

AGREEMENT NO. 09- 952

AGREEMENT FOR

SOLID WASTE COLLECTION AND STREET SWEEPING SERVICES

By and Between

CITY OF LA PUENTE,  
a municipal corporation,

and

VALLEY VISTA SERVICES INC.  
a California Corporation

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CONSOLIDATED AND RESTATED  
AGREEMENT FOR SOLID WASTE AND RECYCLABLES COLLECTION AND  
STREET SWEEPING SERVICES

THIS CONSOLIDATED AND RESTATED AGREEMENT FOR SOLID WASTE AND RECYCLABLES COLLECTION AND STREET SWEEPING SERVICES ("Agreement") is entered into as of the 29th day of January, 2009, by and between the CITY OF LA PUENTE, a municipal corporation, organized and existing under the laws of the State of California ("City") and Valley Vista Services, Inc., a California corporation ("Contractor"), formerly known as Valley Vista Disposal, Inc..

RECITALS:

This Agreement is entered into on the basis of the following facts, understandings and intentions of the parties:

A. City and Contractor entered into an agreement for Solid Waste Collection Services on January 21, 1994 (Agreement No. 93-433), which was first amended on June 15, 1994, and amended a second time on September 23, 1997 (as amended, the "Prior Solid Waste Agreement").

B. City and Contractor entered into an agreement for Street Sweeping Services on November 26, 2002 (Agreement No. 02-709), which was amended on October 23, 2007 (as amended, the "Prior Street Sweeping Agreement").

C. City and Contractor desire to consolidate and extend the Prior Solid Waste Agreement and the Prior Street Sweeping Agreement and make certain changes thereto. Accordingly, the parties have entered into this Consolidated and Restated Solid Waste and Recyclables Collection and Street Sweeping Services Agreement, which supersedes the Prior Solid Waste Agreement and the Prior Street Sweeping Agreement.

D. The Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (Public Resources Code Section 49100, et seq.; hereinafter the "Act") established a solid waste management process which requires cities and other local jurisdictions to implement source reduction, reuse and recycling as integrated waste management practices; and

E. The Act authorizes and requires local agencies to make adequate provisions for solid waste handling, within their jurisdictions; and

F. Pursuant to Sections 49300 and 49500-49523 of the Public Resources Code, the City is authorized to enter into an exclusive agreement for the collection and disposal of solid waste.

G. City and Contractor are mindful of the provisions of the laws governing the safe collection, transport, recycling and disposal of solid waste, including the Act, the Resource Conservation and Recovery Act ("RCRA") 42 U.S.C. Sections 6901 et seq., and the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. Sections 9601 et seq.; and

H. Pursuant to this Agreement, City desires to engage Contractor as an independent contractor to provide exclusive solid waste handling and street sweeping services within the City. Contractor shall furnish all personnel, equipment and supplies necessary to collect, pick up, or otherwise remove and dispose of all solid waste, as defined herein, generated or accumulated by all residential and commercial/industrial users or customers within the City, and to provide all street sweeping services, except as otherwise specifically provided herein.

I. City and Contractor desire to leave no doubts as to their respective roles and to make it clear that by entering into this Agreement, City is not thereby becoming a "generator" or an "arranger" as those terms are used in the context of CERCLA Section 107(a)(3), and that it is Contractor, not City, which is "arranging for" the collection of solid waste and recyclables from residential and commercial/industrial premises in the City of La Puente, the transport for disposal, the composting of green waste and the recycling of recyclables; and

J. There are no places within the City limits of the City of La Puente where landfills are located, or which are suitable for the location of a landfill, and solid waste must, therefore, be exported from the City; and

K. Contractor has represented and warranted to City that it has the experience, responsibility, and qualifications to conduct street sweeping services, recycling and composting programs, and to arrange with residents and other entities in the City of La Puente for the collection, safe transport and disposal of municipal solid wastes that may inadvertently contain hazardous substances.

NOW, THEREFORE, CITY AND CONTRACTOR MUTUALLY AGREE AS FOLLOWS:

ARTICLE I  
PARTIES; ISSUANCE OF EXCLUSIVE FRANCHISE

1.1. Parties to the Agreement. The parties to this Agreement are:

1.1.1. City: The City of La Puente, a municipal corporation, having its principal office at 15900 East Main Street, La Puente, California 91744.

1.1.2. Contractor: Valley Vista Services Inc., a California corporation, having its principal place of business at 17445 E. Railroad Street, City of Industry, CA 91748.

1.2. Representatives of the Parties and Service of Notices. The representatives of the parties who are primarily responsible for the administration of this Agreement, and to whom formal notices, demands and communications shall be given, are as follows:

1.2.1. The principal representative of City shall be:

City Manager City Hall  
15900 East Main Street  
La Puente, California 91744  
(626) 855-1500  
(626) 961-4626 (FAX)

1.2.2. The principal representative of Contractor shall be:

Manuel Perez, Secretary/Treasurer  
Valley Vista Services, Inc.  
17445 E. Railroad Street  
City of Industry, CA 91748  
(626) 330-3219  
(626) 961-1105

1.2.3. Formal notices, demands and communications to be given hereunder by either party shall be made in writing and shall be effective upon the date of personal delivery or, in the case of mailing, on the date of delivery or attempted delivery as shown on the U.S. Postal Service certified mail return receipt.

1.2.4. If the name of the principal representative designated to receive the notices, demands or communications, or the address of such person, is changed, written notice shall be given within five (5) working days of the change.

1.2.5. In addition, Contractor shall provide to the City Manager, for use by City Staff, telephone numbers of at least two of Contractor's employees so that they can be reached twenty-four hours a day, seven days a week, including holidays.

1.3. Issuance of Exclusive Franchise.

1.3.1. Subject to the terms and conditions of this Agreement, and applicable state laws, City hereby grants and issues to Contractor the exclusive franchise, authority, right and privilege to collect, pick-up, gather, remove and dispose of all solid waste generated or accumulated by all residential and commercial/industrial users or customers within City, and provide all street sweeping services for the term of this Agreement, unless earlier terminated as provided herein.

1.3.2. Contractor's exclusive rights hereunder were subject to the limited continuation rights of certain qualified solid waste enterprises that previously were authorized by permit to provide solid waste handling services for premises in the City, pursuant to Public



Resources Code Section 49520. These limited continuation rights expired on November 30, 1996.

1.3.3. Contractor waives any right it may have to challenge the terms of this Agreement under federal, state or local law, or administrative regulation. Contractor waives any right or claim to provide solid waste handling services or recycling in the City of La Puente under any prior grant of franchise, contract, license or permit, including any right under Section 49520 of the Public Resources Code.

1.4. Franchise Term. The term of the Prior Solid Waste Agreement shall expire on January 20, 2012. The Prior Street Sweeping Agreement shall expire on December 31, 2013. The Prior Solid Waste Agreement and Prior Street Sweeping Agreement shall remain in effect until execution of this consolidated Agreement. The initial term of this Agreement shall commence on January 29, 2009 and shall continue until January 29, 2024, automatically renewing annually and adding one additional year to the term of the contract on the Agreement anniversary date, unless notice of termination is provided thirty (30) days prior to the anniversary of the Agreement. This Agreement shall be subject to annual reviews prior to commencement of work for the following years. Annual reviews shall commence in January of 2013. This review will evaluate work performed and level of service provided. Renewal is at the City's discretion.

## ARTICLE II DEFINITIONS

2.1. The definitions set forth in Section 4.12.030 of Chapter 4.12 of the La Puente Municipal Code are incorporated herein by this reference. In addition, the following definitions are hereby incorporated into this Agreement:

2.1.1. "Bulky Goods" means any of the oversized or overweight household articles described in Section 4.12.030A.30 of the Municipal Code.

2.1.2. "Compostable Materials", "Green Waste" or "Yard Waste" means leaves, grass clippings, brush, branches and other forms of organic materials generated from landscapes or gardens, separated from other solid waste. "Compostable Materials" does not include stumps or branches exceeding four (4) inches in diameter or four (4) feet in length.

2.1.3. "Control" shall mean, for purposes of Section 6.2 of this Agreement, the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a corporation, partnership, joint venture, or other association.

2.1.4. "Environmental Statutes" shall mean, for purposes of this Agreement, 42 United States Code Sections 9600, et seq., 42 U.S.C. Sections 6901 et seq., California Health and Safety Code Sections 25300, et seq., or successor statutes.

2.1.5. "Gross Revenues" means any and all revenue or compensation in any form derived from service recipients for services provided pursuant to this Agreement, not including the marketing of recyclables.

2.1.6. "Household Hazardous Waste Element" or "HHWE" means the element required by Public Resources Code Section 41500. City adopted a Household Hazardous Waste Element on June 23, 1992.

2.1.7. "Multi-Family Residential Premises" means a multiple dwelling containing five (5) or more dwelling units.

2.1.8. "Municipal Solid Waste" means all Solid Waste generated within the City of La Puente which is designated for collection under this Agreement.

2.1.9. "Source Reduction and Recycling Element" or "SRRE" means the element required by Public Resources Code Section 41000, et seq. City adopted a Source Reduction and Recycling Element on June 23, 1992.

2.1.10. "Sweeping" means the operation of cleaning by picking up all debris within a path not less than five (5) feet wide from the curb face.

ARTICLE III  
CONTRACTOR'S OBLIGATIONS  
SOLID WASTE AND RECYCLABLES COLLECTION SERVICES

3.1. Governing Requirements. Contractor shall acquire and maintain all necessary permits and licenses, and shall comply with all provisions of this Agreement, the Municipal Code (including, but not limited to, Chapter 4.12, which is incorporated herein by this reference), and all other applicable laws, rules and implementing regulations, as they, from time to time, may be amended, specifically including, but not limited to, the Act, CERCLA, and RCRA.

3.2. Franchise Fee. Contractor shall pay to City a franchise fee for solid waste and recyclables collection as follows:

3.2.1. Fifteen percent (15%) of Contractor's gross revenues, less landfill fees. In addition, fifty percent (50%) of Contractor's gross receipts from the sale of recycled materials collected pursuant to this Agreement, including the recovery of California Redemption Values.

3.2.2. The franchise fee for 2009 shall be paid to the City in advance based on the estimated number of service customers. This number will be adjusted and finalized at year end to reflect the actual number of service customers. Beginning January 29, 2010, the franchise fee shall be payable quarterly, on or before the 15th day of the month following the end of each preceding calendar quarter. Each such payment shall be accompanied by an accounting, substantially in the form attached hereto as Exhibit A, which sets forth Contractor's gross revenues collected during the preceding calendar quarter. Any deficient or excess franchise fee payment shall be included in the next immediate franchise fee payment. The franchise fee shall

be in lieu of all City business license and City business permit fees pertaining to the collection of solid waste.

3.3. Payment to City. No acceptance of any payment by City shall be construed as an accord that the amount is in fact the correct amount, nor shall such acceptance of payment be construed as a release of any claim City may have against Contractor for any additional sums payable under the provisions of this Agreement. All amounts paid shall be subject to independent audit and recomputation by City. If, after audit, such recomputation indicates a franchise fee underpayment, Contractor shall pay to City the amount of the underpayment within ten days of receipt of written notice from City that such is the case. If, after audit, such recomputation indicates a franchise fee underpayment of more than three percent (3%), Contractor shall reimburse City for all reasonable costs and expenses incurred in connection with the audit and recomputation, within ten days of receipt of written notice from City that such is the case. If, after audit, such recomputation indicates a franchise fee overpayment, City shall notify the Contractor in writing of the amount of the overpayment, less costs and expenses incurred in connection with the audit and recomputation. Contractor may offset the payment or payments (as appropriate) next due following receipt of such notice by the amount specified therein.

3.4. Collection.

3.4.1. Quantity. Contractor shall collect all non-hazardous solid waste generated and presented for collection at each residential or commercial/industrial premises in conformity with the provisions of this Agreement.

3.4.2. Clean-up of solid waste that is spilled.

(a) Any solid waste or miscellaneous debris dropped or spilled in collection, transfer or transportation shall be immediately cleaned up by Contractor. A broom and a shovel shall be carried at all times on each vehicle for this purpose.

(b) If Contractor finds that a container at a particular residential or commercial location repeatedly is being filled beyond its capacity so that solid waste is being spilled onto the ground, Contractor may affix a warning notice to the container which states that the next time the container is filled beyond its capacity, Contractor will not collect solid waste from that container. Contractor shall provide a copy of the warning notice to the City Manager. Contractor shall not refuse to collect from the container, unless the warning notice was previously affixed to the container as required by this paragraph (b). If Contractor subsequently does not collect from the container because it again has been over-filled, Contractor shall affix a notice so stating to the container and shall provide a copy of that notice to the City Manager. Contractor shall develop public education and informational materials on an ongoing basis throughout the term of this agreement regarding this issue and language to be included in the notices, which shall be subject to review and approval by the City Manager. From time to time, City shall include information about this issue in the City's newsletter, and Contractor shall insert this information with its invoices.

3.5. Care of Containers. All solid waste containers shall be replaced upright, where found. Neither Contractor nor Contractor's agents and/or employees, shall in any way break, damage or roughly handle solid waste containers. All claims for damage to a container from misuse or rough handling by Contractor shall be presented by the customer to Contractor for settlement. In any dispute between a customer and Contractor over the treatment of a container, the City Manager's decision shall be final. Contractor shall make payment for damaged containers within 48 hours after damage or after the decision of the City Manager if Contractor disputes a claim.

3.6. Collection From Residential Premises.

3.6.1. Mechanized Collection. The Contractor shall furnish all labor, supervision, materials, permits, licenses, and equipment necessary to provide mechanized contained solid waste collection of residential premises within the City.

3.6.2. Contractor to Provide Containers. The Contractor will provide both the initial container and any replacement containers to residents to be served. Residents will have individual containers. They may also have an unlimited number of additional containers, but each homeowner must pay the Contractor for each additional container. Additionally, the Contractor shall notify City of all customers utilizing extra containers, so that City may install price disincentives in its assessment structure to help promote state mandated source reduction and recycling goals. Specifications for containers are found in Exhibit C. Repairs to containers shall be the responsibility of the Contractor. This includes replacement of wheels, lids, hinges, axles, and handles.

3.6.3. Frequency of Collection. Residential Premises. Contractor shall collect all residential solid waste on a regular schedule which will specify both the hour and the day during which collection will occur in City. The schedule for collection of residential solid waste shall be submitted annually to City for approval by the City Manager. All residential solid waste shall be collected on the same day during each week except as otherwise provided herein. Collection shall take place once each week. All solid waste shall be collected within two hours of the specified time on the same day during each week except as herein otherwise provided. Not later than November 30 of each year, commencing in 1994, Contractor shall submit to City its proposed collection schedule for the ensuing calendar year. The schedule shall indicate all regularly scheduled collection days which fall on a holiday and the collection day which is proposed to be substituted therefor so as to ensure that collection shall take place once each week. Contractor shall mail a written notice to all customers of such schedule not later than December 31 of each year.

3.6.4. Residential-Carryout Services. The Contractor shall provide carry-out services for those individuals who are unable to place their solid waste for collection in the usual manner due to severe physical handicap. The Contractor shall not receive special payment for this service.

3.6.5. Residential-Special Collection Services. Contractor shall provide, upon request from a residential householder, Special Collection Services as defined in Section 4.12.030A.30 of the Municipal Code. For purposes of this paragraph, Special Collection Services

shall not include hazardous waste, automobile or motorcycle parts or a contractor's construction materials. The residents of each residential premises in the City may request this service free of charge three times during each calendar year. Contractor is not required to collect more than four over-sized or over-weight items on each occasion. If desired, customers must request Special Collection Services by telephone at least seven days in advance of the collection day. Additional Special Collection Services may be requested by a residential household, and Contractor shall provide these services at rates approved by the City Manager. If some or all of the items are not picked up, Contractor shall so notify the City Manager within one business day, and give the reason why. The City Manager may direct Contractor to collect the item(s). Bulky Goods shall be disposed of as set forth in Section 3.6.6(a).

#### 3.6.6. Special Clean-Up Events.

(a) Annual City-wide event. Contractor shall provide, at no additional cost, an annual City-wide residential trash cleanup drive. During this drive, Contractor will pick up all unusual major items of trash generated at residential premises and placed for collection, including Bulky Goods, which are not otherwise collected as part of Contractor's normal residential service. This drive shall take place for one (1) Saturday each year during the month of May. Contractor shall make every reasonable effort to divert materials collected to resource recovery facilities. Bulky Goods collected by Contractor may not be landfilled or disposed of until the following hierarchy has been followed by Contractor:

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

Contractor agrees to develop and carry out a community relations program approved by the City Manager for information related to Bulky Goods services and the annual cleanup drive.

(b) Special neighborhood clean-up events. Contractor also shall provide, at no additional cost to City or its residents, including, without limitation, any fees charged to deposit the solid waste that is collected in a landfill, three-yard dumpsters or forty-yard roll-off containers to be used by City residents in connection with neighborhood clean-up events that are coordinated and conducted by City code enforcement officers. The container or dumpster shall be available for use for four or five days during each neighborhood event. The City may conduct a maximum of six events per year in different areas of the City, not to exceed one event during any two-month period. City shall develop and carry out a community relations program directed towards the particular area where the event is to be conducted.

3.6.7. Holiday Tree Recycling. Contractor shall collect, transport and recycle as green waste all Holiday trees which are placed for collection on regular collection days, from all

residential premises within City during the period beginning on December 26 and ending 6:00 p.m. on the second Saturday in January.

3.6.8. Residential Curbside Recycling Program. Contractor shall provide separate curbside collection of recyclables to all residential premises. Curbside collection shall be performed weekly, on the same day as Solid Waste collection.

City and Contractor shall cooperate in developing an ongoing public education and information program for the term of this agreement in order to maximize participation in the residential recycling effort. The public education and information program may include, without limitation, media advertising, contests, and community involvement programs directed towards residential householders and community organizations. The various elements of the public education and information program shall be reviewed and approved by the City Manager prior to their implementation, and not later than ninety (90) days after execution of this Agreement. The direct costs of implementing such a program shall be borne by Contractor.

Newsprint, glass, PET, HDPE, LDPE, V, aluminum beverage containers and steel/tin cans are designated as the initial items for collection. Additional items may be added to the list by resolution adopted by the City Council. Additional materials may be collected for recycling purposes at the discretion or desire of the Contractor.

Contractor shall provide one container for curbside collection of all recyclables. The container shall have a minimum capacity of seventy gallons with a five (5) year life expectancy warranted by the manufacturer. Contractor's company name and phone number, and an anti-scavenging warning approved by the City Manager, shall be permanently affixed to each container.

3.6.9. Household Hazardous Waste Collection. The Contractor shall provide an annual Household Hazardous Waste drop off collection to residents, at no additional cost to residents or to City. The details of the annual Household Hazardous Waste drop off collection, including notice to residents, must be approved by the City Manager at least 60 days prior to the scheduled collection day. If feasible, City property may be considered as a potential drop off site. In addition, Contractor shall make an annual payment to City to reimburse City for enforcement of the Municipal Code regarding solid waste matters. The annual fee shall be an average of Contractor's cost of conducting the last two annual Household Hazardous Waste collections, but in no event shall be a sum which is less than \$22,600. Contractor shall pay this sum to City on or before January 15th of each year that this Agreement is in effect.

3.6.10. Residential Green Waste Program. The Contractor shall provide a container for green waste. The container shall have a minimum capacity of 90 gallons with a five (5) year life expectancy warranted by the manufacturer. The Contractor's company name and phone number shall be permanently affixed to each container. All green waste shall be delivered to a legitimate composting or alternative fuel facility or used as cover material at an approved landfill. If any such delivery would not result in City receiving credit as having diverted the green waste from disposal in a landfill or transformation facility, another facility must be selected.

### 3.6.11. Multi-family Residential Recycling Program.

(a) Contractor shall implement a recycling program for multi-family residential premises in the City, pursuant to a plan which has been approved by the City Manager. Contractor shall submit the plan to the City Manager for review and approval within six (6) months after the effective date of this Amended and Restated Agreement. In accordance with such plan, Contractor will provide all personnel, equipment, recycling bins, supplies and services required for the collection of recyclables at multi-family residential premises in the City, and for the processing, transportation and marketing thereof.

(b) City and Contractor shall cooperate in developing an ongoing public education and information program for the term of this agreement in order to maximize participation in a recycling effort involving multi-family residential premises and the owners and residents thereof. Various elements of such public education and information program shall be reviewed and approved by the City prior to their implementation, and not later than six months after execution of this Agreement. The direct costs of implementing such a program shall be borne by Contractor.

### 3.7. Collection From Commercial/Industrial Premises.

3.7.1. Collection Services. The Contractor shall furnish all labor, supervision, materials, permits, licenses, and equipment necessary to provide solid waste collection for commercial/industrial premises within the City.

3.7.2. Contractor to Provide Bins/Frequency of Collection. Contractor shall make arrangements with each commercial/industrial customer concerning the size of the solid waste disposal container and the frequency of collection. Each such container or bin shall be a "standard commercial/industrial solid waste container," as defined by Municipal Code Section 4.12.030.A.31.

### 3.7.3. Commercial/Industrial Recycling Program.

(a) Contractor shall make available commercial/industrial recycling services under a general plan to be agreed upon between City and Contractor. Contractor shall have the exclusive right to provide the commercial/industrial recycling services hereunder to the maximum extent permitted by law. Contractor shall submit a preliminary "Commercial/Industrial Recycling Plan" within three (3) months after the effective date of this Agreement. In accordance with such plan, Contractor will provide all personnel, equipment, recycling bins, supplies and services required for the collection of recyclables at commercial/industrial premises in the City, and for the processing, transportation and marketing thereof, on such terms and conditions and for such consideration as may hereafter be agreed upon by commercial/industrial business owners and Contractor, subject to the City's prior approval.

(b) If Contractor and any commercial/industrial business owner are unable to agree upon the terms for such recycling services, the commercial/industrial business owner may contract with another duly licensed or permitted solid waste enterprise solely for the collection of source separated recyclables from the commercial/industrial premises.

(c) Nothing contained herein shall be deemed to affect the commercial/industrial exclusions set forth in Section 4.12.230 of Chapter 4.12 of the Municipal Code.

(d) City and Contractor shall cooperate in developing an ongoing public education and information program for the term of this agreement in order to maximize participation in a recycling effort involving commercial/industrial business owners. Various elements of such public education and information program shall be reviewed and approved by the City prior to their implementation, and not later than ninety (90) days after execution of this Agreement. The direct costs of implementing such a program shall be borne by Contractor.

3.8. Governmental Collections. The Contractor shall provide solid waste collection and recycling services to governmental locations within the City designated in Exhibit D. In addition, within four (4) business hours of request from the City Manager, Contractor shall collect from the public right-of-way, any solid waste which has been deposited there illegally. The City will not be charged for this service.

3.9. Special Events/La Puente Park. The Contractor shall provide solid waste collection to specifically designated events conducted by the City. In addition, the Contractor shall provide portable toilets as needed for City wide special events during the year and four portable toilets at La Puente Park, which must be serviced twice weekly. If Contractor cannot provide this service they may subcontract this portion of the contract. The City will not be charged for this service.

3.10. Solid Waste Disposal.

(a) Contractor shall dispose of all collected solid waste at Contractor's expense and in accordance with all state, federal and local laws and regulations. In accordance with and subject to the provisions of Article IV hereof, the cost of disposal will be included in the rates charged by Contractor hereunder. City may require Contractor to dispose of all solid waste collected in City at a site designated by the City Manager. If City exercises its right to require disposal at a designated site, rates will be subject to immediate adjustment pursuant to Article IV.

(b) Contractor shall deposit all municipal solid waste collected in the City at landfills which have been properly permitted by the Regional Water Quality Control Board, which are classified as Class 3 landfills (landfills designated to receive only municipal solid waste), and which are not on or being considered for inclusion on a state or federal Superfund list. Contractor shall have an affirmative duty to, annually or, if reasonably warranted, more frequently, obtain copies of permits issued for all disposal facilities at which it disposes of City's waste, inspect all such facilities, and check with regulatory agencies to ascertain the fitness of such facilities to accept waste, including whether such facility is on a state or federal Superfund list, or is being considered for inclusion on such a list. Failure to conduct such due diligence, or disposal of municipal solid waste collected in the City in violation of this Section 3.10(b), to the extent it



causes liability or damage to City, shall trigger Contractor's obligation to indemnify City (pursuant to Section 3.15.2), including for any liability under any Environmental Statutes.

3.11. Records.

3.11.1. Contractor shall keep an auditable journal recording each instance that solid waste is not collected in compliance with the terms of this Agreement or applicable ordinance or regulation. A written report based upon this record shall be delivered to the City Manager daily and shall contain the name, address and reason for non-collection. The delivery to the City Manager may be by electronic mail, telecopy or by personal delivery. Contractor shall inform the customer of the reason for non-collection by notice attached to the container or other non-collected item.

3.11.2. Contractor shall compile and keep the following information with respect to any month during the quarter and shall deliver a written report thereon, signed by an officer of Contractor, to the City Manager on a quarterly basis within 15 days after the end of each quarter:

- (a) total tons of solid waste collected pursuant to the Agreement;
- (b) number of residences served pursuant to the Agreement;
- (c) total tons of recyclables collected from residential and commercial/industrial providers, by type;
- (d) number of commercial/industrial premises served;
- (e) number of complaints received;
- (f) number of missed collections reported to Contractor;
- (g) the name, address and telephone number of each solid waste disposal facility used by Contractor during the reporting month; and
- (h) the complaint log described in Section 3.11.4. In addition, Contractor shall retain for a minimum of five years copies of waste disposal facility weight tickets/invoices which indicate the net amount of all waste disposed during the reporting month, typical fees paid, and where the waste was disposed of, by route. These documents shall be made available or delivered to City upon City's request.

3.11.3. Contractor shall maintain annual auditable financial statements and other relevant information consistent with generally accepted business practices regarding the operation of Contractor's waste collection business and, upon City's written request, make such records available to City for its review.

3.11.4. Contractor shall keep a formal, auditable record of all complaints received, including the resolution of each complaint, and shall notify City of each complaint and its final

disposition quarterly at the time Contractor is required to report to City pursuant to paragraph 3.11.2 hereof.

3.11.5. The refusal or failure of Contractor to file any of the reports required, or to provide required information to City, or the inclusion of any false or misleading statement or representation by Contractor in such report shall be deemed a material breach of this Agreement, and shall subject Contractor to all remedies, legal or equitable, which are available to City under this Agreement or otherwise.

3.11.6. Route Auditing - In order to verify reports of disposal amounts collected by Contractor from each designated route, the City shall be entitled to conduct an audit of any designated route upon demand. The audit demand will be made by the City by telephone 48 hours prior to the regularly scheduled collection day of the designated route. Telephone notice shall be followed by written notice and facsimile transmission (Fax) to the Contractor. The audit demand shall entitle the City to conduct a physical route audit of any or all designated routes for the purposes of verifying customers served, disposal amounts collected, and any other information as may be deemed necessary and beneficial to the City. The standard route audit will include, at a minimum: (1) verification that the collection vehicle is empty when beginning the route; (2) verification of the addresses which are served by the designated collection vehicle; (3) verification of the landfill to which the solid waste is taken; and (4) the quantity of solid waste in tons collected from the designated route.

### 3.12. Equipment.

3.12.1. Contractor warrants that it shall provide an adequate number of vehicles and equipment for the collection, disposal and transportation services for which it is responsible under this Agreement.

3.12.2. To protect peace and quiet in residential areas, the noise level generated by compaction vehicles using compaction mechanisms during the stationary compaction process shall not exceed seventy-five (75) decibels at a distance of twenty-five (25) feet from the collection vehicle measured at an elevation of five (5) feet above ground level. Contractor shall submit to City, annually, a certificate of vehicle noise level testing of all vehicles by an independent testing entity.

3.12.3. All equipment used by Contractor to perform work under this Agreement shall conform to the highest industry standards and shall be maintained in a clean and efficient condition. All motor vehicles used in implementing this Agreement shall comply with Municipal Code Sections 4.12.170 through 4.12.200, inclusive. All certificates generated from California Highway Patrol inspections of each vehicle shall be submitted to the City Manager at the time of execution of this Agreement and by January 15th during each year of the Agreement term. All vehicles and bins used to perform this Agreement shall be kept clean, in good repair and will be uniformly painted to the satisfaction of the City Manager. All vehicles shall be cleaned, both inside and out, not less than once weekly.

3.12.4. Contractor shall not store any vehicle on any public street or other property in the City.

3.13. Independent Contractor.

3.13.1. Contractor and the agents and employees of Contractor in the performance of this Agreement shall act in an independent capacity and not as officers or employees or agents of City.

3.13.2. During the life of this Agreement, Contractor shall employ sufficient personnel qualified by reason of education, training and experience to discharge adequately the services agreed to be performed by Contractor pursuant to the terms of this Agreement. Contractor shall provide service of the highest quality at all times, and personnel retained to perform this Agreement will be temperate, competent, and otherwise fully qualified to fulfill the obligations of Contractor.

3.13.3. All employees of Contractor performing solid waste collection services under this Agreement shall be dressed in clean uniforms with suitable identification, and no portion of the uniform may be removed while working. Uniforms shall be approved by the City Manager.

3.13.4. Contractor shall not discriminate during the performance of this agreement against any employee or applicant for employment because of the employee's or applicant's race, religion, national origin, ancestry, sex, age, disability, marital status, sexual orientation, or any other classification protected by State or Federal law.

3.14. Collection Impediments. The Contractor shall provide regularly scheduled weekly solid waste collection service to each resident in the designated area. A number of collection impediments may require special effort to accomplish this level of service. If this special effort requires the distribution of containers, it shall be the responsibility of the Contractor to distribute them. When solid waste is not collected from any residential premises, Contractor shall notify the service recipient and City in writing, within twenty-four (24) hours, why the collection was not made.

3.14.1. Rain or Natural Disaster. Some streets become impassable during periods of heavy or prolonged rain, or due to a natural disaster. When the Contractor determines that collection vehicles can no longer provide service in the street, the following steps shall be taken:

- (a) Notify City giving location of the impassable street.
- (b) Notify residents that collection service will be available temporarily at the entrance to the street location.
- (c) Notify the City when the street is returned to service. Return containers, if applicable.

- (d) Notify the residents of the date that collection service will again be restored at that location.

3.14.2. Infrastructure Renovation. Periodically, major renovation is necessary to maintain the infrastructure of the City. This includes such activities as replacing gas, water, and sewer lines, surfacing or resurfacing streets, and replacing wiring for telephone, electricity, or cable television.

If the City is notified in advance of these activities, City will notify Contractor. However, it is not uncommon for work to be initiated without prior notification. Alternate sanitation service must be provided by Contractor during this period of disruption. Each circumstance must be evaluated individually to determine the appropriate alternative. City shall be notified by Contractor of the nature of the disruption, its location, and the alternative to be employed by Contractor to provide service.

3.14.3. Street Blocked by Materials. When material is placed in the street in such a way that the collection vehicle cannot proceed down the street, Contractor shall notify City. City will attempt to locate the individual responsible for the material and have them remove it. However, if the responsible party cannot be located, the Contractor shall remove the material blocking the alley or street and collect the solid waste as scheduled; provided, however, that Contractor shall have no obligation to remove such material if it contains hazardous substances.

3.14.4. Street Blocked by Illegally Parked Vehicle. This is usually a matter of hours, thus collection can be provided on the scheduled day. If necessary, collections shall be provided at the start of the shift on the following day.

3.15. Insurance and Indemnification.

3.15.1. Contractor shall carry public liability insurance for the term of this Agreement in an amount not less than Five Million Dollars (\$5,000,000) in the aggregate, and One Million Dollars (\$1,000,000) per occurrence, for each year of the term of this Agreement. Contractor additionally shall provide Workers' Compensation insurance for its employees or shall have been issued a certificate to self insure in accordance with California state law. All public liability insurance obtained by Contractor shall be issued by an insurance company which is admitted to do business in the State of California with a rating of at least A VII by Best's Insurance Guide and shall name as additional insured the City of La Puente, and its officers, agents and employees and shall require that ninety (90) days' written notice be given prior to the reduction or modification of the limits or cancellation or expiration of the policy. Contractor shall provide City with a certificate or certificates showing that the required insurance will be in effect at least 30 days in advance of the first day Contractor will perform services under this Agreement. No work shall be done by Contractor during any period when Contractor is not covered by insurance as required in this paragraph. In the event Contractor does any work while not covered by the insurance, City may immediately terminate this Agreement without providing the 30 days' written notice required by paragraph 5.1.

3.15.2. Contractor shall indemnify, defend and hold harmless City, its officers, agents and employees from any and all claims and losses whatsoever occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, any and all claims, lawsuits or actions arising from the awarding or execution of this Agreement, and from any and all claims and losses occurring or resulting to any person, firm, corporation or property for damage, injury or death or otherwise arising out of or connected with Contractor's performance of its obligations pursuant to this Agreement, or arising from or attributable to any alleged breach of warranty of merchantability or fitness of purpose or other laws relating to product liability for recyclables collected pursuant to this Agreement, or to the repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure or other plan (regardless of whether undertaken due to governmental action) concerning any Hazardous Substance or hazardous wastes at any place where Contractor transfers, stores or disposes of municipal solid waste pursuant to this Agreement, or its activities pursuant to this Agreement result in a release of hazardous substances into the environment. The foregoing indemnity is intended to operate as an agreement pursuant to Section 107(e) of the Comprehensive Environmental Response, Compensation and Liability Act, "CERCLA," 42 D.S.C. Section 9607(e), and California Health and Safety Code Section 25364, to defend, protect, defend, hold harmless and indemnify City. Contractor's obligation to indemnify, defend and save harmless City as stated hereinabove shall include, but not be limited to, paying all legal fees and costs incurred by legal counsel of City's choice in representing City in connection with any such claims, losses, lawsuits or actions. In connection with claims, liability, lawsuits or actions arising out of the Environmental Statutes, this clause shall not restrict any rights the City has against Contractor, including, but not limited to, the right of contribution, pursuant to the Environmental Statutes. This provision shall survive the expiration of the period during which collection services are to be provided under this Agreement.

3.15.3. Contractor agrees to indemnify, protect, defend (with counsel selected by City) and hold harmless City, in connection with compliance with the Act, against all fines or penalties imposed by the California Integrated Waste Management Board in the event the diversion, source reduction and recycling goals of the Act are not met by the City with respect to the waste stream covered by this Agreement, or in the event Contractor's delays in providing information prevent City from submitting reports required by the Act in a timely manner. Contractor further agrees to reimburse City for its pro rata share of all costs and expenses attributable to any administrative proceedings or litigation relating to compliance with the Act, including reasonable attorneys' fees and court costs. This provision shall survive the expiration of the period during which collection services are to be provided under this Agreement.

### 3.16. Privacy.

3.16.1. Contractor shall strictly observe and protect the rights of privacy of service recipients. Information identifying individual service recipients, or the composition or contents of a customer's solid waste or recyclables shall not be revealed to any person, governmental unit, private agency or company, unless upon the authority of a court of law, by statute, or upon valid authorization of the customer. This provision shall not be construed to preclude Contractor from preparing, participating in, or assisting in the preparation of waste characterization studies or waste stream analyses which may be required by the Act.

3.16.2. Contractor shall not market or distribute mailing lists with the names and addresses of residential service recipients.

3.16.3. The rights accorded residential service recipients pursuant to this Section 3.16 shall be in addition to any other privacy rights accorded to residential service recipients pursuant to federal or state law.

3.17. Hazardous Waste Notifications. Contractor has represented to City that Contractor will carry out its duties to notify all agencies with jurisdiction over matters involving hazardous waste, including the California Department of Toxic Substances Control and Local Emergency Response Providers, and, if appropriate, the National Response Center, of reportable quantities of hazardous waste, found or observed by Contractor anywhere within City, including on, in, under or about City property, City easements, City rights-of-way and City waste containers. In addition to other required notifications, if Contractor observes any substances which it or its employees reasonably believe or suspect to contain hazardous wastes unlawfully disposed of or released on City property, streets in the City, storm drains, or public rights-of-way, Contractor also will immediately notify the City Manager and the Los Angeles County Fire Protection District.

Contractor shall provide written information regarding household and other hazardous waste (hereafter "hazardous waste") to all customers upon initially beginning service and on a yearly basis thereafter. This information shall specify what types of waste may and may not be disposed of through routine collection procedures, the availability of household hazardous waste collection pursuant to Section 3.6.9 and other similar programs, the tagging procedure if hazardous waste is found in the customer's deposited waste, and other pertinent information. Examples of household hazardous waste include, but are not limited to, used motor oil, oil-based paint, paint thinner, automotive products and aerosol containers.

Contractor shall conduct yearly training programs for its waste collection employees to instruct them in determining what is hazardous waste, to advise them to be aware of and locate, if possible, hazardous waste items when undertaking their collection of solid waste in the City, to follow proper procedures by tagging hazardous waste items as "hazardous - special handling required" and to advise customers of the various legal alternatives for disposal. Contractor shall keep a record of all customers who have received a tag for depositing hazardous waste items.

Contractor shall not be required to filter through and thoroughly inspect the solid waste disposed of in trash cans or trash bins by the City's residents and commercial establishments in order to ensure that it does not contain any hazardous waste. Contractor, however, shall take all reasonable steps to avoid collecting hazardous waste and shall refuse to collect and dispose of any such waste of which it becomes aware.

3.18. Ownership of Solid Waste and Recyclables. Ownership and the right to possession of recyclables placed in containers for collection at the usual place of collection from residential premises transfer directly from the resident to Contractor, by operation of law [Public Resources Code Section 41950(c)]. Ownership and the right to possession of solid waste, green waste and recyclables placed in containers or bundles for collection at the usual place of collection from residential premises, or the drop off bins provided pursuant to Section 3.7.3, transfer directly from the resident to Contractor, by Municipal Code Section 4.12.320. Contractor shall notify all service recipients, in a manner acceptable to the City Manager, of the provisions of Public Resources Code Section 41950(c) and Municipal Code Section 4.12.320, to the effect that, subject to the right of the service recipient to claim lost property, title and the right to possession, and liability for all recyclables and all solid waste and green waste, whether or not recyclable, which is set out for collection on the regularly scheduled collection day or placed at the drop off bins shall pass to Contractor at the time it is set out. Subject to the provisions of this Agreement, Contractor shall have the right to retain any benefit or profit resulting from its right to retain, recycle, compost, dispose of or use the solid waste or recyclables which it collects. At no time does City obtain any right of ownership or possession of solid waste, green waste or recyclables placed for collection, and nothing in this Agreement shall be construed as giving rise to any inference that City has any such rights. City and Contractor agree that, for purposes of the Uniform Commercial Code and all other laws imposing liability for defective products, it is Contractor, and not City which is to be considered the "merchant" of goods recycled pursuant to this Agreement.

3.19. Performance Monitoring and Security.

3.19.1. The City Manager shall have the right to observe and review Contractor's operations. City shall also have the right to enter Contractor's premises at all reasonable hours and with reasonable notice for the purposes of such observation and review. Contractor will allow a City representative to ride with Collection vehicles on any route or routes, upon receipt of a request therefor by 3 p.m. of the working day prior to the date(s) of route monitoring. All City representatives shall execute liability waivers prior to riding on or in Contractor's vehicles.

3.19.2. A performance bond in the amount of \$500,000 shall be procured by Contractor to be executed by a surety company licensed to do business in this State, and shall be renewed annually on January 2nd of each year. The original bond shall be obtained by Contractor and shall be subject to the prior written approval of City prior to performance of any work under this Agreement. Contractor shall renew the bond annually and file the renewal with the City Clerk at least thirty (30) days prior to the termination of the existing bond.

3.20. Annual Review of Performance and Quality of Service.

3.20.1. At City's sole option, within ninety (90) days of the first anniversary of the effective date of this Agreement, and each year thereafter throughout the term of this Agreement, the City Council may hold a public hearing at which Contractor shall be present and shall participate, to review Contractor's performance and quality of service. In addition, if City notifies Contractor in writing that City has received twelve or more complaints about Contractor's performance from residences or businesses located within the City during any calendar year that this Agreement is in effect, and City has verified that the complaints are valid and support a claim that Contractor is not complying with the provisions of this Agreement, then the City Council shall conduct the public hearing to review Contractor's performance and quality of service. The reports required by this Agreement shall be utilized as the basis for review at any public hearing conducted by the City Council. In addition, any customer may submit comments or complaints during the review meetings, either orally or in writing, and these shall be considered. Any written complaints or other written materials received by City in connection with the public hearing shall be provided to Contractor prior to the hearing.

3.20.2. Within thirty (30) days after the conclusion of the public hearing, City shall issue a report with respect to the adequacy of performance and quality of service. If any noncompliance with the Agreement is found, City may direct Contractor to correct the inadequacies in accordance with Section 5.1.

3.20.3. Nothing in this Section 3.21 shall limit the rights of City to enforce its rights pursuant to Article V, in the event of a default by Contractor.

3.20.4. Contractor shall reimburse City for any out-of-pocket expenses incurred by City in having attorneys, accountants, and other outside consultants review Contractor's performance of its obligations under this Agreement.

3.21. System and Services Review In addition to the Annual Review of Performance and Quality of Service pursuant to Section 3.20, City shall have the right to invoke the System and Services Review procedures set forth in this Section 3.21. This review is designed to provide for technological, economic and regulatory changes in solid waste collection and recycling, to promote competition in the industry and to achieve a continuing, advanced solid waste collection and recycling system.

3.21.1. At City's sole option, the City Council may hold a public hearing on or about the first anniversary date of the Agreement, to review collection and recycling systems and services. Subsequent System and Services Review hearings may be scheduled by City each year thereafter. It is City's intent to conduct any System and Services Review concurrently with any Annual Review of Performance and Quality of Service as provided for in Section 3.21, above.

3.21.2. Sixty (60) days after receiving notice from City that City is exercising its rights under this Section 3.22, Contractor shall submit a report to City indicating the following:



1. All solid waste collection, green waste and recycling services reported in solid waste collection and recycling industry trade journals that are being commonly provided on an operational basis, excluding tests and demonstrations, to communities in the United States with populations comparable to City's, that are not provided by Contractor to City; and
2. Changes recommended to improve City's ability to meet the goals of the Act;
3. Any specific plans for provision of such new services by Contractor, or a justification indicating why Contractor believes that such services are not feasible for the City.

3.21.3. Topics for discussion and review at the System and Services Review hearing shall include, but shall not be limited to, services provided, customer complaints, rights of privacy, amendments to the Agreement, developments in the law, and new initiatives for meeting or exceeding the Act's goals and regulatory constraints.

3.21.4. City and Contractor may each select additional topics for discussion at any System and Services Review hearing.

3.21.5. Not later than sixty (60) days after the conclusion of each System and Services Review hearing, Contractor shall issue a report. The report shall address services not being provided to City that are considered technically and economically feasible by City. City may require Contractor to provide such services within a reasonable time, for reasonable compensation.

3.21.6. Contractor shall reimburse City for any out-of-pocket expenses incurred by City in having attorneys, accountants and other outside consultants participate in the Systems and Services Review.

3.22. Mandated Operational Changes. City shall have the right to require changes in collection or disposal methods and Contractor shall comply therewith. If such changes result in increased or decreased costs to Contractor, either Contractor or City may request a rate review. Any changes in rates must be approved by City as provided by Article IV of this Agreement. The parties agree that the intent of this Section 3.22 is to authorize Contractor to amortize any additional costs associated with any required changes, and to allow customers to receive the savings resulting from any decreased costs associated with any required changes.

3.23. Complaints. Contractor shall investigate and remedy all service complaints within one business day of the time the complaint was received by Contractor.

3.24. Solid Waste Management Plan.

3.24.1. The parties acknowledge and agree that the Act requires City to develop and implement a solid waste management plan which includes, among other components,

a Source Reduction and Recycling Element ("SRRE") and a Household Hazardous Waste Element ("HHWE"). City's SRRE and HHWE, as they now exist or may subsequently be amended, are incorporated herein by this reference. By executing this Agreement, Contractor acknowledges receipt of a copy of the SRRE and HHWE.

3.24.2. Contractor agrees to implement all provisions of City's SRRE and HHWE, including any recycling programs, as directed by City, and as set forth in this Agreement. Contractor's obligations hereunder shall include, without limitation, the ongoing development throughout the term of this agreement, in cooperation with City, of public education and information programs relating to such policies and plans. The direct costs of implementing such programs shall be borne by Contractor.

3.24.3. Contractor shall cooperate with City, and with its consultants, in collecting and submitting such information and data as may be required for the further preparation and implementation of City's SRRE and HHWE, all at no cost or expense to City. Contractor shall enter into a contract with a qualified solid waste disposal consultant to maintain and monitor, on behalf of the City, the City's SRRE and HHWE. Contractor will be responsible to prepare all reports that are required by the California Integrated Waste Management Board. This could include an annual waste sort of City waste required by the City's adopted Source Reduction and Recycling Element and Household Hazardous Waste Element. The consultant shall work under the supervision of the City, and the City may require selection of a new consultant, should the City determine that SRRE and HHWE requirements are not being met. Contractor shall not be required to pay more than \$21,527 to a consultant or consultants in 2000, pursuant to this Section 3.24.3. This \$21,527 per year limit shall be adjusted annually, commencing March 1 of 2001, and every March 1 thereafter, by the percentage increase in the Consumer Price Index (CPI) for All Urban Consumers in the Los Angeles Anaheim-Riverside area, for the previous 12-month period (January 1 through December 31), provided, however, that such adjustment shall not exceed five percent (5%) in any one year.

3.24.4. The Contractor shall provide a flat fee of \$25,000 quarterly to the City for the implementation of its SRRE and HHWE.

3.24.5. City agrees to cooperate in good faith with Contractor to facilitate Contractor's compliance with these objectives. Such actions of City shall include, but not be limited to, the adoption and enforcement of required ordinances and local regulations, as may reasonably be recommended by Contractor, in order to ensure compliance by residential householders and by commercial/industrial owners with the policies and programs implemented by Contractor. City further agrees to reasonably cooperate with Contractor in adopting and implementing local resource recovery and waste diversion programs, including those recommended by Contractor, in order to ensure compliance with all State mandates.

3.24.6. All press releases, reports, or other documents prepared by Contractor, and intended to be released to the public concerning City's SRRE or HHWE, shall be subject to the prior review and approval of City Manager.

3.25. Materials Recycling/Recovery Facility/Transfer Station Impact Fee. Contractor has advised City that it intends to open a Materials Recycling/Recovery Facility ("MRF") adjacent to City in the City of Industry. Trucks will be using streets in the City of La Puente to transport solid waste and recyclables to the MRF /Transfer Station, which will cause additional wear and tear on City streets. Within six months after commencement of operation of the MRF/Transfer Station, Contractor shall present to the City Manager data regarding Contractor's use of City streets to transport solid waste and recyclables to the MRF /Transfer Station to enable the City Council to establish an annual payment that will reimburse City for the resulting wear and tear on City streets. The establishment of the annual payment shall be an amendment to this Agreement.

ARTICLE IV  
RATES, BILLING AND PAYMENT  
SOLID WASTE RECYCLING SERVICES

4.1. Sale of Accessories. Except as expressly provided herein, Contractor shall not require customers to buy bags, cans, bins or other containers from Contractor as a pre-condition for collection of solid waste under the terms of this Agreement.

4.2. Rates. The rates for solid waste and recyclables collection are set forth in Exhibit B.

4.2.1. Any single family residential premises with standard three container residential service where the total household income level is extremely low income, as defined by Federal CDBG Income Guidelines, shall be entitled to a fifty percent (50%) discount from the rates set forth in Exhibit B. City Staff shall verify whether a household qualifies for this discount and provide notice of Staff's determination to Contractor.

4.2.2. Those residential premises where the residential householder is sixty (60) years of age or older shall be entitled to a ten percent (10%) discount from the rates set forth in Exhibit B. City Staff shall verify whether a household qualifies for this discount and provide notice of Staff's determination to Contractor. Any householder who has been found to qualify for the discount provided by Section 4.2.1 shall not be entitled to the discount provided by this Section 4.2.2.

4.2.3. Rate Transference. When in the best interests of the City, all or part of the cost of one type of service may be recovered through the rates charged for another type of service. For example, the revenue lost to the Contractor by providing discounted rates for senior citizens may be recovered from rates charged for other types of customers and service. The City shall have the sole authority to approve any such shifts in the cost recovery for services.

#### 4.3. Rate Adjustment.

4.3.1. Adjustment Procedure. Residential rates will increase six (6) percent effective January 29, 2009. Commercial rates will increase in 2009 and 2010 by a minimum of ten (10) percent. Commencing April 1, 2009, Contractor may apply for an adjustment of the rates set forth in Exhibit B. Contractor may submit an application for rate review not more often than annually, except as to adjustments resulting from changes in service requirements. Adjustments resulting from changes in service requirements may be applied for at the time service changes are implemented. The completed application, in the format prescribed by the City Manager, shall be submitted not later than January 1st for the period starting the following April 1st. City will take action on the request as soon as possible and will complete the process by March 1st, provided all required information has been submitted.

4.3.2. Automatic Adjustment. Contractor is entitled to an annual gross rate adjustment of 100% of the percentage increase in the Consumer Price Index (CPI) for All Urban Consumers in the Los Angeles-Anaheim-Riverside area, for the previous 12-month period (January 1 through December 31), plus any changes in the tipping fees, provided, however, that such adjustment shall not exceed three percent (3%). Contractor shall notify the City Manager not later than January 1st of each year of the amount of the rate adjustment pursuant to this Section 4.3.2, and shall provide the City Manager with written documentation of the percentage increase in the applicable CPI. The rate adjustment shall go into effect the following April 1st unless the City Manager notifies Contractor before March 1st that the proposed adjustment is not consistent with this Section 4.3.2. In that event, Contractor and the City Manager shall diligently work to resolve the dispute.

4.3.3. Discretionary Adjustment. If Contractor applies for an increase in excess of the cap set forth in Section 4.3.2, it shall show the need for the requested rate by providing documentation that Contractor's operational costs have increased by a percentage greater than the cap. For purposes of this Section, operational costs shall be defined as:

- (a) Motor vehicle fuel;
- (b) Insurance;
- (c) Contractor's personnel costs (salaries and benefits);
- (d) Equipment repair costs;
- (e) Equipment purchased to comply with Air Quality Management District Rules and Regulations; and
- (f) Tipping fees.

Furthermore, with regard to subsection (e), the Contractor may include anticipated equipment costs if and only if said costs are related to 1) environmental rules such as Air Quality Management District rules and regulations, and 2) such costs shall be incurred within ninety (90) days of the rate increase request.

Contractor shall submit any and all data requested, and in the format prescribed, by the City Manager. The City Manager shall determine whether an audit is necessary in connection with the application for the rate increase; however, if Contractor's requested increase is based on one objective factor which is easily ascertainable, such as, for example, an increase of the tipping fees, then no audit shall be required. The City Manager shall notify Contractor of his or her determination whether an audit shall be required. The City Council shall consider the factors set forth above in determining whether to approve or deny the request. Contractor shall reimburse City for any out-of-pocket expenses incurred by City in having attorneys, accountants, and other outside consultants review Contractor's application; provided, however, if the City's accountants or auditors verify that the information submitted by Contractor in support of its application was accurate, then Contractor and City each shall pay one-half of City's cost of having the audit performed.

4.4. Billing. In consideration of the services and promises of Contractor, City hereby delegates to Contractor the right and authority to collect from the persons served by Contractor the fees for such service as is provided by this Agreement.

Contractor agrees that it shall neither charge nor collect any sum or sums in excess of, or in addition to, the amounts specified in this Agreement for any solid waste or recyclables collection services made pursuant to this Agreement. Contractor agrees that City shall be under no obligation to collect or to enforce collection of any sums due to Contractor for services rendered under this Agreement, except as specifically provided in this Agreement or in the Ordinances and Resolutions of City. Contractor hereby indemnifies, defends and holds City and its officers, agents and employees harmless from any and all liability for the payment of any sum or sums which may become due to Contractor for the collection or removal of solid waste under the terms of this Agreement.

Contractor shall bill residents on a quarterly basis. Contractor shall have the right to bill and collect for its services in advance of the rendition of services hereunder, but shall refund any unused portion equal to one month or more of the amount collected in the event of disruption, revision, or termination of the services or when residential premises are vacant for at least a one month period and prior written notice of such vacancy has been given to Contractor. Customers may, on an individual basis, request annual or monthly payment schedules, and Contractor will work in good faith with individual customers to reasonably satisfy such requests.

Contractor shall insert with any mailings that employ envelopes, at City's expense for the incremental cost, mailers describing activities of City not related to solid waste management issues. Contractor shall insert with any mailings that employ envelopes, at Contractor's expense, messages related to solid waste management issues. These messages shall include but are not limited to route maps, pick-up times, collection rules, holidays, and similar information. The content of any such messages shall be submitted to the City Manager for review, and must be approved by the City Manager prior to their distribution. Contractor will provide to the City an annual schedule of all mailings, and not less than sixty (60) days advance written notice to City Manager prior to each proposed mailing date to permit City to make appropriate arrangements

for inclusion of City's materials. The City Manager will provide Contractor any City mail inserts at least five (5) working days prior to the mailing date.

Contractor shall maintain copies of the billings and receipts, each in chronological order, for a period of three (3) years after the date of service for inspection by City. Contractor may, at its option, maintain those records in computer form, on microfiche, or in any other manner, provided that the records can be preserved and retrieved for inspection and verification in a timely manner.

The City Manager shall have the right to request changes to the billing format to itemize certain appropriate charges or to otherwise reasonably clarify the billing. Contractor will cooperate with City to revise its billing format as necessary to itemize appropriate charges from time to time.

4.5. Late Charges. Contractor shall be entitled to charge each customer late charges for the non-payment of any bill which is unpaid for a period of thirty (30) days from the last day of the month for which the services were rendered. Late charges cannot be charged for the period of time for which the services have not yet been rendered but may be assessed thirty (30) days following the rendering of such service, if it is also thirty (30) days beyond the payment date of the billing.

Contractor may not impose late charges in excess of the maximum amount allowed by law on such billings, and may not in any event impose late charges in excess of \$5.00 per month for each residential premises or more than ten percent for each period of delinquency for any commercial/industrial premises. Notwithstanding the previous sentence, Contractor may impose a late charge on customers who have not paid timely their invoices for three consecutive billing cycles in the amount of \$10.00 per month for each residential premises and twenty percent for each period of delinquency for any commercial/industrial premises.

#### ARTICLE V CONTRACTOR'S OBLIGATIONS STREET SWEEPING SERVICES

5.1. Standard of Performance. The primary objective of street sweeping is to pick up all leaves, paper, dirt, rocks, cans and/or other debris to ensure free flow of water in the gutter and to maintain streets in a state of cleanliness. The City Manager or his designee will make the final determination as to whether the work has been satisfactory completed and to order the Contractor to re-sweep or re-do areas not swept or done in a satisfactory manner. Contractor shall perform all work to the highest professional standards and in a manner reasonably satisfactory to the City Manager or his designee.

5.2. Sweeping. The Contractor shall sweep and/or clean all public streets and alleys as specified herein and as included within the limits of the area within the City of La Puente as shown on the Maps (Exhibit E). Gutters of all paved streets, alleys and raised medians shall be swept as specified in the Standard of Performance.

Sweeping shall normally consist of a single pass at not more than five (5) miles per hour over an area. Additional passes shall be made if necessary in problem areas where silt, leaves, debris or other conditions warrant special attention. Water shall be used while sweeping to minimize dust. The word sweeping shall define an operation and the method shall not be limited to the use of a power broom street sweeper. In the event that the results of sweeping are considered unsatisfactory by the City Manager or his/her designee, the Contractor shall sweep or clean the unsatisfactory area again within two (2) calendar days of verbal or written notice, without interruption to the regular sweeping schedule.

Curbed areas that cannot be swept with the power sweeping equipment, such as, but not limited to, narrow cul-de-sacs, dead end alleys, median noses and portions of left turn pickets, shall be hand cleaned to comply with the Standard of Performance.

5.3. Disposal of Refuse and Debris. All debris and refuse collected by the Contractor shall become his property from and after the time of sweeping. The Contractor shall dispose of all refuse and debris collected during sweeping operations by hauling such refuse and debris to a legally established area for the disposal of solid waste. Subject to the approval of the City when storage of refuse and debris is necessary prior to disposal, the Contractor shall locate and arrange for use of a temporary storage site off the road right of way. The Contractor shall remove all refuse and debris from temporary storage sites before 5:00 p.m. of the day deposited. The Contractor shall, when removing refuse and debris from temporary storage sites, remove and dispose of any waste material or objects left there by others.

5.4. Water. The Contractor shall furnish all water necessary for sweeping operations in accordance with this Section.

5.5. Inspection. Periodic inspection of the work will be made by the City Manager or his/her designee to assure compliance with the Standard of Performance.

5.6. Additional Sweeping. The Contractor is to provide additional sweeping of any street(s) and alley(s) within the area shown on the Maps (Exhibit E) at any time ordered by the City Manager or his/her designee.

It is the intent of this contract to provide for the bi-weekly sweeping of all curbed streets and improved alleys within the incorporated area shown on the Maps (Exhibit E). As streets and alleys are improved or annexed, they will be added to the sweeping schedule. Streets and alleys initially included in the schedule that are vacated by the order of the City Council will be deleted from the schedule. Additions and/or deletions of curb mileage may affect the approved schedule and appropriate adjustments will be allowed subject to approval by the City Manager or his/her designee.

5.7. Utilities. The Contractor shall recognize the rights of utility companies within the public right of way and their need to maintain and repair their facilities. The Contractor shall exercise due and proper care to prevent damage to utility facilities and to adjust schedules when utility operations prevent the Contractor from sweeping during a specified time frame.

5.8. Schedule of Work. During the Agreement, the Contractor shall sweep the designated public streets, alleys, and parking lots in accordance with the scheduled days and times as shown on the Maps (Exhibit E).

Street medians/islands located on Puente Avenue, Hacienda Boulevard, Amar Road and Temple Avenue are not depicted on the Maps (Exhibit E). Said medians/islands shall be swept weekly on the same days as are the adjacent curbed areas. However said medians/islands and curbs on major arterials shall be swept during off peak traffic hours.

In addition the Contractor shall sweep the Public Parking Lots, City Hall Parking Lot, Hacienda Parking Lot, Temple Parking Lot, and Community Center Parking Lot at least once weekly prior to 7:00 a.m.

Changes in the schedule for the convenience of the Contractor will require prior approval by the City Manager or his/her designee. The City reserves the right to require the Contractor to sweep specific areas on specified days and at specified times of the day. The following guidelines will generally be applicable:

1. Sweeping of streets that have posted parking restrictions specified for street sweeping shall only be swept during the posted day and hour.
2. Contractor agrees that, in order to protect the peace and quiet of residents, its street sweeping activities shall not start before 6:30 a.m. or continue after 3:00 p.m. No sweeping activities are to occur on Saturdays, Sundays or on days on which the following holidays are observed: New Year's Day, Memorial Day, Independence Day, Labor Day, Veterans' Day, Thanksgiving Day and Christmas. The City Manager or his/her designee at his/her discretion may make exceptions to these limitations if requested by the Contractor.
3. Major traffic arterials shall not be swept during peak traffic hours.
4. Single-family residential areas shall not be swept prior to 6:30 a.m. nor after 3:00 p.m.

5.9. Approximate Mileage of Streets and Alleys. The estimated quantities of work and materials to be performed or furnished by the Contractor under these specifications are as follows:

The City estimates that there are one hundred thirty (130) curb-miles of street, five (5) curb-miles of medians, six (6) equivalent curb-miles of alleys and 220,000 square feet of parking lots. The Contractor is expected to provide all necessary water for efficient sweeper operation, and for the disposal of all refuse and debris.

Note: The quantity shown above is an estimate only, and, the Contractor may on anticipated infrequent occasions, be required to perform additional sweeping.

5.10. Equipment and Facilities. The Contractor shall furnish at its own expense all equipment and materials necessary for the satisfactory performance of the street sweeping services detailed in this Agreement. For sweeping of curbed arterials and streets, the Contractor shall use a mobile street sweeper having a capacity of not less than (3) cubic yards or such



equivalent standard heavy street sweeping equipment as is necessary to clean the streets to the specified Standards of Performance.

At the time of commencement of the Agreement, Contractor's equipment used within the City shall not be more than two (2) years old. Additionally, equipment used in a back-up capacity shall not be more than three (3) years old at the time of commencement of the Agreement. During the life of this Agreement, no sweeper shall be more than five (5) years old. All sweepers shall be mobile radio equipped.

The Contractor shall properly maintain mobile sweepers both mechanically and in appearance. The Contractor shall provide backup equipment adequate to ensure completion of scheduled work in the event scheduled equipment is down mechanically, to re-sweep an unsatisfactory area or to provide any additional sweeps ordered by the City Manager or his/her designee. All mobile units shall be clearly marked with the Contractor's name and vehicle number and the Contractor's telephone number prominently displayed for purposes of identification.

Equipment shall comply with existing or future air quality mandates and requirements (i.e. South Coast Air Quality Management District Rule 1186) including but not limited to alternative fuel vehicles.

5.11. Communications and Complaints. The Contractor will maintain an office accessible by a toll free and/or a local phone number. Contractor's office hours are to be from 6:30 a.m. to 6:30 p.m. Monday through Friday except on noted holidays. The Contractor shall have the capability of contacting street sweepers by radio or paging equipment for the purpose of relaying instructions from the City and to receive citizen complaints. The telephone number shall be listed in the telephone directories for the area and shall be listed by the Contractor's common known name.

All public complaints concerning street sweeping shall be investigated by the Contractor. Complaints brought to the Contractor's attention prior to 3:00 p.m. shall be investigated that day. Those brought to the Contractor's attention after 3:00 p.m. shall be investigated before noon of the following day.

A complaint form shall be filled out for each complaint referred to or received by the Contractor. The form, which must be approved by the City Manager or his/her designee, shall be filed with the City on the first working day following the day the complaint was received. The Contractor shall report what actions were necessary to resolve each complaint.

5.12. Reporting. In addition to other data filed with the City by the Contractor, the Contractor shall on the second working day of each week, file a report with the City enumerating the following information for the previous week:

1. Curb-miles swept each day.
2. Scheduled curb-miles and areas missed.
3. Scheduled curb miles and areas swept.

4. When missed areas were swept.
5. Number of complaints received each day.
6. Reasons scheduled sweeping was not done or completed as scheduled.

5.13. Payment. The Contractor shall not charge the City a fee for any street sweeping services detailed in this Agreement.

## ARTICLE VI BREACH AND TERMINATION

6.1. Failure to Perform. All terms and specifications of this Agreement are material and binding, and failure to perform any portion of the work described herein shall be considered a breach of this Agreement. If the Contractor breaches the Agreement in any fashion, City may, at its option, terminate the Agreement not less than thirty (30) days after written notification to Contractor of the violation and failure by Contractor to remedy the violation within this time. In the event any breach does not result in termination, but does result in costs being incurred by City, Contractor will be responsible for all such costs.

The provisions of this Section 6.1 shall not be exclusive but shall be cumulative and in addition to any other remedies provided hereunder or pursuant to law.

### 6.2. Imposition of Damages; Termination.

6.2.1. If the City Manager determines that Contractor's performance pursuant to this Agreement does not conform with reasonable industry standards, the provisions of this Agreement, the Act, including, but not limited to, requirements for diversion, source reduction and recycling (as to the waste stream subject to this Agreement), or any other applicable federal, state or local law or regulation, including but not limited to, the laws governing transfer, storage or disposal of hazardous waste, the City Manager may advise Contractor in writing of such deficiencies. The City Manager may, in such writing, set a reasonable time within which Contractor is to respond and, if Contractor agrees with the report of suspected deficiencies, to correct the deficiencies. Unless otherwise specified, a reasonable time for response and correction of deficiencies shall be thirty (30) days from the receipt of such written notice. The City Manager shall review Contractor's response and resolve the matter or refer the matter to the City Council and shall notify Contractor of that decision in writing. A decision or order of the City Manager shall be final and binding on Contractor if Contractor fails to file a "Notice of Appeal" with the City Clerk within 30 days of the date of notice of the decision or order of the City Manager. Within ten working days of receipt of a timely Notice of Appeal, the City Clerk shall refer the appeal to the City Council to schedule an appeal hearing and proceedings in accordance with Sections 6.2.2 and 6.2.3, below.

6.2.2. If a matter is referred to the City Council, the City Council shall set the matter for hearing. The City Clerk shall give fourteen (14) days written notice of the time

and place of the hearing. At the hearing, the City Council shall consider the report of the City Manager indicating the deficiencies, and shall give Contractor or its representatives, and any other interested person, a reasonable opportunity to be heard.

6.2.3. Based on the evidence presented at the public hearing, and the report of the City Manager, the Council shall determine by resolution whether the decision or order of the City Manager should be upheld. A tie vote of the City Council shall be regarded as upholding the action of the City Manager. If, based upon the record, the City Council determines that Contractor is in breach of any material term of this Agreement or any material provision of any applicable federal, state or local statute or regulation, the City Council, in the exercise of its sole discretion, may order Contractor to take remedial actions to cure the breach, terminate forthwith the Agreement or impose liquidated damages, as defined below. The decision of the City Council shall be final and conclusive. Contractor's performance under the Agreement is not excused during the period of time prior to the City Council's final determination.

6.2.4. City's rights to terminate this Agreement or to impose liquidated damages are in addition to any other rights of City upon a failure of Contractor to perform its obligations under this Agreement.

6.2.5. City further reserves the right to terminate the Agreement or impose liquidated damages in the event of any of the following:

6.2.5.1. If Contractor practices, or attempts to practice, any fraud or deceit upon City, or practiced any fraud or deceit or made any misrepresentations in the negotiations which preceded the execution of this Agreement;

6.2.5.2. If Contractor fails to provide or maintain in full force and effect, the workers' compensation, liability and indemnification coverages or cash bond as required by this Agreement;

6.2.5.3. If Contractor violates any orders or rulings of any regulatory body having jurisdiction relative to this Agreement, provided that Contractor may contest any such orders or rulings by appropriate proceedings conducted in good faith, in which case no breach of the Agreement shall be deemed to have occurred until a final decision adverse to Contractor is made;

6.2.5.4. If Contractor ceases to provide collection service as required under this Agreement over all or a substantial portion of its franchise area for a period of seven (7) days or more, for any reason within the control of Contractor;

6.2.5.5. If Contractor fails to make any payments required under the Agreement and/or refuses to provide City with required information, reports and/or test results in a timely manner as provided in this Agreement;

6.2.5.6. Any other act or omission which violates the terms, conditions or requirements of this Agreement and which is not corrected or remedied within the time set in the written notice of the violation or, if Contractor cannot reasonably correct or remedy the breach within the time set forth in such notice, Contractor fails to commence to correct or remedy such violation within the time set forth in such notice and diligently effect such correction or remedy thereafter.

6.2.6. Liquidated Damages.

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

6.2.6.2. Accordingly, the City Council may, in its discretion, assess liquidated damages not to exceed the sum of One Thousand One Hundred and One Dollars (\$1,101.00) per day, for each calendar day that service is not provided by Contractor in accordance with this Agreement. The amount of the liquidated damages shall be increased by the past year's annual percentage December-to-December change in the Consumer Price Index for all Urban Consumers in the Los Angeles-Anaheim-Riverside area, on the anniversary of this Agreement. In addition, the Council may order the assessment against the performance bond required by Section 3.19.2, above, the termination of this Agreement, or both.

6.2.6.3. City finds, and Contractor acknowledges and agrees, that the above-described liquidated damages provisions represent a reasonable sum in light of all of the circumstances. These liquidated damages sums shall be applicable to each calendar day of delay during which Contractor has been found by the City Council to be in breach of this Agreement. Contractor shall pay any liquidated damages assessed by the City Council within ten (10) working days after they are assessed.

6.3. City's Additional Remedies. In addition to the remedies set forth above, City shall have the following rights:

6.3.1. The right, if Contractor refuses or is unable for a period of more than seventy-two (72) hours, to collect, transport and dispose of any or all of the solid waste,

green waste and recyclables which it is obligated under this Agreement to collect, transport and dispose of and if, as a result thereof, solid waste, green waste and recyclables accumulate in City to such an extent, in such a manner, or for such a time that the City Manager finds that such accumulation endangers or menaces the public health, safety or welfare, then City shall have the right, upon twenty-four (24) hours prior written notice to Contractor, to temporarily take possession of any or all equipment and facilities of Contractor previously used in the collection, transportation or disposal of solid waste, compostables or recyclables under this Agreement, and to use such equipment and facilities to collect and transport the accumulated solid waste, compostables and recyclables. Contractor agrees that in such event it will fully cooperate with City to effect such a transfer of possession for City's use, and that City may take temporary possession of and use of the equipment and facilities without paying Contractor any rental or other charge. City agrees that, in such event, it assumes complete responsibility for the proper and normal use of such equipment and facilities and that it shall immediately relinquish possession to Contractor upon receipt of written notice from Contractor to the effect that it is able to resume its normal responsibilities under this Agreement.

6.3.2. The right to license or contract with others to perform the services otherwise to be performed by Contractor hereunder, or to perform such services itself; and

6.3.3. The right to obtain damages and/or injunctive relief. Both parties recognize and agree that in the event of a breach under the terms of this Agreement by Contractor, City may suffer irreparable injury and incalculable damages sufficient to support injunctive relief to enforce the provisions of this Agreement and to enjoin the breach thereof.

## ARTICLE VII ASSIGNMENT

7.1. Assignment of Agreement. Contractor shall not assign, sell, subcontract or otherwise delegate authority to perform any portion of this Agreement without the prior express written approval of City. In the event of any assignment duly authorized by City, the assignee shall assume all liabilities and responsibilities of Contractor.

7.2. Transfer of Stock or Interest. No sale, gift, or transfer of stock of Contractor which shall result in a change in control of Contractor during the term of this Agreement shall be made without prior written approval of the City Council. Violation of this provision shall be a breach of the Agreement and grounds for termination by City without the 30 day notification requirement of Section 5.1.

7.3. Bankruptcy. If Contractor shall at any time during the term of this Agreement become insolvent, or if proceedings in bankruptcy shall be instituted by or against Contractor, or if Contractor shall be adjudged bankrupt or insolvent by any court, or if a receiver or trustee in bankruptcy or a receiver of any property of Contractor shall be appointed in any suit or

proceeding brought by or against Contractor, or if Contractor shall make an assignment for the benefit of creditors, then and in each and every such case, this Agreement shall immediately cease, terminate, and be canceled upon written notice by City and without the necessity of suit or other proceeding.

7.4. Eligibility for Assignment or Transfer. Contractor acknowledges that it was eligible to be awarded this Agreement because Contractor meets certain criteria. Contractor agrees and acknowledges that City will not approve an assignment or transfer of ownership to a company failing to meet the same criteria, which are listed below:

7.4.1. The firm must already be providing service within the surrounding geographical area. The firm must have an excellent record of performance within its service areas.

7.4.2. The firm shall be large enough and have sufficient resources and up-to-date equipment to handle the work and meet the franchise requirements of City.

## ARTICLE VIII MISCELLANEOUS

8.1. Construction. As used in this Agreement, and as the context may require, the singular includes the plural and vice versa and the masculine gender includes the feminine and neuter and vice versa.

8.2. Severability. If any part of this Agreement is invalid, the remaining terms and conditions shall not be affected unless their enforcement under the circumstances would be unreasonable, inequitable or otherwise frustrate the purposes of the Agreement.

8.3. Captions and References. The captions of the paragraphs and subparagraphs of this Agreement are solely for convenience of reference, and shall be disregarded in the construction and the interpretation of this Agreement. References herein to a paragraph or subparagraph are to the paragraphs and subparagraphs of this Agreement.

8.4. Time of the Essence. Time is of the essence with respect to this Agreement and each and every term and condition hereof.

8.5. No Oral Modifications. This Agreement supersedes all prior proposals, agreements and understandings between the parties and may not be changed or terminated orally, and no change or termination of, or attempt to waive, any of the provisions hereof shall be binding unless in writing and signed by the parties against whom the same is sought to be enforced.

8.6. Force Majeure. Contractor shall not be in default under this Agreement in the event that the collection, transportation and/or disposal services are temporarily interrupted for any of the following reasons: riots; war or national emergency declared by the President or Congress and affecting the City of La Puente; civil disturbance; explosion; natural disasters such as floods, earthquakes, landslides and fires; or other catastrophic events which are beyond the

reasonable control of Contractor. "Other catastrophic events" does not include the financial inability of Contractor to perform or failure of Contractor to obtain any necessary permits or licenses from other governmental agencies or the right to use the facilities of any public agency where such failure occurs despite the exercise of reasonable diligence by Contractor.

8.7. Property Damage. Normal wear and tear from general vehicular traffic excepted, Contractor shall be responsible for damage to streets, roads and ways in the City or any public property in the City, whether or not paved, resulting from the operation of Contractor's vehicles providing solid waste and recyclables collection services within City. Any physical damage caused by the negligent or willful acts or omissions of employees of Contractor to streets, roads and ways in the City or any public property in the City shall be repaired or replaced by Contractor, at Contractor's sole expense.

8.8. Law to Govern; Venue. The law of the State of California shall govern this Agreement. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Los Angeles. In the event of litigation in a U.S. District Court exclusive venue shall lie in the Central District of California.

8.9. Fees and Gratuities. Neither Contractor nor any of its officers, agents or employees, shall request, solicit, demand or accept, either directly or indirectly, any compensation or gratuity other than as set forth in this Agreement for the collection of solid waste otherwise required to be collected under this Agreement.

8.10. Amendments. This Agreement is part of City's efforts to comply with the provisions of the Act, as it from time to time may be amended; the regulations of the California Integrated Waste Management Board ("Regulations"), as they from time to time may be amended; and City's Source Reduction and Recycling and Household Hazardous Waste Elements, as they from time to time may be amended. In the event that the Act or other state or federal laws or regulations enacted after the execution of this Agreement, prevent or preclude compliance with one or more provisions of this Agreement, such provisions of the Agreement shall be modified or suspended as may be necessary to comply with such state or federal laws or regulations. Except as otherwise provided in this Agreement, no other amendment of this Agreement shall be valid unless in writing duly executed by the parties.

8.11. Joint Drafting. Each party has cooperated in the drafting and preparation of this Agreement with the aid of legal counsel. Hence, in any construction to be made in this Agreement, it shall not be construed against either party.

8.12. Execution in Counterparts. This Agreement may be executed in counterparts and, when each party has signed and delivered at least one such counterparts, each counterpart shall be deemed an original and all counterparts taken together shall constitute one and the agreement.

Executed the date and year first set forth above.

By: \_\_\_\_\_

Title: \_\_\_\_\_

V.P.

ATTEST:

\_\_\_\_\_  
City Clerk

CITY OF LA PUENTE  
A Body Corporate and Politic

\_\_\_\_\_  
Mayor, City of La Puente



EXHIBIT A

CITY OF LA PUENTE  
WASTE MANAGEMENT FRANCHISE FEE

QUARTERLY STATEMENT

REPORTING PERIOD \_\_\_\_\_

BUSINESS NAME \_\_\_\_\_

BUSINESS ADDRESS \_\_\_\_\_ CITY/STATE \_\_\_\_\_  
ZIP CODE \_\_\_\_\_

MAILING ADDRESS \_\_\_\_\_ CITY/STATE \_\_\_\_\_  
ZIP CODE \_\_\_\_\_

BUSINESS TELEPHONE (\_\_\_\_) \_\_\_\_\_ CONTACT PERSON \_\_\_\_\_

FEE COMPUTATION

Based on Customers within City of La Puente

- |    |   |          |
|----|---|----------|
| 1. | TOTAL NUMBER OF CUSTOMERS SERVICED THIS QUARTER               | _____    |
| 2. | Total RECEIPTS for Solid Waste Handling Services THIS QUARTER | \$ _____ |
| 3. | Total receipts from recyclables                               | \$ _____ |
| 4. | Total revenues this quarter (2&3)                             | \$ _____ |
| 5. | Landfill Fees   | \$ _____ |
| 6. | Adjusted Total (2 minus 5)                                    | \$ _____ |
| 7. | Franchise Fee (8% of line 6, plus 50% of line 3)              | \$ _____ |

READ CAREFULLY BEFORE SIGNING

I hereby certify under penalty of perjury that the above information is correct and the fee calculations are true to the best of my knowledge.

\_\_\_\_\_  
Signature Title Date

## EXHIBIT B

### **City of La Puente Monthly Waste Collection Fee Schedule**

<b><u>Mechanized Residential Collection</u></b>	<b><u>Fee</u></b>
Residential Premise - Trash (4 Units or less)	\$ 14.84
Residential Premise (senior citizen rate)      25% Disc* Trash Component Only	\$ 11.13
Residential Premise (senior citizen rate)      10% Disc**Trash Component Only	\$ 13.36
Curbside Recycling (Blue Barrel)	\$ 3.35
Green Waste Service (Green Barrel)	\$ 4.00
Monthly Total, Residential Premise, Non-Senior Citizen Rate	\$ 22.19
Monthly Total, Residential Premise, 25 % Senior Citizen Rate	\$ 18.48
Monthly Total, Residential Premise, 10% senior Citizen Rate	\$ 20.70
Quarterly Total, Residential Premise, Non-Senior Citizen Rate	\$ 66.56
Quarterly Total, Residential Premise, 25 % Senior Citizen Rate	\$ 55.43
Quarterly Total, Residential Premise, 10% senior Citizen Rate	\$ 62.11

^Senior Citizen is defined as an adult 60 years of age or older.

\* The 25% Senior Citizen Discount applies to senior citizen couples and senior citizen sole occupant households only, who opt to receive a smaller 70 gallon trash container.

\* \*The 10% Senior Citizen Discount applies to senior citizen couples and senior citizen sole occupant households only, who opt to receive the standard 100 gallon trash container.

### **Commercial/Industrial Collection**

#### **3 Yard Service**

<b><u>Number of collections</u></b>	<b><u>Fee</u></b>
1 x week	\$ 108.82
2 x week	\$ 173.12
3 x week	\$ 239.66
4 x week	\$ 308.27
5 x week	\$ 376.72
6 x week	\$ 461.60
	\$ 562.96

#### **Recycling**

1 x week	\$ 46.54
----------	----------

#### **Roll Off Service**

	<b><u>Fee</u></b>
40 Cubic yard	\$ 200.22
10 Cubic yard	\$ 189.34

## EXHIBIT C

### MINIMUM CONTAINER SPECIFICATIONS

#### (MECHANIZED AND GREEN WASTE)

The solid waste containers shall meet the following specifications in all material respects. Any deviations from the specifications should be described in the bid proposal and may be approved by the City Manager.

1. Cart Body:

Rotationally modeled, first quality, Union Carbide GPEP-LMDPE, or equivalent. Certified to contain ultraviolet stabilization provided by the equivalent of .5% of UV 531 stabilization compound. Certified to meet a minimum ESCR rating exceeding 1000 hours for both 100% and 10% Igepal solutions.

2. Cart Handle Mounts:

Integrally molded part of cart body. External handle diameter, 1.375 inches. Features three comfortable and convenient gripping areas.

3. Cart Lid:

Rotationally molded first quality, Union Carbide GPEP-803-LMDPE, or equivalent. Nominal thickness, 0.125 inches. Certified to contain ultraviolet stabilization provided by the equivalent of .5% of UV stabilization compound.

Attached with hinge which rotates with no interference. Encases PVC pipe within 1/4 walls.

Domed to facilitate runoff of water.

Imprinted with "Instruction" and "Indications and Contraindications" in English, and Spanish.

4. Wheel Retainers:

Plastic coated steel.

5. Axles:

5/8" galvanized solid steel fully supported by cart body. No bolts or rivets used for mounting.

6. Wheels:

12 inch by 2 inch (nominal) HDPE. Minimum R.M.A. load rating of 180 per wheel.

7.     Safety Bar:

Minimum 1.00 inch diameter, 16 gauge, galvanized steel tube. Stainless steel optional. Rotates freely on its axis to facilitate safe engagement and disengagement of dumper locking hook.

Accessible for quick, clean, and easy removal and replacement from exterior of cart by maintenance personnel in the field without use of power tools.

8.     Capacity:

Container volume 101 U.S. gallons.

9.     Dimensions:

Width: 31 inches. Fits through gates and doors.

Length: 36 inches.

Height: 45 inches.

10.    Color:

Ultraviolet stabilized, non-fading dark green, brown, black. Special colors available.

11.    Stability

Designed to prevent being turned over by winds of up to 25 mph in any direction when empty.

EXHIBIT D

CITY OF LA PUENTE TRASH RECEPTACLES

	<u>LOCATION</u>	<u>TYPE</u>
1.	La Puente Park 501 N. Glendora Ave.	1-40 YD 4-3 YD
2.	La Puente City Hall 15900 E. Main Street	1-3 YD
3.	City Parking Lots First & Main	5 Cans
	Second & Main	4 Cans
	Main St. between Glendora & Third Street	8 Cans
	Second St. between Workman & Old Valley	5 Cans
4.	SCHOOL SITES	
	La Puente High School 15615 E. Nelson Ave.	5-3 YD Bins – Maint. 2-3 YD Bins
	Bassett High School 755 N. Ardilla Ave.	5-3 YD Bins
	Fairgrove Adult School 1110 Fickeworth Ave.	1-3 YD Bin
	Willow Adult School 320 N. Willow Ave.	2-3 YD Bins
	Del Valle Elementary 801 N. Del Valle Ave.	2-3 YD Bins
	Hurley Elementary 535 Dora Guzman Ave.	2-3 YD Bins
	Lassalette Elementary 14333 Lassalette St.	1-3 YD Bin
	Nelson Elementary	2-3 YD Bins

330 N. California Ave.

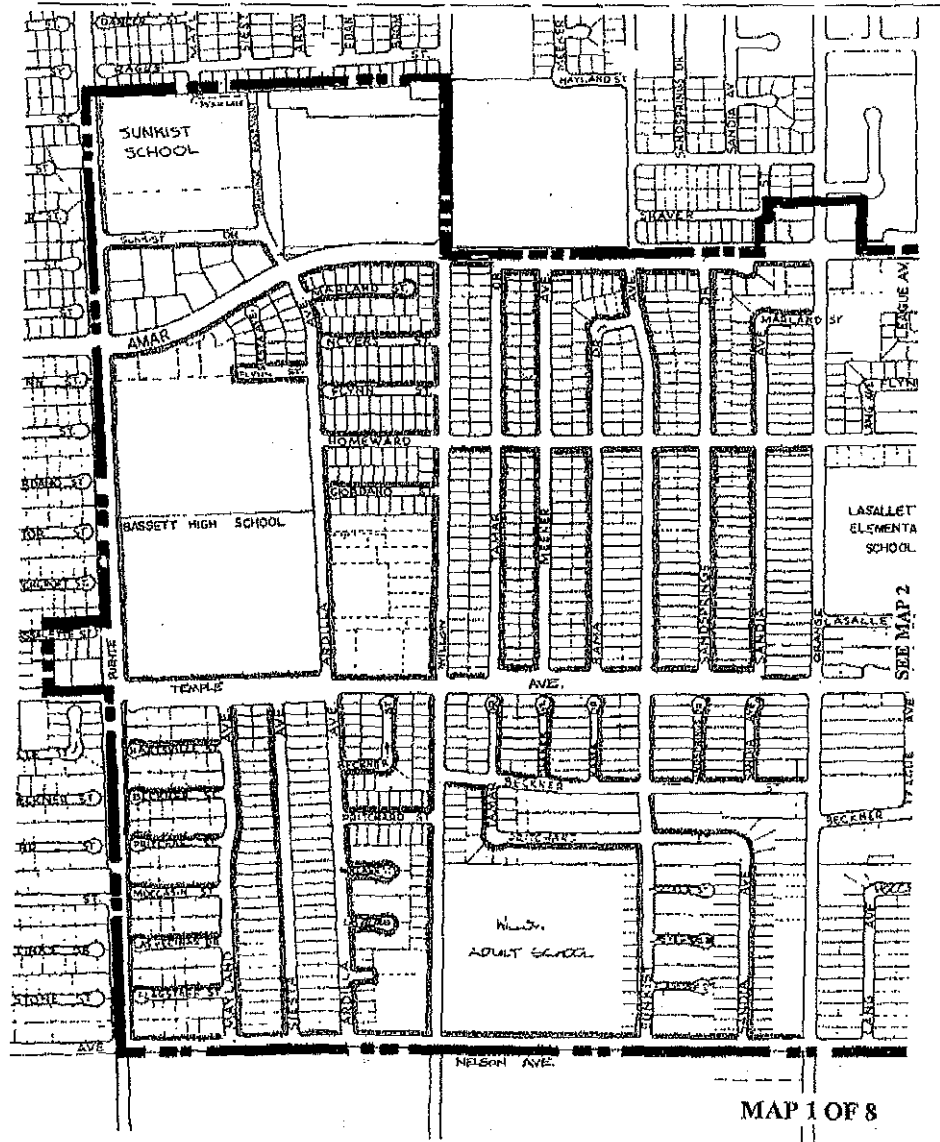
Workman Elementary  
16000 E. Workman St.

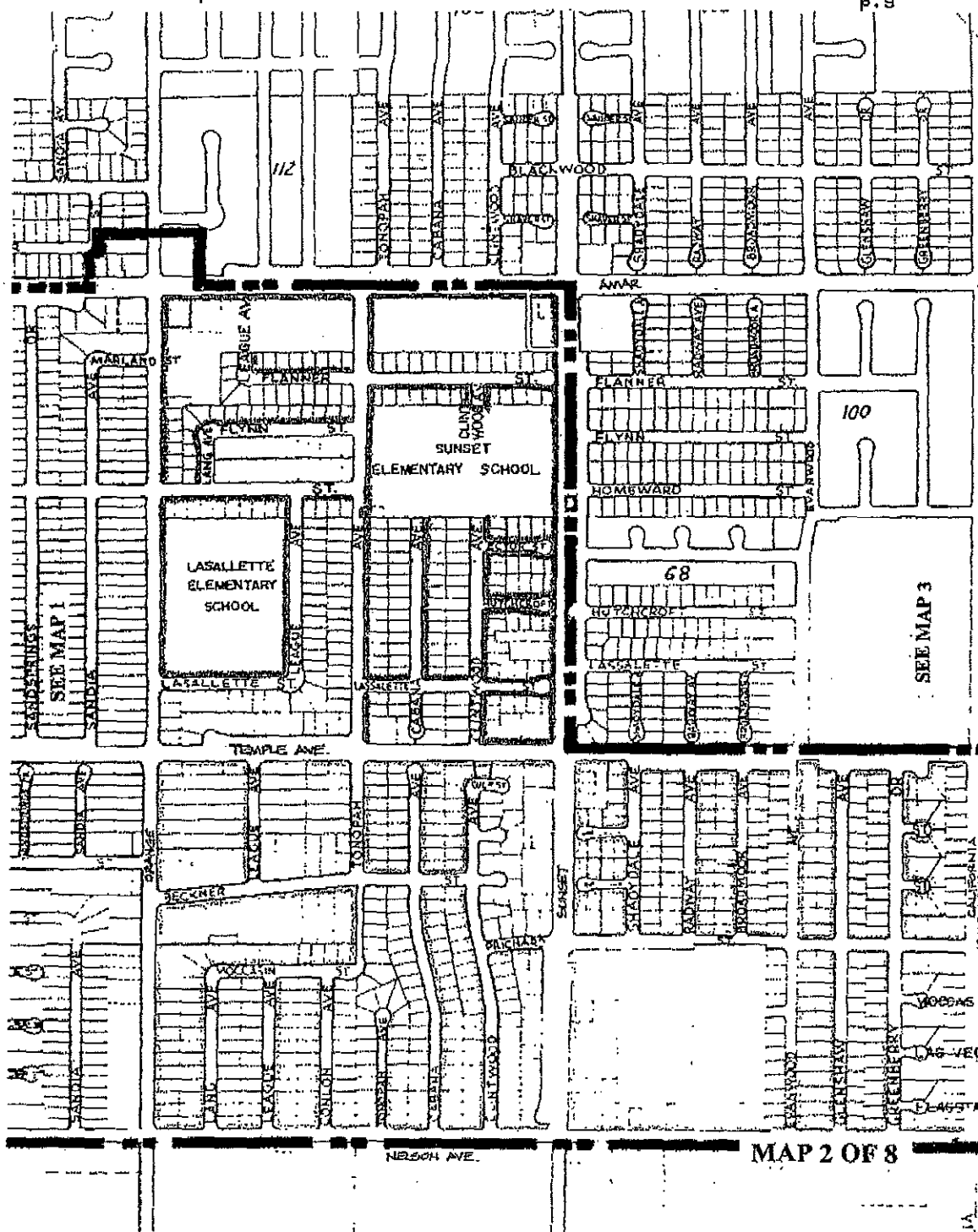
2-3 YD Bins

Sierra Vista Jr. High  
15801 East Sierra Vista Ct.

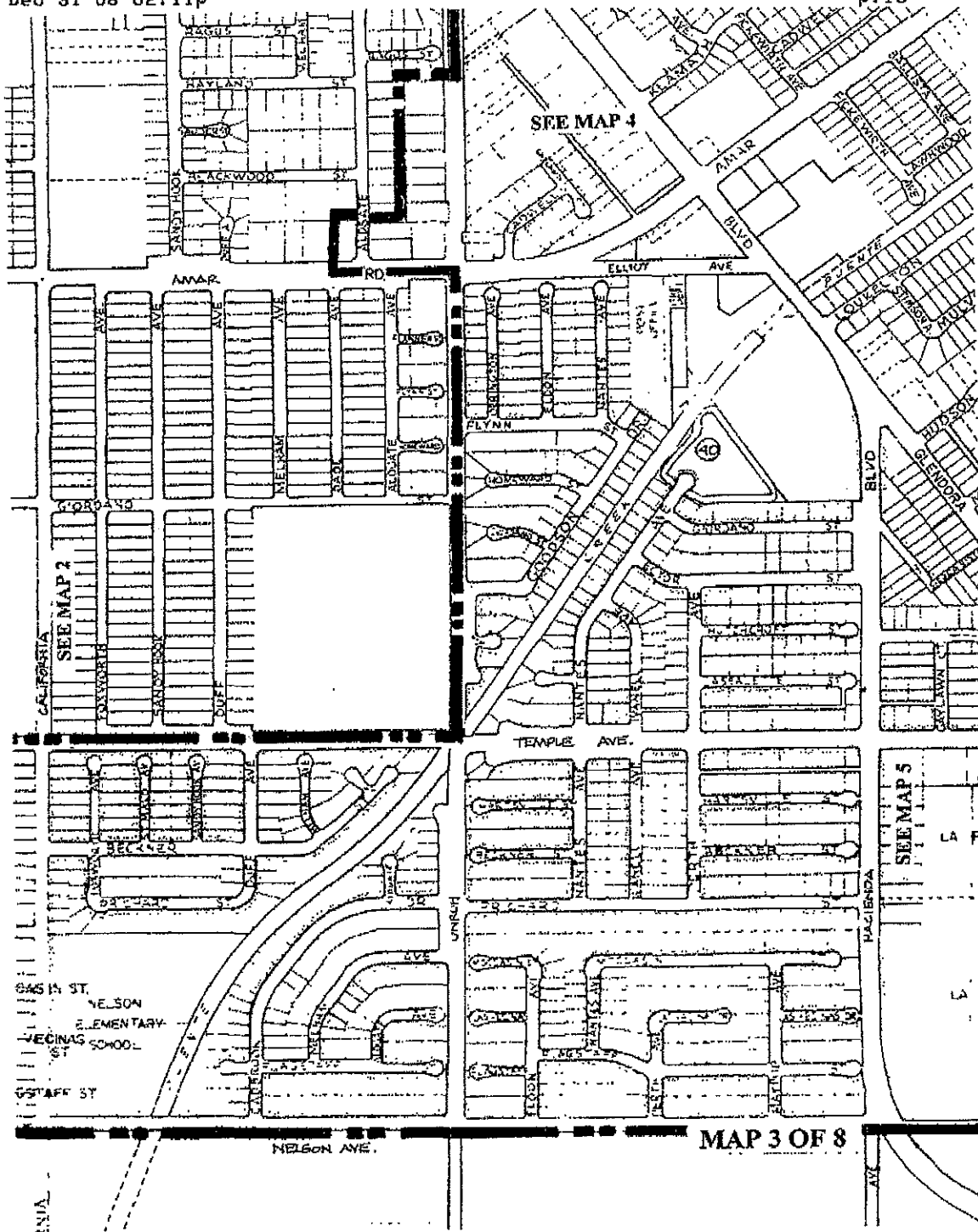
2-3 YD Bins

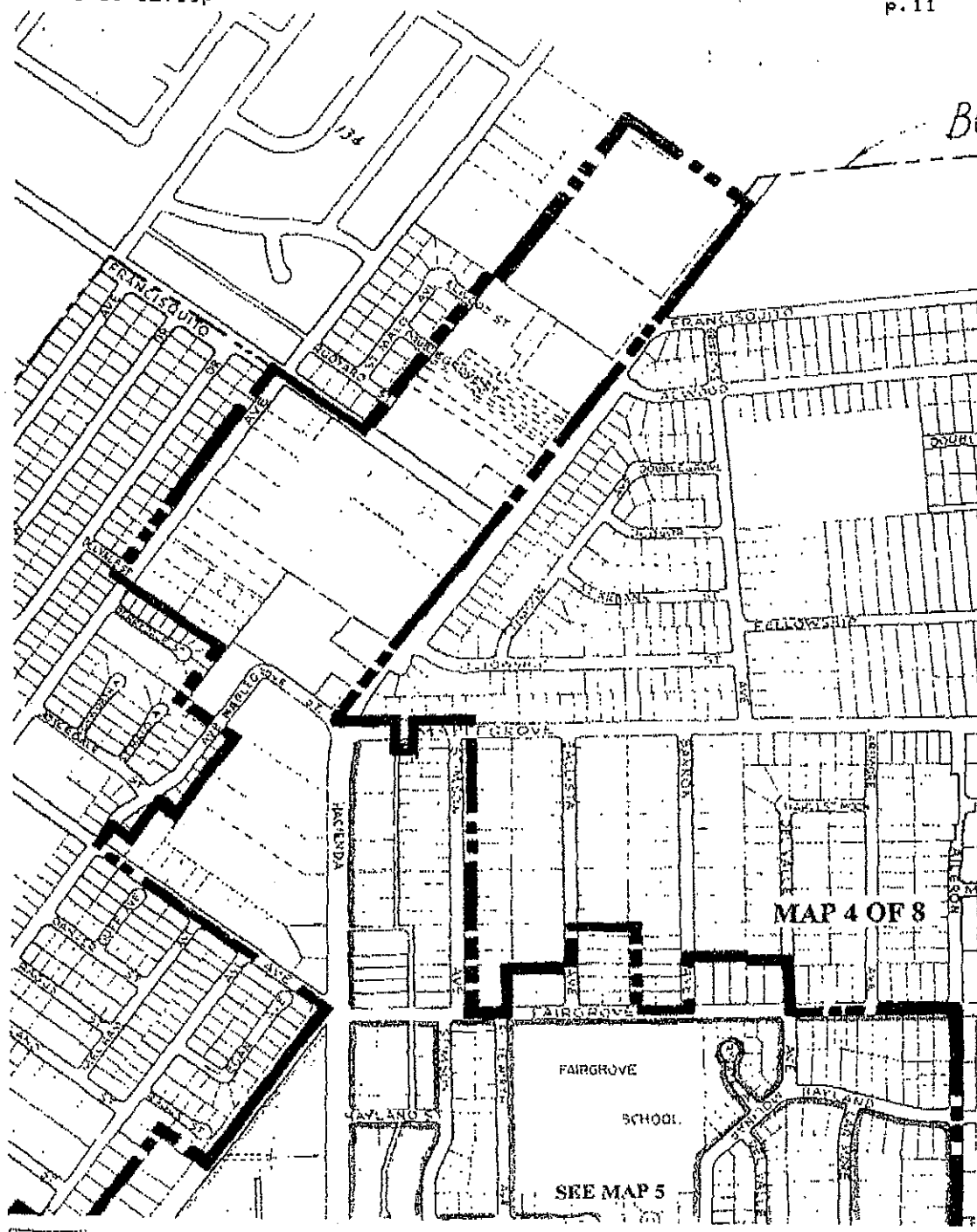
EXHIBIT E

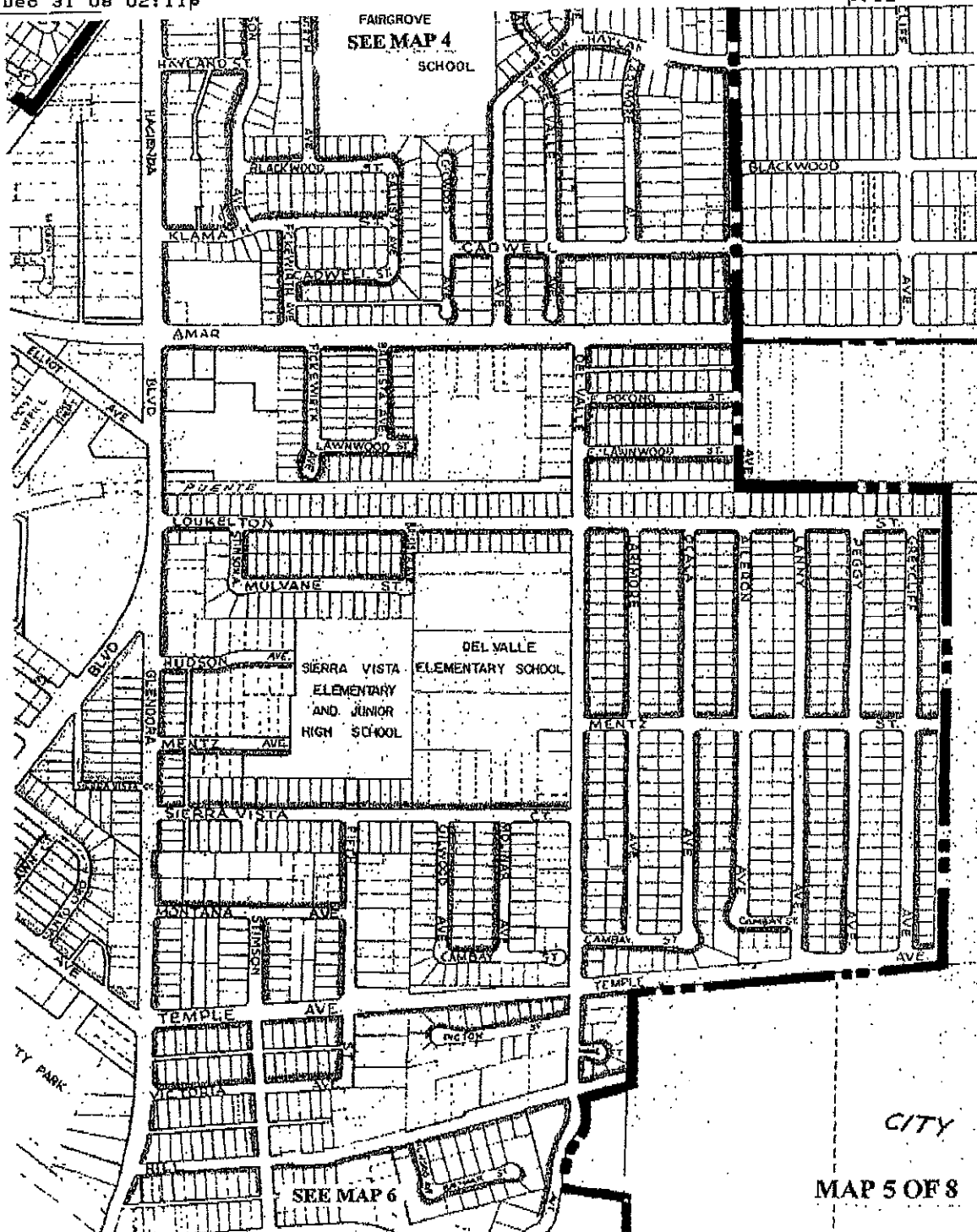


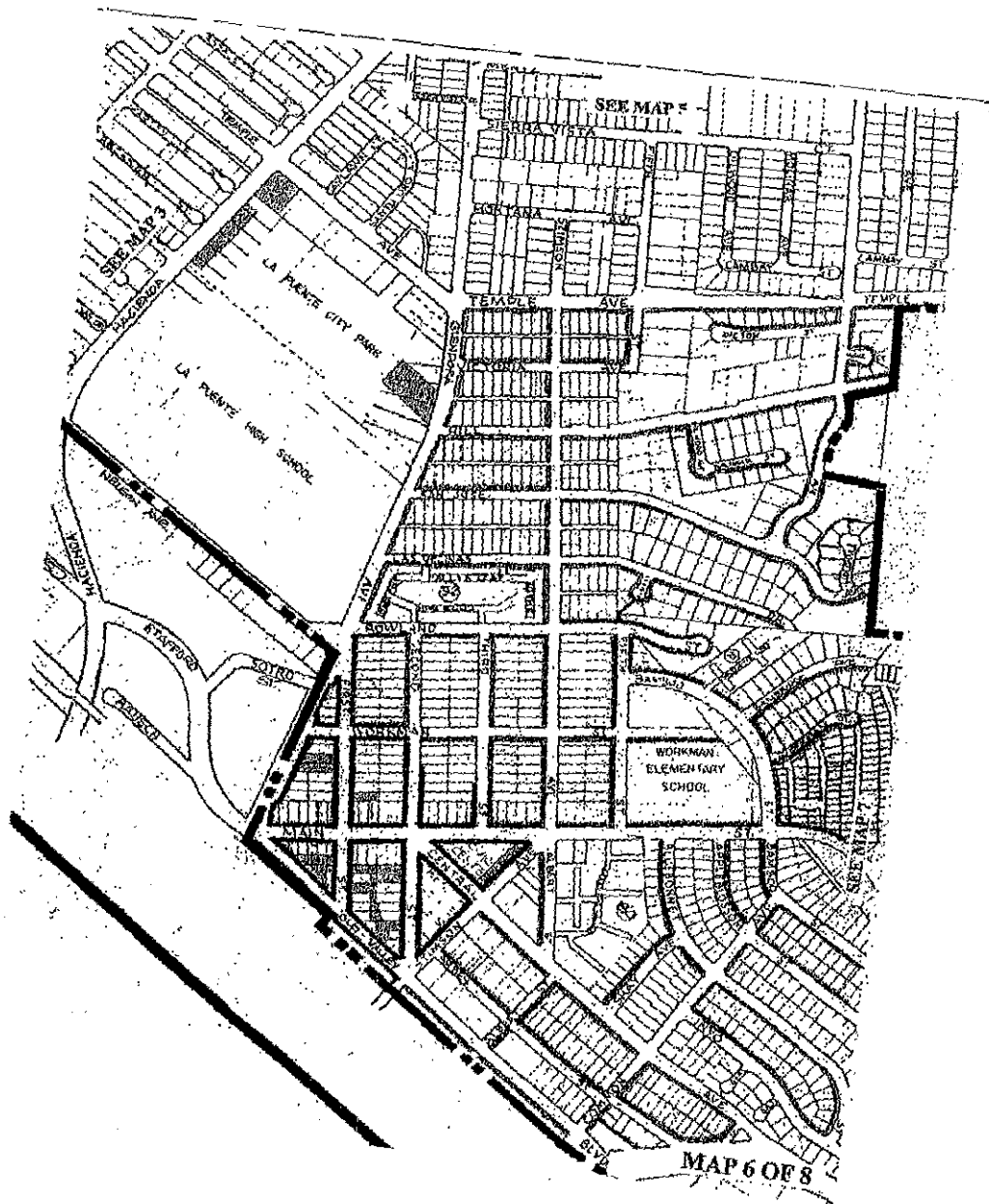




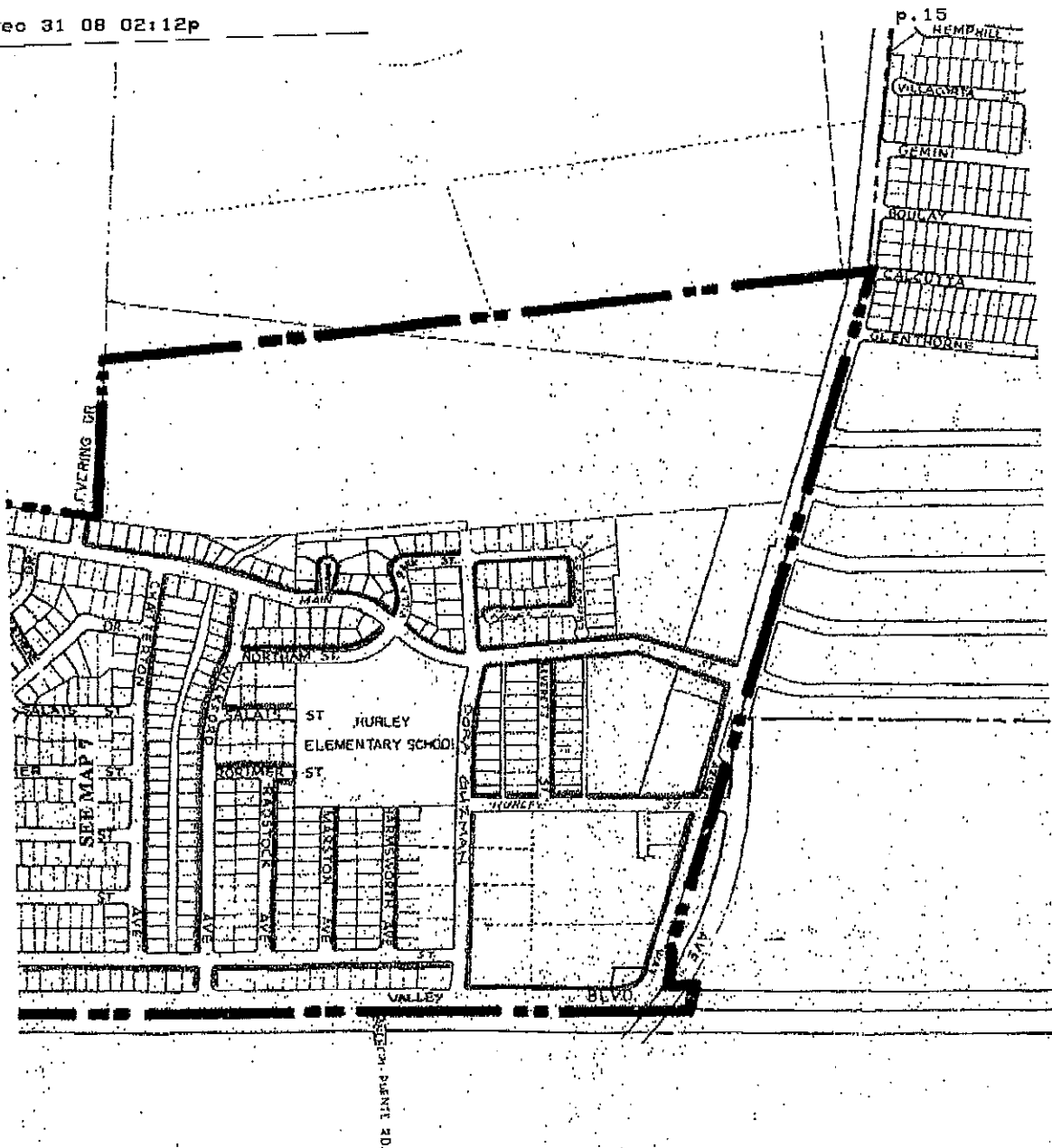












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