1	0	0	0	0	0
4 CY	1	0	0	0	0	0
6 CY	1	1	1	0	2	0
6 CY (2)	0	0	1	0	0	0
8 CY	0	0	0	0	1	0

Table 2. Customer Count						
Town Facility Landfill Waste (Free Service)						
32 Gal	3	0	0	0	0	0
96 Gal	1				0	0
96 Gal (2)	1					
96 Gal (3)	2	0	0	0	0	0
2 CY		1				
2 CY (2)		1				
3 CY	1					
15 CY	One 15YD Drop Box On-Call					
Town Facility Organic Waste (Free Service)						
64 Gal	2	0	0	0	0	0
96 Gal	2	0	0	0	0	0
96 Gal (2)	1	0	0	0	0	0
96 Gal (4)	1	0	0	0	0	0
30 CY	One 30 YD Drop Box On-Call					
Town Facility Recycling (Free Service)						
32 Gal (3)	1	0	0	0	0	0
2 CY	2	0	0	0	0	0
3 CY	1	0	0	0	0	0
15 CY	One 15 YD Drop Box On-Call (Construction Debris)					

## Minimum Qualifications

Respondents or related parties must meet the following minimum qualifications:

- Respondent must currently service a minimum of three (3) franchise agreements providing service to both residential and commercial customers for a City or County in the California Bay Area (San Francisco, San Mateo, Santa Clara, Alameda, Contra Costa, or Marin counties);
- Respondent must service a minimum of 25,000 franchised residential accounts per month under the terms of a franchise agreement for a City or County each month over the past five (5) years in the California Bay Area (San Francisco, San Mateo, Santa Clara, Alameda, Contra Costa, or Marin counties); and
- Respondent must provide billing and customer service for a minimum of 25,000 franchised accounts under the terms of a franchise agreement for a City or County each month over the past

five (5) years in the California Bay Area (San Francisco, San Mateo, Santa Clara, Alameda, Contra Costa, or Marin counties).

## Key Terms

The Town intends to include the following key terms in the new franchise agreement:

- 15-year term with one optional 5-year extension. Optional: proposers may submit an additional, alternative proposal for a 10-year term with up to two optional 5-year extensions
- Base residential services include weekly collection of source separated solid waste, recycling, and organic materials. Please note the start time for residential routes shall be no earlier than 6:30 AM, except on major corridors or other areas as agreed to by the Town;
- Additional residential services include:
  - Two (2) on-call bulky item collections per year
  - Abandoned items (illegal dumping) cleanup
  - Community Drop-off Events (1)
  - Document Destruction Event (1)
  - Used motor oil and used motor oil filter collection
  - Household batteries and cell phone collection
  - Holiday tree collection in January
- Base commercial services include a minimum of weekly collection of source separated solid waste, recycling and source separated organic materials;
- Other collection services to be provided include:
  - Collection and education/promotional material at Town sponsored events
  - Public street, parks, and parking lot litter receptacles
  - Collection of solid waste, recycling, and organics generated at Town facilities
- All properties are billed a minimum monthly base rate without exception (e.g., on holiday or absentee landowner);
- The Town does not currently have multi-family dwellings or mixed use development. Please note Attachment 1 provisions relating to multi-family dwellings and mixed use development may be moved to an appendix with an option to exercise if needed at a future date;
- Keep franchise program in compliance with AB 939, AB 341, AB 1826, AB 1594, and SB 1383 and all related CalRecycle regulations, including, but not limited to:
  - Organic waste must be diverted in a manner that guarantees diversion credit under the requirements of AB 939 and AB 1594 – green waste must be processed for diversion from landfill disposal and is not to be used as Alternative Daily Cover (ADC) at a landfill
  - Container colors and labeling
  - Providing education and outreach to the community

- Procuring recyclable and recovered organic products, such as procurement of renewable natural gas
- Monitoring and reporting compliance with collection programs
- Assist in establishing an edible food recovery program at commercial accounts
- Incentives and penalties listed in Attachment 1 shall be tabulated based on service statistics specifically for Atherton (i.e., not averaged or otherwise combined with other service areas);
- Contractor to provide customers' billings;
- Payments to Town:
  - Franchise Fee Payment: 10% of gross receipts
  - AB 939 Administrative Fee: \$14,000/year
  - Street Sweeping: \$24,000/year
  - Negotiation Reimbursement: one-time \$175,000
- The Agency shall be solely responsible for establishing and adjusting customer rates based upon cart sizes and numbers; contractor compensation will be negotiated separately with annual adjustments agreed between the parties;
- Performance bond set at no less than ten percent (10%) of the amount of the annual revenue requirement;
- Insurance Requirements:
  - Comprehensive General Liability combined single limit of not less than \$10,000,000 per occurrence covering all claims and all legal liability for personal injury, bodily injury, death, and property damage relating to performance of services under the Agreement
  - Automobile Liability combined single limit of not less than \$10,000,000 per occurrence for bodily injury and property damage
  - Workers' Compensation as required by labor code of the state of California; Contractor shall maintain employer's liability insurance in an amount not less than \$1,000,000 per accident or disease
  - Pollution (Environmental Impairment) Liability not less than \$10,000,000 per occurrence covering claims for on-site, under-site, or off-site bodily injury and property damage as a result of pollution conditions arising out of its operations under the Agreement
- The Town expects its Contractor to be pro-active in making suggestions for improvement; any changes to the Agreement regarding solid waste services, public education, and/or other provisions shall be at the discretion of the Town.

## Submittal Guidelines

Responses must be delivered to the Town's consultant, Ms. Emily Ginsburg, by email only at: **eginsburg@r3cgi.com** and **Mr. Garth Schultz at gschultz@r3cgi.com**. The email shall have the subject, *"Response to RFP for Solid Waste Franchise Contractor."* **Responses are due by 1:00 pm PDT, October 7, 2019.** All submitted attachments shall be clearly labeled with the respondent's company name and a description of the document. Responses must be less than 15MB in size, in PDF. The Town retains the

right to request the base document in Word format. A confirmation receipt will be sent to each respondent after the submittal due date and time.

If you have questions regarding this RFP, they must be submitted by email only no later than 1:00 pm PDT on September 6, 2019 to **Ms. Emily Ginsburg at [eginsburg@r3cgi.com](mailto:eginsburg@r3cgi.com) and Mr. Garth Schultz at [gschultz@r3cgi.com](mailto:gschultz@r3cgi.com)**. Phone calls or in-person meetings will not be accepted, and any other interaction with elected officials or staff from Atherton, or with the Town's consultants (R3 Consulting Group, Inc.) related to the RFP may result in disqualification. Questions will be responded to via addendum and a pre-proposal meeting to discuss this RFP will be held on September 10, 2019 from 9:00 – 10:30 a.m.

### Summary of Response (base document)

Responses must not exceed fifteen (15) single-sided pages, ***excluding compensation and facility information***. Pages in excess of the page limitation will not be reviewed. Responses must include the following items:

- Statement certifying that:
  - The respondent meets the minimum qualifications specified in this RFP;
  - The respondent has sufficient financial ability to provide solid waste services as outlined in the Terms section of this document;
  - Proposed contractor compensation is inclusive of all costs to comply with current and near-term regulations including AB 939, AB 341, AB 1826, AB 1594, and SB 1383;
- Qualifications demonstrating the respondent's understanding of legislative compliance, including AB 939, AB 341, AB 1826, AB 1594, and SB 1383;
- Approach to transitioning to new services and monitoring progress related to legislative compliance, including the minimum amount of time needed to transition after contract award;
- References regarding solid waste service provision; and
- All respondents must disclose, with their response, the name of any officer, director, agent, or any relative of an officer, director, or agent who is an employee, elected official or appointed official of the Town. Furthermore, all respondents must disclose, to the best of their knowledge, the name of any Town employee, elected official or appointed official who has any direct or indirect financial interest in the respondents' firm or any of its branches or subsidiaries. "Financial interest" shall have the same meaning as that term is defined in Government Code section 87103.

### Facilities

As an attachment to the response, ***and not included in the page limit***, the respondent shall provide the transfer station, processing facility and disposal facility location(s) and permit number(s) for each transfer station, processing facility and disposal facility that the respondent proposes to use for franchised materials collected in the Town of Atherton. As an alternative, a copy of the solid waste facility permit(s) may be attached.

Along with the facility location and permit information, the respondent shall provide:

- Term length of any agreement with third party facilities that may be used in association with a new franchise agreement with the Town;
- Materials to be processed; and

- The tipping or processing fee proposed by material type.

### Compensation for Collection and Post-Collection Services

As an attachment to the response, ***and not included in the page limit***, respondents shall provide a compensation proposal for solid waste services as outlined in the Terms section of this document.

**Respondents must include proposed compensation for 1) collection services and 2) post-collection services, in Excel format on the provided compensation proposal forms in Attachment 3 of this RFP. Please fill out both tabs of the Excel document.**

## Response Considerations

### Town of Atherton's Rights

In issuing this RFP, the Town retains, but is not limited to, the following rights:

- Issuing addenda to the RFP, including extending or otherwise revising the timeline for submission;
- Withdrawing, reissuing, or modifying the RFP;
- Requesting clarification and/or additional information from responding entities at any point in the review process; and
- Commencing discussions with other entities that do not submit a response.

Town shall not be obligated to respond to any response submitted nor be bound in any manner by the submission of a response. The cost of investigating, preparing, and submitting a response to this RFP is the sole responsibility of the responding entity and shall not be chargeable in any manner to the Town. The Town will not reimburse any responding entity for any costs associated with the preparation, submission, or discussion of responses.

### Responses will Become Public Record

All correspondence with Town including responses to this RFP will become the exclusive property of Town and will be made available to the public, upon request, after the Town Council has awarded a contract or determined not to do so. Except as noted below, all documents that are sent to Town in response to this RFP will be public records under the California Public Records Act (Cal. Government Code section 6250 et seq.) and subject to disclosure if requested by a member of the public. There are a very limited number of narrow exceptions to this disclosure requirement. Therefore, any response which contains language purporting to render all or significant portions of the response "Confidential", "Trade Secret" or "Proprietary" and fails to provide the exemption information required as described below will automatically be considered a public record in its entirety and shall be disclosed to the requesting party without further consideration or notice. **Do not mark your entire response as "confidential".**

If you believe that there are portion(s) of your response which are exempt from disclosure under the Public Records Act, you must mark it/them as such and state the specific provision in the Public Records Act which provides the exemption as well as the factual basis for claiming the exemption. For example, if you submit trade secret information, you must plainly mark the information as "Trade Secret" and refer to the appropriate section of the Public Records Act which provides the exemption as well as the factual basis for claiming the exemption. Although the California Public Records Act recognizes that certain confidential trade secret information may be protected from disclosure, Town may not be in a position to establish that the information that a Respondent submits is a trade secret. If a request is made for

information marked “Trade Secret” or “Proprietary”, Town will provide Respondent(s) who submitted the information with reasonable notice to give Respondent(s) the opportunity to seek protection from disclosure by a court of competent jurisdiction. If the Respondent(s) choose not to seek such protection or are unsuccessful in doing so, Town will provide the requested information in accordance with the California Public Records Act. At all times, Town will comply with the provisions of the California Public Records Act. Additionally, information such as facility location and cost per ton are material to Town staff analysis, and therefore cannot be marked as confidential.

## Evaluation

Proposals will be evaluated and scored by the Evaluation Team, which may consist of Town staff members, consultants and City Council members, based on the following evaluation criteria:

- Collection and Post-Collection Compensation
- Qualifications
- Financial Ability
- Technical Approach to Providing Services
- Diversion Programs and Environmental Impacts
- Education and Outreach Programs
- Reference Checks

The results of the evaluation process will be presented to the City Council for direction by City Council on the next steps in the evaluation, negotiation, and selection process.

## Next Steps

Tentative schedule subject to change at Town direction.

<b>Table 3. Schedule</b>	
RFP Released	August 26, 2019
Last Day to Submit Questions	September 6, 2019, 4:00 PM PDT
Pre-Proposal Meeting	September 10, 2019
Addendum Posted with Response to Questions	Week of September 16, 2019
Proposals Due	October 7, 2019, 4:00 PM PDT
Review of Submittals	Through October 21, 2019 (tentative)
Interview Qualified Respondent(s)	Week of October 21, 2019 (tentative)
Select Hauler and Prepare Franchise Agreement	November 2019 – January 2020
Present to Council and Award of Franchise Agreement	February 2020 (tentative)
Begin Services	January 1, 2021

Town of Atherton Solid Waste Franchise Contractor Proposal

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October 7, 2019

Ms. Emily Ginsburg & Mr. Garth Schultz  
R3 Consulting Group, Inc.  
2600 Tenth St., Suite 424  
Berkeley, CA 94710

**RE: Proposal to the Town of Atherton's Request for Proposals for Solid Waste Franchise Contractors**

Dear Ms. Ginsburg & Mr. Schultz

GreenWaste Recovery, Inc. is pleased to submit our response to the Town of Atherton's Request for Proposals for Solid Waste Franchise Contractors.

Since 1991, GreenWaste has consistently delivered innovative and cost-effective approaches to maximizing collection efficiencies and increasing participation in diversion programs. GreenWaste is a California corporation comprised of recycling and waste industry professionals who have dedicated their careers to offering efficient and economical collection services and innovative processing services to divert material away from landfill. GreenWaste was originally formed to provide yard trimmings collection and processing services to the City of San Jose and has systematically and sustainably expanded to more than 300,000 residential and commercial customers in more than a dozen jurisdictions throughout the Santa Clara, San Mateo, Santa Cruz, and Monterey Counties, providing collection and processing services for municipal solid waste, recyclable materials, yard trimmings, compostable materials, food scraps, and construction and demolition debris. By expanding and upgrading our Materials Recovery Facility (MRF) in San Jose, we have positioned ourselves as Northern California's premier solid waste and recyclables processor.

GreenWaste has thoroughly reviewed and understands the requirements, terms, and conditions contained in the RFP (including all attachments and exhibits). GreenWaste can confirm that it meets the minimum qualifications specified in this RFP, as illustrated through the following summary:

- ✓ GreenWaste currently services six (6) solid waste agreements, providing service to both residential and commercial customers for a City or County in the California Bay Area. Further, GreenWaste also currently services ten (10) additional solid waste agreements in Santa Cruz and Monterey Counties.
- ✓ GreenWaste services over 225,000 franchised residential accounts under the terms of a franchise agreement in the California Bay Area and has done so for over ten years. Further, GreenWaste also services an additional 63,000 residential accounts in Santa Cruz and Monterey Counties.

[See more detail on GreenWaste's qualifications in Section 5: Solid Waste Service References, pg. 11.](#)

GreenWaste has sufficient financial ability to provide solid waste services as outlined in the Terms section of this document.

[See more detail on GreenWaste's financial information in Section 7: Financial Information, pg. 15.](#)

Pursuant to Section 1072(a) of the California Labor Code, GreenWaste is agreeable to retain for a 90-day period non-management displaced employees in good standing who worked for the terminated contractor providing collection services in the Town of Atherton at the time of the Agreement award and through the time services commence, on January 1, 2021;

however, it is important to note that we cannot agree to retain more displaced non-management employees than required to provide the proposed services.

GreenWaste's proposed compensation is inclusive of all costs to comply with current and near-term regulations including AB 939, AB 341, AB 1826, AB 1594, and SB 1383. Compensation is proposed in 2021 dollars and assumes three percent (3%) annual CPI increases.

In order to deliver the Town the best possible service GreenWaste can provide, GreenWaste is including an Alternative Collection and Processing proposal, by which all streams would be processed prior to disposal. GreenWaste is thrilled to be able to share its full suite of services with the Town.

GreenWaste is authorized to conduct business in the State of California and I am an authorized representative who can contractually bind GreenWaste. I will be the key contact person during the proposal process and for the delivery of notices. Further, the cost proposal is firm and valid for a period of one (1) year from the submittal date of this proposal, October 7, 2019.

We are excited about this opportunity to build and foster a collaborative partnership with the Town of Atherton. GreenWaste offers a comprehensive suite of services to meet the Town's collection and processing goals, comply with local and State regulations, and effectively educate the public about the importance of diversion for their community and future generations. We appreciate the time, effort, and funds that the Town is putting into finding the most cost-effective solution with the widest variety of service offerings for its residents and businesses. We are confident you will find our proposal meets all the criteria you desire from your next service provider.

Sincerely,



Frank Weigel  
Secretary | Co-Chief Executive Officer

## 1 Legislative Compliance Qualifications

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Beginning with AB 939 in 1989, California's legislature has long history of regulations aimed at increasing the diversion of materials from landfill. GreenWaste has shown a long history of helping our jurisdictions meet the requirements of these regulations. With the advent of AB 341, GreenWaste has extensive experience in introducing and assisting jurisdictional enforcement of commercial recycling. The expansion of mandates on commercial organics diversion by the implementation of AB 1826 has given GreenWaste tools to help move commercial entities in the direction of starting a commercial organics diversion program. SB 1383 is one of the furthest reaching regulations aimed at the recycling industry, and it is aimed at the removal of Short-Lived Climate Pollutants. While this law has passed, CalRecycle is currently going through the regulatory process to establish how this will be implemented. GreenWaste has been working with CalRecycle throughout this process and have had them visit our site to ensure compliance with the existing regulations as they have been rolling them out.

GreenWaste understands legislative compliance relative to this Solid Waste franchise agreement. As such, GreenWaste's proposed collection and processing methodologies (including the Alternative Collection and Processing proposal), will ensure all materials will be collected and processed in compliance with state laws, and GreenWaste will provide required monitoring and compliance with its collection program. Importantly, organic waste will be diverted in a manner that guarantees diversion credit under the requirements of AB 939 and AB 1594 and will be processed for diversion from landfill disposal and will not to be used as Alternative Daily Cover (ADC) at a landfill.

The GreenWaste MRF is specifically designed to assist jurisdictions with meeting, and often exceeding, the State of California's AB 939, AB 341, and AB 1826 regulations, as well as other local and State laws. GreenWaste's marketing strategy will promote the highest and best use of materials presented in the waste management hierarchy established by AB 939, and GreenWaste staff will ensure service levels that are compliant with AB 341 and AB 1826. Further, GreenWaste will provide outreach and technical assistance support including material development, production and distribution, direct funding and sponsorships, staffing events and assistance with AB 341, AB 1826 and SB 1383 compliance (see [Section 4: Public Education and Outreach Plan pg. 9](#)).

California's SB 1383 is intended to keep organic materials out of landfill. Jurisdictions are required to either have a source-separated organics program or to cause their organic materials to be delivered to a High Diversion Organics Waste Processing Facility. GreenWaste is providing the Town of Atherton two methods of fulfilling this requirement by presenting an Alternative Collection and Processing proposal. CalRecycle representatives have visited both the GreenWaste Materials Recovery Facility and the Z-Best Composting facility. With both facilities working in tandem and committed to sending less than 10% organic materials to landfill at all steps throughout the process, should the Town elect to have GreenWaste Recovery process the garbage container, the combined processing facilities will be compliant with the SB 1383 regulation.

All agreement extensions GreenWaste has recently conducted and/or is in the process of conducting with its existing partners are incorporating SB 1383 to whatever extent practicable, based on confirmed regulations at the time of negotiation. All of GreenWaste's existing agreements (see [Section 5: Solid Waste Service References, pg. 11.](#)) are compliant with AB 939, AB 341, and AB 1826.

## 2 Technical Approach to Providing Services

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GreenWaste will align collection and processing services, if selected, with the Town's goals. Operations will focus on maintaining a high level of customer satisfaction while performing consistent and efficient services. GreenWaste will prioritize efforts to increase participation in recycling programs to assist the Town in achieving and maintaining State mandates. Proposed services will provide increased diversion, environmentally sustainable operations, competitive pricing, and will achieve the Town's objectives for collection services. GreenWaste has designed this operations plan to:

- ✓ *Provide cohesive and high-quality solid waste, recyclable material, and organic material collection services*
- ✓ *Increase recycling participation and organics diversion programs*
- ✓ *Minimize vehicle emissions and carbon footprint of collection services*
- ✓ *Produce excellent customer satisfaction and superior service*

GreenWaste proposes serving the Town via a 15-year term with one optional 5-year extension. GreenWaste will keep the franchise program in compliance AB 939, AB 341, AB 1826, AB 1594, and SB 1383 and all related CalRecycle regulations. Further, GreenWaste will be proactive in making suggestions for improvement in the services provided to the Town in constant effort better serve its residents and ensure program compliance.

### Collection Service Standards

- **Standard Collection Methodology** | GreenWaste will collect Solid Waste, Recyclables and Organics predominantly in single compartment fully-automated side-load vehicles. As needed, one dual-compartment semi-automated vehicle may be used in more difficult to service areas. Collection will be conducted curbside unless the occupant is provided a Special Handling Service exemption or the customer pays for Backyard Collection Service.
- **Service Days** | GreenWaste will provide regular, scheduled collection of Solid Waste, Recyclables and Organics from each Residential customer in the Town on a once-per-week basis, Monday through Friday except following the three (3) proscribed Holidays (New Year's Day, Thanksgiving and Christmas) when Saturday service will be required. Service for Residential customers will commence no earlier than 6:30 a.m. (except on major corridors or other areas as agreed to by the Town). Solid Waste, Recyclables and Organics Collection Service will be provided to Commercial customers on a Monday – Saturday schedule.

#### **2a. Residential Collection Service**

GreenWaste will provide all Residential customers with weekly collection service in color-coded carts provided by GreenWaste. Standard service will include one (1) 20-, 32-, 64- or 96-gallon gray or black Solid Waste cart, one (1) 64-gallon blue Recyclables cart, and two (2) 96-gallon green Organics carts. Additional carts will be provided upon request, and GreenWaste will bill accordingly.

- **Solid Waste Collection & Processing** | Mixed Compostable Materials will be collected in a single or dual-compartment side-load vehicle. GreenWaste will transport all Solid Waste collected to either the 1) Shoreway Environmental Center (Town designated via JPA), or (2) Marina Landfill via transfer at the GreenWaste MRF (Alternative Collection and Processing proposal).
- **Recyclables Collection & Processing** | Recyclables will be collected in a single or dual-compartment side-load vehicle. GreenWaste will transport all Recyclables collected to either the 1) Shoreway Environmental Center (Town designated via JPA), or (2) GreenWaste MRF in San Jose, CA and will follow the processing methodology described in [Attachment 1 | Facilities](#) (Alternative Collection and Processing proposal).

- **Organics Collection & Processing** | Organics will be collected in a single-compartment side-load vehicle. GreenWaste will transport all Organics collected to either the 1) Shoreway Environmental Center (Town designated via JPA), or (2) GreenWaste MRF in San Jose, CA and will follow the processing methodology described in **Attachment 1 | Facilities** (Alternative Collection and Processing proposal).
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### Alternative Collection & Processing Proposal

GreenWaste is providing an alternative proposal that shifts food waste and soiled paper from the green Organics cart to the gray or black Solid Waste cart, turning the green cart into a clean Yard Trimmings stream, and the gray or black cart into a Mixed Compostables stream.

Both the Mixed Compostables stream and the Yard Trimmings stream will be delivered to the GreenWaste Materials Recovery Facility (MRF) in San Jose, CA, and would follow the processing methodology described in **Attachment 1 | Facilities**. This alternative proposal yields a higher-yield end product for the green carts stream, removes all organics from the trash stream prior to landfill, and ensures that no stream goes straight to landfill, improving diversion for the Town.

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Additional Material that will be accepted under the GreenWaste Residential collection program include:

- ✓ **On-Call Bulky Item Collection** | GreenWaste will provide two (2) separate On-Call Curbside Bulky Item Collection Service events to each Single-Family customer annually upon the customer's request.
- ✓ **Abandoned Items Cleanup** | GreenWaste will schedule up to two (2) abandoned waste collection events per service day for the Town. GreenWaste will make every effort to collect abandoned waste within one (1) business day of being notified by the Town, customer, or GreenWaste's vehicle drivers and route supervisors of the occurrence of abandoned waste or illegal dumping.
- ✓ **Community Drop-off Events** | Upon request by the Town, GreenWaste will hold drop-off events at a location selected by the Town to allow Residential customers to drop off acceptable materials. Acceptable materials may include one or more of the following: E-Scrap, Universal Waste, Recyclable Materials, Organic Materials, and Solid Waste. GreenWaste prioritizes reuse and recycling and has partnered with a number of reuse agencies, including Good Karma Bikes, CityTeam and USAgain.
- ✓ **Document Destruction Events** | If requested by the Town, GreenWaste will provide confidential document destruction service at the drop off event(s). GreenWaste will provide adequate equipment and staffing necessary for the event via a subcontractor.
- ✓ **Used Motor Oil and Filter Collection** | GreenWaste will collect used motor oil (in plastic containers with a screw on lid only) and filters (in sealed plastic bags only) from Residential customers. The Residential customer will be instructed to place oil and filter adjacent to their Recyclables Cart for collection on their regularly scheduled collection day.
- ✓ **Household Battery Collection** | GreenWaste will collect used dry cell household batteries set out in a sealed, reusable clear zipper type bag on top of the Recyclables Cart.
- ✓ **Holiday Tree Collection** | As part of the Yard Trimmings Collection Program, GreenWaste will collect, on the normal Yard Trimmings Collection schedule, all unadorned and unflocked Christmas trees which are set out curbside throughout the month of January each year.

## 2.b Commercial

GreenWaste will provide commercial customers with weekly collection of source-separated solid waste, recycling and source-separated organic materials. GreenWaste will make it a priority to adjust service levels of Commercial customers to the least number of days per week to reduce total vehicle miles traveled, minimize traffic impacts and limit the total number of trips taken. Collection Containers may be offered in various sizes and quantities.

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### Alternative Collection & Processing Proposal

Should the Town select GreenWaste's alternative proposal, Commercial collection and processing will be conducted in the same manner as Residential collection and processing, following the processing methodology described in [Attachment 1 | Facilities](#).

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## 2.c Other Collection Services

Other collection services GreenWaste will provide the Town include the following:

- ✓ *Collection and education/promotional material at Town sponsored events*
- ✓ *Service of public street, parks, and parking lot litter receptacles*
- ✓ *Collection of solid waste, recycling, and organics generated at Town facilities*

## 2.d Billing, Payments and Insurance

### Billing

GreenWaste believes that billing starts and ends with the Customer Service Team. Customer Service Representatives start all accounts, retrieve customer, site, and billing information, add in and quote pricing for all services, and assign the appropriate billing cycle. Any changes to an account in the middle of a billing period are recorded and automatically prorated by the Tower operating system.

GreenWaste will bill all customers their monthly rate, including a minimum rate to accommodate vacation holds. Tower immediately prorates accounts as customers start and stop services, which gives both CSRs and customers instant access to remaining balances on accounts.

### Payments Between GreenWaste and Town

GreenWaste's compensation will be negotiated separately from service charges, with annual adjustments agreed upon between the Town and GreenWaste. On a quarterly basis, GreenWaste will provide a report that identifies compliance with performance standards and includes a calculation of performance incentive payments and disincentive assessments due. GreenWaste will also make standard payments to the Town to cover 1) Franchise Fee Payment, 2) AB 939 Administrative Fee, 3) Street Sweeping, 4) One-time Negotiation Reimbursement.

### Insurance & Performance Bond

GreenWaste can meet the insurance and performance bond requirements detailed in this RFP. GreenWaste's Chief Financial Officer, Dave Tilton, is responsible for the accounting functions at GreenWaste. During the transition, Mr. Tilton will be directly involved in the financing of all equipment acquisitions and facility development and establishing necessary financial backing and securing insurance for the Town contract. Upon request, GreenWaste will furnish evidence of the insurance and performance bond required by this RFP that is satisfactory to the Town.

### 3 Approach to Service Transition

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GreenWaste has a keen understanding of the intricacies and choreography necessary to start services in a new area. GreenWaste will begin implementation of the Town of Atherton Agreement upon award. GreenWaste believes the Town has provided sufficient time to complete all pre-transition activities, assuming the contract is awarded in early February 2020, which include: ordering and testing new vehicles and containers, receiving and distributing equipment, conducting audits and preparing necessary route sequencing and route maps, completing all hiring, implementing GreenWaste's training program, and launching diversion programs through GreenWaste's education and outreach team. The minimum amount of time GreenWaste needs to transition after contract award is 10 months. A fully detailed transition plan will be submitted after the execution of the Agreement.

The primary goal of GreenWaste's transition plan, above all else, is to minimize the potential for service interruptions and inconveniences for customers and the Town. GreenWaste's proposed transition schedule balances optimistic and realistic timelines to create an accurate estimation of the start and end dates of activities and their expected duration, sequencing, and overlap.

#### 3a. Management & Transition Team

GreenWaste ownership is committed to providing all available resources to ensure a seamless transition. An all-hands-on-deck approach of personnel and expertise will be deployed. The transition team will play a prominent role in orientation, training, and support of new employees. Every person on the transition team will be available to give immediate attention to any issues or concerns expressed by the Town.

All members of the transition team have been selected for their unwavering commitment to a smooth transition, ability to demonstrate professionalism under pressure, their focus on proactive communication, and ability to provide impeccable customer service. The transition team is committed to collaborating with the Town to ensure needs are being met, while conforming to the timelines and budget for a successful and smooth transition.

The transition team will also assess service in the field in order to understand the level of legislative compliance upon entering the contract. Once the baseline knowledge of compliance is ascertained via auditing service levels and waste diversion, a detailed improvement and monitoring plan will be developed, in cooperation with the Town, to ensure ongoing compliance with State regulations. Whether through mandatory recycling ordinances, fees for contamination, and/or technological improvements in material processing, ample opportunities exist for GreenWaste to assist the Town in developing programs to move toward Zero Waste.

#### 3b. Personnel Hiring & Training

When transitioning into any new service area, GreenWaste's goal is to capitalize on the institutional knowledge of existing operational, support, and customer service staff from the previous hauler. As stated in GreenWaste's cover letter to this proposal, GreenWaste intends to retain for a 90-day period non-management displaced employees in good standing who worked for the terminated contractor providing collection services in the Town of Atherton at the time of the Agreement award and through the time services commence, on January 1, 2021.

General orientation and training will occur as employees are hired, and they will be required to complete all the required administrative paperwork and orientations. All employees will also be provided with, and are required to understand, the GreenWaste Employee Handbook. Further, all employees will be provided with appropriate sections of the Agreement to ensure they understand the terms and conditions to which they must adhere in the ongoing performance of their job duties.

GreenWaste enforces an established Health and Safety Program to ensure all workers operate in safe working environments. Properly trained drivers and staff reduce the likelihood of incidents, including accidents and missed pick-ups, and result in an

effective and efficient workforce. The highest priority is placed on workplace and driver safety, and the GreenWaste safety and training program reflects this philosophy.

**3c. Equipment Ordering & Delivery**

GreenWaste recognizes the importance of acquiring equipment as early as possible and it is imperative that new trucks and additional equipment are received, tested and ready for use prior to the service commencement date. Utilizing past experience with transitions, GreenWaste has conducted audits of the Town of Atherton. Based on this information, GreenWaste has calculated the number of routes that will be required using the estimated total number of customers, expected tonnage, and the population densities of the Town to determine the total number and type of collection vehicles and containers that will be needed. These numbers will be confirmed during contract negotiations and GreenWaste will place the order and reserve the production slot for vehicles and containers as soon as the Agreement is executed.

**3d. Route Planning & Development**

Consistent with the GreenWaste philosophy, developing and utilizing the most efficient routes reduces the carbon footprint of operations saves resources and provide for consistent and timely service for customers during the transition and on an ongoing basis. In order to determine the current service routing, GreenWaste will request and arrange for the transfer of route maps and sequential route sheets from the current hauler for input into GreenWaste's database. GreenWaste must proceed with the assumption that the initial routing data may be inaccurate and has incorporated plans to conduct initial field reviews. Following the initial review, GreenWaste will begin the process of conducting dry runs to verify the data obtained and making modifications for efficiencies until the first comprehensive routing map is developed.

Following the development of initial routes, GreenWaste will conduct dry runs to confirm the accuracy of the data and the efficiency of the planned routes. Once the data has been proven accurate, routes will be finalized within sixty (60) to ninety (90) days of the date of commencement of services, with minor calibration of the routes ongoing to optimize efficiency and reduce overall carbon footprint of the operation.

**3e. Customer Service**

Customer service and satisfaction is of the utmost importance to GreenWaste during any transition and sets the stage for ongoing success. GreenWaste will utilize the existing local customer service call center in San Jose, which will offer a comprehensive suite of options for customers to make contact. GreenWaste will work to locate a drop box or similar mechanism to allow residents to pay bills in-person within the service area. GreenWaste's goal is to locate an optimal location in cooperation with the Town. Maintaining GreenWaste's existing office, while providing a convenient local drop-off location will best serve Town residents, both economically and in terms of efficiency.

GreenWaste will be using the PC Scale Tower system to manage collection operations. This multifunctional platform allows simultaneously functionality and management of multiple jurisdictions, tracking and creating reports for each service area, and generating invoices.

**3e. Processing Operations**

Should the Town elect to utilize GreenWaste's processing services, GreenWaste will seamlessly transition to delivering materials chosen for processing to the GreenWaste's MRF in San Jose. For details about GreenWaste's San Jose MRF, please refer to [Attachment 1 | Facilities](#).

## 4 Public Education and Outreach Plan (PEOP)

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GreenWaste firmly believes that successful PEOP implementation will require close coordination with the Town throughout the term of the Agreement. The PEOP will be designed and implemented to maximize information distribution to inform customers about the services provided under the Agreement, and communicate the methods and benefits of source reduction, reuse, recycling, and composting. Public outreach materials will highlight acceptable material types for each container, inform customers on how to best place materials in containers and provide proper set-out instructions to facilitate collection.

### 4.a Proactive Communication

#### *Ongoing Public Education & Outreach*

Collateral materials generated throughout the term of the extended Agreement will meet or exceed all Town requirements. Drafts and design templates will be provided to the Town for approval prior to production. The following ongoing collateral materials will be developed and distributed to customers:

- **Holiday Service Notification** | Holiday service bill inserts or postcards will be developed and mailed to Service Recipients at least thirty (30) days in advance of rescheduled service. Additionally, notification of holiday service may be offered in the form of GreenWaste websites and/or via social media.
- **Services & Program Notifications** | On an as-needed basis, these bill inserts will be developed and included in Service Recipient invoices to provide notification to Service Recipients of upcoming and timely information as deemed appropriate and timely by the Town.
- **Non-Collection Notices** | Non-collection notices (NCNs) will also be updated as applicable. The notices are cart hangers for use by drivers whenever issues with contamination or improper set-out are encountered. NCNs can be used as a notification and warning system to the customer when an issue is encountered by collection, or they can be used to explain why collection did not occur.

#### *Website Maintenance*

GreenWaste has designed an easily navigable website that maintains the same look and feel as other outreach collateral. GreenWaste has an in-house outreach team and Graphic Designer who are responsible for the development and maintenance of the website. Utilizing an in-house team allows GreenWaste the flexibility to quickly make changes.

#### *Social Media*

GreenWaste's social media presence is aimed at increasing awareness of the company, affiliated companies, service offerings, events and general posts related to the environment, resource conservation and of course, recycling and diversion. Traffic on GreenWaste's website and social media accounts has continued to steadily increase, demonstrating interest in what GreenWaste shares and posts.

#### *AB 341, AB 1826 & SB 1383 Outreach Activities*

To support the Town's compliance with AB 341, AB 1826 and SB 1383, GreenWaste will provide outreach and technical assistance support to Commercial customers as part of its ongoing Public Education & Outreach Program. GreenWaste will work with the Town and promote the inclusion of information on AB 341, AB 1826 and SB 1383 in outreach materials developed for Commercial customers to notify businesses of the regulations and recycling options with GreenWaste as their hauler.

**4.b Community Compost Giveaway**

GreenWaste will transport and deliver to the Town finished compost at specific, mutually agreed upon location. This material is available for Town residents only. Such distribution within the community is a great way to build support for this important recycling program and highlights the value of utilizing the innovative collection and processing methodology that GreenWaste provides. Importantly, if the Town selects GreenWaste's Alternative Collection and Processing proposal, the OMRI certified compost delivered as part of the compost giveaway would be a product of the material actually collected in the Town.

**4.c Being Visible and Accessible to the Community**

GreenWaste firmly believes in being a strong community citizen by becoming an integral part of and giving back to communities. GreenWaste will maintain active involvement and offer support to community groups, youth groups, business associations, and non-profit charitable organizations.

*Participation in Community Events*

GreenWaste will actively pursue opportunities to participate in community and educational events, including staffing booths and displays, participating in one-time, annual, and recurring events, and ensuring special events throughout the Town are poised to reduce the amount of waste sent to landfill. As part of its Public Education and Outreach Plan, GreenWaste can offer planning, outreach and/or technical assistance services to Town-sponsored special events.

*MRF Tours*

GreenWaste will offer tours of its Material Recovery Facility to any Town employees, residents, and community groups who desire to see first-hand how their material is processed if GreenWaste's processing services are selected. Visitors are provided with personal protective gear and are advised ahead of time to wear comfortable, close-toed shoes. The tour guide communicates with visitors throughout the processing buildings via headsets. Visitors are briefed prior to the tour about safety and are encouraged to ask questions and interact with the tour guide during the tour.

**4.d Assist with Legislative Compliance**

As California continues to work towards eliminating organic wastes from the landfill, new laws are being passed to accomplish the State's goals. GreenWaste has a strong understanding of State mandates and will work with the Town to ensure compliance with regulations through a variety of educational and outreach efforts. Further, GreenWaste will assist commercial businesses in establishing an edible food recovery program, in an effort to both reduce waste being disposed and attaining compliance with SB 1383.

GreenWaste understands the importance of procuring recyclable and recovered organics products. GreenWaste established an Environmentally Preferable Purchasing Policy in 2011 to institute practices that reduce waste by increasing product efficiency and effectiveness. GreenWaste strives to purchase products that minimize environmental impacts, toxics, pollution and hazards to workers and community safety. When possible, GreenWaste purchases products that include recycled content, are durable and long-lasting, conserve energy and water.

**4.e Educating the Town's Youth**

GreenWaste is committed to educating and investing in future generations in a focused and purposeful effort, to instill in our greatest resource, our children, the knowledge, tools, and resources to make environmental sustainability and resource conservation an ingrained and habitual part of their lives. To inspire environmental stewardship in future generations, GreenWaste's PEOP includes a strong environmental education component, which recognizes the powerful role that schools play in promoting awareness and fostering an environmental agenda within local communities.

## 5 Solid Waste Service References

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Since its inception in 1991, GreenWaste has provided exceptional and economical solid waste collection and processing services. Currently, GreenWaste provides collection services to the following jurisdictions:

- City of San Jose
- Town of Woodside
- Town of Portola Valley
- Town of Los Altos Hills
- County of Santa Clara South District
- Burbank Sanitary District
- City of Palo Alto
- County of Santa Cruz
- City of Capitola
- City of Scotts Valley
- County of Santa Cruz and County of San Mateo State Parks and Beaches
- California State University, Monterey Bay
- City of Carmel-by-the-Sea
- City of Del Rey Oaks
- City of Marina
- City of Pacific Grove
- Pebble Beach Community Services District
- City of Sand City
- City of Seaside

GreenWaste has accumulated an excellent track record of demonstrating technically, environmentally, and financially sound collection and processing operations. GreenWaste's expertise in collection and processing has been refined over many years of adapting, evolving, and modifying various collection methods, vehicle and safety programs, environmental programs, and customer service training and logistics. By focusing on the needs of customers and responding with efficient, effective, and environmentally sustainable solutions, GreenWaste has become an industry leader in collection and diversion programs.

The jurisdictional references for collection and material processing services described below are current, correct, and complete, and are an excerpt of GreenWaste's overall service profile. Included with each jurisdictional reference are the services performed, jurisdiction representative contact information, total customers, material types, type and number of collection vehicles, staffing levels, term of the agreements, and a representative example of community involvement activities.

GreenWaste offers collection of bulky items in all of the jurisdictions served, and also partners with the Salvation Army, Goodwill, Hope Services, the Last Chance Mercantile and other non-profit organizations in order to maximize material reuse and diversion.

GreenWaste is also a partner in GW Debris Services, Inc., a commercial division that offers debris box service in 10, 20 and 40 cubic-yard bins for concrete, dirt, metal, wood, yard waste, organics, Municipal Solid Waste (MSW), Construction and Demolition Debris (C&D), plastic, recyclables, and cardboard. The commercial division operates Monday through Saturday and strives to service customers within 24 hours of each service request.

<p>City of San Jose Yard Trimmings Collection &amp; Processing Street Sweeping Services</p> <hr/> <p>Alana Lowrie and Lauren Romanazzi IWM Contract Managers 200 East Santa Clara Street 10<sup>th</sup> Floor San Jose, CA 95113 408.975.2618 and 408.975.2609 Alana.Lowrie@sanjoseca.gov Lauren.Romanazzi@sanjose.gov Term of Agreement: 7/1/2002 to 6/30/2021 Served Since: 1991</p>					
Residential Customers	Commercial Customers	Number of Drivers	Number of Vehicles	Number of Supervisors	Number of CSRs
220,181	0	55	64	2	4
Tonnes Collected in 2018		129,696.71 tons Yard Trimmings			Outreach Staff
					2
<p><b>Community Involvement Activities:</b></p> <ul style="list-style-type: none"> <li>✓ Facility Tours (MRF, Zanker, &amp; Z-Best)</li> <li>✓ Free Compost Give-Away Events (2/year)</li> <li>✓ Presentations (schools, businesses &amp; city facilities)</li> <li>✓ Recycling and Compostables Story Time with students</li> <li>✓ Participation in City Events</li> <li>✓ Homeowner Association Presentations</li> <li>✓ Touch a Truck Events (schools, and non-profits)</li> <li>✓ Santa Visits Alviso</li> </ul>					

The City of San Jose has a unique yard trimmings collection program; residents either leave their yard trimmings loose in the street, where they are collected using claw type loaders paired with rear-load collection vehicles or place their yard trimmings in a cart, where they are collected by the rear-load collection vehicle. GreenWaste has been providing yard trimmings collection services to Districts A & B in the City of San Jose since 1991 with excellent operational and customer service records. In 2002, GreenWaste was awarded District C and became the City's only residential yard trimmings collection and processing contractor. GreenWaste has extensive experience in operating these claw type loaders paired with rear-load collection vehicles. Pre-processing of collected yard trimmings is performed at the GreenWaste MRF, where a trommel screen is used to separate woody debris from the compostable fraction. The material is loaded in transfer trailers and transported to Z-Best Composting Facility (Z-Best) in Gilroy, which is owned and operated by GreenWaste's sister company, Zanker Road Resource Management, Ltd. (Zanker). The final compost product is marketed to nearby farmers and landscapers. The remaining residual is loaded in transfer trailers and sent to the Newby Island Landfill in San Jose.

GreenWaste has partnered with the City of San Jose to implement a myriad of pilot programs over the years and most recently had great success in implementing two pilot programs for single-family residents in San Jose in early 2010. The first pilot program consisted of providing carts for containerized yard trimmings collection at designated residences. GreenWaste supervisors and staff successfully delivered all carts and began servicing pilot homes with minimal service interruption. The second pilot program was implemented in March 2010 and consisted of food scraps being co-collected with yard trimmings. Specific home compost containers with biodegradable bags were delivered to all participants, and the program realized high resident participation and a high level of customer satisfaction. The most recent pilot program is the current partnership between the City of San Jose, GreenWaste and BioCollection, a startup developing advanced technologies to transform unrecyclable plastics into virgin-quality chemicals.

<p style="text-align: center;"><b>Town of Woodside</b>  <i>Refuse, Recycling &amp; Organics Collection and Processing</i></p> <hr/> <p>Kevin Bryant                  Assistant Town Manager                  2955 Woodside Road                  Woodside, CA 94062                  650.851.6790  <a href="mailto:kbryant@woodsidetown.org">kbryant@woodsidetown.org</a>                  Term of Agreement: 7/1/2008 to 6/30/2020                  Served Since: 1995</p>					
Residential Customers	Commercial Customers	Number of Drivers	Number of Vehicles	Number of Supervisors	Number of CSRs
1,880	24	5	5	1	4
Tonnages Collected & Processed in 2018		5,512 tons MSW & Compostables 1,558 tons Recyclables			Outreach Staff
					2
<b>Community Involvement Activities:</b>					
<ul style="list-style-type: none"> <li>✓ Facility Tours (MRF, Zanker, &amp; Z-Best)</li> <li>✓ Business Meetings &amp; Trainings</li> <li>✓ Presentations (schools, businesses &amp; city facilities)</li> <li>✓ Recycling and Compostables Awareness for businesses and schools</li> <li>✓ Participate in Special Events (Earth Day)</li> <li>✓ Free Compost Give-Away Events</li> </ul>					

In the Town of Woodside, customers are offered a three-stream curbside collection system of MSW, recyclables, and compostables. In order to maximize overall diversion and minimize the environmental impact of its operation, semi-automated split-body side-load collection vehicles are used and MSW and compostables are co-collected and placed in one compartment of the vehicle, while recyclables are collected and placed in the other compartment of the vehicle. Under this system, residents experience a single pass in front of their homes instead of two or three vehicle passes. This co-collection methodology has increased residential participation in recycling, reduced the number of vehicles on the roads, greatly increased diversion, and lowered rates for residents and businesses.

All materials are brought to the GreenWaste MRF for sorting and processing. Recyclables are sorted on GreenWaste's state-of-the-art single-stream recyclables processing line in the MRF where they are separated, cleaned, baled, and shipped to market. Co-collected MSW and compostables are processed on the MSW processing line where any recyclables are removed and placed on the single-stream processing line; the organic fraction is separated and sent to Z-Best for composting, where the final compost product is marketed to nearby landscapers. Non-recyclable and non-compostable residuals are transported to the Marina Landfill for disposal.

<p style="text-align: center;"><b>Town of Los Altos Hills</b>  <i>Refuse, Recycling &amp; Compostables Collection and Processing</i>  <i>Street Sweeping Services</i></p>					
<p><b>Carl Cahill, AICP</b>                  Town Manager                  26379 Fremont Road                  Los Altos Hills, CA 94022                  650.941.7222 Ext. 225  <a href="mailto:ccahill@losaltoshills.ca.gov">ccahill@losaltoshills.ca.gov</a>                  Term of Agreement: 7/1/2019 to 6/30/2034                  Served Since: 2008</p>					
Residential Customers	Commercial Customers	Number of Drivers	Number of Vehicles	Number of Supervisors	Number of CSRs
2,887	9	6	6	1	4
Tonnages Collected in 2018		6,168 tons MSW & Compostables 1,698 tons Recyclables			Outreach Staff
					2
<p><b>Community Involvement Activities:</b></p> <ul style="list-style-type: none"> <li>✓ Facility Tours (MRF, Zanker, &amp; Z-Best)</li> <li>✓ Presentations (schools, businesses &amp; city facilities)</li> <li>✓ Free Compost Give-Away Events (upon request throughout the year)</li> <li>✓ Participation in Town Events</li> <li>✓ Fire Prevention</li> <li>✓ Touch a Truck Event</li> </ul>					

In Los Altos Hills, customers are offered a three-stream curbside collection system of mixed compostables, recyclables and yard trimmings, and a two-stream on-premise collection system of mixed compostables and recyclables. GreenWaste has very recently transitioned Los Altos Hills customers to a new collection and processing methodology. Customers have migrated their food scraps and soiled paper from their green carts to their gray carts, and place their green carts at service locations accessible to our larger collection vehicles that are dedicated to the collection of yard trimmings. The new service program places the Town in compliance with SB 1383, makes GreenWaste collection routes more efficient, and creates higher-yield end product at the end of processing.

All materials GreenWaste collects in the Town are brought to the GreenWaste MRF, which was recently upgraded in 2018, for sorting and processing. Recyclables are sorted on GreenWaste’s state-of-the-art single-stream recyclables processing line where they are separated, cleaned, baled and shipped to market. Mixed Compostables are processed on the MSW processing line where any recyclables are removed, separated by commodity, and then recycled; the organic fraction is separated and sent to Z-Best for composting, where the final compost product is marketed to nearby landscapers. Non-recyclable and non-compostable residuals from Z-Best are transported to the Marina Landfill for disposal. Pre-processing of collected yard trimmings is performed at the GreenWaste MRF, where a trommel screen is used to separate woody debris from the compostable fraction. The material is loaded in transfer trailers and transported to Z-Best Composting Facility (Z-Best) in Gilroy, which is owned and operated by GreenWaste’s sister company, Zanker Road Resource Management, Ltd. (Zanker). The final compost product is marketed to nearby farmers and landscapers.

6 Disclosures

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GreenWaste does not have any officer, director, agent, or any relative of an officer, director, or agent who is an employee, elected official or appointed official of the Town. Furthermore, to the best of GreenWaste’s knowledge, no Town employee, elected official or appointed official has any direct or indirect financial interest in GreenWaste or any of its branches or subsidiaries.

7 Financial Information

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All financing for the Agreement will come from cash on hand. GreenWaste has been in existence since 1991 and has the financial wherewithal to perform the services proposed. GreenWaste will provide the funding for vehicles, equipment, containers and start-up required to provide the required services from over \$13,000,000 of unencumbered cash on hand as of September 30, 2019. GreenWaste and its principals have established and maintained a track record of operations that generate levels of cash flow that consistently fund debt service, resulting in an exemplary credit history. GreenWaste is also supported by a strong bank group headed by Bank of the West and has credit lines of \$100,000,000 available to the Company. Following is a table displaying the estimated amount of expense and financing expected to be incurred and utilized in performing the proposed services.

Sources and Uses of Funding	
Total Capital Required	\$3,100,000
GreenWaste Equity Contribution	\$3,100,000



**Item No. 20  
Town of Atherton**

**CITY COUNCIL STAFF REPORT – REGULAR AGENDA**

**TO: HONORABLE MAYOR AND CITY COUNCIL**

**FROM: GEORGE RODERICKS, CITY MANAGER**

**DATE: JANUARY 15, 2020**

**SUBJECT: REVIEW, DISCUSS AND PROVIDE DIRECTION ON NEXT STEPS FOR  
SOLID WASTE COLLECTION AND POST-COLLECTION SERVICES**

**RECOMMENDATION**

Review, discuss and provide direction on next steps for solid waste collection and post-collection services.

**BACKGROUND/ANALYSIS**

The Town engaged R3 Consulting Group, Inc. (R3) to evaluate the opportunity for use of a different service provider for solid waste collection, recycling, processing and disposal services. This effort was undertaken in support of the Town's objective to reach a decision regarding extension of its contract with Recology San Mateo County (Recology) vs contracting with a new service provider.

On August 26, the Town issued an RFP for solid waste collection services only, and for collections, recycling, processing and disposal services together. Seven local companies were notified of the RFP's release: GreenWaste Recovery, Mission Trail Waste Systems/Garden City Sanitation, Republic Services, California Waste Solutions, Waste Connections/GreenTeam, Waste Management of Alameda County, and incumbent Recology. A pre-bid meeting was held on September 10 to invite potential proposers to ask questions and learn more about the RFP, which was attended by GreenWaste Recovery, Waste Connections, and Recology. The Town received one proposal from GreenWaste Recovery (GWR).

The Ad Hoc Subcommittee of Council Members Wiest and Widmer reviewed the response(s) from GWR along with analysis provided by R3. That analysis identifies current services and costs; evaluates those services against the proposal(s) provided by GWR; and provides analysis of next steps (attached).

**Refuse Services Next Steps**  
**January 15, 2020**  
**Page 2 of 3**

The Subcommittee is prepared to answer any questions the Council may have. Should the Council desire, R3 can attend the February 19 City Council meeting to provide an in-depth discussion of the results and recommendations.

A decision on next steps would need to be made by March 2020 so that appropriate actions may be taken to exit the SBWMA, if desired.

**POLICY ISSUES**

Policy issues related to this item involve a discussion of whether to proceed with the Amended and Restated Franchise Agreement with Recology or move forward with an alternate service provider. The City Council can opt, at any time prior to its expiration in December 2020, to execute the Amended and Restated Franchise Agreement. However, if the Town opts to exit the SBWMA and continue services with an alternative service provider, appropriate notice must be provided to the SBWMA and Recology and the Town must comply with the exit provisions of both the JPA Agreement and the Franchise Agreement.

A Notice of Intent to Withdraw must be submitted at least six months prior to the end of the current rate year, specifying the exact date of withdrawal. To coincide with the end of the Franchise Agreement, the Notice of Intent would need to be sent by June 2020. Other issues related to withdrawal will also be necessary, to include a vote of the SBWMA member agencies and liquidation of all existing debts, obligations, and liabilities. Should the Council opt to move forward with an alternate service provider, staff will finalize the exit costs with the SBWMA. Initial projections by the SBWMA place the cost to exit the SBWMA at approximately \$1.9 to \$2.1 million; however, some of these costs may be subject to further discussion.

**FISCAL IMPACT**

None at this time.

**PUBLIC NOTICE**

Public notification was achieved by posting the City Council agenda, with this agenda item being listed, at least 72 hours prior to the meeting in print and electronically. Information about the project is also disseminated via the Town’s electronic News Flash and Atherton Online. There are approximately 1,200 subscribers to the Town’s electronic News Flash publications. Subscribers include residents as well as stakeholders – to include, but not limited to, media outlets, school districts, Menlo Park Fire District, service providers (water, power and sewer), and regional elected officials.

**COMMISSION/COMMITTEE FEEDBACK/REFERRAL**

This item \_\_\_ has or X has not been before a Town Committee or Commission.

\_\_\_ Audit/Finance Committee (meets every other month)

\_\_\_ Bicycle/Pedestrian Committee (meets as needed)

**Refuse Services Next Steps**

**January 15, 2020**

**Page 3 of 3**

- \_\_\_ Civic Center Advisory Committee (meets as needed)
- \_\_\_ Environmental Programs Committee (meets every other month)
- \_\_\_ Park and Recreation Committee (meets each month)
- \_\_\_ Planning Commission (meets each month)
- \_\_\_ Rail Committee (meets every other month)
- \_\_\_ Transportation Committee (meets every other month)
- \_\_\_ Tree Committee (meets each month)

**ATTACHMENTS**

Report from R3 Consulting

**Northern California Office**

1512 Eureka Road, Suite 220, Roseville, CA 95661  
 Tel: 916-782-7821 | Fax: 916-782-7824

**San Francisco Bay Area Office**

2600 Tenth Street, Suite 424, Berkeley, CA 94710  
 Tel: 510-647-9674

**To:** George Rodericks, Atherton City Manager  
**From:** Emily Ginsburg, R3 Consulting Group  
**Date:** January 9, 2020  
**Subject:** Town of Atherton Solid Waste RFP Update

The Town of Atherton (Town) engaged R3 Consulting Group, Inc. (R3) to evaluate the opportunity for the Town to use a different service provider for solid waste collection, recycling, processing and disposal services. This effort was undertaken in support of the Town's objective to reach a decision regarding extension of its contract with Recology San Mateo County (Recology) vs entering a new contract. This memorandum is a status update on the effort thus far.

## Solid Waste Services RFP

On August 26th, the Town issued an RFP for solid waste collection services only, and for collections, recycling, processing and disposal services together. Seven local companies were notified of the RFP's release: GreenWaste Recovery, Mission Trail Waste Systems / Garden City Sanitation, Republic Services, California Waste Solutions, Waste Connections / GreenTeam, Waste Management of Alameda County, and incumbent Recology. A pre-bid meeting was held on September 10th to invite potential proposers to ask questions and learn more about the RFP, which was attended by GreenWaste Recovery, Waste Connections, and Recology. The Town received one proposal from GreenWaste Recovery (GWR); the other companies declined to submit a proposal in order to focus on their current core business and/or they could not provide cost-effective services from their existing locations in the region.

## GreenWaste Recovery Proposal

R3 has reviewed GWR's proposal and found that it is comprehensive and complete, presenting three alternatives to the current system utilizing Recology (solid waste collection service) and SBWMA (solid waste post-collection services) for the Town's consideration:

1. **GWR Collection and SBWMA Post-Collection Compensation:** In this first scenario, GWR would replace Recology as Atherton's solid waste hauler, and the processing and disposal of Atherton's waste would continue to be managed through SBWMA. The combination of GWR's collection-only proposed compensation plus conservative projections of SBWMA Post-Collection and Authority (SBWMA) costs, averaged over 2021-2023, is 3.8% higher than the sum of conservative projections of Recology's compensation plus conservative projections of SBWMA's costs averaged over the same time period.

Mr. George Rodericks  
 January 9, 2020  
 Page 2 of 3

2. **GWR Collection and GWR Post-Collection Compensation – Food Scraps in Green Bin:** In a second scenario, GWR would become Atherton’s solid waste collector and also replace SBWMA in managing the processing and disposal of Atherton’s waste. Food scraps would continue to be accepted in the green container for composting. Averaged over 2021-2023 GWR’s combined collection and post-collection compensation (which would require SBWMA withdrawal) is estimated to be 0.48% lower than conservative estimates for the combined Recology and SBWMA figures averaged over the same period. This is due to lower proposed post-collection compensation due to GWR compared to SBWMA.
3. **GWR Collection and GWR Post-Collection Compensation – Food Scraps in Black Bin:** In an alternative third scenario, GWR would become Atherton’s solid waste collector and manage its processing and disposal—however, food scraps would be placed in the garbage in order to be sorted through potentially achieving higher landfill waste diversion. GWR estimates processing all three streams (as opposed to the current two, recycling and organics) would come at a minimal additional cost per year. Averaged over 2021-2023 GWR’s combined collection and post-collection compensation (which would require SBWMA withdrawal) is estimated to be 0.22% lower than conservative estimates for the combined Recology and SBWMA figures averaged over the same period. This is again due to lower proposed post-collection compensation due to GWR compared to SBWMA.

It is important to note that the cost savings/cost increase margins in comparing these different scenarios will shift pending completion of R3’s financial model. Specifically, R3’s analysis and these initial findings will continue to be adjusted and refined over the next few weeks, as a number of key factors remain to be resolved:

- Further clarification from GWR regarding assumptions and compensation figures presented in its proposal and its SB 1383 Short-lived Climate Pollutants compliance plan for Atherton, particularly its proposed food scraps in black bin program option.
- Exploration of potential, additional cost savings derived from further service refinements and a streamlined contractor compensation methodology.
- Evaluation of Recology compensation figures regarding its bulky item collection service, overage charges, and rising fuel expenses. R3 is further evaluating Amendments A and B to the Extended and Restated Franchise Agreement regarding these operating costs. It is anticipated that the rough projections of costs associated with the Extended and Restated Franchise Agreement will increase; further increasing the potential savings over time with GWR.
- The high degree of uncertainty in modeling SB 1383 associated costs, a comprehensive piece of state legislation targeting the reduction of greenhouse gas emissions from landfilled organic waste. SB 1383 is an unfunded state mandate still in the rulemaking process— implementation costs cannot be estimated with more certainty until the regulatory text has been finalized. An initial estimate of the Town’s share of implementation costs via SBWMA is included in R3’s modeled based on a study conducted by HFH Consultants; an initial estimate of the Town’s implementation costs if it were to withdraw from SBWMA has yet to be determined. The proposal submitted by GWR incorporates the Town’s compliance with SB 1383 into the cost-model. It is anticipated that the rough projections associated with remaining with the SBWMA and the Extended and Restated Franchise Agreement will increase; further increasing the potential savings over time with GWR.

Mr. George Rodericks  
January 9, 2020  
Page 3 of 3

## Next Steps

R3 will work with staff to further evaluate Atherton's solid waste system collection and post-collection compensation figures, including GWR proposal, to produce a final set of findings and recommendations. Finalized analysis will be presented at a future Council meeting to inform the Town's decision regarding extension of its contract with Recology vs proceeding to negotiate a new contract with GWR.

## Town of Atherton Solid Waste RFP



PRESENTATION TO:  
Town of Atherton  
February 19, 2020

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## Introduction

### Current Configuration



- ❑ **Recology San Mateo County**
  - Solid waste **collection services** provider: recycling, organics and garbage pickup
  
- ❑ **South Bayside Waste Management Authority**
  - Solid waste **post-collection services** provider: recyclables processing, organics processing, and garbage disposal
  - State compliance and reporting, contract management, education and outreach, ownership and management of the Shoreway Environmental Center

1



## Introduction

Solid Waste Services RFP

- ❑ Town invited proposals for both collection services (alone), and for collections, processing and disposal (together)
- ❑ RFP issued on August 26, 2019
  - Six local companies notified of the RFP's release
  - Two attended September 10<sup>th</sup> pre-bid meeting
- ❑ One proposal received from GreenWaste Recovery on October 7, 2019
  - Best and final offer submitted January 3, 2020



SLIDE 2

2



## GreenWaste Recovery Proposal

Overview

- ❑ Three Scenarios:
  1. Solid Waste Collection Services Only
  2. Solid Waste Collection Services + Post-Collection Services – Food Scraps in Green Cart
  3. Solid Waste Collection Services + Post-Collection Services – Food Scraps in Grey Cart
- ❑ Collection services same as currently provided
  - Higher GWR proposed collection compensation
- ❑ Post-collection service alternatives
  - Lower GWR proposed post-collection compensation



SLIDE 3

3

## GreenWaste Recovery Proposal

Solid Waste System Scenario Evaluation –  
Compared to Current Configuration

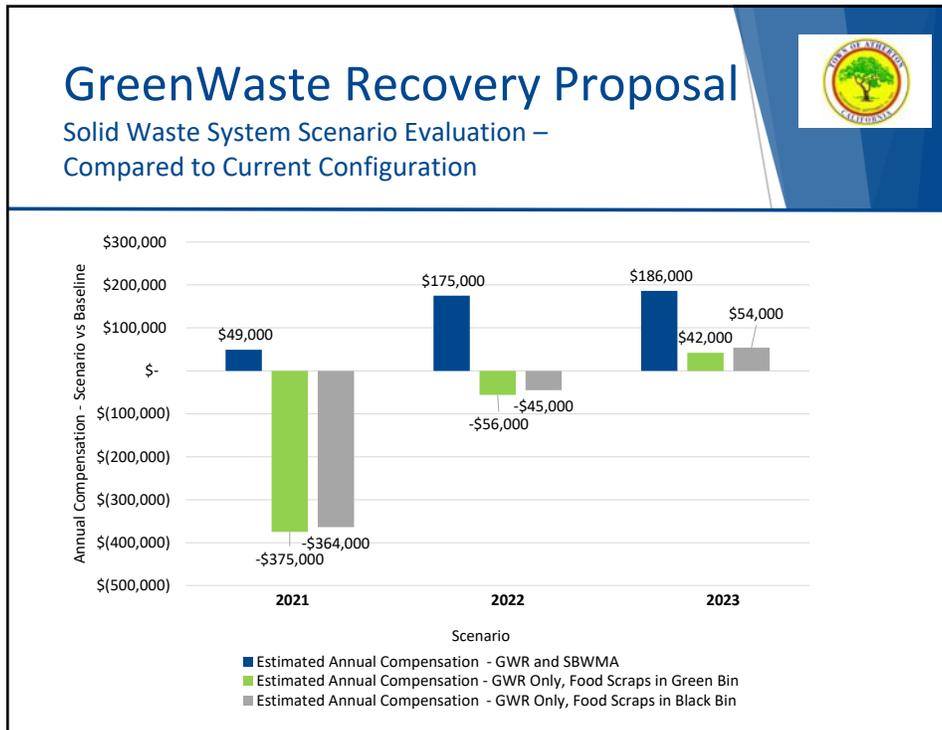


- ❑ R3 evaluated:
  - Recology’s collection compensation
  - SBWMA’s post-collection compensation
  - GWR’s collection + post-collection compensation
- ❑ Analysis also includes projected future changes:
  - SBWMA budget changes for rising organics processing expenses, new capital expenditures, and other needs
  - SB 1383 estimated implementation costs
- ❑ Cost of withdrawal from SBWMA not included
  - Cost of JPA exit, state regulatory compliance, and contract management

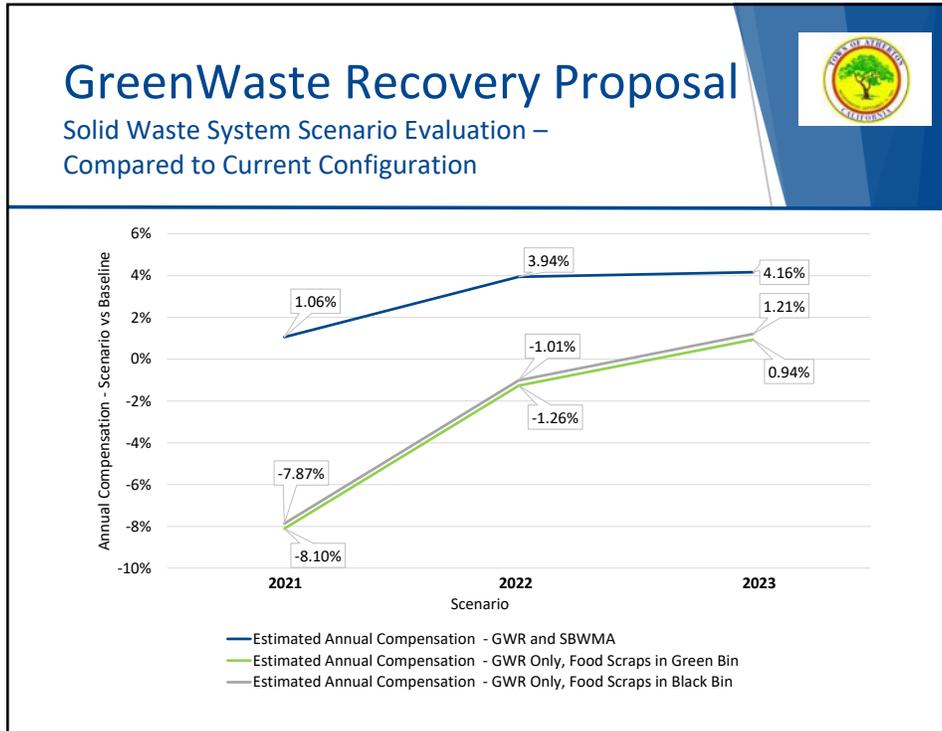


SLIDE 4

4



5



6

## SBWMA Withdrawal

Considerations

- ▣ **Trajectory**
  - Town is primarily residential, with few businesses and no multi-family properties; built-out community
  - Other SBWMA Member Agencies experiencing growth; need a more complex solid waste system in an increasingly strict regulatory environment
- ▣ **Limitations**
  - Atherton is 2.6% of SBWMA service area, and representation on the Board is one of twelve
  - Needs of the many may outweigh Town interests; little control over SBWMA’s future course (and costs)



SLIDE 7

7

**SB 1383 - State Mandate**  
Organic Waste Methane Emissions Reductions



- Sets statewide goals:
  - Reduce organic waste disposal by 50% by 2020, and 75% from the 2025
  - Recover 20% of disposed edible food for human consumption by 2025
- Jurisdiction Responsibilities:
  - Organics program, food recovery program, education and outreach, procurement, secure capacity, monitoring and enforcement
- Requirements effective January 1, 2022



R3  
CONSULTING  
GROUP, INC.  
SLIDE 8

8

**QUESTIONS & ANSWERS**

9

THANK YOU FOR YOUR TIME

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For additional questions, contact:

Emily Ginsburg  
R3 Sr. Project Analyst  
(510) 647-9674  
eginsburg@r3cgi.com



# ATTACHMENT 6

UPDATED JULY 17, 2020 - ATHERTON SOLID WASTE CONTRACTING ANALYSIS

	ACTUAL	PROJECTED	PROJECTED													15-YEAR TOTAL		
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033		2034	2035
	<b>RECOLOGY &amp; SBWMA</b>																	
Recology Collection Compensation	\$ 1,424,499	\$ 1,415,554	\$ 1,612,317	\$ 1,693,000	\$ 1,778,000	\$ 1,867,000	\$ 1,960,000	\$ 2,058,000	\$ 2,161,000	\$ 2,269,000	\$ 2,382,000	\$ 2,501,000	\$ 2,626,000	\$ 2,757,000	\$ 2,895,000	\$ 3,040,000	\$ 3,192,000	\$ 34,791,317
<i>Projected Increases</i>			13.9%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
SBWMA Post-Collection Compensation	\$ 1,307,754	\$ 1,371,000	\$ 1,624,275	\$ 1,787,000	\$ 1,966,000	\$ 2,104,000	\$ 2,251,000	\$ 2,409,000	\$ 2,578,000	\$ 2,758,000	\$ 2,951,000	\$ 3,158,000	\$ 3,379,000	\$ 3,616,000	\$ 3,869,000	\$ 4,140,000	\$ 4,430,000	\$ 43,020,275
<i>Projected Increases</i>			18.5%	10.0%	10.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	
Agency Fees	\$ 327,119	\$ 327,000	\$ 379,000	\$ 394,000	\$ 420,000	\$ 443,000	\$ 467,000	\$ 492,000	\$ 520,000	\$ 548,000	\$ 579,000	\$ 612,000	\$ 646,000	\$ 683,000	\$ 722,000	\$ 764,000	\$ 808,000	\$ 8,477,000
Unscheduled and Intermittent Services	\$ 41,783	\$ 42,000	\$ 169,939	\$ 77,539	\$ 77,539	\$ 77,539	\$ 77,539	\$ 77,539	\$ 77,539	\$ 77,539	\$ 77,539	\$ 77,539	\$ 77,539	\$ 77,539	\$ 77,539	\$ 77,539	\$ 77,539	\$ 1,255,480
<b>Total Compensation</b>	<b>\$ 3,101,155</b>	<b>\$ 3,155,554</b>	<b>\$ 3,785,531</b>	<b>\$ 3,951,539</b>	<b>\$ 4,241,539</b>	<b>\$ 4,491,539</b>	<b>\$ 4,755,539</b>	<b>\$ 5,036,539</b>	<b>\$ 5,336,539</b>	<b>\$ 5,652,539</b>	<b>\$ 5,989,539</b>	<b>\$ 6,348,539</b>	<b>\$ 6,728,539</b>	<b>\$ 7,133,539</b>	<b>\$ 7,563,539</b>	<b>\$ 8,021,539</b>	<b>\$ 8,507,539</b>	<b>\$ 87,544,073</b>
<b>Projected Annual Increase</b>		<b>2%</b>	<b>20.0%</b>	<b>4.4%</b>	<b>7.3%</b>	<b>5.9%</b>	<b>5.9%</b>	<b>5.9%</b>	<b>6.0%</b>	<b>5.9%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.1%</b>	<b>6.1%</b>	<b>7%</b>
	<b>GREENWASTE RECOVERY</b>																	
GWR Collection Compensation	\$ 1,888,307	\$ 1,964,000	\$ 2,043,000	\$ 2,268,000	\$ 2,517,000	\$ 2,794,000	\$ 3,018,000	\$ 3,199,000	\$ 3,295,000	\$ 3,394,000	\$ 3,496,000	\$ 3,601,000	\$ 3,709,000	\$ 3,820,000	\$ 3,935,000	\$ 4,054,000	\$ 4,176,000	\$ 44,941,307
<i>Projected Increases</i>			4.00%	4.00%	11.00%	11.00%	11.00%	8.00%	6.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
GWR Post-Collection Compensation	\$ 1,261,693	\$ 1,312,000	\$ 1,364,000	\$ 1,514,000	\$ 1,681,000	\$ 1,866,000	\$ 2,015,000	\$ 2,136,000	\$ 2,200,000	\$ 2,266,000	\$ 2,334,000	\$ 2,404,000	\$ 2,476,000	\$ 2,550,000	\$ 2,627,000	\$ 2,707,000	\$ 2,790,000	\$ 30,006,693
<i>Projected Increases</i>			4.00%	4.00%	11.00%	11.00%	8.00%	6.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
Agency Fees	\$ 353,000	\$ 366,000	\$ 379,000	\$ 416,000	\$ 458,000	\$ 504,000	\$ 541,000	\$ 572,000	\$ 588,000	\$ 604,000	\$ 621,000	\$ 639,000	\$ 657,000	\$ 675,000	\$ 694,000	\$ 714,000	\$ 734,000	\$ 8,067,000
Unscheduled and Intermittent Services	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 300,000
<b>Total Compensation</b>	<b>\$ 3,523,000</b>	<b>\$ 3,662,000</b>	<b>\$ 3,806,000</b>	<b>\$ 4,218,000</b>	<b>\$ 4,676,000</b>	<b>\$ 5,184,000</b>	<b>\$ 5,594,000</b>	<b>\$ 5,927,000</b>	<b>\$ 6,103,000</b>	<b>\$ 6,284,000</b>	<b>\$ 6,471,000</b>	<b>\$ 6,664,000</b>	<b>\$ 6,862,000</b>	<b>\$ 7,065,000</b>	<b>\$ 7,276,000</b>	<b>\$ 7,490,000</b>	<b>\$ 7,707,000</b>	<b>\$ 83,315,000</b>
<b>Projected Annual Increase</b>		<b>11.6%</b>	<b>3.9%</b>	<b>3.9%</b>	<b>10.8%</b>	<b>10.9%</b>	<b>10.9%</b>	<b>7.9%</b>	<b>6.0%</b>	<b>3.0%</b>	<b>6%</b>							
\$ Variance (GWR less Recology & SBWMA)	\$ (262,531)	\$ (289,539)	\$ (435,539)	\$ (273,539)	\$ (79,539)	\$ 147,461	\$ 257,461	\$ 274,461	\$ 113,461	\$ (64,539)	\$ (257,539)	\$ (469,539)	\$ (701,539)	\$ (956,539)	\$ (1,231,539)	\$ (1,517,539)	\$ (1,804,539)	\$ (4,229,073)
% Variance (GWR to Recology & SBWMA)	-7%	-7%	-10%	-6%	-2%	3%	5%	5%	2%	-1%	-4%	-7%	-9%	-12%	-14%	-14%	-14%	-5%
Three Year Variance	\$ (987,609)		GWR Over (Under) SBWMA/Recology															
GWR Total Annual Fixed Compensation		\$ 3,150,000	\$ 3,276,000	\$ 3,407,000														

**Town of Atherton  
DRAFT Term Sheet of Tentative Agreement Pursuant to Negotiations  
with GreenWaste Recovery**

**Exclusive Franchise Collections Contract**

**Primary Provisions**

1. 20-year base term with up to 5 years of extension thereafter
2. Collection services effective January 1, 2021
3. Contract is only effective if Atherton's withdrawal from the SBWMA is finalized
4. Food waste and compostable organics will be placed in the garbage cart and separated by Contractor at the approved recycling facility for composting
5. Contractor to be granted the exclusive franchise for debris boxes after the 5-year noticing "wait" period has expired, with maximum rates approved by the Town
6. Contractor will purchase new collection vehicles, carts and containers to service Town customers
7. Contractor to provide collection services to Town Facilities and street litter cans free of charge; as well as On-Call "Bulky Item" cleanup events to Town Facilities once annually at no charge
8. Contractor to provide a once-annual Community Drop-off Event with a Compost Giveaway and Confidential Document Destruction
9. Contractor to provide 2 On-Call "Bulky Item" cleanup events to each residential service recipient
10. Contractor to provide abandoned waste clean-up services twice per day on weekdays
11. Used motor oil and used motor oil filters will be collected in containers provided by Contractor
12. Household batteries will be picked up if placed in a plastic bag on top of the recycling container by residential service recipients
13. Contractor will pick up excess materials placed beside collection containers without charge once per customer once annually, and each occurrence thereafter Contractor will charge a reasonable fee based on material type and quantity for excess materials; Contractor will leave a service tag on each occurrence of excess materials set-out
14. Extra Recyclable Materials placed outside of containers but bagged or otherwise bound will be collected free of charge for the week after Christmas and the week after Thanksgiving; and Holiday Trees will be collected from Christmas until the end of January
15. Residents with physical limitations may receive backyard service at curbside rates
16. Contractor to indemnify Town for hazardous substances, CalRecycle diversion goals, SB 1383
17. Contractor will replace one garbage, one recycling, and two organics carts for all residential customers initially and will replace additional carts as the carts expire; Contractor will replace all bins in service for all commercial customers in the first year of providing service
18. Contractor will assist the Town in meeting all applicable and required reporting standards (i.e., AB 341, AB 1826, SB 1383)

**Customer Rates**

19. Rates to set by the Town and may be adjusted at the Town's discretion, while consulting with Contractor
20. Contractor retains compensation up to their annual Base Service Compensation and remits the remainder to Town, except for revenue from Extra Services (keys, push/pull, one-time extra pickups and servicing of recurring extra containers beyond Base Services) which are retained by Contractor

**Contractor's Compensation**

21. Base Service Compensation is the fixed annual compensation retained by Contractor for Base Services, including:
  - a. Collection and processing costs for all material collected in Atherton
  - b. Extra green waste and Extra Recycling Containers that were in the field as of the date of the RFP
  - c. Compensation for current Backyard Service levels as of the date of the RFP
  - d. Compensation for Events, Compost Giveaway, and Confidential Document Destruction
22. Additional Compensation for "Extra Services" will also be retained by Contractor as those services are utilized, including:
  - a. Incremental increases in Extra green waste and Extra Recycling Containers beyond those in the RFP will become part of "Additional Compensation"; incremental decreases will result in reduced compensation
  - b. Incremental increases in backyard service beyond those in the RFP will become part of "Additional Compensation"; incremental decreases will result in reduced compensation
  - c. Once-annual Community Drop-off Event
23. Year 1 Base Service Compensation (2021) set at \$3.15 million
24. Year 2 - 3 Compensation for Base Services and Extra Services (2022, 2023), Adjusted by 4% annually
25. Years 4 - 6 Compensation for Base Services and Extra Services (2024, 2025, 2026), Adjusted by 11% annually
26. Year 7 Compensation for Base Services and Extra Services (2027), Adjusted by 8%
27. Year 8 Compensation for Base Services and Extra Services adjusted by CPI *plus* 3%, no negative adjustments
28. Years 9-20 Compensation for Base Services and Extra Services (2028- 2040) adjusted by CPI (with a historical average of approximately 3%), no negative adjustments

**Contractor Payments to Town**

29. Franchise Fee of 10%
30. Yearly Administrative Support Payment "AB 939 Fee" of \$14,000
31. Street sweeping fee of \$24,000 for Town to contract street sweeping service
32. One-time negotiation reimbursement of \$175,000

**Franchise Agreement Between  
the Town of  
Atherton and GreenWaste Recovery, Inc.  
for Collection and Processing of Mixed Compostable Materials, Recyclable Materials and Yard  
Trimmings**

This Mixed Compostable Materials, Recyclable Materials and Yard Trimmings Collection Franchise Agreement (“Agreement”) is made and entered into this \_\_\_ day of July, 2020 by and between the Town of Atherton, a general law city of the State of California (“Town”), on the one hand, and GreenWaste Recovery, Inc., a California corporation (“Franchisee”), on the other hand.

**RECITALS**

A. The effective and orderly handling of solid waste is an essential component of public safety and health. Balanced regional waste management and planning must be maintained and developed so as to safeguard public health, optimize the use of limited natural resources and insure the efficient and orderly collection and processing of Mixed Compostable Materials, Recyclable Materials and Yard Trimmings and proper disposal of the residual remaining from processing these materials.

B. It is desirable that the public recognize its ultimate responsibility to reduce, recycle and support the proper management of all wastes in an environmentally sound manner and that the services performed to that end are fairly compensated.

C. Pursuant to powers expressly granted to cities and counties in Article XI, Section 7 of the California Constitution, and also set forth in California Public Resource Code Sections 40059 and 49300, Town has the authority within its jurisdiction to regulate the handling of solid waste.

D. The City Council has determined that Franchisee, by demonstrated experience, reputation and capacity, is qualified to provide for the collection of garbage, recyclable materials, and organic waste materials within the corporate limits of Town, the transportation of such material to appropriate places for processing, recycling, composting and/or disposal; and City Council desires that Franchisee be engaged to perform such services on the basis set forth in this Agreement.

E. Franchisee has represented that it has the ability and capacity to provide for the collection of garbage, recyclable materials, and organic waste materials within the corporate limits of Town; the transportation of such material to appropriate places for processing, recycling, composting and/or disposal; and the processing of materials.

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**Exhibits**

- Exhibit A Service Recipient Rates
- Exhibit B Accepted Recyclable Materials
- Exhibit C Technical Proposal and Transition Plan
- Exhibit D New Program Rollout
- Exhibit E Physical Limitations Program Application
- Exhibit F On-Call Clean-Up Services
- Exhibit G Public Education and Outreach Plan
- Exhibit H Reporting

## AGREEMENT

In consideration of the mutual covenants, agreements and conditions contained herein, the parties agree as follows:

### ARTICLE 1 DEFINITIONS

The definitions set forth in this Article 1 shall govern the interpretation of this Agreement.

- 1.1. Additional Services – “Additional Services” shall mean recurring weekly collection services beyond the Base Services package that are available by request from Service Recipients and provided at a recurring additional charge. Additional services are provided on the normal day of collection and include but are not limited to the following: the provision of additional Mixed Compostable Materials Carts as set forth in Section 5.3.1; additional Recyclable Materials Carts as set forth in Section 5.4.2; and additional Yard Trimmings Carts as set forth in Section 5.5.2. Initial rates for Additional Services are specified in EXHIBIT A.
- 1.2. Agreement - “Agreement” shall mean this Franchise Agreement, including all Exhibits and any future amendments thereto, between the Town of Atherton and GreenWaste Recovery, Inc., for Collection and Processing of Mixed Compostable Materials, Recyclable Materials and Yard Trimmings.
- 1.3. Applicable Law – “Applicable Law” means all federal, state, local or other laws, regulations, rules, orders, judgments, decrees, permits, approvals, or other requirement of any governmental agency having jurisdiction over the collection, transportation, processing, and/or marketing of Recyclable Materials, Garbage, Mixed Compostable Materials, Yard Trimmings or other materials included under this Agreement that are in force on the Effective Date and as may be enacted, issued, amended or modified during the Term of this Agreement.
- 1.4. Backyard – “Backyard ” means the Set-out Location where Service Recipients place their Recyclable Materials, Mixed Compostable Materials and/or Yard Trimmings Carts for Collection that is greater than five (5) feet from the accessible roadway such that the Carts are not readily accessible by the arm of a standard collection vehicle and where the driver must dismount the vehicle in order to service the Carts.
- 1.5. Base Services – “Base Services” means a package of services provided by Franchisee to subscribing Residential Service Recipients that includes Curbside collection of one (1) Mixed Compostable Materials Cart, one (1) Recyclable Materials Cart and up to two (2) Yard Trimmings Carts. Initial rates for Base Services are specified in EXHIBIT A.
- 1.6. Bins – “Bins” means a Container with capacity of approximately one (1) to eight (8) cubic yards, with a hinged lid, and with wheels (excluding six (6)- and eight (8)- yard bins, as appropriate), that is provided by Franchisee and serviced by a front-end loading or rear-end loading collection vehicle. Bins for Mixed Compostable Materials shall be gray or black, Bins for Recyclable Materials shall be Blue and Bins for Yard Trimmings shall be green.
- 1.7. Bulky Goods - “Bulky Goods” means items weighing less than two hundred (200) pounds in weight that require special collection due to their size or nature and can be collected by one person without the assistance of special loading equipment (such as forklifts or cranes) and without violating vehicle load limits. Bulky Goods may include the following items: discarded

- furniture; carpets; mattresses; household appliances including refrigerators, ranges, washers, dryers, water heaters, and dishwashers and other similar items (commonly known as "white goods"); or other items too large to fit in a Mixed Compostable Materials Cart; electronic equipment such as stereos, televisions, computers, VCRs and other similar items that may contain lead or mercury and/or are too large to fit inside a Recyclable Materials Container. Bulky Goods does not include abandoned vehicles, tires, large motor vehicle parts or any subassembly, component, or part thereof, commercial or industrial equipment, tires, construction wastes, or any Hazardous Materials.
- 1.8 Business Day – “Business Day” means days during which the Town offices are open to do business with the public.
- 1.9 Carts – “Carts” means a plastic Container with a hinged lid and wheels with a capacity of approximately twenty (20), thirty-two (32), sixty-four (64), or ninety-six (96) gallons that is provided by Franchisee and serviced by an automated or semi-automated collection vehicle. Carts for Mixed Compostable Materials shall be gray or black, Carts for Recyclable Materials shall be Blue and Carts for Yard Trimmings shall be green.
- 1.10 Cans – “Cans” means a plastic container with a capacity of approximately thirty-five (35) to forty-five (45) gallons that is provided by Service Recipients to set out Excess Materials.
- 1.11 Change in Law – “Change in Law” means any of the following events or conditions that has a material and adverse effect on the performance of the Parties of their respective obligations under this Agreement (except for payment obligations):
- a) The enactment, adoption, promulgation, issuance of any Applicable Law; modification, or written change in administrative or judicial interpretation of any Applicable Law, as it existed on or after the Effective Date and exclusive of subsequent amendments or modifications thereto; except for Senate Bill (SB) 1383 which was passed prior to the Effective Date; or
  - b) The order or judgment of any governmental body, on or after the Effective Date, to the extent such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence by Town or of the Franchisee, whichever is asserting the occurrence of a Change in Law; provided, however that the contesting party in good faith or the failure in good faith to contest any such order or judgment shall not constitute or be construed as a willful or negligent action, error or omission or lack of reasonable diligence.
- 1.12 Curbside Area - “Curbside or Curbside Area” means an area where Residential Service Recipients Set-out Locations are accessible by the arm of a standard collection vehicle where Recyclables Material Carts, Mixed Compostable Materials Carts and/or Yard Trimmings Carts are within five (5) feet of the accessible roadway such that they can be collected without requiring the driver dismount the vehicle.
- 1.13 Composting – “Composting” means the controlled decomposition of organic materials.
- 1.14 Containers – “Containers” means Bins and Carts provided by Franchisee for use by Service Recipients under this Agreement and shall also mean Debris Box beginning January 1, 2026.
- 1.15 Contract Year or Rate Year – “Contract Year” or “Rate Year” means the twelve (12) month period from July 1 to June 30.

- 1.16 Construction and Demolition Debris - “Construction and Demolition Debris” includes debris and other materials resulting from the construction or demolition of buildings and other structures; and concrete, asphalt, rock and dirt.
- 1.17 Contaminated - “Contaminated” means the (i) Recyclable Materials Container contains greater than or equal to five percent (5%) by volume of Non-Recyclable Material in Recyclable Materials Set-out for collection and/or (ii) Yard Trimmings Container contains greater than or equal to one percent (1%) by weight of Non-Compostable Materials in Mixed Compostable Materials or Yard Trimmings set out for collection.
- 1.18 Debris Box - A metal container of ten (10) to thirty (30) cubic yards that is normally loaded onto a motor vehicle and transported to an appropriate facility.
- 1.19 Diversion – “Diversion” shall be calculated as the tons of materials collected by Franchisee from the provision of Collection Services in the Town that are handled in a manner that counts as diversion under applicable CalRecycle regulation, divided by the total tons of materials collected in the Town by Franchisee.
- 1.20 Excess Materials – “Excess Materials” means materials collected from the Service Recipient where the materials set out for collection on a one time or non-recurring basis is above the normal recurring subscription volume for Base Services and any Additional Services and/or exceeds the capacity of the container when its lid is closed. Collection of Excess Materials is provided at a non-recurring additional charge to the Service Recipient. Excess Materials includes Excess Mixed Compostable Materials, Excess Recyclable Materials and Excess Yard Trimmings that are collected on the normal day of collection. Initial rates for the collection of Excess Materials are specified in EXHIBIT A.
- 1.21 Extra Services – “Extra Services” means services described in Sections 5.3.5, 5.7.2, and 5.8.3, which are requested by the Service Recipient above the normal services on a one time or non-recurring basis, and which are provided at a non-recurring additional charge to the Service Recipient. Extra Services are only provided Curbside and may include service to collect Extra Mixed Compostable Materials on a day other than the normal day of service or Bulky Goods collection that may or may not be on the normal day of service. Initial rates for the Extra Services are specified in EXHIBIT A.
- 1.22 Franchised Materials – “Franchised Materials” means Mixed Compostable Materials, Recyclable Materials and Yard Trimmings collected pursuant to this Agreement, and Construction and Demolition debris collected pursuant to this Agreement after January 1, 2026.
- 1.23 Garbage – “Garbage” means putrescible wastes including kitchen and table food wastes; food soiled paper, animal or vegetable wastes resulting from storage, preparation, cooking, processing, or handling of food or food stuffs; non-putrescible wastes that are mixed in the same container with or are contaminated by putrescible wastes; infectious wastes, such as used tissues, which are normally produced at residential premises; small dead animals not exceeding ten (10) pounds in weight; and any putrefactive or easily decomposable waste material which is likely to attract flies, vermin, birds or rodents. Garbage does not include Recyclable Materials, Yard Trimmings, Manure, or Hazardous Material.
- 1.24 Gross Billings – “Gross Billings” means the total amounts billed by Franchisee for the services provided under this agreement and as per the rates in Exhibit A.
- 1.25 Hazardous Materials or Hazardous Waste - “Hazardous Materials” means any material or combination of materials which because of its quantity, concentration, or physical, chemical or

- infectious characteristics may either: (a) cause or significantly contribute to an increase in mortality or an increase in serious irreversible, or incapacitating reversible illness; or (b) pose a substantial present or potential hazard to human health or environment when improperly treated, stored, transported or disposed of or otherwise managed. Hazardous Materials include, but is not limited to, hazardous wastes as defined under California or United States law or any regulations promulgated pursuant to such law, as such law or regulations may from time to time be amended.
- 1.26 Holidays – “Holidays” shall mean January 1, Thanksgiving Day, and December 25.
- 1.27 Mixed Compostable Materials – “Mixed Compostable Materials” means Garbage and/or Manure that is separated from Recyclable Material and Yard Trimmings. Mixed Compostable Materials do not include Recyclable Materials or Hazardous Materials.
- 1.28 Manure - “Manure” means stable matter (manure and other waste matter normally accumulated in stables or in livestock or poultry enclosures), and does not include Recyclable Material, Yard Trimmings or Hazardous Materials.
- 1.29 Non-Residential Service Recipient – “Non-Residential Service Recipient” means a business, school, church or other commercial enterprise, which subscribes for service by Franchisee.
- 1.30 Non-Compostable Materials – “Non-Compostable Materials” means those Yard Trimmings that have been separated by Service Recipients from Mixed Compostable Materials and Recyclable Materials and are collected by Franchisee and delivered for Processing that require disposal because they are:
- a) Not acceptable Yard Trimmings, or
  - b) Are acceptable Yard Trimmings but are:
    - i. Too large to compost in a commercial Composting facility without additional resource inputs that are not commercially reasonable or feasible, or
    - ii. Covered, wrapped, sealed or soiled with or by a material or material(s) that inhibits or prevents Compostability, or
    - iii. Not able to fully compost in a commercial Composting facility in a commercially reasonable timeframe.
- 1.31 Non-Recyclable Materials - “Non-Recyclable Materials” means those materials that have been separated by Service Recipients from Garbage and Yard Trimmings or Mixed Compostable Materials and are collected by Franchisee and delivered for processing that require disposal because they are:
- a. Not Acceptable Recyclable Materials pursuant to EXHIBIT B, or
  - b. Are Acceptable Recyclable Materials but are:
    - i. Not free of food/liquid, or
    - ii. Free of food/liquid but:
      1. Are smaller than two (2) inches to two and one-half (2.5) inches and/or are not recoverable using industry-standard processing equipment or otherwise commercially reasonable methods, or
      2. Where no commercially reasonable market exists for their disposition to be purchased as commodities and recycled.
- 1.32 Notice of Improper Set-out/Non-Collection – “Notice of Improper Set-out/Non-Collection” means a form serving multiple purposes that will be completed by the driver and used to:

- a) Notify Service Recipient(s) that Mixed Compostable Materials, Recyclable Materials and Yard Trimmings were not properly prepared, were contaminated, and/or were beyond the capacity of the Container (“Improper Set-out”);
  - b) Provide guidance to Service Recipient(s) how to properly prepare materials for collection by Franchisee pursuant to this Agreement and/or encourage the Service Recipient to increase their Base Services level and/or subscribe to Additional Services, and/or
  - c) Notify Service Recipient(s) of the reasons for the non-collection of Mixed Compostable Materials, Recyclable Materials, Yard Trimmings and/or other materials set out by the Service Recipient for collection (“Non-Collection”).
- 1.33 Payment for Extra Services - “Payment for Extra Services” means remuneration to Franchisee for services provided pursuant to Sections 5.3.5, 5.7.2, and 5.8.3.
- 1.34 Recyclable Materials – “Recyclable Materials” means those materials designated in EXHIBIT B of this Agreement that have been separated by the Service Recipient from other discards including Garbage and Yard Trimmings or Mixed Compostable Materials and set-out for collection as Recyclable Materials. Recyclable Materials may be either a mixed stream of commingled Acceptable Recyclable Materials, or a stream consisting of a single type of acceptable Recyclable Materials (such as cardboard). The parties may, by mutual written agreement, add additional materials or remove materials from EXHIBIT B. Recyclable Materials includes small dry-cell batteries and compact fluorescent light bulbs in sealed (e.g., Zip-Lock) plastic bags, but no more than one bulb may be placed in each bag, and excludes compact fluorescent lamp tubes, and shall place these items on top of (not inside) their Recyclable Materials Container. Recyclable Materials does not include Garbage, Yard Trimmings, Manure or Hazardous Materials.
- 1.35 Residential Service Recipient – “Residential Service Recipient” means all residences; and may also mean business which generate less than ninety-six (96) gallons (or not more than three (3) thirty-two (32) gallon cans) of Mixed Compostable Materials and Yard Trimmings combined per week.
- 1.36 Residue – “Residue” means all Non-Recyclable Materials and all Non-Compostable Materials remaining after Processing and/or Composting that require Disposal.
- 1.37 Set-out Location – “Set-out Location” means the location where a Service Recipient places their Containers for collection that may be either Curbside or Backyard. Set-out Location for all Excess Materials, Holiday Trees and Extra Services shall be Curbside.
- 1.38 Service Rates – “Service Rates” means the rates charged to a Service Recipient for services provided by Franchisee pursuant to this Agreement. Maximum allowable Service Rates shall be set by the City Council. Initial Service Rates in effect at the beginning of this Agreement are specified in EXHIBIT A.
- 1.39 Service Recipient – “Service Recipient” means any residence or business located in Town which subscribes to collection services by Franchisee pursuant to Article 5 of this Agreement; and includes services to Town pursuant to Section 5.10.
- 1.40 Town – “Town” means the Town of Atherton.
- 1.41 Town Representative – “Town Representative” means the City Manager, or such Town employee as the City Manager may designate.

- 1.42 Yard Trimmings – “Yard Trimmings” means tree trimmings that are less than six (6) inches in diameter, shrubbery prunings, vegetative garden wastes, dead plants, weeds, leaves, grass clippings and other vegetative matter. Yard Trimmings also means Holiday trees that are cut to lengths of not more than 5-feet, and which are free of plastics or other contaminants. Yard Trimmings does not include Recyclable Materials, Garbage, Manure or Hazardous Materials.
- 1.43 Work Day - “Work Day” means Monday through Friday when used in the context of Residential Service Recipient services and means Monday through Saturday when used in the context of Non-Residential Service Recipient Services.

## ARTICLE 2 TERM OF AGREEMENT

2.1 Term - The parties acknowledge and agree that the Town is and has been a member of the South Bayside Waste Management Authority (SBWMA), a Joint Powers Authority. As a member of the JPA, the Town receives waste services from the JPA, or its contractors or assigns. The Town has initiated withdrawal from the JPA in accordance with the terms of that agreement and has requested withdrawal to take effect on January 1, 2021. However, to effectuate legal withdrawal, the JPA must approve of the Town’s request with a 4/5 vote. As such, the parties agree that this Agreement is only effective after the SBWMA has approved, with at least a 4/5 vote, the Town’s withdrawal from the JPA, and not prior to January 1, 2021. The Term of this Agreement shall be twenty (20) years, from January 1, 2021 to December 31, 2040.

2.2 Option to Extend Term - Franchisee and the Town shall each have the option to request an extension of this Agreement for an additional five years. On or before December 31, 2038, either Party may provide the other Party written notice of its desire to extend or not extend the Term of this Agreement. Franchisee and the Town may mutually extend this Agreement for up to five (5) additional years, whether one (1) five (5) year extension, five (5) one (1) year extensions or any combination thereof.

## ARTICLE 3 EXCLUSIVE PRIVILEGE

3.1 Grant of Exclusive Franchise to Franchisee - Pursuant to California Public Resources Code Sections 40059 and 49300, Town hereby grants to Franchisee the exclusive franchise to collect, transport, recycle, process and dispose of all Mixed Compostable Materials, Recyclable Materials, Yard Trimmings, and Bulky Goods within the Service Area for Residential and Non-Residential Service Recipients as described in Article 5 for the Term of this Agreement; and the exclusive franchise to collect, transport, recycle, process and dispose of all Construction and Demolition debris, beginning January 1, 2026.

- A. Collect and transport for processing and composting all Mixed Compostable Materials generated in the Franchise Area, subject to the conditions, restrictions and covenants of this Agreement.
- B. Collect and transport for processing all Recyclable Materials generated in the Franchise Area, subject to the conditions, restrictions and covenants of this Agreement.
- C. Collect and transport for processing and composting all Yard Trimmings generated in the Franchise Area, subject to the conditions, restrictions and covenants of this Agreement.
- D. Beginning January 1, 2026, collect and transport for processing all construction and demolition debris generated in the Franchise Area, subject to the conditions, restrictions and covenants of this Agreement.

3.2 Exceptions - The exclusive franchise granted to Franchisee to perform collection services does not extend to any of the following, and Town expressly reserves the right to allow other service providers, by contract or otherwise, to perform any or all of the following in Town:

- A. Collection and processing of any recyclable materials not specifically included in the definition of Recyclable Materials, which have value equal to or more than the cost of collection, including scrap wood, individual pieces of scrap metal weighing more than forty (40) pounds, and other Recyclable Materials. Other persons or service providers shall maintain the right to pay Service Recipients for source separated Recyclable Materials and Service Recipients may receive compensation for such materials; however, other persons or service providers may not receive payment or compensation of any type by the Service Recipient for the collection or processing of such materials.
- B. Collection of grease wastes from grease traps or grease interceptors.
- C. Collection of horse manure from residences or non-residential properties.
- D. Collection of Hazardous Materials.
- E. Collection of Non-Hazardous Materials that is greater than fifty percent (50%) liquid (including septic tank pumpings, and other liquid wastes).
- F. Recyclable beverage containers delivered for Recycling by Service Recipients under the California Beverage Container Recycling Litter Reduction Act, Section 14500 et seq. California Public Resources Code.
- G. By-products of sewage treatment including sludge, sludge ash, grit, and screenings.
- H. Hazardous Waste, Household Hazardous Waste, and Infectious Waste.
- I. Source Separated E-Scrap and Source Separated Universal Waste.
- J. Organic Materials composted at Residential and Commercial Premises.
- K. Materials generated by State facilities (including public schools), provided that the generator has arranged services with other Persons or has arranged services with the Franchisee through a separate agreement.
- L. Organic Waste removed from a premise by a gardening, landscaping, or tree trimming company as an incidental part of a total service offered by that company rather than as a hauling service where no Debris Box Containers are used for the collection and transportation of such materials.
- M. Large Items removed from a premise by a property management or maintenance company as an incidental part of the total cleanup or maintenance service offered by the company rather than as a hauling service, where no Debris Box Containers are used for the collection and transportation of such Large Items.
- O. Organic Waste, Large Items, and Construction and Demolition Debris collected in a Debris Box Container prior to January 1, 2026.

3.3 Recycling Options of Service Recipients - Nothing in this Agreement shall be construed as requiring Service Recipients to set out Recyclable Materials or Bulky Goods for collection by Franchisee. Service Recipients may dispose of Recyclable Materials and Bulky Goods through other appropriate means including, but not limited to, taking Recyclable Materials or Bulky Goods to drop-off facilities, and donating or selling Recyclable Materials or Bulky Goods to private or public entities, provided, however that Service Recipients shall not be permitted to compensate any private or public entity for the moving, loading, removal, transportation, processing or disposal or similar disposition of any Recyclable Materials or Bulky Goods generated by the Service Recipient within the Town.

3.4 Commingling of Mixed Compostable Materials, Recyclable Materials and Yard Trimmings

3.4.1 Commingling of Town Mixed Compostable Materials with Recyclable Materials and Yard Trimmings - Franchisee shall not commingle, in the collection vehicles or at the processing facility or otherwise, any Yard Trimmings, or Mixed Compostable Materials collected pursuant to this Agreement with any Recyclable Materials separated for collection by the resident pursuant to this Agreement, unless specifically approved in advance in writing by the City Manager.

3.4.2 Commingling of Non-Town Recyclable Materials and Yard Trimmings - Franchisee may commingle, in the collection vehicles, Mixed Compostable Materials, Recyclable Materials or Yard Trimmings collected pursuant to this Agreement with materials of the same type collected by Franchisee from any place outside Town, only if Franchisee can continue to provide accurate and complete data, and audited records of the types and amounts of Recyclable Materials and Yard Trimmings collected from within and outside Town.

3.5 Use of Recycled Products - Franchisee is requested to use, wherever feasible in the performance of services under this Agreement, products or materials which contain recycled materials content. Franchisee is requested to report their use of recycled content products to Town.

**ARTICLE 4  
TRANSITION SERVICES**

4.1 Technical Proposal and Transition Plan - Franchisee has provided a detailed Technical Proposal and Transition Plan that reflects a new approach to providing collection and processing services that will position the Town at the forefront of solid waste management and maximize diversion. Franchisee's Technical Proposal and Transition Plan details all aspects of Franchisee's services and is included as EXHIBIT C.

4.2 New Program Roll-Out - Franchisee has included a detailed plan to roll-out new services and phase-in a new rate structure that is included as EXHIBIT D.

**ARTICLE 5  
COLLECTION SERVICES**

5.1 General Provisions

5.1.1. Beginning January 1, 2021 and continuing through the end of the Term of this Agreement and any extensions thereto, Franchisee shall perform collection services as provided in this Article. All such services shall be performed in a thorough and professional manner regardless of weather conditions and difficulty of collection. Franchisee shall provide Collection Service with as little disturbance as possible and shall leave any Cart or Bin in an upright position with the lid closed at approximately the same point it was collected without obstructing alleys, roadways, driveways, sidewalks or mailboxes. Franchisee shall use due care when handling Containers. Except as provided in Section 18.26, all collection services shall occur only between the hours of 6:30 AM and 6:00 PM, unless specifically approved in advance in writing by the City Manager. Franchisee shall prioritize safety and efficiency and shall consider requests made by the Town that would impact collection timing and/or routing.

5.1.2. All Franchised Materials collected pursuant to this Agreement shall be and become the property of the Franchisee at the time these materials are placed in Franchisee's collection Containers or vehicle if such materials are not placed in Franchisee's collection Containers.

5.1.3 By default, Franchisee shall strive to collect Improper Set-outs, Excess Materials, and Contaminated Recyclable Materials and Yard Trimmings (“Non-Conforming Set-outs”) whenever feasible; provided, however, that Franchisee shall only be required to collect Excess Materials for Service Recipients with Backyard Service that have been arranged at least 24-hours in advance and shall not be required to collect Contaminated Recyclable Materials as Recyclable Materials nor Contaminated Yard Trimmings as Yard Trimmings and may instead collect such Contaminated materials as Mixed Compostable Materials and charge Service Recipients the equivalent Excess Materials rate consistent with this paragraph and at the rates as set forth in EXHIBIT A. Franchisee shall be permitted to charge Residential Service Recipients for collection of Non-Conforming Set-outs after or concurrent with Franchisee providing Service Recipient(s) with Notice of Improper Set-out(s) and after a once annual courtesy collection of up to 32-gallons for no charge at the rates set forth in EXHIBIT A. Franchisee shall be permitted to charge Non-Residential Service Recipients for collection of Non-Conforming Set-outs when the service is provided and at the rates set forth in EXHIBIT A.

5.1.4 Franchisee shall not be required to collect any Franchised Materials or other materials that are not properly set-out for collection by Service Recipients and that require additional handling beyond the normal handling required for Excess Materials and/or are impractical to collect (e.g. un-containerized and loose), that contain Hazardous Waste, where the contents of the Container exceed weight limitations and/or where there is ambiguity as to the origin of the materials at the Set-out Location or whether such materials were intended to be collected. Franchisee shall leave a Non-Collection Notice indicating the date and time the notice was prepared, the driver’s initials, the complete address of the premises, the reason why the collection was not made, and the manner in which materials should be prepared for future collection. Franchisee shall leave a card stock copy at the premises by affixing it to the Container holding the materials not being collected and shall retain one copy. The form of this notice will be mutually agreed to by City Manager and Franchisee.

5.1.5 Except when material is being loaded or unloaded, or when the vehicle is on route in the process of collection, Franchisee shall at all times keep Franchised Material loads completely covered so as to prevent litter, leakage or spillage from the collection vehicle. Franchisee shall use due care to prevent vehicle oil, vehicle fuel, or other liquids from being spilled during Collection or transportation operations including maintenance of the Collection vehicles to minimize and correct any leaks. Franchisee shall immediately clean up any litter, leakage or spillage which occurs during collection and transport. In addition to the Adjustments for Damages specified in Section 13.3 of this Agreement, Franchisee shall reimburse Town for all costs incurred by Town in the cleanup of all litter created by Franchisee in the performance of this Agreement and not cleaned up by Franchisee.

5.1.6 Curbside Collection Service - Franchisee shall collect Mixed Compostable Materials Carts, Recyclable Materials Carts, and Yard Trimmings Carts Curbside unless the Service Recipient has requested Backyard Collection Service and has agreed to pay for Backyard Collection Service at the Town-approved charge. This shall apply to both public and private streets. Franchisee may charge for Curbside Collection at the rates as set forth in EXHIBIT A.

5.1.7 Backyard Collection Service - Franchisee shall collect Mixed Compostable Materials Carts, Recyclable Materials Carts, and Yard Trimmings Carts at a single Set-out Location that is not Curbside if the Service Recipient has subscribed to Backyard Collection Service Carts. Franchisee shall bill Service Recipients with Backyard Collection Service at Town-approved

Charges specified in EXHIBIT A. For Service Recipients with Backyard Collection Service, Franchisee shall collect Carts from and return Carts to the Set-out Location (such as the side yard or backyard) specified by the Service Recipient. Franchisee shall make reasonable accommodations with regard to provision and servicing of Containers (e.g., Container size and type, placement of Carts for Collection, etc.) at no additional cost to Backyard Service Recipients.

5.1.8 Special Accommodation for Qualifying Residents with Permanent Physical Limitations - Franchisee shall provide Backyard Collection Service and other such reasonable accommodation for Base Service Carts at Curbside Collection Rates to eligible Service Recipients with permanent physical disabilities that preclude them from wheeling their Base Services Carts Curbside and retrieving their Base Service Carts following collection service. Eligible Service Recipients must submit the completed Physical Limitations Program Application included in EXHIBIT E, as may be adjusted by Franchisee from time to time upon City Manager approval, and receive approval from the Franchisee prior to charges being waived. Franchisee shall have the discretion to grant temporary approval of Physical Limitations Program Applications where a disability may be qualifying and yet temporary and where Franchisee has a defined expiration on temporary approval. In the event of a dispute on Service Recipient eligibility, the Service Recipient Application and request shall be routed to the City Manager, and the City Manager's determination shall prevail provided that the eligibility requirements outlined in this section and EXHIBIT E are met. Franchisee shall provide a report to the Town annually of those addresses subscribed to the Physical Limitation Program.

5.1.9 Franchisee shall not damage private property. Franchisee shall ensure that its employees: (i) close all gates opened, unless otherwise directed by the Service Recipient, (ii) do not cross landscaped areas, and (iii) do not climb or jump over hedges and fences. Town shall refer complaints about damage to private property to Franchisee. Franchisee shall repair, to its previous condition, all acute damage to private or public property caused by its employees that is not part of normal wear and tear caused in the normal course of operations.

5.1.10 In the event that the provision of Backyard Collection Services to any Service Recipient would require Franchisee to operate its equipment on private property which Franchisee reasonably believes present an unsafe condition for such operation, Franchisee shall give written notice to Town. Franchisee shall continue to collect Mixed Compostable Materials and Recyclable Materials from such Service Recipient(s) and if such conditions persist for more than two (2) consecutive weeks, Franchisee shall not be required to continue to collect Mixed Compostable Materials, Yard Trimmings, and Recyclable Materials from such Service Recipient(s) and shall notify the Town within 48-hours and provide a list of Service Recipients that cannot be serviced as a result of the unsafe conditions and shall make reasonable accommodation to collect such materials at another location; if such unsafe conditions for more than two (2) consecutive weeks, Franchisee shall work with the Town to identify an alternative collection strategy and an appropriate rate for providing such services.

5.1.11 Special Services for Non-Residential Service Recipients - In order to promote security, improve aesthetics and minimize the impact or occurrence of illegal dumping and theft of Recyclable Materials, Franchisee will provide Special Services to Non-Residential Service Recipients at the Town-approved rates specified in EXHIBIT A. Special Services may include, but are not limited to: opening and closing enclosures to access Containers, pushing and/or pulling Containers, and

providing locks for enclosures used to store Containers or locks for Containers and ensure the enclosures or Containers are locked after providing collection Service. When lock service is provided for enclosures, only Franchisee, Town, and the participating Service Recipients will be provided with a key to the enclosures to access Containers. If lock service is provided for Containers that are left "outside" in a designated area, each Container will be locked (keyed alike), and only Franchisee staff, Town staff, and the participating Service Recipients will be provided with a key to access the Containers.

5.1.12 Response to Hazardous Waste Identified During Collection - Under no circumstances shall Franchisee's employees knowingly collect Hazardous Waste or remove unsafe or poorly containerized Hazardous Waste from a collection Container. If Franchisee determines that material placed in any Container for collection is Hazardous Waste or other material that may not legally be accepted or safely transported or delivered to the Processing Facility or presents a hazard to Franchisee's employees, or those at the Processing Facility, the Franchisee shall have the right to refuse to collect such material. The Franchisee shall then attempt to contact the Service Recipient. If the generator cannot be reached immediately, the Franchisee shall, before leaving the premises, leave a Notice of Improper Set-out/Non-collection Notice, which indicates the reason for refusing to collect the material and lists the phone number for the San Mateo County Household Hazardous Waste Facility, or other resources as directed by Town. If Hazardous Waste is found in a Collection Container or Collection area that could possibly result in imminent danger to people or property, the Franchisee shall immediately notify the Town's Fire Department using the nine-one-one (911) emergency telephone number. The Franchisee shall notify the Town of any Hazardous Waste identified in Containers or left at any Premises within twenty-four (24) hours of identification of such material. Franchisee shall comply with emergency notification procedures required by Applicable Laws and regulatory requirements. Franchisee shall notify all appropriate agencies, 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 Mixed Compostable Materials, Recyclable Materials, Yard Trimmings, and Construction and Demolition Debris anywhere within Service Area. In addition to other required notifications, if Franchisee observes any substances which it or its employees reasonably believe or suspect to contain Hazardous Wastes unlawfully Disposed of or released on any Town property, including storm drains, streets or other public rights of way, Franchisee will immediately notify the Town. All records required by regulations shall be maintained at the Franchisee's Facility. These records shall include: waste manifests, waste inventories, waste characterization records, inspection records, incident reports, and training records. Franchisee shall maintain records showing the types and quantities, if any, of Hazardous Waste found in Mixed Compostable Materials, Recyclable Materials, and Yard Trimmings, which was inadvertently Collected from Service Recipients within the Service Area, but diverted from landfilling.

5.2. Holiday Service - Franchisee shall not be required to perform any services under this Agreement on Holidays. Collection services that would be performed under this Article 5, were it not for the Holiday, shall be rescheduled one day later (to the next Work Day) for the remainder of the week following the Holiday, unless otherwise specifically approved in advance in writing by the City Manager. Franchisee shall provide written notice of the rescheduling of any other services affected by Holidays to each affected Service Recipient at least thirty (30) days in advance of the rescheduled service.

5.3. Residential Mixed Compostable Materials Collection.

5.3.1. Provision of Mixed Compostable Materials Carts - Franchisee shall provide Residential Service Recipients with one (1) 20-, 32-, 64-, or 96-gallons grey or black Mixed Compostable

Material Cart as part of Base Services and additional Mixed Compostable Materials Carts upon request and for a recurring additional charge. Mixed Compostable Materials Containers shall be delivered to Residential Service Recipients within one (1) week of the request. Residential Service Recipients may change the size of their Mixed Compostable Materials Container that is part of Base Services and may request the delivery of or removal of additional Mixed Compostable Materials Containers once annually for no additional charge.

5.3.2. Frequency of Collection - Franchisee shall provide regular, scheduled collection of Mixed Compostable Materials collection from each Residential Service Recipient in Town on a once-per-week basis, on a Monday through Friday schedule, except following Holidays.

5.3.3 Collection Location - Weekly collection shall be made from Mixed Compostable Materials Containers provided by Franchisee that are placed at the Curbside Set-out Location, or at a Backyard Set-out Location upon Service Recipient request and for an additional charge as set forth in EXHIBIT A.

5.3.4 Excess Mixed Compostable Materials - Subject to the provisions of Sections 5.1.3 and 5.1.4, Franchisee shall collect and charge for Mixed Compostable Materials in excess of the Service Recipient's subscribed level of service on the normal day of collection where the volume of the Mixed Compostable Materials exceeds the capacity of the Mixed Compostable Materials Cart such that the Cart's lid is open by eight (8) inches or more, where the Mixed Compostable Materials are not inside the Mixed Compostable Materials Cart and are properly labeled and either placed in a rigid or otherwise durable and lidded container provided by the Service Recipient where the combined weight of a rigid container is less than sixty (60) pounds in weight, or in a black or dark cinched and secured bag where the contents are less than thirty (30) pounds in weight, or where the Set-out is Non-Conforming as described in Section 5.1.3. Excess Mixed Compostable Materials collection rates are set forth in EXHIBIT A. Franchisee prefers Service Recipient call and made arrangements with Franchisee at least one (1) day in advance of the regular collection day to schedule the collection and make the appropriate payment or that Service Recipients have placed a standing order on their account where there is no ambiguity as to the origin of the materials at the Set-out Location (e.g. on Service Recipient property).

5.3.5. Extra Mixed Compostable Materials Additional Collection - Franchisee shall collect Extra Mixed Compostable Materials from Service Recipients on other than the normal day of service when the Service Recipient has called and made arrangements with Franchisee to provide Extra Services for additional charges in accordance with the rate schedule in EXHIBIT A.

#### 5.4. Residential Recyclable Materials Collection.

5.4.1. Frequency of Collection - Franchisee shall provide regular, scheduled collection of Recyclable Materials from each Residential Service Recipient every week, on the same day of the week that Franchisee performs all other services to that Residential Service Recipient. Recyclable Materials shall be collected from Recyclable Materials Carts placed adjacent to the Mixed Compostable Materials Carts.

5.4.2. Provision of Recycling Carts - Franchisee shall provide Residential Service Recipients one (1) blue 96-gallon Recyclable Materials Cart as part of Base Services and additional Recyclable Materials Carts upon request and for an additional recurring charge as specified in EXHIBIT A. Recyclable Materials Carts shall be delivered to Residential Service Recipients within one week of

the request. Residential Service Recipients may request the removal of additional Recyclable Materials Carts once annually for no additional charge.

All Recyclable Materials Containers provided by Franchisee pursuant to this Agreement shall become the property of Town at the termination of this Agreement.

5.4.3 Excess Recyclable Materials - Subject to the provisions of Sections 5.1.3 and 5.1.4, Franchisee shall collect and charge for Recyclable Materials in excess of the Service Recipient's subscribed level of service on the normal day of collection where the volume of the Recyclable Materials exceeds the capacity of the Recyclable Materials Cart such that the Cart's lid is open by eight (8) inches or more, where the Recyclable Materials are not inside the Recyclable Materials Cart and are properly labeled, set out next to the Recyclable Materials Cart and either be placed in a rigid or otherwise durable and lidded container provided by the Service Recipient where the combined weight of a rigid container is less than sixty (60) pounds in weight, or in a cinched and secured bag where the contents are less than thirty (30) pounds in weight. During seven (7) day period following a Holiday, Franchisee shall collect conforming Excess Recyclable Materials Set-outs from Residential Service Recipients for no additional charge. Service Recipient may set flattened, bundled and tied or otherwise secured cardboard boxes, which are too large to fit in the Recyclable Materials Cart, next to the Recyclable Materials Cart in Set-outs no larger than 3' x 3' x 3'. Excess Recyclable Materials collection rates are set forth in EXHIBIT A. Franchisee prefers when the Service Recipient has called and made arrangements with Franchisee at least one day in advance of the regular collection day to schedule the collection and make the appropriate payment, or have placed a standing order on their account where there is no ambiguity as to the origin of the materials at the Set-out Location (e.g. on Service Recipient property).

## 5.5. Residential Yard Trimmings Collection.

5.5.1. Frequency of Collection - Franchisee shall provide regular, scheduled collection of source-separated Yard Trimmings from Residential Service Recipients, every week on the same day of the week that Franchisee performs all other collection services to that Service Recipient. Yard Trimmings shall be collected from Yard Trimmings Carts placed adjacent to the Mixed Compostable Materials Carts or Curbside if Residential Service Recipients subscribe to Backyard Service.

5.5.2. Yard Trimmings Carts - Franchisee shall offer two (2) green 96-gallon Yard Trimmings Carts to Residential Service Recipients as part of Base Services and additional Yard Trimmings Carts upon request and for an additional recurring charge as specified in EXHIBIT A. Yard Trimmings Carts shall be delivered to Residential Service Recipients within one week of request. Residential Service Recipients may request the removal of additional Yard Trimmings Carts for no additional charge.

5.5.3. Excess Yard Trimmings - Subject to the provisions of Sections 5.1.3 and 5.1.4, Franchisee shall collect and charge for Yard Trimmings in excess of the Service Recipient's subscribed level of service on the normal day of collection where the volume of the Yard Trimmings exceeds the capacity of the Yard Trimmings Cart such that the Cart's lid is open by eight (8) inches or more, where the Yard Trimmings are not inside the Yard Trimmings Cart and are properly labeled, set out next to the Yard Trimmings Cart and may be placed in a rigid or otherwise durable and lidded container provided by the Service Recipient where the combined weight of a rigid container is less than sixty (60) pounds in weight and woody debris that can be bundled and tied or otherwise secured may be placed next to the Yard Trimmings Cart in Set-outs no larger than 3' x 3' x 3'. Excess Yard Trimmings collection rates are set forth in EXHIBIT A. Franchisee prefers when the Service Recipient has called and made arrangements with Franchisee at least one day in advance of the

regular collection day to schedule the collection and make the appropriate payment, or have placed a standing order on their account where there is no ambiguity as to the origin of the materials at the Set-out Location (e.g. on Service Recipient property).

5.5.4 Holiday Tree Collection - As part of the Yard Trimmings collection program, Franchisee shall collect, on the normal Yard Trimmings collection schedule, all unornamented Holiday trees which are set out Curbside beginning December 26, or the subsequent Monday if December 26 falls on a Saturday or Sunday, and continuing until the end of January each year for the Term of this Agreement. Franchisee shall make accommodations and provide Collection service for Service Recipients who qualify for such accommodation pursuant to Section 5.1.8 and are therefore unable to cut trees into lengths of six feet (6') or less and/or unable to bring Holiday trees Curbside at no additional cost to the Service Recipient and shall not bill the Town for such services. Franchisee shall not be required to collect flocked or ornamented trees, nor shall Franchisee be required to collect trees, or parts of trees, which are over six (6) feet in length.

5.6. Residential Special Materials Pick-Ups.

5.6.1 Used Motor Oil and Used Motor Oil Filters - Franchisee shall Collect Used Motor Oil and Used Motor Oil Filters generated by Residential Service Recipients at their residence set out for collection in Franchisee-provided or Franchisee-approved Containers. Franchisee shall not be required to collect more than five (5) gallons of Used Motor Oil per Service Recipient per collection. Franchisee shall provide up to five (5) one-gallon translucent plastic Used Oil jugs with screw on tops for Used Motor Oil collection and up to five (5) six (6) ml plastic zip close type bags for Used Motor Oil Filter collection to Residential Service Recipients, upon request, within five (5) Business Days of such request, at no additional cost to the Residential Service Recipients. Information in English and Spanish, regarding the Used Motor Oil and Used Motor Oil Filter Collection program and instructions for the use and set out of these materials shall be provided with the Used Motor Oil jugs and Used Motor Oil Filter bags. Diversion of Used Motor Oil shall be calculated with a conversion factor of one (1) gallon of Used Motor Oil equaling seven (7) pounds.

5.6.2 Household Batteries - Franchisee shall collect from Residential Service Recipients Household Batteries placed on top of the Recyclable Materials Cart in clear zip-close or tie-close plastic bags.

5.7. Non-Residential Mixed Compostable Materials Service.

5.7.1 Frequency of Collection – Franchisee shall provide appropriate Mixed Compostable Materials Containers to each Non-Residential Service Recipient and shall collect Mixed Compostable Materials from each Non-Residential Mixed Compostable Materials Container at least once-per-week, Monday through Saturday, and as often as needed to prevent overages on a normal basis in accordance with the rate schedule in EXHIBIT A. Franchisee shall encourage Non-Residential Service Recipients to maximize their Container size in order to minimize collection frequency. Collection shall be made from Non-Residential Mixed Compostable Materials Containers placed at the point of service selected by the Service Recipient. Service Recipient shall be charged for On-Premise collection services and/or other special services as requested or required in accordance with the rate schedule in EXHIBIT A.

5.7.2 Excess Mixed Compostable Materials - Subject to the provisions of Sections 5.1.3 and 5.1.4, Franchisee shall collect and charge for Mixed Compostable Materials in excess of the Non-Residential Service Recipient's subscribed level of service on a normal day of collection where the

volume of the Mixed Compostable Materials exceeds the capacity of the Mixed Compostable Materials Container such that the Container's lid is open by eight (8) inches or more, where the Mixed Compostable Materials are not inside the Mixed Compostable Materials Container and are properly labeled and either be placed in a rigid or otherwise durable and lidded container provided by the Non-Residential Service Recipient where the combined weight of a rigid container is less than sixty (60) pounds in weight, or in a black or dark cinched and secured bag where the contents are less than thirty (30) pounds in weight, or where the Set-out is Non-Conforming as described in Section 5.1.3. Excess Mixed Compostable Materials collection rates for Non-Residential Service Recipients are set forth in EXHIBIT A. Franchisee prefers Non-Residential Service Recipients call and made arrangements with Franchisee at least one (1) day in advance of a regular collection day to schedule the collection and make the appropriate payment or that Non-Residential Service Recipients have placed a standing order on their account.

5.7.3 Extra Mixed Compostable Materials Additional Collection – Franchisee shall collect Mixed Compostable Materials from Non-Residential Service Recipients on other than on normal service days when the Service Recipient has called and made arrangements with Franchisee in advance to schedule the collection and make the appropriate payment in accordance with the rate schedule in EXHIBIT A.

## 5.8 Non-Residential Recyclable Materials Collection.

5.8.1 Frequency of Collection – Franchisee shall provide Recyclable Materials collection services to all Non-Residential Service Recipients service in accordance with the rate schedule in EXHIBIT A, and with a minimum service volume of one 96-gallon container unless Service Recipient applies for and receives a special exemption from Town. Franchisee shall collect Recyclable Materials from each Non-Residential Service Recipient as often as necessary to minimize overages based on the volume of the containers provided by the Franchisee. Franchisee shall encourage Non-Residential Service Recipients to maximize their Container size in order to minimize collection frequency.

5.8.2 Excess Recyclable Materials – Subject to the provisions of Sections 5.1.3 and 5.1.4, Franchisee shall collect and charge for Recyclable Materials in excess of the Non-Residential Service Recipient's subscribed level of service on a normal day of collection where the volume of the Recyclable Materials exceeds the capacity of the Recyclable Materials Container such that the Container's lid is open by eight (8) inches or more, where the Recyclable Materials are not inside the Recyclable Materials Container and are properly labeled, set out next to the Recyclable Materials Container and either be placed in a rigid or otherwise durable and lidded container provided by the Service Recipient where the combined weight of a rigid container is less than sixty (60) pounds in weight, or in a cinched and secured bag where the contents are less than thirty (30) pounds in weight. Service Recipient may set flattened, bundled and tied or otherwise secured cardboard boxes, which are too large to fit in the Recyclable Materials Cart, next to the Recyclable Materials Cart in Set-outs no larger than 3' x 3' x 3'. Excess Recyclable Materials collection rates for Non-Residential Service Recipients are set forth in EXHIBIT A. Franchisee prefers Non-Residential Service Recipients call and made arrangements with Franchisee at least one (1) day in advance of a regular collection day to schedule the collection and make the appropriate payment or that Non-Residential Service Recipients have placed a standing order on their account.

5.8.3 Extra Recyclable Materials Additional Collection – Franchisee shall collect Recyclable Materials from Non-Residential Service Recipients on other than on normal service days when the Service Recipient has called and made arrangements with Franchisee in advance to schedule the collection and make the appropriate payment in accordance with the rate schedule in EXHIBIT A.

5.9 On-Call Clean-Up Services - Two (2) times per year, upon request, Franchisee will provide On-call Clean-up services to each Residential Service Recipient. Franchisee shall provide the services described in EXHIBIT F of this Agreement. Franchisee shall handle all materials received in a manner that will allow the maximum amount to be recycled, or otherwise diverted from landfill.

5.10 Services to Town

5.10.1 Mixed Compostable Materials, Recyclable Materials and Yard Trimmings collection services described in Article 5 of this Agreement, and shall be provided to: Town Hall, Town of Atherton Fire Department, Police Department, Public Works, Carriage House (Holbrook Palmer), Holbrook Palmer Park, City street cans as designated by Town, Atherton Train Station, Town of Atherton at 99 Station Lane and 150 Watkins Ave, and other Town facilities designated by City Manager that are generated at the designated facility. In partial consideration for granting the exclusive franchise granted to Franchisee, there shall be no charge to Town for these services. Town shall select the locations, and Franchisee shall provide appropriate containers, and service them on a mutually agreed schedule that will prevent over-flow of the Containers.

5.10.2 Mixed Compostable Materials from Public Street, Parks, and Parking Lot Litter Receptacles - Franchisee shall Collect Mixed Compostable Materials and Recyclables from public litter receptacles located on streets and in parking lots, and from public litter receptacles in parks that are accessible for Curbside Collection.

5.10.3 Town Facility On-Call Clean-Up Service - Franchisee shall provide each Town Facility with one annual On-Call Clean-Up Service event and shall not bill the Town for such services, at up to six (6) cubic yards and up to three (3) Bulky Goods.

5.10.4 Abandoned Waste Cleanup Collection Service

- A. General. Franchisee shall provide abandoned waste cleanup Collection service to Town as provided herein. Franchisee shall schedule up to a maximum of two (2) abandoned waste Collection events per service day for the Town Service Area. Franchisee shall make every effort to collect abandoned waste within one (1) Business Day of being notified by Town or Franchisee's vehicle drivers and route supervisors of the occurrence of abandoned waste or illegal dumping. This service shall require Franchisee to Collect abandoned or illegally dumped solid waste. This service does not include Collection of litter or litter abatement activities, but does include Mixed Compostable Materials that is contained in bags or boxes and placed adjacent to public litter receptacles. These collections will be made between one (1) and five (5) Business Days per week, as determined by Town.
- B. Materials to be Collected. Franchisee shall only be required to Collect abandoned waste materials of the types that Franchisee is required to Collect under the On-Call Clean-Up Services described in EXHIBIT F of this Agreement. Abandoned waste shall only be Collected by Franchisee in public right of ways, and Franchisee shall not be responsible for any Collection of abandoned waste materials that are on private properties or easements where ownership of properties are in question or shared.
- C. Collection Protocols. For abandoned solid waste Franchisee shall dispatch its regular route drivers to provide Collection service. For Bulky Items, Franchisee shall dispatch a Collection vehicle capable of Collecting the Bulky Items to provide the

- Collection service. For other items including, but not limited to, Hazardous Waste, Household Hazardous Waste, and Sharps, Franchisee shall promptly notify Agency.
- D. Franchisee shall, to the greatest extent possible, deliver all reusable non-metal abandoned waste items to organizations such as Society of St. Vincent de Paul and Goodwill Industries, or other organizations as directed by Town.

#### 5.10.5 Community Drop-Off Events

Upon request by Town, Franchisee shall hold one (1) drop-off event at a location selected by the Town to allow Residential Service Recipients to drop off acceptable materials, as described in subsection B below.

- A. **General Requirements.** Franchisee shall promote, manage, staff, and operate one (1) drop-off event for Residential Service Recipients scheduled for one (1) weekend Day (i.e., Saturday or Sunday) upon request from Town. The Town shall approve the date of the drop-off event and all advertisements or public announcements related to such event. Franchisee shall promote the event by preparing billing inserts to be included in each Residential Service Recipient's bill and by advertising in a minimum of two local area newspapers or online publications as approved by the Town. Franchisee shall manage, staff, and supervise the event. Franchisee shall provide traffic control and signage; inspect materials delivered to the event; separate materials; document each material type and quantity; transport collected materials to reuse, processing, or disposal locations; and clean up the location at the end of the event. Franchisee shall not charge Residential Service Recipients delivering materials to the event.
- B. **Accepted Materials.** Residential Service Recipients may deliver and Franchisee shall accept the following materials generated at the Residential Service Recipient's residence: Major Appliances, Bulky Items, Recyclable Materials, Yard Trimmings, tires (i.e., four (4) per Service Recipient, removed from rims, no commercial tires), clean unpainted wood, Construction and Demolition Debris, Universal Waste, E-Scrap, and Mixed Compostable Materials. Franchisee shall be allowed to reject: liquids or sludge; cement; dirt; asphalt; concrete; Hazardous Waste; or Infectious Waste. Franchisee shall not establish a limit on the volume or weight of materials that a Residential Service Recipient may bring for collection unless and until the Town directs Franchisee to establish a limit.
- C. **Participants.** Franchisee shall verify Residential Service Recipients live in the Town and subscribe to Franchisee's services by reviewing a driver's license or utility bill.
- D. **Recycling and Reuse.** Franchisee shall collect materials in a manner that maximizes the ability of other material to be diverted from disposal. Franchisee shall make reasonable efforts to ensure that diversion goals are met or exceeded. Franchisee shall separate, to the extent possible, materials by material type and transport such materials to the Facility or an alternative processing site with advance authorization from Town. Franchisee shall coordinate with re-use vendor(s) to have a representative present at the drop-off event to accept donated clothes or other reusable items. Disposal of materials shall be the Franchisee's last option.
- E. **Handling Major Appliances.** Major Appliances shall be reused, Recycled, or disposed by Franchisee in accordance with requirements of Applicable Law. Any changes to such

regulations made after the Effective Date of this Agreement shall be addressed as though they are a Change in Law in accordance with Article 9.

- F. Scheduling Community Drop-Off Event. Upon request from Town, Franchisee shall promote, manage, staff, and operate community drop-off event described in this Section. If Town exercises such right, it shall provide schedule annually to Franchisee.
- G. Confidential Document Destruction Service. If requested by Town, Franchisee shall provide confidential document destruction service at the drop off event(s). Franchisee shall provide adequate equipment and staffing necessary for the event and shall ensure full destruction of confidential documents and other materials delivered by Service Recipients at the site of the event. This service shall be provided by Franchisee at no additional cost to Service Recipients and shall not bill Town for such services.

5.10.6 Non-Town Large Venue and Event Collection Service

5.10.6.1 Franchisee shall provide collection services, upon request, to any venue and/or event within the Franchise Area. Specifically, Franchisee shall provide, at a minimum, Mixed Compostable Materials and Recyclable Materials collection services. Franchisee shall provide collection as frequently as requested by the Town or the event organizer. Franchisee shall provide an adequate number and type of collection Container(s) for the venue or event and shall coordinate its collection services with Town or event organizer. Containers shall be appropriately labeled to collect Mixed Compostable Materials and Recyclable Materials. Within ten (10) Business Days of Franchisee receiving a request to supply an event with Mixed Compostable Materials and Recyclable Materials collection services, the Franchisee will either meet with or schedule a meeting with the event organizer to discuss the event's parameters, including location, number of people attending, type of event, type of food being provided, and other related issues. Once parameters of the event are determined, proper Containers will be provided by Franchisee prior to the event, with emphasis on recycling and diversion of the materials generated.

5.10.6.2 Maximum Service Rates. Franchisee may charge the venue/event organizer at the Maximum Service Rates in accordance with EXHIBIT A. Recyclable Materials Collection service shall be provided at no additional cost to venues/events that subscribe to Mixed Compostable Materials collection. Franchisee shall be required to collect Contaminated Recyclable Materials but may collect that material as Mixed Compostable Materials and charge the venue/event organizer in accordance with the equivalent Mixed Compostable Materials rate by volume set forth in EXHIBIT A.

5.10.6.3 Reporting. The Franchisee shall report the tonnage of each material type collected at each venue and event to the Town and, upon request, to the event organizer. For venues and events which are required to comply with the Large Venues and Events Recycling Law, codified at Public Resources Code Section 42648 et seq., Franchisee shall assist the venue or event organizer in preparing a Recycling Plan and reporting all information required by those provisions of the law and may charge the venue/event organizer for such services as set forth in EXHIBIT A. Franchisee shall be required to provide to Town, at a minimum, the following information for each venue or event:

- i. List of large venues and events in the Town.
- ii. Physical and mailing addresses for the venue/event location and organizer.

- iii. Contact name, address, phone number and email address.
- iv. Type of venue or event (e.g., museum, concert, sporting event).
- v. Status of the venue or event’s written waste diversion/Recycling Plan (for all venues and events which are required to comply with the Large Venues and Events Recycling Law), and a description of the extent in which the plan has been implemented.
- vi. Service level provided (i.e., Mixed Compostable Materials, Recyclable Materials).
- vii. Tons disposed and diverted, by material type.
- viii. Description of the scope and types of diversion programs provided.
- ix. Any other information required by law.

5.10.6.4 Franchisee shall provide the Collection services required by this Section for up to 15 Town sponsored Venues and Community Events, including but not limited to: Earth Day, Summer Festival/Concert, National Night Out, Halloween Community Event, Holiday Festival, Easter egg Hunt, Holiday Tea, Little League Opening Day, Annual Town Hall Open House, Art & Garden Show, Council of Cities Dinner. This list may be amended from time to time by mutual agreement.

5.11 Service Recipient Changes - Town and Franchisee acknowledge that during the Term of this Agreement it may be necessary or desirable to add or delete Service Recipients for whom Franchisee will provide collection services.

5.12 Failure To Provide Collection Services - In the event Franchisee fails to provide any of the collection services as required under this Agreement, the Town may, but shall have no obligation to, and without waiving or relieving Franchisee of its obligation to provide such services, make such payment or perform such other act as Town deems appropriate to effectuate such services, pursuant to Section 13.6 of this Agreement.

5.13 Collection Time – Franchisee shall make a good faith effort to provide collection services at a consistent time of day for each Residential Service Recipient, and not to change the time of service more often than necessary, to maintain an efficient collection system.

5.14 Missed Pick-Ups – The failure of Franchisee to pick up Mixed Compostable Materials, Recyclable Materials or Yard Trimmings which have been set out by a Service Recipient in Town on time and in a Franchisee-provided Container or excess Mixed Compostable Materials, Recyclable Materials or Yard Trimmings in a manner that conforms to Section 5.3.4, 5.4.3 or 5.5.3 of this Agreement shall be considered a missed pick-up. If Franchisee is notified of a missed pick-up by 9:00 AM on the business day following the scheduled collection day for the Service Recipient, Franchisee shall collect the missed pick-up on the day of notification. If the Franchisee is notified after 9:00 AM on the business day following the scheduled collection day for the Service Recipient, Franchisee shall collect the material from the Service Recipient within twenty-four (24) hours of Franchisee being notified of the missed pick-up, except where collection on a Sunday or Holiday would be required, in which case Franchisee may perform the collection of a missed pick-up on the first working day immediately following the date of notification. Franchisee shall maintain a written record of all calls relating to missed pick-ups and the response provided by Franchisee. The record shall be maintained in accordance with the reporting and monitoring requirements of Article 11 of this Agreement.

**ARTICLE 6  
COLLECTION ROUTES**

6.1 Collection Route Information - Franchisee shall maintain, and provide to Town within ninety (90) days of the Effective Date of this Agreement, and once annually upon request, current and accurate maps indicating:

- A. Areas of collection including route numbers and truck numbers.
- B. Day of the week collection service is provided.
- C. Approximate time of collection (early or late AM, or early or late PM).
- D. Start point, end point, and the actual street-by-street course the collection vehicles follow on routes.
- E. Boundary of each individual route. Each adjoining route on the map shall be in a distinct color or pattern so that adjoining routes are clearly delineated. Franchisee shall provide the maps to Town both in hard copy and pdf format.
- F. A listing of the name, address and level of service for each Service Recipient.

6.2 Collection Route Changes - For any route changes proposed by Franchisee that will impact more than ten percent (10%) of Service Recipients by changing their service day, Franchisee shall submit to Town, in writing, the proposed change to routes (including by not limited to boundaries and addresses affected) not less than sixty (60) calendar days prior to the proposed date of implementation. Within thirty (30) calendar days of receipt of Franchisee's proposed change, Town shall provide written notice to Franchisee as to whether the proposed change is acceptable or not. Franchisee shall not implement any route changes that modify a Service Recipients day of service without the prior written authorization of the City Manager. Franchisee shall notify all affected Service Recipients of any authorized route change affecting day of service at least two (2) weeks in advance of the change.

6.3 Route Audits - Town may, at Town's sole expense, perform a route audit. Town may hire a third party to conduct the route audit. Franchisee shall fully cooperate in the audit and supply all requested information to Town's Consultant in a timely manner at no cost to Town.

## ARTICLE 7 COLLECTION EQUIPMENT

### 7.1 Equipment Specifications

7.1.1 General Provisions - Franchisee shall provide a fleet of Collection vehicles sufficient in number and capacity to efficiently perform the work required by the Agreement in strict accordance with the Agreement's terms. Vehicles shall be operated in compliance with federal, State, and local laws and regulations including, but not limited to, the California Vehicle Code, the regulations of the California Air Resources Board (CARB) Waste Collection Vehicle Regulations as established in the California Code of Regulations Title 13 Section 2700 et seq.; and all applicable safety and local ordinances. Franchisee shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by federal, State, or local weight restrictions on vehicles or roads. All collection equipment used by Franchisee in the performance of this Agreement shall be of high quality. The vehicles shall be designed and operated so as to prevent Mixed Compostable Materials, Recyclable Materials, Yard Trimmings from escaping from the vehicles. Franchisee shall use due care to prevent vehicle oil, vehicle fuel, or other liquids from being spilled during collection or transportation operations including maintenance of the collection vehicles to minimize and correct any leaks. All collection vehicles shall be equipped with a broom, shovel, absorbent materials, and other approved cleanup devices and materials for emergencies, or any spillage or leaks that may occur.

7.1.2 Registration - All vehicles used by Franchisee in providing services under this Agreement, except those vehicles used solely on Franchisee's premises, shall be registered with the California Department of Motor Vehicles.

7.1.3 Safety Markings - All collection equipment used by Franchisee shall have appropriate safety markings including, but not limited to, highway lighting, flashing and warning lights, clearance lights, and reflective tape striping. All such safety markings shall be in accordance with the requirements of the California Vehicle Code.

7.1.4 Vehicle Signage - Franchisee's name, telephone number and vehicle number shall be visibly displayed on both sides of all collection vehicles in letters and figures not less than four (4) inches high.

7.1.5 Collection Vehicle Noise Level - All Collection operations shall be conducted as quietly as possible and shall conform to applicable federal, State, County, and Town noise level regulations. Franchisee shall promptly resolve any complaints of noise to the satisfaction of the Town to the extent such noise exceeds the regulatory limit. The noise level generated by collection vehicles using compaction mechanisms during the stationary compaction process shall not exceed seventy-five (75) decibels at a distance of twenty-five (25) feet from the collection vehicle measured at an elevation of five (5) feet from above ground level using the "A" scale of a standard sound level meter at slow response. Franchisee shall cause the collection vehicles to be tested annually by an independent testing authority during the month of September or as otherwise mutually agreed to by the parties, and shall submit a certificate of testing showing that the vehicles meet the requirements of this Section upon request.

7.1.6 Vehicle Certifications - For each collection vehicle used in the performance of services under this Agreement, Franchisee shall comply with all applicable federal, state, and local laws governing the operation of such vehicles. Franchisee shall maintain copies of such certificates and reports and shall make such certificates and reports available for inspection upon request by the City Manager. Franchisee shall submit each of Franchisee's collection vehicles for inspection by the California Department of Motor Vehicles as required by State law. Franchisee shall not use any vehicle which does not pass such inspection, or fully comply with all applicable federal, state, and local laws.

7.1.7 Equipment Maintenance - Franchisee shall maintain collection equipment in a clean condition and in good repair at all times. All parts and systems of the collection equipment shall operate properly and be maintained in a condition satisfactory to Town. Collection vehicles shall be painted white and vehicle striping and logos shall be painted Franchisee's primary corporate color. Franchisee shall repaint all collection vehicles (including vehicle striping) during the Term of this Agreement on a frequency necessary to maintain a positive public image as reasonably determined by the City Manager. Franchisee shall wash all collection vehicles on a frequency necessary to maintain a positive public image.

7.1.8 Maintenance Log - Franchisee shall maintain a maintenance log for all collection vehicles. The maintenance log shall at all times be accessible to Town upon the request of the City Manager, and shall show, at a minimum, each vehicle's identification number, date of purchase or initial lease, dates of performance of routine maintenance, dates of performance of additional maintenance, and description of additional maintenance performed.

7.1.9 Back-Up Equipment - Franchisee shall maintain sufficient back-up equipment to ensure uninterrupted collection service during the Term of this Agreement.

## 7.2 Collection Containers

7.2.1 General Provisions - Franchisee shall be responsible for providing all Containers, (Carts, Bins, and Boxes), as appropriate, to all Service Recipients as part of its obligations under this Agreement. Subject to the provisions of Section 18.26, Franchisee shall replace or cause to be replaced all existing Base Service Carts as soon as practicable and before April 1, 2021 and shall replace or cause to be replaced all existing Bins in service within forty-five (45) days of the commencement of services, unless otherwise agreed to by Franchisee and the Town, and shall recycle such Containers as may reasonably be recycled. Franchisee shall replace Carts for Additional Services, Franchisee-provided Base Service Carts and Franchisee-provided Bins as their useful life expires throughout the Term of the Agreement. Franchisee-provided Containers shall be designed and constructed to be watertight and prevent the leakage of liquids. All Carts shall be manufactured by injection or rotational molding methods; contain post-consumer content; and meet the container design and performance requirements of the Town. Containers provided to Service Recipients shall have a useful life of ten (10) years as evidenced by a manufacturer's warranty or other documentation acceptable to the Town.

7.2.2 Container Labeling - Franchisee shall label each Container with white, hot-stamped lettering, and in-mold or heavy duty vinyl adhesive labels with graphics, illustrations, or artwork that clearly conveys the type of materials (e.g., Mixed Compostable Materials, Recyclable Materials, Yard Trimmings) to be placed in the Container for collection, and what material types are prohibited in each container, in alignment with the requirements of Section 18984.8 of Title 14, Division 7, Chapter 12 of the California Code of Regulations (SB 1383) as they exist as of the Effective Date of this Agreement.. The labeling shall be positioned on each Container so it is visible to the Service Recipients on the front side of Bins, and the top of Carts. The labeling shall be durable and weather resistant to outdoor conditions and have a minimum ten (10) year lifetime. Final Container labeling layout, graphics, and text shall be approved by the Town prior to distribution to Service Recipients.

7.2.3 Container Repair and Replacement - Franchisee shall repair or replace all Containers damaged by collection operations (e.g., vehicle apparatus interface) or otherwise inoperable (e.g., due to regular wear and tear) within three (3) Business Days of being notified by Service Recipients or observing the damaged Container. At no additional cost, Franchisee shall replace Service Recipients Carts that have been stolen, lost, damaged, or destroyed within five (5) Business Days and if such damage or destruction has been caused by the Service Recipient, a charge may apply as specified in EXHIBIT A. Franchisee shall allow Service Recipients to exchange Containers for a Container of a different size at no additional cost up to once per year and shall replace Containers within five (5) Business Days of Service Recipient's request. Franchisee shall not be entitled to an adjustment to Franchisee's Compensation for Container replacements purchased during the Term of the Agreement.

7.2.4 Town's Rights to Containers - All Carts and Bins purchased or leased by Franchisee and put into service at Service Recipients' premises before the first anniversary of the Commencement Date shall become property of the Town upon expiration or early termination of this Agreement. All Carts and Bins purchased and put into service at Service Recipients' premises on or after the first anniversary of the Commencement Date that have not been fully depreciated shall be available to the Town, at the Town's option, at their net book value, upon expiration or early termination of this Agreement. At its sole discretion, the Town may elect not to exercise its rights under this subsection.

In such case, the Containers shall remain the property of the Franchisee upon the expiration or earlier termination of this Agreement. In such case, Franchisee shall be responsible for removing all Containers in service from Premises. Franchisee shall do so within ten (10) Business Days after such expiration or earlier termination or in accordance with an alternative Container removal schedule agreed upon by the Parties, provided that Town has notified Franchisee at least ninety (90) days before such expiration or earlier termination whether or not it intends to acquire the Containers.

## ARTICLE 8 MATERIALS PROCESSING AND DISPOSAL

### 8.1 Franchisee's Responsibility

8.1.1 Compliance with Permits - Franchisee shall not knowingly deliver materials collected under this Agreement to facilities that do not comply in all material aspects with the Department of Resources Recycling and Recovery (CalRecycle) regulations under Title 14, Division 7, Chapter 3, Minimum Standards for Solid Waste Handling and Disposal. Franchisee, and not Town, must use reasonable efforts to assure that all disposal, transfer, and processing facilities to which Franchisee delivers material under this Agreement are properly permitted to receive material collected under this Agreement. Failure to comply with this provision may result in Franchisee being in default under this Agreement.

8.1.2 Permits and Approvals - Franchisee shall, upon written request from Town, arrange for the facilities owned by Franchisee or an affiliate of Franchisee to which Franchisee delivers material under this Agreement to provide copies of facility permits, notices of violations, inspection areas or concerns, or administrative action to correct deficiencies related to the operation, but only to the extent the foregoing are material and reasonably related to the services provided under this Agreement. For other facilities selected by Franchisee to which Franchisee delivers material under this Agreement, if Franchisee becomes aware of any material permit violations by such facilities that are reasonably related to the services provided under this Agreement, Franchisee shall notify Town of the same. Failure to provide facility information under this section may result in Franchisee being in default under this Agreement.

8.1.3 Mixed Compostable Materials Sorting Facility - Except as set forth below all Mixed Compostable collected as a result of performing Residential or Non-Residential Mixed Compostable Materials Collection Services under this Agreement shall be transported and delivered to the Approved Mixed Compostable Materials Sorting Facility for processing. The Mixed Compostable Materials Sorting Facility shall be the GreenWaste Materials Recovery Facility. In the event the Mixed Compostable Materials Sorting Facility is closed or otherwise unable to accept material on a Work Day, Franchisee shall transport and deliver the Mixed Compostable Materials to such other legally permitted disposal facility as is approved by Town. Failure to comply with this provision may result in the levy of liquidated damages as specified in Article 13 of this Agreement and may result in Franchisee being in default under this Agreement.

8.1.4 Organic Waste Processing Facility - Except as set forth below, all Yard Trimmings collected as a result of performing Residential Yard Trimmings Collection Services under this Agreement shall be delivered to the Organic Waste Processing Facility, and may be pre-processed by and/or transferred through the Approved Transfer Facility (GreenWaste Materials Recovery Facility) prior to delivery to the Organic Waste Processing Facility. The Organic Waste Processing Facility shall be Z-Best Composting Facility. Yard Trimmings shall not stay on site at designated Transfer Facility for a duration longer than allowed by current operating permits prior to transferring to the Organic

Waste Processing Facility. Failure to comply with this provision may result in the levy of liquidated damages as specified in Article 13 of this Agreement and may result in Franchisee being in default under this Agreement.

8.1.5 Material Recovery Facility - Except as set forth below, all Recyclable Materials collected as a result of performing Residential or Non-Residential Recyclable Materials Collection shall be transported and delivered to the Approved Material Recovery Facility for processing. The Material Recovery Facility shall be GreenWaste Materials Recovery Facility. In the event the Material Recovery Facility is closed or unable to accept material on a Work Day, Franchisee shall transport and deliver the Recyclable Materials to such other legally permitted facility as is approved by Town. Failure to comply with this provision may result in the levy of liquidated damages as specified in Article 13 of this Agreement and may result in Franchisee being in default under this Agreement.

8.1.6 Construction and Demolition Debris Recycling Facility - Except as set forth below, all Construction and Demolition Debris collected as a result of performing collection services shall be transported and delivered to the Approved Construction and Demolition Debris Recycling Facility for processing. The Material Recovery Facility shall be Zanker Recycling. In the event the Material Recovery Facility is closed or unable to accept material on a Work Day, Franchisee shall transport and deliver the Recyclable Materials to such other legally permitted facility as is approved by Town. Failure to comply with this provision may result in the levy of liquidated damages as specified in Article 13 of this Agreement and may result in Franchisee being in default under this Agreement.

8.1.7 Compliance with Legislative Requirements - Subject to the provisions of 9.1, Franchisee shall be responsible to prepare, or assist Town with the preparation of, all reports and other information as may be required by any agency, including specifically, the State of California, in order to comply with AB 939, SB 1383, and subsequent law. Franchisee shall reimburse Town for any costs the Town incurs in appearing before the State of California or CalRecycle in relation thereto. Any new legislative requirements or regulations made after this Agreement is executed shall be addressed as though they are a Change in Law in accordance with Article 9. Franchisee shall collaborate actively in the development and revision of such reports and plans that the State may require, in particular but not exclusively the Town's Source Reduction Recycling Element (SRRE), Household Hazardous Waste Element (HHWE), and Nondisposal Facility Element (NDFE). The services described herein were designed to assist the Town in complying with SB 1383, in particular but not exclusively the requirements surrounding the two-container compliance pathway described in the regulations. Franchisee shall meet the SB 1383 diversion requirements and provide for the program support and reporting required by SB 1383 and other regulations governing the tracking and reporting of solid waste processing and disposal. Franchisee shall conduct waste composition studies to meet the contamination monitoring and minimization standards described in Section 18984.5.c. of Title 14, Division 7, Chapter 12 of the California Code of Regulations (SB 1383) regarding waste evaluation studies, and as the requirements may be amended from time-to-time, and shall report on the findings of these studies in a form and format acceptable to Town.

8.2 Inspections - Town shall have the right to inspect Franchisee or Subcontractor facilities or collection vehicles used in the performance of services under this Agreement and their contents at any time while operating inside or outside Town.

8.3 Franchisee's Acknowledgment - Franchisee acknowledges that Town will not arrange for or pay for the processing or disposal of materials collected, materials that cannot be processed, or the residue from processing Recyclable Materials, Yard Trimmings, or Bulky Goods beyond the cost already incorporated into Franchisee's Compensation described in Article 13 and the rates provided in EXHIBIT A. Proper handling of all such materials is the sole responsibility of the Franchisee.

8.4 Diversion Credit - Franchisee shall, to the maximum extent practicable, ensure that Recyclable Materials and Yard Trimmings are collected and processed in a manner which will ensure that these materials are counted as “diverted” and not “disposed” according to the State’s criteria for diversion, and that Town will receive credit toward the State diversion mandates. Town and Franchisee mutually agree that Franchisee has guaranteed that Mixed Compostable Materials will be processed in a manner that ensures SB 1383 compliance, and Franchisee agrees that it will be held liable for any penalties, fees, fines, or damages assessed to the City by the State or any other entity for failure to meet CalRecycle minimum diversion standards as defined in California Code of Regulations Title 14, Division 7.

## ARTICLE 9

### MODIFICATIONS TO THE AGREEMENT

9.1 Changes in Law(s) - Town and Franchisee understand and agree that the California Legislature has the authority to make comprehensive changes in Garbage, Recyclables, or Organic Waste Management legislation and that these and other Changes in Law in the future which mandate certain actions or programs for counties or municipalities may require changes or modifications in some of the terms, conditions or obligations under this Agreement. Franchisee agrees that the terms and provisions of the Municipal Code, as it now exists or as it may be amended in the future, shall apply to all of the provisions of this Agreement and the Service Recipients of Franchisee located within the Service Area. In the event of any future Change in Law(s), including state or federally mandated modifications to Town Municipal Code, materially alters the rights or obligations of Franchisee or the services to be provided by Franchisee in a manner that results in Franchisee incurring increased operating costs or decreased revenues not covered by adjustments to Maximum Service Rates as provided for in Articles 12 hereunder, then modifications to the Maximum Service Rates as otherwise established under this Agreement may be considered. Nothing contained in this Agreement shall require any party to perform any act or function contrary to law.

9.1.1 In the event of any Change in Law that requires changes and/or modifications in Franchisee’s ability to perform the Obligations under this Agreement and/or causes a significant and substantial increase in Franchisee’s and/or subcontractor’s cost of, or a significant and substantial decrease in Franchisee’s and/or subcontractor’s revenues from, its performance hereunder, the Parties shall negotiate in good faith an appropriate adjustment to Franchisee’s Compensation resulting from such Change in Law for a period of up to ninety (90) days regarding modifications to this Agreement. If the Parties are unable to reach agreement by the end of such period, then either party may commence the dispute resolution procedures in Section 9.4 below; provided, however, that the scope of such mediation will be expressly limited to the additional compensation required for Contractor to lawfully perform the Services under this Agreement.

9.2 City-Directed Changes - Town may direct Franchisee to perform additional services (including new diversion programs, additional public education activities, etc.), eliminate programs, or modify the manner in which it performs existing services. However, changes in the minimum diversion requirement set forth in Article 5 of this Agreement is not among the changes that may be directed by Town. Direction of Solid Waste to a processing or Disposal Facility other than that originally selected by Town, pilot programs and innovative services which may entail new collection methods, targeted routing, different kinds of services, different types of collection vehicles, and/or new requirements for Service Recipients, are included among the kinds of changes which Town may direct. Franchisee shall be entitled to an adjustment in its compensation for providing such additional or modified services but not for the preparation of its proposal to perform such services. Franchisee shall be required to begin implementing a Town-directed change until the associated Maximum Service Rate adjustment has been agreed upon and has taken effect.

9.2.1 The inability of the Parties to reach agreement shall not constitute cause for Termination under Article 17 of this Agreement, nor shall the Parties' inability to reach agreement permit the City to seek another service provider for such services if such services impact the scope of Services under this Agreement. The Parties' inability to reach agreement is subject to the terms and conditions of Section 9.4.

9.2.2 Service Proposal - Within thirty (30) calendar days of receipt of a request for a service change from Town under Section 25.02, Franchisee shall if requested by Town submit a proposal to provide such service. At a minimum, the proposal shall contain a complete description of the following:

- i. Collection methodology to be employed (equipment, manpower, etc.).
- ii. Equipment to be utilized (vehicle number, types, capacity, age, etc.).
- iii. Labor requirements (number of employees by classification).
- iv. Type of carts or bins to be utilized.
- v. Provision for program publicity, education, and marketing.
- vi. Five (5) year projection of the costs of and (if applicable) revenue from the program's operations in an operating statement format including documentation of the key assumptions underlying the projections and the support for those assumptions, giving full effect to the savings or costs to existing services.

9.2.3 Monitoring and Evaluation - If Town requests, Franchisee shall meet with Town to describe the progress of any new Solid Waste or diversion program(s) and other service issues arising from the program(s). If applicable, Franchisee shall document the results of the new program(s) on a monthly basis, including at a minimum the tonnage diverted by material type, the end use or processor of the diverted materials and the cost per ton for transporting and processing each type of material and other such information reasonably requested by Franchisee and/or Town necessary to evaluate the performance of each program.

9.2.3.1 At each meeting, Town and Franchisee shall have the opportunity to discuss revisions to the program. Town shall have the right to terminate a program if Franchisee is not complying with the terms and conditions agreed upon with Town, and the termination is effected in accordance with such terms and conditions. Prior to such termination, Town shall meet and confer with Franchisee for a period of up to ninety (90) calendar days to resolve Town's concerns. After such termination, Town may utilize a third party to perform these services, provided that (i) the services are outside the scope of the services contemplated by this Agreement (such as street sweeping or curbside collection of household hazardous waste), and (ii) the services do not conflict with Franchisee's exclusive rights under Section 3.01.

9.3 In the event of a Change in Law or City-Directed Changes, it is understood that the Franchisee shall have the burden of demonstrating the reasonableness of the requested adjustment. Franchisee shall pay all reasonable costs incurred by the Town, including the costs of outside accountants, attorneys, and/or consultants, in order to make a determination of the reasonableness of the requested rate adjustment. The City Council shall then make the final determination as to whether an adjustment to the maximum rates will be made, and if a rate adjustment is permitted, the amount of the rate adjustment.

9.4 Dispute Resolution - All disputes relating to service or compensation changes relating to a Material Change in Law(s) that meet the conditions specified in Section 9.1.1 shall be resolved by the following procedures:

The party desiring mediation shall first give written notice thereof to the other party to this Agreement, specifying the dispute to be mediated.

In the event of any dispute, claim or controversy between the parties arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, the parties shall submit the dispute to the Judicial Arbitration and Mediation Service (JAMS) for non-binding mediation. The parties will cooperate with JAMS and with one another in selecting a mediator from the JAMS panel of neutrals, and in promptly scheduling the mediation proceedings. The mediation shall take place in Santa Clara County, California. The parties covenant that they will participate in the mediation in good faith, and that they will share equally in its costs. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties, their agents, employees, experts and attorneys, and by the mediator or any JAMS employees, are and shall be, confidential, privileged, and inadmissible for any purpose, including impeachment, in any other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. If the dispute is not resolved within 30 days from the date of the submission of the dispute to mediation (or such later date as the parties may mutually agree in writing), either party may CAO to include language here. This clause shall not preclude any of the parties from seeking provisional remedies from a court of appropriate jurisdiction. The mediation may continue, if the parties so agree, after the appointment of the mediator. The pendency of mediation shall not preclude a party from seeking provisional remedies from a court of appropriate jurisdiction, and the parties agree not to defend against any application for provisional relief on the ground that mediation is pending.

At least ten (10) business days before the date of the mediation, each side shall provide the mediator with a statement of its position and copies of all supporting documents. Each party shall send to the mediation one or more persons who have authority to negotiate on behalf of the party. If a subsequent dispute will involve third parties, such as insurers or subcontractors, they shall also be asked to participate in the mediation.

Special Adjustments - Regulatory changes and other changes which cannot be foreseen, or events outside of Franchisee's control, may be the basis for a special adjustment of the Franchisee's Compensation. Franchisee may request a Special Adjustment at any time. Special Adjustments will be solely at the reasonable discretion of Town, based on the written request and documentation provided by the Franchisee. In the event Franchisee requests a Special Adjustment as a result of a Change in Law, Franchisee shall have the burden of demonstrating to the reasonable satisfaction of the City Manager that the failure of Town to adjust the rates will result in the Franchisee incurring new and unanticipated costs or reduced revenues due to the Change in Law. The Franchisee will have to demonstrate new and unanticipated costs or reduced revenues by allowing for the City Manager or his/her designee review of financial statements and/or other supporting documentation reasonably necessary to determine the impact of the change. Any resulting rate adjustment shall be subject to the approval of the City Council. If a rate adjustment is not approved, Franchisee may petition the City Council to offset Franchisee's increased costs using Franchise Fees or reducing other services provided under this Agreement. Franchisee is aware that SB 1383 became law in 2016. Franchisee agrees that the passage of this law and the regulations implemented under it will not present a Change in Law and Contractor has incorporated all known costs associated with SB 1383 compliance to the Franchisee's Compensation.

**ARTICLE 10  
MISCELLANEOUS SERVICES**

10.1 Customer Relations Services

10.1.1 Franchisee's Office - Franchisee shall maintain an office within thirty (30) miles of Town Hall where Franchisee shall be available during normal business hours for communication with City Manager, other Town representatives, and the public. At the local office, Franchisee shall accept as payment personal checks, money orders, cashiers' checks, and credit cards. The local office shall be open for business from 8:00 a.m. until 5:00 p.m. Monday through Friday, exclusive of Holidays.

10.1.2 Local Telephone Number - A Customer Service Representative shall be available at the Franchisee's principal office, and shall be accessible by a local toll-free telephone number (with a 650- extension) to Town and Service Recipients at least during the hours of 8:00 AM to 5:00 PM, Monday through Friday, except for Holidays. The Customer Service Representative shall be able to assist on any matters which relate to the Franchisee's performance of services under this Agreement. A telephone answering machine shall be available at all other times. The telephone number shall be listed under Franchisee's name in the local telephone directory.

10.1.3 Emergency Telephone Number - Franchisee shall maintain an emergency telephone number for use when the listed telephone number is not attended. The emergency telephone number shall be available only to Town's Representative.

10.1.4 Service Recipient Inquiries and Complaints - During regular business hours, all incoming calls shall be answered within a maximum of four (4) rings after the introductory message concludes. No Service Recipient shall wait in excess of 2 minutes prior to speaking with a Customer Service Representative and where the Service Recipient has pulled up the account and assessed the primary reason for the call. Liquidated damages covered under Article 13 shall be applied for each month in which the average wait time exceeded 2 minutes prior to speaking with a Customer Service Representative. Franchisee shall make return calls to Service Recipients from messages received. Franchisee shall make three (3) attempts to return the call within twenty-four (24) hours of the receipt of the call. If Franchisee is unable to reach the caller in three (3) attempts, Franchisee shall send a postcard to the caller on the second working day after the call was received, indicating that the Franchisee has attempted to return the call. All attempts to contact the caller shall be recorded on the log kept by Franchisee. Franchisee shall record all complaints in a log which includes the date, time, nature of the complaint, complainant's name and address (if the complainant is willing to give this information), and nature and date and manner of resolution of complaint. This log shall be in a format approved by Town and shall be available for inspection by Town during Franchisee's office hours.

10.1.5 Customer Service Standard - Franchisee is responsible for ensuring that all staff and Customer Service Representatives maintain a professional and courteous demeanor when in contact with Town and the public. Franchisee shall be responsible for all employee interactions with Service Recipients and Town staff. Franchisee is required to ensure that its Service Recipients are consistently treated courteously and are presented with timely, responsive, and thorough solutions to problems and requests for information. Franchisee shall meet monthly to discuss compliance with the Customer service standards described herein if requested by Town.

10.1.6 Website - Franchisee shall maintain and publicize an up-to-date website whereby Service Recipients can conduct business with Franchisee. Franchisee is required to update the website monthly, and more frequently if necessary. At a minimum, the website shall:

- i. Allow Service Recipients to view and pay bills issued by Franchisee;

- ii. Provide answers to frequently asked questions including: proper Container set- out instructions; list of acceptable Recyclable Materials and Yard Trimmings; Collection Days; Customer service telephone;
- iii. Provide complete list of Town-approved Rates for all Service Recipients;

10.2 Public Education & Outreach - The Franchisee shall implement all of the elements of the Franchisee's On-Going Public Education & Outreach Plan described in EXHIBIT G of this Agreement. Any changes to the Plan must be approved in advance by the City Manager or his or her designee. All materials produced by Franchisee relating to services provided under this Agreement, whether printed or for electronic distribution, shall be approved by Town prior to being printed for distribution. A draft of all text and illustrations shall be provided to City Manager or his or her designee at least two (2) weeks in advance of production of the final document. Comments provided by the City Manager shall be reasonably incorporated, and the final version of the text and illustrations shall be acceptable to both Town and Franchisee. Printed materials shall be printed on recycled content paper.

10.3 Modification to the List of Acceptable Recyclable Materials

- A. In the event Town or Franchisee proposes to modify the list of acceptable Recyclable Materials to be separated from Mixed Compostable Materials and collected the Recyclable Materials Containers and processed and marketed by Franchisee, such materials shall be added to or removed from to the list in EXHIBIT B of this Agreement, if mutually agreed to in writing by Town and Franchisee.
- B. If Franchisee proposes the addition of the material, the proposal shall be in writing, and include the extent to which the addition of the proposed material would require a modification of the current Recyclable Materials collection vehicles, the use of an additional Recyclable Materials Container, and the use of additional collection vehicles, and shall notify Town of the estimated costs of adding the proposed material.
- C. If Town proposes such addition in writing, Franchisee shall submit a written proposal detailing how the materials would be handled and the cost of adding the materials within thirty (30) calendar days of Town's request. Town shall respond in writing to Franchisee's description of changes and costs of implementation within thirty (30) calendar days of Franchisee's notification to Town. Both parties shall negotiate in good faith for the purpose of reaching an Agreement for the addition of the proposed material and a schedule for the implementation of any modification to the list of acceptable Recyclable Materials. The City Manager is authorized to negotiate on behalf of Town and to approve the modification and implementation schedule, but any Agreement which would result in additional rate revenue to Franchisee, shall not become effective unless approved by the City Council.
- D. Franchisee shall notify all Service Recipients of the changes in materials being recovered before any changes in the program are implemented.

10.4 Emergency Services - Franchisee shall begin providing emergency services within 24-hours of notification by Town. Emergency services are services beyond the services specified in this Agreement, which result from emergency conditions such as earthquake, fire, flood, or other natural calamity, riot, insurrection public disobedience, labor controversy, labor strike, or similar condition which threaten the public health, safety and welfare. Town shall pay Franchisee for emergency services performed pursuant to this Section in accordance with the rate schedule specified in EXHIBIT A. Emergency conditions do not include the results of failure of Franchisee to comply with the standards and procedures set forth in this

Agreement, or fuel shortages not caused by qualifying emergency conditions described in this Section, strikes, work stoppage or slowdown, sickout, lockout, picketing or other concerted job action conducted by Franchisee's employees or directed at Franchisee or any of its subcontractors. Should Franchisee not be able to provide Emergency Services, Town, or its agents, may assume and carry out the Mixed Compostable Materials, Recyclable Materials and Yard Trimmings Collection services. During the duration of the emergency, Franchisee shall make available to Town all of the company's operable equipment and other facilities necessary for providing the services required under this Agreement. Revenues which would normally accrue to Franchisee during the time the emergency services are provided, less the amount of any payments for equipment, shall accrue and be payable to Town to be used to pay the emergency services operator. During the emergency conditions, Town, or its agents, shall operate, maintain and repair, without cost to Franchisee, Franchisee's equipment and other facilities used by Town. Upon cessation of the Emergency condition, the right to use such equipment shall expire and Town shall return said equipment to Franchisee in a condition substantially the same as that which existed upon acquiring said equipment, ordinary wear and tear excepted.

#### 10.5 Disruption of Services

10.5.1 Substitute Collection - If, at any time during the Term of this Agreement, for a period of seventy-two (72) consecutive hours or more, Franchisee fails for any reason to collect and remove Mixed Compostable Materials, Recyclable Materials and Yard Trimmings as required in this Agreement, Town may immediately, upon written notice to Franchisee, cause such Mixed Compostable Materials, Recyclable Materials and Yard Trimmings to be collected and removed by whatever means available to Town. For so long as Franchisee continues to collect rates from Service Recipients pursuant to Article 12 of this Agreement, Franchisee shall pay any and all costs incurred by Town for the provision of such substitute services.

10.5.2 Use of Equipment - In the event Franchisee fails to collect and remove Mixed Compostable Materials, Recyclable Materials and Yard Trimmings as required in this Agreement, for a period of seventy-two (72) consecutive hours or more, Town, upon written notice to Franchisee, may (but shall not be required to) take possession of and operate through its employees or any other properly licensed persons, any and all trucks and other equipment used by the Franchisee for the collection and removal of Mixed Compostable Materials, Recyclable Materials and Yard Trimmings in the Franchise Area until such time, not to exceed one-hundred-twenty (120) days, as Franchisee satisfies Town that it is ready, able and willing to comply with all the provisions of this Agreement. In this event, Franchisee shall provide Town with driver route listings and necessary operational records. For so long as Franchisee continues to collect rates from Service Recipients pursuant to Article 12, Franchisee shall reimburse Town in full for any costs incurred by Town pursuant to this Section. Town shall indemnify and hold harmless Franchisee from and against any damage to such equipment or liability to any third person injured or damaged as a result of Town's use or possession of such equipment, to the extent such damage or liability is not covered by insurance. Employees of Franchisee, including management employees, may be employed by Town during any period in which Town temporarily assumes the obligations of Franchisee under this Agreement.

10.6 Compost Give-Away - Franchisee shall coordinate with the Town to host "Bring Your Own Bucket" (BYOB) giveaway of compost to residents to a site or sites designated by Town. The BYOB compost giveaway shall provide residents with free compost to enrich their gardens while also educating residents on the benefits of home composting. Franchisee representatives shall be on hand to distribute Recycling guides and other educational material promoting waste reduction and Recycling. Franchisee is required to deliver to Town thirty (30) cubic yards of compost annually in one (1) or two (2) deliveries for the BYOB events

and/or for use at Town facilities and shall not bill Town for such services. Town shall schedule events as far in advance as possible. The Town will take the lead promoting the BYOB events.

10.7 Carbon Footprint - Franchisee shall annually file its emissions data with the Climate Registry or an equivalent registry. Upon request of Town, Franchisee shall provide the requesting party with emissions data (and any accompanying report) filed; a description of Franchisee's carbon footprint; and, a description of Franchisee's activities both planned and implemented to reduce its carbon footprint for the previous calendar years.

**ARTICLE 11  
REPORTING REQUIREMENTS**

11.1 General Reporting Requirements - Franchisee shall provide Quarterly and Annual Reports as detailed in EXHIBIT H of this Agreement, at no cost to Town. Franchisee shall compile and maintain records related to its performance as necessary to develop the reports required by this Agreement. Subject to the provisions of Article 9, Franchisee agrees to conduct data collection, record keeping, and reporting activities necessary to meet the reasonable reporting and Mixed Compostable Materials, Recyclable Materials, and Yard Trimmings program management needs of the Town, and to comply with Franchisee's obligations under the Act and other State legislation/regulations including, but not limited to, AB 341, AB 1826, and SB 1383), other Applicable Laws, and the requirements of this Agreement. Franchisee shall maintain all records necessary to allow the Town to determine Franchisee's compliance with the terms of the Agreement and compliance with the Performance Standards presented in this Agreement.

11.2 Service Recipient Database - Franchisee shall maintain at all times a computerized data base containing a complete file of Service Recipients coded by category, number, size and frequency of collection of Residential and Non-Residential Mixed Compostable Materials Containers, Recyclable Material Containers and Yard Trimmings, and the number, distance and type of Backyard collection services. The file shall include the address of the collection location and the address of the Service Recipient if it is different. The data base shall at all times be accessible by Town. Franchisee shall cooperate with Town with respect to providing information relevant to this Agreement which is not specified in this Article. Franchisee shall not use the Service Recipient Database for any purpose other than to provide services specified in this Agreement. The Database may not be distributed to any party other than to provide services specified in this Agreement. The Database shall be turned over to Town upon termination of this Agreement.

11.3 Transfer of Data - The billing database shall be considered to be jointly owned by both Town and the Franchisee, and shall be made available to Town on request. Six (6) months prior to the termination date of this Agreement, and within ten (10) working days of a request by Town (up to five (5) times during the Term of the Agreement), the Franchisee shall provide Town a complete listing of all billing accounts, level of service information and route maps. The listing of billing accounts and level of service information shall be provided digitally in a format and file type that is mutually agreed upon by both Town and the Franchisee.

11.4 Accuracy of Reports - The failure of Franchisee to file accurate and timely reports to the Town, or the inclusion of any inaccurate or misleading data, statement or representation by Franchisee in such report(s) or correspondence to the Town shall be subject to Liquidated Damages. In addition, the inclusion of any materially false or misleading statement or representation by Franchisee in such report shall be deemed a Franchisee default as described in Article 17 subject to the notice and cure provisions of that Article and shall subject Franchisee to all remedies which are available to the Town under the Agreement or otherwise.

**ARTICLE 12  
SERVICE RATES & PAYMENTS**

12.1 Rate Adjustments to Service Recipients – Maximum rates charged to Service Recipients for services provided pursuant to this Agreement shall be established by the City Council. All rates will be adjusted as needed and determined by the City Council. The Town shall be solely responsible for establishing and adjusting Rates as described in this Article. The Town shall have the sole and exclusive right to change the relationship of individual Rates in comparison with other Rates, provided, however, that Town agrees to consult with and garner agreement from Franchisee if Town proposes to change the relationship between related rates (e.g. Backyard Service, collection frequency) that may send pricing signals to Service Recipients that could in turn reasonably impact Franchisee’s Additional Service Compensation or materially increase Franchisee’s costs. The Town shall adjust Rates as necessary to generate annual Gross Billings at least equal to Franchisee’s Compensation approved for the Rate Year and shall set rates in consultation with Franchisee.

12.2 Rates to Service Recipients - The Franchisee shall bill Service Recipients for services at no more than the initial Rates authorized by the Council for the period from January 1, 2021 through Dec 31, 2021 as provided in EXHIBIT A of this Agreement. EXHIBIT A shall be adjusted as needed and determined by the Town Council.

### 12.3 Billing

12.3.1 Rates – The Town shall establish, by resolution or ordinance, Rates for services provided as described in EXHIBIT A. Franchisee shall bill Service Recipients and collect at those Town-approved Rates, including Service Recipients at the Minimum Monthly Flat Fee as set in EXHIBIT A to this Agreement, as may be adjusted by the Town from time-to-time.

12.3.2 Bill Timing - Franchisee shall mail quarterly bills to all Residential Service Recipients not earlier than one (1) month, nor later than two (2) months, into each quarterly billing cycle. Franchisee shall mail bills to all Non-Residential Service Recipients monthly, in arrears. Payment shall be due one (1) month from the date the bill is mailed.

12.3.3 Non-Collection - Franchisee shall be responsible for collection of payment from Service Recipients with past due accounts. Franchisee shall undertake reasonable efforts to obtain payment of delinquent amounts from Service Recipients, through issuance of late payment notices, telephone requests for payments, and/or assistance from collection agencies. In the event that any account becomes more than thirty (30) calendar days past due, Franchisee shall notify such Service Recipient of the delinquency via written correspondence and telephone contact. Should any account become more than sixty (60) calendar days past due, Franchisee shall provide notice to the Service Recipient via written correspondence that service may be discontinued if the account becomes more than ninety (90) calendar days past due. Should any account become more than ninety (90) calendar days past due, Franchisee may discontinue providing service to the Service Recipient, but shall continue to charge Service Recipient at the Minimum Monthly Flat Fee as set in EXHIBIT A to this Agreement, as may be adjusted by the Town from time-to-time. Franchisee shall be entitled to charge and retain a late charge amount in an amount not to exceed a periodic rate of 1.5% monthly (APR of 18%, minimum \$2.00 fee) applicable on past due balances of 30-days or more. At Franchisee’s sole discretion, Franchisee may withhold service from a delinquent account until past delinquencies and late fees, if any, are paid in full or may remove Containers. Upon restoring service to a previously delinquent account, Franchisee may charge a re-start/delivery fee and require a deposit from the Service Recipient not to exceed one (1) month’s billings at the Service Recipient’s service level. The amount of late fees shall not exceed the rate approved by the Town in EXHIBIT A. Franchisee shall provide the Town with a list of all past due accounts and their status (i.e. “30-

days past due”, “60-days past due”, “90-days past due”, “stop service pending”, “service stopped”) with each Quarterly Report submitted in accordance with EXHIBIT H.

12.3.4 Automated Billing and Payment - In an effort to reduce paper waste, Franchisee shall make available to all Service Recipients an automated billing and payment system. This system should be website-based and allow Service Recipients to view and pay bills through Franchisee’s website. Through the Franchisee’s website, Service Recipients may request to cease paper billing and receive all bills through e-mail and/or Franchisee’s website. Franchisee shall ensure that the electronic billing and payment website conforms to industry-standard practices for electronic commerce security. However, Franchisee shall ensure that these Service Recipients are compiled in a list to ensure that billing inserts are mailed directly.

12.3.5 Bill Format - Franchisee shall bill Service Recipients using a bill format (i.e., post-card billing format or conventional envelope/insert) approved by the Town, if Service Recipients does not opt-out by requesting use of the automated billing and payment system. Franchisee shall promote the website-based billing and payment system on all paper bills sent to Service Recipients. Subject to Article 9, Town shall have the right to revise the billing format (e.g., size, font, frequency, etc.) and to itemize certain charges and to review the billing procedures. Paper bills shall be printed on recycled content paper.

12.3.6 If requested by the Town, Franchisee shall provide the Town with a complete and current list of its Service Recipient addresses within ten (10) Days of the request. In addition, if requested by the Town, Franchisee shall arrange for reasonably related notices (prepared by the Town) to be mailed.

12.4 Town Billing Review - Franchisee acknowledges that Town may perform, or cause to be performed, billing reviews periodically. Franchisee agrees to participate and cooperate with Town and its agents to accomplish these reviews and conduct any data collection and report preparation that may be reasonably requested. The Franchisee’s full cooperation with these reviews may include, but is not limited to: (i) allowing Town staff or consultants to ride along with drivers in Collection vehicles during daily Collection operations; (ii) providing for interviews of personnel at all levels, with or without management oversight; (iii) providing reporting related to franchised operations available through Franchisee’s automated systems; and, (iv) adjusting routing, public information, outreach, or program availability based upon the recommendations of the audit, if approved by the Town.

## 12.5 Payments to Town

12.5.1 Franchisee shall, in partial consideration for granting the exclusive franchise granted to Franchisee, remit to Town, within thirty (30) days of the end of each month, a Franchise Fee in the amount of ten percent (10%) of Franchisee’s monthly Gross Billings. This payment to Town shall be accompanied by sufficient documentation to identify the source of all Gross Billings. This documentation shall include, at a minimum, specifics for each account, including the amounts billed for Base Services and Extra Services. Franchisee and Town agree the franchise fee is a negotiated amount paid by Franchisee that is reasonably related to the value of the rights granted to Franchisee under this Agreement.

12.5.2 Town may from time to time adjust the amount of the fees described in this Article and may establish other fees. Changes in the total amount of fees to be collected by Franchisee and remitted to Town shall be reflected in an adjustment to Service Recipient Rates.

12.5.3 Yearly Administrative Support Payment (“AB 939 Fee”) - Franchisee will be required to reimburse the Town for its costs for managing this Agreement and for annual reporting requirements of the City to the State and any other entity. The initial yearly payment amount shall be Fourteen Thousand Dollars (\$14,000) per year and shall be paid to the Town in twelve (12) monthly amounts of \$1,166.67 along with the Franchise Fee referenced in Section 12.5.1.

12.5.4 Street Sweeping Fee – Franchisee will be required to pay the Town a fee for street sweeping at Twenty-Four Thousand Dollars (\$24,000) per year and shall be paid to the Town in twelve (12) monthly amounts of \$2,000 along with the Franchise Fee referenced in Section 12.5.1.

12.5.5 Negotiation Reimbursement – Franchisee shall reimburse the Town for its costs related to the procurement and negotiation of this Agreement in the amount of One Hundred and Seventy-Five Thousand Dollars (\$175,000) in a one-time payment due to the Town effective January 1, 2021.

12.5.6 No acceptance by Town of any payment shall be construed as an accord that the amount is in fact the correct amount, nor shall such acceptance of payment be construed as a release of any claim Town may have against Franchisee for any additional sums payable under the provisions of this Agreement. All amounts paid shall be subject to independent audit and recompilation by Town.

### ARTICLE 13 FRANCHISEE’S COMPENSATION

13.1 Franchisee’s Compensation - Franchisee shall charge Service Recipients Rates for services in accordance with EXHIBIT A, collect revenue for services provided, make payments to Town pursuant to Article 12, and retain compensation for services provided in accordance with this Article. Franchisee’s compensation shall be comprised of Base Service Compensation and Additional Service Compensation.

13.1.1 Franchisee’s Base Service Compensation. Franchisee’s Base Service Compensation for the first year of this Agreement (January 1, 2021 through December 31, 2021) shall be in the amount of \$3,150,000. Franchisee’s Base Service Compensation includes all compensation for all Base Services, including Backyard Services and Additional Recycling Cart Services and Additional Yard Trimmings Cart Services at the time of Franchisee’s proposal to the Town, and also includes all compensation for public outreach and education, Bulky Item Clean-up, Community Drop-off Event, Compost Giveaway, and all other regularly scheduled services under this agreement that are not compensated via Additional Service Compensation. Franchisee’s Base Service Compensation includes Backyard Services for 177 Residential Service Recipient, 151 Additional Recycling Carts for Residential Service Recipients (calculated as the total number of Residential Recycling Carts less the total number of Residential Service Recipients), and 1,413 Additional Yard Trimmings Carts for Residential Service Recipients (calculated as the total number of Residential Yard Trimmings Carts less twice the total number of Residential Service Recipients). Franchisee’s Base Service Compensation may be adjusted up or down monthly in accordance with documented changes in subscriptions to Backyard Services, Additional Residential Recycling Carts, and/or Additional Residential Yard Trimmings Carts.

13.1.2. Changes in Backyard Services, Additional Recycling Carts and Additional Yard Trimmings Carts. Changes in subscriptions to Backyard Services will add or deduct to Franchisee’s Base Compensation the amount of \$163 per month per account. Changes in the number of Residential Additional Recycling Carts will add or deduct to Franchisee’s Base Compensation the amount of \$22 per month per cart. Changes in the number of Residential Additional Yard Trimmings Carts will add

or deduct to Franchisee's Base Compensation the amount of \$31 per month per cart. These amounts will be adjusted annually via the same mechanism described in Section 13.2.6.

13.1.3 Franchisee's Additional Service Compensation. Franchisee's Additional Service Compensation is compensation that is retained by Franchisee for Additional Services and Extra Services, via the rates for those services shown in Exhibit A as "Excess Services", "Extra Services", "Bin-by-the-Day Services", and "Additional Misc. Charges", and "Debris Box Services". Franchisee's Additional Service Compensation does not include those services shown in Exhibit A as "Base Services", "Additional Services", and "Backyard Collection Services".

13.1.4 Example of Monthly Reconciliation of Gross Billings, Franchisee Compensation Retention, and Remittance to Town. Franchisee shall, on a monthly basis, and within thirty (30) days of the end of each month, reconcile Gross Billings for Base Services and Additional Services, Franchisee's Compensation for Base Services and Additional Services, and the Franchise Fee, AB 939 Fee, and Street Sweeping Fee payable to the Town. The monthly reconciliation shall list the amount of Gross Billings for all services, the monthly amount of Franchisee's Base Compensation, any Franchisee Additional Compensation, and the Franchise Fee, AB 939 Fee, and Street Sweeping Fee. With the monthly reconciliation, Franchisee shall remit all amounts of Gross Billings above the amounts retained by Franchisee as Base Compensation and Additional Compensation and payable to the Town as Franchise Fee, AB 939 Fee, and Street Sweeping Fee, for use by the Town as rate stabilization funds. If monthly Gross Billings are less than the total amount due to Franchisee for Base Compensation, Additional Compensation and payable to the Town as Franchise Fee, AB 939 Fee, and Street Sweeping Fee, the Town shall pay Franchisee the difference from Town rate stabilization funds. An example of the monthly reconciliation is shown in Table 1, below.

**Table 1: Example Monthly Gross Billings, Town Payments Remittance and Retention**

Gross Billings for Base Services	\$	300,000.00
Gross Billings for Additional Services	\$	2,250.00
<b>Monthly Gross Billings</b>	<b>\$</b>	<b>302,250.00</b>
Franchisee's Monthly Base Compensation	\$	262,500.00
Franchisee's Additional Service Compensation	\$	2,250.00
<b>Franchisee's Compensation</b>	<b>\$</b>	<b>264,750.00</b>
<b>Gross Billings less Franchisee's Compensation</b>	<b>\$</b>	<b>37,500.00</b>
Franchise Fees on Gross Receipts	\$	30,225.00
AB 939 Administrative Fee	\$	1,166.67
Street Sweeping Monthly Fee	\$	2,000.00
<b>Payments to Town</b>	<b>\$</b>	<b>33,391.67</b>
<b>Surplus/Shortfall to/from Town for Rate Stabilization</b>	<b>\$</b>	<b>4,108.33</b>

13.2 Annual Adjustments to Franchisee's Compensation - Franchisee and Town have stipulated to a proscriptive annual adjustment mechanism for the Term of the contract that will be used in establishing Franchisees Base Services Compensation and Additional Service Compensation as follows:

13.2.1 Franchisee's Base Services Compensation shall be adjusted annually by four percent (4.0%) on January 1, 2022 and January 1, 2023.

13.2.2 On January 1, 2024, January 1, 2024 and January 1, 2026, Franchisee's Base Services Compensation shall be adjusted annually by eleven percent (11.0%).

13.2.3 On January 1, 2027, Franchisee's Base Services Compensation shall be adjusted by eight percent (8.0%).

13.2.4 On January 1, 2028, Franchisee's Base Services Compensation shall be adjusted by three percent (3.0%) *plus* the change in the Consumer Price Index calculated based upon the U.S. Department of Labor, Bureau of Labor Statistics, Not Seasonally Adjusted, All Items, San Francisco - Oakland - Hayward, CA (CPI-U), Series ID CUURS49BSA0. The change shall be one-hundred percent (100%) of the prior twelve (12) month average percentage change in the CPI between July of the current year to July of the prior year. If that change would be negative, the change shall be 0% instead.

13.2.5 Beginning July 1, 2029 and on each January 1 thereafter for the remainder of the Term, Franchisee's Base Services Compensation shall increase annually to adjust for changes in the cost of doing business. This increase shall be calculated based upon the U.S. Department of Labor, Bureau of Labor Statistics, Not Seasonally Adjusted, All Items, San Francisco - Oakland - Hayward,

CA (CPI-U), Series ID CUURS49BSA0. The change shall be one-hundred percent (100%) of the prior twelve (12) month average percentage change in the CPI between July of the current year to July of the prior year. If that change would be negative, the change shall be 0% instead.

13.2.6 On January 1, 2022 and each January 1 thereafter for the remainder of the Term, Franchisee’s rates for Additional Service Compensation shall increase annually to adjust for changes in the cost of doing business. This increase shall be calculated based upon the U.S. Department of Labor, Bureau of Labor Statistics, Not Seasonally Adjusted, All Items, San Francisco - Oakland - Hayward, CA (CPI-U), Series ID CUURS49BSA0. The change shall be one-hundred percent (100%) of the prior twelve (12) month average percentage change in the CPI between July of the current year to July of the prior year. If that change would be negative, the change shall be 0% instead.

13.3 Adjustments for Damages - Town shall charge the Franchisee any costs Town incurs for the Franchisee's failure to: collect wastes, divert materials to be in compliance with State and Federal Regulations, and operate equipment properly; or the costs of responding to complaints and problems; and other costs relating to failure of the Franchisee to comply with all other aspects of this Agreement. Town and Franchisee agree that the following liquidated damage amounts represent a reasonable estimate of the amount of such damages, including the relationship of the sums to the range of harm to Town that reasonably could be anticipated, and the anticipation that proof of actual damages would be costly or inconvenient. Franchisee agrees to pay liquidated damages (not as a penalty) as set forth below (number of incidents is given over a rolling 12-month period in Table 2; each incident is subject to liquidated damages in Table 3):

**Table 2**

<b>Item</b>	
a.	For each failure over six (6) to commence service to a new Service Recipient within seven (7) days of request.
b.	For each failure over twelve (12) to collect Mixed Compostable Materials, Recyclable Materials or Yard Trimmings which had been properly set-out for collection (pursuant to Section 5.1.3).
c.	For each failure over twelve (12) to collect a missed set-out within 24 hours of receiving notification or the next Work Day, whichever is later.
d.	For each occurrence of collection during unauthorized hours (starting early or finishing late), where the Town has not been notified in advance of unusual circumstances.
e.	For each occurrence over twelve (12) of leaving litter in a public street.
f.	For each time the billing procedures described in Section 12.3 of this Agreement are not followed.
g.	For each calendar day a report required by this Agreement is incomplete, inaccurate or late.
h.	For each failure to maintain office hours as required by this Agreement.
i.	For each failure to display Franchisee’s name and Service Recipient's service phone number on collection vehicles dedicated to the Town.
j.	For each failure to repair or replace damaged carts or bins, or deliver or exchange carts or bins, within the time required by this Agreement.
k.	For each failure to meet regulatory vehicle noise requirements (pursuant to Section 7.1.5).
l.	Failure to maintain or failure to replace Containers that are no longer in good working order, including proper labeling and malfunctioning used oil containers within seven (7) days of notification.

m.	For each occurrence over 12 of carts knocked over, left with tops opened, obstructing alleys, roadways, driveways, sidewalks or mailboxes, or not replaced at the same point where it was picked up.
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Table 3

	Item	Amount and Frequency
n.	Failure to have Franchisee personnel in proper uniform.	\$250 per incident per day
o.	Failure to repair damage to Service Recipient's property caused by Franchisee or its personnel, after notice by Town or the Service Recipient to Franchisee and where documentation establishing fault is provided and not disputed.	\$500 per incident per location
p.	Failure to repair damage to Town property caused by Franchisee or its personnel, after notice by Town to Franchisee and where documentation establishing fault is provided and not disputed.	\$500 per incident
q.	Failure to repair damage to City streets directly caused by Franchisee beyond normal operating wear and tear, after notice by Town to Franchisee and where documentation establishing fault is provided and not disputed.	\$500 per incident and the actual reasonable cost of repair to Town's satisfaction—no cost to Town
r.	Failure to clean up spillage or litter caused by Franchisee within two (2) hours after notice by Town to Franchisee during the normal Work Day or within four (4) hours if notice is received outside of a normal Work Day.	\$500 per incident per location
s.	Failure to properly cover materials in collection vehicles.	\$500 per incident
t.	Changing residential collection days without proper notification to the City Representative.	\$500 per incident per day
u.	Commingling material collected as Garbage with material collected as Recyclable Materials.	\$500 per incident
v.	Disposal of Recyclable Materials or Organic Waste that has been separately collected by Contractor at a Disposal Facility without first obtaining the required permission of Town.	\$500 per load
w.	Failure to deliver any Collected materials to a Town approved Disposal Facility, or to a legally permitted Materials Recovery Facility or Organic Waste Processing Facility, except as otherwise expressly provided in this Agreement.	\$5,000 each failure
x.	Failure to offer and provide adequate capacity for processing of Recyclable Materials.	\$250 per incident per day
y.	Each vehicle exceeding weight limits.	\$750 each event
z.	Each second exceeding 120 seconds of call "hold" time prior to speaking with a Customer Service Representative, measured by average "hold" time each month.	TBD

Damages will start at \$50 per incident for those liquidated damages given in Table 2, and may increase, at sole discretion of Town, in increments of up to \$100, to a maximum of \$500 per incident for repeated failure to perform any one condition in the tables above. After learning of the occurrence of any incident that is to be used as the basis for the assessment of any liquidated damages, or that is to be used as an incident preceding an incident that is the basis for the assessment of any liquidated damages, Town shall provide Franchisee written notice of the incident. The notice will include a brief description of the incident. Within ten (10) days of notification by Town, Franchisee may submit a written appeal to the City Manager challenging the occurrence of the incident, stating why the incident is not a proper basis for the assessment of liquidated damages, or is not a proper incident preceding an incident that for the basis for the assessment of liquidated damages, or explaining why the liquidated damages should not be assessed. The decision of the

City Manager shall be final. Franchisee shall pay any liquidated damages within thirty (30) calendar days after they are assessed. Payment of liquidated damages will in no way be a waiver of Town's authority to terminate this Agreement.

13.4 Collection Services Reimbursement - In the event Franchisee fails to provide collection services as required under Article 5 of this Agreement, and Town exercises its rights under this Article, Franchisee shall reimburse Town for any and all payments made or costs incurred by Town to effectuate such collection services, plus an administrative fee in the amount of twenty-five percent (25%) of such payments or costs.

13.5 Other Reimbursements - In the event Franchisee fails to perform any service required under this Agreement, such failure continues for five (5) calendar days after Town notifies Franchisee of such failure to perform, and Town subsequently makes any payment or incurs any cost to perform the service required of Franchisee, Franchisee shall reimburse Town for any and all payments so made or costs so incurred by Town, plus an administrative fee in the amount of twenty-five percent (25%) of such payments or costs.

#### **ARTICLE 14 PERFORMANCE BOND**

14.1 Faithful Performance Bond - Within ten (10) calendar days from the date the City Council approves this Agreement and by Jan 10 of each year of this Agreement, Franchisee shall procure and provide Town with a fully prepaid surety bond, or the letter of credit, for at least the duration of such Contract Year, to guarantee and assure the prompt and faithful performance of Franchisee's obligations under this Agreement. Such bond shall be executed by a surety licensed and in good standing with the Department of Insurance in the State of California, and have a Best Company rating of A-10 or better. The bond shall name Town of Atherton as obligee, shall provide at least thirty (30) calendar days prior notice of any cancellation, and shall be in the amount of One Million Dollars (\$1,000,000). The bond will continue in effect for three (3) months beyond the Term of the Agreement, or until all Franchise Fee Payments to Town and the End of Agreement Reports specified in EXHIBIT H are provided to Town, whichever comes first. The form of the bond and the surety are subject to the approval of The City Manager and the City Attorney. The bond will be executed as surety by a corporation authorized to issue surety bonds in the State of California, with a financial condition and record of service satisfactory to Town. Town reserves the right to reduce or waive this requirement at any time. The condition of the performance bond shall be such that if Franchisee shall well and truly perform the covenants, promises, undertakings and obligations contracted by Franchisee to be performed under this Agreement, then the obligation of the bond shall be void; otherwise it shall remain in full force and effect. Said bond shall terminate and be canceled upon the completion of all of Franchisee's obligations under this Agreement. Town shall execute and deliver to Franchisee or Franchisee's surety company promptly upon Franchisee's completion of all of Franchisee's obligations under this Agreement such certificates or other documents as either of them may reasonably request for the purpose of terminating and canceling such performance bond.

14.2 Town's Rights - Town shall have the right to draw against the faithful performance bond or the letter of credit in the event of a breach or default of Franchisee or the failure of Franchisee to perform fully any obligation under this Agreement. Within five (5) calendar days of receipt of notice from Town, Franchisee shall renew or replace such sums of money as needed to bring the faithful performance bond or letter of credit current.

#### **ARTICLE 15 INSURANCE REQUIREMENTS**

15.1 Insurance Policies - Franchisee shall at its sole cost procure and maintain throughout the Term of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with Franchisee's performance of work or services under this Agreement. Franchisee's performance of work or services shall include performance by Franchisee's employees, agents, representatives and subcontractors.

15.1.1 Minimum Scope of Insurance - Insurance coverage shall be at least this broad:

- i. Commercial General Liability: Insurance Services Office (ISO) Occurrence Form CG 0001 or its equivalent, or, if approved by CITY, Claims Made Form No. CG0 0002. Automobile Liability: Insurance Services Office Form No. CA 0001, or its equivalent, code 1 "any auto".
- ii. Workers' Compensation Insurance as required by the State of California and Employers Liability Insurance.
- iii. Hazardous Waste and Environmental Impairment Liability Insurance.

15.1.2 Minimum Limits of Insurance - Franchisee shall maintain insurance limits no less than:

- A. Commercial General Liability: \$5,000,000 per occurrence, Ten Million Dollars (\$10,000,000) general aggregate and Ten Million Dollars (\$10,000,000) products and completed operations coverage..
- B. Automobile Liability: \$4,000,000 combined single limit per accident .
- C. Workers' Compensation and Employers Liability: Workers' Compensation insurance as required by the State of California, with statutory limits, and Employers Liability insurance with limits of One Million Dollars (\$1,000,000) per accident.
- D. Hazardous Waste and Environmental Impairment Liability: \$10,000,000 per occurrence, \$10,000,000 policy aggregate covering liability arising from the release of waste materials and/or irritants, contaminants or pollutants. Such coverage shall, if commercially available without involvement of Town, automatically broaden in its form of coverage to include legislated changes in the definition of waste material and/or irritants, contaminants or pollutants.

15.1.3 Deductibles and Self-Insured Retentions - Any deductibles or self-insured retentions must be declared to, and approved by, the City Manager. At the option of Town, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects Town, its officers, employees, agents and Franchisees; or Franchisee shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses in an amount specified by the City Manager.

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

- A. With respect to the coverages required in subparagraphs A., B. and D., above, Town, its officers, employees, agents and volunteers are to be covered as additional insureds. Coverage provided by Additional Insured endorsements shall extend to products and completed operations of the Franchisee.
- B. Franchisee's insurance coverage required in subparagraphs A., B. and C. above shall be primary insurance as respects Town, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by Town, its officers, officials, employees, agents or volunteers shall be excess of Franchisee's insurance and shall not contribute with it.
- C. Franchisee's insurance shall apply separately to each insured against whom claim is made or suit is brought.

- D. The Automobile Liability policy shall be endorsed to delete the Pollution and/or the Asbestos exclusion, or documentation shall be provided that Franchisee carries environmental pollution liability coverage for Solid Waste transported by Franchisee. The Automobile Liability policy shall also be endorsed to add the Motor Carrier act endorsement (MCS-90) TL 1005, TL 1007 and /or other endorsements required by federal or state authorities.

15.3 Waiver of Subrogation - Franchisee hereby agrees to waive subrogation against Town which any insurer of Franchisee may acquire from Franchisee by virtue of the payment of any loss. The policies required in subparagraphs A., B., C. and D. above shall be endorsed with a waiver of subrogation in favor of Town for all work performed by Franchisee, its employees, agents and subcontractors.

15.4 Cancellation. Each insurance policy required by this clause not be suspended, voided, cancelled by either party, reduced in coverage or limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to Town, ten (10) days for nonpayment of premium. Any failure to comply with reporting provisions of the policies shall not affect Franchisee's obligations to Town, its officers, officials, employees, agents or volunteers.

15.5 Claims Made Coverage. If General Liability or Hazardous Waste and Environmental Impairment Liability coverage is written on a claims-made form:

- i. The "Retro Date" must be shown, and must be before the date of the contract or the beginning of contract work.
- ii. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work
- iii. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a "Retro Date" prior to the contract effective date, Franchisee must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.
- iv. A copy of the claims reporting requirements must be submitted to Town for review.

15.6 Acceptability of Insurers - Insurance is to be placed with insurers acceptable to the City Manager. Such insurance shall be executed by a surety licensed and in good standing with the Department of Insurance in the State of California, and have a current A.M. Best's rating of no less than A:VII. If pollution and/or Environmental Impairment and/or errors and omission coverage are not available from an admitted insurer, the coverage may be written with Town's permission, by a non-admitted insurance company. A non-admitted company shall have an A.M. Best's rating of A:X or higher. All insurers must be identified by full name; rating, according to the latest edition of Best's Key Rating Guide; and status as insurers admitted in California.

15.7 Verification of Coverage - Franchisee shall furnish Town with certificates of insurance and with original endorsements effecting coverage required by this Agreement. 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. Franchisee shall furnish Town with a new certificate of insurance and endorsements upon each renewal of coverage or change of insurers, and before work commences. Proof of insurance shall be provided in writing to the City Manager. The Town reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

15.8 Subcontractors - Franchisee shall include all subcontractors as insured under its policies or shall obtain separate certificates and endorsements for each subcontractor.

15.9 Modification of Insurance Requirements - The insurance requirements provided in this Agreement may be modified or waived by the City Manager, in writing, upon the request of Franchisee if the City Manager determines such modification or waiver is in the best interests of Town considering all relevant factors, including exposure to Town.

## **ARTICLE 16 INDEMNIFICATION**

16.1 Indemnification and Hold Harmless - Franchisee, for and on behalf of itself and its agents, subcontractors, directors, officers, employees and representatives shall indemnify, defend and hold harmless Town, its officers, agents and employees from and against any and all losses, liabilities, penalties, claims, demands, judgments, damages, actions or suits, of any and every kind and description, arising out of or occasioned in any way by, directly or indirectly, Franchisee's performance of, or its failure to perform, its obligations under this Agreement. The acceptance by Town of any work or services under this Agreement shall not operate as a waiver of such indemnification or hold harmless.

16.2 Defense - Upon the demand of Town, Franchisee shall defend Town, its officers and/or employees against any matter described in Section 16.1 of this Agreement with Attorneys reasonably approved by town.

16.3 Exception - Notwithstanding Sections 16.1 and 16.2, Franchisee's obligation to indemnify, hold harmless and defend Town, its officers and employees shall not extend to any loss, liability, penalty, claim, demand, action or suit arising from acts or omissions constituting willful misconduct on the part of Town, its officers or employees.

16.4 Damage by Franchisee - If Franchisee's employees or subcontractors cause any injury, damage or loss to Town property, including but not limited to Town streets or curbs (excluding normal wear and tear), Franchisee shall reimburse Town for Town's costs of repairing such injury, damage or loss. Such reimbursement is not in derogation of any right of Town to be indemnified by Franchisee for any such injury, damage or loss. With the prior written approval of Town's City Manager, Franchisee may repair the damage at Franchisee's sole cost and expense.

16.5 Hazardous Substances Indemnification - The Franchisee shall indemnify, defend with counsel reasonably acceptable to the Town, and hold harmless the Indemnitees from and against all claims, damages (including but not limited to special, consequential, natural resources and punitive damages), injuries, hazardous materials response, remediation and removal costs, losses, demands, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties, attorney's fees for the adverse party and expenses (including but not limited to attorney's and expert witness fees and costs incurred in connection with defending against any of the foregoing or enforcing this indemnity) of any kind whatsoever paid, incurred or suffered by, or asserted against Town or its officers, officials, employees, agents, assigns, or successors (collectively, "Claims") 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 Waste released, threatened to be released, or spilled by Franchisee under this Agreement, or disposed of by Franchisee under this Agreement at any facility owned by Franchisee or any of its affiliates. The foregoing indemnity is intended to operate as an agreement pursuant to Section 107(e) of CERCLA, 42 U.S.C. Section 9607(c) and California Health and Safety Code Section 25364, to defend, hold harmless and indemnify the Town from liability

16.6 CalRecycle Diversion Goals and SB 1383 Indemnification - Franchisee agrees to indemnify, hold harmless, and defend Town, with counsel selected by Franchisee and reasonably acceptable to Town, from and against all fines or penalties imposed by the California Department of Resources Recycling and

Recovery (“CalRecycle”) due to Town’s failure to meet the mandated diversion goals specified in California Public Resources Code Section 41780 (and as may be as amended from time to time) with respect to the materials Collected by Franchisee, if and to the extent the failure to meet such goals results from the failure of Franchisee to perform its obligations under this Agreement; and any fines or penalties imposed by CalRecycle due to Town’s failure to meet the requirements of SB 1383 under California Public Resources Code Title 14, Division 7, Chapter 12 (and as may be as amended from time to time).

16.7 Proposition 218 Indemnification - Franchisee shall defend, with counsel reasonably acceptable to the Town, indemnify and hold harmless Town from and against all claims, actual damages (including, but not limited to, special and consequential damages), natural resources damages, punitive damages, injuries, costs, response, remediation and removal costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses (including, but not limited to, reasonable attorney’s fees and expert witness fees and costs) (collectively, “Damages”) arising out of or resulting from third-party claims alleging that Town’s rate-setting process violated Proposition 218, but only if and to the extent such claims (i) allege that Franchisee’s direct operational cost of providing Collection Services under this Agreement (as distinct from any fees, costs or similar expenses payable to Town or third parties hereunder) constituted a violation of Proposition 218, and (ii) result from Franchisee’s provision of materially incorrect information to Town, and consistent with California Public Resources Code Section 40059.2.

## ARTICLE 17 TERMINATION

### 17.1 Franchisee's Default

17.1.1 Each of the following shall constitute an event of default:

- A. Contractor fails to perform its obligations under Articles 5, 6, or 7, or 8 of this Agreement and its failure to perform is not cured within ten (10) Business Days after written notice from Agency.
- B. Contractor fails to perform its obligations under any other Article of this Agreement and its failure to perform is not cured within ten (10) Days after written notice from Agency. Provided that if the nature of the failure is such that it will reasonably require more than ten (10) Days to cure, Contractor shall not be in default so long as it promptly commences the cure and diligently proceeds to completion of the cure, and provided further that neither notice nor opportunity to cure applies to events described in subsections C through H.
- C. Contractor ceases to provide Collection and transportation services for a period of two (2) Business Days for any reason within the Franchisee’s control, including labor unrest such as strike, work stoppage or slowdown, sickout, picketing, or other concerted job action by Franchisee’s employees.
- D. Contractor files a voluntary petition for relief under any bankruptcy, insolvency, or similar law.
- E. An involuntary petition is brought against Contractor under any bankruptcy, insolvency, or similar law which remains un-dismissed or un-stayed for ninety (90) Days.
- F. Contractor fails to furnish a replacement bond or a continuation certificate of the existing bond not less than ten (10) Days before expiration of the performance bond or fails to maintain all required insurance coverage in force.
- G. Contractor fails to provide reasonable assurance of performance when required under Section 18.27.

- H. A representation or warranty contained in Article 19 proves to be false or misleading in a material respect as of the date such representation or warranty was made.

17.1.2 Town may terminate this Agreement upon Franchisee's default of any material duty or obligation of Franchisee under this Agreement and Franchisee's failure to cure such default within thirty (30) calendar days of Town's written notice to Franchisee of such default. If the default is not capable of cure within said thirty (30) calendar days, Franchisee shall provide written notice to Town together with a schedule of cure within fourteen (14) calendar days of Town's notice of default, shall begin action to cure the default within said thirty (30) calendar days, and shall diligently proceed to cure the default. Town may accept Franchisee's schedule of cure, may make a written demand that Franchisee cure the default within a time period set by Town, or may terminate this Agreement at the end of the thirty-day default period.

17.1.3 If this Agreement is suspended and/or terminated due to a Franchisee default, Town shall have the right to perform, by contract, the work herein or such part thereof as it may deem necessary. In the event of Franchisee's default, Town shall have the right to use any of Franchisee's equipment, Facilities, and other property reasonably necessary for the provision of services hereunder and for the billing and collection of Rates billed for those services, upon the terms provided in Article 12. Town shall have the right to continue use of such property until other suitable arrangements can be made for the provision of such services, which may include the award of a contract to another service provider. Franchisee shall at its current rates continue services if requested by Town for a time period of no longer than 180 calendar days in order to allow Town to properly transition services to an alternate provider.

17.2 Immediate Termination - Town may terminate this Agreement immediately upon written notice to Franchisee in the event Franchisee fails to provide and maintain the performance bond as required by this Agreement, Franchisee fails to obtain or maintain the insurance policies and endorsements as required by this Agreement, Franchisee fails to provide the proof of insurance as required by this Agreement, or Franchisee fails to indemnify Town against State penalties.

17.3 Bankruptcy Or Insolvency Of Franchisee - Town may terminate this Agreement immediately upon written notice to Franchisee upon the occurrence of any of the following and Franchisee's failure to provide adequate assurance that any of the following can be removed within thirty (30) calendar days of Town's demand for such assurance: (1) the appointment of a receiver or trustee to take possession of all or substantially all of the assets of Franchisee; (2) Franchisee's general assignment if its assets for the benefit of Franchisee's creditors; (3) a court entry of any decree or order adjudging Franchisee to be insolvent or bankrupt; (4) a court entry of any decree or order approving as properly filed a petition seeking reorganization of Franchisee or an arrangement under the bankruptcy laws or any other applicable debtor's relief law or statute of the United States or any State; or (5) a determination by the City Manager, based upon a statement prepared by an independent certified public accountant mutually agreed upon by Franchisee and the City Manager, that there is a reasonable probability that Franchisee's financial capability to perform this Agreement is impaired.

17.4 Authority to Terminate - The City Council of Town is authorized to terminate this Agreement on behalf of Town in accordance with Article 17 of this Agreement. Termination of this Agreement under this Article shall not relieve Franchisee of the obligation to pay any fees, taxes, or other charges then due to Town nor relieve Franchisee of the obligation to file any daily, monthly, quarterly or annual reports covering the period to termination nor relieve Franchisee from any claim for damages previously accrued or then accruing against Franchisee. Town shall pay to Franchisee any amounts due to Franchisee for the performance of services under this Agreement through the effective date of termination.

17.5 Termination Cumulative - Town's right to terminate this Agreement is cumulative to any other rights and remedies provided by law or by this Agreement.

17.6 Franchisee shall be liable to Town for all direct, indirect, special, and consequential damages arising out of Franchisee's default. This Section is intended to be declarative of existing California law.

**ARTICLE 18  
GENERAL PROVISIONS**

18.1 Service Standards

18.1.1 Franchisee shall perform all services under this Agreement in a thorough and professional manner. Collection services described in Article 5 of this Agreement shall be performed regardless of weather conditions and regardless of difficulty of collection. Additional services described in Article 10 of this Agreement shall be performed professionally, promptly and courteously.

18.1.2 Inspection by Town. Town shall have the right, but not the obligation, to observe and inspect all of the Franchisee's operations under this Agreement. In connection therewith, Town shall have the right to enter facilities used by Franchisee during operating hours, speak to any of Franchisee's employees, and receive cooperation from such employees in response to inquiries. In addition, upon reasonable notice and without interference with Franchisee's operations, Town may review and copy any of Franchisee's operational and business records related to this Agreement and shall provide copies of operational and business records related to this Agreement. If Town so requests, Franchisee shall make specified personnel available to accompany Town employees on inspections.

18.2 Labor and Equipment

18.2.1 Franchisee shall provide and maintain all labor, equipment, tools, facilities, and personnel supervision required for the performance of Franchisee's obligations under this Agreement. Franchisee shall at all times have sufficient back up equipment and labor to fulfill Franchisee's obligations under this Agreement. No revenue for Franchisee's services or for Franchisee's supply of labor, equipment, tools, facilities or supervision shall be provided or paid to Franchisee by Town or by any Service Recipient except as expressly provided by this Agreement.

18.2.2 Franchisee shall furnish such qualified drivers, mechanical, supervisory, customer service, clerical, and other personnel as may be necessary to provide the services required by this Agreement in a safe, thorough, professional, and efficient manner. All drivers shall be trained and qualified in the operation of collection vehicles, and must have in effect a valid license, of the appropriate class, issued by the California Department of Motor Vehicles. Franchisee shall use the Class II California Department of Motor Vehicles employer "Pull Notice Program" to monitor its drivers for safety. Franchisee shall provide suitable operational and safety training for all of its employees who operate collection vehicles or equipment or who are otherwise directly involved in such Collection. Franchisee shall train its employees involved in Collection to identify, and not to Collect, Hazardous Waste, or Infectious Waste. Upon the Town's request, Franchisee shall provide a copy of its safety policy and safety training program, the name of its safety officer, and the frequency of its trainings. While performing services under this Agreement, all Franchisee's employees performing field service shall be dressed in clean uniforms and shall wear visible identification that include the employee's name and/or employee number, and Franchisee's name. Uniform type, style, colors, and any modifications are subject to approval by the Town prior to the Effective Date, and Franchisee

shall provide notice to the Town and obtain approval prior to any changes in uniform type, style, and colors.

18.2.3 Franchisee shall employ only competent and qualified personnel who serve the public in a courteous, helpful, and impartial manner. Franchisee shall use its best efforts to assure that all employees present a neat appearance and conduct themselves in a courteous manner. Franchisee shall regularly train its employees in customer courtesy, shall prohibit the use of loud or profane language, and shall instruct Collection employees to perform the work as quietly as possible. If any employee is found not to be courteous or not to be performing services in the manner required by this Agreement, Franchisee shall take all appropriate corrective measures. Franchisee shall adopt policies and procedures consistent with State and federal law that ensure a sober and drug-free workplace. This includes strictly prohibiting unlawful manufacture, distribution, possession, or use of any controlled substance in the workplace, regardless of whether the employee is on duty at the time. Further, the policies and procedures shall prohibit an employee from operating either Town or Franchisee equipment and vehicles (whether on or off duty) while under the influence of alcohol or drugs. The purpose of these policies and procedures is to ensure workplace safety, productivity, efficiency, and the quality of Franchisee's service to Service Recipients.

18.3 **Assignment** - The experience and expertise of Franchisee are material considerations for this Agreement. Franchisee shall not assign any of Franchisee's rights nor delegate any of Franchisee's duties under this Agreement. Any attempt to so assign Franchisee's rights or delegate Franchisee's duties shall be void and of no force or effect. For the purpose of this Section, "assignment" shall include, but not be limited to, (i) a sale, exchange, or other transfer to a third party of substantially all of Franchisee's assets dedicated to service under this Agreement; (ii) a sale, exchange, or other transfer of outstanding common stock of Franchisee to a Person who is not a shareholder as of the Effective Date which results in a change in control of Franchisee; (iii) any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or reissuance, voting trust, pooling agreement, escrow arrangement, liquidation, or other transaction which results in a change of ownership or control of Franchisee; (iv) any assignment by operation of law, including insolvency or bankruptcy, an assignment for the benefit of creditors, a writ of attachment for an execution being levied against this Agreement, appointment of a receiver taking possession of Franchisee'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 Franchisee. Should the Franchisee wish to assign any of Franchisee's duties under this Agreement, Franchisee must submit their request in writing, and proposal must be approved by City Council prior to implementation. Any attempted assignment shall be null and void and of no effect without prior City Council approval. The Town may deny or approve such request in its complete discretion; provided that such approval shall not be unreasonably withheld or delayed.

18.4 **Successors and Assigns** - This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto; provided that no party hereto may assign this Agreement without the prior consent of the other party, which consent the Town may withhold at its sole discretion; and provided, further, that no assignment shall be valid and binding that endeavors to relieve the assigning party of any obligations to make payments that accrued prior to the date of assignment or of which the assignee has not affirmatively agreed, in writing, to assume all obligations of the assignor thereunder. Any dissolution, merger, consolidation, or other reorganization of Franchisee, or the sale or other transfer of a controlling percentage of the capital stock of Franchisee, shall be deemed a voluntary assignment. The phrase "controlling percentage" means the ownership of, and the right to vote, stock possessing at least 51% of the total combined voting power of all classes of Franchisee's capital stock issued, outstanding, and entitled to vote for the election of director.

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

18.6 Name - Franchisee shall not use a firm name containing the words "City" or "Town" or other words implying municipal ownership without prior written approval of Town.

18.7 Law to Govern - The law of the State of California shall govern this Agreement.

18.8 Venue - Any litigation between Town and Franchisee concerning or arising out of this Agreement shall be filed and maintained exclusively in the Municipal or Superior Courts of San Mateo County, State of California, to the fullest extent permissible by law. Each party consents to service of process in any manner authorized by California law.

18.9 Compliance with Law - In the performance of this Agreement, Franchisee shall comply with all applicable laws, regulations, ordinances and codes of the federal, state and local governments, including without limitation the Municipal Code of Town. Town shall provide written notice to Franchisee of any planned amendment to the Atherton Municipal Code which would substantially affect the performance of Franchisee's services pursuant to this Agreement. Such notice shall be provided at least thirty (30) days prior to the City Council's approval of such an amendment.

18.10 Permits and Licenses - Franchisee shall obtain, and shall maintain throughout the Term of this Agreement, all necessary permits, licenses and approvals required for Franchisee to perform the work and services agreed to be performed by Franchisee pursuant to this Agreement. Franchisee shall show proof of such permits, licenses or approvals and shall demonstrate compliance with the terms and conditions of such permits, licenses and approvals upon the request of the City Manager, including without limitations, a business license.

18.11 Ownership of Written Materials - All reports, documents, brochures, public education materials, and other written, printed or photographic materials developed by Town or Franchisee in connection with the services to be performed under this Agreement, whether developed directly or indirectly by Town or Franchisee, shall be and shall remain the property of Town without limitation or restriction on the use of such materials by Town. Franchisee shall not use such materials in connection with any project not connected with this Agreement without the prior written consent of the City Manager.

18.12 Waiver - The waiver by Town or Franchisee of any breach or violation of any term, covenant or condition of this Agreement shall not be deemed to be a waiver of any other term, covenant or condition or any subsequent breach or violation of the same or of any other term, covenant or condition. The subsequent acceptance by Town of any fee, tax, or any other moneys which may become due from Franchisee to Town shall not be deemed to be a waiver by Town of any breach or violation of any term, covenant or condition of this Agreement.

18.13 Notices - All notices and other communications required or which may be given under this Agreement shall be deemed given when deposited in the United States mail or when personally delivered to the parties as specified in this Section. In the case of a notice or communication by telefax, a written copy

shall be mailed or personally delivered within the three (3) days of the transmittal of the telefax. All notices or other communications sent by mail shall be sent postage prepaid to the address specified below:

To Town: City Manager  
Town of Atherton  
150 Watkins Avenue,  
Atherton, CA 94027

To Franchisee: Frank Weigel, Co-CEO  
GreenWaste Recovery, Inc.  
610 E. Gish Road  
San Jose, CA, 95122  
408-938-4902 (Phone)  
408-287-3108 (Fax)

Either party may designate a different mailing address by providing notice to the other party as provided in this Section. Notice by Town to Franchisee of a missed pick-up, or a Service Recipient problem or complaint, may be given to Franchisee orally through Franchisee's local telephone number, electronic mail or messaging or by telefax, with written confirmation sent to Franchisee within seventy-two (72) hours of the oral notification.

18.14 Transition to Next Franchisee - In the event Franchisee is not awarded an Agreement to continue to provide services following the expiration or earlier termination of this Agreement, Franchisee shall cooperate fully with Town and any subsequent Franchisee to assure a smooth transition of services described in this Agreement. Such cooperation shall include, but not be limited to, transfer of computer data, files and tapes; providing routing information, route maps, vehicle fleet information, and lists of Service Recipients and account information. During the last six (6) months of this Agreement, these materials shall be provided to Town within five (5) working days of the request by Town.

18.15 Town Representative - Except as otherwise provided in this Agreement, the City Manager or his or her designee shall be authorized to act on behalf of Town in the administration of this Agreement.

18.16 Franchisee's Records - Franchisee shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, computer files, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to Town for a minimum period of three (3) years, or for any longer period required by law, from the date of termination or completion of this Agreement. Franchisee shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from the date of termination or completion of this Agreement. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Manager, City Attorney, or a designated representative of any of these officers. Copies of such documents shall be provided to Town for inspection at Town Hall when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the records shall be available at Franchisee's address indicated for receipt of notices in this Agreement. Where Town has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of Franchisee's business, Town may, by written request or demand of any of the above-named officers, require that custody of the records be given to Town and that the records and documents be maintained in Town Hall. Access to such records and documents shall be granted to any party authorized by Franchisee, Franchisee's representatives or Franchisee's successor-in-interest.

18.17 Use of Recycled Products - Franchisee is requested to use, wherever feasible in the performance of services under this Agreement, products or materials which contain recycled materials content. This would include such items as reports on recycled content paper, recycling Containers with recycled plastic content; and use of re-refined oil in collection vehicles.

18.18 Amendment - This Agreement may be amended or modified only by written Agreement duly authorized by Franchisee and City Council and executed by their authorized representatives.

18.19 Paragraph Headings - The subject headings of the paragraphs and subparagraphs of this Agreement are included for convenience only and will not affect the construction or interpretation of any of its provisions.

18.20 Drafting - This Agreement, and each of the provisions hereof, have been reached as a result of negotiations between the parties and their respective attorneys. Each of the parties hereto expressly acknowledges and agrees that this Agreement shall not be deemed to have been prepared by or drafted by any particular party and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party or parties, shall not be employed in the interpretation of this Agreement.

18.21 Severability - Should one or more of the provisions of this Agreement be held by any court to be invalid, void or unenforceable, the remaining provisions shall nevertheless remain and continue in full force and effect, provided that the continuation of such remaining provisions does not materially change the duties or obligations of either party from those duties or obligations originally contemplated by this Agreement.

18.22 Entirety - This Agreement and the Exhibits attached hereto represent the entire Agreement of Town and Franchisee with respect to the services to be provided under this Agreement. No prior written or oral statement, proposal, or Agreement shall alter any term or provision of this Agreement.

18.23 Nondiscrimination - In the performance of this Agreement, Franchisee shall not discriminate, nor permit any subcontractor to discriminate, against any employee, applicant for employment, or Service Recipient on account of race, color, national origin, ancestry, religion, sex, age, physical disability, medical condition, sexual orientation, marital status, or other characteristic, in violation of any Applicable Law.

18.24 Attorney's Fees - In any legal action or proceeding brought for enforcement of this Agreement, the successful party shall be entitled to recover reasonable attorney's fees and other costs incurred in that action or proceeding, in addition to any other relief to which the successful party may be entitled.

18.25 Dispute Resolution

18.25.1 Call for Mediation - If the parties are unable to resolve a dispute arising under this Agreement in a cooperative manner, either party may call for mediation, as hereafter described. The party calling for mediation shall serve notice in writing upon the other party setting forth the question or questions to be mediated. Neither Party shall be permitted to file legal action without first meeting in mediation and making a good faith attempt to reach a mediated resolution, provided that this limitation shall not apply to a Party if the other Party fails to comply with this section. The costs of the mediation shall be borne equally by the parties.

18.25.2 Mediation - Within ten (10) days after delivery of notice, the parties shall select a mutually acceptable mediator from the Judicial Arbitration and Mediation Service ("JAMS") or other mutually agreeable organization. In the event the parties are unable to agree on a mediator, a mediator shall be selected for them at random by the San Francisco office of JAMS. However, either

side may reject the proposed mediator and JAMS will select another. Within ten (10) days thereafter, the parties shall meet with the mediator in a good faith attempt to resolve their dispute. The parties shall continue to meet with the mediator until their dispute is resolved or the mediator indicates that he or she does not believe that further efforts are likely to result in a successful resolution.

18.26 **Force Majeure** - If the performance by a party hereto (the “Affected Party”) of any of its obligations or undertakings under this Agreement is interrupted or delayed by any occurrence beyond the reasonable control of the Affected Party (“Force Majeure”), whether that occurrence is an act of God or public enemy, or whether that occurrence is caused by fire, landslides, epidemics, civil disturbances, war, riot, storm, flood, terrorists' attacks, earthquake, governmental restraint, or other natural forces, not caused or maintained by the Affected Party, which event is not reasonably within the control of the party claiming the excuse from its obligations due to such event, to the extent such event has a significant and material adverse effect on the ability of the party to perform its obligations hereunder, then the Affected Party shall be excused from any further performance for whatever period of time until the occurrence has abated so that the Affected Party's performance may resume. Force Majeure shall not include fuel shortages not caused by an occurrence that qualifies as Force Majeure under this Section, strikes, work stoppage or slowdown, sickout, lockout, picketing or other concerted job action conducted by Franchisee’s employees or directed at Franchisee **or any of its subcontractors**. Force Majeure shall include a Change in Law(s) to the extent such Change in Law(s) prohibits a party's performance hereunder. Notwithstanding the foregoing, (i) no failure of performance by any subcontractor of Franchisee shall be a Force Majeure unless such failure was itself caused by a Force Majeure; (ii) except as provided herein, no event which merely increases Franchisee's cost of performance, except where such events make performance impracticable or impossible, shall be a Force Majeure; and (iii) no event, the effects of which could have been prevented by reasonable precautions, including compliance with agreements and applicable laws, shall be a Force Majeure. The non-Affected Party in its discretion may terminate this Agreement if the occurrence continues substantially unabated for a period of ninety (90) days. Notwithstanding the above, if the Force Majeure clause is invoked the Town shall have the right to use the equipment as set forth in Section 10.5.2 of this Agreement, however the time limitation shall not apply and the Town may use the equipment until the Franchisee has resumed full performance.

18.27 **Assurance of Performance** - If Franchisee (i) persistently suffers the imposition of Liquidated Damages under Article 13 of this Agreement; (ii) is the subject of significant and material labor unrest including work stoppage or slowdown, sickout, picketing, or other concerted job action; (iii) appears in the reasonable judgment of Town to be unable to regularly pay its bills as they become due where the Town provides reliable evidence for the basis for such concern; (iv) is the subject of a civil or criminal proceeding brought by a federal, State, regional, or local agency for violation of an Environmental Law in the performance of this Agreement, or (v) consistently performs in a manner that causes the Town to be uncertain about Franchisee’s ability and intention to comply with this Agreement that includes the Town providing the basis for such uncertainty, Town may, at its option and in addition to all other remedies it may have, demand from Franchisee reasonable assurances of timely and proper performance of this Agreement, in such form and substance as Town may reasonably require.

18.28 **Prohibition Against Gifts** - Franchisee shall not offer any gifts to any elected official, appointed officer or employee of Town, or any relative or spouse of such elected official, appointed officer or employee. For purposes of this Section, “gift” shall be defined as set forth in the Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations.

**ARTICLE 19**  
**REPRESENTATIONS AND WARRANTIES OF FRANCHISEE**

Franchisee, by acceptance of this Agreement, represents and warrants the conditions presented in this Article, as of the date of Franchisee's signature hereon.

19.1. Corporate Status. Franchisee is a corporation duly organized, validly existing and in good standing under the laws of the State of California ("State"). Franchisee is qualified to transact business in the State and has the power to own its properties and to carry on its business as now owned and operated and as required by this Agreement.

19.2. Corporate Authorization. Franchisee has the authority to enter this Agreement and perform its obligations under this Agreement. The Board of Directors of Franchisee (or the shareholders, if necessary) has taken all actions required by law, its articles of incorporation, its bylaws, or otherwise, to authorize the execution of this Agreement. The Person signing this Agreement on behalf of Franchisee represents and warrants that they have the authority to do so. This Agreement constitutes the legal, valid, and binding obligation of Franchisee.

19.3. Agreement Will Not Cause Breach. To the best of Franchisee's knowledge after responsible investigation, the execution or delivery of this Agreement or the performance by Franchisee of its obligations hereunder does not conflict with, violate, or result in a breach: (i) of any law or governmental regulation applicable to Franchisee; or (ii) any term or condition of any judgment, order, or decree of any court, administrative agency or other governmental authority, or any Agreement or instrument to which Franchisee is a party or by which Franchisee or any of its properties or assets are bound, or constitutes a default thereunder.

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

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

19.5. Franchisee's Statements. Franchisee's information submitted to Town, which Town has relied on in negotiating and entering this Agreement, does not: (i) contain any untrue statement of a material fact, or (ii) omit to state a material fact that is necessary in order to make the statements made, in light of the circumstances in which they were made, not misleading.

19.6. Franchisee's Investigation. Franchisee has made an independent investigation (satisfactory to it) of the conditions and circumstances surrounding the Agreement and the work to be performed hereunder. Franchisee has taken such matters into consideration in entering into this Agreement to provide services in exchange for the compensation provided for under the terms of this Agreement.

19.7. Financial Interest - Franchisee warrants and represents that (i) to its knowledge, no elected official, officer, agent or employee of Town has a financial interest as defined in California Government Code Section §87103, in this Agreement or the compensation to be paid under it and, further, that (ii) no Town employee who acts in Town as a "purchasing agent" as defined by local or state law, nor any elected or appointed officer of Town, nor any spouse or child of such purchasing agent, employee or elected or

appointed officer, is a partner, officer, director or proprietor of Franchisee and, further, that (iii) no such Town employee, purchasing agent, Town elected or appointed officer, or the spouse or child of any of them, alone or in combination, has a “material interest” in Franchisee. “Material interest” means direct or indirect ownership of more than five percent (5%) of the total assets or capital stock of Franchisee.

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DRAFT

**WITNESS** the execution of this Agreement on the dates set forth below.

Town of Atherton  
A Municipal Corporation

By: \_\_\_\_\_  
George Rodericks  
City Manager

Approved as to Form:  
\_\_\_\_\_  
City Attorney

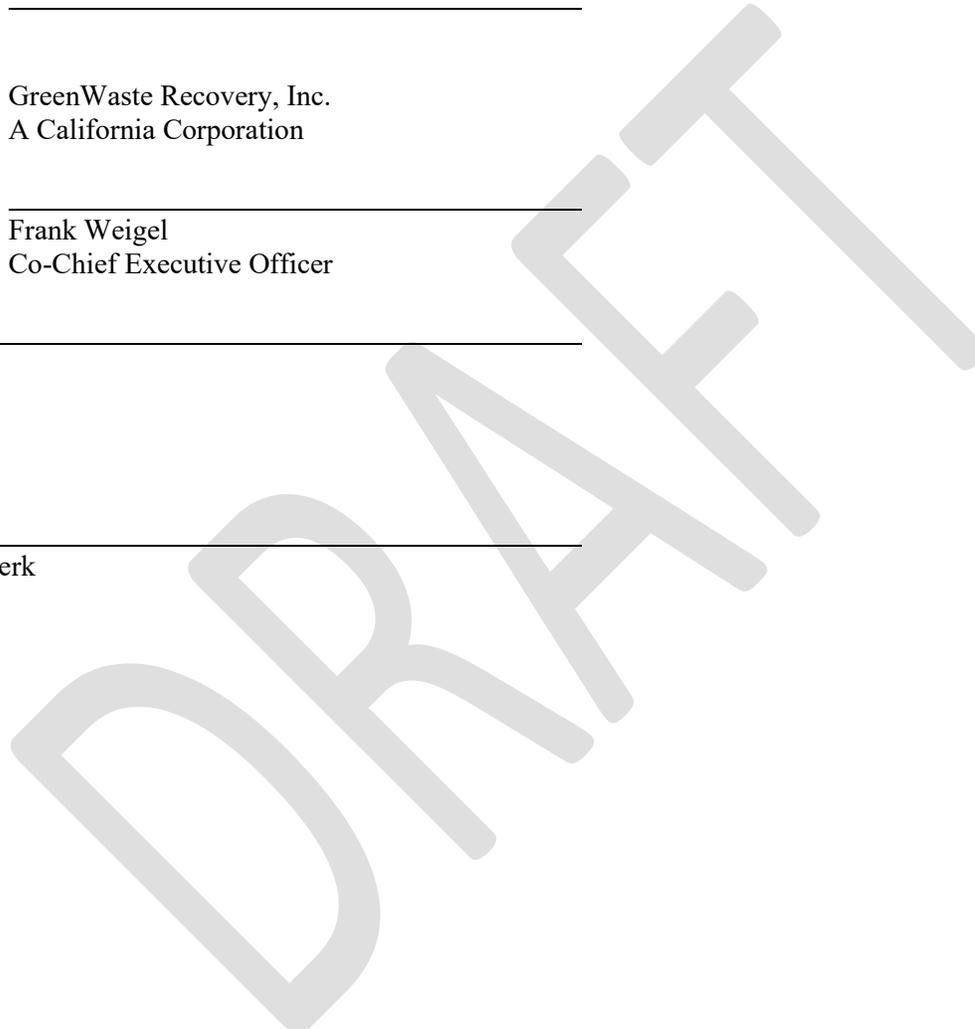
Date: \_\_\_\_\_

GreenWaste Recovery, Inc.  
A California Corporation

By: \_\_\_\_\_  
Frank Weigel  
Co-Chief Executive Officer

Date: \_\_\_\_\_

Attest:  
\_\_\_\_\_  
City Clerk



## EXHIBIT B: RECYCLABLE MATERIALS

Acceptable Recyclable Materials – Must Be Clean and Free of Food and Liquid	
Material	Definition
Tin/Steel	Includes steel food, beverage, aerosol and paint cans. “Tin” cans fall into this category. Tin or other coatings are often applied to a steel food can.
Aluminum	Aluminum used beverage containers, post-consumer aluminum beverage cans.
Metal – Misc.	Electrical motors, hangers ( <i>bundled</i> ), keys, nuts and bolts, metal pipe, propane tanks ( <i>empty</i> ), scrap metal, tools ( <i>drained of all fluids</i> ), toys, doors and screens.
PET	<b>#1 Polyethylene Terephthalate (PET, PETE).</b> PET is clear or mostly clear and tough. Commonly used in soft drink bottles and many injection molded consumer product containers.
NHDPE CHDPE	<b>#2 (Natural High-Density Polyethylene).</b> Includes milk, water and other bottles that are HDPE and are of a natural or translucent color. <b>(Colored High-Density Polyethylene).</b> Includes juice, detergent and other bottles that are HDPE and are of a colored or opaque color.
Mixed Plastic #3-7	<b>#3 PVC: Polyvinyl Chloride.</b> Commonly used in film for meat packaging and some rigid plastic containers. Does not include hard PVC (e.g. pipe). <b>#4 LDPE: Low Density Polyethylene.</b> Commonly used in newspaper and grocery bags and butter cups lids. Only acceptable when all film plastics are bagged together. <b>#5 PP: Polypropylene.</b> Commonly used in yogurt containers and deli trays. <b>#6 PS: Polystyrene.</b> (not typically recycled including Styrofoam) Commonly used <i>in</i> plastic cups and plates and to-go containers. <b>#7 OTHER: Other mixed resins.</b> Commonly used in mixed plastic containers or plastic products.
Glass – Clear	<b>Clear Glass Bottles and Containers</b> means clear glass beverage and food containers and glass dishware with or without a CRV label. Examples: Whole or broken clear soda and beer bottles, fruit juice bottles, peanut butter jars, and mayonnaise jars. Does <u>not</u> include glass bakeware, Pyrex or ceramics.
Glass – Colored	<b>Colored Glass Bottles and Containers</b> includes food and beverage containers – three subtypes described below: <b>Green Glass Bottles and Containers</b> means green-colored glass containers with or without a CRV label. Examples: Whole or broken green soda, beer and wine bottles.

<b>Acceptable Recyclable Materials – Must Be Clean and Free of Food and Liquid</b>	
<b>Material</b>	<b>Definition</b>
	<p><b>Brown Glass Bottles and Containers</b> means brown-colored glass containers with or without a CRV label. Examples: Whole or broken brown soda, beer and wine bottles.</p> <p><b>Other Colored Glass Bottles and Containers</b> means colored glass containers and bottles other than green or brown with or without a CRV label. Examples: Whole or broken blue or other colored bottles and containers.</p>
Glass – 3 Mix	A collection of flint, amber, and green beverage or food container glass. It may contain normal container labels and metal tops.
Mixed Paper	A mixture of various grades of recyclable waste paper not limited by fiber content and includes most types of clean and dry paper including glossy, white ledger and computer papers, colored paper, newspapers, magazines, catalogs, phone books, shredded paper, cards, laser- printed white ledger, windowed envelopes, sticky notes, paperboard, paper egg cartons and often contains corrugated and brown paper. Does <u>not</u> include photographs, carbon paper, tissue, napkins or waxed/coated fiber or mixed fiber products that may include coffee cups, ice cream containers, gable top cartons, aseptic or tetrapak. Food soiled materials and materials with visible water marks are not accepted.
News	<p>Known as ONP (old news print), ONP has two major sub-grades:            No. 8 is sorted newspapers only.            No. 6 may have some magazines mixed in and may be tied in bundles or gathered in brown bags.            Food soiled materials and materials with visible water marks are not accepted.</p>
OCC	Used boxes and sheets of corrugated board of various qualities. Corrugated is known as OCC (old corrugated container). OCC is clean cardboard made from unbleached, unwaxed paper with a fluted (corrugated) inner liner. Does <u>not</u> include pizza boxes. Food soiled materials and materials with visible water marks are not accepted.
eWaste:	Includes calculators, cameras, cell phones, computer mice, cords, DVD players, DVRs, fax machines, keyboards, small printers, radios, scanners, smart phones, stereos, telephones, VCRs. Inkjet/toner cartridges are <u>not</u> acceptable in the commingled container but are acceptable if collected separately.

## EXHIBIT C: TECHNICAL PROPOSAL AND TRANSITION PLAN

### Mixed Compostable Materials, Recyclable Materials, and Yard Trimmings Collection and Processing Services for the Town of Atherton

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- ✓ 1 Implementation Plan
- ✓ 2 Collection Services
  - ✓ 2.a Residential
  - ✓ 2.b Commercial
- ✓ 3 Additional Services
  - ✓ 3.a Town-wide Clean-Up Services
  - ✓ 3.b On-Call Bulky-Item Clean-Up
  - ✓ 3.c Services to Town Facilities
  - ✓ 3.d Abandoned Items Cleanup
  - ✓ 3.e Document Destruction Events
- ✓ 4 Collection Equipment & Operations
  - ✓ 4.a Collection Vehicles
  - ✓ 4.b Collection Containers
  - ✓ 4.c Operations and Maintenance Plan
  - ✓ 4.d Personnel and Worker Safety
- ✓ 5 Processing and Disposal
  - ✓ 5.a Recyclable Materials Processing
  - ✓ 5.b Mixed Compostable Materials Processing
  - ✓ 5.c Yard Trimmings Processing
  - ✓ 5.d Residue Disposal
- ✓ 6 Customer Service
- ✓ 7 Environmental Considerations
  - ✓ 8.a Processing and Associated Operations
  - ✓ 8.b Reuse Organization Support
  - ✓ 8.c Environmental Stewardship

## 1 Implementation Plan

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GreenWaste Recovery, Inc. (GreenWaste) is prepared to provide the unique suite of services requested by the Town of Atherton. The primary goal of GreenWaste's Implementation Plan, above all else, is to minimize the potential for service interruptions and any inconveniences for Service Recipients and the Town.

### Coordination & Collaboration with the Town

GreenWaste will work with the Town to determine the appropriate type and level of coordination during the development of the Implementation Plan. GreenWaste is dedicated to maintaining open, pro-active and straightforward communication with the Town on all aspects of the Implementation Plan, including its mutually agreed-upon adaptation.

### Management & Transition Team

GreenWaste ownership is committed to providing all resources available to ensure a seamless transition, supporting an all-hands approach of personnel and expertise. The Transition Team is fully supported by ownership, which also ensures the time dedicated to the transition does not affect their ability to continue providing the high level of service and performance expected of all GreenWaste employees.

**Frank Weigel (Co-Chief Executive Officer)** | Mr. Weigel will be involved with all aspects of discussions and negotiations leading up to the extension of the contract, and will interface with the equipment manufacturers.

**Tracy Adams (Co-Chief Executive Officer)** | Mr. Adams will be involved with all aspects of discussions and negotiations leading up to the extension of the contract, and will be involved in the integration of GreenWaste's accounting, customer service, operations, and outreach activities.

**Dave Tilton (Chief Financial Officer)** | Mr. Tilton will be directly involved in the financing of all equipment acquisitions, and in establishing costs for the Town's contracts.

**Omar Lopez (Operations Manager)** | Mr. Lopez will work closely with Mr. Weigel to oversee equipment procurement, personnel training, regulatory compliance, and routing. Mr. Lopez will ensure seamless collection operations and maintenance activities are performed throughout the transition, and will oversee implementation of all new programs.

**Emily Hanson (Chief Strategy Officer)** | Ms. Hanson will lead overall transition choreography, assist Mr. Weigel and Mr. Adams throughout contract negotiations, and work with Mr. Lopez during implementation to ensure timelines and milestones are met.

**Katelyn Lewis (Director of Sustainability and Strategy)** | Ms. Lewis will oversee public education and outreach program development and implementation, and coordinate with the Town on community engagement and environmental considerations.

**Ricardo Lopez (GreenWaste Material Recovery Facility (MRF) Operations Manager)** | Mr. Lopez will oversee all contract compliance aspects of the MRF during the transition and over the term of the Agreement, including transportation, allocation, and tracking of all materials processed at the GreenWaste MRF.

**Valerie Chavez (Customer Service & Office Manager)** | Ms. Chavez will provide internal and outside resources and training opportunities, including software and telephone systems, to the all CSRs servicing the Town.

### Training Programs

**Route Supervisors and Staff Training** | A mix of existing and/or new GreenWaste staff will fulfill the requirements of this Agreement. Staff will participate in trainings associated with the collection services and will participate in ongoing refresher trainings to ensure they are well trained on all operational procedures related to the Agreement.

**Office & Billing Staff Training** | A mix of existing staff and/or new staff will fulfill the requirements of this Agreement. Staff will participate in trainings associated with new and expanded collection services and will participate in ongoing refresher trainings to ensure the department staff is well trained on all office and billing procedures related to this Agreement. Office and billing staff are required to review and understand the portions of the Agreement pertaining to their job duties and are expected to quickly access information on rates and services. Additional trainings may be conducted on an as needed basis by GreenWaste personnel and/or outside consultants.

**Customer Service Training** | With over 25 years of experience in providing exemplary Customer Service, GreenWaste has designed an extensive and comprehensive training program for the Customer Service Team. At the end of the initial Customer Service Training Program, the Customer Service Supervisor and all Customer Service Representatives demonstrate proficiency in the use of the software and telephone systems, understand operational aspects of material collection and processing, and embrace and embody GreenWaste's core values and beliefs on customer service and employee satisfaction. Additional trainings may be conducted on an as-needed basis by GreenWaste personnel and/or outside consultants.

### Operations

The GreenWaste Operations and Administration Facilities in San Jose will house all customer service, dispatch, maintenance, and office activities, and container, vehicle, and equipment storage. GreenWaste can accommodate all the required services from these existing facilities that are presently within one mile of each other. GreenWaste will be relocating and consolidating these Operations within one facility, expected by the end of 2020. GreenWaste will work to locate a drop box or similar mechanism to allow residents to pay bills in-person within the service area. GreenWaste's goal is to locate an optimal location in cooperation with the Town. Maintaining GreenWaste's existing office, while providing a convenient local drop-off location will best serve Town residents, both economically and in terms of efficiency.

**Vehicle and Container Procurement** | Immediately following approval of the new Agreement, GreenWaste will reserve the production slot for all collection vehicles and containers to provide services to the Town. Confirmation of the production order and authorization to begin the build/assembly will coincide with the execution of the Agreement and all design specifications will be finalized and submitted to the manufacturers.

**Route Planning and Development** | GreenWaste will strive to minimize the impact on service days for Service Recipients. GreenWaste will utilize the routing data provided by the previous hauler but may need to make alterations to account for incorrect data and/or improved routing efficiency.

### Customer Service and Outreach

**Customer Service Call Center** | GreenWaste will offer a comprehensive suite of options for Service Recipients to contact Customer Service Representatives (CSRs) to discuss service questions or to inquire about billing. GreenWaste will offer multiple methods to contact Customer Service, including telephone, messaging and social media.

**Public Education and Outreach** | GreenWaste will provide accurate information and adequate notification to Service Recipients. to inform them of new service offerings and will assure them that they will experience uninterrupted service. GreenWaste will coordinate outreach efforts with the Town.

<b>Major Components &amp; Tasks of GreenWaste's Implementation Plan</b>				
<b>Tasks</b>	<b>Start Date</b>	<b>End Date</b>	<b>Assigned To</b>	<b>Comments</b>
Contract Negotiations	April – May 2020		F. Weigel T. Adams E. Hanson	✓ GreenWaste will negotiate in good faith with the Town.
Agreement Execution	June 2020		F. Weigel	✓ Estimated execution date.
<b>Operations</b>				
Vehicle Procurement	June 2020	March 2021	F. Weigel O. Lopez	✓ Secure production slot. ✓ Track production progress to ensure timely delivery.
Container Procurement	July 2020	September 2020	F. Weigel O. Lopez	✓ Reserve production capacity from vendors and update quantities. ✓ Container staging, preparation, painting, labeling, etc.
Route Planning & Development	June 2020	December 2020	O. Lopez Supervisors	✓ Train collection drivers on new routes, if applicable.
Container Distribution*	December 2020	December 2020	O. Lopez Supervisors	✓ Distribute Containers based on current billing records ✓ Right-size as needed ✓ Remove containers (as directed by the Town)
<b>Administration</b>				
Customer Service, Billing & Database	July 2020	December 2020	T. Adams V. Chavez	✓ Input current hauler customer data into Tower system. ✓ Map, code and clean all data
<b>Public Education &amp; Outreach</b>				
Develop & Finalize Transition Plan	August 2020	October 2020	K. Lewis	✓ Develop and finalize Public Education & Outreach Transition Plan and schedule.
Collateral Development	September 2020	November 2020		✓ Scope and complete collateral. ✓ Finalize and print all outreach materials.
Community Education & Outreach	November 2020	January 2020		✓ Conduct community outreach, meet with homeowners' associations, etc. ✓ Focus on migration of food waste to Mixed Compostables Cart
Website	November 2020	Ongoing		✓ Update the Town's section of the GreenWaste website. ✓ Add updated information as rollout progresses

\* New service program will not commence until new GreenWaste containers are delivered.

See Exhibit D for detailed New Program Rollout Plan.



- ~ Not Offered	** ~ Base Services Only
\$ ~ Fee or Additional Fee may apply	*** Available upon request where physical limitations exist

### Base Service Plus Program

- **Base Service** | As part of Base Services, all Residential Service Recipients will receive a Gray Mixed Compostable Materials Cart and may request up to one (1) 96-gallon Blue Recyclable Materials Cart and up to two (2) 96-gallon Green Yard Trimmings Carts for no additional charge. A smaller 64-gallon Blue Recyclable Materials Cart may be available upon request where Service Recipients have physical limitations.
  - ✓ **Base Service Location** | The service location included in Base Services is Curbside for all Carts; located less than five feet (5') from the accessible roadway, such that the driver does not need to dismount the vehicle to service the cart and the carts are not blocked by cars or other obstructions.
  - ✓ **Service Day** | Service of Mixed Compostable Materials, Yard Trimmings and Recyclable Materials will occur on the same day of the week, as determined by GreenWaste.
- **Additional Services – Recurring Optional** | Residential Service Recipients that wish to subscribe to greater than the allotment of Carts that comprise Base Services will need to subscribe to Additional Cart Services as described below for an additional charge.
  - ✓ **Additional Carts** | Additional 96-gallon Recyclable Materials and Yard Trimmings Carts in excess of the allotment provided as part of Base Services will have an associated service charge. Additional 96-gallon Mixed Compostables Carts are also available for an additional service charge and do not include the additional Blue Recyclable Materials Cart or Green Yard Trimmings Carts for no additional charge.
  - ✓ **Backyard Service** | Backyard Collection is the provision of collection service to a Residential Service Recipient in the rear or side premises. GreenWaste will collect Carts from and return Carts to the alternative service location specified by the Residential Service Recipient, at an additional charge as set by Town. If a Service Recipient requires this service because of disability, they will qualify for Backyard Service without paying an additional fee.
    - ✓ *Note: GreenWaste eliminated the dedicated “Backyard” Walk-on Service Route during negotiations. Additional Service Recipients with this service may be added to the extent it does not trigger additional costs to GreenWaste.*

### Collection Service Standards

- **Standard Collection Methodology** | GreenWaste will provide Curbside and Backyard (upon subscription) collection. Backyard services limited to the extent additional costs to GreenWaste are not triggered. GreenWaste will collect Mixed Compostable Materials and Recyclables in either single or a dual-compartment semi-automated side-loader vehicle, where Recyclables will be collected and stored in one segregated compartment of the collection vehicle and Mixed Compostable Materials will be collected in the other segregated compartment of the collection vehicle. Yard Trimmings will be collected in a single-compartment side-load vehicle.
- **Service Days** | GreenWaste will provide regular, scheduled collection of Mixed Compostable Materials, Yard Trimmings and Recyclable Materials from each Residential Service Recipient in the Town on a once-per-week basis, Monday through Friday, except following the three (3) proscribed Holidays (New Year’s Day, Thanksgiving and Christmas) when Saturday service will be required. GreenWaste will collect Mixed Compostable Materials from the Service Recipient on other than the normal day of service when that Service Recipient has called and made arrangements with GreenWaste to provide the extra service. Such service will be subject to an extra charge.

- **Overages Program – Excess Materials** | GreenWaste will collect excess materials that are set-out by Residential Service Recipients on an occasional basis and will be charged in 32-gallon increments reflective of the material type. Service Recipients must call in the service request at least 24 hours in advance of their regular service day. In the event the number of bags and/or personal cans left out by the Service Recipient exceeds the number of bags and/or personal cans on the driver's work order, the driver may either leave additional bags uncollected and leave a non-collection notice or collect the additional bag(s) and call in the overage to Customer Service who will initiate an additional charge to the Service Recipient's account. Service Recipients may also place a standing order on their account that denotes they are pre-authorizing being charged for the collection of any and all overages set out at their regular set-out location whether they called in the service or not. Service Recipients who have placed standing orders may remove such standing orders at any time.

#### Residential Mixed Compostable Materials Collection

GreenWaste will provide all Residential Service Recipients with weekly Curbside or Backyard Mixed Compostable Materials collection service in Carts provided by GreenWaste. Backyard services limited to the extent additional costs to GreenWaste are not triggered. Base Services include one (1) 20-, 32-, 64 or 96-gallon Mixed Compostable Materials Cart, or equivalent, collected Curbside. GreenWaste will also offer additional Mixed Compostable Materials Carts, in 64- and 96-gallon sizes, upon request and for an additional charge. GreenWaste will deliver different size or additional Mixed Compostable Materials Carts within one week of a Service Recipient's request.

- **Mixed Compostable Materials Overages Program – Excess Materials** | Service Recipients that occasionally require collection of Mixed Compostable Materials in excess of their normal subscription volume and/or Mixed Compostable Materials that exceed the weight limit and/or capacity of Mixed Compostable Materials Cart(s) provided or subscribed, may take advantage of GreenWaste's Mixed Compostable Materials Overages Program. GreenWaste will collect extra material, placed next to the Mixed Compostable Materials Cart(s) in properly labeled 32-gallon bags or 32-gallon personal cans for an additional charge. Backyard service not available for excess materials.
- **Mixed Compostable Materials Collection & Processing** | Mixed Compostable Materials will be collected in a single or dual-compartment semi-automated side-loader vehicle. GreenWaste will transport all Mixed Compostable Materials collected to the GreenWaste Materials Recovery Facility (MRF) in San Jose, CA and will follow the processing methodology described in [Section 5 | Processing and Disposal](#).

#### Residential Recyclable Materials Collection

GreenWaste will provide all Residential Service Recipients with weekly Curbside or Backyard Recyclable Materials collection service in Carts provided by GreenWaste on the same day of the week that GreenWaste performs Mixed Compostable Materials Collection services. Backyard services limited to the extent additional costs to GreenWaste are not triggered. The Base Service package includes one (1) 96-gallon Recyclable Materials Cart collected Curbside for no additional charge (a smaller 64-gallon Blue Recyclable Materials Cart may be available upon request where Service Recipients have physical limitations) and GreenWaste will also offer 96-gallon Recyclable Materials Carts upon request and for an additional charge. GreenWaste will deliver additional Recyclable Materials Carts within one week of a Service Recipient's request. Recyclable Materials will be collected from Recyclable Materials Cart(s) placed adjacent to the Mixed Compostable Materials Cart(s).

- **Recyclable Materials Overages Program – Excess Materials** | Service Recipients that occasionally require collection of Recyclable Materials in excess of their normal subscription volume and/or Recyclable Materials that exceed the weight limit and/or capacity of the provided Recyclable Materials Cart(s) provided or subscribed, may take advantage of GreenWaste's Recyclable Materials Overages Program. GreenWaste will collect extra material, placed next to the Recyclable Materials Cart(s) in 32-gallon clear, translucent or properly labeled bags, flattened and bundled/secured

cardboard not exceeding 3' x 3' x 3' or personal 32-gallon cans for an additional charge. Backyard service not available for excess materials.

- [Recyclable Materials Collection & Processing](#) | Recyclable Materials will be collected in its own separate compartment in single or dual-compartment semi-automated side-loader vehicles. GreenWaste will transport all Recyclable Material collected to the GreenWaste MRF in San Jose, CA and will follow the processing methodology described in [Section 5 | Processing and Disposal](#)

For a complete list of materials accepted under the Recyclable Materials Curbside Collection Program, please refer to [Section 5 | Processing and Disposal](#).

Additional Material that will be accepted under the GreenWaste Recyclable Materials Curbside Collection program include:

- ✓ [Used Motor Oil and Filter Collection](#) | GreenWaste will collect used motor oil (in plastic containers with a screw on lid only) and filters (in sealed plastic bags only) from Residential Service Recipients. The Residential Service Recipient will be instructed to place oil and filter adjacent to their Recyclables Cart for Collection on their regularly scheduled collection day.
- ✓ [Household Battery Collection](#) | GreenWaste will collect used dry cell household batteries set out in a sealed, reusable clear zipper type bag on top of the Recyclables Cart, at no additional cost to the Residential Service Recipient.

### [Yard Trimmings Collection](#)

GreenWaste will provide all Residential Service Recipients with weekly Curbside or Backyard Yard Trimmings collection service in Carts provided by GreenWaste on the same day of the week that GreenWaste performs Mixed Compostable Materials Collection services. Backyard services limited to the extent additional costs to GreenWaste are not triggered. The Base Service package includes two (2) 96-gallon Yard Trimmings Carts collected Curbside for no additional charge. GreenWaste will deliver additional Yard Trimmings Carts within one week of a Service Recipient's request. Yard Trimmings will be collected from GreenWaste provided Yard Trimmings Cart(s) placed adjacent to the Mixed Compostable Materials Cart(s).

- [Yard Trimmings Overages Program](#) | Service Recipients that occasionally require collection of Yard Trimmings in excess of their normal subscription volume and/or Yard Trimmings that exceed the weight limit and/or capacity of the Yard Trimmings Carts provided by GreenWaste, may take advantage of GreenWaste's Yard Trimmings Overages Program. GreenWaste will collect excess materials that are set-out by Residential Service Recipients on an occasional basis and may be charged in 32-gallon increments reflective of the material type. Service Recipients must call in the service request at least 24 hours in advance of their regular service day. In the event the number of bags and/or personal cans left out by the Service Recipient exceeds the number of bags and/or personal cans on the driver's work order, the driver may either leave additional bags uncollected and leave a non-collection notice or collect the additional bag(s) and call in the overage to Customer Service who will initiate an additional charge to the Service Recipient's account. Service Recipients may also place a standing order on their account that denotes they are pre-authorizing being charged for the collection of any and all overages whether they called in the service or not. Service Recipients who have placed standing orders may remove such standing orders at any time. GreenWaste will collect extra material, placed curbside, next to the Yard Trimmings Cart(s), tied and secured in bundles or in paper bags or personal carts or cans. Backyard service not available for excess materials.
- [Yard Trimmings Collection & Processing](#) | Yard Trimmings will be collected Curbside or Backyard in a single- or dual-compartment side-loader vehicle. GreenWaste will transfer all Yard Trimmings collected to the GreenWaste Materials Recovery Facility (MRF) in San Jose, CA for subsequent processing at Z-Best Composting Facility in Gilroy, CA and will following the processing methodology described in [Section 5 | Processing and Disposal](#).

**Christmas Tree Collection** | As part of the Yard Trimmings Collection Program, GreenWaste will collect, on the normal Yard Trimmings Collection schedule, all unadorned and unflocked Christmas trees which are set out Curbside throughout the month of January each year.

**2.b Commercial**

GreenWaste will offer Mixed Compostable Materials, Yard Trimmings and Recyclables collection services to all Commercial Service Recipients. Collection services for Commercial Service Recipients are detailed in the table below:

<b>Commercial Collection Services</b>	
Mixed Compostable Materials	✓
Recyclable Materials	✓
Yard Trimmings	✓

GreenWaste will provide all Commercial Service Recipients with at least once weekly collection service for Mixed Compostable Materials, Yard Trimmings and Recyclable Materials. GreenWaste will make it a priority, however, to adjust service levels of Commercial Service Recipients to the least number of days per week, to reduce total vehicle miles traveled, minimize traffic impacts and limit the total number of trips taken. Collection Containers may be offered in various sizes and quantities, as detailed in the following table.

<b>Commercial Containers</b>			
	Mixed Compostable Materials	Recyclable Materials	Yard Trimmings
64-Gallon	✓	✓	✓
96-Gallon	✓	✓	✓
1-8 cubic yard Bins	✓	✓	–
✓ ~ Offered			

Collection Service Standards

- **Standard Collection Methodology** | Due to the limited number of Commercial Service Recipients in Atherton, and in order to optimize route efficiencies, Commercial materials may be co-collected with Residential materials of the same material type and/or Commercial materials of the same material type from neighboring jurisdictions and if co-collection occurs, GreenWaste will utilize subscription volumes by material type to allocate tonnages between the jurisdictions.
- **Collection Vehicle** | GreenWaste will operate single and dual-compartment semi-automated side-loader vehicles and front-loader vehicles, depending on the type of Containers being utilized by the Commercial Service Recipients. The various types of vehicles allow GreenWaste versatility in addressing potentially restrictive Collection circumstances, or premises requiring accommodation. For additional details on collection vehicles, please find [Section 4.a | Collection Vehicles](#).
- **Service Days** | GreenWaste will provide collection of Mixed Compostable Materials, Yard Trimmings and/or Recyclable Materials from Commercial Service Recipients at least once-per-week, Monday through Saturday.

Commercial Mixed Compostable Materials Collection

GreenWaste will provide appropriate Mixed Compostable Materials Containers to each subscribing Commercial Service Recipient and collection will be made from Mixed Compostable Materials Containers placed at the point of collection selected by the Commercial Service Recipient. Additional charges may be imposed for Containers that are not immediately accessible by automated or semi-automated collection vehicles or for front-load Bins that are placed out for collection greater than 25' away from the closest location that a rear-load vehicle can gain access the front-load Bins.

- **Mixed Compostable Materials Processing** | GreenWaste will transport all Mixed Compostable Materials Collected to the GreenWaste Materials Recovery Facility (MRF) in San Jose, CA and will follow the processing methodology described in [Section 5 | Processing and Disposal](#).

#### Commercial Recyclable Materials Collection

GreenWaste will provide Recyclable Materials collection services to each subscribing Commercial Service Recipients that has Mixed Compostable Materials service. GreenWaste will collect Recyclable Materials from each Commercial Service Recipient at the point of collection selected by the Commercial Service Recipient. Additional charges may be imposed for Containers that are not immediately accessible by automated or semi-automated collection vehicles or for rear-load Bins that are placed out for collection greater than 25' away from the closest location that a front-load vehicle can gain access the front-load Bins.

- **Recyclable Materials Processing** | GreenWaste will transport all Recyclable Materials Collected to the GreenWaste Materials Recovery Facility (MRF) in San Jose, CA and will follow the processing methodology described in [Section 5 | Processing and Disposal](#).

#### Commercial Yard Trimmings Collection

GreenWaste will offer source-separated Yard Trimmings Collection Service to Commercial Service Recipients that produce and separate Yard Trimmings for collection. GreenWaste will offer and provide 64- and 96-gallon Carts for the collection of Yard Trimmings. GreenWaste will collect Yard Trimmings from subscribing Commercial Service Recipients at the point of collection selected by the Commercial Service Recipient. Additional charges may be imposed for Containers that are not immediately accessible by automated or semi-automated collection vehicles or for front-load Bins that are placed out for collection greater than 25' away from the closest location that a front-load vehicle can gain access the front-load Bins.

- **Yard Trimmings Processing** | GreenWaste will transport all Yard Trimmings collected to the GreenWaste MRF in San Jose, CA. At the MRF, the material will be processed into two categories, 1) processed yard waste fines, and 2) other processed yard waste "overs". The material will then be transferred to Z-Best Composting Facility in Gilroy, CA for processing, and will follow the processing methodology described in [Section 5 | Processing and Disposal](#).

## 3 Additional Services

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The following section details the additional services GreenWaste will provide Residential and Commercial Service Recipients. The services included herein bolster GreenWaste's presence in the community and provide the opportunity to offer Residential and Commercial Service Recipients a comprehensive and full suite of waste services, as outlined in the Franchise Agreement.

### 3.a Town-Wide Clean-Up Services

Upon request by the Town, GreenWaste will hold drop-off events at a location selected by the Town to allow Residential Service Recipients to drop off acceptable materials. Acceptable materials may include one or more of the following: E-Scrap, Universal Waste, Recyclable Materials, Organic Materials, and Solid Waste. GreenWaste prioritizes reuse and recycling and has partnered with a number of reuse agencies, including Good Karma Bikes, CityTeam and USAgain.

### 3.b On-Call Bulky Item Clean-Up

GreenWaste will provide convenient On-Call Cleanup services to Residential Service Recipients to collect bulky items and reusable materials, prioritizing reuse, diversion, and customer convenience. Up to two times per year, Residential Service Recipients may request on-call cleanup services. GreenWaste will handle all materials collected in a manner that will allow the maximum amount to be recycled or otherwise diverted from the landfill.

Residential Service Recipients with Mixed Compostable Materials service are eligible to use the On-Call Cleanup program. Residential Service Recipients must call at least 48 hours in advance to schedule the service of either Mixed Compostable Materials or bulky items, as described in [Exhibit F | On-Call Clean-up Services](#).

### 3.c Services to Town Facilities

GreenWaste will provide collection services for Mixed Compostable Materials, Yard Trimmings and Recyclable Materials generated at Town facilities designated by the Town Manager. There will be no charge to the Town for these services. GreenWaste will provide appropriate containers for the locations selected by the Town and service them on a mutually agreed schedule that will prevent overflow of the containers and maximize collection efficiency.

### 3.d Abandoned Items Cleanup

GreenWaste will schedule up to two (2) abandoned waste collection events per service day for the Town. GreenWaste will make every effort to collect abandoned waste within one (1) business day of being notified by the Town, customer, or GreenWaste's vehicle drivers and route supervisors of the occurrence of abandoned waste or illegal dumping.

### 3.e Document Destruction Events

If requested by the Town, GreenWaste will provide confidential document destruction service at the drop off event(s). GreenWaste will provide adequate equipment and staffing necessary for the event via a subcontractor.

**4 Collection Equipment and Operations**

The following section details the requirements for vehicles, equipment, and all associated operations for the complete provision of Curbside and Backyard Mixed Compostable Materials, Yard Trimmings and Recyclable Materials collection services. GreenWaste will supply all personnel, labor, and equipment required to collect, remove, deliver and process all Mixed Compostable Materials, Yard Trimmings and Recyclables produced, generated, or accumulated in the Town by subscribing and/or eligible Servicing Recipients during the term of the Agreement.

**4.a Collection Vehicles**



Under the new Agreement, GreenWaste will purchase and subsequently phase in new collection vehicles for servicing the Town. GreenWaste proposes vehicles that are fueled by 100% renewable biodiesel. GreenWaste has reviewed its current operations, travel conditions, geographic demands, and densities, and determined that the following will best meet the needs of the Town. The table below displays the proposed vehicles.

*Proposed Renewable Diesel Collection Vehicles*

	Vehicle Type	Fuel Type	Quantity	Age	Capacity	Vehicle Manufacturer
Residential	Fully-automated Side-loader	Renewable diesel	4	New	27 yd <sup>3</sup>	2020 Mack Chassis Labrie body (or equivalent)
Commercial – Bins	Single-compartment Front Loader	Renewable diesel	1	New	40 yd <sup>3</sup>	2020 Mack Chassis New Way body (or equivalent)

**Noise** | GreenWaste understands the importance of limiting noise impacts in residential areas. GreenWaste carefully maintains all vehicles to ensure that they operate at optimum efficiency. Through resourceful and efficient routing, vehicle passes on streets are minimized and associated noise concerns are also be greatly reduced. Furthermore, GreenWaste has the collection vehicles tested annually to ensure noise levels are acceptable.

**4.b Collection Containers**

GreenWaste has extensive experience in Container procurement, distribution, and inventory management. GreenWaste has worked with numerous Container manufacturers and proposes the following with regards to Containers for the Town.

Carts

GreenWaste will provide Carts to Service Recipients in 20-, 32-, 64-, and 96-gallon sizes, or equivalent.

All Carts will be designed and constructed to be watertight and prevent the leakage of liquids, and will display the GreenWaste name, local telephone number, and an inventory/serial number.

Bins

GreenWaste will provide Bins for Mixed Compostable Materials and Recyclable Materials manufactured in 1-8 cubic yard sizes, depending on material type. Bins are designed and constructed to be watertight and prevent the leakage of liquids, and they will also display the GreenWaste name, local telephone number, and an inventory/serial number.

**4.c Operations and Maintenance Plan**

GreenWaste is experienced in the operation of corporation yards and maintenance of collection vehicles and equipment. GreenWaste will deliver high-level service and maintenance to the Town throughout the term of the Agreement.

### GreenWaste Corporation Yard and Maintenance Facility

GreenWaste owns and operates a corporation yard maintenance facility at 625 Charles St, San Jose and an administrative office and customer call center at 1500 Berger Dr., San Jose. Note: GreenWaste is currently in the processing of consolidating operations and administrative functions into one facility, located at 610 E. Gish Rd., San Jose, which is located between the 625 Charles Street and the 1500 Berger Drive facilities.

The current and future corporation yard and maintenance facility includes sufficient space for the following:

- ✓ *Collection vehicle and employee parking*
- ✓ *Equipment and container storage*
- ✓ *Vehicle and equipment maintenance facilities*
- ✓ *Collection operations*
- ✓ *Vehicle maintenance*
- ✓ *Vehicle staging*
- ✓ *Vehicle and container cleaning*
- ✓ *Locker rooms*

The current and future administrative office and Customer call center encompasses sufficient space for the following:

- ✓ *Administrative offices*
- ✓ *Restrooms*
- ✓ *Employee kitchen and lunch room*
- ✓ *Customer service cubicles*
- ✓ *Data infrastructure & servers*

### Maintenance Plan

GreenWaste will inspect each vehicle twice daily to ensure all equipment is operating properly and safely. Under the supervision of an Operations Supervisor, a Driver Vehicle Inspection Report (DVIR) will be completed both pre-trip and post-trip for every collection vehicle. All collection vehicles will be cleaned as necessary to maintain good repair and appearance. Additionally, sufficient reserve vehicles will be available to respond to scheduled and unscheduled maintenance, service requests, complaints, and emergencies.

GreenWaste will always aim to maintain an adequate inventory of Carts and Bins by size and color at its corporation yard. The corporation yard includes a maintenance facility where routine maintenance will be performed on Containers to ensure they work properly and present a neat appearance.

### Route Planning

Consistent with the GreenWaste philosophy, developing and utilizing the most efficient routes reduces the carbon footprint of operations, saves resources and provide for consistent and timely service for Service Recipients during the transition and on an ongoing basis. In order to determine the current service routing, GreenWaste will request and arrange for the transfer of route maps and sequential route sheets from the current hauler for input into Tower. GreenWaste must proceed with the assumption that the initial routing data may be inaccurate and has incorporated plans to conduct initial field reviews. Following the initial review, GreenWaste will begin the process of conducting dry runs to verify the data obtained and making modifications for efficiencies until the first comprehensive routing map is developed.

Following the development of initial routes, GreenWaste will conduct dry runs to confirm the accuracy of the data and the efficiency of the planned routes. Once the data has been proven accurate, routes will be finalized within sixty (60) to ninety (90) days of the date of commencement of services, with minor calibration of the routes ongoing to optimize efficiency and

reduce overall carbon footprint of the operation. During the first few weeks of service, the Route Supervisor will maintain a close watch on routes to ensure Service Recipients are not missed.

GreenWaste possesses a vast amount of operational experience and has carefully chosen the vehicles, labor, and Collection methods to best service the Town.

#### 4.d Personnel & Worker Safety

##### Personnel

**Omar Lopez, Operations Manager** | Mr. Lopez has been with GreenWaste for over 16 years working as a sorter, collection vehicle operator, route supervisor and assistant operations manager. In June 2016 he was promoted to Operations Manager for GreenWaste's Santa Clara County and San Mateo County operations divisions. Mr. Lopez is responsible for the direct management of all aspects of operations in these areas including contract compliance, routing, audit procedures, safety compliance, training, and management of drivers. His vast knowledge in every area of operations has allowed him to create and maintain a dynamic workforce and environment.

Mr. Lopez will be assisted in the operations for the Town by one (1) route supervisor, one (1) mechanic, and five (5) drivers, although the total number of employees may fluctuate over time to ensure efficient and effective collection services. GreenWaste has an exceptional track record of maintaining long relationships with its employees. Pursuant to Section 1072(a) of the California Labor Code, GreenWaste is agreeable to retain for a 90-day period non-management displaced employees in good standing who worked for the terminated contractor providing collection services in the Town of Atherton at the time of the Agreement award and through the time services commence, on January 1, 2021; however, it is important to note that we cannot agree to retain more displaced non-management employees than required to provide the proposed services.

##### Worker Safety

To continue to achieve high levels of successful performance, GreenWaste knows it is absolutely imperative to protect its most valuable resource – its employees. For this reason, GreenWaste strives to eliminate any foreseeable hazard that may result in accident, injury, or illness; property damage or loss; or business interruption. GreenWaste has developed an injury and illness prevention program that serves as a guideline for employees in the safe performance of their daily activities.

The safety plan is predominantly conducted through the continued implementation of an extensive health and safety program. All GreenWaste drivers participate in monthly safety meetings, office personnel participate in quarterly safety meetings, and the management team is trained and certified in First Aid, CPR and AED. GreenWaste employees are oriented on GreenWaste Drug & Alcohol Policy, Sexual Harassment Policy, Injury and Illness Prevention Program, Emergency Action Plan, Safety Rules, Discipline Program, and Accident and Injury Reporting Program, and are required to complete intensive training programs covering topics including but not limited to Commercial driver safe work practices, PPE, hazard communication, seat belt requirements, confined spaces, pre-trip/post trip inspections, and lockout/tag out requirements and procedures.

## 5 Processing and Disposal

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The following section details the processing and disposal services GreenWaste will provide as part of the Residential and Commercial collection programs. All materials collected in the Town will be transported to the GreenWaste MRF in San Jose for processing.

- **Recyclable Materials will be sorted on the single-stream recyclables processing line at the MRF where they will be separated by material type, baled and shipped to market to be given new life as a recycled product.**

- Mixed Compostable Materials will be processed in a separate building at the MRF and the recovered organic materials will be sent to Z-Best Composting Facility in Gilroy.
- After initial processing at the MRF, all Yard Trimmings will be sent to Z-Best in Gilroy where they will be screened and further processed into high-quality soil amendment.
- Residue from the GreenWaste MRF and Z-Best will be transported to Newby Island Landfill for disposal through the term of the Town's Disposal Agreement with Newby.

**Weighing** | Each load of Recyclable Materials, Yard Trimmings, and Mixed Compostables delivered to the GreenWaste facility will be weighed at a properly maintained and certified scale. Each vehicle will be weighed fully loaded and empty, unless a tare (i.e., unloaded) weight for that vehicle is on file. Tare weights may be used for trucks and trailers to facilitate quicker turnaround time at the Processor Facility. GreenWaste will provide substitute portable scales should its usual scales not be available for whatever reason.

**Load Classification** | GreenWaste will classify of each load as it is delivered. Collection vehicles will be weighed as they enter the GreenWaste MRF, where a scale house operator will create a gate tag and direct vehicles to unload in the designated area. Each load of Recyclables will be assigned a Recyclables Stream classification prior to delivery to the Recyclables processing building Materials and each load of Yard Trimmings will be assigned a Yard Trimmings classification prior to delivery to the Yard Trimmings processing building. After loads have been emptied, load check personnel visually inspect the load and if a load has a different Recyclables or Yard Trimmings classification than originally assigned at the scale house, the load checker will communicate with the scale house operator to correct the gate tag, and will take photos to document the re-classification.

### 5.a Recyclable Materials Processing

GreenWaste will transfer, transport, and process Recyclable Materials in the same manner as is currently performed in the Town. GreenWaste owns and operates the Material Recovery Facility (MRF) where all Recyclables collected under this new Agreement will be processed. What follows are the details of how GreenWaste will perform the Recyclables processing services.

#### Acceptable Recyclable Materials

Below is the minimum list of Recyclable materials to be collected and accepted for processing as Recyclables at the GreenWaste MRF. All materials accepted as Recyclables must be clean and free of food and liquid.

<u>Material</u>	<u>Definition</u>
Tin/Steel	Includes steel food, beverage, aerosol and paint cans. "Tin" cans fall into this category. Tin or other coatings are often applied to a steel food can.
Aluminum	Aluminum used beverage containers, post-consumer aluminum beverage cans.
Metal – Misc.	Electrical motors, hangers ( <i>bundled</i> ), keys, nuts and bolts, metal pipe, propane tanks ( <i>empty</i> ), scrap metal, tools ( <i>drained of all fluids</i> ), toys, doors and screens.
PET	#1 Polyethylene Terephthalate (PET, PETE). PET is clear or mostly clear and tough. Commonly used in soft drink bottles and many injection molded consumer product containers.
NHDPE	#2 (Natural High-Density Polyethylene). Includes milk, water and other bottles that are HDPE and are

<u>Material</u>	<u>Definition</u>
CHDPE	of a natural or translucent color. (Colored High-Density Polyethylene). Includes juice, detergent and other bottles that are HDPE and are of a colored or opaque color.
Mixed Plastic #3-7	#3 PVC: Polyvinyl Chloride. Commonly used in film for meat packaging and some rigid plastic containers. Does not include hard PVC (e.g. pipe). #4 LDPE: Low Density Polyethylene. Commonly used in newspaper and grocery bags and butter cups lids. Only acceptable when all film plastics are bagged together. #5 PP: Polypropylene. Commonly used in yogurt containers and deli trays. #6 PS: Polystyrene. (not typically recycled including Styrofoam) Commonly used <i>in</i> plastic cups and plates and to-go containers. Only acceptable when source separated from other mixed recyclables. #7 OTHER: Other mixed resins. Commonly used in mixed plastic containers or plastic products.
Glass – Clear	Clear Glass Bottles and Containers means clear glass beverage and food containers and glass dishware with or without a CRV label. Examples: Whole or broken clear soda and beer bottles, fruit juice bottles, peanut butter jars, and mayonnaise jars. Does <u>not</u> include glass bakeware, Pyrex or ceramics.
Glass – Colored	Colored Glass Bottles and Containers includes food and beverage containers – three subtypes described below: Green Glass Bottles and Containers means green-colored glass containers with or without a CRV label. Examples: Whole or broken green soda, beer and wine bottles. Brown Glass Bottles and Containers means brown-colored glass containers with or without a CRV label. Examples: Whole or broken brown soda, beer and wine bottles. Other Colored Glass Bottles and Containers means colored glass containers and bottles other than green or brown with or without a CRV label. Examples: Whole or broken blue or other colored bottles and containers.
Glass – 3 Mix	A collection of flint, amber, and green beverage or food container glass. It may contain normal container labels and metal tops.
Mixed Paper	A mixture of various grades of recyclable waste paper not limited by fiber content and includes most types of clean and dry paper including glossy, white ledger and computer papers, colored paper, newspapers, magazines, catalogs, phone books, shredded paper, cards, laser- printed white ledger, windowed envelopes, sticky notes, paperboard, paper egg cartons and often contains corrugated and brown paper. Does <u>not</u> include photographs, carbon paper, tissue, napkins or waxed/coated fiber or mixed fiber products that may include coffee cups, ice cream containers, gable top cartons, aseptic or tetrapak. Food soiled materials and materials with visible water marks are not accepted.
News	Known as ONP (old news print), ONP has two major sub-grades: No. 8 is sorted newspapers only. No. 6 may have some magazines mixed in and may be tied in bundles or gathered in brown bags. Food soiled materials and materials with visible water marks are not accepted.
OCC	Used boxes and sheets of corrugated board of various qualities. Corrugated is known as OCC (old

<u>Material</u>	<u>Definition</u>
	corrugated container). OCC is clean cardboard made from unbleached, unwaxed paper with a fluted (corrugated) inner liner. Does <u>not</u> include pizza boxes. Food soiled materials and materials with visible water marks are not accepted.
eWaste:	Includes calculators, cameras, cell phones, computer mice, cords, DVD players, DVRs, fax machines, keyboards, small printers, radios, scanners, smart phones, stereos, telephones, VCRs. Inkjet/toner cartridges are <u>not</u> acceptable in the commingled container but are acceptable if collected separately.

*\*It is important to note that materials are only recyclable where markets exist. If a market disappears for a material on the above lists, then GreenWaste can no longer accept it as a recyclable material.*

*Non-Recyclable Materials*

Non-Recyclable Materials are those materials collected as part of the Recyclable collection program and delivered to the MRF that require Disposal because they are:

- Not Acceptable Recyclable Materials, or
- Are Acceptable Recyclable Materials but are:
  - ✓ Not free of food/liquid, or
  - ✓ Free of food/liquid but:
    - ✓ Are smaller than 2"-2.5" such that they are not recoverable using industry-standard processing equipment or otherwise Commercially reasonable methods, or
    - ✓ Where no Commercially reasonable market exists for their disposition

Non-recyclable materials collected in the Town and processed at the GreenWaste MRF, which cannot be marketed, will be consolidated with non-recyclable from the remainder of MRF operations and transported for Disposal.

Processing Site Information

The GreenWaste MRF is permitted to accept up to 3,500 tons per day (tpd) of material. The MRF guarantees processing capacity for the Town’s recyclable materials through the term of this new Agreement. The MRF is open Monday through Sunday and is permitted to operate twenty-four (24) hours per day, seven (7) days per week. The MRF is typically open from 4:00am - 9:00pm Monday through Friday, 5:00am - 5:00pm on Saturday, and on an as-needed basis for maintenance on Sunday, generally operates 309 days per year, and is closed on the following holidays:

- ✓ *New Year’s Day;*
- ✓ *Thanksgiving Day; and,*
- ✓ *Christmas Day.*

In December 2015, GreenWaste started operation of its updated MRF facilities, a multi-building processing operation where MSW is processed in a separate building than recyclable materials. In order to optimize efficiencies, recyclables that are recovered from the MSW process are often moved to the recyclables processing building to utilize the expanded sorting and quality control capabilities of the single-stream processing to ensure as much material is diverted from landfill as possible. The MRF is currently undergoing another upgrade that will recover additional plastics, fiber and aluminum and will maximize marketability of recyclables by effectively removing all contaminants.

<u>Recyclables Processing Facility</u>	
<u>Owner &amp; Operator</u>	GreenWaste Recovery, Inc.

SWFP No.	43-AN-0019 and 43-AN-0020
Permitted Hours of Operation	24 hours per day
CEQA	SCH # 2004112032
Capacity	Up to 3,500 tpd
MRF Manager Contact Information	Ricardo Lopez   408.938.4936

MRF Processing Operations

The single-stream recyclable materials processing building is capable of processing up to fifty (50) tons per hour of material, while consistently recovering up to 95% of processed material.

China was historically the largest consumer of recycled commodities throughout the United States, importing approximately 13 million tons of paper and 776,000 tons of plastic from the US annually. As of January 1, 2018, China imposed a number of restrictions on imported recyclables under a policy entitled “National Sword,” creating zero tolerance for a number of problem materials. With the new restrictions, imported recyclables may only contain 0.5% of any type of contaminant.

In reaction to these heightened standards, the GreenWaste MRF added staff to the sorting line and slowed down the rate at which materials move through the facility to approximately forty (40) tons per hour to minimize contamination and keep materials clean. While no material is currently going to China, MRF management is constantly seeking, and successfully locating, new markets for separated recyclables. However, there has been a substantial loss of markets across the world, which does have local impacts at the GreenWaste MRF and for the communities it serves. GreenWaste continues to innovate during this recycling crisis and will continue to keep the Town apprised of the state of recycling.

What follows are the details of the various stages of the single-stream recyclable materials processing cycle.

- **Floor Sort** | Recyclable material is tipped and undergoes an initial manual floor sort, where sorters remove large recoverable items and contaminants. After the floor sort, a bucket loader operated by a MRF employee feeds recyclable material into the metering bin.
- **Pre-Sort** | The pre-sort process includes up to eight (8) pre-sorting stations along conveyors where sorters remove contaminants, large items, film plastics, bagged shredded paper, and rigid plastics prior to the material stream entering the mechanical portion of the facility. Staffing levels and locations are determined by the composition of the recyclable materials being processed. The pre-sort stations are essential to MRF operations and increase the total system throughput, improve the efficiency of machinery separation, and result in higher quality output products.
- **Bag Breaker** | During the pre-sort, sorters pull off unopened bags and toss them down a chute where the bag breaker mechanically opens the bags and a conveyor belt reintroduces the materials to the line, meeting up with the rest of the materials that have made it past the pre-sort.
- **OCC (Old Corrugated Cardboard) Screen** | The OCC disc screen is used to capture large cardboard and allow other materials to continue for further processing. The spacing in the screen allows for cardboard to float over the top, separating the larger cardboard from the smaller paper, plastic, and other materials. Quality control stations remove any contaminants from the cardboard before directing it to the cardboard bunker for subsequent baling.
- **Debris Roll Screen** | Directly under the OCC screen, glass falls onto debris roll screens, separating glass from the rest of the material. The glass is then cleaned for improved marketability by a magnet and Nihot Air Separator.
  - ✓ **Magnet** | A magnetic removes nails, lids, and other ferrous items from the glass stream.

- ✓ **Nihot Air Separator** | Small plastics, shredded paper and other light contaminants are removed from the heavier glass by utilizing an air stream to push light materials onto a residue line while heavier glass falls to a separate line
- **Optical Sorter** | Non-glass items that are four (4) inches or smaller travel through an optical sorter that ejects aluminum, metal, PET, HDPE natural, HDPE color, and plastics 2-7 to recover smaller recyclable materials.
- **Screens** | A series of 3 screens target different grades of 2-dimensional materials (e.g. paper, film plastic) from the 3-dimensional material (e.g. containers). These screens are adjustable to allow for different material make ups
- **Optical Sorters for Cardboard** | Material from the first and second set of screens travels through to two (2) cardboard optical sorters. Here, any remaining cardboard is ejected and separated to its designated bunker, while the remaining material falls down towards another set of three (3) optical sorters for additional quality control.
- **Optical Sorters for containers** | Three (3) optical sorters separate containers, aluminum, and metals while ejecting film plastics which travel through a vacuum tube towards the Nihot Container for film plastics. The rest of the of the material continues towards the container line.
- **Nihot Container** | The Nihot Container has a rotating drum that removes dust and dirt. Any film plastic larger than ½ inch is recovered.
- **Electro-magnetic Separator** | Ferrous metals are separated using electro-magnetic separators. All ferrous metals are stored in bunkers prior to baling.
- **Optical Sorters** | A series of 3 optical sorters separate various types of plastics from the rest of the material, including PET, HDPE and Plastics 2-7.
- **Post-Sort** | After each optical oorter are quality control stations where sorters pull off any material that isn't PET, HDPE, or Plastics 2-7 to ensure optimum marketability of the recovered commodities.
- **Eddy Current Separator** | Non-ferrous metals (i.e. aluminum cans) are separated utilizing an eddy current separator. A magnetic rotor spins rapidly inside a non-metallic drum. Alternating magnetic charges on the belt, combined with the velocity of the conveyor, force the non-ferrous metal to repel away from the conveyor, while the other materials drop off at the end.
- **Last Line of Defense** | After the eddy current separator are 2 sorters who separate (1) scrap aluminum from other aluminum and (2) non-landfill material from landfill material.
- **Baler** | 2 balers prepare material for market. One machine is primarily used for mixed paper, while the other is primarily used for OCC. Both balers are adapted to use for various materials and computer systems connected to the material bunkers notify MRF employees when there is enough material accumulated for baling.

### Permits and Regulatory Compliance

GreenWaste's Solid Waste Facility Permits (SWFP # 43-AN-0019 and 43-AN-0020) are issued and conferred by the California Department of Resources Recycling and Recovery (CalRecycle). The GreenWaste MRF is also governed through permits issued by the following State and local regulatory agencies:

- ✓ *California Department of Toxic Substances Control (DTSC);*
- ✓ *California Department of Industrial Relations (OSHA);*
- ✓ *California Regional Water Quality Control Board (RWQCB);*
- ✓ *California Air Resources Board (CARB);*

- ✓ City of San Jose;
- ✓ County of Santa Clara; and,
- ✓ San Jose Fire Department.

The GreenWaste MRF has complied with all permits and environmental documents since its inception. At its request, GreenWaste can provide the Cities with all documentation verifying compliance. Safety is of the utmost importance at the GreenWaste MRF, and following all applicable local, state, and federal laws and regulations allow for the GreenWaste MRF to boast its excellent safety and compliance record.

### 5.b Mixed Compostable Materials Processing

Mixed Compostable Materials will be transported directly to the GreenWaste MRF, located at 625 Charles Street in San Jose, CA for initial processing. The resulting compostable fraction will be transported to the Z-Best Composting Facility, located at 980 State Highway 25 in Gilroy, California for composting.

#### MRF Processing Operations

The municipal solid waste processing building is capable of processing up to ninety (90) tons per hour of material, while consistently recovering up to 70% of processed material.



What follows are the details of the various stages of the Municipal Solid Waste (MSW) processing facility, where the Town's Mixed Compostable Materials will be brought for initial processing.

- **Floor Sort** | Mixed Compostable Material will be tipped and undergo an initial manual floor sort, where sorters remove large recoverable items. After the floor sort, a bucket loader operated by a MRF employee feeds material into the metering bin.
- **Pre-Sort** | The pre-sort process includes manual sorters at stations along conveyors where sorters remove large items, film plastics, bagged shredded paper, and rigid plastics prior to the material stream entering the mechanical portion of the facility. Staffing levels and locations are determined by the composition of the feedstock being processed. The pre-sort stations are essential to MRF operations and increase the total system throughput, improve the efficiency of machinery separation, and result in higher quality output products.
- **Bag Breaker** | The bag breaker mechanically opens the bags and releases the contents onto the conveyor belt towards the disc screens.

- **Screens** | There are six screens that separate material by size. The first set of screens separate items that are six (6) inches or larger, the second set of screens separate items that are smaller than six (6) inches, larger than two (2) inches, and finally the last set of screens are the fines which are two (2) inches or smaller. The items from the first two sets of screens continue on for further processing. The lower screen, which transports all organics and fine material, is sent to the compost pile.
- **Nihot Air Separator** | The two Nihot Air Separators separate the light and heavy materials. One unit sorts the items from the 6 inches or larger stream and the other sorts items from the 6 inches or smaller stream. From both machines, light items are transported over the machinery and continue onto the polishing screens. The heavier items fall back down to the compost stream for further processing.
- **Magnet** | Heavy items on the compost line proceed to the magnet which removes metals from the stream.
- **Dual Max AI™** | After the metals are removed from the stream, the metals continue to the dual Max AI™ last chance recovery where remaining plastics and aluminum are recovered from the stream.
- **Post Sort** | At the end of the compost line, additional manual sorters remove any remaining recoverable items from the stream before the material is sent to the compost pile for transport to Z-Best.
- **Polishing Screen** | The light material from the Nihot Air Separator travels to the polishing screen where spinning disks send fibers such as paper, cardboard and newsprint over the top and the remaining items fall back and continue through the process. Fines and Compostable items fall to the bottom conveyor and are transported out to the compost pile.
- **Optical Sorters** | A series of 4 optical sorters separate various types of plastics from the rest of the material.
  - ✓ **#1 Paper Optical Sorter** | Paper that was not captured during the polishing screen is recovered here.
  - ✓ **#2 HDPE Optical Sorter** | HDPE color and natural containers are optically sorted.
  - ✓ **#3 PET Optical Sorter** | PET beverage containers are optically removed from the stream.
  - ✓ **#4 Plastics 2-7 Optical Sorter** | Plastic containers #2 through #7 are optically sorted.
- **Eddy Current Separator** | The Eddy current separator has a strong magnetic belt that has positive and negative loops of electrical current. This causes non-ferrous metals to go flying over and separated into its own stream which ends in a bunker.
- **Max AI™** | The Max AI™ units are programmed to identify specific material types and extract anything that does not belong in the stream.
  - ✓ **#1 Max AI™** | Removes anything other than HDPE natural and color from the stream.
  - ✓ **#2 Max AI™** | Removes anything other than PET from the stream
  - ✓ **#3 Max AI™** | Removes anything other than Plastics 2-7 from the stream.
  - ✓ **#4 Max AI™** | Removes anything other than aluminum from the stream
- **Post-Sort** | After each optical sorter are quality control stations where sorters pull off any material that isn't PET, HDPE, or Plastics 2-7 to ensure optimum marketability of the recovered commodities.
- **Baler** | Two (2) balers prepare material for market. One machine is primarily used for mixed paper, while the other is primarily used for OCC. Both balers are adapted to use for various materials and computer systems connected to the material bunkers notify MRF employees when there is enough material accumulated for baling.

Z-Best Processing Operations

After the Mixed Compostable Materials are processed and sorted at the GreenWaste MRF in San Jose, the compostable fraction will be sent to be composted at Z-Best Composting Facility (Z-Best) in Gilroy.

Z-Best Composting Facility	
Owner & Operator	Zanker Road Resource Management, Ltd.
SWFP No.	43-AA-0015
CEQA	SCH # 99072048
Capacity	Up to 1300 tpd for green material Up to 700 tpd for MSW feedstock

- **Screening and Shredding** | All materials are processed in an enclosed 20,000 square foot building to remove non-compostable items, including recyclables and residuals, and to shred the material.
- **Windrows** | The material is ejected into a 350-foot long bag that houses all the compostable wastes. PVC pipes are introduced into the bag and used to aerate the compostable materials. Retention time in the bags is about four months, at which time the contents are removed, turned and cured prior to screening.
- **Densimetric Tables** | A density separator that uses vibration and forced air fluidization separate the heavies (glass and any rock) from the lights (compost). The compost is fed onto a screen table with small holes in it that is vibrating, the forced air comes from underneath and through the holes, the lighter material (compost) falls one way while the heavier material (glass) is separated out.
- **Final Screening** | The materials are transported to a screening system that is used to remove any larger materials, which are then disposed. The smaller compostable materials are stockpiled and cured for an additional four weeks before being screened again and marketed as landscape compost.

**5.c Yard Trimmings Processing**

GreenWaste will transport all Yard Trimmings collected to the GreenWaste MRF in San Jose. At the MRF, the material will be processed into two categories, 1) processed yard waste fines, and 2) other processed yard waste “overs”. The material will be transferred to Z-Best for processing. The Yard Trimmings are processed at Z-Best separate from the Mixed Compostable Materials to yield a high-quality organic compost product.

- **Windrows** | Upon delivery to Z-Best, the materials will be placed into aerated windrows where they will remain for approximately 10-12 weeks.
- **Turning and watering** | During the composting process, mechanical turners will go through the windrows and turn the material. This allows air to reach all of the materials to promote the composting process. The piles will also be watered as needed to maintain proper moisture throughout the composting process.
- **Final screening** | After the composting process, the material is screened to 3/8” minus. The 3/8 minus finished compost is stockpiled and sold as a soil amendment for use in agriculture and landscape. The “overs” material is used as a mulch, reprocessed and recomposted, or used as ADC.

**5.d Residue Disposal**

GreenWaste will, to the maximum extent practicable, ensure that Recyclable Materials, Mixed Compostable Materials and Yard Trimmings are collected and processed in a manner which will ensure that recoverable and marketable materials will not be landfilled and that the Town will receive credit toward the State diversion mandates. After processing all Mixed Compostable

Materials, Recyclable Materials and Yard Trimmings collected from Service Recipients, GreenWaste will transport all residues to landfill.

## 6 Customer Service

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GreenWaste provides superior customer service by investing in technical infrastructure, and providing CSRs with the appropriate tools to effectively do their job. The Customer Service Department for the Town will initially be housed in the GreenWaste Corporate Office, located at 1500 Berger Drive, San Jose before moving to 610 Gish E. Gish Rd., San Jose. Customer Service will consist of one (1) Supervisor and four (4) Customer Service Representatives (CSRs) that also serve other local jurisdictions.

CSRs will be available from 8:00 AM – 5:00 PM, Monday through Friday. The GreenWaste call center will be reached through both local and toll-free numbers. Calls received between 5:00 PM and 8:00 AM or on the weekend will be offered the opportunity to leave a message on an answering machine. All messages will be returned the following business day and all attempts to contact the caller will be recorded in GreenWaste's database (Tower). GreenWaste also has a 24-hour hotline that reaches a manager in case of emergency, available to the Town's Representative(s).

### Customer Service Operations

CSRs begin each call with a standardized greeting that includes GreenWaste, their name, and an offer of assistance. CSRs are trained to fully listen to the Service Recipient's request, asking clarifying questions as appropriate, and then repeating the pertinent details back to the Service Recipient. Once the CSR has verified that they completely understand the nature of the issue, they propose a solution to the issue. Once the issue has been resolved to the Service Recipient's satisfaction, the CSR then inputs all pertinent details into Tower.

Tower is designed to:

- ✓ *Track and maintain all Service Recipient accounts, which includes Service Recipient complaints, missed pick-ups, level of service and collection day;*
- ✓ *Verify corporate, service, and billing addresses;*
- ✓ *Prorate accounts, positively or negatively, based on the start or stop of an account;*
- ✓ *Actively maintain and audit both permanent and on-call routes; and*
- ✓ *Track all Service Recipient interactions.*

Though all Service Recipient interactions will differ, most will involve the following steps:

- ✓ *Determine who is calling and the nature of the reason for the call;*
- ✓ *Ask questions to clarify the Service Recipient's issue;*
- ✓ *Contact the route driver if the issue is the result of a route-based problem;*
- ✓ *Determine if the issue can be solved in the remaining part of the collection day;*
- ✓ *Offer additional solutions to ensure the Service Recipient is satisfied;*
- ✓ *Agree on a solution and input the problem and solution into Tower; and,*
- ✓ *As necessary, issue a work order to send to the driver.*

### Online Access

GreenWaste has harnessed the power of the on-line portal "eTower." When Service Recipients set up their personal account on eTower, they can handle a number of tasks conveniently online. The Service Recipient will be able to request changes in

service, schedule additional pick-ups and sign-up for paperless billing.

### Billing

As part of GreenWaste's commitment to being green, Service Recipients are encouraged to participate in both electronic billing and automatic payments. When CSRs set up an account for a Service Recipient, they explain the invoicing options that GreenWaste offers:

- ✓ *Traditional paper invoicing*
- ✓ *Electronic invoicing with a link to the Service Recipient's eTower account*
- ✓ *Both a paper invoice and a link to the Service Recipient's eTower account*

GreenWaste will offer Service Recipients the option to pay their bills as follows:

- ✓ *Pay by mail*
- ✓ *Pay by phone (through credit card)*
- ✓ *Pay online (through online bill pay via the GreenWaste website)*
- ✓ *Pay in-person (at GreenWaste's San Jose office)*

Ultimately, GreenWaste aims to handle all calls and address all issues in a timely and efficient manner. Customer satisfaction, including an effective billing system, is a key to the success of refuse and recycling programs, and GreenWaste's established Customer Service and billing programs will continue to effectively serve the community.

## 7 Environmental Considerations

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GreenWaste and its family of companies have always thought outside of the box when considering what new opportunities for innovation the companies could vision and execute regarding the management of solid waste. Through the use of alternative-fueled vehicles, state-of-the-art organics recovery and recycling facilities, and progressive sustainability programs, GreenWaste integrates sustainability into all aspects of business.

### 7.a Processing and Associated Operations

#### *Processing All Material Collected*

GreenWaste uniquely offers the Town the ability to collect and process all material collected in the Town, maximizing diversion from landfill and therefore reducing methane generation associated with placing decomposable organics in the landfill. After initial processing at the GreenWaste MRF, all organic and compostable material is sent to Z-Best Composting Facility, GreenWaste's sister facility. Z-Best is located in Gilroy, and generates organic compost, landscape compost, mulch, and other products all made from material that is brought from the GreenWaste MRF.

#### *Innovative Markets and End-Products*

GreenWaste's marketing strategy includes the use of local, regional, and domestic markets for commodities recovered from Recyclable Materials. Under National Sword, it has become more challenging to locate and secure dependable markets for recovered materials. The MRF is currently sending select material types to domestic markets and is constantly developing trial loads of various materials to see if the MRF grade quality is acceptable. At this time, with the state of recycling, innovation is particularly important. GreenWaste's most recent innovative market includes a partnership with BioCollection, a local start-up developing advanced technologies to transform difficult to recycle plastics into renewable chemical compounds. These chemicals are introduced back into the supply chain, suitable for making automotive parts, apparel, paints and more.

### *Sustainable MRF Operations*

The GreenWaste MRF's stormwater strategy includes a Stormwater Pollution Prevention Plan, a Spill Prevention Control and Containment Plan, an onsite infiltration system and an advanced biological wastewater treatment system, which collects and treats all onsite stormwater, prior to being discharged to the San Jose Santa Clara Regional Wastewater Treatment Facility. GreenWaste also received a letter of commendation in 2016 from BayKeeper, a non-profit organization that has initiated litigation against Material Recovery Facilities throughout the San Francisco Bay region, recognizing our company as a "leader in stormwater management".

In addition to stormwater and litter management, GreenWaste has also taken on innovative energy-related measures in its MRF Operations. Upon completion of the new MRF in 2015, GreenWaste made significant strides in reducing emissions by installing 1,552 dual-array solar panels that generate more than 400 kW-hours of zero-emission electricity.

## **7.b Reuse Organization Support**

### *Goodwill, Freecycle, and Hope Services*

GreenWaste encourages re-use of items within the community. GreenWaste always attempts to re-use or donate an item before it is recycled. The following are ways in which GreenWaste helps promote re-use:

- ✓ *Links on the GreenWaste website on more information specific to each area on way to re-use.*
- ✓ *Inclusion of Goodwill, Freecycle and Hope Services information in GreenWaste education and outreach collateral to remind Service Recipients that reusables should not be disposed of, but instead donated.*

### *Good Karma Bikes*

GreenWaste supports and encourages residents to reduce, reuse, and recycle items they no longer need throughout all its service areas. GreenWaste has partnered with Good Karma Bikes located in San Jose, CA to collect and reuse bicycles as part of the Cleanup program. This partnership was implemented in January 2019. Good Karma Bikes focuses on helping at risk youth and low-income residents who are in need of transportation. GreenWaste will donate working and broken bicycles to Good Karma Bikes, where the bicycles will either fixed for reuse or disassembled for parts.

## **7.c Environmental Stewardship**

### *Climate Action Planning*

GreenWaste publicly reports all greenhouse gas (GHG) emissions to reveal the climate impact of collection and processing operations, and to help develop strategies towards becoming a more environmentally sustainable company. Edgar & Associates, an environmental engineering firm who has collected and analyzed GreenWaste's greenhouse gas emissions inventories for many years, has prepared an analysis of GreenWaste GHG emissions for years 2009 to 2016. The analysis evidences GreenWaste's outstanding commitment to the environment in that **GreenWaste was 26x Carbon Negative.**

GreenWaste minimizes its fleet emissions by utilizing 100% renewable biodiesel in collection vehicles servicing the Town of Atherton. Vehicle sizes and types have carefully been chosen to maximize collection efficiency and minimize environmental impacts. Advanced route optimization will also increase collection efficiencies, reducing vehicle passes on streets, decreasing emissions and mitigating any potential noise concerns.

### *2017 Recycling Excellence Award - Gold*

The GreenWaste MRF received the highly acclaimed and coveted Gold Excellence Award in the Recycling System category from the Solid Waste Association of North America (SWANA) in 2017 for the new single-stream recyclable materials processing line. SWANA's Excellence Awards Program recognizes outstanding solid waste programs and facilities that

advance the practice of environmentally and economically sound solid waste management through their commitment to utilizing effective technologies and processes in system design and operations, advancing worker and community health and safety, and implementing successful public education and outreach programs. Programs also must demonstrate that they are fiscally and environmentally responsible through their compliance with all applicable federal, state and local regulations. This is the second time the GreenWaste MRF has been awarded the Gold Excellence Award, the first was in 2009 for its multi-family municipal solid waste processing system with the City of San Jose.

#### *Green Business Certification*

The GreenWaste Headquarters in San Jose is Green Business Certified, which involves a commitment to environmentally sound office practices such as using recycled content supplies, increasing energy efficiency, reducing internal waste, conserving water, and using non-toxic products. GreenWaste incorporates its green business practices into all offices and facilities it operates, whether or not those locations are able to become Green Business Certified due to some limitations placed on facilities that conduct maintenance operations.

#### *Environmentally Preferable Purchasing Policy*

GreenWaste established an Environmentally Preferable Purchasing Policy in 2011 to institute practices that reduce waste by increasing product efficiency and effectiveness. GreenWaste strives to purchase products that minimize environmental impacts, toxics, pollution and hazards to workers and community safety. When possible, GreenWaste purchases products that include recycled content, are durable and long-lasting, conserve energy and water.

## EXHIBIT D: NEW PROGRAM ROLL-OUT

DATE	MATERIAL/EVENT	DESCRIPTION
June – December 2020	Data transfer from previous hauler	<u>GOAL:</u> Ensure customer data is properly uploaded into Tower database. <u>DELIVERABLE:</u> Complete and troubleshoot customer data is in GreenWaste database, allowing for proper delivery of services. Note: GWR will require this database as soon as possible after contract execution. <u>AUDIENCE:</u> GWR staff (direct) -> All Atherton Service Recipients (indirect)
October - December 2020	Customer Service & Outreach Training	<u>GOAL:</u> Ensure GreenWaste Recovery (GWR) staff understand and are fully equipped to answer all questions related to internal and external communications. <u>DELIVERABLE:</u> Train and educate GWR staff on details of Agreement and collection program. <u>AUDIENCE:</u> GWR staff (direct) -> All Atherton Service Recipients (indirect)
October - November 2020	FAQs	<u>GOAL:</u> Ensure all GWR and Town staff can answer questions that may be asked and provide standard and consistent responses to residents. <u>DELIVERABLE:</u> Anticipate and consolidate likely questions from customers in a comprehensive FAQ worksheet that can be parsed and used 1) internally by GWR Customer Service and the Town and 2) adapted into a public document for outreach and educational purposes, including online applications. <ul style="list-style-type: none"> <li>• Include on GWR and Atherton websites</li> <li>• Make available to GWR staff</li> </ul> <u>AUDIENCE:</u> GWR/Town Staff (internal) and all Atherton Service Recipients
October - November 2020	Dedicated webpage	<u>GOAL:</u> Provide opportunity for Service Recipients to access information and make service requests online. <u>DELIVERABLE:</u> Develop and launch an informative and easy-to-use dedicated page that Service Recipients can use to understand the new service program. Includes details on: <ul style="list-style-type: none"> <li>• Base Rates and services</li> <li>• Rates for Additional and Special Services</li> <li>• FAQs</li> <li>• Illustrations of new sorting (food scraps to Mixed Compostable) and set-out methodology</li> </ul> <u>AUDIENCE:</u> All Atherton Service Recipients
November – December 2020	Driver training	<u>GOAL:</u> Ensure GWR drivers understand the new program and phase-in/roll-out implementation timeline. <u>DELIVERABLE:</u> Provide entire operations team with training during morning meetings, including provision of applicable cart tags. <u>AUDIENCE:</u> GWR staff (direct) -> All Atherton Service Recipients (indirect)
December 2020	New Service Postcard	<u>GOAL:</u> Ensure all Service Recipients are made aware of changes that impact all Service Recipients. Provide resources for Service Recipients to obtain more information. <u>DELIVERABLE:</u> Design, print and mail full-color postcard, succinctly alerting Service Recipients to changes. Will reference: <ul style="list-style-type: none"> <li>• New Service Provider &amp; associated Carts</li> <li>• Food Scraps moving to Mixed Compostables Stream</li> <li>• Announcement of Workshop dates</li> </ul> <u>AUDIENCE:</u> All Atherton Service Recipients
December 2020	Service Guide	<u>GOAL:</u> Provide a detailed explanation of what materials go in the different carts based on a specific Service Recipients set-out location(s). <u>DELIVERABLE:</u> New Service Guide to match new service offerings. <ul style="list-style-type: none"> <li>• Guide will be available for download online</li> <li>• Printed copies will be available upon request, at Town Hall, and during Workshops and Office Hours</li> </ul> <u>AUDIENCE:</u> All Atherton Service Recipients
November 2020 – January 2021	Digital Communications	<u>GOAL:</u> Ensure Service Recipients know how and where to access GWR staff for questions and provide links to digital resources. <u>DELIVERABLE:</u> Brief, catchy and informative digital communications via 1) Atherton’s Nextdoor, and 3) Atherton’s Facebook <u>AUDIENCE:</u> All Atherton Service Recipients
December 2020	Workshop #1	<u>GOAL:</u> Deliver comprehensive and succinct information on new service program, including specific education on movement of food waste from Green Cart to Gray Cart. Answer all general questions in a public forum format. <u>DELIVERABLE:</u> Host workshop, inclusive of an interactive presentation, Q&A session, and one-on-one conversations. <u>AUDIENCE:</u> All Atherton Service Recipients
December 2020	Cart delivery	<u>GOAL:</u> Supply Service Recipients with needed tools for new service program. <i>Note:</i> The new service program will not commence until the new GreenWaste containers are delivered. Should the cart delivery timeframe be delayed due to circumstances beyond GreenWaste’s control, associated program rollout will be correspondingly altered. <u>DELIVERABLE:</u> Deliver and/or remove carts in a timely fashion. <ul style="list-style-type: none"> <li>• Carts will be staged at Otto’s Corporation Yard</li> <li>• Carts will be delivered to the front Service Recipients’ homes, within the span of two to three weeks.</li> <li>• GreenWaste needs to understand from Town the intent for previous hauler carts.</li> <li>• <u>Note:</u> Re. existing/customer-owned Yard Trimmings containers: GreenWaste can work with Service Recipients on a case-by-case basis to 1) ensure all containers are compatible with our collection vehicles, 2) all containers are inventoried, and 3) the customer is paying the appropriate associated rate for those containers (no change in rate for customer-owned containers). Importantly, once these containers necessitate maintenance and/or have reached the end of their useful life, the container(s) will be replaced with a GreenWaste-issued cart. Further, GreenWaste would not be responsible for damage to personal containers.</li> </ul> <u>AUDIENCE:</u> All Atherton Service Recipients
December 2020 – January 2021	Office Hours	<u>GOAL:</u> Provide opportunity for Service Recipients to ask individual questions about their service and/or specific sorting questions. <u>DELIVERABLE:</u> Host two (2) – three (3) office hours events, depending on demand, consisting of GWR staff answering individual questions, providing visual aids, and following up on unique service needs, as applicable. <u>AUDIENCE:</u> All Atherton Service Recipients
January 2021	Workshop #2	<u>GOAL:</u> Deliver comprehensive and succinct information on new service program, including specific education on movement of food waste from Green Cart to Gray Cart. Answer all general questions in a public forum format. <u>DELIVERABLE:</u> Host workshop, inclusive of an interactive presentation, Q&A session, and one-on-one conversations. <u>AUDIENCE:</u> All Atherton Service Recipients

<b>February 2021</b>	<b>Newsletter</b>	<u>GOAL:</u> Reinforce new program guidelines and ensure follow-up communication throughout program rollout. <u>DELIVERABLE:</u> Use newsletter to provide an update on the program and answer top FAQs. <u>AUDIENCE:</u> All Atherton Service Recipients
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## Exhibit E: On-Premise Collection Service Application For Atherton Residents with Permanent Physical Limitations

If you are permanently physically limited, Backyard collection services for Base Services may be available at no extra cost. **There must be no other persons residing in or providing services to the home on a weekly basis that are physically able to move the cart(s) to within 5' of the Curb and retrieve carts following collection service.** To apply to receive this service accommodation, complete the application and have a licensed medical doctor authorized to practice medicine in the State of California certify this form. After receiving the completed application, GreenWaste will schedule a service appointment to evaluate the site. Upon approval, you will be notified and Backyard collection services, or an alternative methodology of accommodation, will begin immediately. For additional information, please contact GreenWaste at XXX-XXX-XXXX.

APPLICANT INFORMATION	
Applicant Name	Number of persons residing in household: _____
Phone Number	Number of persons residing on property/parcel: _____
Service Address	Number of able-bodied persons in household <u>or</u> on property: _____ Do you have a gardener or landscape services? Y or N ( <i>circle one</i> ) Are there any other persons on site at least weekly that can assist with moving carts? Y or N ( <i>circle one</i> )

PHYSICIAN CERTIFICATION		
<i>I hereby certify I am a licensed medical doctor authorized to practice medicine in the State of California and the applicant above is my patient and has an ongoing and permanent physical limitation that specifically renders him/her unable to move a wheeled solid waste cart to the street or curb. Note: If the applicant has a placard for a permanent disability, proof that the placard has been issued to the applicant can be provided in lieu of the Physician Certification.</i>		
Doctor Signature	Date	License Number
Doctor Name (Print)		Phone Number
Business Address		Fax Number

APPLICANT CERTIFICATION	
<i>I hereby certify that I do not have any able-bodied persons in my household or at my property on a weekly basis to move my Carts to and from the Curb. I authorize GreenWaste to verify my eligibility and understand GreenWaste may request annual certification renewal. <u>I will notify GreenWaste of any improvements in my physical condition, changes to my household members that affect this application, including new or more frequent services provided by a gardener or other able-bodied service providers that visit my home at least once weekly and can assist with moving carts.</u> Under penalties of perjury, I declare that all information on this application is true, correct and complete and expressly authorize GreenWaste to retroactively charge my account for all On-Premise services received if any part of my application is false or misleading.</i>	
Applicant's Signature	Date

<b>OFFICIAL USE ONLY</b>	Date Received:	Appointment Date:	Approval/Denial Date:	Approved/Denied by:	Effective Date:	Renewal Date:
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**Submit Completed Application to GreenWaste. Mail:** 610 Gish Road, San Jose, CA 95112  
**Email:** \_\_\_\_\_@greenwaste.com

## EXHIBIT F: ON-CALL CLEAN-UP SERVICES

Only Residential Service Recipients with Mixed Compostable Materials service are eligible to use the On-Call Clean-up Services program. Residential Service Recipients can schedule up to two (2) On-Call Clean-ups per year at no additional charge. Residential Service Recipients must call at least 48-hours in advance to schedule On-call Clean-up Services.

Each On-Call Clean-up Service collection allows the Residential Service Recipient to schedule pickup for up to two (2) cubic yards of materials, and either one of the following:

- 1) Up to three (3) Bulky Items - collection may occur on the Residential Service Recipient's regular Mixed Compostable Materials collection day or on a day other than the Residential Service Recipient's normal day of collection depending on the item, but collection shall happen within five (5) days of the Service Recipient's request as described in Section 1 below..
- 2) Up to two (2) piles or cans of Yard Trimmings and clean wood waste - collection will occur on the customer's regular Yard Trimmings collection day as described in Section 2 below.

### 1. Bulky Items including:

- a) White goods (appliances) which do not contain Freon
- b) White goods (appliances) which contain Freon (refrigerators and air conditioners) count as two (2) Bulky Items
- c) Computer monitors and television sets  
Worn and damaged furniture, mattresses, box springs (mattress and box springs each count as one Bulky Item)
- d) Reusable (undamaged) household goods, toys and textiles to be donated to a non-profit service organization that are contained in bags or boxes not to exceed three (3) feet, by three (3) feet, by three (3) feet.

Franchisee will first attempt to donate Bulky Items and reusable items that are collected. If items are not accepted by third-parties for reuse, materials will be recycled and/or disposed as appropriate.

### 2. Yard Trimmings and Wood Waste

- a) Yard Trimmings and clean (unpainted and untreated) wood must be bundled, boxed or in a can.
- b) Branches and/or stumps must be less than six (6) inches in diameter
- c) Bundled piles must not exceed six (6) feet in length, and not weigh more than fifty (50) pounds each. The total pile size must not exceed four (4) feet, by four (4) feet, by eight (8) feet.
  - No poison oak, or bug-infested material will be accepted.
  - No loose piles that do not conform to section 2.c above
  - No materials in plastic bags will be collected.

### Restricted/Hazardous Items this needs to be

- Bulky Items do not include abandoned automobiles, large auto parts, or trees.
- No car parts with oil or other fluid residues will be accepted.
- No Hazardous Materials, including used motor oil will be collected.

*Unused On-Call Clean-up Services are not transferable from one calendar year to the next.*

## EXHIBIT G: PUBLIC EDUCATION AND OUTREACH PLAN

GreenWaste firmly believes that successful Public Education and Outreach Plan (PEOP) implementation will require close coordination with the Town throughout the term of the Agreement. The PEOP will be designed and implemented to maximize information distribution to inform Service Recipients about the services provided under this Agreement, and communicate the methods and benefits of source reduction, reuse, recycling, and composting. Public outreach materials will highlight acceptable material types for each Container, inform Service Recipients on how to best place materials in Containers and provide proper Set-Out instructions to facilitate collection.

Integration of GreenWaste's outreach experience and past successes is crucial to engaging, increasing, and sustaining the participation in source reduction, reuse, recycling, and composting programs.

GreenWaste will offer the Town the opportunity to provide input on the content and format of all collateral material at least two weeks in advance of production of the final documents, comments provided by the Town Manager, and or his/her designee, will be incorporated and all materials relating to the services provided will be approved by the Town prior to being printed for distribution.

Collateral that is printed will be printed on recycled content paper.

### **New Program Rollout**

#### *New Program Collateral Development and Community Outreach*

In advance of the rollout of new and expanded service programs, GreenWaste will have developed and finalized the updated collateral materials, reflective of new programs, in preparation for distribution. Informing Service Recipients in advance of new and expanded programs is key in helping GreenWaste's Outreach, Customer Service, and Operations teams to complete necessary transition tasks. GreenWaste's goal is to keep all Service Recipients well informed and at ease with changes to their service. Below are the collateral pieces that will be developed specifically for the transition period.

New Service Provider Notice: Services notices will be developed to provide Service Recipients with an overview of the new services available. These notices will provide an overview of collection options, specific detail on the shift of food waste from the Green container to the Gray container, and include other related information deemed appropriate and timely by the Town.

#### *New Program Community Outreach*

GreenWaste understands that the new collection program will require significant community engagement to ensure Service Recipients understand the new program parameters. GreenWaste will participate in and host a number of community workshops, resident meetings, and tabling events to ensure all Service Recipients understand the new collection program.

Community Workshops: In collaboration with the Town, GreenWaste will host at least two educational workshops to specifically explain the new collection program. Many residents will benefit from in-person interaction with GreenWaste staff. GreenWaste will host Workshops and Office Hours, as outlined in Exhibit H: New Program Rollout, where there will be an engaging PowerPoint Presentation, hands-on displays, helpful handouts, and time for one-on-one individual questions.

Resident Meetings: GreenWaste will work to identify existing resident and/or HOA meetings where

a GreenWaste staff member can present the new program. Much like the workshops, this will provide the opportunity to discuss the program face-to-face with the Service Recipients in a forum-type setting.

Tabling Events: In collaboration with the Town, GreenWaste will participate in Town events to share information and collateral, and answer Service Recipient questions.

Notes on Shift of Food Waste from Green Cart to the Gray Cart

GreenWaste calls the Gray Cart “Mixed Compostables” to aid with the understanding of the waste sorting program:

- 1) This stream contains the material formerly known as “garbage” and compostable material such as food waste, food soiled paper and other wet putrescible waste;
- 2) GreenWaste will emphasize in all collateral and public outreach and educational messaging that no waste stream is going directly to landfill – all material is processed at the GreenWaste Materials Recovery Facility in San Jose.

The updated waste-sorting practices allow GreenWaste to extract resources from all three waste streams and ensure the highest and best use of all of those waste streams. By removing the food scraps and food soiled paper from the Green Cart (clean yard trimmings), GreenWaste is able to produce a higher quality end-product. The clean yard trimmings material from the Green Cart is used to produce OMRI-listed compost, which is used in agricultural applications. In contrast, when yard waste material is mixed with food waste, the end product is a lower-grade compost, used in landscape applications.

GreenWaste has successfully shifted food waste from a Green Cart to a Gray Cart in three (3) nearby communities and is proficient in explaining the change to residents. Further, GreenWaste has learned about common hesitations related to this change and will tailor Atherton’s outreach program to ensure resident understanding of the change and the associated environmental benefits. GreenWaste will do this through bolstered presentations, webpages, how-to videos, FAQs and Customer Service training.

*Note: New Program Rollout and associated outreach will take place in conjunction with delivery of new collection carts.*

### **Ongoing Community Outreach**

In addition to these collateral pieces designed and distributed specifically for the transition to the new collection program, comprehensive Service Guides will also be created to reflect the service program. These guides will be distributed to all Service Recipient upon the launch of the new service program. Guides will also be provided to new Service Recipients throughout the term of this Agreement and will be available for download online.

Service Guide: Detailed “how-to” service guides will be created to inform Residential Service Recipients of the details of the new and expanded service offerings. These booklets include three (3) full page color-coded pages identifying acceptable materials organized by material type. The booklets also include graphic illustrations of proper Set-Out procedures, acceptability and necessary preparation of materials for each of their Carts or Cans, details on how to utilize services available to Residential Service Recipients and will offer other related information deemed appropriate by the Town. Service guides will be updated as necessary and will also be available online and distributed to new Service Recipients throughout the term of the extended Agreement.

## Proactive Communication

During the transition to the new collections program and throughout the term of this Agreement, GreenWaste will provide up-to-date and accurate information and collateral materials to all Service Recipients. GreenWaste will work with the Town to prepare collateral materials specific to individual programs, will maintain thematic branding in all outreach collateral, and will modify and include additional materials as needed.

GreenWaste will identify the target audience, the purpose, and the message(s) to be communicated for each piece of collateral.

All outreach materials developed for the Town will be:

- Thematically branded with consistent color, font, look and feel,
- Photo-oriented to appeal to varied language and literacy levels,
- Available in digital form to minimize printing waste and provide easy access to information, and
- Printed on recycled paper (double-sided as appropriate).

## *Ongoing Public Education & Outreach*

Collateral materials generated throughout the term of this Agreement will meet or exceed all Town requirements. Drafts and design templates will be provided to the Town for approval prior to production. At a minimum, the following ongoing collateral materials will be developed and distributed to Service Recipients:

Annual Newsletter: Annual newsletters will be distributed to all Service Recipients. These will be sent as bill inserts, self-mailers or will be distributed digitally, as appropriate, and will include general information applicable to residential Service Recipients. The annual newsletter shall include information on acceptable materials that meets CalRecycle's requirements for annual notifications under SB 1383.

Holiday Service Notification: Holiday service announcements will be developed and mailed to Service Recipients. Additionally, notification of holiday service may be offered in the form of GreenWaste websites and/or via social media.

Services & Program Notifications: On an as-needed basis, these bill inserts will be developed and included in Service Recipient invoices to provide notification to Service Recipients of upcoming and timely information as deemed appropriate and timely by the Town.

Notice of Improper Set-Out: Notices of Improper Set-Out will also be updated as applicable. The notices are cart hangers for use by drivers whenever issues with contamination or improper set-out are encountered. NCNs can be used as a notification and warning system to the Service Recipient when an issue is encountered by collection, or they can be used to explain why collection did not occur in the case of hazardous wastes.

*Note:* GreenWaste provides NCNs as part of its normal process and has success with this communication mechanism. GreenWaste has understood that the Town may have a desire to manage this type of messaging. GreenWaste also understands that the Town does not want to be overburdened with administrative work via this new Agreement. GreenWaste

is happy to develop an enforcement communications protocol that the Town finds appropriate for its community.

*Website Maintenance*

GreenWaste has designed an easily navigable website that maintains the same look and feel as other outreach collateral. GreenWaste has an in-house Outreach team and Graphic Designer who are responsible for the development and maintenance of the website. Utilizing an in-house team allows GreenWaste the flexibility to quickly make changes. Information on the website will include, but is not limited to the following:

- Local requirements and applicable laws, including AB 341, AB 1826, and SB 1383
- Source reduction methods, tips and tricks
- Proper separation of yard trimmings and recycling
- FAQs
- Methane reduction benefits
- Hauler information, including contact information and how to file complaints
- Public health and safety
- Edible food donation information
- Self-hauling information targeted at landscapers, construction and demolition debris self-haulers, and/or other entities that may be required to register with the Town, providing resources on how to comply with the law, how to file a self-haul form with the City, etc.

*Social Media*

GreenWaste's social media presence is aimed at increasing awareness of the company, affiliated companies, service offerings, events and general posts related to the environment, resource conservation and of course, recycling and diversion. Traffic on GreenWaste's website, social media accounts has continued to steadily increase, demonstrating interest in what GreenWaste shares and posts.

*AB 341, AB 1826 & SB 1383 Outreach Activities*

To support the Town's compliance with AB 341, AB 1826, SB 1383, and other state laws, GreenWaste will provide outreach and technical assistance support to Non-Residential Service Recipients as part of its ongoing Public Education & Outreach Program. GreenWaste will work with the Town and promote the inclusion of information on AB 341, AB 1826 and SB 1383 in outreach materials developed for Commercial Service Recipients to notify businesses of the regulations and recycling options with GreenWaste as their hauler.

As a result of the unique collection system GreenWaste provides, all Service Recipients are automatically subscribed to recycling and composting services since all material is processed by GreenWaste. The regulations allow commercial entities to subscribe to a service that includes mixed waste processing that diverts recyclable materials from disposal and that yields diversion results comparable to source separation. GreenWaste's suite of services allow compliance with regulations to be easily attainable.

*Edible Food Recovery*

GreenWaste will collaborate with the City in supporting the edible food recovery education and outreach requirements of SB 1383 through maintaining information on its website. The hauler will promote and

raise awareness of the local requirements for Non-Residential Service Recipients through providing information on food recovery organizations and services offered in the City and County to Non-Residential Service Recipients via site visits and notifications to Non-Residential Service Recipients meeting CalRecycle's requirements for notifications under SB 1383.

### **Community Compost Giveaway**

GreenWaste will transport and deliver to the Town finished compost at specific, mutually agreed upon location. This material is available for Town residents only. Such distribution within the community is a great way to build support for this important recycling program and highlights the value of utilizing the innovative collection and processing methodology that GreenWaste provides. Importantly, the OMRI certified compost delivered as part of the compost giveaway will be a product of the material actually collected in the Town since the food waste has migrated from the Green Cart to the Gray Cart.

### **Being Visible and Accessible to the Community**

GreenWaste firmly believes in being a strong community citizen by becoming an integral part of and giving back to communities. GreenWaste will maintain active involvement and offer support to community groups, youth groups, business associations, and non-profit charitable organizations.

#### *Participation in Community Events*

GreenWaste will actively pursue opportunities to participate in community and educational events, including staffing booths and displays, participating in one-time, annual, and recurring events, and ensuring special events throughout the Town are poised to reduce the amount of waste sent to landfill. As part of its Public Education Plan, GreenWaste can offer planning, outreach and/or technical assistance services to Town-sponsored special events.

#### *MRF Tours*

GreenWaste will offer tours of its Material Recovery Facility (MRF) to any Town employees, Council or Committee members, residents, and community groups who desire to see first-hand how their material is processed. Visitors are provided with personal protective gear, including hard hats, safety vests, and eye protection, and are advised ahead of time to wear comfortable, close-toed shoes. The tour guide communicates with visitors throughout the processing buildings via headsets. Visitors are briefed prior to the tour about safety and are encouraged to ask questions and interact with the tour guide during the tour.

#### *Community Drop Off Events*

GreenWaste shall hold drop-off events at a location selected by the Agency to allow Residential Customers to drop off acceptable materials. Acceptable materials, which shall be determined by the Agency, may include one or more of the following: E-Scrap, Universal Waste, Recyclable Materials, Organic Materials, and Solid Waste.

### **Educating the Town's Youth**

GreenWaste is committed to educating and investing in future generations in a focused and purposeful effort, to instill in our greatest resource, our children, the knowledge, tools, and resources to make environmental sustainability and resource conservation an ingrained and habitual part of their lives. To inspire environmental stewardship in future generations, GreenWaste's PEOP includes a strong environmental education component, which recognizes the powerful role that schools play in promoting

awareness and fostering an environmental agenda within local communities.

*Educational Materials*

GreenWaste has dedicated significant resources to the development of educational materials geared toward younger audiences. GreenWaste's newsletters include a "Green Kids" section with different themes and seasonal activities related to recycling and waste reduction. The stars of GreenWaste's "Green Kids" section of its newsletters, and the role-model characters in GreenWaste's 20-page full size coloring and activity book "*Color the Earth Green*," are superhero "Captain GreenWaste" and his sidekick bulldog "Recovery." The "*Color the Earth Green*" activity book includes a two-page educational comic strip and a range of different coloring and educational activities geared toward children of different age ranges. GreenWaste is also creating a new children's book based on the Captain GreenWaste character, entitled "*Captain GreenWaste and the Waste Avengers*." This book aims to educate the youth on the importance of proper recycling, especially in light of current recycling challenges. Upon request, GreenWaste conducts tailored outreach, education, and equipment demonstrations to K-12 public and private schools and has developed kid-friendly recycling posters using materials that are often found in classrooms and cafeterias.

## EXHIBIT H: REPORTING

**[All Section References Require Updating]**

- a. Record Keeping.
- i. Accounting Records. Franchisee shall maintain full and complete financial, statistical and accounting records pertaining to cash, billing, and provisions of all Collection Services, prepared on an accrual basis in accordance with generally accepted accounting principles.
    1. Such records shall be subject to audit and inspection by the Town with prior written notice.
    2. Gross Revenues derived from provision of the Collection Services shall be recorded in the accounts of Franchisee. These records shall be separate from other records maintained by Franchisee for the provision of other services outside the scope of this Agreement as may be provided by Franchisee.
    3. Franchisee shall maintain and preserve all cash, billing and disposal records for a period of not less than five (5) years following the close of each of Franchisee's fiscal years.
  - ii. Franchisee Payments to Town. Franchisee shall maintain records of all payments made to Town for all items listed in **Section 4.06.**
  - iii. Tonnage Records. Franchisee shall maintain records of the quantities of:
    1. Garbage, Recyclable Material, and Organic Waste collected, processed, composted, and disposed under this Agreement;
    2. Recyclable Material and Organic Waste, by material type, purchased, sold, donated or given for no compensation;
    3. C&D Debris collected; and
    4. Processing Residue disposed, based on the methodology described in **Section 3.15.4.1, Section 3.15.5.1, and Section 3.15.6.1.**
  - iv. Records. Franchisee shall maintain all other records reasonably related to provision of Collection Services, whether or not specified in this Article or elsewhere in this Agreement.
- b. Reporting Requirements. Quarterly reports shall be submitted to the Town Representative no later than fifteen (15) days after the end of the reporting quarter and annual reports shall be submitted to the Town Representative no later than sixty (60) days after the end of each preceding Agreement Year (July 1 through June 30).
- c. Quarterly and annual reports shall be submitted electronically by email. Reports shall be submitted in a format mutually agreed upon between the Town and Franchisee.
- d. In all cases, the reported tonnages submitted to Town shall be the same as those reported to the State of California, and the allocation method for any material that is commingled with material from other jurisdictions shall be according to a method reviewed and approved by Town. Franchisee shall be prepared to demonstrate compliance with this **Section 17.04** upon Town request.
- e. Quarterly Reports. Quarterly reports to the Town shall include:
- i. Garbage Data. A listing of the tonnage from all Collection Services, including Large Item Collection Service, collected, diverted and disposed by Franchisee at the Disposal

- Facility for the preceding quarter sorted between Residential, Non-Residential, and Town Service Units.
- ii. Recyclable Material Data. The number of gross tons collected by material type for Residential, Non-Residential, and Town Recycling Collection Services, including Recyclable Material collected as part of Large Item Collection Service, for the preceding quarter.
    - 1. Include quarterly totals, Processing Residue rate, based on the methodology described in **Section 3.15.4.1**, and location for Processing Residue disposed.
  - iii. Organic Waste Data. The number of gross tons collected for Residential, Non-Residential, and Town Organics Collection Services, for the preceding quarter.
    - 1. Include quarterly totals, Processing Residue rate, based on the methodology described in **Section 3.15.5.1**, and location for Processing Residue disposed.
  - iv. C&D Debris Data. The number of gross tons of C&D Debris collected for the preceding quarter.
    - 1. Indicate quarterly totals, Processing Residue rate, based on the methodology described in **Section 3.15.6.1**, and location for Processing Residue disposed.
  - v. Public Schools. List of Service Units of public schools within Town limits and current service level by material type for each.
  - vi. Non-Collection. Each Service Unit receiving a Non-Collection Notice in the previous quarter.
  - vii. Collection Overage Charges. Each Service Unit incurring a charge for Collection Overage in the previous quarter.
- f. Annual Reports. The annual report submitted to Town shall be summarized by quarter and averaged for the Agreement year. For all annual reports beginning with the report for Agreement Year 2019, Franchisee shall also include a historical comparison of the last year and the average of all years.
- i. Garbage Data. A listing of the tonnage from all Collection Services, including Large Item Collection Service, collected, diverted and disposed by Franchisee at the Disposal Facility for the preceding year sorted between Residential, Non-Residential, and Town Service Units.
  - ii. Recyclable Material Data. The number of gross tons collected by material type for Residential, Non-Residential, and Town Recycling Collection Services, including Recyclable Material collected as part of Large Item Collection Service, for the preceding year.
    - 1. Indicate any quantities, by material type, donated or otherwise disbursed without compensation.
    - 2. Indicate quarterly and annual totals, Processing Residue rate, based on the methodology described in **Section 3.15.4.1**, and location for Processing Residue disposed.
  - iii. Organic Waste Data. The number of gross tons collected for Residential, Non-Residential, and Town Organics Collection Services, for the preceding year.
    - 1. Indicate quarterly and annual totals, Processing Residue rate, based on the methodology described in **Section 3.15.5.1**, and location for Processing Residue disposed.

2. All tonnage data shall be compared to the corresponding tonnage data from the prior year comparable period.
- iv. C&D Debris Data. The number of gross tons of C&D Debris collected for the preceding year.
    1. Indicate quarterly and annual totals, Processing Residue rate, based on the methodology described in **Section 3.15.6.1**, and location for Processing Residue disposed.
    2. All tonnage data shall be compared to the corresponding tonnage data from the prior year comparable period.
  - v. Waste Composition Studies. In accordance with **Section 8.1.7**, Franchisee shall conduct waste composition studies and include the results of such studies to the Town.
  - vi. Public Schools. List of Service Units of public schools within Town limits and current service level by material type for each.
  - vii. Notice of Improper Set-Out. Each Service Unit receiving a Notice of Improper Set-Out in the previous year.
  - viii. Diversion Rate. Franchisee shall provide documentation acceptable to Town in its sole discretion stating and supporting the diversion rate of franchised materials.
  - ix. Education and Outreach Program Activities. Franchisee shall report on all public information activities undertaken during the period, including distribution of bill inserts if any, community information and events such as the compost give-away, and other activities related to the provision of Collection Services.
  - x. Processing and Marketing Data. Franchisee shall report Recycling and Organic Waste processing and marketing issues or conditions occurring during the previous year (such as participation, setouts, contamination, etc.) and possible solutions, discussed separately for Residential, Non-Residential, and Town programs.
  - xi. List of new customers, including name and address and service level for Garbage, Recycling, and Organics Collection Service.
  - xii. Customer Service Data. Franchisee shall provide a summary narrative of praises, compliments, and problems encountered with collection and processing activities and actions taken, as well as a complete mailing list for all customers once annually.
    1. A summary of all customer service communications with Service Recipients for the preceding year, including communication channel (telephone, email, etc.), service level, speed of answer, disposition, and the type and number of complaints and their resolution, and the number of missed pickups. The Franchisee and the Town will collaborate on a format and specific data to be provided.
  - xiii. Operational Problems and Actions Taken. Franchisee shall indicate instances of property damage and personal injury (other than property damage or injury to Franchisee's property and personnel), significant changes and/or challenges in operations, and market factors.
  - xiv. Overweight Collection Vehicles. Franchisee shall report each instance of overweight collection vehicles by date, type of collection vehicle, type of material collected, collection vehicle legal weight, and actual weight of collection vehicles at scale/gate house at time of delivery of Solid Waste.

- xv. Service Recipient Base Data. Franchisee shall provide Service Recipient base data consisting of the number of Residential and Non-Residential Service Units billed, and Town Collection Services sorted by service type, Container size, number of Containers, and frequency of collection.
- xvi. Summary of Franchisee Payments to Town. Franchisee shall report all payments made to Town for the reporting period.
- xvii. Vehicle Inventory. Provide the current inventory of all Collection Services vehicles providing services to the Town, and proof that all pre-owned vehicles are of high quality and are in complete compliance with the terms of **this Section**.
- xviii. Vehicle Registration, Licensing and Inspection. Franchisee shall submit documentation to the Town Representative to verify that each vehicle in Franchisee's collection fleet has been tested in accordance with and passed the requirements of the California Highway Patrol Biannual Terminal Inspection (CHP/BIT). Franchisee shall submit documentation to the Town Representative to verify that each of Franchisee's Collection Service and Street Sweeping collection vehicles is in compliance with all registration, licensing and inspection requirements of the California Highway Patrol, the California Department of Motor Vehicles, and any other Applicable Laws.
- xix. Gross Revenues. Franchisee shall provide a summary of the prior Agreement Year's Gross Revenues paid broken down by Residential and Non-Residential Service Units.
- xx. Account Data. Franchisee shall provide account data for Residential, Non-Residential, Service Units and Town Service Units including the total number of accounts serviced, and the number of accounts per service category; account names and/or customer names, addresses of collection locations, address of billing for account; and the number of Containers, Container sizes and frequency of collection for Garbage, Recyclable Material and Organic Waste annually as part of the Annual Report, and upon request by Town and/or designee within five (5) Work Days.
- xxi. Equipment Inventory. Franchisee shall provide an updated complete inventory of collection and major processing equipment including stationary, rolling stock and collection Containers by type and size.
- xxii. Container Cleanings, Replacements and Exchanges. Franchisee shall provide an accounting of the number of Carts, Bins and Roll-off Containers that were cleaned, replaced or exchanged during the Agreement Year, and an accounting of the number of Kitchen Food Waste Pails that were delivered to Residential Service Recipients during the Agreement Year.
- xxiii. City-Supported Events. Franchisee shall provide a summary of each City-Supported event activity including the name and date of the event, the tonnage collected, diverted and disposed of by material type, and other services provided. Franchisee shall also provide information regarding the logistics of the event and suggestions for improving future events.
- xxiv. Donated Services. Franchisee shall provide a listing of any services beyond the scope of this Agreement that were donated to the Town or Service Recipients.
- xxv. StopWaste Compliance Data. Franchisee shall provide a copy of the quarterly reports of Diversion Inspection and Service Compliance for Commercial Business and MFD account holders, remitted to and in the format specified by StopWaste.
- xxvi. Summary of Historical and Proposed Activities. Franchisee shall provide a narrative of activities undertaken during the Agreement Year and those planned or proposed for the

upcoming Agreement Year. Franchisee shall provide information describing if the activity was undertaken in the previous Agreement Year or not and if not why it was added. For those activities that are not being continued, Franchisee shall describe the reason the activity has been discontinued and the activity that is replacing it.

- xxvii. Total Incident Recordable Rates (TIRR) and Days Away Restricted or Transferred (DART) statistics, which are Occupational Safety and Health Administration (OSHA) measures of worker safety, as well as Insurance Modification Factors, for the prior Agreement Year.

g. Franchisee's Records

- i. Franchisee shall maintain any and all letters, books of account, invoices, vouchers, canceled checks, and other records and documents evidencing or relating to charges for services or expenditures and disbursements charged to Service Recipients for a minimum period of five (5) years, or for any longer period required by law, from the date of final payment of Service Recipients to Franchisee pursuant to this Agreement.
- ii. Franchisee shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of five (5) years, or for any longer period required by law, from the date of termination or expiration of this Agreement.
- iii. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the Town Representative, the Town Attorney, Town Auditor, Town Administrator, or a designated representative of any of these officers.
- iv. Copies of such documents shall be provided to Town for inspection at the Town offices when it is practical to do so. Otherwise, unless an alternative site is mutually agreed upon, the records shall be available at Franchisee's address indicated for receipt of notices in this Agreement.
- v. Where Town has reason to believe that such records or documents may be lost or discarded due to the dissolution, disbandment or termination of Franchisee's business, Town may, by written request or demand of any of the above-named officers, require that custody of the records be given to Town and that the records and documents be maintained by Town. Access to such records and documents shall be granted to any party authorized by Franchisee, Franchisee's representatives, or Franchisee's successor-in-interest.

2. Additional Reporting. Franchisee shall furnish Town with any additional reports as may reasonably be required, such reports to be prepared within a reasonable time following the reporting period. In addition, Franchisee shall furnish to Town any information regarding Franchisee's activities under this Agreement that is needed for Town to prepare its reports to CalRecycle. Reporting on Processing Residue furnished for submittal to the State or other relevant purposes shall be calculated and prepared using the methodology described in **Section 3.15.4.1, Section 3.15.5.1, and Section 3.15.6.1.**

- i. Notification of Accidents. Franchisee shall notify Town Representative of any accidents occurring within the Service Area that involve Franchisee's vehicles, employees or equipment that result in any personal injury or property damage, as set forth in **Section 3.19.**