

**AGREEMENT BETWEEN THE CITY OF SAN  
JOSE AND GARDEN CITY SANITATION, INC.  
FOR RECYCLE PLUS SFD SOLID WASTE  
SERVICES**

**NOVEMBER 21, 2006 – JUNE 30, 2013**



## SFD SOLID WASTE SERVICES AGREEMENT

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EHXIBITS		





1           **1.01 Agreement.** This written document and all exhibits and amendments  
2 hereto, between CITY and CONTRACTOR, governing the provision of services as  
3 provided herein.

4           **1.02 Agreement Year.** The twelve (12) month period from July 1<sup>st</sup> to June  
5 30<sup>th</sup>.

6           **1.03 Biohazardous or Biomedical Waste.** Any waste which may cause  
7 disease or reasonably be suspected of harboring pathogenic organisms; included are  
8 waste resulting from the operation of medical clinics, hospitals, and other facilities  
9 processing wastes which may consist of, but are not limited to, human and animal parts,  
10 contaminated bandages, pathological specimens, hypodermic needles, sharps,  
11 contaminated clothing and surgical gloves.

12           **1.04 Business(es).** All retail, professional, wholesale and industrial facilities  
13 and any other commercial enterprises offering goods or services to the public.

14           **1.05 Business Service Unit.** Any Business located in a Mixed Use Dwelling  
15 that elects to utilize SFD Solid Waste Services or MFD Solid Waste Services and is  
16 approved for such service under CITY's Recycle Plus Program requirements, or any  
17 Small Commercial Business.

18           **1.06 Central Business District (CBD).** The Central Business District as  
19 described in San José Municipal Code Section 9.10.1500 and as set forth in Exhibit 8  
20 ("CENTRAL BUSINESS DISTRICT AND TRANSIT MALL ZONE") to this Agreement.

21           **1.07 CITY.** The City of San José, California.

22           **1.08 City Representative.** The person, or the person's designee(s), who is  
23 designated by the City Manager to administer and monitor the provisions of this  
24 Agreement.

25           **1.09 Compostable Waste.** Vegetable and other food scraps including meat,  
26 dairy products, kitchen grease and bones; paper and cardboard that have been  
27 contaminated with food, fat or kitchen grease; compostable paper associated with food  
28 preparation or food consumption such as paper towels, paper plates, tissue, waxed  
29 paper and waxed cardboard; and other materials designated by the City Representative  
30 that are capable of being composted, that would otherwise be disposed of as Garbage,  
31 and that are set out separate from Garbage for collection by CITY's Yard Trimmings  
32 collection service contractor.

33           **1.10 Consolidated Utility Billing System (C-UBS).** An integrated utility  
34 billing, customer service, and performance management system.

35           **1.11 CONTRACTOR.** Garden City Sanitation, Inc.

36           **1.12 County.** Santa Clara County, California.

1           **1.13 Courtesy Notice.** A form approved by the City Representative and used  
2 by CONTRACTOR to inform Service Recipients that a courtesy collection occurred even  
3 though materials may not have been set out by the Service Recipient according to  
4 program instructions.

5           **1.14 Disposal Facility.** The Newby Island Landfill, located at 1601 Dixon  
6 Landing Road, San José, CA or such place or places specifically designated by the  
7 CITY for the disposal of Residential Solid Waste.

8           **1.15 Dwelling Unit.** Any individual living unit in a single-family dwelling (SFD),  
9 multi-family dwelling (MFD), or Mixed-Use Dwelling (MUD) intended for, or capable of  
10 being utilized for, residential living. Dwelling Unit does not include an individual living  
11 unit in a hotel or motel, guesthouse, residential care facility, extended care facility,  
12 sorority or fraternity house, school, dormitory, residential service facility, emergency  
13 residential shelter, hospital, convent, or monastery, as determined by the City  
14 Representative.

15           **1.16 Exempt Waste.** Biohazardous or Biomedical Waste, Hazardous Waste,  
16 Sludge, Stable Matter, Yard Trimmings or lumber that is more than five (5) feet in length  
17 in its longest dimension or more than two (2) feet in diameter, automobiles, automobile  
18 parts except those which fall within the definition of Recyclable Materials, boats, boat  
19 parts, boat trailers, internal combustion engines, lead-acid batteries, and those wastes  
20 under the control of the Nuclear Regulatory Commission; but not including those  
21 materials collected as large items or Recyclable Materials through the CITY's Recycling  
22 Service Agreement.

23           **1.17 Garbage.** All putrescible waste which generally includes, but is not  
24 limited to, kitchen and table food waste, animal, vegetative, food or any organic waste  
25 that is attendant with, or results from the storage, preparation, cooking or handling of  
26 food materials attributed to normal activities of a Service Unit. Garbage must be  
27 generated at the Service Unit from which the Garbage is collected. Garbage does not  
28 include those items defined as Exempt Waste and does not include materials collected  
29 as Compostable Waste through CITY's Yard Trimmings collection service program.

30           **1.18 Garbage Cart.** A heavy plastic receptacle having a hinged tight-fitting lid  
31 and wheels, that is approved by the City Representative for use by Service Recipients  
32 for SFD Solid Waste Services under this Agreement. The specifications for Garbage  
33 Carts, including capacity, are set forth in Exhibit 5 ("CART SPECIFICATIONS AND  
34 PERFORMANCE CRITERIA") to this Agreement.

35           **1.19 Hazardous Waste.** Any material which is defined as a hazardous waste  
36 under California or United States law or any regulations promulgated pursuant to such  
37 law, as such law or regulations may be amended from time to time, but not including

1 materials collected as Used Oil or Used Oil Filters through the CITY's Recycling Service  
2 Agreement.

3 **1.20 Mixed Use Dwelling.** A building or structure which contains both  
4 Business(es) and Dwelling Unit(s).

5 **1.21 Non-Collection Notice.** A form approved by the City Representative and  
6 used by CONTRACTOR to notify Service Recipients of the reason for non-collection of  
7 materials set out by the Service Recipient for collection by CONTRACTOR pursuant to  
8 this Agreement.

9 **1.22 Rebuilt Vehicle.** For purposes of this Agreement, "rebuilt" means, at a  
10 minimum, replacement of worn parts and reconditioning or replacement of hydraulic  
11 systems, transmissions, differentials, electrical systems, engines, and brake systems.  
12 In addition, the Rebuilt Vehicle must be repainted prior to performance of services under  
13 this Agreement, and its tires must have at least eighty-five percent (85%) of tread  
14 remaining.

15 **1.23 Recyclable Materials.** Newsprint (including inserts); mixed paper  
16 (including magazines, catalogs, envelopes, junk mail, corrugated cardboard, Kraft  
17 brown bags and paper, paperboard, paper egg cartons, office ledger paper, and  
18 telephone books); glass containers; aluminum beverage containers; small scrap and  
19 cast aluminum (not exceeding sixty (60) pounds in weight nor two (2) feet in any  
20 dimension for any single item); steel including "tin" cans and small scrap (not exceeding  
21 sixty (60) pounds in weight nor two (2) feet in any dimension for any single item);  
22 bimetal containers; mixed plastics such as plastic bags, plastic film, plastics (1-7), and  
23 bottles including containers made of HDPE, LDPE, PET, or PVC; textiles; aseptic  
24 containers; polystyrene; and other materials that are capable of being Recycled and that  
25 would otherwise be disposed of as Residential Solid Waste.

26 **1.24 Residential Solid Waste.** Garbage and Rubbish resulting from the  
27 normal activities at a Service Unit. Residential Solid Waste must be generated at the  
28 Service Unit from which the Residential Solid Waste is collected and does not include  
29 items defined as Exempt Waste.

30 **1.25 Roll-Off Collection Service.** The collection of Roll-Off Containers  
31 containing material other than Residential Solid Waste from SFD Service Units, Small  
32 Civic Service Units or Businesses.

33 **1.26 Roll-Off Container.** A metal container that is normally loaded onto a  
34 motor vehicle and transported to an appropriate facility.

35 **1.27 Rubbish.** All refuse, accumulation of paper, excelsior, rags, wooden  
36 boxes and containers, sweep-ups and all other accumulations of a nature other than  
37 Garbage and Yard Trimmings, resulting from the normal activities of a Service Unit.

1 Rubbish must be generated at the Service Unit from which the Rubbish is collected.  
2 Rubbish does not include items defined as Exempt Waste.

3 **1.28 Service Districts.** Those areas designated as District A and District C on  
4 the map set out in Exhibit 2 (“RECYCLE PLUS SERVICE DISTRICTS”) to this  
5 Agreement.

6 **1.29 Service Recipient.** A Business Service Unit, a Small Civic Service Unit,  
7 or a resident of the City of San José residing in a SFD Service Unit, that receives  
8 services pursuant to this Agreement.

9 **1.30 Service Unit.** Any Business Service Unit , or SFD Service Unit.

10 **1.31 SFD Service Unit.** Any Dwelling Unit or Small Civic Service Unit in the  
11 Service Districts utilizing a Garbage Cart, any Dwelling Units in a Mixed Use Dwelling,  
12 or any combination of Dwelling Units sharing Garbage Carts, for the accumulation and  
13 set-out of Residential Solid Waste.

14 **1.32 SFD Solid Waste Service.** The collection of Residential Solid Waste  
15 from Service Units in the Service Districts and the delivery of that Residential Solid  
16 Waste to the Disposal Facility.

17 **1.33 Sludge.** The accumulated solids, residues, and precipitates generated as  
18 a result of waste treatment or processing, including wastewater treatment, water supply  
19 treatment, or operation of an air pollution control facility, and mixed liquids and solids  
20 pumped from septic tanks, grease traps, privies, or similar disposal appurtenances or  
21 any other such waste having similar characteristics or effects.

22 **1.34 Small Civic Service Unit.** Those neighborhood parks, fire stations, and  
23 other CITY properties as set forth in Exhibit 6 (“SMALL CIVIC SERVICE UNITS”) to this  
24 Agreement.

25 **1.35 Small Commercial Business.** A Business that generates less than one  
26 cubic yard of solid waste per week, and is included in the residential collection program.

27 **1.36 Stable Matter.** Manure and other waste matter normally accumulated in  
28 stables or in livestock or poultry enclosures.

29 **1.37 Tagged Garbage Bag.** A plastic bag meeting the requirements specified  
30 in Chapter 9.10 of the San José Municipal Code, whose contents do not exceed sixty  
31 (60) pounds in weight and to which is attached a CITY-provided tag designating the  
32 material as eligible for collection.

33 **1.38 Transit Mall Zone.** The Transit Mall Zone described in San José  
34 Municipal Code Section 9.10.1510 and as set forth in Exhibit 8 to this Agreement.



1           **3.04 Holiday Service.** CITY observes Thanksgiving Day, December 25<sup>th</sup>, and  
2 January 1<sup>st</sup> as legal holidays. CONTRACTOR shall not be required to provide services  
3 under this Agreement or to maintain office hours on these designated holidays. In any  
4 week in which one of these holidays falls on a Work Day, SFD Solid Waste Services for  
5 the holiday and each Work Day thereafter will be delayed one Work Day for the  
6 remainder of the week with normally scheduled Friday SFD Solid Waste Services being  
7 performed on Saturday.

8           **3.05 Commingling of Materials Prohibited.**

9           3.05.1 Residential Solid Waste and Recyclable Materials. CONTRACTOR  
10 shall not at any time commingle Residential Solid Waste collected pursuant to this  
11 Agreement with any recyclable materials separated for collection pursuant to the CITY'S  
12 SFD Recycling Service Agreement(s) unless CONTRACTOR has been directed by the  
13 CITY as set forth in Section 5.05 of this Agreement.

14           3.05.2 Residential Solid Waste Collected in San José. CONTRACTOR  
15 shall not at any time commingle any Residential Solid Waste collected pursuant to this  
16 Agreement with any other material collected by CONTRACTOR inside or outside the  
17 City of San José without the express prior written authorization of the City  
18 Representative.

19           **3.06 Spillage and Litter.**

20           3.06.1 CONTRACTOR shall not litter premises in the process of  
21 providing SFD Solid Waste Services or while its vehicles are on the road.  
22 CONTRACTOR shall transport all Residential Solid Waste in such a manner as to  
23 prevent the spilling or blowing of such waste from CONTRACTOR's vehicle.  
24 CONTRACTOR shall exercise all reasonable care and diligence in providing SFD Solid  
25 Waste Services so as to prevent spilling or dropping of Residential Solid Waste during  
26 collection activity and shall immediately, at the time of occurrence, clean up such spilled  
27 Residential Solid Waste.

28           3.06.2 CONTRACTOR shall immediately cover with petroleum-  
29 absorbent material all equipment oil, hydraulic fluids, spilled paint, or any other liquid or  
30 debris resulting from CONTRACTOR's operations or equipment repair and shall remove  
31 the debris and the petroleum-absorbent material from the street surface before the end  
32 of the calendar day immediately following the day of the spill. When necessary,  
33 CONTRACTOR shall apply a suitable cleaning agent to the street surface to provide  
34 adequate cleaning.

35           3.06.3 Notwithstanding Sections 3.06.1 and 3.06.2 above,  
36 CONTRACTOR shall clean up any spillage or litter caused by CONTRACTOR within  
37 two (2) hours after notice from CITY. Such notice may be by telephone, e-mail, or  
38 facsimile.



1 located in CONTRACTOR's Service Districts, or that the premises do not qualify for  
2 SFD Solid Waste Services.

3 4.02.3 CONTRACTOR shall revise the Service Unit route maps to  
4 show the addition or deletion of Service Units as provided above and shall provide such  
5 revised maps to the City Representative upon request.

6 **4.03 Annexation.** If during the term of this Agreement, additional territory  
7 within or adjacent to the CONTRACTOR's Service Districts is acquired by CITY through  
8 purchase, annexation, eminent domain, or other procedures, the City Representative  
9 may designate such additional territory as part of CONTRACTOR's Service Districts. If  
10 the additional territory is so designated, CONTRACTOR shall provide SFD Solid Waste  
11 Services in such additional territory in accordance with the provisions and service rates  
12 set forth in this Agreement. Such SFD Solid Waste Services shall begin within ten (10)  
13 Work Days of receipt of written notice from the City Representative. CONTRACTOR  
14 shall not begin SFD Solid Waste Services in the additional territory without written  
15 authorization from the City Representative.

16 If at the time of acquisition by CITY, the additional territory contains more  
17 than five hundred (500) Service Units for which CONTRACTOR will provide SFD Solid  
18 Waste Services, CONTRACTOR may phase in the distribution of Garbage Carts on a  
19 schedule approved by the City Representative; provided that CONTRACTOR shall  
20 complete the distribution of all Garbage Carts within ninety (90) calendar days after  
21 CONTRACTOR receives notification to begin SFD Solid Waste Services in the  
22 additional territory.

## 23 **ARTICLE 5. SFD SOLID WASTE SERVICES**

24 Beginning July 1, 2007, and continuing until the expiration or termination of this  
25 Agreement, CONTRACTOR shall provide SFD Solid Waste Services to all Service Units  
26 in the Service Districts in accordance with the terms and conditions of this Agreement.

27 **5.01 Transition.** CONTRACTOR understands and agrees that the time  
28 between the Effective Date and July 1, 2007, is intended to provide CONTRACTOR with  
29 sufficient time to, among other things, order equipment, prepare necessary routing  
30 changes, obtain permits and licenses, establish/build facilities, obtain required service  
31 agreements, and integrate other program changes as specified in this Agreement.  
32 CONTRACTOR shall be responsible for the provision of all SFD Solid Waste Services in  
33 the Service Districts beginning July 1, 2007. CONTRACTOR shall implement the  
34 transition in accordance with CONTRACTOR's Transition Plan which is set forth in  
35 Exhibit 7 ("PLANS") to this Agreement. The Transition Plan may be modified from time  
36 to time by the mutual written agreement of CONTRACTOR and the City Representative

1 in order to provide a smooth transition of services, provided that no such modification  
2 shall extend any time for performance beyond the dates set forth in this Agreement.

3 **5.02 Holiday Contingency Plan.** On or before September 30, 2007 and on or  
4 before each September 30th during the term of this Agreement, CONTRACTOR shall  
5 submit an annual plan outlining collection strategies to handle increased tonnages  
6 during the fall holiday season. The plan should list any additional vehicles which will be  
7 utilized including ID# type license number, and material that will be collected; strategy  
8 for fluctuation in the labor force; and how coordination with the SFD Recycling Services  
9 and the YT & RSS Services contractors(s) will be accomplished for the collection of  
10 Christmas trees.

11 **5.03 General Provisions.**

12 5.03.1 Accessibility to Street. In those instances where a public or  
13 private street within the Service Districts is temporarily closed to vehicular traffic but is  
14 accessible to pedestrian traffic, CONTRACTOR shall utilize pedestrian access to  
15 provide SFD Solid Waste Collection Service with no disruption of service to the Service  
16 Unit.

17 5.03.2 Frequency of Service. CONTRACTOR shall provide all SFD  
18 Solid Waste Services to each Service Unit in the Service Districts once every week on a  
19 scheduled route basis. Where the scheduled collection day falls on a holiday,  
20 CONTRACTOR shall adjust the route schedule as set forth in Section 3.04.

21 5.03.3 Hours of Collection. Except as set forth below, CONTRACTOR  
22 shall provide SFD Solid Waste Services commencing no earlier than 6:00 a.m. and  
23 terminating no later than 6:00 p.m., Monday through Friday, with no service on Saturday  
24 (except for holiday service as set forth in Section 3.04 of this Agreement) or Sunday.

25 Collection in the Central Business District and the Transit Mall  
26 Zone shall take place between 12:00 a.m. and 6:00 a.m. A map of the Central Business  
27 District and the Transit Mall Zone is included in Exhibit 8 to this Agreement.

28 The hours, days, or both of collection set out above may be  
29 extended due to extraordinary circumstances or conditions with the prior consent of the  
30 City Representative. If such consent is given in any manner other than by written  
31 notice, the City Representative shall provide written confirmation to CONTRACTOR  
32 within three (3) Work Days.

33 Notwithstanding the above requirements, delivery of collected  
34 materials to the Disposal Facility or other appropriate facility shall occur during the  
35 normal business hours of such facility unless other arrangements have been made with  
36 the facility and have been approved in advance by the City Representative.

1                   5.03.4    Inventory. CONTRACTOR shall maintain an inventory of  
2 Garbage Carts in sufficient number for CONTRACTOR to perform deliveries, repairs  
3 and exchanges of such equipment in a timely manner.

4                   5.03.5    Manner of Collection. CONTRACTOR shall provide all SFD  
5 Solid Waste Services with as little disturbance as possible. Except in the case of on-  
6 premises service, CONTRACTOR shall leave any Garbage Cart in an upright position at  
7 the same point from which its contents were collected, and, without obstructing alleys,  
8 roadways, driveways, sidewalks or mail boxes. In the case of on-premises service,  
9 CONTRACTOR shall remove the Garbage Cart or Tagged Garbage Bag from the back  
10 or side of the Service Unit (or from such other location as agreed to by CONTRACTOR  
11 and the Service Recipient), shall empty the contents into the collection vehicle, and shall  
12 return the Garbage Cart to the location from which they were removed.

13                                   CONTRACTOR's employees providing SFD Solid Waste  
14 Services shall follow the regular walk for pedestrians while on private property and shall  
15 not trespass nor cross property to the adjoining premises unless the occupant or owner  
16 of both properties has given permission. Care shall be taken to prevent damage to  
17 property, including flowers, shrubs, and other plantings.

18                   5.03.6    Spillage. CONTRACTOR shall not be responsible for cleaning  
19 up sanitary conditions around Garbage Carts, or Tagged Garbage Bags caused by the  
20 carelessness of the Service Recipient; however, CONTRACTOR shall clean up any  
21 Residential Solid Waste spilled from a Garbage Cart or Tagged Garbage Bag by  
22 CONTRACTOR or its employees.

23                                   During transport, all Residential Solid Waste shall be contained,  
24 covered or enclosed so that leaking, spilling and blowing of the materials is prevented.  
25 CONTRACTOR shall be responsible for the immediate cleanup of any spillage caused  
26 by CONTRACTOR or its employees.

27                   5.03.7    Inspections. CITY shall have the right to inspect  
28 CONTRACTOR's operations and customer service facilities during normal business  
29 hours and shall also have the right to inspect CONTRACTOR's collection vehicles and  
30 their contents at any time while operating inside or outside the City of San José.

31                   5.03.8    Reporting of Problems and Non-Collections. CONTRACTOR  
32 shall use the Consolidated Utility Billing System on a daily basis to report all situations  
33 that prevent or hinder collection; all replacements, repairs and exchanges of Garbage  
34 Carts. Except as otherwise provided in this Agreement, to the extent possible,  
35 CONTRACTOR shall make such reports by the end of the Work Day in which the event  
36 occurred; where it is not possible to make such reports by the end of the Work Day,  
37 CONTRACTOR shall report such events no later than the end of the next Work Day.

1           **5.04 SFD Solid Waste Service.** CONTRACTOR shall perform SFD Solid  
2 Waste Service in accordance with the following terms and conditions:

3                   5.04.1    Conditions of Service. CONTRACTOR shall provide SFD Solid  
4 Waste Service to all Service Units in the Service Districts whose Residential Solid  
5 Waste is properly containerized in Garbage Carts or Tagged Garbage Bags, where the  
6 Garbage Carts and Tagged Garbage Bags have been placed within three (3) feet of the  
7 curb, swale, paved surface of the public roadway, closest accessible roadway, or other  
8 such location agreed to by CONTRACTOR and the Service Recipient, that will provide  
9 safe and efficient accessibility to CONTRACTOR's collection crew and vehicle.

10                   5.04.2    On-Premises Service.

11                           5.04.2.1 Non-Subscription On-Premises Service. Notwithstanding  
12 any term or condition set forth in this Agreement, CONTRACTOR shall provide on-  
13 premises collection of Residential Solid Waste to a SFD Service Unit if all adult Service  
14 Recipients residing therein have disabilities that prevent them from setting the Garbage  
15 Cart at the curb for collection and if a request for non-subscription on-premises service  
16 has been made to, and approved by, the City Representative in the manner required by  
17 CITY. The City Representative shall utilize the Consolidated Utility Billing System to  
18 notify CONTRACTOR of any SFD Service Units requiring non-subscription on-premises  
19 service, along with the date such service is to begin. No additional monies shall be due  
20 to CONTRACTOR for the provision of non-subscription on-premises service.

21   CONTRACTOR may at any time, but not more often than  
22 twice in any Agreement Year, request that the City Representative verify the eligibility of  
23 a SFD Service Unit for non-subscription on-premises service. Upon receipt of  
24 CONTRACTOR's request, the City Representative shall make a determination as to  
25 whether the SFD Service Unit meets the eligibility requirements and shall notify  
26 CONTRACTOR of such determination within sixty (60) calendar days of  
27 CONTRACTOR's request. At the time CONTRACTOR makes the request for  
28 verification of eligibility, CONTRACTOR may submit to the City Representative any  
29 information relevant to the City Representative's determination.

30                           5.04.2.2 Subscription On-Premises Service. Notwithstanding any  
31 term or condition set forth in this Agreement, CONTRACTOR shall provide on-premises  
32 collection of Residential Solid Waste to those SFD Service Units subscribing to such  
33 service, except that subscription on-premises collection service shall not be available in  
34 those instances where the on-premises collection location of the Garbage Cart is more  
35 than one hundred (100) yards from the normal curbside set out location. The City  
36 Representative shall utilize the Consolidated Utility Billing System to notify  
37 CONTRACTOR of any SFD Service Units subscribing to subscription on-premises  
38 collection service, along with the date such service is to begin.

1                   5.04.2.3 Collection Day. CONTRACTOR shall provide on-  
2 premises SFD Solid Waste Service on the same Work Day that curbside collection  
3 would otherwise be provided to the SFD Service Unit.

4                   5.04.3 Non-Collection. CONTRACTOR shall not be required to collect  
5 any Residential Solid Waste that is not placed either in a Garbage Cart or in a Tagged  
6 Garbage Bag. CONTRACTOR shall not be required to collect Residential Solid Waste  
7 from a Garbage Cart when the contents exceed the volume of the Garbage Cart when  
8 its lid is closed, nor from a Tagged Garbage Bag when the weight of the contents  
9 exceeds sixty (60) pounds. In the event of non-collection, CONTRACTOR shall affix to  
10 the Garbage Cart or Tagged Garbage Bag a Non-Collection Notice explaining why  
11 collection was not made.

12                  5.04.4 Courtesy Notice. CONTRACTOR shall be required to collect  
13 any Residential Solid Waste that is placed either in a Garbage Cart or in a Tagged  
14 Garbage Bag even if placement of cart or bag causes CONTRACTOR to move them to  
15 facilitate collection. CONTRACTOR may affix to the Garbage Cart a Courtesy Notice  
16 informing the Service Recipient that collection was completed even though containers  
17 may not have been set out by the Service Recipient according to program instructions.

18                  5.04.5 Purchase and Distribution of Garbage Carts. CONTRACTOR  
19 shall purchase and distribute fully assembled and functional Garbage Carts to new  
20 Service Units that are added to CONTRACTOR's Service Districts during the term of  
21 this Agreement. The number of Garbage Carts and the size of each Garbage Cart to be  
22 distributed will be in accordance with the information provided by the CITY and, except  
23 as provided in Section 4.03 of this Agreement, CONTRACTOR shall complete the  
24 distribution within five (5) Work Days of receipt of the information. If directed by the City  
25 Representative, CONTRACTOR will provide multiple Garbage Carts to a Service Unit.  
26 Garbage Carts shall be affixed with the CITY logo, and shall meet the specifications set  
27 forth in Exhibit 5.

28                  5.04.6 Replacement of Garbage Carts. CONTRACTOR's employees  
29 shall take care to prevent damage to Garbage Carts by unnecessary rough treatment.  
30 Any Garbage Cart damaged by CONTRACTOR shall be replaced by CONTRACTOR,  
31 at CONTRACTOR's expense, within five (5) Work Days at no cost or inconvenience to  
32 the Service Recipient and at no cost to CITY.

33                               Upon notification to CONTRACTOR by the City Representative  
34 or a Service Recipient that the Service Recipient's Garbage Cart has been stolen or that  
35 it has been damaged beyond repair through no fault of CONTRACTOR, CONTRACTOR  
36 shall deliver a replacement Garbage Cart to such Service Recipient within five (5) Work  
37 Days of the date of the notification.

1                   Each Service Recipient shall be entitled to the replacement of  
2 one (1) lost, destroyed, or stolen Garbage Cart during the term of this Agreement at no  
3 cost to the Service Recipient or CITY. Except in the case of a Garbage Cart that must  
4 be replaced because of damage caused by CONTRACTOR or in the case where  
5 CONTRACTOR elects to replace a Garbage Cart rather than repair it on-site,  
6 CONTRACTOR shall be compensated for the cost of those replacements in excess of  
7 one (1) per Service Recipient during the term of the Agreement, in accordance with the  
8 “Cart Exchanges in Excess of Once per Year” service rate set forth in Exhibit 1,  
9 (“COMPENSATION RATES”) as adjusted from time to time as provided under the terms  
10 of this Agreement. CONTRACTOR understands and agrees that this provision is  
11 intended to be applied on a per Service Recipient basis, not a per Service Unit basis.

12                   5.04.7    Repair of Garbage Carts. CONTRACTOR shall be responsible  
13 for repair of Garbage Carts in the areas to include, but not be limited to, hinged lids,  
14 wheels and axles. Within ten (10) Work Days of notification by the City Representative  
15 or a Service Recipient of the need for such repairs, CONTRACTOR shall repair the  
16 Garbage Cart, or if necessary, remove the Garbage Cart for repairs and deliver a  
17 replacement Garbage Cart to the Service Recipient.

18                   5.04.8    Garbage Cart Exchange. Within ten (10) Work Days of  
19 notification to CONTRACTOR by the City Representative or a Service Recipient that a  
20 change in the size of a Garbage Cart is required, CONTRACTOR shall deliver such  
21 Garbage Cart to the Service Recipient, and remove the Garbage Cart that is being  
22 replaced. Each SFD Service Unit shall be eligible to receive one (1) free Garbage Cart  
23 exchange per Agreement Year during the term of this Agreement. CONTRACTOR shall  
24 be compensated for the cost of those exchanges in excess of one (1) per Agreement  
25 Year, in accordance with the “Cart Exchanges in Excess of Once per Year” service rate  
26 as set forth in Exhibit 1 as adjusted under the terms of this Agreement.

27                   5.04.9    Ownership of Garbage Carts. Garbage Carts in the possession  
28 of a Service Unit as of July 1, 2007, and all Garbage Carts distributed by  
29 CONTRACTOR during the term of this Agreement shall be the property of  
30 CONTRACTOR. CONTRACTOR shall retain ownership of such Garbage Carts during  
31 the term of this Agreement. Upon the expiration or termination of this Agreement,  
32 CONTRACTOR shall transfer to CITY and CITY shall obtain ownership of all Garbage  
33 Carts that are in the possession of a Service Unit on the date of such expiration or  
34 termination. CONTRACTOR shall retain ownership of all Garbage Carts in  
35 CONTRACTOR’s possession at the expiration or termination of this Agreement.

36                   5.04.10   Disposal Facility. Except as set forth in this Section 5.04.10,  
37 CONTRACTOR shall transport and deliver to the Disposal Facility all Residential Solid  
38 Waste collected as a result of performing SFD Solid Waste Services pursuant to this  
39 Agreement. In the event the Disposal Facility is closed on a Work Day, CONTRACTOR

1 shall transport and dispose of the Residential Solid Waste at such other legally  
2 permitted disposal facility as is designated in writing by the City Representative.  
3 CONTRACTOR's failure to comply with this provision shall result in the levy of an  
4 administrative charge as specified in Article 15 of this Agreement and may result in  
5 CONTRACTOR being in default under this Agreement.

6 **5.05 Collection and Disposal of Contaminated Recyclable Materials.** CITY  
7 and CONTRACTOR shall develop a protocol for responding to situations where non-  
8 recyclable material is found in recycling carts. If it is determined that the contents of the  
9 recycling cart should be collected and disposed of as Residential Solid Waste,  
10 CONTRACTOR shall collect the materials as directed by the CITY within one (1) Work  
11 Day of notification from the CITY.. CONTRACTOR shall be compensated for the cost of  
12 the collection of this material in accordance with the "Collection of Contaminated  
13 Recyclable Materials" service rate as set forth in Exhibit 1 as adjusted under the terms  
14 of this Agreement. Once notified by the CITY, such contaminated material shall be  
15 considered to be Residential Solid Waste by CITY and CONTRACTOR for purposes of  
16 collection and disposal under the terms of this Agreement.

17 **5.06 Collection and Disposal of Contaminated Christmas Trees.**  
18 CONTRACTOR shall collect contaminated Christmas trees that are unsuitable for  
19 collection by the CITY's YT & RSS Services Contractor during the same day as normal  
20 collection operations. Contaminated Christmas trees include Christmas trees that have  
21 ornaments, decorations, or tinsel, or are attached to a tree stand. CONTRACTOR will  
22 not receive additional compensation for the collection of contaminated Christmas trees.

23 **5.07 Service Agreement.** To the extent available, CITY will provide  
24 CONTRACTOR with a list of private streets in the Service Districts, and shall provide  
25 updated lists as additional streets are added or additional information is available.  
26 CONTRACTOR shall obtain a signed service agreement from each SFD Service Unit  
27 complex or development where CONTRACTOR will enter upon private streets to  
28 perform SFD Solid Waste Services. CONTRACTOR shall provide the City  
29 Representative with copies of all signed service agreements within ten (10) Work Days  
30 of receipt by CONTRACTOR. The service agreements will contain at least the following  
31 information: Name and address of the complex, development, or homeowners'  
32 association; name, address and phone number of the contact person for the complex,  
33 development, or homeowners' association; permission for CONTRACTOR to enter the  
34 private streets; number and size of Garbage Carts and collection location if not  
35 curbside.



1           **6.03   Collection Route Audits.**

2           6.03.1   Route Audits. All collection routes shall be audited annually in a  
3 manner subject to the approval of the City Representative. CONTRACTOR shall  
4 conduct an annual route audit for each of CONTRACTOR's SFD Solid Waste Collection  
5 Service routes. The route audits shall be conducted once each calendar year during the  
6 term of this Agreement beginning in the year 2008, with each route being audited in a  
7 different quarter each year so that all routes are audited in each of the four (4) quarters  
8 during the term of this Agreement. CONTRACTOR shall conduct audits of all routes  
9 served by one collection vehicle on five (5) consecutive Work Days. Not later than sixty  
10 (60) Work Days prior to the first route audit in each year, CONTRACTOR shall submit to  
11 the City Representative a schedule of route audits to be conducted in that year together  
12 with a description of the audit methodology. CITY reserves the right to determine which  
13 routes will be audited in a particular week and, if CITY exercises this right, shall notify  
14 CONTRACTOR of the routes not less than three (3) Work Days in advance.  
15 CONTRACTOR shall include route audits performed in each quarter in  
16 CONTRACTOR's quarterly report.

17           6.03.2   Audit Information. The route audits shall include the following  
18 information for each collection route:

- 19           ▪ The route number, the date of the audit, and the starting and ending  
20 times of collection during the audit.
- 21           ▪ The number of Service Units on the route.
- 22           ▪ The number of Service Units participating on the date of the audit.
- 23           ▪ The number of Service Units that set out Tagged Garbage Bags  
24 and the total number of Tagged Garbage Bags collected.
- 25           ▪ The number of over filled carts, and the address of the Service  
26 Recipient where the cart was audited.
- 27           ▪ The cart size and address of the Service Recipient where the cart  
28 was audited.
- 29           ▪ The number of carts that need repair or replacement, and the  
30 address of the Service Recipient where the cart was audited.
- 31           ▪ The number of collection vehicles used on the route by vehicle type  
32 (e.g., rear loader solid waste truck, side-loading solid waste truck),  
33 and the number of trips made by each vehicle to the Disposal  
34 Facility.
- 35           ▪ The tonnage of Residential Solid Waste and the time of arrival and  
36 departure of each vehicle at the Disposal Facility.

- 1                   ▪ A description of any changes in the route occurring since the
- 2                   immediately preceding route audit, including changes in the location
- 3                   of the route, the number of Service Units, equipment used, and
- 4                   collection methods employed.
- 5                   ▪ The name(s), telephone number(s), and signature(s) of the persons
- 6                   performing each route audit.

7                   **6.04 Special Route Audits.** CITY may request performance of special route  
8 audits in addition to the route audits conducted pursuant to Section 6.03. Within fifteen  
9 (15) calendar days of receipt of a written request for a special route audit,  
10 CONTRACTOR shall provide to the City Representative a written cost proposal for  
11 performance of the special route audit. If the City Representative accepts  
12 CONTRACTOR's cost proposal, CONTRACTOR shall conduct the special route audit  
13 and CITY shall compensate CONTRACTOR at the rate described in CONTRACTOR's  
14 cost proposal.

15                   **6.05 CITY-Conducted Collection Route Audits.** CITY reserves the right to  
16 conduct audits of CONTRACTOR's collection route audits. CONTRACTOR shall  
17 cooperate with CITY in connection therewith, including permitting CITY employees or  
18 agents, designated by the City Representative, to ride in the collection vehicles during  
19 the conduct of audits. CONTRACTOR shall have no responsibility or liability for the  
20 salary, wages, benefits or Worker's Compensation claims of any person designated by  
21 the City Representative to conduct such audits.

22                   **6.06 Waste Characterization Study.** CITY may require that a waste  
23 characterization study be undertaken by the CONTRACTOR, or the City may elect to  
24 conduct the study itself. In the event the CITY requests participation of the  
25 CONTRACTOR, CONTRACTOR shall within fifteen (15) calendar days of receipt of a  
26 written request for a waste characterization study, provide to the City representative a  
27 written cost proposal for performance of the waste characterization study. If the City  
28 Representative accepts CONTRACTOR's cost proposal, CONTRACTOR shall  
29 participate in the waste characterization study to the extent set forth in the approved  
30 study plan, and CITY shall compensate CONTRACTOR at the rate described in  
31 CONTRACTOR's cost proposal. In the event CITY elects to conduct the waste  
32 characterization study itself, CONTRACTOR shall cooperate with the CITY in  
33 conducting the study. Cooperation shall include, but not be limited to, providing route  
34 and collection data to assist in the selection of the test samples, and coordinating  
35 collection routes and activities so as not to interfere with the study.



1 accordance with the requirements of the California Vehicle Code, as may be amended  
2 from time to time, and shall be subject to the approval of the City Representative.

3           7.01.6    Vehicle Signage and Painting. Collection vehicles shall be  
4 painted and numbered consecutively without repetition and shall have CONTRACTOR's  
5 name, CITY's customer service telephone number, (408) 535-3500 or such other  
6 number as is provided to CONTRACTOR by the City Representative, and the number of  
7 the vehicle painted in letters of contrasting color, at least four (4) inches high, on each  
8 side and the rear of each vehicle. CITY may specify the format of the alpha-numeric  
9 numbering sequence to be used, so that all vehicles have a unique identifier. No  
10 advertising shall be permitted on the collection vehicles other than the name of  
11 CONTRACTOR and promotional advertisement of the Recycle Plus Program.  
12 Collection vehicles shall be painted white and vehicle striping and logos shall be painted  
13 CONTRACTOR's primary corporate color(s). CONTRACTOR shall repaint all collection  
14 vehicles (including the vehicles' striping) during the term of this Agreement on a  
15 frequency as necessary to maintain a positive public image as reasonably determined  
16 by the City Representative, but not less often than every thirty (30) months beginning  
17 July 1, 2007.

18           Collection vehicles shall be identified as City of San José Recycle Plus  
19 collection vehicles through the use of interchangeable signs. These signs will contain  
20 Recycle Plus-related announcements in English, Spanish, Vietnamese, or other  
21 languages as directed by the City Representative. CONTRACTOR shall be responsible  
22 for equipping both sides of the collection vehicles with frames capable of securing signs  
23 of dimensions 29-3/16" high by 93-3/16" wide or other dimensions designated by the  
24 City Representative. CITY shall provide such signs to CONTRACTOR with a minimum  
25 of one (1) week's notice prior to design changes. CONTRACTOR shall install the signs  
26 in the frames. CITY shall not require sign changes more frequently than once every  
27 quarter.

28           **7.02    Collection Vehicle Noise Level.** The noise level generated by collection  
29 vehicles using compaction mechanisms during the stationary compaction process shall  
30 not exceed seventy-five (75) decibels at a distance of twenty-five (25) feet from the  
31 collection vehicle measured at an elevation of five (5) feet above ground level using the  
32 "A" scale of the standard sound level meter at slow response. CONTRACTOR shall  
33 cause each collection vehicle to be tested no less than once every three (3) years  
34 during the months of March and April, beginning March of 2008. CONTRACTOR shall  
35 maintain copies of certificates of testing showing the results of the vehicle testing and  
36 shall make such certificates available for inspection upon request by the City  
37 Representative. CONTRACTOR shall not use any collection vehicle that does not meet  
38 the noise level limitations of this Section.

1           **7.03 Vehicle Registration, Licensing and Inspection.** All vehicles used by  
2 CONTRACTOR in the performance of services under this Agreement shall be in  
3 compliance with all registration, licensing and inspection requirements of the California  
4 Highway Patrol, the California Department of Motor Vehicles, and any other applicable  
5 laws or regulations. CONTRACTOR shall maintain copies of all certificates and reports  
6 evidencing compliance, and shall make such certificates and reports available for  
7 inspection upon request by the City Representative. CONTRACTOR shall not use any  
8 vehicle to perform Collection Services that is not in compliance with applicable  
9 registration, licensing and inspection requirements.

10           **7.04 Equipment Maintenance.** CONTRACTOR shall maintain all collection  
11 equipment in a clean condition, free of graffiti, and in good repair at all times. All parts  
12 and systems of the collection equipment shall operate properly and be maintained in  
13 good working order. CONTRACTOR shall wash all collection vehicles at least once a  
14 week using recycled water. All washings shall be conducted in a manner that conforms  
15 to the BMP Guidelines for Non-Point Source Pollutants in the publication entitled *Storm*  
16 *Water Best Management Practices Handbook for Industrial Commercial.*

17           **7.05 Maintenance Log.** CONTRACTOR shall maintain a maintenance log for  
18 all collection vehicles. The log shall at all times be accessible to CITY via computer, or  
19 by physical inspection upon request of the City Representative, and shall show, at a  
20 minimum, each vehicle's CONTRACTOR-assigned identification number, date  
21 purchased or initial lease, dates of performance of routine maintenance, dates of  
22 performance of any additional maintenance, and description of additional maintenance  
23 performed.

24           **7.06 Equipment Inventory.**

25           7.06.1     On or before October 1, 2006, CONTRACTOR shall submit to  
26 the City Representative preliminary estimates of the equipment required for  
27 CONTRACTOR to perform the services described in this Agreement. CITY may provide  
28 written comments on the preliminary estimates within ten (10) Work Days of receipt of  
29 the estimates from CONTRACTOR. CONTRACTOR shall respond in writing to any  
30 CITY comments within thirty (30) Work Days of receipt of comments from CITY.

31           7.06.2     On or before June 15, 2007, CONTRACTOR shall provide to the  
32 City Representative an inventory of collection vehicles and major equipment used by  
33 CONTRACTOR in the performance of services under this Agreement. The inventory  
34 shall indicate each vehicle by CONTRACTOR-assigned identification number, DMV  
35 license number, the age of the chassis and body, mileage, type of fuel used, the type  
36 and capacity of each vehicle, the number of vehicles by type, the date of acquisition, the  
37 decibel rating and the maintenance and rebuilt status. CONTRACTOR shall submit to  
38 CITY an updated inventory annually or more often at the request of the City  
39 Representative. Each inventory shall also include the tare weight of each vehicle as

1 determined by weighing at a public scale and not at a disposal or other facility scale  
2 used by CONTRACTOR. The specific procedure for performing the tare weighing shall  
3 be subject to the approval of the City Representative. Each vehicle inventory shall be  
4 accompanied by a certification by CONTRACTOR that all vehicles meet the  
5 requirements of this Agreement.

6 **7.07 Reserve Equipment.** CONTRACTOR shall have available to it, at all  
7 times, reserve collection equipment which can be put into service and operation within  
8 one (1) hour of any breakdown. Such reserve equipment shall correspond in size and  
9 capacity to the equipment used by CONTRACTOR to perform services pursuant to this  
10 Agreement.

11 **7.08 Collection Fleet Rental.** CITY, at its sole option, may rent all or part of  
12 CONTRACTOR's collection fleet for a period up to three months beginning July 1, 2013.  
13 CITY will notify CONTRACTOR in writing of its intention to exercise this option no later  
14 than June 1, 2013. The rental price shall be One Hundred Dollars (\$100) per hour per  
15 vehicle.

## 16 **ARTICLE 8. CONTRACTOR'S COMPENSATION**

17 **8.01 Billing and Collection of Payments.** CITY shall be responsible for the  
18 billing and collection of payments from Service Units for all SFD Solid Waste Services.

19 **8.02 Monthly Invoices.** Beginning for services performed by CONTRACTOR  
20 during the month of July 2007, CITY shall produce a preliminary monthly invoice for all  
21 services received under this Agreement no later than the fifteenth (15<sup>th</sup>) day of the  
22 month following the month such services were rendered.

23 **8.02.1 Review of Monthly Invoice by CONTRACTOR.** CONTRACTOR  
24 shall review the monthly invoice prepared by CITY and within ten (10) Work Days of  
25 receipt of the invoice, CONTRACTOR shall notify the City Representative of any  
26 discrepancies or deficiencies in said invoice.

27 **8.02.2 Resolution Of Discrepancies.** CONTRACTOR shall meet with  
28 the City Representative within ten (10) Work Days of CITY's receipt of notice of  
29 discrepancies or deficiencies to resolve any such discrepancies or deficiencies and shall  
30 provide to the City Representative any and all documentation relating to the discrepancy  
31 or deficiency that is requested by the City Representative or which CONTRACTOR  
32 wishes to provide in support of CONTRACTOR's calculations. Within fifteen (15)  
33 calendar days of the receipt of documentation requested in writing by the City  
34 Representative or within fifteen (15) calendar days of the meeting between  
35 CONTRACTOR and the City Representative, whichever occurs later, the City  
36 Representative shall notify CONTRACTOR in writing of the City Representative's  
37 resolution of the discrepancies or deficiencies. The City Representative's determination

1 shall be final unless within ten (10) calendar days of the date of the determination  
2 CONTRACTOR requests a review by the Director of Environmental Services  
3 ("Director").

4 If CONTRACTOR timely requests a review by the Director, the Director  
5 shall review the City Representative's determination, all relevant documentation  
6 presented to the City Representative, and any additional relevant documentation  
7 provided by CONTRACTOR at the time of CONTRACTOR's request for review. If  
8 requested by CONTRACTOR, the Director or the Director's designee shall meet with  
9 CONTRACTOR within fifteen (15) calendar days of CONTRACTOR's request for review.  
10 The Director shall render a written decision to CONTRACTOR sustaining or reversing  
11 the City Representative's determination, in whole or in part, within thirty (30) calendar  
12 days of receipt of CONTRACTOR's request for review.

13 8.02.3 Partial Month Service. If, during a month, a Service Unit is  
14 added to or deleted from CONTRACTOR's Service Unit list, the billing for such Service  
15 Unit shall be pro-rated as follows: (1) if the Service Unit was eligible to receive SFD  
16 Solid Waste Collection Service for at least sixteen (16) calendar days during the month,  
17 CONTRACTOR shall be compensated for that Service Unit at the full monthly rate set  
18 out in Exhibit 1; and (2) if the Service Unit was eligible to receive SFD Solid Waste  
19 Collection Service for less than sixteen (16) calendar days during the month,  
20 CONTRACTOR shall not be compensated for that Service Unit for that month.

21 8.02.4 Payments. CITY shall make no payment for any SFD Service  
22 Unit (including Small Civic Service Units) or Business Service Unit that is not included  
23 on the list of SFD Service Units, Small Civic Service Units, and Business Service Units  
24 maintained by CITY.

25 **8.03 Payments to CONTRACTOR**. Beginning for services performed during  
26 the month of July 2007, CITY shall pay CONTRACTOR for services performed in  
27 accordance with this Agreement at the service rates set forth in Exhibit 1 as such rates  
28 may be adjusted pursuant to this Agreement. Except as otherwise provided in this  
29 Agreement, CITY shall make monthly payments to CONTRACTOR within thirty (30)  
30 calendar days of CONTRACTOR's approval of CITY's invoice. In the event there are  
31 any amounts listed on the invoice which remain in dispute after CONTRACTOR and  
32 CITY complete the Resolution of Discrepancies process set forth in Section 8.02.2  
33 above, CITY shall pay to CONTRACTOR the amounts accepted by the City  
34 Representative or the Director of Environmental Services, as appropriate. CITY shall  
35 not make any payments to any CONTRACTOR's subcontractors.

36 8.03.1 Wire Transfers. At the request of CONTRACTOR, CITY will  
37 make monthly invoice payments and/or additional payments by wire transfer to  
38 CONTRACTOR's bank account or accounts as are designated by CONTRACTOR.

1 CITY may deduct CITY's costs of the wire transfers from the monthly payment  
2 otherwise due to CONTRACTOR.

3 **8.04 Adjustments To Rates Using Refuse Rate Index (RRI).**

4 8.04.1 Refuse Rate Index (RRI). Beginning on July 1, 2008, and  
5 annually thereafter, CONTRACTOR shall, subject to compliance with all provisions of  
6 this Article, receive an annual adjustment in the following service rates as set forth in  
7 Exhibit 1 to this Agreement:

- 8                   ▪ SFD Solid Waste Service (line A.1)
- 9                   ▪ Subscription On-Premises Service (line B.1)
- 10                  ▪ Cart Exchanges in Excess of Once per Year (line B.2)
- 11                  ▪ Collection of Contaminated Recyclable Materials (line B.3)
- 12                  ▪ Tagged Garbage Bag Collection (line B.4)

13 8.04.2 At the start of the second year of this Agreement (July 1, 2008),  
14 and annually thereafter during the term of this Agreement, the service rates set forth in  
15 Section 8.04.1 above shall be increased or decreased by the percentage change in the  
16 Refuse Rate Index (RRI) from the base month, which shall be December of the prior  
17 preceding year, to December of the immediately preceding year as contained in the  
18 most recent release of the source documents listed in Exhibit 3 ("REFUSE RATE  
19 INDEX") to this Agreement. Therefore, the first rate adjustment will be based on the  
20 percentage change between the December 2006 indices and the December 2007  
21 indices.

22 8.04.3 On or before February 15, 2008, CONTRACTOR shall deliver to  
23 CITY financial information for the specific services performed under this Agreement for  
24 the period from July 1, 2007, through December 31, 2007. On or before February 15,  
25 2009, and annually thereafter during the term of this Agreement, CONTRACTOR shall  
26 deliver to CITY financial information for the specific services performed under this  
27 Agreement for the preceding calendar year. Such financial information shall be the  
28 information described in the "Operating Cost Statement – Description" portion of Exhibit  
29 3 and shall be in the format described in Exhibit 3, or as may be revised by CITY from  
30 time to time. If CONTRACTOR fails to submit the financial information in the required  
31 format by February 15<sup>th</sup>, it is agreed that CONTRACTOR shall be deemed to have  
32 waived the RRI rate adjustment for that year. CONTRACTOR's failure to provide the  
33 financial information shall not preclude CITY from applying the RRI using the prior  
34 year's financial data, or pro forma data if no prior year financial data is available, if that  
35 application would result in a decrease in the affected service rates.

36 8.04.4 Annual adjustments shall be made only in units of one cent  
37 (\$0.01). Fractions of less than one cent (\$0.01) shall not be considered in making

1 adjustments. The indices shall be truncated at four (4) decimal places for the  
2 adjustment calculations.

3           8.04.5     If CONTRACTOR's failure to submit the financial information  
4 required by Section 8.04.3 is the result of extraordinary or unusual circumstances as  
5 demonstrated by CONTRACTOR to the satisfaction of CITY's Director of Environmental  
6 Services, CITY, at its sole discretion, may consider the request for the annual RRI rate  
7 adjustment.

8           8.04.6     As of June 1, 2008, and annually thereafter during the term of  
9 this Agreement, the City Representative shall notify CONTRACTOR of the RRI  
10 adjustment to the affected service rates to take place on the subsequent July 1<sup>st</sup>.

11           **8.05   Service Unit Counts.**   CITY will utilize the Consolidated Utility Billing  
12 System to maintain the customer database from which the SFD Service Unit and  
13 Business Service Unit counts will be derived. In the event CONTRACTOR does not  
14 agree with the Service Unit counts as maintained by CITY, CONTRACTOR may, at any  
15 time but not more often than once per Agreement Year, request that CITY and  
16 CONTRACTOR perform a joint route audit of the SFD Service Units, and/or Small  
17 Commercial Business Service Units in the Service Districts. Such audit shall be at no  
18 cost to CITY other than labor costs for CITY staff.

19           **8.06   Withholding of Payment.**   In addition to express provisions contained  
20 elsewhere in this Agreement, CITY may withhold from any payment otherwise due to  
21 CONTRACTOR such amount as is reasonably determined by CITY as necessary to  
22 protect CITY's interest, or, if CITY so elects, may withhold or retain all or a portion of  
23 any monthly payment or refund payment for any of the following reasons. CITY shall  
24 provide written notice to CONTRACTOR of the reason for withholding of payments.

- 25                   ▪ Unsatisfactory progress of the work not caused by any condition  
26                   beyond CONTRACTOR's control;
- 27                   ▪ Defective work not corrected;
- 28                   ▪ CONTRACTOR's failure to carry out instructions or orders of the  
29                   City Representative;
- 30                   ▪ Execution of work not in accordance with this Agreement;
- 31                   ▪ Claims filed by or against CONTRACTOR or reasonable evidence  
32                   indicating probable filing of claims;
- 33                   ▪ Failure of CONTRACTOR to make payments to any subcontractor  
34                   for material or labor;
- 35                   ▪ Unsafe working conditions allowed to persist by CONTRACTOR;

- 1                   ▪ Failure of CONTRACTOR to provide route schedules and other
- 2                   reports as required by CITY; or
- 3                   ▪ Use of any subcontractors without CITY's prior written approval.

4           **8.07 Payment Of Withheld Amounts.** Upon CONTRACTOR's remedy of the  
5 above-listed grounds for withholding payment and demonstration of the remedy to the  
6 reasonable satisfaction of the City Representative, CITY shall pay all withheld amounts  
7 within ten (10) Work Days. CITY shall not be liable for interest on any delayed or late  
8 payment.

## 9                   **ARTICLE 9. CONTRACTOR DISPOSAL ALLOCATION**

10           **9.01 CITY's Responsibility.** CITY shall arrange for and pay for sufficient  
11 landfill disposal capacity for the disposal of all Residential Solid Waste collected by  
12 CONTRACTOR from Service Units in CONTRACTOR's Service Districts and wastes  
13 collected by CONTRACTOR in performing emergency services pursuant to Article 12 of  
14 this Agreement. CITY shall pay the Disposal Facility directly for the disposal of the  
15 above-described materials unless otherwise mutually agreed by CITY's Director of  
16 Environmental Services and CONTRACTOR.

### 17           **9.02 CONTRACTOR's Responsibility.**

18                   9.02.1    **Delivery of Materials.** CONTRACTOR shall transport all  
19 Residential Solid Waste collected by CONTRACTOR from Service Units in  
20 CONTRACTOR's Service Districts pursuant to this Agreement, and shall deliver all such  
21 materials to the Disposal Facility, or to such other disposal facilities as the City  
22 Representative may designate in writing. If the City Representative directs delivery of  
23 materials to a disposal facility other than the Disposal Facility, CITY shall compensate  
24 CONTRACTOR for reasonable additional out-of-pocket expenses incurred by  
25 CONTRACTOR and documented to the reasonable satisfaction of CITY's Director of  
26 Environmental Services.

27                   9.02.2    **Limitation on Use of CITY-Arranged Landfill Capacity.**  
28 CONTRACTOR shall not, under any circumstances whatsoever, utilize the CITY-  
29 arranged disposal capacity for the disposal of any material that was collected by  
30 CONTRACTOR or by any other person, other than the materials collected pursuant to  
31 this Agreement and specifically listed in this Article of this Agreement without the  
32 express prior written authorization of the City Representative.

33                   9.02.3    **Compliance with Regulations.** CONTRACTOR shall observe  
34 and comply with all regulations in effect at the Disposal Facility, or any other CITY-  
35 designated disposal facility, at the time CONTRACTOR transports and disposes of

1 materials at the site. CONTRACTOR shall at all times while at the Disposal Facility, or  
2 any other CITY-designated disposal facility, operate according to safe industry practices.

3 **ARTICLE 10. SERVICE INQUIRIES AND COMPLAINTS**

4 **10.01 CONTRACTOR's Office.** CONTRACTOR shall maintain an office within  
5 the limits of Santa Clara County where inquiries and complaints can be received. Such  
6 office shall be open during the normal business hours of 8:00 a.m. to 6:00 p.m. on all  
7 Work Days, and from 8:00 a.m. until all collection routes have been completed on those  
8 Saturdays when collection services are performed pursuant to this Agreement.  
9 CONTRACTOR shall ensure that responsible persons are in charge of the office during  
10 collection hours, and are available to receive inquiries and complaints during normal  
11 business hours.

12 For each Agreement Year of the term of this Agreement that  
13 CONTRACTOR's office is not located within the municipal limits of the City of San José,  
14 CITY may deduct Three Thousand Dollars (\$3,000) per month from the payment  
15 otherwise due to CONTRACTOR. In the event CONTRACTOR's office is located  
16 outside the limits of the City of San José for a period of time less than an Agreement  
17 Year, the reduction in the monthly payment shall be effective only for those months in  
18 which the office is outside the limit.

19 **10.02 Telephone Requirements.** CONTRACTOR's office shall be equipped  
20 with sufficient telephones that all collection service-related calls received during normal  
21 business hours are answered by an employee within five (5) rings. CONTRACTOR  
22 shall provide either a telephone answering service or mechanical device to receive  
23 Service Recipient inquiries during those times when CONTRACTOR's office is closed.  
24 Calls received after normal business hours shall be addressed before 12:00 noon on the  
25 next Work Day. CONTRACTOR shall insure that telephone calls made to  
26 CONTRACTOR's office by residents of the City of San Jose and calls transferred to  
27 CONTRACTOR from CITY's call center are not toll calls.

28 **10.03 Emergency Contact.** CONTRACTOR shall provide the City  
29 Representative with an emergency phone number where CONTRACTOR's  
30 representative authorized to act on CONTRACTOR's behalf can be reached outside of  
31 the required office hours.

32 **10.04 Multilingual/TDD Service.** CONTRACTOR shall at all times maintain  
33 the capability of responding to telephone calls in English, Spanish or Vietnamese and  
34 such other languages as the City Representative may reasonably require.  
35 CONTRACTOR shall at all times maintain the capability of responding to telephone calls  
36 through Telecommunications Device for the Deaf (TDD) Services.

1           **10.05 Service Recipient Calls.** During normal business hours,  
2 CONTRACTOR shall maintain a telephone answering system capable of accepting at  
3 least fifteen (15) incoming calls at one time. CITY will direct service inquiries and  
4 complaints to CONTRACTOR through the Consolidated Utility Billing System.  
5 CONTRACTOR shall record all calls including any inquiries, service requests and  
6 complaints into the Consolidated Utility Billing System. Any such call received via  
7 CONTRACTOR's answering service shall be recorded in the Consolidated Utility Billing  
8 System no later than 12:00 noon on the following Work Day.

9           CONTRACTOR shall answer all incoming calls within five (5) rings. Any  
10 caller "on-hold" in excess of one and one-half (1.5) minutes shall have the option to  
11 remain "on-hold" or to be switched to a message center where the caller can leave a  
12 message. CONTRACTOR's customer service representatives shall return Service  
13 Recipient calls as provided in this Section 10.05. For all messages left before 3:00  
14 p.m., CONTRACTOR shall attempt all "call backs" at least one time prior to 6:00 p.m. on  
15 the day of the call. For messages left after 3:00 p.m., CONTRACTOR shall attempt all  
16 "call backs" at least one time prior to noon the next Work Day. CONTRACTOR shall  
17 make a minimum of three (3) attempts within twenty-four (24) hours of the receipt of the  
18 call. If CONTRACTOR is unable to reach the Service Recipient on the next Work Day,  
19 CONTRACTOR shall send a postcard to the Service Recipient on the second Work Day  
20 after the call was received, indicating that CONTRACTOR has attempted to return the  
21 call. All attempts to contact the caller shall be recorded and provided to the CITY in  
22 electronic format.

23           **10.06 Service Complaints.**

24           10.06.1 CONTRACTOR shall handle all service complaints in a prompt  
25 and efficient manner. In the case of a dispute between CONTRACTOR and a Service  
26 Recipient, CONTRACTOR will refer the matter to the City Representative for review.  
27 The City Representative will review the matter and make a determination as to the  
28 resolution of the dispute.

29           10.06.2 For those complaints related to missed collections that are  
30 received by CONTRACTOR by 3:00 p.m. on a Work Day, CONTRACTOR will return to  
31 the Service Unit address and collect the missed materials before leaving the Service  
32 District for the day. For those complaints related to missed collections that are received  
33 by CONTRACTOR after 3:00 p.m. on a Work Day, CONTRACTOR shall have until the  
34 end of the following Work Day to collect the materials. For those complaints related to  
35 repair or replacement of carts, the appropriate provisions of Article 5 of this Agreement  
36 shall apply. At the end of each Work Day CONTRACTOR shall utilize the Consolidated  
37 Utility Billing System to provide the City Representative with a response to each  
38 complaint which was received from a Service Recipient, or CITY in the event the  
39 complaint was made by CITY, during the preceding Work Day.



1 preceding quarter that were performed by persons other than CONTRACTOR's  
2 employees shall be included as part of the report.

3 **11.02 Waste Characterizations.** Beginning in the Agreement Year starting  
4 July 1, 2007, CONTRACTOR will perform a minimum of two (2) informal waste  
5 characterization studies per Agreement Year with each study covering two of  
6 CONTRACTOR's collection routes (approximately 1500 Service Recipients).. The  
7 studies will be conducted at such times as are mutually agreed upon by CONTRACTOR  
8 and the City Representative and must be approved in advance by the City  
9 Representative as to scope and routes to be covered.

10 **11.03 News Media Relations.** CONTRACTOR shall notify the City  
11 Representative by fax or phone of all requests for news media interviews related to the  
12 Recycle Plus Program within twenty-four (24) hours of CONTRACTOR's receipt of the  
13 request. Before responding to any inquiries involving Recycle Plus-related issues or  
14 any issues likely to affect participation or Service Recipient perception of services,  
15 CONTRACTOR will discuss CONTRACTOR's proposed response with the City  
16 Representative.

17 Copies of draft news releases or proposed trade journal articles shall be  
18 submitted to the City Representative for prior review and approval at least five (5) Work  
19 Days in advance of release, except where CONTRACTOR is required by any law or  
20 regulation to submit materials to any regulatory agency in a shorter period of time, in  
21 which case CONTRACTOR shall submit such materials to the City Representative  
22 simultaneously with CONTRACTOR's submittal to such regulatory agency.

23 Copies of articles resulting from media interviews or news releases related  
24 to CONTRACTOR's providing services under this Agreement shall be provided to the  
25 City Representative within five (5) Work Days after publication.

26 **11.04 Pilot Programs.**

27 11.04.1 CITY may request CONTRACTOR to conduct pilot test  
28 programs that temporarily change the collection method, the type of service, or the  
29 service schedule for a portion of the Service Units in CONTRACTOR's Service Districts.  
30 A pilot test program shall be limited to no more than ten percent (10%) of the Service  
31 Units in the Service Districts and to a term of no more than eighteen (18) months unless  
32 otherwise specifically agreed by CONTRACTOR and CITY's Director of Environmental  
33 Services. CONTRACTOR shall perform any additional record keeping required by a  
34 pilot test program. If CONTRACTOR agrees to perform a pilot test program,  
35 CONTRACTOR and CITY's Director of Environmental Services shall execute a letter of  
36 agreement prior to the start of the pilot test program. The letter of agreement shall set  
37 forth the terms of the pilot test program including program costs, program operating  
38 parameters, and program duration.

1                   11.04.2 If a pilot test program affects the cost of providing collection  
2 services, the program costs set forth in the letter of agreement may include an  
3 adjustment to the monthly payments otherwise payable to CONTRACTOR under this  
4 Agreement to reflect the benefits and/or burdens of the pilot test program. The  
5 adjustment shall be set so as to capture any increase or decrease in CONTRACTOR's  
6 direct operating costs resulting from the pilot test program. "Direct operating costs"  
7 include planning costs; labor expense, including supervision (wages, employment taxes,  
8 and fringe benefits); materials, supplies and fuel; and amortized costs of new equipment  
9 purchased or equipment modified for the pilot test program. Any increases in direct  
10 operating costs must be established by CONTRACTOR and must be capable of  
11 verification by an independent auditor.

12                   **11.05 Other Programs and Services.** CONTRACTOR shall provide other  
13 services and programs related to the Recycle Plus Program as requested by CITY at a  
14 price to be mutually agreed upon between CONTRACTOR and the Director of  
15 Environmental Services. In the event CONTRACTOR and the Director of  
16 Environmental Services cannot reach a mutually agreed upon price for the requested  
17 service or program within sixty (60) calendar days of CITY's request, CITY shall have  
18 the right to procure the service of other vendors or contractors to provide the requested  
19 service.

## 20                   **ARTICLE 12. EMERGENCY SERVICE PROVISIONS**

21                   **12.01 Route Variances.** In the event of a tornado, major storm, earthquake,  
22 fire, natural disaster, or other such event, the City Representative may grant  
23 CONTRACTOR a variance from regular routes and schedules. As soon as practicable  
24 after such event, CONTRACTOR shall advise the City Representative when it is  
25 anticipated that normal routes and schedules can be resumed. The CITY shall make an  
26 effort through the local news media to inform the public when regular services may be  
27 resumed. Clean-up from some events may require that CONTRACTOR hire additional  
28 equipment, employ additional personnel, or work existing personnel on overtime hours  
29 to clean debris resulting from the event. CONTRACTOR shall receive additional  
30 compensation, above the normal compensation contained in this Agreement, to cover  
31 the costs of rental equipment, additional personnel, overtime hours and other  
32 documented expenses based on the rates set forth in Exhibit 1 to this Agreement,  
33 provided CONTRACTOR has first secured written authorization and approval from the  
34 City Representative.

35                   **12.02 Collection Services.** CONTRACTOR may be required to provide SFD  
36 Solid Waste Services on an emergency services basis prior to July 1, 2007. If CITY  
37 requires CONTRACTOR to provide such emergency services, CONTRACTOR shall be

1 compensated for such services at the service rates set forth on Exhibit 1 to this  
2 Agreement.

3 **12.03 Transition Delays.** In the event that there are delays in the Transition  
4 Timeline set forth in Exhibit 16 that indicate CONTRACTOR will not be able to perform  
5 SFD Solid Waste Services as of July 1, 2007, CITY, at its sole option, may contract with  
6 other service providers for all or part of the required services, for as long as is needed  
7 until CONTRACTOR is able to perform. CITY will make its decision to arrange  
8 emergency contract services based on a predetermined set of criteria established by  
9 CITY. The costs for these emergency contract services shall be at CONTRACTOR's  
10 sole expenses and the costs will be deducted from CONTRACTOR's monthly invoice  
11 until full reimbursement to CITY has been achieved. This provision for emergency  
12 contract services is separate and distinct from any other cure provisions in this  
13 Agreement. CONTRACTOR acknowledges that this Section 12.03 provides CITY the  
14 right to step into the transition process to assure or attempt to assure service to  
15 residents of the City of San José and that CITY must have broad discretion to meet its  
16 obligations to its residents. In the event CONTRACTOR is able to perform some but not  
17 all services, CITY shall limit the scope of the services that it contracts with other service  
18 providers to those services CONTRACTOR is unable to perform so as to allow  
19 CONTRACTOR, to the extent reasonably possible, to utilize such equipment and  
20 resources as CONTRACTOR has secured for the performance of this Agreement.

## 21 **ARTICLE 13. REPORTING AND BILLING SYSTEM REQUIREMENTS**

22 **13.01 Requirements.** CONTRACTOR shall provide and record operating and  
23 customer service data elements as set forth in Exhibit 10 ("DATA AND REPORTING  
24 REQUIREMENTS") to this Agreement. CONTRACTOR is required to communicate with  
25 the CITY's PeopleSoft Revenue Management System (Consolidated Utility Billing  
26 System) either via an internet portal or using an electronic interface as described in  
27 Exhibit 13 (CONTRACTOR ELECTRONIC INTERFACE REQUIREMENTS) of this  
28 Agreement.

29 13.01.1 The Consolidated Utility Billing System includes the basic  
30 functions CONTRACTOR needs in order to perform its customer service and specific  
31 operational services. CONTRACTOR access is limited to customer information, service  
32 location service type and service level information, collection days, and field activities.  
33 CITY shall have access to all the information available to CONTRACTOR and,  
34 additionally, will control access to the financial and billing functions of the Consolidated  
35 Utility Billing System.

36 13.01.2 CITY will maintain all service location and property owner  
37 information. New service locations will be added into the database by CITY. CITY will

1 also have and control the property ownership database that is used to update property  
2 owner records.

3 **13.02 Field Activities Descriptions.** CONTRACTOR shall use the field  
4 activity descriptions that have been set up in the Consolidated Utility Billing System by  
5 CITY. CITY will provide field activity descriptions for all the services provided under this  
6 Agreement.

7 **13.03 Reports.**

8 13.03.1 CITY Reports. Except as set forth in this Agreement or as  
9 requested by the City Representative, CITY shall generate operational reports and  
10 information required to provide payment to CONTRACTOR, including the monthly  
11 invoice. CONTRACTOR will have access to reports and information through the  
12 Consolidated Utility Billing System related to the Service Districts that are necessary, in  
13 the opinion of the City Representative, for CONTRACTOR's operations and for  
14 providing information requested by CITY. CONTRACTOR will have access to the  
15 Consolidated Utility Billing System's report writer function.

16 13.03.2 CONTRACTOR Reports. CONTRACTOR shall submit reports  
17 through the Consolidated Utility Billing System for daily collection data and processing  
18 data as described in Exhibit 10. CONTRACTOR shall submit to the City Representative  
19 daily, monthly, quarterly and annual reports containing the information, in the format,  
20 and at the times described in Exhibit 10. CONTRACTOR shall not change the format,  
21 sections or categories of these reports without written approval by the City  
22 Representative.

23 13.03.3 Transition Reports. CONTRACTOR shall submit periodic  
24 transition status reports to the City Representative. CONTRACTOR shall provide these  
25 reports monthly from October 2006 through February 2007; biweekly in March 2007 and  
26 April 2007; and weekly from May 2007 through October 2007. In addition,  
27 CONTRACTOR will continue periodic reporting as requested by the City Representative  
28 through June 30, 2008.

29 13.03.4 Transition Timeline. CONTRACTOR's transition timeline,  
30 attached to and included in this Agreement as Exhibit 16, "TRANSITION TIMELINE",  
31 identifies specific dates for receiving critical equipment and facility permits. Prior to July  
32 1, 2007, CONTRACTOR may make changes in the Transition Timeline provided that the  
33 change is approved by CITY's Director of Environmental Services, the request for  
34 changes is made at least 48 hours before the listed due date, CONTRACTOR submits a  
35 plan to mitigate the delays, and none of the changes extends the start-up date beyond  
36 July 1, 2007. Administrative charges may be assessed at the rate of \$5,000 per day for  
37 failure to meet the following critical milestones:

- 1 • Written confirmation of vehicle order (body and chassis) from vehicle
- 2 manufacturer/supplier
- 3 • Written confirmation of processing equipment order from
- 4 manufacturer/supplier
- 5 • Written confirmation of cart order from manufacturer/supplier
- 6 • Written confirmation of close of escrow or execution of facility lease for each
- 7 site
- 8 • Submission of land use permit applications which are deemed complete by
- 9 the City's Department of Planning, Building and Code Enforcement
- 10 • Submission of permit applications to any regulatory agencies outside the City
- 11 of San Jose, e.g. County of Santa Clara, Santa Clara Water District, RWQCB,
- 12 etc.
- 13 • Written confirmation of occupancy permit sign-off
- 14 • Written confirmation of start-date of developer/support resource for C-UBS
- 15 application
- 16 • Written confirmation of installation date of all applicable hardware/software for
- 17 C-UBS application
- 18 • Written confirmation of hire-date for displaced workers
- 19 • Submission of transition Public Education and Outreach Plan
- 20 • Submission of initial route plan
- 21 • Submission of contingency plan to remedy any delays in equipment delivery
- 22 and/or facility readiness
- 23 • Submission of applications for building permits for facility improvements

## 24 **ARTICLE 14. NONDISCRIMINATION & WAGE POLICY**

25 **14.01 Nondiscrimination.** In the performance of all work and services under  
26 this Agreement, CONTRACTOR shall not discriminate against any person on the basis  
27 of such person's race, sex, color, national origin, religion, marital status or sexual  
28 orientation or disability. CONTRACTOR shall comply with all applicable local, state and  
29 federal laws and regulations regarding nondiscrimination, including those prohibiting  
30 discrimination in employment.

31 **14.02 Wage Policy.** CONTRACTOR and its approved subcontractors, as set  
32 forth on Exhibit 9, ("APPROVED SUBCONTRACTORS") shall pay those employees  
33 performing work related to this Agreement those specified wage rates as set forth in  
34 Exhibit 12 ("WAGE POLICY") and shall meet the documentation and reporting  
35 requirements set forth therein.

1           **ARTICLE 15. QUALITY OF PERFORMANCE OF CONTRACTOR**

2           **15.01 Intent.** CONTRACTOR acknowledges and agrees that among CITY's  
3 primary goals in entering into this Agreement are to ensure that the SFD Solid Waste  
4 Services are of the highest caliber, and that Service Recipient satisfaction remains at  
5 the highest level.

6           **15.02 Service Supervisor.** CONTRACTOR shall assign a qualified supervisor  
7 to be in charge of the SFD Solid Waste Services within the Service Districts and shall  
8 provide the name of that person in writing to the City Representative on or before  
9 May 1, 2007, and annually by July 1<sup>st</sup> of each subsequent Agreement Year during the  
10 term of this Agreement, and any other time the person in that position changes. The  
11 supervisor shall be physically located in the Service Districts and available to the  
12 Contract Manager through the use of telecommunication equipment at all times that  
13 CONTRACTOR is providing SFD Solid Waste Services. In the event the supervisor is  
14 unavailable due to illness or vacation, CONTRACTOR shall designate an acceptable  
15 substitute who shall be available and who has the authority to act in the same capacity  
16 as the supervisor.

17           **15.03 Contract Manager.** CONTRACTOR shall designate a Contract  
18 Manager and shall provide the name of that person in writing to the City Representative  
19 within thirty (30) calendar days of the Effective Date of this Agreement, and annually by  
20 July 1<sup>st</sup> of each subsequent Agreement Year of this Agreement and any other time the  
21 person in that position changes. The Contract Manager shall be available to the City  
22 Representative, the City Manager and CITY's Director of Environmental Services  
23 through the use of telecommunications equipment at all times that CONTRACTOR is  
24 providing SFD Solid Waste Services in the Service Districts. The Contract Manager  
25 shall provide CITY with an emergency phone number where the Contract Manager can  
26 be reached outside of normal business hours.

27           **15.04 Administrative Charges.** It shall be the duty of CONTRACTOR to  
28 perform services under this Agreement in such a manner as to implement practices,  
29 policies and procedures designed to achieve the goals set forth in Section 15.01 above.  
30 In the event CONTRACTOR fails to perform the services as set forth in this Agreement,  
31 CITY may assess an administrative charge against CONTRACTOR and may deduct  
32 such charge from any monies due or which may become due to CONTRACTOR as set  
33 forth below. During the period July 1, 2007, through July 7, 2007, CITY will allow  
34 CONTRACTOR one (1) additional Work Day to comply with the provisions of item a.  
35 below, and will not apply the administrative charges in items j, k, o, p, or u.

<b>List of Administrative Charges (Applies to Each Service District)</b>		
a.	Failure or neglect to resolve each complaint within the time set forth in this Agreement.	\$500.00 per incident per Service Recipient.
b.	Failure to clean up spillage or litter caused by CONTRACTOR.	\$300.00 per incident per location.
c.	Failure to repair damage to customer property caused by CONTRACTOR or its personnel.	\$500.00 per incident per location.
d.	Failure to maintain equipment in a clean, safe, and sanitary manner.	\$500.00 per incident per Work Day.
e.	Failure to have a vehicle operator properly licensed.	\$500.00 per incident per Work Day.
f.	Failure to maintain office hours as required by this Agreement.	\$500.00 per incident per Work Day.
g.	Failure to maintain or timely submit to CITY all documents and reports required under the provisions of this Agreement.	\$500.00 per incident per Work Day.
h.	Failure to properly cover materials in collection vehicles.	\$500.00 per incident.
i.	Failure to display CONTRACTOR's name and CITY's customer service phone number on collection vehicles.	\$500.00 per incident per Work Day.
j.	Failure to comply with the hours of operation as required by this Agreement.	\$500.00 per incident per Work Day.
k.	Failure or neglect to complete at least 90 percent of each route on the regular scheduled collection Work Day.	\$1,000.00 for each route not completed.
l.	Changing routes without proper notification to the City Representative.	\$500.00 per incident per Work Day.
m.	Commingling Residential Solid Waste with Recyclable Materials.	\$5,000.00 per incident.
n.	Commingling of materials in collection vehicles collected pursuant to this Agreement with any other materials.	\$5,000.00 per incident.
o.	Failure to repair or replace damaged carts within the time required by this Agreement.	\$100.00 per incident per Work Day.
p.	Failure to deliver or exchange carts within the time required by this Agreement.	\$100.00 per incident per Work Day.
q.	Failure of CONTRACTOR's field personnel to carry photographic identification or wear uniform shirts.	\$100.00 per incident per Work Day.
r.	Failure to provide required communications equipment.	\$100.00 per incident per Work Day.

<b>List of Administrative Charges (Applies to Each Service District)</b>		
s.	Failure to deliver any collected materials to the Disposal Facility, as appropriate, except as otherwise expressly provided in this Agreement.	\$5,000 first failure \$25,000 each subsequent failure
t.	Delivery to the Disposal Facility of any Residential Solid Waste collected outside of the Service Districts boundaries commingled with that collected as part of this Agreement.	\$5,000 first delivery \$25,000 each subsequent delivery
u.	Failure to comply with the provisions of the "plans" set forth in Exhibit 7 to this Agreement.	\$500 per incident per Work Day.
v.	Failure to provide access for CITY (CITY staff or CITY designee) to CONTRACTOR'S or subcontractor's operating and Processing facilities used pursuant to this Agreement.	\$1,000 per incident per Work Day.

1           **15.05 Procedure for Review of Administrative Charges.** The City  
2 Representative may assess administrative charges pursuant to this Article 15 by issuing  
3 a written notice to CONTRACTOR ("Notice of Assessment") of the administrative  
4 charges assessed, if any, and the basis for each assessment.

5           15.05.1 The administrative charges assessment shall become final  
6 unless, within ten (10) calendar days of the date of the Notice of Assessment,  
7 CONTRACTOR submits a written request for a meeting with the Director of  
8 Environmental Services ("Director") to present evidence that the assessment should not  
9 be made.

10           15.05.2 The City Representative shall schedule a meeting between  
11 CONTRACTOR and the Director or the Director's designee as soon as reasonably  
12 possible after timely receipt of CONTRACTOR's request.

13           15.05.3 The Director or the Director's designee shall review  
14 CONTRACTOR's evidence and render a decision sustaining or reversing the  
15 administrative charges as soon as reasonably possible after the meeting. Written notice  
16 of the decision shall be provided to CONTRACTOR.

17           15.05.4 In the event CONTRACTOR does not submit a written request  
18 for a meeting within ten (10) calendar days of the date of the Notice of Assessment, the  
19 City Representative's determination shall be final and CITY may deduct the  
20 administrative charges from amounts otherwise due to CONTRACTOR.

21           **15.06 Exercise of Rights.** CITY's assessment or collection of administrative  
22 charges shall not prevent CITY from exercising any other right or remedy, including the

1 right to terminate this Agreement, for CONTRACTOR's failure to perform the work and  
2 services in the manner set forth in this Agreement.

3 **ARTICLE 16. PERFORMANCE BOND**

4 **16.01 Performance Bond.** Within ten (10) calendar days from the Effective  
5 Date, CONTRACTOR shall furnish to the City Clerk, and keep current, a performance  
6 bond in a form substantially as set forth in Exhibit 4 ("FORM OF PERFORMANCE  
7 BOND") to this Agreement or in such other form as is acceptable to the City Attorney, for  
8 the faithful performance of this Agreement and all obligations arising hereunder in the  
9 following amounts:

10 16.01.1 For the term of this Agreement, an amount not less than Four  
11 Million Two Hundred Ninety Thousand Dollars (\$4,290,000).

12 **16.02 Licensed Surety.** The performance bond shall be executed by a surety  
13 company licensed to do business in the State of California; having an "A-" or better rating  
14 by A. M. Best or Standard and Poors; and included on the list of surety companies  
15 approved by the Treasurer of the United States. If the term of the performance bond is  
16 shorter than the term of this Agreement, CONTRACTOR shall submit proof of renewal or  
17 extension at least thirty (30) calendar days prior to the performance bond expiration  
18 date.

19 **ARTICLE 17. INSURANCE**

20 **17.01 Insurance Policies.** CONTRACTOR shall secure and maintain  
21 throughout the term of this Agreement insurance against claims for injuries to persons  
22 or damages to property which may arise from or in connection with CONTRACTOR's  
23 performance of work or services under this Agreement. CONTRACTOR's performance  
24 of work or services shall include performance by CONTRACTOR's employees, agents,  
25 representatives and subcontractors.

26 **17.02 Minimum Scope of Insurance.** Insurance coverage shall be at least as  
27 broad as:

28 17.02.1 Insurance Services Office Commercial general Liability  
29 coverage ("occurrence" from CG 0001), including products and completed operations,  
30 X, C, U (Explosion, Collapse and Underground) where applicable.

31 17.02.2 Insurance Services Office Form No.CA 0001 covering  
32 Automobile Liability, code 1 "any auto", or code 2 "owned autos" and endorsement CA  
33 0025. Coverage shall also include code 8, "hired autos" and code 9 "non-owned autos".

1                   17.02.3 Workers' Compensation insurance as required by the California  
2 Labor Code and Employers Liability Insurance.

3                   17.02.4 Hazardous Waste and Environmental Impairment Liability  
4 Insurance.

5                   **17.03 Minimum Limits of Insurance.** CONTRACTOR shall maintain  
6 insurance limits no less than:

7                   17.03.1 Comprehensive General Liability: \$3,000,000 combined single  
8 limit per occurrence for bodily injury, personal injury and property damage. If  
9 Commercial General Liability insurance with a general aggregate limit is used, either the  
10 general aggregate limit shall apply separately to this Agreement or the general  
11 aggregate limit shall be \$5,000,000.

12                   17.03.2 Automobile Liability: \$3,000,000 combined single limit per  
13 accident for bodily injury and property damage.

14                   17.03.3 Workers' Compensation and Employers Liability: Workers'  
15 Compensation limits as required by the California Labor Code and Employers Liability  
16 limits of \$3,000,000 per accident.

17                   17.03.4 Hazardous Waste and Environmental Impairment Liability:  
18 \$3,000,000 per occurrence.

19                   **17.04 Deductibles and Self-Insured Retention.** Any deductibles or self-  
20 insured retention must be declared to, and approved by, CITY's Risk Manager. At the  
21 option of CITY, either: the insurer shall reduce or eliminate such deductibles or self-  
22 insured retention as respects CITY, its officers, employees, agents and contractors; or  
23 CONTRACTOR shall procure a bond guaranteeing payment of losses and related  
24 investigations, claim administration and defense expenses in an amount specified by  
25 CITY's Risk Manager.

26                   **17.05 Endorsements.** The policies are to contain, or be endorsed to contain,  
27 the following provisions:

28                   17.05.1 General Liability and Automobile Liability Coverage.

29                   17.05.1.1 The City of San José, its officers, employees, agents  
30 and contractors are to be covered as additional insureds as respects: Liability arising  
31 out of activities performed by, or on behalf of, CONTRACTOR; products and completed  
32 operations of CONTRACTOR; premises owned, leased or used by CONTRACTOR; and  
33 automobiles owned, leased, hired or borrowed by CONTRACTOR. The coverage shall  
34 contain no special limitations on the scope of protection afforded to CITY, its officers,  
35 employees, agents and contractors.

1                   17.05.1.2   CONTRACTOR's insurance coverage shall be primary  
2 insurance as respects CITY, its officers, employees, agents and contractors. Any  
3 insurance, or self-insurance maintained by CITY, its officers, employees, agents or  
4 contractors shall be in excess of CONTRACTOR's insurance and shall not contribute  
5 with it.

6                   17.05.1.3   Any failure to comply with reporting provisions of the  
7 policies shall not affect coverage provided to CITY, its officers, employees, agents, or  
8 contractors.

9                   17.05.1.4   Coverage shall state that CONTRACTOR's insurance  
10 shall apply separately to each insured against whom claim is made or suit is brought,  
11 except with respect to the limits of the insurer's liability.

12                   17.05.2   All Coverages. Each insurance policy required by this  
13 Agreement shall be endorsed to state that coverage shall not be suspended, voided,  
14 canceled, or reduced in limits except after thirty (30) days prior written notice has been  
15 given to CITY's Risk Manager.

16                   **17.06   Acceptability of Insurers.** Insurance is to be placed with insurers  
17 acceptable to CITY's Risk Manager.

18                   **17.07   Verification of Coverage.** CONTRACTOR shall furnish CITY with  
19 certificates of insurance and with original endorsements affecting coverage required by  
20 this Agreement. The certificates and endorsement for each insurance policy are to be  
21 signed by a person authorized by that insurer to bind coverage on its behalf.  
22 CONTRACTOR shall furnish CITY with a new certificate of insurance and endorsements  
23 on each renewal of coverage or change of insurers.

24                   17.07.1   Proof of insurance shall be mailed to the following address or  
25 any subsequent address as may be directed in writing by the CITY's Risk Manager:

26  
27                                   Risk Management  
28                                   Finance  
29                                   City of San José  
30                                   200 East Santa Clara Street,  
31                                   San José, California 95113-1905

32                   **17.08   Subcontractors.** CONTRACTOR shall include all subcontractors as  
33 insureds under its policies or shall obtain separate certificates and endorsements for  
34 each subcontractor.

35                   **17.09   Modification of Insurance Requirements.** The insurance requirements  
36 provided in this Agreement may be modified or waived by CITY's Risk Manager, in  
37 writing, upon the request of CONTRACTOR if CITY's Risk Manager determines such

1 modification or waiver is in the best interest of CITY considering all relevant factors,  
2 including exposure to CITY.

3 **17.10 Rights of Subrogation.** All required insurance policies shall preclude  
4 any underwriter's rights of recovery or subrogation against CITY with the express  
5 intention of the parties being that the required insurance coverage protects both parties  
6 as the primary coverage for any and all losses covered by the above-described  
7 insurance. CONTRACTOR shall ensure that any companies issuing insurance to cover  
8 the requirements contained in this Agreement agree that they shall have no recourse  
9 against CITY for payment or assessments in any form on any policy of insurance. The  
10 clauses "Other Insurance Provisions" and "Insured Duties in the Event of an  
11 Occurrence, Claim or Suit" as it appears in any policy of insurance in which CITY is  
12 named as an additional insured shall not apply to CITY.

## 13 **ARTICLE 18. INDEMNIFICATION**

14 **18.01 Indemnification.** CONTRACTOR shall indemnify and hold harmless  
15 CITY, CITY's contractors, and CITY's public officials, officers, directors, employees,  
16 agents and other contractors of each of them, from and against any and all claims,  
17 costs, losses and damages (including but not limited to all fees and charges of  
18 engineers, architects, attorneys and other professionals as well as all Court or other  
19 dispute resolution costs), liabilities, expenditures or causes of action of any kind  
20 (including negligent, reckless, willful or intentional acts or omissions of CONTRACTOR,  
21 any subcontractor, any supplier, or any person or organization directly or indirectly  
22 employed by any of them to perform or furnish any services or anyone for whose acts  
23 any of them may be liable), arising from, relative to or caused by the performance of the  
24 services under this Agreement. This indemnity includes but is not limited to claims  
25 attributable to bodily injury, sickness, disease or death and to injury or destruction of  
26 tangible property. CONTRACTOR agrees, at CONTRACTOR's expense, after written  
27 notice from the City Attorney, to defend any action against CITY that falls within the  
28 scope of this indemnity, or CITY, at CITY's option, may elect not to tender such defense  
29 and may elect instead to secure its own attorneys to defend any such action and the  
30 reasonable costs and expenses of such attorneys incurred in defending such action  
31 shall be payable by CONTRACTOR. Additionally, if CONTRACTOR, after receipt of  
32 written notice from the CITY, fails to make any payment due under this Agreement to  
33 CITY, CONTRACTOR shall pay any reasonable attorneys' fees or costs incurred by  
34 CITY in securing any such payment from CONTRACTOR. Payment of any amount due  
35 pursuant to the foregoing indemnity shall, after receipt of written notice by  
36 CONTRACTOR from CITY that such amount is due, be made by CONTRACTOR prior  
37 to CITY being required to pay same, or in the alternative, CITY, at CITY's option, may

1 make payment of an amount so due and CONTRACTOR shall promptly reimburse CITY  
2 for same.

3 **18.02 Consideration.** It is specifically understood and agreed that the  
4 consideration inuring to CONTRACTOR for the execution of this Agreement includes the  
5 promises, payments, covenants, rights and responsibilities contained in this Agreement.

6 **18.03 Obligation.** The execution of this Agreement by CONTRACTOR shall  
7 obligate CONTRACTOR to comply with the foregoing indemnification provision;  
8 however, the collateral obligation of providing insurance must also be complied with as  
9 set forth in Article 20 above.

10 **18.04 Subcontractors.** CONTRACTOR shall require all subcontractors to  
11 enter into a contract containing the provisions set forth in Section 18.01 in which  
12 contract the subcontractor fully indemnifies CITY in accordance with this Article.

13 **18.05 Exception.** Notwithstanding Sections 18.01, 18.02 and 18.03 above,  
14 CONTRACTOR's obligation to indemnify, hold harmless and defend CITY, its officers  
15 and employees shall not extend to any loss, liability, penalty, complaint, damage, action  
16 or suit arising or resulting from acts or omissions constituting willful misconduct or gross  
17 negligence on the part of CITY, its officers or employees.

18 **18.06 Damage by CONTRACTOR.** If CONTRACTOR's employees or  
19 subcontractors cause any injury, damage or loss to CITY property, including but not  
20 limited to CITY streets or curbs (excepting normal wear and tear), CONTRACTOR shall  
21 reimburse CITY for CITY's cost of repairing such injury, damage or loss. Such  
22 reimbursement is not in derogation of any right of CITY to be indemnified by  
23 CONTRACTOR for any such injury, damage or loss. With the prior written approval of  
24 CITY's Director of Environmental Services, CONTRACTOR may repair the damage at  
25 CONTRACTOR's sole cost and expense.

## 26 **ARTICLE 19. DEFAULT OF AGREEMENT**

27 **19.01 Termination.** CITY may terminate this Agreement, except as otherwise  
28 provided below in this Article, by giving CONTRACTOR thirty (30) calendar days  
29 advance written notice, to be served as provided in Section 21.20, upon the happening  
30 of any one of the following events:

31 19.01.1 CONTRACTOR shall take the benefit of any present or future  
32 insolvency statute, or shall make a general assignment for the benefit of creditors, or file  
33 a voluntary petition in bankruptcy (court) or a petition or answer seeking an  
34 arrangement for its reorganization or the readjustment of its indebtedness under the  
35 federal bankruptcy laws or under any other law or statute of the United States or any

1 state thereof, or consent to the appointment of a receiver, trustee or liquidator of all or  
2 substantially all of its property; or

3 19.01.2 By order or decree of a Court, CONTRACTOR shall be  
4 adjudged bankrupt or an order shall be made approving a petition filed by any of its  
5 creditors or by any of the stockholders of CONTRACTOR, seeking its reorganization or  
6 the readjustment of its indebtedness under the federal bankruptcy laws or under any  
7 law or statute of the United States or of any state thereof, provided that if any such  
8 judgment or order is stayed or vacated within sixty (60) calendar days after the entry  
9 thereof, any notice of default shall be and become null, void and of no effect; unless  
10 such stayed judgment or order is reinstated in which case, said default shall be deemed  
11 immediate; or

12 19.01.3 By, or pursuant to, or under the authority of any legislative act,  
13 resolution or rule or any order or decree of any Court or governmental board, agency or  
14 officer having jurisdiction, a receiver, trustee or liquidator shall take possession or  
15 control of all or substantially all of the property of CONTRACTOR, and such possession  
16 or control shall continue in effect for a period of sixty (60) calendar days; or

17 19.01.4 CONTRACTOR has defaulted, by failing or refusing to pay in a  
18 timely manner the administrative charges or other monies due CITY and said default is  
19 not cured within thirty (30) calendar days of receipt of written notice by CITY to do so; or

20 19.01.5 CONTRACTOR has defaulted by allowing any final judgment for  
21 the payment of money to stand against it unsatisfied and said default is not cured within  
22 thirty (30) calendar days of receipt of written notice by CITY to do so; or

23 19.01.6 In the event that the monies due CITY under Section 19.01.4  
24 above or an unsatisfied final judgment under Section 19.01.5 above is the subject of a  
25 judicial proceeding, CONTRACTOR shall not be in default if the sum of money is  
26 bonded. All bonds shall be in a form acceptable to the City Attorney; or  
27 CONTRACTOR has defaulted, by failing or refusing to perform or observe the terms,  
28 conditions or covenants in this Agreement or any of the rules and regulations  
29 promulgated by CITY pursuant thereto or has wrongfully failed or refused to comply with  
30 the instructions of the City Representative relative thereto and said default is not cured  
31 within thirty (30) calendar days of receipt of written notice from CITY to do so, or if by  
32 reason of the nature of such default, the same cannot be remedied within thirty (30)  
33 calendar days following receipt by CONTRACTOR of written demand from CITY to do  
34 so, CONTRACTOR fails to commence the remedy of such default within said thirty (30)  
35 calendar days following such written notice or having so commenced shall fail thereafter  
36 to continue with diligence the curing thereof (with CONTRACTOR having the burden of  
37 proof to demonstrate (a) that the default cannot be cured within thirty (30) calendar  
38 days, and (b) that it is proceeding with diligence to cure said default, and such default  
39 will be cured within a reasonable period of time). However, notwithstanding anything  
40 contained herein to the contrary, for the failure of CONTRACTOR to provide SFD Solid

1 Waste Services for a period of three (3) consecutive Work Days, CITY may secure  
2 CONTRACTOR's records and SFD Solid Waste Services equipment on the fourth (4th)  
3 Work Day in order to provide interim SFD Solid Waste Services until such time as the  
4 matter is resolved and CONTRACTOR is again able to perform pursuant to this  
5 Agreement; provided, however, if CONTRACTOR is unable for any reason or cause to  
6 resume performance at the end of thirty (30) calendar days, all liability of CITY under  
7 this Agreement to CONTRACTOR shall cease and this Agreement may be deemed  
8 terminated upon notice by the City Manager. In the event CITY secures  
9 CONTRACTOR's equipment in order to provide interim services, ownership of such  
10 equipment shall remain with CONTRACTOR and shall not transfer to CITY, but CITY  
11 shall be obligated to make the outstanding debt payments, if any, on such equipment  
12 attributable to the interim period and CITY shall make all payments that would otherwise  
13 have been made by CONTRACTOR for vehicle operations (including insurance, fuel  
14 and repairs) required to comply with CONTRACTOR's debt obligation to  
15 CONTRACTOR's lenders. CITY's responsibility for such outstanding debt payments  
16 and other payments shall end at such time as CITY ceases use of such equipment to  
17 provide interim services. In the event CITY secures CONTRACTOR's equipment, CITY  
18 may utilize CONTRACTOR's office, corporation yard and other facilities on the same  
19 terms as for the use of CONTRACTOR's equipment.

20 **19.02 Violations.** Notwithstanding the foregoing and as supplemental and  
21 additional means of termination of this Agreement under this Article, in the event that  
22 CONTRACTOR's record of performance shows that CONTRACTOR has frequently,  
23 regularly or repetitively defaulted in the performance of any of the covenants and  
24 conditions required herein to be kept and performed by CONTRACTOR, in the opinion  
25 of the City Manager and regardless of whether CONTRACTOR has corrected each  
26 individual condition of default, CONTRACTOR shall be deemed a "habitual violator",  
27 shall be deemed to have waived the right to any further notice or grace period to  
28 correct, and all of said defaults shall be considered cumulative and collectively shall  
29 constitute a condition of irredeemable default. The City Manager shall thereupon issue  
30 CONTRACTOR a final warning citing the circumstances therefore, and any single  
31 default by CONTRACTOR of whatever nature, subsequent to the occurrence of the last  
32 of said cumulative defaults, shall be grounds for immediate termination of this  
33 Agreement. In the event of any such subsequent default, the City Manager may  
34 terminate this Agreement upon giving of written final notice to CONTRACTOR, such  
35 termination to be effective upon the date specified in the City Manager's written notice  
36 to CONTRACTOR. Upon such termination, all contractual fees due hereunder plus any  
37 and all charges and interest, if any, shall be payable to the date of termination, and  
38 CONTRACTOR shall have no further rights hereunder. Immediately upon the  
39 termination date specified in such final notice CONTRACTOR shall cease any further  
40 performance of SFD Solid Waste Services under this Agreement.



1           **20.02 Adoption.** CITY does not represent that said appropriation item will be  
2 actually adopted, said determination being the determination of the City Council at the  
3 time of the adoption of the appropriation.

## 4                           **ARTICLE 21. MISCELLANEOUS PROVISIONS**

5           **21.01 Modifications.** CITY shall have the power to make changes in this  
6 Agreement as the result of changes in law, changes in the City of San José Municipal  
7 Code, or both, to impose new rules and regulations on CONTRACTOR under this  
8 Agreement relative to the scope and methods of providing SFD Solid Waste Services as  
9 shall from time-to-time be necessary and desirable for the public welfare. CITY shall  
10 give CONTRACTOR notice of any proposed change and an opportunity to be heard  
11 concerning those matters. The scope and method of providing SFD Solid Waste  
12 Services as referenced herein shall also be liberally construed to include, but is not  
13 limited to the manner, procedures, operations and obligations, financial or otherwise, of  
14 CONTRACTOR.

15           **21.02 Change in Law.** CITY and CONTRACTOR understand and agree that  
16 the California Legislature has the authority to make comprehensive changes in Solid  
17 Waste Management legislation and that these and other changes in law in the future  
18 which mandate certain actions or programs for counties or municipalities may require  
19 changes or modifications in some of the terms, conditions or obligations under this  
20 Agreement. CONTRACTOR agrees that the terms and provisions of the City of San  
21 José Municipal Code, as it now exists or as it may be amended in the future, shall apply  
22 to all of the provisions of this Agreement and the Service Recipients of CONTRACTOR  
23 located within the Service Districts. In the event any future change in the San José  
24 Municipal Code, materially alters the obligations of CONTRACTOR, then the affected  
25 service rates, as established in Exhibit 1 of this Agreement shall be adjusted. Nothing  
26 contained in this Agreement shall require any party to perform any act or function  
27 contrary to law. CITY and CONTRACTOR agree to enter into good faith negotiations  
28 regarding modifications to this Agreement which may be required in order to implement  
29 changes in the interest of the public welfare or due to change in law. When such  
30 modifications are made to this Agreement, CITY and CONTRACTOR shall negotiate in  
31 good faith, a reasonable and appropriate compensation adjustment for any increase or  
32 decrease in the services or other obligations required of CONTRACTOR due to any  
33 modification in the Agreement under this Article. CITY and CONTRACTOR shall not  
34 unreasonably withhold agreement to such compensation adjustment.

35           **21.03 Acknowledgement Of Legal Representation.** It is acknowledged that  
36 each party was, or had the opportunity to be, represented by counsel in the preparation  
37 and negotiation of this Agreement and had the opportunity to contribute to the terms and  
38 conditions of this Agreement and, accordingly, the rule that a contract shall be

1 interpreted strictly against the party preparing the same shall not apply herein due to the  
2 joint contributions of both parties.

3           **21.04 Financial Interest Representation.** CONTRACTOR warrants and  
4 represents that no elected official, officer, agent or employee of CITY has a financial  
5 interest, directly or indirectly, in this Agreement or in the compensation to be paid under  
6 it and, further, that no CITY employee who acts as a "purchasing agent" as defined in  
7 the appropriate Section of California Statutes, nor any elected or appointed officer of  
8 CITY, nor any spouse or child of such purchasing agent, employee or elected or  
9 appointed officer, is a partner, officer, director or proprietor of CONTRACTOR and,  
10 further, that no such CITY employee, purchasing agent, CITY elected or appointed  
11 officer, or the spouse or child of any of them, alone or in combination, has a material  
12 interest in CONTRACTOR. Material interest means direct or indirect ownership of more  
13 than five percent (5%) of the total assets or capital stock of CONTRACTOR.

14           **21.05 CONTRACTOR's Personnel Requirements.** CONTRACTOR shall  
15 employ and assign qualified personnel to perform all services set forth herein.  
16 CONTRACTOR shall be responsible for ensuring that its employees comply with all  
17 applicable laws and regulations and meet all federal, state and local requirements  
18 related to their employment and position.

19           21.05.1 CITY may request the transfer of any employee of  
20 CONTRACTOR who materially violates any provision of this Agreement, or who is  
21 wanton, negligent, or discourteous in the performance of his duties.

22           21.05.2 CONTRACTOR shall require its field operations personnel to  
23 wear a clean uniform shirt bearing CONTRACTOR's name. CONTRACTOR's  
24 employees who normally come into direct contact with the public, including drivers, shall  
25 bear some means of individual photographic identification such as a name tag or  
26 identification card.

27           21.05.3 Each driver of a collection vehicle shall at all times carry a valid  
28 California driver's license and all other required licenses for the type of vehicle that is  
29 being operated.

30           21.05.4 Each driver of a collection vehicle shall at all times comply with  
31 all applicable local, state and federal laws, regulations and requirements.

32           21.05.5 CONTRACTOR's employees, officers, and agents shall at no  
33 time be allowed to identify themselves or in any way represent themselves as being  
34 employees of CITY.

35           **21.06 Exempt Waste.** CONTRACTOR shall not be required to collect Exempt  
36 Waste, but may offer such services. Collection and disposal of Exempt Waste is not  
37 regulated under this Agreement, but if provided by CONTRACTOR shall be in strict  
38 compliance with all federal, state and local laws and regulations.

1           **21.07 Independent Contractor.** In the performance of services pursuant to  
2 this Agreement, CONTRACTOR shall be an independent contractor and not an officer,  
3 agent, servant or employee of CITY. CONTRACTOR shall have exclusive control of the  
4 details of the services and work performed and over all persons performing such  
5 services and work. CONTRACTOR shall be solely responsible for the acts and  
6 omissions of its officers, agents, employees, contractors and subcontractors, if any.  
7 Neither CONTRACTOR nor its officers, employees, agents, contractors or  
8 subcontractors shall obtain any right to retirement benefits, Workers' Compensation  
9 benefits, or any other benefits which accrue to CITY employees and CONTRACTOR  
10 expressly waives any claim it may have or acquire to such benefits.

11           **21.08 Law To Govern.** The law of the State of California shall govern the  
12 rights, obligations, duties and liabilities of CITY and CONTRACTOR under this  
13 Agreement and shall govern the interpretation of this Agreement.

14           **21.09 Venue.** Any litigation between CITY and CONTRACTOR concerning or  
15 arising out of this Agreement shall be filed and maintained exclusively in the Superior  
16 Courts of Santa Clara County, State of California, or in the United States District Court  
17 for the Northern District of California to the fullest extent permissible by law. Each party  
18 consents to service of process in any manner authorized by California law.

19           **21.10 Assignment.** No assignment of this Agreement or any right occurring  
20 under this Agreement shall be made in whole or in part by CONTRACTOR without the  
21 express written consent of the Director of Environmental Services. CITY shall have full  
22 discretion to approve or deny, with or without cause, any proposed or actual assignment  
23 by CONTRACTOR. Any assignment of this Agreement made by CONTRACTOR  
24 without the express written consent of the Director of Environmental Services shall be  
25 null and void and shall be grounds for CITY to declare a default of this Agreement and  
26 immediately terminate this Agreement by giving written notice to CONTRACTOR, and  
27 upon the date of such notice this Agreement shall be deemed immediately terminated,  
28 and upon such termination all liability of CITY under this Agreement to CONTRACTOR,  
29 other than the payment of moneys due as of the date of termination, shall cease, and  
30 CITY shall have the right to call the performance bond and shall be free to negotiate  
31 with other contractors, CONTRACTOR, or any other person or company for the services  
32 which are the subject of this Agreement. In the event of any assignment, the assignee  
33 shall fully assume all the liabilities of CONTRACTOR.

34           **21.11 Subcontractors.** The use of a subcontractor to perform services under  
35 this Agreement shall not constitute delegation of CONTRACTOR's duties provided that  
36 CONTRACTOR has received prior written authorization from the Director of  
37 Environmental Services to subcontract such services and the Director of Environmental  
38 Services has approved a subcontractor who will perform such services.  
39 CONTRACTOR shall be responsible for directing the work of CONTRACTOR's

1 subcontractors and any compensation due or payable to CONTRACTOR's  
2 subcontractor(s) shall be the sole responsibility of CONTRACTOR. The Director of  
3 Environmental Services shall have the right to require the removal of any approved  
4 subcontractor for reasonable cause. The subcontractors listed in Exhibit 9 to this  
5 Agreement, are hereby approved by CITY as to the scope of work specified in Exhibit 9  
6 for each such subcontractor. Additional subcontractors may be used upon the written  
7 approval of the Director of Environmental Services in accordance with this Section  
8 21.11.

9 CITY acknowledges that CONTRACTOR has entered into that certain  
10 Transition Services Agreement with California Waste Solutions, Inc. ("CWS"), as set out  
11 in Exhibit 15 ("TRANSITION SERVICES AGREEMENT") to this Agreement, whereby  
12 CONTRACTOR and CWS have agreed to provide equipment and personnel to each  
13 other to enable each of them to perform its obligations under this Agreement or the  
14 agreement between CITY and CWS for residential recycling services during the period  
15 from July 1, 2007, to December 31, 2007. CONTRACTOR's use of equipment and/or  
16 personnel as provided in the Transition Services Agreement shall not constitute the use  
17 of a subcontractor under this Section 21.11 nor an assignment under Section 21.10.  
18 CONTRACTOR acknowledges that the Transition Services Agreement is incorporated  
19 into this Agreement and that CITY may enforce the terms of the Transition Services  
20 Agreement as a third party beneficiary.

21 **21.12 Compliance With Laws.** In the performance of this Agreement,  
22 CONTRACTOR shall comply with all applicable laws, regulations, ordinances and codes  
23 of the federal, state and local governments, including without limitation the Charter of  
24 the City of San José and the San José Municipal Code.

25 **21.13 Amendments To Municipal Code.** CITY shall provide written notice to  
26 CONTRACTOR of any planned amendment to Chapter 9.10 of the San José Municipal  
27 Code that would substantially affect the performance of CONTRACTOR's services  
28 pursuant to this Agreement. Except in the case of an amendment determined by the  
29 City Council to be an urgency measure, such notice shall be provided at least thirty (30)  
30 calendar days prior to the City Council's approval of such an amendment.

31 **21.14 Permits And Licenses.** CONTRACTOR shall obtain, at its own  
32 expense, all permits and licenses required by law or ordinance and maintain same in full  
33 force and effect throughout the term of this Agreement. CONTRACTOR shall provide  
34 proof of such permits, licenses or approvals and shall demonstrate compliance with the  
35 terms and conditions of such permits, licenses and approvals upon the request of the  
36 City Representative.

37 **21.15 Ownership Of Written Materials.** All reports, documents, brochures,  
38 public education materials, and other written, printed, electronic or photographic  
39 materials developed by CITY or CONTRACTOR in connection with the services to be

1 performed under this Agreement or in connection with the Recycle Plus Program,  
2 whether developed directly or indirectly by CITY or CONTRACTOR shall be and shall  
3 remain the property of CITY without limitation or restrictions on the use of such  
4 materials by CITY. CONTRACTOR shall not use such materials in connection with any  
5 project not connected with this Agreement without the prior written consent of the City  
6 Representative. This Section 21.15 does not apply to ideas or concepts described in  
7 such materials and does not apply to the format of such materials.

8 **21.16 Waiver.** The waiver by CITY or CONTRACTOR of any breach for  
9 violation of any term covenant or condition of this Agreement shall not be deemed to be  
10 a waiver of any other term, covenant or condition or any subsequent breach or violation  
11 of the same or of any other term, covenant or condition. The subsequent acceptance  
12 by CITY of any fee, tax, or any other monies which may become due from  
13 CONTRACTOR to CITY shall not be deemed to be a waiver by CITY of any breach for  
14 violation of any term, covenant or condition of this Agreement.

15 **21.17 Prohibition Against Gifts.** CONTRACTOR represents that  
16 CONTRACTOR is familiar with CITY's prohibition against the acceptance of any gift by  
17 a CITY officer or employee, which prohibition is found in Chapter 12.08 of the San José  
18 Municipal Code. CONTRACTOR shall not offer any CITY officer or designated  
19 employee any gift prohibited by said Chapter. The offer or giving of any gift prohibited  
20 by Chapter 12.08 shall constitute a material breach of this Agreement and, in addition to  
21 any other remedy CITY may have in law or in equity, CITY may terminate this  
22 Agreement for such breach as provided in Section 19.04 of this Agreement.

23 **21.18 Disqualification Of Former Employees.** CONTRACTOR represents  
24 that CONTRACTOR is familiar with the provisions of Chapter 12.10 of the San José  
25 Municipal Code relating to the disqualification of former officers and employees of CITY  
26 in matters that are connected with former duties or official responsibilities ("Revolving  
27 Door Ordinance"). CONTRACTOR shall not utilize, either directly or indirectly, any  
28 officer, employee, or agent of CONTRACTOR to perform services under this  
29 Agreement, if in the performance of such services the officer, employee or agent would  
30 be in violation of the Revolving Door Ordinance.

31 **21.19 Point Of Contact.** The day-to-day dealings between CONTRACTOR  
32 and CITY with respect to this Agreement shall be between CONTRACTOR's General  
33 Manager and the City Representative.

34 **21.20 Notices.**

35 21.20.1 Except as otherwise provided in this Agreement, whenever  
36 either party desires to give notice to the other, the notice must be in writing and given as  
37 provided in this Section 21.20. For the present, the parties designate the following as  
38 the respective persons and places for giving of notice:

1 To CITY:  
2 Director  
3 Department of Environmental Services  
4 200 East Santa Clara Street, 10<sup>th</sup> Floor  
5 San José, CA 95113  
6 Fax: (408) 292-6212

7 With a copy to:

8 City Representative  
9 Recycle Plus Program  
10 Department of Environmental Services  
11 200 East Santa Clara Street, 10<sup>th</sup> Floor  
12 San José, CA 95113  
13 Fax: (408) 292-6212

14 To CONTRACTOR:

15 Steven Jones, General Manager  
16 Garden City Sanitation, Inc.  
17 1080 Walsh Road  
18 Santa Clara, CA 95050  
19 Fax: To be provided by CONTRACTOR

20 With a copy to:

21 David Caligari, Operations Manager  
22 Garden City Sanitation, Inc.  
23 1080 Walsh Road  
24 Santa Clara, CA 95050  
25 Fax: To be provided by CONTRACTOR

26 21.20.2 Notices shall be effective when deposited in the U. S. mail,  
27 postage prepaid, or when personally delivered to the address specified above or to such  
28 other address as designated by a party by providing written notice of a change in  
29 address. Notice may also be sent by facsimile transmission and shall be effective when  
30 received, provided that facsimile transmissions received (i.e. printed) after 4:30 p.m. or  
31 on weekends or holidays, will be deemed received on the next Work Day. The original  
32 of items that are transmitted by facsimile must also be mailed or personally delivered as  
33 provided above within three (3) Work Days of the facsimile transmission.

34 21.20.3 Notice by CITY to CONTRACTOR of a collection or other  
35 Service Recipient problem or complaint may be given to CONTRACTOR orally by  
36 telephone at CONTRACTOR's local office with confirmation sent to CONTRACTOR  
37 through the Consolidated Utility Billing System by the end of the Work Day.

1           **21.21    Transition To Next Contractor.** In the event CONTRACTOR is not  
2 awarded an agreement to continue to provide SFD Solid Waste Services following the  
3 expiration or early termination of this Agreement, CONTRACTOR shall cooperate fully  
4 with CITY and any subsequent contractor(s) to assure a smooth transition of services  
5 described in this Agreement. Such cooperation shall include but not be limited to  
6 transfer of computer data, files and tapes; providing routing information, route maps,  
7 vehicle fleet information, and list of Service Recipients; not less than one hundred  
8 twenty (120) calendar days prior to the termination of this Agreement, providing a list of  
9 workers who will be displaced by the transfer of services to a successor contractor;  
10 providing a complete inventory of all Garbage Carts; providing adequate labor and  
11 equipment to complete performance of all SFD Solid Waste Services required under this  
12 Agreement; taking all actions necessary to transfer ownership of Garbage Carts, as  
13 appropriate, to CITY including transporting such containers to a location designated by  
14 the City Representative; coordinating collection of materials set out in new containers if  
15 new containers are provided for in a subsequent Agreement, and providing other reports  
16 and data required by this Agreement.

17           **21.22    Contractor's Records.**

18                   21.22.1    CONTRACTOR shall maintain any and all letters, books of  
19 account, invoices, vouchers, canceled checks, and other records or documents  
20 evidencing or relating to charges for services or expenditures and disbursements  
21 charged to CITY (other than tags from Tagged Garbage Bags) for a minimum period of  
22 three (3) years, or for any longer period required by law, from the date of final payment  
23 to CONTRACTOR pursuant to this Agreement. CONTRACTOR shall maintain tags  
24 from Tagged Garbage Bags for a minimum period of three (3) years from the date the  
25 CITY made payment to CONTRACTOR for the collected tag.

26                   21.22.2    CONTRACTOR shall maintain all documents and records which  
27 demonstrate performance under this Agreement for a minimum period of three (3)  
28 years, or for any longer period required by law, from the date of termination or  
29 completion of this Agreement.

30                   21.22.3    Any records or documents required to be maintained pursuant  
31 to this Agreement shall be made available for inspection or audit, at any time during  
32 regular business hours, upon written request by the City Representative, the Director of  
33 Environmental Services, City Attorney, City Auditor, City Manager, or a designated  
34 representative of any of these officers. Copies of such documents shall be provided to  
35 CITY for inspection at the Environmental Services Department office when it is practical  
36 to do so. Otherwise, unless an alternative site is mutually agreed upon, the records  
37 shall be available at CONTRACTOR's address indicated for receipt of notices in this  
38 Agreement.

1           21.22.4 Where CITY has reason to believe that such records or  
2 documents may be lost or discarded due to the dissolution, disbandment or termination  
3 of CONTRACTOR's business, CITY may, by written request or demand of any of the  
4 above named officers, require that custody of the records be given to CITY and that the  
5 records and documents be maintained in City Hall. Access to such records and  
6 documents shall be granted to any party authorized by CONTRACTOR,  
7 CONTRACTOR's representatives, or CONTRACTOR's successor-in-interest.

8           **21.23 Use Of Recycled Products.** For services rendered pursuant to this  
9 Agreement, CONTRACTOR shall use recycled paper for all printed material such as  
10 brochures, reports, studies, and promotional literature, that exceeds ten (10) pages, or if  
11 the cumulative total number of pages per document or printed material times the  
12 number of copies made is in excess of ten (10) pages.

13           21.23.1 For the purposes of this Section, "recycled paper" means a  
14 paper or wood pulp product with not less than fifty percent (50%) off its total weight  
15 consisting of secondary and post consumer waste and with not less than thirty percent  
16 (30%) of its total weight consisting of post consumer waste. "Post consumer waste"  
17 means a finished material that would normally be disposed of as a solid waste, having  
18 completed its life cycle as a consumer item. "Secondary waste" means fragments of  
19 products or finished products of a manufacturing process that has converted a virgin  
20 resource into a commodity of real economic value and includes post consumer waste  
21 but does not include fibrous waste generated during the manufacturing process such as  
22 fibers recovered from waste water or trimmings of paper machine rolls (mill broke),  
23 wood slabs, chips, sawdust, or other wood residue from a manufacturing process.

24           21.23.2 CONTRACTOR may request an exemption from the  
25 requirements of this Section by submitting such request in writing to CITY's Director of  
26 Environmental Services. Such a request may be approved or denied, in whole or in  
27 part, at said Director's sole discretion. CONTRACTOR shall not use, in the  
28 performance of services under this Agreement, any product or material that does not  
29 meet the standards set forth above without the prior written approval of said Director.

30           **21.24 Entire Agreement.** This Agreement and the Exhibits attached hereto  
31 constitute the entire agreement and understanding between the parties hereto, and this  
32 Agreement shall not be considered modified, altered, changed or amended in any  
33 respect unless in writing and signed by the parties hereto. This Agreement incorporates  
34 and includes all prior negotiations, correspondence, conversations, agreements and  
35 understandings applicable to the matters contained in this Agreement and the parties  
36 agree that there are no commitments, agreements or understandings concerning the  
37 subject matter of this Agreement that are not contained in this document. Accordingly, it  
38 is agreed that no deviation from the terms of this Agreement shall be predicated upon  
39 any prior representations or agreements, whether oral or written.

1           **21.25 Severability.** If any provision of this Agreement or the application of it  
2 to any person or situation shall to any extent be held invalid or unenforceable, the  
3 remainder of this Agreement and the application of such provisions to persons or  
4 situations other than those as to which it shall have been held invalid or unenforceable,  
5 shall not be affected, shall continue in full force and effect, and shall be enforced to the  
6 fullest extent permitted by law.

7           **21.26 Right To Require Performance.** The failure of CITY at any time to  
8 require performance by CONTRACTOR of any provision hereof shall in no way affect  
9 the right of CITY thereafter to enforce same. Nor shall waiver by CITY of any breach of  
10 any provision hereof be taken or held to be a waiver of any succeeding breach of such  
11 provision or as a waiver of any provision itself.

12           **21.27 Headings.** Headings in this document are for convenience of reference  
13 only and are not to be considered in any interpretation of this Agreement.

14           **21.28 Exhibits.** Each Exhibit referred to in this Agreement forms an essential  
15 part of this Agreement. Each such Exhibit is a part of this Agreement and each is  
16 incorporated by this reference.

17           **IN WITNESS WHEREOF,** CITY and CONTRACTOR have executed this  
18 Agreement on the respective date(s) below each signature.

APPROVED AS TO FORM

CITY OF SAN JOSE, a municipal corporation

\_\_\_\_\_  
SUSAN DEVENCENZI  
Senior Deputy City Attorney

By: \_\_\_\_\_  
LES WHITE  
City Manager

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

GARDEN CITY SANITATION, INC.

By: \_\_\_\_\_  
LOUIE PELLEGRINI, JR.  
President

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

# EXHIBITS

- 1 Compensation Rates
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- 3 Refuse Rate Index
- 4 Form of Performance Bond
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- 15 Transition Services Agreement
- 16 Transition Timeline



# EXHIBIT 1

## COMPENSATION RATES

Beginning for services performed in July 2007, CITY shall compensate CONTRACTOR for services performed in accordance with this Agreement at the following rates:

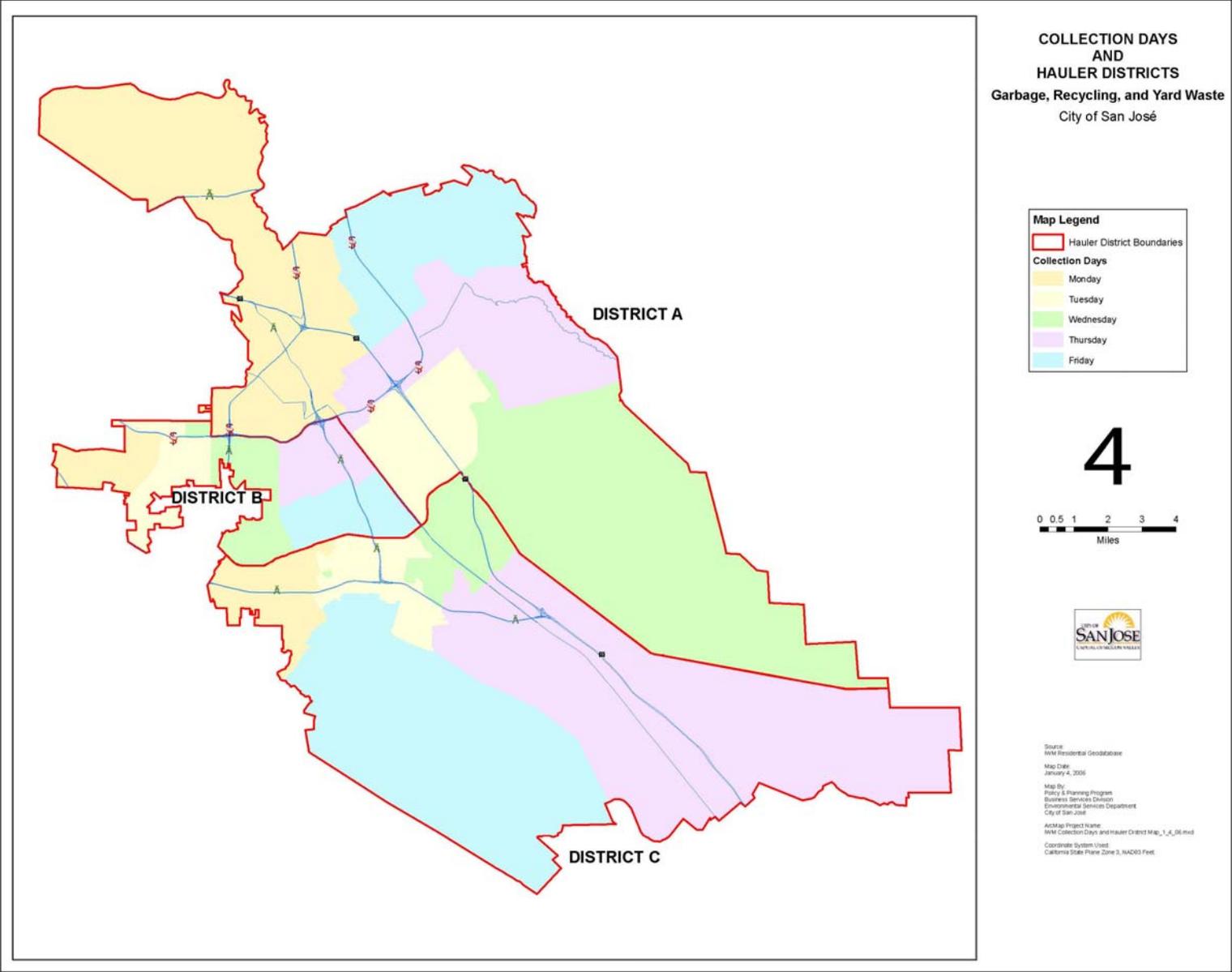
<b>Monthly Rates Per SFD Solid Waste Service Unit</b>		
	<b>District A</b>	<b>District C</b>
<b>A. BASE SERVICE RATE</b>		
1. SFD Solid Waste Service	\$9.10 /Unit/Month	\$9.05 /Unit/Month
<b>B. ADDITIONAL SERVICE RATES</b>		
1. Subscription SFD Solid Waste On-Premise Service <sup>1</sup>	\$11.83 /Unit/Month	\$11.83 /Unit/Month
2. Cart Exchanges in Excess of Once per Year	\$44.31 /Occurrence	\$44.31 /Occurrence
3. Collection of Contaminated Recyclable Material	\$9.10 /Cart	\$9.10 /Cart
4. Tagged Garbage Bag Collection	\$2.58 /Bag Collected	\$2.58 /Bag Collected
<sup>1</sup> This rate will be added to the SFD Solid Waste Service line A.1. of the Base Service Rate on Service Units receiving On-Premises SFD Solid Waste Services.		

<b>EMERGENCY SERVICE RATES</b>		
<b>Labor Position or Equipment Type</b>	<b>Make &amp; Model</b>	<b>Hourly Rate</b>
Automated Garbage Collection	2007 Autocar Labrie	\$185.00
Flatbed with Liftgate	2007 International	\$150.00



# EXHIBIT 2

## RECYCLE PLUS SERVICE DISTRICTS





## EXHIBIT 3

### REFUSE RATE INDEX

The "Refuse Rate Index" adjustment shall be calculated in the following manner:

1. The expenses of the collection services for the designated fiscal period shall be prepared in the format set forth in the Operating Cost Statement - Description on the following page of this Exhibit.
2. The expenses of the collection services shall be broken down into the following five cost categories: Labor; Diesel Fuel; Vehicle Replacement; Vehicle Maintenance and All Other. Each cost category is assigned a weighted percentage factor on that cost category's proportionate share of the total of the costs shown for all cost categories.
3. The following indices published by the United States Department of Labor, Bureau of Labor Statistics (BLS), are used to calculate the adjustment for each cost category. The change in each index is calculated on a twelve-month fiscal period in accordance with the terms of the Agreement. In the event any index is discontinued, a successor index shall be selected by CITY. Successor indices shall be those indices that are most closely equivalent to the discontinued indices as recommended by the BLS.

<u>Cost Category</u>	<u>Index</u>
Labor Industries	Series ID: cis201s000000000i Service-Producing
Diesel Fuel	Series ID: wpu057303 #2 Diesel Fuel
Vehicle Replacement	Series ID: pcu3362113362111 Truck, bus, car, and other vehicle bodies, for sale separately
Vehicle Maintenance	Series ID: pcu3339243339243 Parts and attachments for industrial work trucks
All Other	Series ID: cuur0000sa0 seventy-five percent (75%) of Consumer Price Index, All Urban Consumers, All Items

4. The percentage weight for each cost category is multiplied by the change in each appropriate index to calculate a weighted percentage for each cost category. The weighted percentage changes for each cost category are added together to calculate the Refuse Rate Index (see Example).

## EXHIBIT 3

### REFUSE RATE INDEX

#### Operating Cost Statement - Description

- Labor:** List all administrative, officer, operation and maintenance salary accounts.
- List payroll tax accounts directly related to the above salary accounts.
- Diesel Fuel:** List all diesel fuel accounts.
- Vehicle Replacement:**
- List all collection and collection related vehicle depreciation accounts.
- List all vehicle lease or rental accounts related to collection or collection related vehicles.
- Vehicle Maintenance:**
- List all collection or collection related vehicle parts accounts.
- All Other:** List all other expense accounts related to the services provided under this Agreement. This category includes all insurance including general liability, fire, truck damage, extended coverage and employee group medical and life; rent on property, truck licenses and permits; real and personal property taxes; telephone and other utilities; employee uniforms; safety equipment; general yard repairs and maintenance; non-diesel fuel; office supplies; postage; trade association dues and subscription; advertising; employee retirement or profit sharing contributions; and miscellaneous other expenses.

**EXHIBIT 3**  
**REFUSE RATE INDEX**

**Example**

<b>Item #</b>	<b>Category</b>	<b>Data Source</b>	<b>Percentage Change <sup>(1)</sup></b>	<b>Item Weight <sup>(2)</sup></b>	<b>Weighted Percentage Change <sup>(3)</sup></b>
1	Average Hourly Earnings	Series ID: cis201s000000000i Service-Producing Industries	2.19%	49.05%	1.07%
2	Diesel Fuel	Series ID: wpu057303 #2 Diesel Fuel	4.74%	13.15%	0.62%
3	Vehicle Replacement	Series ID: pcu3362113362111 Truck, bus, car, and other vehicle bodies, for sale separately	6.79%	2.57%	0.17%
4	Vehicle Maintenance	Series ID: pcu3339243339243 Parts and attachments for industrial work trucks	0.16%	13.46%	0.02%
5	CPI All Items	Series ID: cuur0000sa0 Seventy-five percent of the Consumer Price Index, All Urban Consumers, All Items	1.70%	21.77%	0.28%
<b>Total</b>				<b>100.00%</b>	<b>2.16%</b>

- (1) Assume these are the percentage changes in the indices from year to year.
- (2) Assume the categories represent these percentages as a total of CONTRACTOR's operating costs.
- (3) Represents the product of Percentage Change x Item Weight

In this example, the Refuse Rate Index is 2.16%.

**EXHIBIT 4**  
**FORM OF PERFORMANCE BOND**

\_\_\_\_\_ **SERVICES**  
**FOR THE**  
**CITY OF SAN JOSE, CALIFORNIA**

**KNOW ALL MEN BY THESE PRESENTS:** that

(here insert full name and address or legal title of contractor)

as Principal, hereinafter called Contractor, and,

(Name of insurer)

as Surety, hereinafter called Surety, are held firmly bound unto the CITY OF SAN JOSE, CALIFORNIA as Obligee, hereinafter called the City, in the amount of \*\*\*(to be inserted) DOLLARS (\$x,xxx,xxx.xx)\*\*\* for the payment whereof Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Contractor has by written agreement dated \_\_\_\_\_,2006, entered into an Agreement with the City for providing (to be inserted) Services in accordance with RFP specifications and Agreement of the CITY OF SAN JOSE, CALIFORNIA, which Agreement is by reference made a part hereof, and is hereinafter referred to as the Agreement.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if Contractor shall promptly and faithfully perform said Agreement, then this obligation shall be null and void; otherwise it shall remain in full force and effect.

The Surety hereby waives notice of any alteration or extension of time made by the City.

Whenever Contractor shall be, and declared by the City to be in default under the Agreement, the City having performed the City's obligations thereunder, the Surety may promptly remedy the default, or shall promptly perform one of the following:

1. Complete the Agreement in accordance with its terms and conditions.

**EXHIBIT 4**

**FORM OF PERFORMANCE BOND**

2. Obtain a bid or bids for completing the Agreement in accordance with the terms and conditions, and upon determination by the Surety of the lowest responsible bidder, or if the City elects, upon determination by the City and the Surety jointly of the lowest responsible bidder, arrange for an agreement between such bidder and the City, and make available as work progresses (even though there should be a default or a succession of defaults under the Agreement or Agreements of completion arranged under this paragraph) sufficient funds to pay the cost of completion less the balance of the Agreement price; but not exceeding, including costs and damages for which the Surety may be liable hereunder, the amount set forth in the first paragraph hereof. The term "balance of the Agreement price," as used in this paragraph, shall mean the total amount payable by the City to Contractor under the Agreement and any amendments thereto, less the amount properly paid by the City to Contractor.

Any suit under this bond must be instituted before the expiration date of the Agreement or if extended for an additional term by the City, the expiration of the extended term.

No right of action shall accrue on this bond to or for the use of any person or corporation other than the City named herein or the executor, administrator or successors of the City of San José, California.

Signed and sealed this \_\_\_\_ day of \_\_\_\_\_, 2006.

(Principal)            (Seal)

(Witness)

\_\_\_\_\_  
(Title)

Surety            (Seal)  
(Name of Insurer)

(Witness)

By:  
\_\_\_\_\_  
(Attorney-in-Fact)



## EXHIBIT 5

### CART SPECIFICATIONS AND PERFORMANCE CRITERIA

CONTRACTOR shall provide Garbage Carts that meet the following specifications and minimum performance criteria.

<b>Specifications and Performance Criteria For 20-, 32-, 64-, and 96-Gallon Capacity</b>	
<b>Volumetric Capacity – Garbage Carts</b>	<ul style="list-style-type: none"><li>• 20-gallons +/- 5%, excluding volume resulting from a crowned lid in the closed position, insert installed into 32-gallon cart</li><li>• 32-gallons +/- 2%, 64-gallons +/- 2%, and 96-gallons +/- 2%, excluding volume resulting from a crowned lid in the closed position</li></ul>
<b>Minimum Load Rating</b>	<ul style="list-style-type: none"><li>• 20-gal: 80 lb.</li><li>• 32-gal: 100 lb.</li><li>• 64-gal: 175 lb.</li><li>• 96-gal: 250 lb.</li></ul>
<b>Compatibility</b>	<ul style="list-style-type: none"><li>• Compatible with commercially available fully automated lifting mechanisms that are or will be used in San José</li></ul>
<b>Standards of Design</b>	<ul style="list-style-type: none"><li>• Designed to meet all relevant sections of American National Standards Institute (ANSI) Z245.30-1999 and Z245.60-1999</li><li>• Designed such that wastes flow freely out of the cart when dumped by a fully automated lifting mechanism</li></ul>
<b>Materials of Construction &amp; Recycled Content</b>	<ul style="list-style-type: none"><li>• Body of cart: HDPE</li><li>• At least 20% post-consumer recycled content</li></ul>
<b>Dimensions &amp; Design</b>	<ul style="list-style-type: none"><li>• Maximum width of 31” including lid and wheels</li><li>• Leak proof</li></ul>
<b>Lid</b>	<ul style="list-style-type: none"><li>• Manufactured from the same material as the body of the cart.</li><li>• Rotate at least 270 degrees</li><li>• Watertight, must prevent rain entry when closed, with or without latches</li><li>• Snug-fitting and must overlap the cart rim</li><li>• Self-draining</li></ul>

## EXHIBIT 5

### CART SPECIFICATIONS AND PERFORMANCE CRITERIA

<b>Specifications and Performance Criteria For 20-, 32-, 64-, and 96-Gallon Capacity</b>	
<b>Handle</b>	<ul style="list-style-type: none"><li>• Handle mounts must either:<ol style="list-style-type: none"><li>1. be an integrally molded part of the cart body; or</li><li>2. if bolt-on handle mounts are used, they must be designed such as to prevent them from working loose over the active life of the cart</li></ol></li></ul>
<b>Wheels</b>	<ul style="list-style-type: none"><li>• Minimum tire diameter: 10 inches for 64- and 96-gal carts, 8 inches for 32-gal carts</li><li>• Minimum tread width: 1.5 inches</li><li>• Tire material must be natural rubber or polymeric compound</li><li>• Each wheel must be rated for the minimum load rating of the carts and not deform plastically when subjected to the rated load of the carts</li><li>• Axle must pass through the cart body outside of the area for waste storage</li><li>• Wheels must have a locking device to secure them to the cart axle</li></ul>
<b>Fasteners</b>	<ul style="list-style-type: none"><li>• No fasteners are to penetrate the body of the cart where waste will be contained</li><li>• All fasteners are to be corrosion resistant and free of sharp edges</li></ul>
<b>Finish Surfaces</b>	<ul style="list-style-type: none"><li>• Interior surface must be smooth with a semi- or high-gloss finish</li><li>• Exterior surface must be suitable for hot stamping on lid and body</li><li>• Exterior must be free of sharp edges and corners, protrusions, or other structures that could pose a nuisance or hazard to humans</li></ul>
<b>Assembly</b>	<ul style="list-style-type: none"><li>• Carts must be easy to assemble</li><li>• Nuts must be self-locking</li><li>• Nuts and/or rivets must be designed such that they cannot be removed with ordinary tools by the public</li></ul>

## EXHIBIT 5

### CART SPECIFICATIONS AND PERFORMANCE CRITERIA

<b>Specifications and Performance Criteria For 20-, 32-, 64-, and 96-Gallon Capacity</b>	
<b>Performance</b>	<ul style="list-style-type: none"><li>• Carts must pass ANSI standards 245.30-1999, clauses 7.2.4.2 (testing requirements for two-wheeled carts) for the following parameters:<ol style="list-style-type: none"><li>1. volumetric loading capacity</li><li>2. slope stability</li><li>3. durability during pulling</li><li>4. loading and unloading (cycle test)</li><li>5. center of balance position</li><li>6. force to tip cart</li><li>7. lid (collapse)</li></ol></li><li>• All metal components of the cart must meet the corrosion resistance requirements of 500 hours of salt spray exposure as described in ASTM B117</li><li>• Carts must pass the Leakage performance test (Appendix A)</li><li>• Full and Empty carts must pass the Wind Stability performance test (Appendix A)</li></ul>
<b>Testing</b>	<ul style="list-style-type: none"><li>• Performance testing of production samples shall be conducted at a frequency of 3 per 1000 units manufactured</li></ul>
<b>Environmental</b>	<ul style="list-style-type: none"><li>• Ultra-violet stability: All plastic components must contain UV inhibitors and the cart must maintain performance during the warranty period when exposed to ultra-violet radiation of the sun</li><li>• Temperature stability: Cart must not plastically deform when subjected to temperatures in the range of 25 deg F to 170 deg F and a compressive load of 200 lb</li></ul>
<b>Identification &amp; Markings</b>	<ul style="list-style-type: none"><li>• The following must be hot-stamped on the lid:<ol style="list-style-type: none"><li>1. facing street arrow</li></ol></li><li>• The following must be hot-stamped on the cart body:<ol style="list-style-type: none"><li>1. City's logo</li><li>2. serial number (sequentially numbered)</li><li>3. production batch number and date</li><li>4. maximum load weight rating</li><li>5. cart type, per clause 4.2.1f of ANSI Z245.30-99</li></ol></li></ul>

**EXHIBIT 5**

**CART SPECIFICATIONS AND PERFORMANCE CRITERIA**

<b>Specifications and Performance Criteria For 20-, 32-, 64-, and 96-Gallon Capacity</b>	
<b>Color</b>	Garbage: Black body with black lid Insert: Black
<b>Warranty</b>	<ul style="list-style-type: none"><li>• Minimum 10 years for all parts of cart; not prorated; any failure under warranty shall be replaced with a newly manufactured whole cart, which is defined to be the body of the cart, wheel, lid, handles, other ancillary features and fasteners</li></ul>

## EXHIBIT 5

### CART SPECIFICATIONS AND PERFORMANCE CRITERIA

#### Appendix A

#### PERFORMANCE TESTS

##### **Wind Stability**

This test is designed to assure that a cart will remain stationary and in the upright position under severe wind conditions.

The cart must be able to remain upright and stationary in a wind flow of 25 mph. The test surface shall be a flat finished asphalt surface. Place one sidewall of cart perpendicular to a horizontal flow of air at 25 mph for one minute. Record whether or not the cart tips over and distance, if any, the cart slides or rolls. Repeat the test for each of the other sides.

To pass this test, the cart shall not tip over, or slide or roll more than 6.0 in., in any of the tests.

##### **Leakage**

The purpose of this test is to determine if the cart is designed to minimize leakage.

The cart shall be filled with water to a level within 8 in. from the inside bottom of the container. The container shall be covered with its own lid. The filled container shall then be placed in a covered area over a dry drip pan to collect any leakage and allowed to stand for a period of 24 hour exposed to temperatures within the range of 65 to 75 F. The water level within the container after the test shall be measured and recorded to within the nearest 0.1 in. The results of the test shall be reported in terms of final water level, ambient temperature, visible leakage, and quantity of water collected in the drip pan. Containers that exhibit any leakage shall fail the test.



## EXHIBIT 6

### SMALL CIVIC SERVICE UNITS

CONTRACTOR shall provide SFD Solid Waste Services at the Small Civic Service Units listed in Service Districts A and C.

Department	Facility Name	Facility Address	Facility Street	Facility Zip	Service District
Library	East Branch Carnegie	1102	E. Santa Clara St.	95112	A
Library	Empire Branch	491	Empire Street	95112	A
Fire	Station 7	800	Emory	95110	A
Fire	Station 8	802	Santa Clara E.	95112	A
Fire	Station 10	511	S Monroe St.	95128	A
Fire	Station 11	2840	The Villages Parkway	95135	A
Fire	Station 19	1025	Piedmont Road	95132	A
Fire	Station 21	1749	Mt Pleasant Rd	95122	A
Fire	Station 23	1771	Via Cinco De Mayo	95132	A
Fire	Station 24	2525	Aborn Rd	95121	A
Fire	Station 25	1590	Gold Street	95002	A
Fire	Station 30	454	Auzerais Ave	95126	A
Fire	Station 31	3200	Ruby Avenue	95135	A
Fire	Station 12	502	Calero	95123	C
Fire	Station 17	1494	Ridgewood	95118	C
Fire	Station 22	6461	Bose Lane	95120	C
Fire	Station 27	6027	San Ignacio Ave	95119	C
Fire	Station 28	20399	Almaden Exp	95120	C

CITY may add or delete Small Civic Service Units to the list above upon written notice to CONTRACTOR.



**EXHIBIT 7**  
**WORK PLANS**

- 7 A - Transition Plan
- 7 B - Public Education and Outreach Plan
- 7 C - Customer Service Plan
- 7 D - Collection Operations Plan
- 7 E - Equipment Plan
- 7 F - Employee and Labor Relations Plan
- 7 G - Diversion Plan

# EXHIBIT 7

## WORK PLANS

### 7A - Transition Plan

The contingency plan involves use of spare collection vehicles. The contingency plan is fully presented in the Collection Operations Plan, and a corresponding equipment list, including vehicle identification numbers, is included in the Collection Equipment Plan.

The following pages list key tasks included in the *Master Implementation Schedule*. The first list contains operations-oriented tasks; the second, administrative oriented tasks.

Activities listed are detailed in subsequent subsections, either: *Public Education and Outreach Plan*, *Customer Service Plan*, *Collection Operations Plan*, *Collection Equipment Plan*, or *Employee Relations Plan*. The items are listed by type of activity—either operations or administrative, and appear in their anticipated chronological sequence.

#### Key Operations Tasks

1. **Agreement Execution:** The official ramp-up period began when the City Council approved the Memorandum of Understanding on September 12, 2006, with an anticipated contract execution date of November 21, 2006.
2. **Purchase Vehicles:** GCS gives vehicle manufacturers the go ahead on specifications submitted.
3. **Acquire/Prepare Operations Yard:** GCS is in the process of purchasing a new operations facility in service of this contract. The location of the facility is 1080 Walsh Road, in the City of Santa Clara.
4. **Purchase Cart Inventory:** Upon agreement execution, GCS will purchase its initial cart inventory.
5. **Route Assumptions to City:** Per the Agreement, route assumptions are due on or before October 1, 2006. Preliminary assumptions are noted in this section.

## EXHIBIT 7

### WORK PLANS

6. **Base Maps from City/Finalize Route Maps:** GCS is scheduled to receive base maps from the City at the same time it hands over to the City its route assumptions, and ensure all routes are as balanced as possible within day boundaries.
7. **Conduct Route Audits:** As the City requested, route days will remain the same.
8. **Service Agreements – Private Streets:** Toward the end of the time allotted for route auditing, GCS will make contact with residents/homeowner's associations governing activities on private streets to have service agreements signed.
9. **Job Fair:** GCS will participate in the City's job fair for displaced workers that is currently scheduled to occur the week of April 1, 2007.
10. **Employment Offers:** GCS will make offers of employment following the Job Fair and in accordance with Exhibit 12 of the Agreement.
11. **Driver/Customer Service Training Sessions:** GCS will conduct training sessions both for drivers and clerical staff in the month preceding start of service. Individuals attending training sessions will be compensated for their time.
12. **Reporting and Accounting Procedures - Operations:** GCS will implement reporting and accounting features relevant to operations such as: vehicle inspections and procurement policy.
13. **Submit Equipment Inventory to City:** GCS will submit its final list of equipment to the City on or before June 15, 2007.

#### **Key Administrative Tasks**

14. **Acquire Performance Bond/Other Insurances:** GCS will obtain the performance bond as per the Agreement, Exhibit 4 – Form of Performance Bond. As noted, this is due within ten days of Agreement execution—currently scheduled for November 21, 2006. Therefore, the bond will be obtained on or before ten calendar days from the Effective date. Other insurances will be obtained/or scheduled to be put in place at the appropriate time. This schedule will be made available for the City at its request.

## EXHIBIT 7

### WORK PLANS

15. **Acquire/Prepare Business Office:** The business office will be located at the operations facility.
16. **Procure C-UBS Interface Components:** Per the Agreement, GCS will procure all necessary hardware and software to facilitate interface with the City's electronic interface requirements listed therein.
17. **Install/Configure C-UBS and Accounting Operations:** GCS will work to create its own interface mechanisms for internal accounting purposes.
18. **Install/Customize Telephone System:** GCS will select and procure a telephone system that is ergonomic and compatible with all requirements.
19. **Test/Refine All Electronic Interface and Accounting Systems:** This is the shake-down period for all electronic operations.
20. **Produce Employee Documentation and Employee Packages:** GCS will further develop and produce packets of information for prospective and newly hired employees that include: *Employee Guidelines, Injury and Illness Prevention Program, Training Manuals and Reference Materials, and Job Descriptions*, at least.
21. **Job Offers:** This is when GCS plans to make employment offers to workers displaced through this process. The Company will follow the guidelines specified in *Exhibit 12* of the Agreement for the hiring of displaced workers.
22. **Office Staff Training:** If necessary, GCS will provide the appropriate level of orientation and/or training for displaced office staff prior to the operations start date. This includes accounting personnel.
23. **Public Outreach Plan Coordination:** The Company anticipates beginning coordination efforts with the City and other haulers relative to a transition and ongoing public education and outreach plan.

## EXHIBIT 7

### WORK PLANS

24. **Website Development:** GCS does view as important the development of its own identity under the umbrella of the City's *Recycle Plus* program. A simple website will compliment the *Recycle Plus* website ([www.recycleplus.org](http://www.recycleplus.org)) so as not to be redundant, but will provide another channel of information dissemination.
25. **Print Outreach Materials:** Because the Company is uncertain as to the City's preferred method of handling materials production, time has been allotted for GCS to manage the output of printed materials, if the City so desires. This activity may be expanded to include the procurement of a table-top or freestanding professional display for participation in events where an informational booth is appropriate, such as local festivals.
26. **Begin Transition Outreach Activities:** The Company makes itself available to participate in community events of all types—either at the City's request or with City approval. Also, the Company will manage direct-mail and other activities that introduce GCS to its targeted service recipients.

**Start Service:** Contractor transition occurs on July 1, 2007, and GCS confidently commences solid waste collection services on the first Monday in July, 2007.

## **EXHIBIT 7**

### **WORK PLANS**

#### **7B - Public Education and Outreach Plan**

##### **Objective**

GCS believes in providing a comprehensive, focused, and realistic public education effort. The City's overall plan should aim to educate all sectors of the public regarding available solid waste, recycling and green waste programs. The ultimate objective is always to maximize waste diversion activity in order to help the City meet or surpass State mandates as well as comply with other relevant legislation.

##### **PHILOSOPHY**

Because people respond to consistent messages, GCS believes in repetition. Using the same tag line, the same graphics, and the same style over and over again in outreach helps people become familiar with the overall message. Putting the same message out more than once also assures that new residents will receive the information as well.

But repetition doesn't have to mean sending out the same outreach piece multiple times. GCS's affiliates have successfully used a variety of media types to get its message across. By using a media mixture, different segments of the community are reached-- most more than once.

##### **TARGETED OUTREACH**

GCS knows that there is no one piece of outreach that works in every neighborhood. We therefore believe it is important to get to know each community and find out how best to reach them. We look forward to meeting with HOAs, neighborhood associations, and similar groups to develop a targeted outreach plan that utilizes a variety of different types of outreach in different geographic areas.

## **EXHIBIT 7**

### **WORK PLANS**

Among the different types of outreach GCS staff have produced are:

- ✓ New resident packs
- ✓ Door-hanging brochures
- ✓ Cart-hanging brochures
- ✓ Return/response card mailings
- ✓ Direct mail brochures/guides
- ✓ Web sites
- ✓ E-mail list serves
- ✓ Direct mail letters
- ✓ Billing inserts
- ✓ Newsletters (either direct mailed or mailed with invoices)
- ✓ Cable television slides
- ✓ Cable television shows
- ✓ Radio spots
- ✓ Newspaper articles
- ✓ Press Releases
- ✓ Paid advertising (in newspapers, magazines, HOA newsletters)
- ✓ Labeling on carts (hot stamping)
- ✓ Magnets
- ✓ Cart tags/labels (for hazardous/contaminated materials setout)
- ✓ Public presentations (to neighborhood groups, service organizations, PTAs, etc.)
- ✓ Special event information booths (at street fairs, farmers' markets, school fairs, block parties, etc.)
- ✓ Classroom presentations (Students bring the information home!)
- ✓ Facility tours

GCS has found that using graphic-rich printed outreach is effective when trying to reach residents that do not read English. We also have experience putting information out in more than one language.

## **EXHIBIT 7**

### **WORK PLANS**

#### **COMMUNITY INVOLVEMENT**

GCS seeks to establish itself as an active member of the community. Doing so will help us reach out to all Recycle Plus participants. We will be able to better disseminate information pertaining to the program and its goals.

To this end, we hope to participate in many public presentations along with the City and its other haulers. We are also interested in joining one or two local service clubs.

#### **COOPERATION**

Maintaining the recycling participation rate for residents is a priority. GCS's is committed to working closely with City staff as well as representatives from the City's other hauling companies and other important groups (those handling the household hazardous waste program for example). We hope to become a united front that gives the public one consistent message. Hence, GCS is looking forward to regular coordinating meetings.

#### **IMMEDIATE RECOMMENDATIONS**

##### Pre Transition:

Though our original timeline shows outreach efforts not beginning in earnest until next year, it seems important to start coordinating meetings immediately. The outreach team (made up of City and hauler representatives) can work together to get information in the press, on the web, and elsewhere. In the months leading up to the transition, GCS feels it will be important to send out the message that something great is happening.

To herald positive change, we recommend implementing a new tag line or message (Zero Waste San Jose, for example). We would like residents to know what an honest, hard-working

## **EXHIBIT 7**

### **WORK PLANS**

local company we are and that they should look forward to us serving them.. We would also like to work on plans that provide good information regarding what will happen during the transition.

We look forward to contributing to the development of all outreach (including the Annual Collection Service Notice and collection schedule) as well as to assisting with public/neighborhood presentations. We will make sure that information is given regarding how to identify us.

#### Transition:

During the transition GCS would like to see information go out to residents in a variety of ways. Graphic-rich, multi-lingual billing inserts and cart-hanging brochures are a couple of suggestions. Residents will need to be reassured that while their hauler may be changing, their service day isn't and neither are the basics of the program (what goes in each cart, for example). They may also need to be reminded that their service time could change so to please be patient. It will be helpful to mention that there is still one customer call center to which they can direct all questions.

During the transition, GCS will be sure to have extra staff available out on the routes and on the phones to answer residents' questions. Given that customer service calls are expected to increase immediately upon start of service by two or three times the regular volume, GCS will work with the City to review the appropriate number of additional temporary CSR's fully trained and in place by July 2, 2007. This increased staffing will consist of trained GCS employees, and qualified temporary workers.

#### Ongoing:

Throughout the contract term, GCS will coordinate with the outreach team to both create and distribute information. We look forward to assisting with neighborhood and school presentations

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as well as working on the Annual Collection Service Notice and collection schedule. We will offer our expertise in a collaborative outreach planning team with City and contractor members.

We will endeavor to provide the team with data to help direct outreach efforts. We will report on our outreach activities as outlined in the contract.

GCS hopes that future outreach will focus on what can't go in the garbage since that seems to be what many people are asking these days. We'd like to not just address what goes in the other carts but what needs special handling (fluorescent bulbs and batteries for instance).

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### 7C - CUSTOMER SERVICE AND REPORTING PLAN

GCS is committed to providing services of the highest quality. Also, the Company intends to deliver those services with pride and professionalism. Furthermore, GCS understands and keeps in mind that service is all it has to offer. Not only that, but none of the affiliate companies would have been in business as long as they have if rendering excellent service weren't such a high priority.

The objective of this section is to relay to the City a customer service philosophy, staffing and training information, and pre-plan that exemplifies what this company is really all about. Here is how the section is organized:

<b>I</b>	<b>Customer Service Philosophy</b> GCS' simple approach to maintaining customer satisfaction.
<b>II</b>	<b>Staffing and Training</b> Explanation of how GCS will prepare for start of operations.
<b>III</b>	<b>Customer Service Operations</b> Daily management of common customer service matters.

#### I. Customer Service Philosophy

GCS' key personnel, through their extensive personal histories as well as respective company histories, have learned that people generally do care about their garbage, which becomes quite evident if they ever happen to experience a missed collection—or even a perceived missed collection. People have come to rely on it, and because of that, if the company fails to deliver as promised, it's very disappointing.

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The Company's commitment to quality service is that when customers are disappointed or upset, the GCS approach is to avoid labeling them as to who is right or wrong, but instead simply seek a solution that satisfies the customer. GCS customer service representatives will also continuously be reminded to think like a customer. Those two messages, together with this one:

**customers = revenue = wages = employee**

These are really the only messages necessary to filter out obstructive or unhelpful perspectives or judgments that may block resolution of an issue for a customer.

GCS' General Manager, Steve Jones—formerly of the California Integrated Waste Management Board—understands the critical nature of rendering quality performance evidenced by the longevity and success of his varied career in waste management. He knows how excellent customer service sustains contracts, which translates into revenue and over time, with wise management, makes a company established and vital in the community.

The Company is also fortunate to have on board Operations Manager David Calegari—who relates well to drivers, the public, and can quickly find a resolution to challenging situations when under pressure. His fairness garners driver respect; his ability to communicate with individuals at all levels and of all walks of life makes him approachable.

GCS has on board Anna-Maria Autra, our customer service manager with decades of experience as a customer service representative then manager in the solid waste and recycling field. She has a calm, organized demeanor and a can-do attitude, and will administer this customer service program with the Company's complete confidence in her.

With these sorts of key people at the helm, GCS is confident that the people component of the Company will please the City and citizens of San José. GCS knows that it's the frontline people that make all the difference: drivers, customer service representatives, field service supervisors.

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The cleanliness and appearance of company equipment also makes a statement, as does the appearance and energy of the front office.

These are the core concepts of GCS' customer service program:

- **First impressions matter:** Whether the first impression that registers with a customer is a phone call with one of our customer service representatives, or the observation of GCS service performance or driver mannerisms, or the appearance of collection vehicles: friendliness, neatness, simplicity, appropriateness, reliability, caring, and concern are all attributes that either help or hinder ongoing customer relations. Milliseconds count. GCS will therefore always keep this in mind and try to make an excellent first impression.
- **Courtesy counts:** Most people are very decent. It is GCS' experience that even if a customer is angry, when they are allowed to vent their frustrations and feel as though they were treated with respect, they will usually become calm and offer a "thank you" at the end of a call. If this can be accomplished, the customer has been won over, and the employee feels relieved. GCS' goal will always be to make the best effort to have customer interactions begin and end on a positive note.
- **Attitude makes a measurable difference in outcome:** Customers can tell when a Company representative is indifferent, insincere, or unwilling to do what it takes to resolve an issue. GCS will create a work environment for its customer service representatives and frontline workers that recognize and supports a good attitude.
- **Doing the right thing is always most rewarding:** GCS will encourage doing the right thing by reviewing problematic situations/posing hypothetical problem situations at training or coordination meetings and asking: "What was the right thing to do?" First, if an employee knows issues will be constructively reviewed they will put more effort into managing customer interaction correctly because they will know their performance is monitored and does matter. Second, GCS believes that most people know what the right thing to do is, but often either do not feel empowered to do the right thing, or have had past experiences where their good decisions and actions were not acknowledged. The Company will make the effort to recognize good customer service and will always review challenging

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situations—even when they were perfectly managed—such that the entire customer service staff can benefit from the experience.

#### II. Staffing and Training

GCS certainly is prepared to follow the union agreement by hiring displaced customer service representatives (“CSRs”) and other administrative staff from the current contractor if they do not continue in that company’s employ.

Formal training for CSRs will be conducted as per the *Master Implementation Schedule* during the months of May and June 2007. The training will include the following components:

- **Employee Packets:** A review of the Company’s *Employee Documentation Packets* and all materials contained therein.
- **Operations Overview:** A general review of garbage collection operations. CSRs will observe collection in progress, become familiar with collection vehicles and operations, cart sizes, numbering and tracking, and operations, and solid waste program guidelines.
- **City Participation:** The Company will invite the City Representative to be present during all training sessions, but in particular would like the City to communicate directly with the new CSRs the importance of their jobs, as well as City expectations and duties. The City can also explain what their CSRs do at the City Offices prior to the call or work order coming to GCS.
- **Introductions:** A “meet and greet” session with GCS managers and key personnel will be arranged. The General Manager, Operations Manager, and Field Service Supervisors will be asked to briefly discuss their particular rolls with the CSRs, and to convey to them what they could do to make things run smoothly from the beginning.
- **Technical Training:** Technical training on the Company’s computer system and interface with the City, telephone equipment, and other office equipment will be conducted.
- **Resource Manual:** A training guide detailing common questions, appropriate responses, and the corresponding action to take in the computer system will be created and reviewed

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extensively. The Customer Service Manager will pose challenging questions for role play during training.

- **General Customer Service Training:** Traditional customer service training material that focuses on creating positive interactions and outcomes with our customers, will be reviewed. Topics such as establishing rapport, basic tenants of effective and positive communications, the importance of listening, identifying customer needs, and making customers feel valued will be covered at least.
- **Confirmation of Knowledge and Skills:** Some form of final testing will be conducted as a means of creating a benchmark and developmental objectives for each employee. Certificates of completion for the orientation training will be distributed to all CSRs after successful testing.

GCS will take each of the above bulleted items and fully develop into the CSR training program, and will produce and/or procure all relevant training materials.

### **III. Customer Service Operations**

**Business office:** GCS will maintain a business office within Santa Clara County. It is the Company's intention to locate the business office at the operations base. As per the Agreement, the office will be open during normal business hours, defined as 8:00am to 6:00 pm on all work days—which will be Monday through Friday except on Thanksgiving Day, Christmas Day, and New Year's Day.

**Telephone:** The Company will equip itself with an excellent telephone system that will handle at least 15 incoming phone lines at one time. As per the Agreement, phone calls will be answered within five rings. CSRs will be equipped with high quality headsets. An answering device or service will be utilized to record telephone messages when the office is closed. The telephone procedure documented in the Agreement will be followed in utilizing the voicemail system. The Customer Service Manager will accomplish this by developing a system to ensure calls are retrieved and responded to regularly and promptly. Furthermore, the company will contract with

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a multilingual/TDD service in order to respond to calls in the languages specified in the Agreement should that language not be spoken by any CSR.<sup>1</sup>

**Service Complaints:** Service complaints, such as those relating to missed collections, will be handled thoroughly, promptly, and in accordance with GCS' *Customer Service Philosophy* stated at the beginning of this section, and in strict compliance with the Agreement. GCS will make certain that CSRs know and understand the seriousness of proper handling of service complaints.

Again, it is one of GCS' goals to provide quality performance in all areas of operations in San José, and realizes excellent customer service is paramount in achieving that goal. Respect, tolerance, and good will toward customers must be demonstrated by every company employee—not just CSRs—at all times.

**Transition:** During the transition, GCS will be sure to have extra staff available out on the routes and on the phones to answer residents' questions. Given that customer service calls are expected to increase immediately upon start of service by two or three times the regular volume, GCS will work with the City to review the appropriate number of additional temporary CSR's fully trained and in place by July 2, 2007. This increased staffing will consist of trained GCS employees, and qualified temporary workers.

#### **IV. Reporting and Billing System**

GCS understands that the City's C-UBS is the tool for the Company and City to diminish or eliminate redundant customer service operations, work together in a more coordinated fashion, and supply basic information and functions essential to operations—such as address, service level, collection days, and for recording and scheduling field service activities. The system also has a reporting mechanism that allows the City access to operational reports at all times.

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<sup>1</sup> The Company's proposed Customer Service Manager speaks fluent Spanish and is a San José resident.

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Agreement elements relating to reporting requirements have been reviewed thoroughly by GCS' IT Manager and Controller, Kent Kenney. Mr. Kenney has had considerable expertise implementing and managing solid waste industry operations software that documents field activities, feeds directives to dispatch to generate response in operations, and at once feeds into the company accounting system for billing, reporting, and so forth.

The requirement that the GCS utilize the interface—either via internet portal or electronic interface—in documenting certain daily operations and daily and periodic reporting to the City is seen as a plus. In particular, the interface requirements outlined in the *Exhibit* which deal primarily with the creation of batch files for electronic transfer have been reviewed to gain as good an understanding as possible. GCS, CWS and the City ESD tech group met to discuss the C-UBS system. The companies flew the Vendor up for the meeting as well as the other tech staff that will be responsible for the day to day successful interface and execution of transactions. Based on the information delivered in that meeting the Company believes utilization of the internet interface will work well.

GCS has taken note that the City only will maintain service location and property owner information, and that new service locations will be added to the database by the City. The City, being the billing entity for services under the *Recycle Plus* contracts will also control access to the financial and billing functions of the new PeopleSoft® system.

The C-UBS system requirements pose no problem, and the Company fully intends to develop and test the file download process in strict collaboration with the City Representative engaged in bringing up the new PeopleSoft system well before the commencement of collection services. Furthermore, GCS has included a realistic figure in its cost proposal for computer hardware, software, and interface elements. Everyone knows that the timing is still the major issue as the City vendor must take the system and create a data set that splits the current, one vendor, information to a new “garbage only and recycling only” data sets.

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### 7D - COLLECTION OPERATIONS PLAN

#### I. Collection Methodology, Approach, and Preliminary Assumptions

##### **Collection Methodology**

Collection of solid waste from SFD customers in District(s) A/C will be performed utilizing a standard straight frame automated side-loading collection vehicle. There is great flexibility with the specified arm since it has the ability to empty carts from a stowed position—that is from a starting position where the arm is tight to the body. This feature improves collections in tight spots, reducing the need for the driver to operate the equipment in a semi-automated fashion using the outside controls—thereby creating greater safety and efficiency. These combined features are necessary to accommodate various patterns of on-street parking and other collection obstructions found in Districts A and C.

GCS will continue to purchase and inventory collection carts of the same manufacturer, type, size and capacities as are utilized in the existing program. The manufacturers warranty remains the same also.

##### **Approach to Initiating Collection Operations**

Delivery guarantee letters from equipment manufacturers have been obtained indicating production time has been reserved for equipment required under this contract specifically for GCS.

In developing the set of assumptions, discussed below, which also drove the costing of this proposal, a line of reasoning and ideas relative to collection operations emerged. A couple of collection methods were tested against contract parameters, relevant local collection history and known preferences, City of San José objectives, labor union involvement, the density and geography of Districts A and C, as well as the inherent requisites of the Company's commitment to its current business structure. A tremendous amount of consideration was given to the current

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rate structure such that the collection system chosen was most safe, efficient, and appropriate to the work done, and also reasonably priced. Finally, the above collection system was chosen.

**Trucks:** There is a striking increase nationwide in heavy duty truck purchasing. Some truck and equipment dealers have speculated this is due, in part, to the economic up-turn and an associated unleashing of backlogged orders for equipment. Hence, truck manufacturers are experiencing slightly longer production times. As would be the case under any contract—but is especially compelling under these circumstances, GCS has placed the collection vehicle orders for the contract based on receipt of the MOU from the San Jose City Council. These orders would be closely monitored by Company owners and the General Manager to ensure on-time delivery.

**Collection Carts:** Because rolling stock is to be financed (see *Section 4 – Statement of Financial Qualifications*) GCS intends to place an order for collection carts equal to the approximate inventory needed for a good portion of the six-year contract term, and any extension granted by the city for cart replacements and service area growth. Again, cart production will be tracked to ensure a more than adequate supply of carts well in advance of July 1, 2007.

**Initial collection route auditing and development:** GCS will then turn its attention to routing, and is fully committed to maintaining route boundary days per the RFP. The Company will, however, ensure routes are balanced and then equalized within those day boundaries. To achieve balance, house counts or pass-bys will be tabulated; to achieve equalization other factors will be calculated in, such as travel times from the yard to the route and from the route to the landfill, speed limits, and other roadway restrictions. The goal is to ensure that each GCS driver is assured that the length of their work day matches that of other drivers. This, of course, will contribute to peace in the workforce.

Furthermore, even though split collection vehicles are currently used, routes have been examined thoroughly to state with confidence that day boundaries can be maintained even in

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transitioning from split collection vehicles used to concurrently collect solid waste and recyclable materials, to the regular straight-frame single commodity body collection vehicles GCS proposes.

Routes will then be checked during normal collection hours on assigned collection days in order to verify the following information:

- Number of service units per route;
- Number of solid waste carts set out per route (participation);
- Cart size/corresponding service address;
- Number of carts in need of repair or replacement/corresponding service address.

Also, managers will drive routes and document travel paths within them. Routes will be timed based on published productivity estimates provided by the truck manufacturer for the specific collection vehicle and automated arm purchased. To increase safety and efficiency, managers will specify right hand turns in as many cases as possible. Special notice and treatment will be given to areas where children are frequently present: schools, playgrounds, parks, community centers, and libraries. Depending on where these facilities are situated, the Company will either route collection vehicles in a way that they are in and out of the immediately adjacent areas in the early morning before school starts, or during hours where children are in the classroom.

Routes will then be and mapped and turned over to the City for review. Once routes are finalized, drivers will receive not only a route boundary map indicating travel paths, but they will also receive turn by turn travel directions.

In other similar service transitions where displaced workers are hired on by the new contractor, it is often possible to retain the same route driver for a particular route or area. If this is the situation and newly hired drivers are interested in working in familiar territory, GCS will make every effort to grant their requests. Not only does this make the transition easier for the driver, but it is also easier for those customers who notice and greet their drivers regularly.

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As stated in the Agreement, initial collection routes for contract year one are due on or before April 2, 2007. The Company anticipates having routing done well before that point, but appreciates the generous time allotment given.

**Annual Collection Route Audits:** The City specifies annual route audit parameters beginning with contract year two (2008) in the Agreement GCS agrees and will, of course, comply with this requirement; the Company knows there are numerous benefits to conducting regular route audits having the experience of taking over collection routes from prior haulers that had not been audited or rerouted in many years.

GCS has agreed to conduct informal waste audits on the 2 routes (1500 homes) each, the waste assessments must be pre-approved by the City Representative, 2 times each year for both Districts A & C. Just as it is helpful to perform annual route audits to maintain route efficiency and database accuracy, there may also be benefits to conducting an annual waste characterization study. GCS will be finalizing selection of recording equipment that will either be mounted on one or more units, or can be placed on different trucks daily, that will record the cart contents being dumped into the hopper to identify those areas that routinely throw recyclables into the garbage, In particular, it may help the City mount its challenge of greater diversion by becoming more familiar with its SFD waste stream components by service area.

**Employee Documentation and Packages:** Employee documentation, as stated in the *Master Implementation Schedule*, includes at least: *Employee Guidelines*, *Injury and Illness Prevention Program*, *Training and Reference Materials*, and *Job Descriptions*. As discussed earlier in this section in the listing of key activities, GCS intends to finalize these packages prior to employee training, scheduled for June 2007.

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#### **Preliminary Assumptions**

In developing the approach to initiating District(s) A/C SFD solid waste collection operations, GCS took the following steps:

- Service address data was taken from the CD entitled *Service Locations by Collection Day* provided by the City at its mandatory preproposal conference on March 3, 2006.
- This data was plotted onto a map using mapping software.
- Route/day boundaries were added.

With physical locations plotted and house counts matching previous data exactly, GCS then deducted time spent on activities other than servicing customers, such as:

- Time taken for pre- and post-trip vehicle inspections and for fueling;
- Travel time to the route from the proposed general location for the operations base, from the route to the landfill, and time spent dumping at the landfill; and
- Time for two 15-minute work breaks and one 30-minute lunch.

In District(s) A/C, given the above factors that are strictly beyond the contractor's control, the average optimal number of hours that could be spent performing collection duties is 4.27. This fact alone caused GCS to realize it makes no sense to make more than one trip to the landfill per day, otherwise there would be no productive time remaining in the eight-hour-period, meaning that any additional productive time necessitates significant driver overtime.

Of that 4.27 hours, when collection system productivity data is factored in, and tonnage figures are backed into the equation, the bottom line is that to provide the level of quality service the City expects without compromising safety or creating an unrelenting work environment for drivers and customer service personnel, the following conclusions were made:

- Since route day boundaries must be maintained, then the maximum number of households served on any given route is the number of pass-bys that must be used to calculate the

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optimal payload and find a piece of equipment that could legally accept that amount of material in one load. That number is 818 houses or pass-bys per day maximum, with the average number of houses/day being 776.

- Given average current total tonnage and pounds/household/week of garbage generated, the maximum number of tons per route/day is 12.

This made equipment selection easy, since there are few collection vehicles that have the capacity to carry that payload legally, and have all the other features GCS desires. However, the collection vehicle chosen does have 4 axles (one of them a tag axle associated with the tailgate, adding an extra four cubic yards of capacity).

#### **II. Collection Standards**

GCS will perform District(s) A/C solid waste collection activities in a manner that is representative of its core values. A high level of professionalism and reliability will pervade collection activities as well. Collection standards will be included in the driver's training materials.

**General Standards:** First, GCS understands it is to provide weekly garbage collection to all residents. When a service day falls on Thanksgiving Day, Christmas Day, or New Year's Day, the collection schedule for that week will slide out one day for the remainder of the week, ending on Saturday for work normally scheduled for Friday. Collections will occur on currently assigned collection days; and GCS commits that no routing changes will be proposed requiring a service day change. Collections will occur between the hours of 6:00 a.m. and 6:00 p.m. Monday through Friday. GCS also understands that collections will be made with as little disturbance to residents as possible. Collection vehicle noise levels will be as indicated in the Agreement, and the equipment specified functions comfortably below that threshold. Commingling of residential solid waste and recyclable materials is strictly prohibited, and as noted earlier in this section, GCS' proposed collection methodology nearly eliminates the risk of commingling. The will, however, stress to drivers that tolerance for commingling of materials is zero.

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**Neatness:** As required, GCS will make every effort to avoid litter spillage during collection and transport activities as possible, and the Company believes the proposed collection vehicle arm will decrease incidents of litter spillage since the arm can operate from a stowed position—allowing drivers to navigate closer to carts where access is more obstructed. However, if spillage does occur, GCS will immediately and completely clean up such spillage, as dictated in of the Agreement. Additionally, no material is to be left inside or around garbage carts.

GCS will also ensure carts are returned to the setout location in an upright position after servicing. In the case of on-premise collection, GCS will return carts to the back or side yards exactly where they were found.

Drivers will always use sidewalks and walkways when providing service and will avoid crossing over landscaping in performing collection activities.

**Collection conditions:** GCS is in agreement with the Agreement that states that service will be provided to all service units when the material is properly contained—either in garbage carts or tagged garbage bags—and set out within three feet of the curb, roadway, paved surface, or swale, as long as the set out location is safe to access. GCS knows and understands that missed collections simply result in a return to the service unit. This being so, the Company places a high priority on making the collection the first time, and this will be the constant message to GCS drivers.

The Company notes that as per the Agreement, it is not required to collect garbage set out in untagged garbage bags or tagged garbage bags weighing over 60 pounds. It is also stated that collection of garbage carts is not required when the contents exceed the cart's volume, such that the lid cannot close. In either event the Company will do as directed and affix a corrective action (“non-collection”) notice to the bag or cart, and checking off the reason for leaving the set-out.

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A courtesy notice will be affixed to the garbage cart when the cart or garbage bag is positioned in such a way that requires the driver to move it in order to provide collection services. In this case, service is still provided, however, customers are asked to properly set out the garbage cart or bags the next time.

**On-premises service:** It is understood and accepted that those households where all adult residents are disabled and therefore cannot bring their garbage cart to the curb for collection will receive on-premises service at no extra charge (“non-subscription on-premise collection”). GCS understands that eligibility is determined by the City, and that the Company may ask the City to verify eligibility for non-subscription on-premise collection on any service unit up to twice per year. No additional money is due the Company for this type of service. The Company has noted that the average number of service units in District(s) A/C receiving this type of service at any given time. This figure is relatively insignificant, however, it was taken into account in productivity assumptions and the lack of corresponding revenue for the extra labor factored in.

Otherwise, GCS understands that residents may elect to pay for and receive on-premises collection. The Company has noted the average number of service recipients subscribing to on-premises collection at any given time in District(s) A/C.

**Contaminated Recyclable Material:** The Company will collect contaminated recyclable materials only when directed by the City to do so.

**Contaminated Holiday Tree Collection:** As stated above, GCS will collect—without additional compensation—contaminated holiday trees. Garden City Sanitation has received the past procedures documents from ESD staff used to address the contaminated tree collection criteria and we understand the policy. GCS will gladly provide the service, and has several spare rear-load collection vehicles in its reserve fleet that will be utilized for this purpose.

**Disposal:** SFD solid waste collected under this contract will be transported and offloaded at Newby Island landfill, under the City’s contractor disposal allocation.

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*A Word About Safety and Quality Performance While Making Collections....*

- *GCS will provide comprehensive driver training during the month of June 2007. Safety and quality service will be emphasized.*
- *Drivers will receive extensive training about emergency protocol: such as what to do in case of a hydraulic leak, spillage of universal or hazardous waste, or truck fire (hot load).*
- *Route sizes are realistic, allowing drivers the time to ensure there is no litter spillage, that carts are replaced in an upright position, and corrective action and courtesy notices are left as appropriate. Reasonable route sizes decreases the likelihood of injury and illness.*
- *New equipment assures a higher level of route safety and efficiency—with fewer disturbances to customers. Greater capacity limits landfill trips to one per route. which is best for the environment.*

### III. Staffing Requirements

The objective of this section is to relay operations staffing requirements. As per the Agreement, GCS will employ only qualified personnel to perform all duties associated with the Agreement. The chart below represents preliminary staffing requirements. Operations personnel are highlighted.

DISTRICT(S) A/C		
Position	AC	Comment
General Manager	1	➤ To be filled by former CIWMB member Steve Jones
Operations Manager	1	➤ To be filled by David Calegari ➤ Reports to Steve Jones
Field Service Supervisors	4	➤ TBD ➤ Reports to David Calegari

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Dispatcher	1	<ul style="list-style-type: none"> <li>➤ TBD</li> <li>➤ Reports to David Calegari</li> </ul>
Safety Manager	1	<ul style="list-style-type: none"> <li>➤ TBD</li> <li>➤ Reports to David Calegari</li> </ul>
Drivers	45	<ul style="list-style-type: none"> <li>➤ Report directly to Field Service Supervisors</li> </ul>
Cart Delivery/ Maintenance	2	<ul style="list-style-type: none"> <li>➤ Report to David Calegari</li> </ul>
Maintenance Manager	1	<ul style="list-style-type: none"> <li>➤ To be filled</li> <li>➤ Reports to Steven Jones</li> </ul>
Maintenance Technicians	4	<ul style="list-style-type: none"> <li>➤ Reports to Maintenance Mgr.</li> </ul>
Routing Specialist	1	<ul style="list-style-type: none"> <li>➤ TBD</li> <li>➤ Reports to David Calegari and Steve Jones</li> <li>➤ For transition period or annually for route auditing only</li> </ul>
Controller, IT Manager	1	<ul style="list-style-type: none"> <li>➤ To be filled by Kent Kenney</li> <li>➤ Reports directly to the General Manager and Board of Directors</li> </ul>
Accounting Personnel	4	<ul style="list-style-type: none"> <li>➤ TBD</li> <li>➤ Reports to Kent Kenney</li> </ul>

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Customer Service Manager	1	<ul style="list-style-type: none"> <li>➤ To be filled by Anna Maria Autra</li> <li>➤ Reports to both Steve Jones and Kent Kenney</li> </ul>
Customer Service Representatives	6	<ul style="list-style-type: none"> <li>➤ TBD</li> <li>➤ Report to Anna Maria Autra</li> </ul>
Public Outreach Specialist	1	<ul style="list-style-type: none"> <li>➤ To be filled by Teresa Montgomery during transition period</li> <li>➤ Ongoing specialist TBD</li> <li>➤ Reports directly to Steve Jones</li> </ul>
<b>Total Staffing Requirement</b>	<b>74</b>	<ul style="list-style-type: none"> <li>➤ <b>For planning purposes only</b></li> <li>➤ <b>Subject to change</b></li> </ul>

#### **Alcohol and Drug Testing**

GCS will perform alcohol and drug testing per the Department of Transportation's testing procedures under the following circumstances:

- **Pre-Employment Testing:** GCS will require alcohol and drug testing after hiring and prior to commencement of work.
- **Post-Accident Testing:** Alcohol and drug testing is required as soon as possible after any accident involving any employee. The Company reserves the right to continue testing attempts up to 32 hours after the time the accident occurred.
- **Random Testing:** All employees who drive company vehicles are subject to random alcohol and drug testing.
- **Reasonable Suspicion Testing:** GCS will require alcohol and drug testing based on a supervisor's personal observations of the employee's appearance, behavior, speech,

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performance, manner, and/or body odor. Likewise, GCS provides training for managers and supervisors on identification of symptoms and behaviors of alcohol and/or controlled substance use or abuse.

- Return-to-Work Testing: In the case where an employee has taken a leave of absence to participate in an approved drug or alcohol abuse rehabilitation program, the employee must submit to alcohol and drug testing prior to returning to work.

Because GCS is highly committed to maintaining safe working conditions for all employees, refusal to submit to alcohol and drug testing may result in immediate termination. Testing is contracted to and managed by an outside firm. Exact tolerances, consequences, and remedies cannot be further discussed since they are largely dependent upon the employee's union contract. However, GCS commits to keeping an open dialog with the City regarding all employment practices.

#### **Physical Examinations**

Physical examinations are requisite for driver medical cards which drivers must have. Medical cards are valid for two years, and in that sense a physical examination is required. This process is familiar to union drivers.

#### **Driver Appearance, Conduct, Compliance**

Drivers will wear a clean, company-issued uniform daily. They will have on their persons at all times a valid California Class B driver's license and medical card, will act in a professional and responsible manner as conveyed in *Section 2* of this proposal, and will comply with all applicable local, state, and federal laws and regulations.

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#### **IV. Operations Facility**

GCS is in the process of purchasing a new operations facility in service of this contract. The location of the facility is 1080 Walsh Road, in the City of Santa Clara. It is the Company's intention to secure the facility on or before January 1, 2007.

#### **Interim Facility**

Until that time, GCS will utilize the facility of affiliate company Mission Trail Waste Systems. This facility is located at:

1060 Richard Avenue  
Santa Clara, CA 95050

Garden City Sanitation phone number is and will be: 408/988-4500

The facility has ample office space, including a nice reception area, large conference room, and additional work stations, from which to conduct start-up planning and activities.

#### **Permanent Site**

GCS has offered to buy a property in Santa Clara County that is 3+ acres with appropriate buildings, parking, utilities and the correct zoning. With a very usable configuration, the Company will soon have the transaction in escrow. In calculating space needs, GCS has taken into consideration truck, employee, and visitor parking, a vehicle maintenance facility of adequate size, office space, and preferably a covered area for cart storage. This site fits the need for a good Garden City Sanitation facility.

Based on preliminary research, the company is confident it can secure the necessary facility on or before January 1, 2007. GCS has allotted ample time to customize and furnish the office interior, install computer and phone systems, and provide for electronic interface with the City's C-UBS system.

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#### V. Vehicle Operations and Maintenance

**Vehicle Operations and Training:** Because GCS is committed to hiring displace workers and is bound to fairly negotiate with Local Union 350 in the process of transitioning those workers, the Company will be fortunate enough to acquire an experienced group of drivers. This, coupled with the familiarity the drivers have with their city, will greatly benefit GCS in getting workers comfortable with their equipment. Most, if not all, will have extensive experience with the operation of automated compaction collection vehicles.

Affiliate company South San Francisco Scavenger's *Injury and Illness Prevention Program* includes some basic training sign-off forms. GCS will have a similar appendix and training sign-off forms in its program documentation. Additionally, the Company will have specific training forms such as a *Driver Training Guide*. Other training documentation will include knowledge tests, such as an *Exam for Frontend Loader Drivers*. These types of materials will be included in the *Employee Documentation Packages*.

Hands-on training conducted by GCS operations management and safety training by GCS' in-house and contracted risk managers during the months of May and June 2007 will conclude the initial training activities for safe vehicle operation. Safety will be emphasized as the Company's highest priority relative to driving positions. When a driver is safe they are accountable, respectful, and are demonstrating quality performance—all core Company values.

Furthermore, environmental issues will be covered in depth during driver training, such as spill response procedures. Not only will procedures be reviewed in detail, but drivers will receive an explanation of what happens when environmental hazards are not appropriately responded to, such that they have an adequate frame of reference for the material. This will aid in their assimilation and recall of the procedures.

**Maintenance:** Vehicles will be maintained at GCS' operations base in Santa Clara County. The Company's rigorous preventive maintenance program complies with regulatory standards and

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### WORK PLANS

manufacturer specifications. GCS' goal is to always keep its equipment running safely and efficiently, and looking clean and new.

In maintaining new equipment, only re-refined motor oil and re-refined hydraulic fluid will be used in service of this *Recycle Plus* contract. All Best Management Practices (BMPs) as relative to heavy-duty vehicle maintenance facilities will be standard procedure. GCS' in-house environmental specialist will conduct routine checks of the maintenance facility during yard inspections and storm catch basin monitoring. Any deviation from BMPs will be corrected by the end of that business day.

Key to the preventive maintenance program is the daily completion of the vehicle inspection report. This is done by the collection vehicle's assigned driver. The driver checks fluid levels and indicates on the form any defects or deficiencies found that day. Shop personnel review the report and check any items marked by the driver as being questionable. Mechanics then make any needed repairs before the vehicle goes back onto the route. Furthermore, each vehicle undergoes different inspections on varies intervals including a 90-day full inspection by shop personnel. Interior and exterior safety devices are checked—such as instruments and mirrors; the engine and electrical system are checked. Air and fuel lines, the engine and transmission, brake system, and chassis components—such as the drive shaft and universal joints.

GCS affiliated companies have excellent vehicle maintenance track records. Peninsula Sanitary Service, one example of high vehicle maintenance standards, has passed its California BIT inspection for the last 12 consecutive years. A maintenance log, as dictated in the *Agreement, Article 7.05* will maintained by the Company and available for a City representative to inspect at any time on-line.

It is a well-known fact that clean-looking vehicles are often assumed to be well-maintained vehicles. This is because of the positive impression a clean vehicle gives off. GCS will wash its vehicles weekly with recycled water as specified in the Agreement. During washing, only effective, biodegradable cleansing products will be used, along with a brush. Truck washings will

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### WORK PLANS

comply with Best Management Practices guidelines as specified in *Storm Water Best Management Practices Handbook for Industrial/Commercial*, a publication of the Regional Water Quality Control Board.

**Reserve Collection Equipment:** GCS is purchasing a total of 50 collection vehicles—that is five more than necessary to perform daily route collections in Districts A and C (see *Section 9.7 – Collection Equipment Plan*). The five extra vehicles are ample for a fleet of 45 vehicles in case of breakdown or minor seasonal fluctuations—as is the case during the holidays. Spare equipment will be dispatched immediately upon request of a driver, field service supervisor, or the operations manager. This equipment will also take care of any requests as part of the Memorandum of Cooperation with CWS For larger emergencies—such as natural disasters—the depth of GCS reserve equipment will be needed.

In addition to spare collection equipment, the Company will purchase two new cart delivery vehicles, which, based on the history of cart exchanges and repairs provided in the *RFP*, will be more than adequate for this contract. However, several additional similar vehicles exist throughout the fleets of related companies. These are available to GCS in case of higher than average requests for cart exchanges or breakdowns of frontline equipment.

All reserve equipment can be dispatched immediately and underway to the route or wherever the breakdown occurred within one hour.

#### **VI. Container Operations and Maintenance**

GCS will purchase an initial supply of carts to provide an estimated inventory for the six-year life of this *Recycle Plus* contract. These carts will be produced by the same manufacturer and are identical in every way to the ones currently in use and that have been in use since the first generation *Recycle Plus* contract took effect in 1992. GCS understands that the City will grant ownership of carts currently in use at SFD residential premises in the service district(s) as of the commencement date of the *Agreement* to GCS. All carts acquired during the term of the

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Agreement will be the property of the Company. At the expiration of the term of the Agreement, GCS will transfer ownership of all carts in possession of a SFD service unit in the service district(s) to the City of San José.

**Container Operations:** Containers will be delivered to customers under the following circumstances:

- The service recipient's cart is lost, stolen, or destroyed. The Company understands all SFD customers are entitled to one replacement garbage cart during the term of the *Agreement* at no charge to either the customer or City. Replacements in excess of this will be charged to the customer per compensation rates to be established once the contract has been awarded. GCS has noted that this rule applies to the service recipient, not the service unit. Replacements must be completed within five days of notification to GCS by either the City or the customer.
- The service recipient requests an exchange. Customers are entitled to exchange their garbage cart once at no charge to either the service recipient or City in each contract year of the *Agreement*. Again, exchanges in excess of this standard will be charged to the customer at the compensation rate established after contract award.
- A new service unit is added to the service district(s). GCS will deliver the size garbage cart(s) requested within five days notice from the City or service recipient.

Whenever a cart is delivered to a customer, regardless of the situation, it will be clean and in excellent working condition. The cart will be hot stamped or labeled as per the City's specifications.

Whenever a broken cart can be repaired it will be such that it can continue or be returned to service. GCS understands the City expects it to repair at least the following broken parts: hinged lids, wheels, and axles. It is the Company's experience that these items are in fact, the most common cart failures. Therefore, the Company will keep an extra inventory of lids, wheels, and axles. When a repair can be made on the route, it will be. If the repair is extensive or the

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cart is in overall very poor condition, another cart will be assigned to the customer and the old cart brought back either for repairs or recycling. GCS understands it has ten days from time of notification to the Company by either the City or the service recipient to either make the repair or replace the cart for the customer.

To facilitate cart operations, GCS will purchase two new flatbed trucks. Two cart delivery/maintenance employees will be assigned to manage garbage cart deliveries, replacements, and repairs in District(s) A/C.

#### **VII. Emergency Services, Contingency Plan, and Special Projects**

##### **Emergency Services**

Contact: As per the Agreement, GCS will provide the City Representative with emergency contact information. Heading the list will be the General Manager; however, the list will also include the Operations Manager and Field Service Supervisors. Whenever the General Manager will be unavailable for any period of time—such as when he is on vacation—he will give the City notice of such and delegate authority as contract manager to one or two others in his absence.

Natural Disaster: In case of an act of God/natural disaster GCS will immediately, or as soon as possible, survey the service district(s), travel routes from the yard to the service area and from there to the landfill.

- Variances: Should routes need to be varied to any degree GCS will contact the City Representative and immediately go about documenting proposed temporary variances. Maps will be redrawn, as necessary.
- Special collection services: The Company has considerable reserve equipment to put into service for special clean-ups, if requested by the City or coordinating agency. Per the Agreement GCS will be compensated per rates established by *Exhibit 1* of the Agreement.

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Contract Assumption: In case of default by another collection contractor in service to the City of San José under this *Recycle Plus* contract, GCS has the reserve equipment necessary to commence collection services prior to July 1, 2007.

#### **Contingency Plan**

In case of unfortunate/unforeseen events of a large magnitude—such as the situation highlighted in the paragraph above, or due to unanticipated vehicle delivery delays, or even due to a large-scale natural disaster, the Company is prepared to respond with reserve equipment.

All reserve equipment is registered, licensed, insured and ready to put into service within one hour. There is considerable more capacity than is necessary to service Districts A and C completely. Approximately 1650 cubic yards of capacity is needed daily to cover these two districts. Total capacity of the reserve fleet is at least 2370 cubic yards.

Because of the active status of GCS Directors/Shareholders, the Company has many friends— independent hauling companies—in the industry, from which GCS has the ability to rent collection vehicles and other types of equipment.

#### **Special Projects**

GCS is prepared to assist the City with special projects in any way it can, and feels it has the depth of experience to provide valuable input into projects that may arise, but were not documented in the *RFP*. The following special projects were noted in the *RFP*:

- **Special Route Audits**: In addition to annual route audits to commence in 2008, GCS will make itself available at any time to conduct or assist with any other kind of route audit at any time. One example may be a route audit in a new housing development, to confirm service unit counts and addresses; or in a targeted area where there are numerous mixed use dwellings to ensure adequate garbage capacity.

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- **City-Conducted Route Audits:** In case the City decides to conduct its own route audit, GCS will fully cooperate in any way the City requests, such as allowing City staff or consultants to ride along with the drivers on collection routes.
  
- **Waste Characterization Studies:** Should the City desire to perform a waste characterization study, GCS will gladly assist as directed by the City, or if the City so desires the Company will produce a cost proposal to conduct the study on its own. GCS outlined an idea for an annual waste characterization study to coincide with the annual route audit, to help the City set its outreach goals and objectives for the following calendar year.
  
- **Pilot Programs:** GCS related companies have participated in many pilot programs in the past. Perhaps more well known in City of San José history is the *Multi-Unit Recycling Pilot Program (MURPP)*, which charted a successful course for multi-family recycling collection in the Cities of San José and Sunnyvale in the late 1980's early 1990's. The Company will assist the City with pilot programs to test variables to the collection method used, or service schedule changes, set-out configuration, and so forth, under the terms and conditions specified in the Agreement.
  
- **Holiday Contingency Plan:** As specified in the Agreement, GCS will submit a holiday contingency plan each year on or before September 30 beginning in 2007 that will detail collection strategies for the usual increased tonnages associated with the fall holiday season. The plan will include how the company will deal with potential fluctuations in the labor force during that time period as well.
  
- **Other Programs and Services:** As per the Agreement, GCS will also cooperate with the City on any other type of program or special project not listed above, by responding to the City with a cost proposal for providing the services requested.

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#### **7E - COLLECTION EQUIPMENT PLAN**

GCS will use a straight-frame automated side-loader for SFD solid waste collection. The collection vehicle will be used with garbage carts produced by the same manufacturer as are the carts currently in service in San José, with the exact same specifications. GCS will purchase 50 collection vehicles of the same make and model for Districts A/C. These figures include 5 spare trucks to substitute for regular route vehicles when they are out of service. A cart inventory of approximately two to ten percent of the total carts currently in service will be ordered to provide enough replacements and expansion capacity for the six-year term of the Agreement. Cart sizes ordered will be per a percentage allocation applied to the entire order. The allocation is based on historical cart purchase and service order data.

All rolling stock will be financed through the California Pollution Control Financing Authority (CPCFA). The collection vehicles chosen are in use at related companies South San Francisco Scavenger and Specialty Solid Waste and Recycling. The companies are happy with the product and the service they have received from the local dealers involved.

#### **Collection Vehicles**

Labrie Automizer Right Hand™ collection vehicles will be purchased. The bodies have a total of 31 cubic yards in capacity—allowing GCS the ability to make one load per collection route per day—which increases productive on-route time tremendously. The body has a capacity of 27 cubic yards, and there are four extra yards of available capacity in the tailgate—making a total maximum capacity of 31 cubic yards. The maximum legal payload is almost 12 tons—again, making the truck a highly desirable choice considering how large an area San José is and how far the trucks must travel to the landfill. The large capacity is achievable because it's a four-axle truck: three regular axles plus a tag axle for the tailgate. Other advantages of this collection vehicle are that it has a tapered body that allows for easy offloading at the landfill. Offloading is through the tailgate.

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Major advantages to this collection vehicle relate to the arm—which is described as being “zero grab” meaning it can perform from a stowed position, right up against the body of the truck. The operating range of the arm is from 0” to 144”. This allows for better maneuverability in tight spots or areas with greater set-out obstruction.

Rather than a traditional gear pump for powering hydraulics, the body and arm hydraulics are powered by a tandem or double hydraulic vane/gear pump. One of the sections, pumps hydraulic oil only to the arm; the other section pumps to oil to other functions. These pumps are much quieter than traditional pumps. The vane pump makes the vehicle much quieter, and the tandem pump makes the arm cycle time much quicker: approximately 20 seconds total per cycle. This system also creates fuel efficiency of an additional 20 percent.

The compaction unit features a programmable delay to start packing after cart is picked up. The fourth axle actually enables a slightly better turning radius, but is still estimated to be approximately 31.63 feet. All vehicles will come equipped with a camera system that switches views automatically between hopper, and rear. The trucks will include all appropriate and required safety markings and other devices. Also, trucks will be painted and consecutively numbered. Trucks will be marked with company name, the City’s customer service phone number, and other information as per the *Agreement*, §7.01.6. They each will be fitted with a frame for the City’s interchangeable signs as well.

The Labrie bodies will be mounted on Autocar WXR64 standard entry cabs and chassis. Bodies will be mounted across the chassis frame rails, enabling mechanically very smooth operations.

#### **Collection Carts**

Collection carts will be manufactured by Otto Industries. The excellent wear withal of these injection-molded carts is well documented, since they have been used in the City of San José since the first generation of the City’s *Recycle Plus* contract in 1992. These collection carts meet all specification listed in *Exhibit 5* of the *Agreement*.

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#### **Other Vehicles**

Two cart delivery vehicles will be purchased. These will be flatbed trucks equipped with lift gates. The exact make and model have not been determined. The cost has been factored into the cost proposal. The company will also purchase a 1-ton service vehicle.

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### **WORK PLANS**

#### **7F - EMPLOYEE AND LABOR RELATIONS PLAN**

The objective of this section is to relay GCS' history as an employer as well as its commitment to the individuals the company will employ. As of the date of submission of this proposal, GCS has no payroll. However, employer history can still be relayed since affiliate companies have been in business for many decades and generations.

#### **History**

GCS affiliate companies employ hundreds of employees, with impressively high retention. No lawsuit has been brought by any employee against the companies. There has been no litigation. Many drivers and customer service representatives have been with their companies 20 years and more. Affiliate companies value their employees, providing them with coaching and mentoring, as well as opportunities to exercise their judgment. With each success, employer/employee trust is built. Over time, employees begin to feel they have a comfortable amount of authority within their position, hence they feel essential and respected, and they stay. Low employee turnover is good for everyone, and keeps morale high.

#### **Commitment to a Positive Work Environment**

As reflected in the Company's *Ethics Statement* GCS is committed to maintaining a positive work environment. This involves two things: a) setting a high standard for a positive environment, and b) keeping obstructions to a positive environment at bay. GCS' vision is an environment that is fair to all employees in every way, where employees can find the support to evolve in their careers if they so choose, and where diversity is embraced. This means that discrimination and harassment, unsafe practices such as drug or alcohol use, violence, and intimidation of any sort—verbal or physical—will not be tolerated. Health and safety is of the highest importance to GCS and is reflected throughout this proposal. GCS insists on mutual respect between all employees at all times.

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The company seeks to supply fair working conditions to all employees, and complies with all federal, state, and local regulations and requirements in order to remain in excellent standing as an Equal Opportunity Employer in the eyes of its employees and the community it serves.

The Company will pay prevailing wages. The Company provides excellent benefits. GCS does not ask employees to pay a portion of their premiums as is standard practice today. Instead, the company pays 100 percent of the premium for the employee and family members. Also, GCS will ensure employees have the right equipment and tools with which to perform their jobs optimally and safely. In turn, the company expects that its equipment and tools are treated with respect at all times, and only used in the manner intended.

Furthermore, the company respects the privacy of its employees, using employee information only for valid purposes and as the law permits. Company employees with access to confidential or proprietary information must prohibit such information from improper disclosure, which will be treated as the serious abuse that it is. By the same token, GCS expects reciprocity in that employees will not misuse the proprietary nature of certain Company information—such as business systems and processes, cost data, or customer data—inappropriately or for personal gain.

#### **Labor Peace**

While the concept of “labor peace” is still emerging in California and nationwide, GCS believes the spirit of labor peace—especially as it may apply to this *Recycle Plus* contract—is to provide for a neutral work environment with for organized employees by forbidding anti-union comments or campaigning by company management. Traditionally, such an agreement has two parts, with an agreement by the union not to use disruptive and economically damaging tactics—such as labor strikes—to accomplish union objectives.

GCS wants to reassure the City that the Memorandum of Understanding *has* been signed by the Company and the union. The company accepts and is fully prepared to employ displaced unionized workers. Several GCS affiliate company employees have union representation, and in

## EXHIBIT 7

### WORK PLANS

each situation there exists *Collective Bargaining Agreement* between the union and the Company recognizing the union. Extensive resources go into managing union relations, and the companies take interactions seriously.

Based on the experience of GCS affiliate companies that manage union-related processes, prevailing wages, and benefits, below is a list of commitments the Company is willing to make that it believes will achieve labor peace and protect against labor discord (which are essentially one and the same and are achieved through following the same set of guidelines):

- GCS has honored the Memorandum of Understanding with the union.
- The Company has signed the *Collective Bargaining Agreement* inclusive of the entire term of the Company's *Agreement* with the City such that all parties are aware of wage increases throughout the six-year period. In return the union would agree to include language in the *Collective Bargaining Agreement* that it will not use or threaten to use disruptive or economically devastating tactics such as labor strikes, walk-outs, or work slow-downs during the term of the Agreement. This fair approach leaves nothing to chance and gives to each party—the union, the employees, the City, and GCS—exactly what is needed to conduct business productively and without disruption in San José.
- The Company will respect, at all times, the employee's right to union representation by forbidding anti-union remarks or campaigning of any sort.
- To the greatest extent possible, GCS will ensure the processes documented in the *Collective Bargaining Agreement* to be adopted will be strictly, objectively, and uniformly adhered to.

The Company believes its plan for labor peace; its commitment to providing a positive work environment, safety, quality performance; and its core values as expressed through its mission and ethics statements provide the best possible scenario for displaced workers.

## **EXHIBIT 7**

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#### **7G - DIVERSION PLAN**

GCS will have an aggressive internal recycling program at our new facility. We will collect paper, metals, glass and anything else we produce that can be reasonably diverted.

##### **Informal Waste Can Audits on Route**

At no additional cost to the City, GCS will perform a minimum of two (2) informal waste characterizations per agreement year. The waste assessments must be pre-approved by the City Representative and each assessment will cover approximately two routes (1,500 homes).

GCS will target areas of the city identified as missing opportunities to recycle simple materials. During this transition time we will work with ESD staff to fully understand the needs and expectations, within the guidelines agreed to on this item during the negotiations for the MOU. The GCS equipment choice for this project will be finalized by March 1, 2007.

##### **Informal Waste Can Audit Procedures, Forms and Verbiage**

During the transition period Garden City Sanitation will work with the ESD staff to create the matrix we will use in the waste audits. This matrix will describe the size of sort, materials pulled, weighing method and the multiplier. We will jointly establish the forms to be used during the audits and the words, terms and report structure.

## **EXHIBIT 8**

### **CENTRAL BUSINESS DISTRICT AND TRANSIT MALL ZONE**

#### **Central Business District**

The boundaries of the Central Business District are as follows: Commencing at Market and Julian Streets; east on Julian to Fourth Street; then south on Fourth Street to San Salvador; then west on San Salvador to South Market Street; then northwest on Market Street to San Carlos Street; then west on San Carlos to Almaden Boulevard; then north on Almaden Boulevard to Santa Clara Street; then east on Santa Clara Street to Market Street; then north on Market Street to West Julian Street, the point of beginning. Premises on both sides of the boundary streets shall be included in the Central Business District.

Solid waste collections from premises located within the Central Business District shall take place not earlier than 12:00 a.m. and shall be completed by 6:00 a.m. the same day. Solid waste collection regulations for the Central Business District are contained in Section 9.10.1500 of the San José Municipal Code.

#### **Transit Mall Zone**

The boundaries of the Transit Mall Zone are as follows: Commencing at Market and Julian Streets; then east on Julian Street to Third Street; then south on Third Street to San Carlos Street; then west on San Carlos Street to Market Street; then north on Market Street to Julian Street, the point of beginning; but excluding any premises which face Julian, Third, San Carlos, or Market Streets.

Solid waste collections from premises located within the Transit Mall Zone shall take place not earlier than 12.00 a.m. and shall be completed by 6:00 a.m. the same day. Solid waste collection regulations for the Transit Mall Zone are contained in Sections 9.10.1510 and 9.10.1520 of the San José Municipal Code.



## EXHIBIT 9

### APPROVED SUBCONTRACTORS

The subcontractors listed below are hereby approved by CITY as to the scope of work specified for each listed subcontractor. CONTRACTOR may employ additional subcontractors only with the prior written approval of CITY's Director of Environmental Services as to the subcontractor(s) and the scope of work to be performed by the subcontractor(s).

Name of Company/Firm	Address	Area of Responsibility
N/A	N/A	N/A



## EXHIBIT 10

### DATA AND REPORTING REQUIREMENTS

#### I. DAILY COLLECTION DATA

CONTRACTOR shall compile data on a daily basis and report the following information monthly by electronic format.

##### A. Load Data for Garbage

CONTRACTOR shall provide data for each load collected and delivered to the Disposal Facility. Exhibit 14 (“Landfill Data Reconciliation Interface Technical Requirements and Design”) includes the landfill data interface requirements that CONTRACTOR shall use. Data shall include, at a minimum, the following information:

1. Name of Disposal Facility receiving load
2. Weight tag number (unique, non-repeating number)
3. Date of collection
4. Day of week collected
5. Date delivered to Disposal Facility
6. Time of arrival at facility
7. Truck number
8. Net weight of load (in tons)
9. Route number(s)
10. District serviced
11. Number of set-outs
12. Time on route(s) (collection, transport, and downtime)

##### B. Non-Collection Notices Data

CONTRACTOR shall provide data for each non-collection notice issued. Data shall include, at a minimum, the following information:

1. Date issued
2. Day of the week issued
3. Route number
4. Service Recipient address
5. Service District
6. Reason for Non-Collection (codes and definitions of codes to be provided by CITY)

## EXHIBIT 10

### DATA AND REPORTING REQUIREMENTS

#### II. MONTHLY COLLECTION DATA

CONTRACTOR shall use the Consolidated Utility Billing System to report the following information on a monthly basis:

##### A. Data for Extra Garbage Stickers Collected

1. Number of extra garbage stickers collected
2. Number of "Pick Up San José" garbage stickers collected
3. Number of Courtesy garbage stickers collected

##### B. Data for Non-Collection Notices

1. Number of Non-Collection Notices issued by reason

##### C. Courtesy Notices Data

1. Date issued
2. Total number of notices issued

##### D. Contaminated Recyclable Material Collections

1. Number of collections by date

#### III. QUARTERLY AND ANNUAL REPORT REQUIREMENTS

##### A. Quarterly Reports

Contractor shall submit Quarterly Reports within thirty (30) days of the end of the previous calendar quarter. The Quarterly Report shall focus on analysis and narrative of quarterly activity, with trend comparisons to previous quarter and same quarter of previous year, if applicable.

##### B. Annual Reports

Contractor shall submit Annual Reports on or before February 15<sup>th</sup> for the previous calendar year. The first report, due February 15, 2008, shall cover the first six months of service. The final report covering the last six months of service under this Agreement shall be submitted by August 15<sup>th</sup> following the end of service. Annual Reports shall follow the designated format, with analysis and narrative to cover the reporting year activity.

## **EXHIBIT 10**

### **DATA AND REPORTING REQUIREMENTS**

#### **REPORT OUTLINE**

##### **SECTION I - DATA**

A. Collected Tonnage

This section shall include an analysis of tons of garbage collected and apparent trends and causes.

B. Non-Collection Notices

This section shall focus on detailed analysis of Non-Collection Notice activity, by category and type, and apparent trends and causes.

C. Missed Collections

This section shall focus on detailed analysis of the number missed collections, apparent trends and causes and possible remedies.

D. Cart Activity

This section shall focus on detailed analysis of garbage cart activity, apparent trends and causes.

E. Customer Calls

This section shall focus on detailed analysis of customer service activity, apparent trends, major issues and causes. Additional analysis shall be provided on specific service requests and complaint calls.

##### **SECTION II – ROUTE AUDITS**

In this section, CONTRACTOR shall include the route audits conducted during the quarter and the findings from the route audits. This section shall include all of the route audit information required in Section 6.03.2 of this Agreement.

##### **SECTION III - VEHICLE INFORMATION**

A. Vehicle Inventory and Compliance Reports

B. Vehicle Mileage Report

C. Vehicle Maintenance/Preventative Maintenance Activity

D. Status of State Inspection Requirements

## **EXHIBIT 10**

### **DATA AND REPORTING REQUIREMENTS**

#### **SECTION IV – COMMUNITY OUTREACH SUMMARY**

- A. List of Events
- B. Outreach Pieces, Distribution, Targeted Audiences
- C. Results of Outreach Efforts

#### **SECTION V - SIGNIFICANT EVENTS**

This section shall discuss any significant events occurring in the organization.

#### **SECTION VI – STRIKE CONTINGENCY PLAN**

In this section CONTRACTOR shall detail how normal operations will be maintained to the fullest extent possible if a labor strike should occur. Plan should include but not be limited to: what steps will be taken to have replacement labor available to maintain operations, how security of the facilities will be maintained, who will be point of contact and spokes person for communication with the media and what measures will be taken to protect company non-union personnel

#### **SECTION VII - CALENDAR**

- A. Reports Delivered This Quarter
- B. Reports Due Next Quarter

## EXHIBIT 11

### CONTRACTOR OUTREACH REQUIREMENTS

#### SFD SOLID WASTE SERVICES OUTREACH REQUIREMENTS

##### A. Annual Outreach Plan

CONTRACTOR shall submit an annual Public Education and Outreach Program Plan (“Plan”) for each calendar year of the term of this Agreement. The plan must be submitted by September 30<sup>th</sup> of the preceding calendar year and must be approved by the City Representative. The Plan should target “problem” areas of CONTRACTOR’s service area where improvements can be maximized. Targets of outreach should be based on local trends and patterns based on information obtained by both CITY and CONTRACTOR staff. Required elements of the annual plan include:

1. Promote and support specific Recycle Plus programs, as directed by the City Representative.
2. A list of community events such as fairs, workshops, and cultural festivals CONTRACTOR will attend to promote the Recycle Plus program, as needed or directed by the CITY Representative.
3. Attend community and neighborhood association meetings as needed or directed by the City Representative.
4. Distribute CITY-developed collateral materials at events, community meetings, etc.
5. Placement of CITY-provided signs on collection vehicles
6. Maintenance of a Website with direct links to CITY’s Recycle Plus Website ([www.recycleplus.org](http://www.recycleplus.org)). The Website must include relevant program information with regular updates as needed, or as directed by the City Representative. The Website must also allow for customer comments and questions.

##### B. Quarterly Coordination Meetings

CONTRACTOR shall attend quarterly coordination meetings with CITY. CONTRACTOR will report on outreach efforts, including quantifiable results. City staff will report on CITY outreach efforts, and provide input regarding CONTRACTOR’s public education programs.

##### C. Additional Outreach Materials

Contractor may develop informational or promotional materials about the program for CONTRACTOR’s own use only with the express written permission of the CITY Representative. All materials shall be reviewed and approved by the City Representative prior to publication. All such materials developed by Contractor shall be printed at CONTRACTOR’s expense without compensation from CITY.



## **EXHIBIT 12**

### **WAGE POLICY**

Pursuant to City of San José Prevailing Wage policy, CONTRACTOR and any of CONTRACTOR's subcontractors shall be obligated to pay not less than the prevailing wage as set forth in this Exhibit 12.

#### **I. CITY COUNCIL WAGE POLICY**

##### **A. PREVAILING WAGE POLICY**

California Labor Code and/or Resolutions of the City of San José require the payment of not less than the general prevailing rate of per diem wages and rates for holiday and overtime and adherence to all labor standards and regulations.

Prevailing Wages established by the California Department of Industrial Relations shall be the General Prevailing Wage Determination made by the Director of Industrial Relations pursuant to California Labor Code Part 7, Chapter 1, Article 2, Sections 1770, 1773 and 1773.1. The General Prevailing Wage Rates may be adjusted throughout the term of this Agreement.

Prevailing Wages established by the City of San José shall mean the wages paid under a collective bargaining agreement between CONTRACTOR and a recognized union representing workers who perform services pursuant to this Agreement; or, if there is no collective bargaining agreement, not less than the prevailing rate of per diem wages for the employee craft/classification as determined by the City of San José's Office of Equality Assurance.

The City Prevailing Wage will be subject to annual adjustment on the first day of each July during the term of this Agreement. Adjustments will be based on the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index, All Items, for all Urban Consumers [CPI-U] for San Francisco-Oakland-San José).

##### **B. REPORTS**

The Office of Equality Assurance will monitor the payment of prevailing wage by requiring CONTRACTOR and all subcontractors to file a LABOR COMPLIANCE WORKFORCE STATEMENT and LABOR COMPLIANCE FRINGE BENEFIT STATEMENT with supporting documentation. CONTRACTOR shall submit all such reports as requested by the Office of Equality Assurance.

CONTRACTOR and covered subcontractors shall also report such other additional information, including certified payrolls, as requested by the Director of Equality Assurance to ensure adherence to the Policy.

## EXHIBIT 12

### WAGE POLICY

Labor compliance statements must be filed in the Office of Equality Assurance no later July 10, 2007 at the address below.

City of San José  
Office of Equality Assurance  
200 East Santa Clara Street  
Fifth Floor  
San José, CA 95113  
Phone: 408.535-8430

#### C. EMPLOYEE RETENTION REQUIREMENTS

CONTRACTOR acknowledges that when collection services are transferred to CONTRACTOR, workers who perform services for City's current service provider will be displaced from their employment. CONTRACTOR shall offer employment to all qualified displaced workers who have been employed by the current service provider for at least 120 calendar days prior to July 1, 2007 provided that CONTRACTOR shall not be required to create additional positions that CONTRACTOR does not need nor to lay-off or discharge CONTRACTOR's employees in order to employ qualified displaced workers. A qualified displaced worker includes non-management workers of the current service provider who have been employed for at least 120 calendar days prior to July 1, 2007 and who would otherwise be laid-off. CONTRACTOR is prohibited from discharging any qualified displaced workers for at least 90 days after the Collection Start-up Date except for cause. After the initial 90 days, the continued employment of qualified displaced workers will be under the terms and conditions established for all of CONTRACTOR's workers in the particular job classification. CONTRACTOR shall submit displaced worker hiring status reports to the City Representative on the last working day of October 2007 and on the last working day of June 2008.

The following provisions are applicable to this RFP and will become part of the Agreement:

##### 1. Qualified Displaced Worker Defined

Qualified Displaced Worker means any person employed by the predecessor service provider or any subcontractor to the predecessor service provider who meets the following requirements:

- i. The person provides direct labor or service on the City Agreement;
- ii. The person is not an "exempt" employee under the Fair Labor Standards Act (FSLA); and

## EXHIBIT 12

### WAGE POLICY

- iii. The person has been employed on the City Agreement by the predecessor service provider or subcontractor for at least 120 calendar days prior to July 1, 2007.

#### 2. Current Eligible Retention Employee Defined

Current Eligible Retention Employee means a current employee of CONTRACTOR who meets the following requirements:

- i. The person has been employed by CONTRACTOR for at least the six month period prior to the date of the new service or labor contract;
- ii. The person would otherwise need to be terminated as a result of the implementation of the retention requirements; and
- iii. CONTRACTOR chooses to designate the person as a Current Eligible Retention Employee.

CONTRACTOR must establish requirements i. and ii. above by submitting payroll records or other reliable evidence satisfactory to the Director of Equality Assurance by the date specified in writing by the Director of Equality Assurance. If CONTRACTOR cannot submit such evidence, the employee cannot be designated a Current Eligible Retention Employee.

#### D. EMPLOYMENT OF DISPLACED WORKERS

CONTRACTOR shall offer continued employment to all Displaced Workers who are interested in such continued employment.

CITY's Office of Equality Assurance will provide CONTRACTOR with information regarding which employees of the Predecessor are Qualified Displaced Workers.

Notwithstanding anything to the contrary in this provision, CONTRACTOR may deem an employee not to be a Qualified Displaced Worker if, and only if:

1. The employee has been convicted of a crime that is related to the job or to his/her job performance; or
2. CONTRACTOR can demonstrate to the CITY's Office of Equality Assurance that the employee presents a significant danger to customers, co-workers or City staff.

In the event that CONTRACTOR does not have enough positions available to hire all Qualified Displaced Workers desiring continued employment and to retain its Current Eligible Retention Employees, CONTRACTOR shall hire Qualified Displaced Workers and retain Current Eligible Retention Employees by seniority within each employment classification. For any positions that become available

## **EXHIBIT 12**

### **WAGE POLICY**

during the initial ninety (90) day period of the Agreement, CONTRACTOR shall hire Qualified Displaced Workers and rehire its Current Eligible Retention Employees by seniority within each employment classification.

#### **1. Retention Requirements**

- a. Qualified Displaced Workers hired by CONTRACTOR may not be discharged without cause during the initial ninety (90) day period of their employment.
- b. CONTRACTOR shall offer continued employment to each Qualified Displaced Worker who receives a satisfactory performance evaluation at the end of the initial ninety (90) day period of employment. Such employment shall be offered under the same terms and conditions established by CONTRACTOR for all of its employees.

#### **2. Third Party Beneficiary**

Qualified Displaced Workers are third party beneficiaries of this Agreement, which means that the employee has the right to enforce the provisions of the Agreement independent of CITY's right to enforce the provisions of the Agreement. The third party rights are effective upon the Effective Date of this Agreement.

#### **3. Obligations Upon Termination**

Upon termination of this Agreement CONTRACTOR shall fully cooperate with all CITY requests regarding contacts with CONTRACTOR's employees to enable a transition in the workforce to a new service provider.

### **E. JOB FAIR**

CONTRACTOR shall participate in a job fair for the displaced workers to be held on a CITY-scheduled day during the period April 1 to April 8, 2007 to discuss employment opportunities with such workers. The City Representative shall notify CONTRACTOR of the date and place of the job fair at least seven (7) calendar days in advance.

### **F. LABOR PEACE**

CITY's Office of Equality Assurance has determined that the level of vulnerability of the proposed Agreement to service or labor disputes is sufficient to warrant that labor peace is essential to the propriety interests of CITY. Therefore, CONTRACTOR shall at all times comply with the provisions of CONTRACTOR's Employee and Labor Relations Plan set forth in Exhibit 7 to this Agreement.

**EXHIBIT 12**  
**WAGE POLICY**

**G. ENFORCEMENT**

**1. General**

CONTRACTOR acknowledges it has read and understands that, pursuant to the terms and conditions of this Agreement, it is required to pay workers prevailing wage (“Wage Provision”) and to submit certain documentation to CITY establishing its compliance with such requirement. (“Documentation Provision.”) CONTRACTOR further acknowledges that CITY has determined that the Wage Provision promotes each of the following (collectively “Goals”):

- a) It protects job opportunities and stimulates CITY’s economy by reducing the incentive to recruit and pay a substandard wage to labor from distant, cheap-labor areas.
- b) It benefits the public through the superior efficiency of well-paid employees, whereas the payment of inadequate compensation tends to negatively affect the quality of services to CITY by fostering high turnover and instability in the workplace.
- c) Paying workers a wage that enables them not to live in poverty is beneficial to the health and welfare of all citizens of San Jose because it increases the ability of such workers to attain sustenance, decreases the amount of poverty and reduces the amount of taxpayer funded social services in San Jose.
- d) It increases competition by promoting a more level playing field among contractors with regard to the wages paid to workers.

**2. Remedies for CONTRACTOR’s breach of prevailing wage/living wage provisions**

- a) **Suspension or termination:** suspend and/or terminate the Agreement or financial assistance **agreement for cause;**
- b) **Restitution:** require CONTRACTOR to pay any amounts underpaid in violation of the required payments and CITY’s administrative costs and liquidated damages, and in the case of financial assistance to refund any sums disbursed by CITY.
- c) **Debarment:** debar CONTRACTOR or its subcontractor from future CITY contracts and/or deem the recipient ineligible for future financial assistance.
- d) **Withholding of payment:** CONTRACTOR agrees that the documentation provision is critical to CITY’s ability to monitor

## EXHIBIT 12

### WAGE POLICY

CONTRACTOR's compliance with the wage provision and to ultimately achieve the goals. CONTRACTOR further agrees its breach of the documentation provision results in the need for additional enforcement action to verify compliance with the wage provision. In light of the critical importance of the documentation provision, CITY and CONTRACTOR agree that CONTRACTOR's compliance with this provision, as well as the wage provision, is an express condition of CITY's obligation to make each payment due to CONTRACTOR pursuant to this Agreement. CITY is not obligated to make any payment due to CONTRACTOR until CONTRACTOR has performed all of its obligations under these provisions. Any payment by CITY despite CONTRACTOR's failure to fully perform its obligations under these provisions shall not be deemed to be a waiver of any other term or condition contained in this Agreement nor a waiver of the right to withhold payment for any subsequent breach of the wage provision or the documentation provision.

- e) **Liquidated damages for breach of wage provision:** CONTRACTOR agrees its breach of the wage provision would cause CITY damage by undermining the goals, and CITY's damage would not be remedied merely by CONTRACTOR's payment of restitution to the workers who were paid a substandard wage. CONTRACTOR further agrees that such damage would increase the greater the number of employees not paid the applicable prevailing wage and the longer the amount of time over which such wages were not paid. CITY and CONTRACTOR mutually agree that making a precise determination of the amount of CITY's damages as a result of CONTRACTOR's breach of the wage provision would be impractical and/or extremely difficult. Therefore, the parties agree that, in the event of such a breach, CONTRACTOR shall pay to CITY as liquidated damages the sum of three (3) times the difference between the actual amount of wages paid and the amount of wages that should be paid.

#### I. **AUDIT RIGHTS**

All records or documents required to be kept pursuant to this Agreement to verify compliance with the Wage Provision shall be made available for audit at no cost to CITY, at any time during regular business hours, upon written request by the City Attorney, City Auditor, City Manager, or a designated representative of any of these officers. Copies of such records or documents shall be provided to CITY for audit at City Hall when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the records or documents shall be available at CONTRACTOR's address indicated for receipt of notices in this Agreement.

**EXHIBIT 12**  
**WAGE POLICY**

**J. COEXISTENCE WITH ANY OTHER EMPLOYEE RIGHTS**

These provisions shall not be construed to limit an employee's ability to bring any legal action for violation of any rights of the employee.

(continued on next page)

**EXHIBIT 12**  
**WAGE POLICY**

**Office of Equality Assurance Wage Determination**  
**Collection Services – Effective 2/16/2006**

<b>Classification</b>	<b>Basic Hourly Pay Rate</b>	<b>Health Welfare &amp; Pension</b>	<b>Vacation Minimum (7 Days)</b>	<b>Paid Sick Leave (11 days)</b>	<b>Paid Holidays (12 Days)</b>	<b>Total Hourly Pay</b>
Garbage Driver	25.06	7.39	.67	1.06	1.16	\$35.34
Recycle Driver	25.06	7.39	.67	1.06	1.16	\$35.34
Yard Trimming Claw Driver	25.06	7.39	.67	1.06	1.16	\$35.34
Yard Trimming Collection Driver	25.06	7.39	.67	1.06	1.16	\$35.34
Residential Street Sweeper	19.27	2.72	.52	.82	.89	\$24.22

<b>Breakdown of Benefits</b>		
Paid Vacation Days	After 1 year	7 Days – 56 Hours
	After 5 years	15 Days – 120 Hours
	After 10 years	20 Days – 160 Hours
	After 15 years	25 Days – 200 Hours
	After 20 years	30 Days – 240 Hours
	After 25 years	35 Days – 280 Hours
	After 30 years	40 Days – 320 Hours
Paid Sick Leave	Eleven (11) paid Sick Days	
Paid Holidays	Twelve (12) paid Holidays	

## EXHIBIT 12

### WAGE POLICY

Office of Equality Assurance Wage Determination continued

#### Materials Recovery Facility Operations – Effective 2/16/2006

Classification	Basic Hourly Pay Rate	Health Welfare & Pension	Vacation Minimum (6 Days)	Paid Sick Leave (7 days)	Paid Holidays (8 Days)	Total Hourly Pay
Sorter	12.19	3.53	.36	.42	.48	\$16.98
Floor Sorter/Raker	18.20	3.53	.50	.59	.67	\$23.49
Spotter	14.19	3.53	.41	.48	.55	\$19.16
Buy Back Operator	16.71	3.53	.47	.55	.62	\$21.88
Mechanic	28.92	3.53	.75	.87	1.00	\$35.07
Equipment Operator	18.05	3.53	.50	.58	.66	\$23.32
Baler Operator	18.16	3.53	.50	.58	.67	\$23.44
Scale Operator	19.16	3.53	.52	.61	.70	\$24.52

Breakdown of Benefits		
Paid Vacation Days	After 1 year	6 Days – 48 Hours
	After 5 years	15 Days – 120 Hours
	After 10 years	20 Days – 160 Hours
	After 15 years	25 Days – 200 Hours
	After 20 years	30 Days – 240 Hours
	After 25 years	35 Days – 280 Hours
Paid Sick Leave	Seven (7) paid Sick Days	
Paid Holidays	Eight (8) paid Holidays	

Office of Equality Assurance Wage Determination continued

#### Determination Notes

Pursuant to the California Labor Code and/or City Resolution, the awarding body is responsible for determining classifications to be used on Construction, Maintenance, Service

## EXHIBIT 12

### WAGE POLICY

and other contracts subject to prevailing wage and/or living wage requirements. CONTRACTOR will submit: (1) Labor Compliance Workforce Statement; (2) Labor Compliance Fringe Benefit Statement with supporting documentation within the time specified by the Office of Equality Assurance. CONTRACTOR will also complete and file certified payrolls as requested by the Office of Equality Assurance.

The full amount of the total hourly wage must be paid directly to the worker, UNLESS CONTRACTOR is making payments to a benefit plan. If CONTRACTOR is making payments to a benefit plan but the benefits being paid do not add up to the full amount of benefits identified, CONTRACTOR must pay the difference directly to the worker.

Hours and Days of Work

#### **(Industrial Welfare Commission Order No. 16-2001)**

CITY will use the same guidelines for all covered classifications/employees for all City of San José contracts subject to City prevailing wage or living wage policies.

An employee shall not be employed more than eight (8) hours in any workday or more than 40 hours in any workweek unless the employee receives one and one-half (1 ½) times such employee's regular rate of pay for all hours worked over 40 hours in the workweek. Employment beyond eight (8) hours in any workday or more than six (6) days in any workweek is permissible provided the employee is compensated for such overtime at not less than:

- One and one-half (1 ½) times the employee's regular rate of pay for all hours worked in excess of eight (8) hours up to and including 12 hours in any workday, and for the first eight (8) hours worked on the seventh (7<sup>th</sup>) consecutive day of work in a workweek; and
- Double the employee's regular rate of pay for all hours worked in excess of 12 hours in any workday and for all hours worked in excess of eight (8) on the seventh (7<sup>th</sup>) consecutive day of work in a workweek.

The rates set forth in this Exhibit are subject to annual adjustments beginning July 1, 2006, and each July 1 thereafter. Adjustments will be based on the Consumer Price Index, All Items, for all Urban Consumers [CPI-U] for San Francisco-Oakland-San José. CITY's Office of Equality Assurance will notify CONTRACTOR in writing of any adjustments to these rates.

**EXHIBIT 12**  
**WAGE POLICY**

**Office of Equality Assurance Wage Determination**  
**Collection Services – Effective 2/16/2006**

<b>Classification</b>	<b>Basic Hourly Pay Rate</b>	<b>Health Welfare &amp; Pension</b>	<b>Vacation Minimum (7 Days)</b>	<b>Paid Sick Leave (11 days)</b>	<b>Paid Holidays (12 Days)</b>	<b>Total Hourly Pay</b>
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<b>Breakdown of Benefits</b>		
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	After 30 years	40 Days – 320 Hours
Paid Sick Leave	Eleven (11) paid Sick Days	
Paid Holidays	Twelve (12) paid Holidays	

**EXHIBIT 12**  
**WAGE POLICY**

Office of Equality Assurance Wage Determination continued

**Materials Recovery Facility Operations – Effective 2/16/2006**

<b>Classification</b>	<b>Basic Hourly Pay Rate</b>	<b>Health Welfare &amp; Pension</b>	<b>Vacation Minimum (6 Days)</b>	<b>Paid Sick Leave (7 days)</b>	<b>Paid Holidays (8 Days)</b>	<b>Total Hourly Pay</b>
Sorter	12.19	3.53	.36	.42	.48	\$16.98
Floor Sorter/Raker	18.20	3.53	.50	.59	.67	\$23.49
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Equipment Operator	18.05	3.53	.50	.58	.66	\$23.32
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<b>Breakdown of Benefits</b>		
Paid Vacation Days	After 1 year	6 Days – 48 Hours
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Office of Equality Assurance Wage Determination continued

**Determination Notes**

Pursuant to the California Labor Code and/or City Resolution, the awarding body is responsible for determining classifications to be used on Construction, Maintenance, Service

## EXHIBIT 12

### WAGE POLICY

and other contracts subject to prevailing wage and/or living wage requirements.

CONTRACTOR will Upon award of Agreement, the successful contractor/service provider will be required to submit: (1) Labor Compliance Workforce Statement; (2) Labor Compliance Fringe Benefit Statement with supporting documentation within the time specified by the Office of Equality Assurance. CONTRACTOR will As a condition of its Agreement, this firm may also be required to complete and file certified payrolls as requested by the Office of Equality Assurance.

The full amount of the total hourly wage must be paid directly to the worker, UNLESS CONTRACTOR the Contractor is making payments to a benefit plan. If CONTRACTOR the Contractor is making payments to a benefit plan but the benefits being paid do not add up to the full amount of benefits identified, CONTRACTOR the Contractor must pay the difference directly to the worker.

Hours and Days of Work

#### **(Industrial Welfare Commission Order No. 16-2001)**

CITY will use the same guidelines for all covered classifications/employees for all City of San José contracts subject to City prevailing wage or living wage policies will use the same guidelines for all covered classifications/employees.

An eEmployees shall not be employed more than eight (8) hours in any workday or more than 40 hours in any workweek unless the employee receives one and one-half (1 ½) times such employee's regular rate of pay for all hours worked over 40 hours in the workweek. Employment beyond eight (8) hours in any workday or more than six (6) days in any workweek is permissible provided the employee is compensated for such overtime at not less than:

- One and one-half (1 ½) times the employee's regular rate of pay for all hours worked in excess of eight (8) hours up to and including 12 hours in any workday, and for the first eight (8) hours worked on the seventh (7<sup>th</sup>) consecutive day of work in a workweek; and
- Double the employee's regular rate of pay for all hours worked in excess of 12 hours in any workday and for all hours worked in excess of eight (8) on the seventh (7<sup>th</sup>) consecutive day of work in a workweek.

The rRates set forth in this Exhibit are will be subject to annual adjustments beginning July 1, 2006, and each July 1 thereafter. (Adjustments will be based on the Consumer Price Index, All Items, for all Urban Consumers [CPI-U] for San Francisco-Oakland-San José.) CITY's Office of Equality Assurance will notify CONTRACTOR in writing of any adjustments to these rates.

**EXHIBIT 12**

**WAGE POLICY**



**LABOR COMPLIANCE  
WORKFORCE STATEMENT**

**CONTRACTOR NAME: GARDEN CITY SANITATION**

**SFD SOLID WASTE SERVICES AGREEMENT**

In the chart below, list the name, prevailing wage or living wage classification(s) to be used, rate of pay and hire date for each employee expected to work on the above Agreement. See example below.

<b>EMPLOYEE NAME</b>	<b>CRAFT/TRADE CLASSIFICATION</b>	<b>BASIC HOURLY RATE OF PAY</b> (On City of San José Agreement)	<b>DATE OF HIRE</b> (Indenture Date If Apprentice)
<i>Example: Bob Jones</i>	<i>Garbage Driver</i>	<b>\$25.06</b>	<b>6/1/2002</b>

Questions regarding classifications allowed on San José projects should be directed to the Office of Equality Assurance at 408-535-8430.

## EXHIBIT 12

### WAGE POLICY



## LABOR COMPLIANCE FRINGE BENEFIT STATEMENT

**CONTRACTOR NAME: GARDEN CITY SANITATION, INC.**

**SFD SOLID WASTE SERVICES AGREEMENT**

I certify under penalty of perjury that fringe benefits are paid to the approved plans, funds, or programs as listed below:

Classification	Fringe Benefit Hourly Amount	Name of the Plan or Fund (Attach Premium Transmittal)
1. <div style="border: 1px solid gray; background-color: #e0e0e0; padding: 5px; margin-top: 5px;"> <p><b>Documentation of Plan contribution <u>must</u> be returned with this statement</b></p> <p>Please attach a copy of your most recent transmission into each medical, pension, or profit sharing plan account indicating worker name and amount of contribution.</p> </div>	Vacation \$ _____ Health & Welfare \$ _____ Pension \$ _____ Apprentice \$ _____ Other (specify) \$ _____	_____ _____ _____ _____ _____
2. _____	Vacation \$ _____ Health & Welfare \$ _____ Pension \$ _____ Apprentice \$ _____ Other (specify) \$ _____	_____ _____ _____ _____ _____
3. _____	Vacation \$ _____ Health & Welfare \$ _____ Pension \$ _____ Apprentice \$ _____ Other (specify) \$ _____	_____ _____ _____ _____ _____

All (or some) fringes are paid in cash by adding the amount to the employee's basic hourly rate.

\_\_\_\_\_  
Company Name (Please Print)

\_\_\_\_\_  
Name and Title (Please Print)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature



## EXHIBIT 13

# CONTRACTOR ELECTRONIC INTERFACE REQUIREMENTS

## Contractor Back-End Integration Interface Functional Requirements and Design

### Contents

- 1 Functional Requirements
  - 1.1 Overview
- 2 Functional Design
  - 2.1 Approach

## EXHIBIT 13

# CONTRACTOR ELECTRONIC INTERFACE REQUIREMENTS

## 1 FUNCTIONAL REQUIREMENTS

### 1.1 OVERVIEW

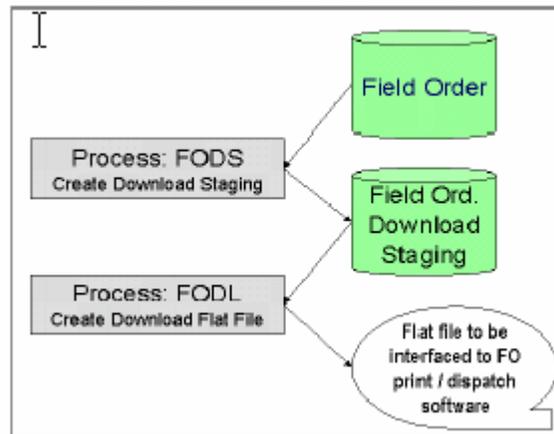
PeopleSoft RM provides the ability for users (City and Hauler staff) to create and dispatch Field Activities from within the application / portal. However, residential contractors may use an interface (inbound) to process Service Orders created within their applications. This reduces duplicative data entry by hauler staff and minimizes the need for Contractor Customer Service Representatives (CSR) to be versatile in two applications. For Field Activities created by the City CSR (for Contractors), a set of interfaces (outbound/inbound) is required. Although a real-time interface is desired, the Contractors could be faced with technology challenges in performing a point to point integration with PeopleSoft RM. Considering this and the cost of a real-time interface, a near real-time interface using batch processes is the preferred option.

## 2 FUNCTIONAL DESIGN

### 2.1 APPROACH

#### For Field Activities (FA) created by City CSR:

The following diagram illustrates the processes involved in the creation of the flat file that is interfaced to each Hauler.



#### FDS – Create Download Staging

This process looks for all field orders that are marked for extraction (a field order gets marked for extraction when it is first created if its dispatch group is dispatchable). For each record found, the system creates a field order download staging record.

## EXHIBIT 13

### CONTRACTOR ELECTRONIC INTERFACE REQUIREMENTS

Each download staging record is marked with a batch control ID & run number when it's created.

- The batch control ID comes from the field order's dispatch group. This ID corresponds with a specific extraction method.
- The run number is the batch control ID's current run number.

#### **FDL – Create Download Flat File**

This process reads all download staging records marked with a given batch control ID & run number, and creates the flat files for the Haulers. This process is re-runnable and the flat-files can be reproduced at any time. The no. of files created in each run is dependant on the distinct Distributor Ids (Haulers) for the batch and run number being processed. The file structure is as follows:

PeopleSoft RM Field Name	Structure	Comments
FA_ID	AN (10)	The Field Activity ID in PeopleSoft Revenue Management
FA_TYPE_CD	AN (8)	The Field Activity type code
FA_DESCR	AN (30)	The corresponding FA Description.
SP_ID	AN (10)	The Service Point ID associated to the Field Activity
SP_TYPE_CD	AN (8)	The SP Type Code for the SP_ID that is referenced on the FA. Since the same FA Type can be used across all services, the combination of the FA Description with the SP Type Code will indicate for which service the activity is being performed for.
EXTRACT_DTTM	DATE (26)	CI_FO.EXTRACT_DTTM
SCHED_DT	DATE (10)	CI_FO.SCHED_DT
SCHED_TM	TIME (15)	CI_FO.SCHED_TM
FA_STATUS_FLG	AN (2)	"P" → <i>Pending</i>
INSTRUCTIONS	AN (254)	For applicable FA Types, the current and new Multi-Information will be transferred. This is only

## EXHIBIT 13

### CONTRACTOR ELECTRONIC INTERFACE REQUIREMENTS

PeopleSoft RM Field Name	Structure	Comments
		applicable for single-row SFDs or Yard Trimming/Street Sweeping Service. For e.g. multi-row SDF and MFDs, the user (City CSR) is required to manually input the instruction for the Hauler.
DESCR254	AN (254)	Additional Comments.
PREM_ID	AN (10)	CI_PREM.PREM_ID
CU_LEGACY_SLN	AN (50)	Legacy Service Location Number CI_PREM_GEO.GEO_VAL Where GEO_TYPE_CD = 'SLN' (only populate if available)
CU_APN	AN (50)	Current Parcel Number
CU_SVC_ADDRESS	AN (150)	Custom Field. Service Address made up of the following fields: Address1  Address2  City  State  Zip
FR_ITEM_TYPE	AN (8)	Will be populated if current (Effective Date <= SYSDATE) SP Multi-Item has a single row.
FR_ITEM_CNT	NBR (11,2)	Count associated to the ITEM TYPE CODE above
TO_ITEM_TYPE	AN (8)	Will be populated if new (Effective Date > SYSDATE) SP Multi-Item has a single row.
TO_ITEM_CNT	NBR (11,2)	Count associated to the ITEM TYPE CODE above
CU_OWNER_NAME	AN (50)	Owner's Primary Name.
CU_OWNER_PHONE	AN (24)	Owner's Primary Phone Number.
CU_ALERT	AN (50)	
CU_OCCUPANT_NAME	AN (50)	Person in Occupant table or Account Relationship for MAIN_CUST_SW = 'Y'. Identify Account from Premise's SA/SP Link.
CU_OCCUPANT_PHONE	AN (24)	Occupant's Primary Phone Number.
BATCH_CD	AN (8)	PeopleSoft RM Batch Code for extract process
BATCH_NBR	NUM (10)	PeopleSoft RM Batch Number that corresponds to

## EXHIBIT 13

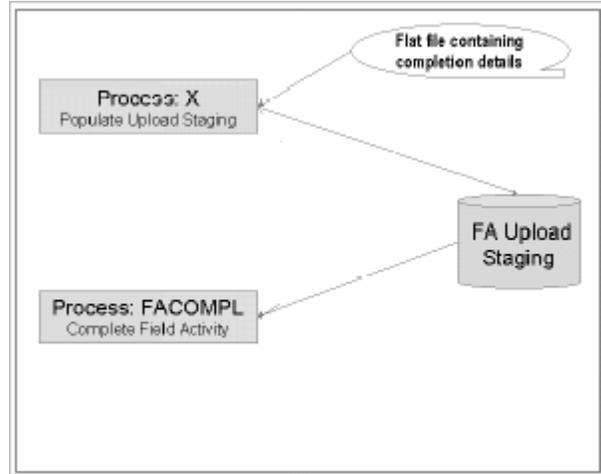
### CONTRACTOR ELECTRONIC INTERFACE REQUIREMENTS

PeopleSoft RM Field Name	Structure	Comments
		the extract

Field Order Completion Upload Background Processes:

The following diagram illustrates the processes involved in the uploading of field order completion, from the Hauler.

The required data from the Hauler, upon completing or closing a Service Order (FA) is reflected below:



PeopleSoft RM Field Name	Structure	Comments
CU_FA_CRE_TYPE	AN (3)	If this record corresponds to a Field Activity created by City CSR, the value 'PRM' should be populated. If this record corresponds to a Field Activity created by the Hauler, the value 'HAL' should be populated.
CU_SVC_ORDER_ID	AN (20)	If this record corresponds to a Field Activity created by City CSR, the FA_ID field should be populated. If this record corresponds to a Field Activity created by Hauler, the Unique Service Order ID prefixed by either 'GT', 'GW' or 'NC' should be populated. GT → Green Team, GW → Green Waste, NC → NorCal.
FA_STATUS_FLG	AN (2)	e.g. "C" → <i>Completed</i> "X" → <i>Cancelled</i>
WORK_DTTM	DATE (26)	Only Populated if the FA_STATUS_FLG = 'C'. The date and time the Service Order was completed
DESCR254	AN (254)	Field Comments
CAN_RSN_CD	AN (4)	Only Populated if the FA_STATUS_FLG = 'X'. The record has to correspond to a value configured in PeopleSoft RM.

## EXHIBIT 13

### CONTRACTOR ELECTRONIC INTERFACE REQUIREMENTS

In the event the Service Order is created by the Hauler, the above records will only be processed if a Field Activity record exists in PeopleSoft. Otherwise, an exception record is created in a custom table. The structure of this exception table is discussed in the next section. Completed FA will be processed through the FA Upload staging process.

**For Service Orders created by Haulers:**

Haulers are required to transmit data in the following format (Fixed Length format) for Service Orders generated in their systems. For the City of San José to accurately track and respond to customer requests, it is a requirement for Haulers to transmit the Service Orders in a flat file every fifteen minutes. These files will be deposited within an FTP (File Transfer Protocol) site.

PeopleSoft RM Field Name	Structure	Comments
CU_SVC_ORDER_ID	AN (20)	Corresponds to a Field Activity created by Hauler, the Unique Service Order ID prefixed by either 'GT', 'GW' or 'NC' should be populated. GT → Green Team, GW → Green Waste, NC → NorCal.
FA_TYPE_CD	AN (8)	The Field Activity Type configured in PeopleSoft RM. The Hauler has to cross reference this value from the Service Order code in the Hauler's application.
SP_TYPE_CD	AN (8)	The Service Point Type configured in PeopleSoft RM. The Hauler has to cross-reference this value from the Service code (e.g. Garbage, Re-cycling, Yard-Trimming, Street Sweeping) in the Hauler's application.
PREM_ID	AN (10)	Hauler will need to store the PeopleSoft RM Premise ID for each Premise being serviced. This together with the Service Point Type will be used as the primary identifier in locating the SP to create the Field Activity on.
CU_LEGACY_SLN	AN (50)	Legacy Service Location Number, if PREM_ID is not available.
SCHED_DATE	DATE (26)	The Schedule Date of Service
SCHED_TIME		The Scheduled Time of Service

## EXHIBIT 13

### CONTRACTOR ELECTRONIC INTERFACE REQUIREMENTS

PeopleSoft RM Field Name	Structure	Comments
FA_STATUS_FLG	AN (2)	"P" → Pending
INSTRUCTIONS	AN (254)	Hauler CSR to provide details on the Service to be performed. This is required for e.g. multi-row SFDs and MFDs.
DESCR254	AN (254)	Field Comments
RM_ITEM_TYPE	AN (8)	This value will be populated if the existing item is required to be removed/exchanged. Should only be populated if service corresponds to a single-row SFD or a single-row Yard trimming/ Street Sweeping Service. To be used for removing SP multi-items. <b>DO NOT POPULATE THIS FOR MFD SERVICES.</b> MFD change requests should be reflected in the INSTRUCTIONS FIELD.
RM_ITEM_CNT	NBR (11,2)	Count associated to the ITEM TYPE CODE above
AS_ITEM_TYPE	AN (8)	This value will be populated if a new item is required to be added/exchanged. Should only be populated if service corresponds to a single-row SFD or a single-row Yard trimming/ Street Sweeping Service.  To be used for adding SP multi-items.  <b>DO NOT POPULATE THIS FOR MFD SERVICES.</b> MFD change requests should be reflected in the INSTRUCTIONS FIELD.
AS_ITEM_CNT	NBR (11,2)	Count associated to the ITEM TYPE CODE above

Each record is processed by invoking the Field Activity, Field Order and SP Multi-Item creation routines. The Hauler's Service Order ID is stored as an Adhoc Characteristic value, which will be used as an identifier when completing the Field Activity.

The CU\_LEGACY\_SLN maybe passed if the PREM\_ID is not available.

A log will be generated for each file processed, and maybe sent to the respective Haulers via e-mail or FTP (automated). The log will contain the status of each Service Order processed. For Service Order with an exception, an exception description will be reflected next to the Service Order. Also the log file will contain the list of Field Activities cancelled in the Application (non

## EXHIBIT 13

### CONTRACTOR ELECTRONIC INTERFACE REQUIREMENTS

Hauler generated) that have not been notified.

For Garbage Service, the RM\_ITEM\_TYPE and RM\_ITEM\_CNT if populated will be evaluated to see if the value matches the current setup in the application. If a mismatch occurs, and exception will be created for the Service Order.

#### Exceptions:

All exceptions will be inserted into the following table, and can be queried by the Haulers. The above components will not be created for 'Pending' records reflected in the exception table.

PeopleSoft RM Field Name	Structure	Comments
DISTRIBUTOR_ID	AN (10)	Hauler's ID
CU_FA_CRE_TYPE	AN (3)	If this record corresponds to a Field Activity created by City CSR, the value 'PRM' should be populated. If this record corresponds to a Field Activity created by the Hauler, the value 'HAL' should be populated.
CU_SVC_ORDER_ID	AN (20)	If this record corresponds to a Field Activity created by City CSR, the FA_ID field should be populated. If this record corresponds to a Field Activity created by Hauler, the Unique Service Order ID prefixed by either 'GT', 'GW' or 'NC' should be populated. GT → Green Team, GW → Green Waste, NC → NorCal.
FA_STATUS_FLG	AN (2)	"P" → Pending, "X" → Cancelled, "C" → Completed. The value from the inbound file.
CRE_DTTM	AN (26)	Exception creation Date/Time
DESCR254	AN (254)	Exception description

#### Cancel Reasons Currently in System:

Customer Request (used for rescheduling Large Item Collections, etc.)

SA Start/Stop cancelled (sale of house did not go through)

## **EXHIBIT 14**

# **LANDFILL DATA RECONCILIATION INTERFACE TECHNICAL REQUIREMENTS AND DESIGN**

## **Landfill Interface**

### **Interface Technical Requirements and Design**

#### **Contents**

- 1 Development Requirements
  - 1.1 Overview
- 2 Technical Design
  - 2.1 Approach

## EXHIBIT 14

# LANDFILL DATA RECONCILIATION INTERFACE TECHNICAL REQUIREMENTS AND DESIGN

## 1 Development Requirements

### 1.1 Overview

The Weight Tag information from the Landfill for Refuse is required to be reconciled with Weight Tag data from the Haulers. Weight Tag information will be uploaded into a custom component developed with search capabilities, within the PeopleSoft RM.

## 2 Technical Design

### 2.1 Approach

Two components will be created within the Consolidated Utility Billing System (PeopleSoft RM). One will correspond to Landfill Weight Tag data, and the other will correspond to Hauler Weight Tag data. Data will be transmitted from the Landfill and Haulers in .CSV format on a monthly schedule. The following naming convention will be used for the input data files:

From Landfill: SJ193MMYY.csv, SJ465MMYY.csv MM → Month YY → Year

From Hauler: xxMMDDYYYY.csv, MM → Month, DD → Day, YYYY → Year

Proposed Category Types:

Weight Tags

- Landfill – Refuse
- Hauler – Refuse
- Hauler – Recycling
- Hauler – Yard-Trimming
- Hauler – Street Sweeping

The individual Category will correspond to each Service setup as a part of the Hauler's Account. Also, the city has setup specific Job Codes for the different Hauler Services and this will be reflected within each Landfill Ticket.

The Job Code from the ticket will be used to determine and associate the Landfill Ticket to the respective Hauler's Account in the system.

The combination of Hauler's Name Code and the Route Code (Weight Tag Cross-Reference) will be used to determine and associate the Hauler Ticket to the respective Hauler Account and Service Agreement in the system. Each Hauler Account is also designated with one Service Agreement that could be used to reference Hauler Tickets with exceptions. Exceptions can be fixed manually by reviewing the log, or by querying unassigned routes.

## EXHIBIT 14

# LANDFILL DATA RECONCILIATION INTERFACE TECHNICAL REQUIREMENTS AND DESIGN

Hauler Job Code History...

**Account**  No Account in context      **Customer**  No Customer in context  
**Premise**  No Premise in context

		Customize	Find			First	1-10 of 10	Last
*Job Number (Contract #)	*Account ID							
1	SJCITYVEHICLES	0494222860	<input type="button" value="Q"/>	Green Team-GB-CIVIC-Muni				<input type="button" value="+"/> <input type="button" value="-"/>
2	SJCWDA	8405679065	<input type="button" value="Q"/>	Green Waste-SS-Dist A				<input type="button" value="+"/> <input type="button" value="-"/>
3	SJGREENTEAMSFD	0494222860	<input type="button" value="Q"/>	Green Team-GB-CIVIC-Muni				<input type="button" value="+"/> <input type="button" value="-"/>
4	SJGREENWASTEWEEP	8405679065	<input type="button" value="Q"/>	Green Waste-SS-Dist A				<input type="button" value="+"/> <input type="button" value="-"/>
5	SJGTCITYFACILITIES	0494222860	<input type="button" value="Q"/>	Green Team-GB-CIVIC-Muni				<input type="button" value="+"/> <input type="button" value="-"/>
6	SJGTCLEANUP	0494222860	<input type="button" value="Q"/>	Green Team-GB-CIVIC-Muni				<input type="button" value="+"/> <input type="button" value="-"/>
7	SJGTMFD	0494222860	<input type="button" value="Q"/>	Green Team-GB-CIVIC-Muni				<input type="button" value="+"/> <input type="button" value="-"/>
8	SJNORCALCLEANUP	9482841090	<input type="button" value="Q"/>	Norcal-GB-SFD-Dist A				<input type="button" value="+"/> <input type="button" value="-"/>
9	SJNORCALSF	9482841090	<input type="button" value="Q"/>	Norcal-GB-SFD-Dist A				<input type="button" value="+"/> <input type="button" value="-"/>
10	SJNORCALSWEEP	9482841090	<input type="button" value="Q"/>	Norcal-GB-SFD-Dist A				<input type="button" value="+"/> <input type="button" value="-"/>

SA_ID	SA_TYPE_CD	Description	Weight Tag Cross-reference
0494274754	GT-GBCM	Green Team-GB-CIVIC-Muni	<input type="button" value="+"/>
0494294991	GT-GBMA	Green Team-GB-MFD-Dist A	GTGX
0494275904	GT-GBMB	Green Team-GB-MFD-Dist B	
0494276144	GT-GBMC	Green Team-GB-MFD-Dist C	
0494240479	GT-GBSB	Green Team-GB-SFD-Dist B	GTG, GTEXCEP
0494277560	GT-RYMA	Green Team-RY-MFD-Dist A	GTRX
0494245273	GT-RYMB	Green Team-RY-MFD-Dist B	
0494239867	GT-RYMC	Green Team-RY-MFD-Dist C	
0494290792	GT-RYSB	Green Team-RY-SFD-Dist B	GTR
8405644706	GW-SSXA	Green Waste-SS-Dist A	
8405690771	GW-SSXB	Green Waste-SS-Dist B	
8405677408	GW-YTXA	Green Waste-YT-Dist A	GW
8405685568	GW-YTXB	Green Waste-YT-Dist B	
9482820576	NC-GBSA	Norcal-GB-SFD-Dist A	NCSFDGBDA
9482871456	NC-GBSC	Norcal-GB-SFD-Dist C	NCSFDGBDC
9482885812	NC-RYSA	Norcal-RY-SFD-Dist A	NCSFDRYDA
9482853505	NC-RYSC	Norcal-RY-SFD-Dist C	NCSFDRYDC
9482858999	NC-SSXC	Norcal-SS-Dist C	NCSSDC
9482857792	NC-YTXC	Norcal-YT-Dist C	NCYTDC

## EXHIBIT 14

### LANDFILL DATA RECONCILIATION INTERFACE TECHNICAL REQUIREMENTS AND DESIGN

The reconciliation between the Landfill Ticket and Hauler Ticket is done based on the Hauler Account No., Create Date of the Ticket and the Ticket Number. The City user will have the ability to reconcile Tickets using a date range (From and To Dates).

Field Name: CU\_RECONCILE\_STAT SAMPLE

	Value	Active	Eff Dt	Long Name	Short Name
1	DIF	<input checked="" type="checkbox"/>	01/01/1901	Differs	Differs
2	MUL	<input checked="" type="checkbox"/>	01/01/1901	Multiple Match	Mul Match
3	NEW	<input checked="" type="checkbox"/>	01/01/1901	New	New
4	NOM	<input checked="" type="checkbox"/>	01/01/1901	No Match	No Match
5	REC	<input checked="" type="checkbox"/>	01/01/1901	Reconciled	Reconciled

Tickets are loaded with a NEW status. When a Hauler Ticket is processed, the reconciliation status is updated with one of the above status. The reconciliation process will attempt to reconcile all non “REC” status records at every attempt if the input date criteria matches.

All “REC” and “DIF” status records will have their corresponding tickets displayed next to each other. The Landfill Ticket will be “view” only in this instance.

Haulers will only have access to view, add and rectify tickets linked to their Accounts. Also, specific queries for data analysis maybe setup for each Hauler.

**PeopleSoft** Home | Worklist | MultiChannel Console

**Menu**  
 Search:

- ▶ My Favorites
- ▶ Tax Roll Interface
- ▶ Maintain Customer Information
- ▶ Enter Financial Information
- ▶ Monitor Credit Collections
- ▶ Manage Field Information
- ▼ Manage Weight Tags
  - ▶ Setup
    - Haulers Tickets
    - Landfill Tickets
    - Weight Tag Reconciliation
- ▶ Process Workflow
- ▶ Maintain Assets
- ▶ Enter Meter Reads
- ▶ Schedule Background Processes
- ▶ Reports
- ▶ Structure Rates
- ▶ Configure General Options
- ▶ Worklist
- ▶ Application Diagnostics
- ▶ Tree Manager
- ▶ Reporting Tools
- ▶ PeopleTools
  - Control Central
  - Meter Search
  - Item Search
  - Change My Password
  - My Personalizations
  - My System Profile
  - My Dictionary

**Landfill Tickets**  
 Enter any information you have and click Search. Leave fields blank for a list of all values.

Find an Existing Value

**Weight Tag ID:**

**Account ID:**

**Creation Date:**

**Ticket Number:**

**Truck Number:**

**Job Number (Contract #):**

[Basic Search](#)

**Search Results**  
 Only the first 300 results can be displayed. Enter more information above and search again to reduce the

[View All](#) First

Weight Tag ID	Account ID	Creation Date	Ticket Number	Truck Number	Job Number (Contract #)
0004114354	9482841090	05/17/2005	175470	NC13051	SJNorcaISFD
0004398195	9482841090	05/04/2005	168991	NC13101	SJNorcaISFD
0012090561	9482841090	05/12/2005	172629	NC13108	SJNorcaISFD
0013462738	9482841090	05/11/2005	172400	NC13083	SJNorcaISFD
0014726450	9482841090	05/20/2005	177141	NC13080	SJNorcaISFD
0017662217	0494222860	05/12/2005	172851	GRNTM921	SJGreenTeamSFD
0019841256	9482841090	05/12/2005	172631	NC13068	SJNorcaISFD

# EXHIBIT 14

## LANDFILL DATA RECONCILIATION INTERFACE TECHNICAL REQUIREMENTS AND DESIGN

PeopleSoft. [Home](#) [Worklist](#) [MultiChannel Console](#) [Add to Favorites](#) [Sign out](#)

Menu Search:

- My Favorites
- Tax Roll Interface
- Maintain Customer Information
- Enter Financial Information
- Monitor Credit Collections
- Manage Field Information
- Manage Weight Tags
  - Setup
  - Haulers Tickets
  - Landfill Tickets
  - Weight Tag Reconciliation
- Process Workflow
- Maintain Assets
- Enter Meter Reads
- Schedule Background Processes
- Reports
- Structure Rates
- Configure General Options
- Worklist
- Application Diagnostics
- Tree Manager
- Reporting Tools
- PeopleTools
  - Control Central
  - Meter Search
  - Item Search
  - Change My Password
  - My Personalizations
  - My System Profile

Account: No Account in context    Customer: No Customer in context  
 Premise: No Premise in context

Weight Tag ID: 0017662217

\*Tag Type: Landfill Garbage    \*Ticket Number: 172851  
 Account ID: 0494222860    GTEAM  
 Truck Number: GRNTM921  
 Creation Date: 05/12/2005    Time IN: 7:33PM    Time Out: 7:55PM    HH:MM AM/PM  
 Job Number: SJGreenTeamsFD  
 Reference:    Bill of Lading: 911  
 Material Code: B07  
 Material Charge Rate: \$32.41  
 Weight In: 55080    Weight Out: 43340  
 Material Qty: 5.87    Disposal UOM: LB    Pounds  
 Actual Fill Yards: 22.00    Fill Yards UOM: CY    Cubic Yard

Audit Information  
 Last Update User ID: VP1  
 Last Update Date/Time: 07/22/2005 11:11:43AM

PeopleSoft. [Home](#) [Worklist](#) [MultiChannel Console](#) [Add to Favorites](#) [Sign out](#)

Menu Search:

- My Favorites
- Tax Roll Interface
- Maintain Customer Information
- Enter Financial Information
- Monitor Credit Collections
- Manage Field Information
- Manage Weight Tags
  - Setup
  - Haulers Tickets
  - Landfill Tickets
  - Weight Tag Reconciliation
- Process Workflow
- Maintain Assets
- Enter Meter Reads
- Schedule Background Processes
- Reports
- Structure Rates
- Configure General Options
- Worklist
- Application Diagnostics
- Tree Manager
- Reporting Tools
- PeopleTools
  - Control Central
  - Meter Search
  - Item Search
  - Change My Password
  - My Personalizations
  - My System Profile

Hauler Tickets  
 Enter any information you have and click Search. Leave fields blank for a list of all values.

Find an Existing Value    Add a New Value

Hauler Weight Tag ID: begins with   
 Account ID: begins with   
 SA ID: begins with   
 Ticket Number: begins with   
 Creation Date: =    
 Truck Number: begins with   
 Route: begins with   
 Weight Tag ID: begins with   
 Reconcile Status: =  New

Search    Clear    Basic Search    Save Search Criteria

Search Results  
 Only the first 300 results can be displayed. Enter more information above and search again to reduce the number of search results.

Hauler Weight Tag ID	Account ID	SA ID	Ticket Number	Creation Date	Truck Number	Route	Weight Tag ID	Reconcile Status
0016438292	0494222860	0494290792	92795	11-JUL-05	915	RM15	(blank)	New
0020094697	0494222860	0494290792	92534	04-JUL-05	903	RM04	(blank)	New
0025502845	0494222860	0494290792	93169	19-JUL-05	906	RT16	(blank)	New

# EXHIBIT 14

## LANDFILL DATA RECONCILIATION INTERFACE TECHNICAL REQUIREMENTS AND DESIGN

PeopleSoft. Home | Worklist | MultiChannel Console | Add to Favorites | Sign

Account No Account in context Customer No Customer in context  
Premise No Premise in context

Hauler Ticket | Comments | Landfill Tickets

Hauler Weight Tag ID 0016334657

Tag Type Hauler Recycling Ticket Number 172851  
Name GT Facility NB  
Account ID 0494222860 GTEAM  
SA ID 0494277560 Green Team-RY-MFD-Dist A  
Truck Number GRNTM921  
Collection Date 07/27/2005 Creation Date 05/12/2005 Time 10:22AM HH:MI AM/PM  
Day of Week 4 Route RXW02  
Net Tons 5.87 Material 100-Recycling Inbound

Reconciliation Status  
Reconcile Status Reconciled Weight Tag ID 0017662217

Audit Information  
Last Update User ID: VP1  
Last Update Date/Time: 08/14/2005 12:51:27AM

PeopleSoft. Home | Worklist | MultiChannel Console | Add to Favorites | Sign

New Window | Help

Hauler Tickets  
Enter any information you have and click Search. Leave fields blank for a list of all values.

Find an Existing Value | Add a New Value

Hauler Weight Tag ID: begins with  
Account ID: begins with  
SA ID: begins with  
Ticket Number: begins with  
Creation Date: =  
Truck Number: begins with  
Route: begins with  
Weight Tag ID: begins with  
Reconcile Status: = Reconciled

Search Clear Basic Search Save Search Criteria

Search Results  
View All First 1-2 of 2 Last

Hauler Weight Tag ID	Account ID	SA ID	Ticket Number	Creation Date	Truck Number	Route	Weight Tag ID	Reconcile Status
0016334657	0494222860	0494277560	172851	12-MAY-05	GRNTM921	RXW02	0017662217	Reconciled

When uploading Hauler Tickets, a log file is generated. This file can be auto e-mailed to the respective Hauler.

## EXHIBIT 14

### LANDFILL DATA RECONCILIATION INTERFACE TECHNICAL REQUIREMENTS AND DESIGN

**Landfill Weight Tag processing:**

Application Engine Program: CU\_LFILL\_UPL (Landfill Weight Tag Upload Process)

Read each record in Flat File, determine Hauler Account and process record. Insert data into CU\_LANDFILL, and create log report.

Num	Field Name	Type	Len	Format	Short Name	Long Name
1	CU_WTAG_ID	Char	10	Upper	Weight Tag ID	Weight Tag ID
2	CU_WTAG_TYPE	Char	4	Upper	Tag Type	Tag Type
3	ACCT_ID	Char	10	Upper	Acct ID	Account ID
4	CRE_DT	Date	10		Creation Date	Creation Date
5	CU_TICKET_NO	Char	15	Upper	Ticket Number	Ticket Number
6	CU_TIME_IN	Time	15		Time IN	Time IN (HH:MIAM/PM)
7	CU_TIME_OUT	Time	15		Time Out	Time Out (HH:MIAM/PM)
8	CU_VEHICLE_NO	Char	15	Upper	Truck Number	Truck Number
9	CU_ROLL	Char	15	Upper	Roll Off Number	Roll off Number
10	CU_JOB_CD	Char	30	Mixed	Job Number	Job Number (Contract #)
11	CU_REFERENCE	Char	50	Mixed	Reference	Reference
12	CU_BILL_LADING	Char	20	Mixed	Bill of Lading	Bill of Lading
13	CU_MATERIAL	Char	3	Upper	Material Code	Material Code
14	CU_RATE	Sign	13.2		Rate	Material Charge Rate
15	CU_WEIGHT_IN	Nbr	6		Weight In	Weight In
16	CU_WEIGHT_OUT	Nbr	6		Weight Out	Weight Out
17	BILL_SQ	Sign	11.2		Billable SQ	Billable Service Qty
18	CU_UOM_1	Char	4	Upper	Disposal UOM	Disposal Unit of Measur
19	CU_FILL	Sign	11.2		Volume	Volume
20	CU_UOM_2	Char	4	Upper	Fill Yards UOM	Fill Yards Unit of Measur
21	LASTUPDOPRID	Char	30	Mixed	Last Upd User	Last Update User ID
22	LASTUPDDTTM	DtTm	26	Scnds	Last Update	Last Update Date/Time



**EXHIBIT 15**  
**TRANSITION SERVICES AGREEMENT**

## TRANSITION SERVICES AGREEMENT

THIS TRANSITION SERVICES AGREEMENT is entered into as of the Start Date (as defined below) by and between Garden City Sanitation, Inc., a California corporation ("GCS"), and California Waste Solutions, Inc., a California corporation ("CWS"), with reference to the following:

A. Pursuant to a request for proposals, the City of San Jose, a municipal corporation of the State of California (the "City"), has awarded to GCS an Agreement for Recycle Plus SFD Solid Waste Services (the "Collection Agreement"), and to CWS an Agreement for Recycle Plus (the "Recycling Agreement").

B. As conditions to such awards, the City has required (i) each of GCS and CWS to enter into a Memorandum of Understanding with the City (each, an "MOU") regarding the mobilization phase of the Collection Agreement and the Recycling Agreement, which runs from the date of each such Agreement through July 1, 2007 (the "Start Date"), and (ii) GCS and CWS to enter into an agreement to provide each other with mutual assistance during the first six (6) months after the Start Date (the "Start-Up Period").

C. GCS and CWS have agreed to provide mutual assistance to one another during the Start-Up Period on the terms herein.

NOW, THEREFORE, in and for the mutual covenants herein, and other consideration the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement agree as follows:

1. DEFINITIONS. The following terms, when used herein with initial capital letters, will have the meanings ascribed to such terms in this Section 1:

1.1 "Affiliate" means, with respect to GCS or CWS, any person that directly or indirectly controls, is controlled by or is under common control with GCS or CWS, respectively. A person shall be deemed to "control" another person if such first person has the power to direct or cause the direction of such other person, whether through ownership of securities, by contract or otherwise.

1.2 "Recipient" means GCS or CWS in its capacity as the recipient of Services to be provided by the other party hereunder.

1.3 "Recipient Personnel" means all officers, directors, employees, agents, contractors, and representatives of a Recipient who receive Services under this Agreement or have access to Service Provider Confidential Information (as defined below).

1.4 "Services" means the services and rights to use equipment of each Service Provider described in Schedule A attached hereto, as may be changed or supplemented during the term of this Agreement pursuant to the terms hereof. If any service, function or task not specifically described in this Agreement is an inherent or necessary part of the performance of Services, it will be deemed included within the scope of Services.

1.5 "Service Provider" means GCS or CWS in its capacity as the provider of Services to the other party hereunder.

1.6 "Service Provider Personnel" means all officers, directors, employees, agents, contractors, and representatives of a Service Provider or its Affiliates who provide Services under this Agreement or have access to Recipient Confidential Information (as defined below).

## 2. SERVICES

2.1 **Provision of Services.** Each Service Provider will provide, or will cause its Affiliates to provide, subject to Section 2.8, Services to Recipient from time to time during the term of this Agreement upon the written request of Recipient for use in connection with Recipient's performance of its obligations under the Collection Agreement or the Recycling Agreement, as the case may be. As a condition to such Services, each party shall be named an additional insured under the policies of insurance covering the other party and its Personnel and equipment used in connection with the Services and each party agrees to maintain insurance reasonably satisfactory to the other. The policies shall be of the types and in the amounts required by the Collection Agreement and the Recycling Agreement, and each party shall provide the other with current certificates of insurance confirming such coverage. Except as otherwise expressly provided in this Agreement, Service Provider will be responsible for providing the facilities, personnel, and other resources required for performance of such Services, and each party will bear its own expenses in connection with the performance of its obligations under this Agreement.

2.2 **General Standards of Performance.** Service Provider will provide (and cause its Affiliates to provide) Services with at least the same level of skill, quality, care and timeliness as such Services are performed for Service Provider itself and with equipment that is in good condition and properly maintained. Service Provider will comply (and cause its Affiliates to comply) with all applicable federal, state, and local laws and regulations in connection with its obligations under this Agreement. Service Provider shall be entitled to rely, in the performance of its obligations hereunder, on any instructions or notices provided to Service Provider by any officer of Recipient that Service Provider reasonably believes is authorized to give such instructions or notices.

2.3 **Transition Assistance Only.** The parties acknowledge that the purpose of this Agreement is to enable each party to perform all of its obligations under the Collection Agreement or the Recycling Agreement, as the case may be, without the assistance of the other party by the end of the Start-Up Period.

2.4 **Additional Services.** If Recipient reasonably requests that Service Provider perform additional services not included within the scope of Services, then the parties will promptly negotiate in good faith with a view toward adding such additional services to Schedule A and, to the extent practicable, on the same terms and conditions as are set forth in this Agreement.

2.5 **Changes.** The parties acknowledge the transitional nature of Services and that Service Provider may make changes from time to time in the manner of performing Services if Service Provider is making the same changes in performing the same services for itself or its Affiliates and if Service Provider furnishes to Recipient the same notice that Service Provider provides to its employees or Affiliates respecting such changes.

2.6 **Good Faith Cooperation.** The parties will use good faith efforts to cooperate with each other in all matters relating to the provision and receipt of Services.

2.7 **Additional Activities.** Except as necessary to provide Services, Service Provider shall not be obligated to: (a) hire any additional employees; (b) maintain the employment of any specific employee; or (c) purchase or lease any additional equipment.

2.8 **Recycle Plus Compliance.** Each party's obligation to be a Service Provider upon the specific request of a Recipient hereunder is conditional upon the Service Provider having satisfied, or determined in its sole discretion that it will be able to satisfy, its obligations to the City under its Collection Agreement or Recycling Agreement, as applicable and to its employees under applicable collective bargaining agreements with the resources it has situated in the City.

The obligation of each party to provide Services using other resources of the party or of an Affiliate shall be conditioned on such party or affiliate having performed or determining in its sole discretion that it can perform the contractual obligations with respect to which such resources are maintained and principally dedicated.

### 3. COMPENSATION

3.1 Invoicing and Payment. Recipient shall compensate Service Provider for Services in accordance with Schedule A. Service Provider will invoice Recipient (i) monthly at the end of each month for the amount due under this Agreement for that month with respect to fees (if any) for Services rendered. Such invoices will specify in reasonably sufficient detail amounts due with respect to the Services (if any). Undisputed amounts of each invoice will be due within ten (10) days after Recipient's receipt of the invoice. If the amounts owed to either party in any month exceed the amounts owed to the other party for such month, then the first party will apply the amounts owed to the other party against the amounts owed to the first party and the other party shall pay the first party the balance. Each party will show the amount of such set-off in the invoices and statements furnished hereunder.

3.2 Final Invoice. Within thirty (30) days after termination or expiration of this Agreement, Service Provider shall issue to Recipient a final invoice for this Agreement. Any amounts due from Recipient pursuant to such final invoice will be due and payable within thirty (30) days after Recipient's receipt of such final invoice and will be set off against any amounts owed to Recipient as specified above. After payment of the final invoice has been made, Recipient will not be responsible for any further payments not included in such final invoice unless such further payments cannot be calculated at the time the invoice is issued and Service Provider reasonably identifies the nature and estimated amount of such further payments. Service Provider and Recipient agree to cooperate in good faith to resolve any disputes arising from the final invoice within such thirty (30) day period.

3.3 Taxes. Recipient shall pay any sales, use or similar tax (excluding any income tax or taxes levied with respect to gross receipts) due with respect to amounts payable to Service Provider for Services received under this Agreement, provided that Service Provider separately includes such taxes on the applicable invoice to Recipient. Service Provider will be responsible for remitting all such taxes to the relevant authorities.

3.4 Disputed Amounts; Late Payment. Recipient may withhold payment of any invoiced amounts that are subject to a good faith dispute. Recipient will pay the undisputed amount of the applicable invoice and will notify Service Provider of the reason for the dispute. The parties will meet within ten (10) days after such notice to resolve the dispute. If Recipient fails to make payment of any undisputed amount when due hereunder, then Service Provider will be entitled to charge Recipient interest on such late payments at an annual rate of ten percent (10%), but not in excess of the highest rate then permitted by law, for the period from the due date through the date that payment of such amount is received by Service Provider.

### 4. CONFIDENTIALITY

4.1 Confidential Information Defined. The parties acknowledge that, in the course of performing or receiving Services, each party may receive, observe, and otherwise have access to confidential and proprietary information of the other party or its Affiliates (in any form, whether written, oral, electronic, or otherwise) related to its or their respective business, financial condition, operations, products, materials, tools, technology, processes, pricing, business plans, clients, vendors, suppliers, and customers, in each case that is either marked or identified as confidential at the time of disclosure or that should reasonably be considered under the circumstances of its disclosure to be confidential to such party ("Confidential Information"). Without limiting the foregoing, Confidential Information includes all

accounting, financial, sales and marketing, inventory, technical, business, and other data related to a party's business. Notwithstanding the foregoing, Confidential Information does not include information of either party that: (i) is in the public domain, through no fault of the other party; (ii) was known to the other party prior to being disclosed by the first party; (iii) is disclosed to the other party by a third person who is entitled to so disclose the information; or (iv) is independently developed by the other party without reference to the first party's Confidential Information.

4.2 Confidentiality Obligations. Each party agrees that:

(a) if such party (or any of its Affiliates) is given access to any of the other party's Confidential Information, such party will limit (and as applicable, will cause its Affiliates to limit) such access solely for the purpose of performing or receiving Services hereunder;

(b) neither such party nor any of its Personnel will use, reproduce or exploit the other party's Confidential Information for any purpose other than performing or receiving Services hereunder;

(c) such party will, and will cause its Personnel and Affiliates to, hold all of such Confidential Information in strict confidence and will not, and will cause each of its Personnel and Affiliates not to, disclose or otherwise make available such Confidential Information to any third person (except as provided herein and except as required by applicable law, regulation or legal process, and only after compliance with paragraph (d) below);

(d) in the event that such party or its Personnel or Affiliates are requested or required by applicable law, regulation or legal process, to disclose any of the other party's Confidential Information, such party will, if legally permissible and to the extent practicable without prejudicing such party's legal rights, privileges or obligations, notify the other party promptly in writing so that the other party may seek, at its sole cost and expense, a protective order or other appropriate remedy or waive compliance with the terms of this Agreement.

5. PERSONNEL

5.1 Compensation and Benefits. All Service Provider Personnel providing Services under this Agreement will be deemed to be employees or representatives solely of Service Provider (or its Affiliates) for purposes of all compensation and employee benefits, and will not be considered employees or representatives of Recipient. Service Provider (or its Affiliates) will be solely responsible for payment of, and will pay (a) all income, disability, withholding and other employment taxes, and (b) all medical benefit premiums, vacation pay, sick pay and other fringe benefits, for any employees, agents or contractors of Service Provider who perform Services. Except for the assignment of routes to follow, the services to be provided and the addresses for which services are to be provided (which will be at the direction of Recipient), all Service Provider Personnel will be under the direction, control and supervision of Service Provider, and Service Provider will have the sole right to exercise all authority with respect to the employment, termination, assignment and compensation of such Service Provider Personnel.

6. WARRANTY DISCLAIMER; INDEMNIFICATION

6.1 Warranty Disclaimer. EXCEPT AS PROVIDED HEREIN, SERVICE PROVIDER DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO SERVICES PROVIDED UNDER THIS AGREEMENT. EXCEPT AS PROVIDED HEREIN, SERVICE PROVIDER MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE QUALITY, SUITABILITY OR ADEQUACY OF SERVICES FOR ANY PURPOSE OR USE.

6.2 Indemnification of Recipient. Service Provider will defend, hold harmless and indemnify each of Recipient and its Affiliates, officers, directors, employees and agents (each, a "Recipient Indemnitee") from and against, and will compensate and reimburse each of Recipient Indemnitees for, any liabilities, claims, costs and expenses, including reasonable attorney's fees, ("Damages") that are suffered or incurred by any of Recipient Indemnitees to the extent such Damages arise from or are incurred in connection with the negligence or willful misconduct of any Service Provider Personnel in the provision of Services or Service Provider's breach in any material respect of this Agreement.

6.3 Indemnification of Service Provider. Recipient will hold harmless and indemnify each of Service Provider and its Affiliates, officers, directors, employees and agents (each, a "Service Provider Indemnitee") from and against, and will compensate and reimburse each of Service Provider Indemnitees for, any Damages that are suffered or incurred by any of Service Provider Indemnitees to the extent such Damages arise from or are incurred in connection with, the negligence or willful misconduct of any Recipient Personnel in the use or receipt of Services or Recipient's breach in any material respect of this Agreement.

6.4 Limitations on Liability. Except for breaches of Section 4, or liability under Section 6.2 or 6.3 to the extent such liability is in connection with third party claims made against an indemnified party, (i) neither party shall be liable hereunder for any consequential, incidental, special, indirect, exemplary or punitive damages or damages for lost profits, lost revenue, lost data or loss of business, and (ii) the maximum liability of each party under this Agreement shall be \$10,000. The limitation in clause (ii) above will not apply to either party's obligations to make payments under Section 3. This Section 6.4 shall apply regardless of the form of the claim or cause of action (whether in contract, statute or tort, including negligence or otherwise).

## 7. TERM AND TERMINATION

7.1 Term. This Agreement and the Services to be provided hereunder will commence on the Start Date and will continue throughout the Start-Up Period (i.e., until December 31, 2007, unless earlier terminated as provided herein (the "Term")).

7.2 Termination for Breach. Each party will have the right to terminate this Agreement in its entirety by giving to the other party written notice of termination if (i) the other party fails to substantially comply with the material obligations imposed upon it under this Agreement resulting in direct damages to the other party, (ii) the non-breaching party serves the breaching party with a written notice of such failure, which notice states with reasonable particularity the nature of the failure, and (iii) the breaching party does not cure the failure within thirty (30) days following receipt of the notice (except that in the case of a material failure to pay amounts due hereunder the cure period will be fifteen (15) days following receipt of the notice).

## 8. GENERAL

8.1 Relationship of the Parties. Each party will be deemed to be an independent contractor and not an agent, joint venturer, or representative of the other party. Neither party may create any obligations or responsibilities on behalf of or in the name of the other party. Neither party will hold itself out to be a partner, employee, franchisee, representative, servant, or agent of the other party.

8.2 Governing Law; Venue. This Agreement shall be construed in accordance with, and governed in all respects by, the internal laws of the State of California (without giving effect to principles of conflicts of laws). Except as otherwise provided in this Agreement, any proceeding relating to this Agreement or the enforcement of any provision of this Agreement shall be brought or otherwise commenced in any state or federal court located in the County of Santa Clara, California, to the personal jurisdiction of which each party hereby consents.

8.3 Successors and Assigns; Parties in Interest. This Agreement shall be binding upon, and shall inure to the benefit of, each party and its permitted successors and assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned or delegated by either of the parties hereto (whether voluntarily, involuntarily, by operation of law or otherwise) without the prior written consent of the other party, except that either party may assign this Agreement and assign or delegate, as the case may be, all of its rights, interests and obligations hereunder to a transferee that acquires such party or that acquires all or substantially all of the assets of such party, provided that the transferee provides the other party with an undertaking in writing to perform such party's obligations under this Agreement.

8.4 Third Party Beneficiaries. None of the provisions of this Agreement is intended to provide any rights or remedies to any person other than the parties to this Agreement and their respective Affiliates (where indicated) and permitted successors and assigns; provided, however, that the City shall be entitled to enforce either Service Provider's obligations to provide Services where necessary to assure Recipient's compliance with its obligations under the Collection Agreement, Recycling Agreement or MOU, as the case may be.

8.5 Waiver. No failure on the part of either party to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of either party in exercising any power, right, privilege, or remedy under this Agreement, will operate as a waiver of such power, right, privilege, or remedy; and no single or partial exercise of any such power, right, privilege, or remedy will preclude any other or further exercise thereof or of any other power, right, privilege, or remedy. Neither party will be deemed to have waived any claim arising out of this Agreement, or any power, right, privilege, or remedy under this Agreement, unless the waiver of such claim, power, right, privilege, or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of such party; and any such waiver will not be applicable or have any effect except in the specific instance in which it is given.

8.6 Amendments. This Agreement may not be amended, modified, altered or supplemented other than by means of a written instrument duly executed and delivered on behalf of each party.

8.7 Severability. In the event that any provision of this Agreement, or the application of any such provision to any person or set of circumstances, shall be determined by a court of competent jurisdiction to be invalid, unlawful, void or unenforceable to any extent, the remainder of this Agreement, and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful, void or unenforceable, shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law.

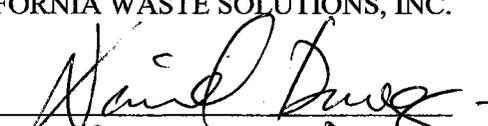
8.8 Entire Agreement. This Agreement sets forth the entire understanding of the parties relating to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings among or between any of the parties relating to the subject matter hereof.

The parties to this Agreement have caused this Agreement to be executed and delivered as of September 8, 2006.

GARDEN CITY SANITATION, INC.

By:   
Name: Louie Pellegrino  
Title: President

CALIFORNIA WASTE SOLUTIONS, INC.

By:   
Name: DAVID DUONG  
Title: President

## SCHEDULE A

### Services and Compensation

#### **Truck with Driver 8 hours per day**

Each party will make up to five (5) trucks available with a driver for up to eight (8) hours per day Monday through Friday at a rate of \$142 per hour, subject to an eight (8) hour minimum charge per day per truck. This will include fuel, driver, truck and overhead. This rate will apply for the first three (3) months during the Term.

Each party will make up to five (5) trucks available with a driver for up to twenty-four (24) hours per day on Saturday and Sunday, subject to an eight (8) hour minimum charge per day per truck. This will include fuel, driver, truck and overhead. The Saturday rate will be \$185.50 per hour for the first eight (8) hours, and \$200.00 per hour thereafter. The Sunday rate will be \$200.00 per hour for the first eight (8) hours, and \$215.00 per hour thereafter. These rates will apply for the first three (3) months during the Term.

#### **Part time Manned Equipment, 2 hours per day.**

Each party will make up to twenty (20) trucks available Monday through Friday only each with a driver for up to two (2) hours per day at a rate of \$ 160.00 per hour. These units will only be available after the driver and truck have completed their regularly-scheduled garbage or recycling route. This will include fuel, driver, truck and overhead. This rate will apply for the first three (3) months during the Term.

#### **Part time Unmanned Equipment, 2 hours per day.**

Each party will make up to ten (10) trucks with no driver available from 2pm till 6pm at a rate of \$90.00 per hour. This will require the operator to be trained on the equipment and Recipient will follow the above listed conditions. This rate will apply for the first three (3) months during the Term.

#### **End of the 3 Month Crisis Period.**

Service Provider shall charge the following "Emergency Rates" for the remaining three (3) months during the Term after the initial three-month period:

Truck with driver Monday through Friday- \$180 per hour

Truck with driver -Saturday or Sunday - \$215 per hour

Truck with no driver - \$90.00 per hour

#### **General**

Usage for any part of an hour shall constitute one (1) full hour.



**EXHIBIT 16**  
**TRANSITION TIMELINE**