



MARK PESTRELLA, Director

**COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC WORKS**

"To Enrich Lives Through Effective and Caring Service"

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ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES
28 July 3, 2018

CELIA ZAVALA
ACTING EXECUTIVE OFFICER

July 03, 2018

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**SERVICES CONTRACTS
ENVIRONMENTAL SERVICES CORE SERVICE AREA
AWARD CONTRACTS FOR LENNOX GARBAGE DISPOSAL DISTRICT AND MALIBU GARBAGE
DISPOSAL DISTRICT
(SUPERVISORIAL DISTRICTS 2 AND 3)
(3 VOTES)**

SUBJECT

Public Works is seeking Board approval to make environmental findings under the California Environmental Quality Act, and award contracts for the Lennox Garbage Disposal District and Malibu Garbage Disposal District to provide Task 1 Customer Service, which includes the collection of refuse, green waste, recyclables, and manure; and Task 2 County Service, consisting of the collection of solid waste discarded in public rights of way within these Districts.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the award of the contracts for the Lennox Garbage Disposal District and Malibu Garbage Disposal District is within the scope of the previously adopted Negative Declarations as amended by the adopted Addendum for the Garbage Disposal Districts contracts.
2. Award a contract for Lennox Garbage Disposal District to Ware Disposal, Inc., consisting of two separate tasks: Task 1 Customer Service, which includes collection of refuse, recyclables, and green waste; and Task 2 County Service, consisting of collection of solid waste discarded in public rights of way, which contract shall be effective upon execution by both parties. The solid waste collection services will start on August 13, 2018, and will terminate on June 30, 2025, with two 18-month renewal options and month-to-month extensions up to 6 months, for a potential total contract term of approximately 10 years and 6 months with a potential maximum contract sum of \$41,476,276, which includes rate adjustments for cost-of-living, fuel costs, diversion/disposal fees,

unforeseen additional work, and changes in law, as authorized by the contract.

3. Award a contract for Malibu Garbage Disposal District to Universal Waste Systems, Inc., consisting of two separate tasks: Task 1 Customer Service, which includes collection of refuse, recyclables, green waste and manure collection; and Task 2 County Service, consisting of collection of solid waste discarded in public rights of way, which contract shall be effective upon execution by both parties. The solid waste collection services will start on August 13, 2018, and will terminate June 30, 2025, with two 18-month renewal options and month-to-month extensions up to 6 months, for a potential total contract term of approximately 10 years and 6 months with a potential maximum contract sum of \$15,179,621, which includes rate adjustments for cost-of-living, fuel costs, diversion/disposal fees, unforeseen additional work, and changes in law as authorized by the contract.

4. Authorize the Director of Public Works or his designee to allow the contractor to increase the monthly rate per customer for each area for Task 1 Customer Service and Task 2 County Service, subject to the terms of the contract for increased contractor expenses related to cost-of-living adjustment, fuel costs, diversion/disposal fees up to 55 percent over the 10 year, 6-month contract term, and for increases by up to 10 percent annually for applicable changes in law.

5. Authorize the Director of Public Works or his designee to increase the contract amount by up to 10 percent of the annual contract sum for unforeseen, additional work within the scope of the contract, if required; to adjust the maximum contract sum for any change in unit counts based on the Office of the Assessor's tax roll, which determines contractors' annual compensation; and to adjust the maximum contract sum based on the adjustments of the unit rates up to a total maximum adjustment of 35 percent of the unit rates over the initial 7-year period or 45 percent and 55 percent at the first and second option years, respectively, if applicable, to allow for cost-of-living adjustments, fuel cost adjustments, and diversion/disposal fee adjustments.

6. Authorize the Director of Public Works or his designee to execute one contract with Ware Disposal, Inc., for Lennox Garbage Disposal District; one contract with Universal Waste Systems, Inc., for Malibu Garbage Disposal District; to take all the necessary and appropriate steps to carry out these contracts; to renew these contracts for each additional renewal option if, in the opinion of the Director of Public Works or his designee, the contractors have successfully performed during the previous contract period; to approve and execute amendments to incorporate necessary changes within the Task 1 Customer Service and Task 2 County Service and specifications; and to suspend work if, in the opinion of the Director of Public Works or his designee, it is in the best interest of the County of Los Angeles to do so.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to find that the award of the two contracts for the Lennox Garbage Disposal District and Malibu Garbage Disposal District is within the scope of the previously adopted Negative Declarations and an Addendum prepared under the California Environmental Quality Act (CEQA) and are necessary to protect public health, safety, and welfare; to award contracts that provide Task 1 Customer Service, which include weekly, fully automated, separate collection in carts, processing, disposal of refuse, commingled recyclable materials, green waste, and manure generated by single family and multifamily residences, businesses, commercial establishments, and industrial establishments upon request; and Task 2 County Service, consisting of collection of solid waste discarded in public rights of way; and various actions related to the award, execution, implementation, and extensions of the contracts.

The existing contract for Lennox Garbage Disposal District with Allied Waste Services of North America, LLC and Malibu Garbage Disposal District with Universal Waste Systems, Inc., are set to expire on August 12, 2018. Both were 7-year contracts with three 1-year extensions and up to an

additional 120 days for a potential maximum term of 10 years and 120 days. The proposed new contracts will be effective upon execution, with solid waste services set to begin on August 13, 2018.

Implementation of Strategic Plan Goals

The County Strategic Plan directs the provisions of Strategy II.3, Make Environmental Sustainability our Daily Reality, and Strategy III.2. Embrace Digital Government for the Benefit of our Internal Customers and Communities. The recommended actions will address global climate change and encourage a reduction in waste generation while promoting recycling and waste reduction practices and the actions will also use technology to share solid waste-related data.

FISCAL IMPACT/FINANCING

There will be no impact to the County General Fund.

The annual amount of each contract is based on: Task 1 Customer Service, consisting of automated collection, disposal and management of parcels receiving refuse, recyclable, and green waste services; and Task 2 County Service, consisting of cleanup, collection, transportation, disposal, and management of discards from all alleys and specified public curbside receptacles.

The proposed annual contract amount for the Lennox Garbage Disposal District is based on: Task 1 Customer Service, consisting of approximately 5,508 refuse units multiplied by the monthly unit rate of \$24.58, which equals an initial annual amount of \$1,624,639 (\$135,386.64 monthly); and Task 2 County Service in the amount of \$678,150 annually (\$56,512.50 monthly). The solid waste collection services will start on August 13, 2018, and will terminate June 30, 2025, with two 18-month renewal options and month-to-month extensions up to 6 months, for a potential total contract term of approximately 10 years and 6 months with a potential maximum contract sum of \$41,476,276, including rate adjustments for cost-of-living, fuel costs, diversion/disposal fees, unforeseen additional work, and changes in law as authorized by the contract.

The proposed annual contract amount for the Malibu Garbage Disposal District is based on: Task 1 Customer Service, consisting of approximately 3,012 refuse units multiplied by the monthly unit rate of \$20.85, which equals an initial annual amount of \$753,602 (\$62,800.20 monthly); and Task 2 County Service in the amount of \$89,180 annually (\$7,431.67 monthly). The solid waste collection services will start on August 13, 2018, and will terminate June 30, 2025, with two 18-month renewal options and month-to-month extensions up to 6 months, for a potential total contract term of approximately 10 years and 6 months with a potential maximum contract sum of \$15,179,621 including rate adjustments for cost-of-living, fuel costs, diversion/disposal fees, unforeseen additional work, and changes in law as authorized by the contract.

The contract annual amount may be adjusted by 10 percent of the annual contract sum for any unforeseen, additional work within the scope of work of the contract, if required, plus changes to the annual amount based on the adjustments of the unit rates. The rates may be adjusted up to a total maximum amount of 35 percent of the unit rates over the initial 7-year period or 45 percent and 55 percent at the first and second optional renewal years, respectively, if applicable. The adjustments are to allow for cost-of-living adjustments, fuel cost adjustments, and solid waste facility fee adjustments. The contract amount can be adjusted annually if there is a change in refuse unit counts based on the County Assessor's tax roll and/or when the initial monthly unit rate is adjusted due to annual cost-of-living adjustments, fuel cost adjustments, solid waste facility fee adjustments, and changes in law in accordance with the terms of the contract.

Funding for Task 1 Customer Service and Task 2 County Service are included in the Lennox Garbage Disposal District, Malibu Garbage Disposal District, and Road Fund Fiscal Year 2018-19 Budgets. The Road Fund will be reimbursed for the Task 2 County Service by the Lennox Garbage Disposal District Fund and Malibu Garbage Disposal District Fund. Funds for the contracts' future years and 10 percent additional funding for unforeseen additional work within the scope of the contract, if required, will be requested through the annual budget process.

Streets and Highways Code, Section 953, requires that the costs for cleanup, collection, transportation, disposal, and management of discards from alleys and public curbside receptacles be paid from the Road Fund Budget. Although the Road Fund must pay for these services, other funds available to pay for such services may be placed in the Road Fund. Both Districts will deposit funds into the Road Fund to pay for those activities related to the cleanup, collection, transportation, disposal, and management of discards from the public road right of way from all alleys and specified public curbside receptacles within the Districts.

Awarding both contracts will not necessitate an increase in the current annual service fee to continue to meet both Districts' operating costs. Both Districts' reserves together with the estimated revenues at the current service fee rates are sufficient to fully finance these recommended contracts through Fiscal Year 2018-19. Both Districts will continue to submit the Annual Garbage Collection and Disposal Service Fee Report to the Board for approval to provide for the continued garbage collection and disposal service fees on the tax roll.

Task 1 Customer Service and Task 2 County Service rate adjustments authorized by the contract are as follows. First, a rate adjustment increase on the first July 1 and annually thereafter is allowed based on annual changes in the Consumer Price Index, fuel adjustments, and/or solid waste facility fees. The rate adjustment increase is allowed up to 55 percent over the 10-year, 6-month contract term. Second, an increase of the maximum contract amount is allowed due to unforeseen additional work within the scope of the contract, up to 10 percent per year. Third, a rate adjustment increase of the maximum contract amount is allowed due to applicable changes in law, up to 10 percent per year.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

California Public Resources Code, Section 49019, authorizes the Board to enter into contracts for disposal of garbage and other refuse matter.

The recommended contractors are Ware Disposal, Inc., located in Santa Ana, California, and for the Lennox Garbage Disposal District and Universal Waste Systems, Inc., located in Santa Fe Springs for the Malibu Garbage Disposal District. These contracts are effective upon execution by the respective parties. The solid waste collection services will start on August 13, 2018, and will terminate on June 30, 2025, with two 18-month renewal options and month-to-month extensions up to 6 months, for a potential total contract period of approximately 10 years and 6 months.

The contracts will be in the form substantially similar to the form previously reviewed and approved by County Counsel (Enclosure A). Prior to the Director of Public Works or his designee executing these contracts, the contractor will sign and County Counsel will review it as to form. The recommended contracts with Ware Disposal, Inc., and Universal Waste Systems, Inc., were solicited on an open competitive basis and are in accordance with applicable Federal, State, and County requirements.

The contracts contain terms and conditions in compliance with the Board's ordinances, policies, and

programs. The standard Board directed clauses that provide for contract termination or renegotiation apply only to Task 2 County Service. Enclosure B reflects the contractors' minority participation. Data regarding the proposers' minority participation is on file with Public Works. The contractors were selected upon final analysis and consideration without regard to race, creed, gender, or color.

The Invitation for Bids (IFB) for these contracts were not submitted to any union for review since no Public Works classifications were impacted. Public Works has evaluated and determined that the Living Wage Program (Los Angeles County Code, Chapter 2.201) does not apply to these recommended contracts, which are not subject to Proposition A, as authority to award these contracts for solid waste handling services is expressly provided by California Public Resources Code 49019.

ENVIRONMENTAL DOCUMENTATION

In 2008, Negative Declarations were prepared by the County, acting as lead agency, for the award of contracts for the Lennox Garbage District and Malibu Garbage Disposal District in compliance with CEQA. The Initial Studies showed there was no substantial evidence that the projects may have a significant effect on the environment. Based on the Initial Studies, two Negative Declarations (NDs) for the Lennox Garbage Disposal District and Malibu Garbage Disposal Districts were adopted by the Board on March 18, 2008, and April 1, 2008, respectively. In accordance with Sections 15162 and 15164(b) of the State CEQA Guidelines, an Addendum to the previously adopted NDs was prepared for Task 1 Customer Service, which includes the collection of refuse, green waste, and recyclables; and Task 2 County Service consisting of the collection of solid waste discarded in the public rights of way, since there were only minor changes to the previously approved contracts that did not result in any significant effect on the environment and there have been no substantial changes or new information regarding the previously approved projects due to new or substantially more severely significant effects or to the circumstances under which the activities will be undertaken. The Addendum was adopted by the Board on January 30, 2018, at the time that the Board had reviewed and considered the information contained in the Addendum and found the award of the franchise contracts was within the scope of the NDs and the Addendum. The recommended action is within the scope of the projects analyzed in the previously adopted NDs and an Addendum, and there have been no changes to the projects or the circumstances under which they are proposed that necessitate preparation of further documentation under CEQA.

Upon the Board's approval of the recommended actions, Public Works will file a Notice of Determination with the County Clerk for the Lennox Garbage Disposal District and the Malibu Garbage Disposal District in accordance with Section 21152 of the California Public Resources Code.

CONTRACTING PROCESS

On April 12, 2018, a notice of the IFB was placed on the County's "Doing Business With Us" website (Enclosure C), Public Works' "Business Opportunities" website, Twitter, and an advertisement was placed in the Los Angeles Daily Journal, Los Angeles Sentinel, and La Opinion Advertisement. Also, Public Works informed 1,330 Local Small Business Enterprises, 136 Disabled Veteran Business Enterprises, 88 Social Enterprises, and 187 independent contractors and community business enterprises about this business opportunity.

On May 9, 2018, four bids were received for the Lennox Garbage Disposal District and two bids were received for the Malibu Garbage Disposal District. The bids were first reviewed to ensure that the bids and the bidders met the minimum requirements in the IFB. All bids/bidders having met these minimum requirements. The cost to perform the services were then reviewed to determine the lowest responsive bid and responsible bidder for each District. Based on this review, it is recommended that the contracts be awarded to the apparent lowest responsive, responsible, bidders: Ware Disposal, Inc., located in Santa Ana, California, for the Lennox Garbage Disposal District and Universal Waste Systems, Inc., located in Santa Fe Springs, California, for the Malibu Garbage Disposal District.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

These contracts will provide improved waste collection services for these communities.

CONCLUSION

Please return one adopted copy of this Board letter to the Department of Public Works, Environmental Programs Division.

Respectfully submitted,



MARK PESTRELLA

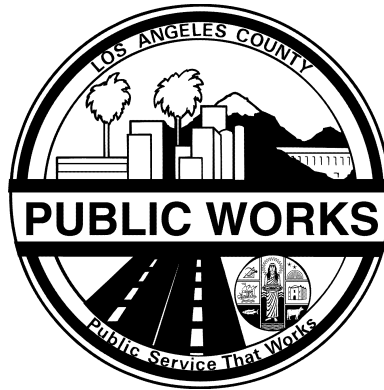
Director

MP:SA:td

Enclosures

c: Auditor-Controller
Chief Executive Office (Chia-Ann Yen)
County Counsel (Talin Halabi)
Executive Office

Sample Contract



BETWEEN

COUNTY OF LOS ANGELES BOARD OF SUPERVISORS
ACTING IN THEIR CAPACITY AS THE GOVERNING BOARD OF
THE LENNOX AND MALIBU GARBAGE DISPOSAL DISTRICT

AND

name of waste hauler

FOR PROVISION OF

REFUSE, RECYCLABLES, AND GREEN WASTE CONTAINER SERVICES TO
CUSTOMERS AT RESIDENTIAL, MULTIFAMILY, AND COMMERCIAL PREMISES
(TASK 1 SERVICES)

AND

ABANDONED WASTE COLLECTION SERVICES
AND MAINTENANCE OF PUBLIC RECEPTACLES
(TASK 2 SERVICES) (2018-GDD017)

FOR THE SERVICE AREA OF

LENNOX AND MALIBU

WITH A SERVICE COMMENCEMENT DATE AS EARLY AS

JULY 1, 2018

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THIS CONTRACT is made and entered on _____, 2018, by and between COUNTY of Los Angeles Board of Supervisors, acting in their capacity as the governing body of the Lennox and Malibu Garbage Disposal District of COUNTY of Los Angeles (COUNTY), and _____, a Corporation or Limited Liability Company registered in the State of _____ (CONTRACTOR).

RECITALS:

Purpose. To limit the wear and tear on COUNTY streets, reduce pollution from Collection Vehicle exhaust, increase customer service accountability, ensure compliance with Federal, State, and local laws, including Assembly Bill (AB) 939, by improving program implementation performance and reporting accuracy, and facilitate more efficient CONTRACT administration and enforcement by COUNTY staff.

Solid Waste Haul Permits. County of Los Angeles Department of Public Health issued permits to haulers for the hauling of solid waste with requirements to protect public health and safety, including frequency of Collection and Collection Vehicle maintenance. CONTRACTOR shall continue to obtain that permit and comply with all its provisions; and

Mandatory Solid Waste Diversion. The State of California has found and declared that the amount of solid waste generated in California coupled with diminishing landfill space and potential adverse environmental impacts from land filling have created an urgent need for State of California and local agencies to enact and implement an aggressive, new integrated waste management program. Through enactment of AB 939, the State of California has directed agencies, such as COUNTY to Divert 50 percent of all solid waste through source reduction, recycling, and composting activities. The California Department of Resources Recycling and Recovery (CalRecycle) had granted COUNTY a time line to achieve compliance with the AB 939 Diversion requirements to which COUNTY had met. Continued compliance is based in part on executing and implementing this CONTRACT to secure cooperation with CONTRACTOR'S AB 939 waste Diversion programs, record keeping, and reporting; and

County Waste Management Plan. COUNTY Board of Supervisors adopted the Roadmap to a Sustainable Waste Management Future in 2015. It is a comprehensive plan for a waste free future and is a proactive approach to developing innovative policies for managing waste that further reduces COUNTY's reliance on landfills. It established the following intermediate and long-term disposal reduction targets: 80 percent Diversion from landfills by 2025, 90 percent Diversion from landfills by 2035, and at least 95 percent Diversion from landfills by 2045; and

Task 1: Waste Discarded in Containers. COUNTY'S Director has determined to provide for Municipal Solid Waste (MSW) Management Services in portions of COUNTY under the terms of this CONTRACT for reasons including the following:

- To assist residents and certain businesses located in the Service Area that discard solid waste in carts to receive quality MSW Management Services, and
- To provide COUNTY with programs, records, and reports that will help COUNTY comply with AB 939 and other laws.

COUNTY issued a 5-year notice under California Public Resources Code (PRC) Section 49520 of COUNTY'S intent to authorize, among other options, the exclusive franchising of MSW Management Services in portions of COUNTY; and

Task 2: Abandoned Waste Collection. COUNTY'S Director has also determined to contract for collection of Abandoned Waste in this CONTRACT to efficiently remove it and prevent the illegal dumping from becoming a community eyesore, decreasing neighborhood property values, posing a safety hazard, providing a breeding ground for disease carrying rodents, insects, and other vermin, and in general, lowering the quality of life for residents.

The use of the term COUNTY is understood to mean Lennox and Malibu Garbage Disposal District of COUNTY of Los Angeles. COUNTY of Los Angeles Board of Supervisors acts in their capacity as the governing body of the Garbage Disposal District; and

Compliance with Law. CONTRACTOR shall perform Contract Services in accordance with all the laws governing the safe collection, transport, recycling, and disposal of Residential and Commercial Solid Waste, including but not limited to AB 939 and AB 1826, Recovered Conservation and Recovery Act (RCRA), and Comprehensive Environmental Response Compensation and Liability Act (CERCLA).

CONTRACTOR / "Arranger". Under this Contract, COUNTY may exercise control over the disposal or other disposition of the Solid Waste handled by the CONTRACTOR. It may designate or determine the use of any given Solid Waste Facility. Although minimum scope of Contract Services, Service Specifications, and Service Standards are set forth in this CONTRACT, COUNTY has not, and by this CONTRACT does not, supervise Contract Services or assume title to Solid Waste; and

Competitive Procurement. COUNTY issued a Request for Proposals (RFP) or Invitation for Bids (IFB) to provide Contract Services under this CONTRACT. Private waste hauling companies submitted proposals or bids, including their proposed schedule of rates and charges. For GDD services, COUNTY selected a CONTRACTOR based on price proposals only.

Compensation. The following describes the compensation allowed under this CONTRACT:

- Exhibit 7 provides for CONTRACTOR'S compensation under Task 1 Services. Under this CONTRACT, the CONTRACTOR cannot charge its Customers more than the Customer Service Fees in the Customer Fee Schedule in Attachment 7-2 Task 1 Service Fees in Exhibit 7.
- Exhibit 3A2 provides for CONTRACTOR's compensation under Task 2 Services and COUNTY Service Fees in Attachment 7-3 Task 2 Service Fees in Exhibit 7.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

This CONTRACT applies to both Contract Services (Task 1 Services and Task 2 Services), unless specifically indicated otherwise. However, Exhibits 3A1 and 3A3 applies only to Task 1 Services, and Exhibit 3A2 applies only to Task 2 Services.

SECTION 1 - GRANT OF RIGHTS AND PRIVILEGES TO PROVIDE TASK 1 SERVICES

A. Grant of Rights

1. Grant of Rights and Privileges

COUNTY grants CONTRACTOR the right and privilege, together with the Performance Obligations, to provide Contract Services.

a. *Conditions*

- CONTRACTOR is ready, willing, and able to provide Contract Services;
- CONTRACTOR meets all its Performance Obligations, no CONTRACTOR Default has occurred;

b. *CONTRACTOR Acceptance*

CONTRACTOR accepts these rights and privileges, together with Performance Obligations, subject to all terms and conditions in this CONTRACT and the exclusions in subsections B (Exclusions from Service) and C (Exclusions from Exclusivity) of this Section.

2. Nonexclusive Collection of Solid Waste

CONTRACTOR accepts there is currently no exclusive right and privilege together with the obligation to provide Task 1 Services, with respect to Solid Waste discarded in Containers and within the Service Area. However, COUNTY reserves the right to make a portion or all the Task 1 Services within the Service Area exclusive at any time in the future.

B. Exclusions from Service

1. Solid Waste to be Self-Hauled

This CONTRACT excludes the right and privilege to Collect, transport, and Divert/Dispose Solid Waste that Persons self-haul. Anyone, including Persons performing services other than MSW Management Services (such as roofers and gardeners) at those Premises, may collect in receptacles other than Container provided by CONTRACTOR, transport in their own Vehicles, and themselves Dispose of some or all the Solid Waste generated at those Premises.

2. COUNTY and Third-Party Agencies

This CONTRACT excludes the right and privilege to arrange to provide Task 1 Services to Premises owned or controlled by any of the following entities:

- COUNTY or any other entity governed by the Board of Supervisors;
- State of California;
- Federal government;
- Any city;
- Any public-school district; or
- Any entity that is excluded by Applicable Law from the obligation to subscribe to Task 1 Services under this CONTRACT.

This CONTRACT does not prohibit CONTRACTOR from executing separate contracts with those entities to provide MSW Management Services.

3. Rights Under California Public Resources Code Section 49520

a. Exclusion

This CONTRACT excludes the right and privilege to arrange for providing Contract Services with any Person who is receiving Solid Waste handling services from a solid waste enterprise that has the statutory right to continue to provide solid waste handling services to that Person under PRC Section 49520 *et seq.*

b. Acknowledgement

CONTRACTOR acknowledges:

(1) No Statutory Rights

This CONTRACT does not grant CONTRACTOR any rights under PRC Section 49250 *et seq.*

(2) Expired Term

This CONTRACT is an exclusive franchise. Upon expiration of this CONTRACT, no unexpired Term will remain. CONTRACTOR will have no right to continue providing Contract Services, MSW Management Services, or Solid Waste handling services under PRC Section 49250 *et seq.*

(3) Terminated CONTRACT

If COUNTY exercises its remedy to terminate this CONTRACT for CONTRACTOR fault, CONTRACTOR will not be in compliance with the terms and conditions of this CONTRACT. In that event, CONTRACTOR will have no right

to continue providing Contract Services, MSW Management Services, or Solid Waste handling services under PRC Section 49251.

(4) **Contract Claims**

CONTRACTOR does not have the right to make any claim under PRC Section 49520, but only under this CONTRACT.

c. Stop Contract Services / Procure New Services

Upon expiration or termination of this CONTRACT, CONTRACTOR shall stop providing Contract Services even if the expiration or termination occurs before the end of the period described in PRC Section 49520. After expiration or termination of this CONTRACT, COUNTY may reprocure one or more agreements for MSW Management Services with CONTRACTOR or other Persons. Those agreements may be exclusive, partially exclusive, or wholly exclusive franchises, contracts, licenses, permits or otherwise, with or without competitive bidding.

4. Donation or Selling of Recyclables

This CONTRACT excludes the right and privilege to Collect Recyclables that Occupant donates or sells to Persons other than CONTRACTOR.

5. Collection of Food Waste or Recyclables from Commercial Franchise Carts

This CONTRACT excludes the right and privilege to Collect Food Waste that is separated from other Solid Waste subject to COUNTY's Non-Exclusive Commercial Franchise Agreements. For example, CONTRACTOR cannot Collect Food Waste or Recyclables from Carts provided under the Commercial Franchise agreement with COUNTY.

C. Exclusions from Exclusivity

1. Task 2 Services – Abandoned Waste and Litter Collection Services

This CONTRACT excludes the exclusive right and privilege to Collect Abandoned Waste. COUNTY reserves the right to use its own forces or to contract with any company to Collect Abandoned Waste or empty public receptacles.

2. Emergency Services

This CONTRACT excludes the exclusive right and privilege to perform Solid Waste services during emergencies described in Section 11. Under this Section, CONTRACTOR may be requested to perform work in other

COUNTY Franchise areas, Garbage Disposal Districts, cities, or Counties. Likewise, other waste haulers may be requested to perform Solid Waste services within this Service Area.

3. Food Waste

This CONTRACT excludes the exclusive right and privilege to Collect, transport and Divert Food Waste. This exclusion also applies to Food Waste discarded in Carts by Commercial Franchise customers. Commencing upon the Commencement Date, CONTRACTOR shall Collect Food Waste discarded with Refuse.

At any time after the Commencement Date, in its sole discretion, COUNTY may do either of the following with respect to Collection, transportation, and Diversion of Food Waste that is discarded separately from Refuse:

- Renegotiate a change to this CONTRACT or enter a separate contract with the CONTRACTOR; or
- Enter a contract with another Person.

D. Definition of Rights

In accordance with PRC Section 49523, based on the mutually satisfactory terms of providing Task 1 Services set forth in this CONTRACT and receipt of compensation therefore, CONTRACTOR shall cease providing Contract Services on the Expiration Date even if that Expiration Date should occur before the expiration of the period described in PRC Section 49520. This CONTRACT and acknowledgments in this CONTRACT do not foreclose COUNTY from re-procuring CONTRACTs for MSW Management Services, including from CONTRACTOR, after termination of this CONTRACT, by nonexclusive, partially exclusive, or wholly exclusive franchise, contract, license, permit or otherwise, with or without competitive bidding.

E. No Longer Used

F. Privacy (Contract Services)

1. General

CONTRACTOR shall strictly observe and protect the rights of privacy of Customers and Occupants. CONTRACTOR shall not reveal to a Person other than COUNTY any information identifying individual Customers and Occupants or the composition or contents of a Customer's Solid Waste to any Person unless under Section 9 or upon the authority of law or upon valid authorization of the Customer. This provision may not be construed to excuse CONTRACTOR from its obligations to assist COUNTY in the preparation of Solid Waste characterization studies or waste stream

analyses, keeping Records, making Reports, or assisting COUNTY on meeting Federal, State, and local requirements.

2. Mailing Lists

CONTRACTOR shall not market or distribute mailing lists with the names and addresses of Customers and Occupants.

3. Privacy Rights Cumulative

CONTRACTOR'S obligations in this Section are in addition to any other privacy rights accorded Customers and Occupants under Applicable Law.

G. Ownership of Solid Waste

This CONTRACT does not purport to grant CONTRACTOR ownership over Solid Waste. The right to possession or ownership of Solid Waste placed at the Set-Out Site for Collection, including Green Waste, Recyclables, and Abandoned Waste, will be determined in accordance with existing law and is not affected by this CONTRACT. COUNTY acknowledges that it has no ownership rights in Solid Waste and that CONTRACTOR may provide for transfer of ownership in the Terms and Conditions.

SECTION 2 - TERM OF CONTRACT

A. Term of Contract Services

This CONTRACT is effective and binding on the Execution Date. It expires on the Expiration Date. Certain Performance Obligations survive expiration or termination of this Contract under subsection B below.

"**Commencement Date**" may be as early as July 1, 2018 for Lennox and Malibu.

"**Term**" is the period beginning on the Execution Date and ending on the Expiration Date.

"**Execution Date**" is the date both COUNTY and CONTRACTOR sign this CONTRACT.

"**Expiration Date**" is any of the following days, as may be extended described in the following subsection A1 of this Section:

- June 30, 2025, in Contracts, or
- As earlier date that the Contract terminates in accordance with Part 6D of Exhibit 5.

1. Extensions of the CONTRACT Term

Director shall have the sole option to extend the initial Term of this CONTRACT under the following subsections A2, A3, and A4.

2. Two, 18-Month Extensions

Director may, in his sole discretion, extend the Term of this CONTRACT for up to two additional 18-month periods.

3. Six, 1-Month Extensions

Director may, extend the Term of this CONTRACT up to six times, each time in an increment of one to six months for a total of no more than six months. For example, the Director may first extend the Term for three months, subsequently extend it for two more months, and lastly extend it for one more month.

4. Contract Extension Cumulative

The contract extensions are cumulative and may be exercised in any order. For example, after the end of the initial Term, Director may issue two 2-year extensions, one 3-month extension, followed by one 1-month extensions.

5. Transition to Next Waste Hauler

Certain obligations of CONTRACTOR survive the termination of this CONTRACT as provided under subsection B6 below.

6. Notification to CONTRACTOR

Director will Notify CONTRACTOR of the intent to extend or not extend this CONTRACT no later than the following:

- 90 calendar days before a 2-year extension begins
- 10 calendar days before a 30-day extension begins

B. Obligations Upon Expiration or Termination of CONTRACT

The following provisions will survive the expiration or termination of this CONTRACT:

1. Acknowledgements

All acknowledgments, including those in the following Sections:

- Item D of Section 1 (inapplicability of PRC 49520)
- Item C of Section 2 (no recovery of undepreciated asset value)
- Item A of Section 3 (no COUNTY responsibility for supervising or performing Task 1 Services)
- Item A of Section 9 (Record maintenance)
- Part 10 of Exhibit 5 (interpretation of this CONTRACT)

2. Representations and Warranties

All representations and warranties, including those made in accordance with the following Sections:

- Part 10 of Exhibit 5 with respect to review of this CONTRACT
- Item B of Section 14, Authority to Execute
- Attachment 5-9H, CONTRACTOR'S Representations and Warranties

3. Indemnities

All Indemnities.

4. Payments

All obligations to pay any due and payable monetary amounts or requests for those amounts, including:

- Payment of Transfer Deposits and Transfer Costs

- Damages under Item D of Section 12
- Payment of County Service Fees under Exhibit 3A2
- Refund due to Customers that pay Customer Service Fees in advance of Customer Service

5. Records and Reports

All obligations to maintain and submit Records and Reports, including:

- The final Annual Report
- Information with respect to Solid Waste Facilities
- Copies of certificates of insurance or other evidence of coverage
- Records of Disposal
- Notice of Destruction of Records of Disposal
- Inspection and audit
- Records of Abandoned Waste Collection including supporting documentation

6. Provisions Surviving Expiration Date

Any other provisions of this CONTRACT and rights and obligations of the Parties stated to survive the Expiration Date, including:

- This subsection B6 (cooperation during transition; removal of Carts), and
- Subsection C (no recovery of undepreciated asset value).

a. *Cooperation During Transition*

If CONTRACTOR is not awarded a new CONTRACT to allow CONTRACTOR to continue to provide MSW Management Services substantially similar to Contract Services in this Service Area after the expiration or termination of this CONTRACT, CONTRACTOR shall cooperate fully with Director and the succeeding contractor, licensee, permittee, or other provider of MSW Management Services to assure a smooth, efficient, orderly, timely, and effective transition.

b. *Removal of Carts*

With respect to Task 1 Services, CONTRACTOR shall not remove a Container from any Premises until the earlier of:

- The date any replacement Containers are provided to the Customer by succeeding contractor, or
- 2 weeks after the Expiration Date.

7. Container Purchase Option

COUNTY may purchase Containers as specified in Item D11 of Exhibit 3A1.

C. Undepreciated Assets

If any of CONTRACTOR'S Service Assets remain undepreciated upon the expiration or earlier termination by COUNTY of this CONTRACT, CONTRACTOR has no right to recover amounts equal to the undepreciated asset value from COUNTY or Customers, and neither COUNTY nor Customers are obligated to compensate CONTRACTOR for any undepreciated asset value.

CONTRACTOR acknowledges that when exercising its option to extend the Expiration Date, COUNTY need not consider whether any Service Assets are not fully depreciated as of the Expiration Date, and that CONTRACTOR invested in and depreciated those Service Assets in CONTRACTOR'S sole discretion.

SECTION 3 - SCOPE OF SERVICES AND SPECIFICATIONS (Contract Services)

A. Prescribed Scope

1. Task 1 Services

With respect to Task 1 Services, CONTRACTOR shall arrange to provide services to Premises in the Service Area in accordance with Exhibit 3A1 to both the following:

- Any Person who was receiving service immediately prior to the Commencement Date from COUNTY's contractor under a previous contract with COUNTY, and
- Any Person who request Task 1 Services.

2. Task 2 Services

With respect to Task 2 Services, CONTRACTOR shall provide services in the Service Area to Director in accordance with Exhibit 3A2.

3. Additional Contract Services Requirements

With respect to additional Contract Services, CONTRACTOR shall provide services in the Service Area to Director in accordance with Exhibit 3A3.

CONTRACTOR must provide Contract Services in accordance with Service Specifications and Service Standards. Nevertheless, CONTRACTOR has the freedom and discretion to determine the means, manner, or method of providing Contract Services. CONTRACTOR acknowledges that in entering into this CONTRACT, COUNTY is not responsible for supervising CONTRACTOR or for performance of any Contract Services. CONTRACTOR is responsible for choosing the Solid Waste Facilities, unless otherwise directed by COUNTY. In addition, COUNTY is not the owner or titleholder of any material Collected, transported, Disposed, or otherwise handled by CONTRACTOR.

Any work performed outside the Performance Specifications without Director's prior written approval will be deemed to be a gratuitous effort by CONTRACTOR. CONTRACTOR shall have no claim against COUNTY for any consequential or related liabilities.

B. Change in Scope of Services

1. Task 1

Director may change the scope of Task 1 Services and Service Standards in accordance with Part 9 of Exhibit 5, subject to any adjustment in the Customer Service Fees in accordance with Item A of Section 7.

2. Task 2

Director may change the scope of Task 2 Services and Service Standards in accordance with Part 9 of Exhibit 5, subject to any adjustment in COUNTY Service Fees in accordance with Attachment 7-3 Task 2 Service Fees.

C. No Longer Used

D. CONTRACTOR Documentation (Contract Services)

1. CONTRACTOR'S Compliance with CONTRACTOR Documentation

CONTRACTOR shall provide Task 1 and Task 2 Services in compliance with the CONTRACTOR Documentation attached as Exhibit 3D.

2. Changes in CONTRACTOR Documentation

a. *Notice to Director*

CONTRACTOR shall give Director prompt Notice of any changes in CONTRACTOR Documentation listed in Item A of Exhibit 3D CONTRACTOR Documentation, after the Execution Date. CONTRACTOR shall follow Notice procedure in Part 9F of Exhibit 5. Director's receipt of those changes will be evidenced by the following acknowledgment, appended in substantially this form to the changed CONTRACTOR Documentation:

From: Director Designee
Sent: Tuesday, May 09, 2017 4:55 PM
To: waste hauler
Cc: Business Relations and Contracts Division
Subject: Service Area Name - Acknowledgement of Notice

Acknowledgment: CONTRACTOR has submitted the attached CONTRACTOR Documentation.

Director Designee
Senior Civil Engineer
Los Angeles County Public Works
Office: (626) 458-3573

b. *Director Consent.*

CONTRACTOR shall submit to Director for review and consent any changes occurring in CONTRACTOR Documentation listed in Item B of Exhibit 3D CONTRACTOR Documentation, after the Execution Date. CONTRACTOR shall follow Notice procedure in Part 9F of Exhibit 5. Director's approval will be evidenced by the following

acknowledgment, appended in substantially the following form to the changed CONTRACTOR Documentation:

From: Director Designee
Sent: Tuesday, May 09, 2017 4:55 PM
To: waste hauler
Cc: Business Relations and Contracts Division
Subject: Service Area Name - Acknowledgement of Consent

Acknowledgment: I have reviewed and approved the attached CONTRACTOR Documentation

Director Designee
Senior Civil Engineer
Los Angeles County Public Works
Office: (626) 458-3573

SECTION 4 - SERVICE STANDARDS

A. Public Health and Safety; Nuisances (Contract Services)

1. Litter

CONTRACTOR shall immediately clean up all litter it caused. If CONTRACTOR services an over-filled Container where the lid cannot be closed, any litter must be cleaned.

When Collecting any Bulky Item or Abandoned Waste, CONTRACTOR shall also clean up all litter within a 3-foot radius of the site from which CONTRACTOR Collected the Bulky Item or Abandoned Waste. CONTRACTOR shall ensure that each Vehicle is properly staffed and equipped for this purpose.

2. Spills

CONTRACTOR shall enclose or cover Solid Waste that it transports in Vehicles, debris boxes, hoppers, compactors, or any other containers. CONTRACTOR shall prevent Solid Waste from escaping, dropping, spilling, leaking, blowing, sifting, falling, or scattering from Vehicles (Spills) during Collection and transportation. CONTRACTOR shall not transfer loads from one Vehicle to another Vehicle unless necessitated by mechanical failure or accidental damage to a Vehicle. CONTRACTOR shall immediately clean up any Spills on any alley, street, or public place.

3. Leaking

CONTRACTOR shall prevent oil, hydraulic fluid, paint, or other liquid from leaking from its Vehicles. CONTRACTOR shall ensure that each Vehicle carries petroleum absorbent agents and other appropriate cleaning agents and if any liquid leaks from a Vehicle, CONTRACTOR shall immediately cover, treat, or remove the liquid materials from the ground, as necessary, and apply the necessary cleaning agent to minimize the adverse impact of the liquid materials.

4. Noise

CONTRACTOR shall conduct Collection as quietly as possible, in compliance with noise levels prescribed by Applicable Law, including County Code Section 12.08.520-Refuse Collection Vehicles. CONTRACTOR shall cause the least possible obstruction and inconvenience to public traffic or disruption to the peace and quiet of the Service Area.

B. Private Property (Task 1 Services)

CONTRACTOR shall obtain property owner consent to enter private driveways, alleys, streets, and parking lots in cases such as:

1. Private Property

a. *Acknowledgements*

CONTRACTOR acknowledges the following: Although there may be an implied waiver to access the front of Premises, a written consent may be advisable to access a side or rear yard. Additionally, private streets and driveways may not meet COUNTY's design standards and may not adequately withstand the weight of a Collection Vehicle.

b. *Damage to Pavement: Waiver*

If CONTRACTOR operates Vehicles on private property, following Director approval, CONTRACTOR may require the property owner to allow CONTRACTOR'S entry and waive liability for CONTRACTOR'S damage to driveways or other pavement, in a form satisfactory to Director. CONTRACTOR is not obligated to require a waiver. A waiver will not relieve CONTRACTOR of its obligation to repair or replace damaged pavements if it caused the damage by its negligent or willful acts or omissions under Part 9C of Exhibit 5.

c. *Personal Injury: Indemnity*

If CONTRACTOR enters private property whether in a Vehicle or by foot (for example to provide roll-out service), following Director approval, CONTRACTOR may require the property owner to hold harmless and indemnify CONTRACTOR in form satisfactory to Director. In that event, CONTRACTOR shall also require the property owner to hold harmless and indemnify COUNTY.

d. *CONTRACTOR Indemnifies COUNTY*

Despite receiving COUNTY approval, CONTRACTOR shall indemnify and hold COUNTY harmless from liabilities related to entering Customers' Premises, whether CONTRACTOR acts in compliance or noncompliance with this Contract. This indemnification is in addition to CONTRACTOR'S other Indemnifications.

2. Single-Pass Collection

If Customers request single-pass Collection (commingling of Refuse, Recyclables, and Green Waste) on private alleys, streets, and parking lots,

CONTRACTOR shall submit a request to Director in accordance with Item M of Section 4, Single-Pass Collection.

C. Non-Collection (Contract Services)

CONTRACTOR is not obligated to Collect in any of the following events:

1. Unpermitted Waste

CONTRACTOR observes the presence of Unpermitted Waste at the Set-Out Site other than any Unpermitted Waste that CONTRACTOR Collects as Bulky Items;

2. Unsafe Condition

CONTRACTOR observes an unsafe condition at the Set-Out Site.

3. Not Bagged or Bundled

Solid Waste not placed in a Container, bags or bundles. Bulky Items do not need to be placed in a Container, bag, or bundle.

4. Not At Set-Out Site

A Container or a Bulky Item that is not placed at the Set-Out Site, except if a Customer has Roll-Out Service.

5. Exceed Weight Limitations

A Container exceeds any weight limitations described in Terms and Conditions.

6. Delinquent Payment

The Customer has not timely paid CONTRACTOR'S invoice for Task 1 Services in accordance with to Item B7 of Section 7. One week prior to removing a Container for nonpayment of Customer Service Fees, CONTRACTOR shall also leave a notice for Occupants on a Container and e-mail or text Customer stating the deadline for payment.

7. Inaccessible Premises

The Premises are not accessible to Vehicles.

8. Contamination

a. *Recyclables Containers*

Refuse, Green Waste, or Manure in a Recyclables Container.

b. *Green Waste Containers*

Refuse, Recyclables, or Manure in a Green Waste Container unless Manure is specifically allowed.

c. *Refuse Containers*

Manure in a Refuse Container.

d. *Manure Containers*

Refuse, Recyclables, or Green Waste in a Manure Container unless Green Waste is specifically allowed.

9. Unscheduled

Unscheduled excess Refuse, Green Waste, Bulky Items, and E-waste in areas requiring advanced scheduling for collection under Exhibit 3A1. CONTRACTOR shall call, email, or text Occupant by next Service Day to:

- Notify of the non-collection,
- Educate and explain why waste was not Collected, and
- Schedule the Collection.

If CONTRACTOR does not Collect Occupant's discarded Solid Waste, it shall complete a non-Collection notice and leave it securely attached to Occupant's Container or Bulky Items unless it is unsafe to do so. CONTRACTOR will use the form of non-Collection notice approved by Director in CONTRACTOR Documentation. The form must describe all the following:

- The reason CONTRACTOR did not Collect Occupant's Solid Waste,
- How the Customer can correct the problem, and
- How the Customer can contact CONTRACTOR.

Additionally, if the Occupant of the serviced Premises has signed up for electronic messages, such as the Smart-eClub, CONTRACTOR shall send a text or e-mail to the Occupant.

CONTRACTOR shall Collect the Customer's Solid Waste without additional cost to the Customer at the following times:

- **Same day:** no later than 6 p.m. on the day CONTRACTOR left the Non-Collection notice, if the Customer notifies CONTRACTOR before 12 p.m. that same day, or
- **Next day:** on the next day, if the Customer notifies CONTRACTOR after 12 p.m. that same day.

D. Nondiscrimination

CONTRACTOR shall comply with Subchapter VII of the Civil Rights Act of 1964, 42 U.S.C. Section 2000e-2000e(17). CONTRACTOR shall not exclude any Customer from receiving Contract Services on the grounds of race, creed, color, sex, gender, national origin, ancestry, religion, age, physical or mental disability, marital status, or political affiliation. It shall not exclude them from participating in, deny them the benefits of, or otherwise subject them to discrimination under this CONTRACT or under any project, program, or activity supported by this CONTRACT.

E. CONTRACTOR Waste Reduction Practices (Contract Services)

Consistent with the Board of Supervisors' policy to reduce the amount of Solid Waste Disposed in landfills within COUNTY, CONTRACTOR shall use best efforts to practice waste reduction and implement procurement policies in providing Contract Services, including maintaining Records. In written correspondence with Customers and Director, CONTRACTOR shall use recycled paper that is labeled to indicate its recycled content.

CONTRACTOR shall offer Customers the option to go paperless by joining the Smart e-Club in Item C2 of Section 6.

F. Customer Correspondence and Other Materials (Task 1 Service)

CONTRACTOR shall submit to Director for approval, written materials CONTRACTOR intends to distribute to Customers at least eight County Business Days before printing, texting, e-mailing, or mailing the materials.

At Director's request CONTRACTOR shall distribute written information to its Customers and Occupants by including it within CONTRACTOR's mailings or by separate electronic distribution.

G. Publicity and News Media Relations

1. Publicity

Unless otherwise required by subsection F or subsection G.2, CONTRACTOR and its Affiliates, employees, consultants, agents, or subcontractors may, without Director consent, publicize its Contract Services or indicate in its proposals and sales materials that it has been awarded this CONTRACT to provide Contract Services, if CONTRACTOR

develops that publicity, proposals, or sales materials in a professional manner.

Neither CONTRACTOR nor any of its Affiliates, employees, consultants, agents, or Subcontractors may publish or disseminate commercial advertisements, news or press releases, opinions or feature articles using the name of COUNTY without the prior written consent of COUNTY'S Chief Executive Officer and County Counsel.

2. News Media Relations; Trade Journal Articles

CONTRACTOR shall notify Director by telephone followed by e-mail of all requests for news media interviews related to the Contract Services (and not other communities) within 24 hours of receiving the request. Before responding to requests involving matters other than the Collection programs and scope of Contract Services, CONTRACTOR shall discuss CONTRACTOR'S proposed response with Director.

CONTRACTOR shall submit copies of CONTRACTOR'S draft news releases or proposed trade journal articles related to Contract Services to Director for prior review and approval at least four County Business Days in advance of release.

CONTRACTOR shall give Director copies of media interviews and news releases related to Contract Services within four County Business Days of their occurrence.

H. Responsiveness to County (Contract Services)

CONTRACTOR shall meet the following standards:

1. Normal

Respond to COUNTY communications such as telephone messages, text messages, and e-mails no later than the next COUNTY Business Day. Acknowledge, at a minimum, that the CONTRACTOR has received the communication and provide an estimated time for a full response if the communication's issue cannot be immediately resolved.

2. Special Events

Respond to telephone message within one hour during special events, such as Mulch and Compost Giveaway Events and Annual Cleanup Events.

3. Emergency Telephone Messages

Respond to any telephone message within one hour in cases of emergencies as required under Item J1 of Section 4.

4. Written Correspondence

Respond to written correspondence from Director within one week of receipt.

5. Meetings

Meet with Director during Director's Office Hours within one week of Director's oral or written request at Director's offices or other location requested by Director.

I. No Commingling of Solid Waste

1. No Commingling Between Areas (Contract Services)

CONTRACTOR may not commingle, in its Vehicles or otherwise, any Solid Waste that it Collects with the Service Area with any other Solid Waste that it Collects outside the Service Area in cities or other unincorporated areas, without prior written consent of Director.

For example, Director may allow Food Waste to be Collected from multiple jurisdictions to make Collection routes more efficient and therefore more cost effective.

Director may require documentation such as records of Customers, including Container capacities, in cities and in the Service Area, respectively. CONTRACTOR shall maintain Records with respect to Solid Waste collected in the Service Area separately from records with respect to Solid Waste collected outside the Service Area, including its weight.

2. No Commingling of Different Materials (Task 1 Service)

CONTRACTOR may not commingle, in its Vehicles or otherwise, any Solid Waste that it Collects with any other Solid Waste that it Collects, without prior written consent of Director, as detailed in Item M of this Section. Additional requirements are in Item G2 of Exhibit 3A1.

J. Key Personnel (Contract Services)

CONTRACTOR acknowledges that it identified certain personnel and described their professional experience and qualifications in the proposal it submitted to Director about the procurement of this CONTRACT, and that COUNTY awarded this CONTRACT to CONTRACTOR based in part on those individuals' experience and qualifications. CONTRACTOR shall identify those personnel (Key Personnel) in CONTRACTOR Documentation, Exhibit 3D.

CONTRACTOR shall notify Director immediately of changes or upcoming changes in Key Personnel, including the professional experience and qualifications of the individual CONTRACTOR proposes to serve in place of a departing Key Personnel. Director may request CONTRACTOR to propose an alternative individual to serve in the position of the departing Key Personnel.

1. Emergency Telephone Number

CONTRACTOR shall maintain a local emergency telephone number disclosed to Director for use by Director outside CONTRACTOR Office Hours. CONTRACTOR shall make a representative available at the emergency number outside CONTRACTOR Office Hours who will return any emergency call as soon as possible and in any event within one hour.

2. Lead Person

CONTRACTOR shall assign a lead person(s), such as a route supervisor, to this Service Area. The lead person shall be responsible for ensuring that CONTRACTOR meets Performance Obligations. They shall spend as much time as possible in the Service Area. They shall act as a liaison between field crew and Director.

K. Uniforms (Contracts)

CONTRACTOR shall require its field employees to wear uniforms and prohibit them from removing any portions of their uniforms while providing Contract Services. Uniforms must meet the following specifications:

- Bear the CONTRACTOR's name, or other name approved by Director, for example, a DBA instead of a corporate name, and
- CONTRACTOR'S logo.

L. Confidentiality (Contracts)

CONTRACTOR shall maintain the confidentiality of all records obtained from Director under this CONTRACT in accordance with all Applicable Law. CONTRACTOR shall inform all its officers, employees, agents, and Subcontractors providing Contract Services of this confidentiality obligation. CONTRACTOR acknowledges that these records may be subject to a Public Records Request made to COUNTY.

M. Single-Pass Collection (Task 1)

CONTRACTOR shall obtain Director's approval prior to implementing single-pass service. "Single-pass service" means that Customers may commingle and discard Refuse, Recyclables, and Green Waste, and CONTRACTOR may Collect them in the same Container.

After Collection, CONTRACTOR must separate those commingled Solid Waste materials at a materials recovery facility, and Divert them. Director may approve Disposal of Recyclables and Green Waste based upon the number of Customers. CONTRACTOR shall maintain weight Records of commingled Solid Waste separately from weight Records of source-separated Solid Waste.

Customers may request single-pass service on private alleys, streets, and parking lots. CONTRACTOR may request single-pass service on extremely narrow or steep roads and other places where it is difficult to Collect with Collection Vehicles used elsewhere in the Service Area. Requests must include the following:

- Proposed addresses.
- Written consent from most Customers affected by the single-pass.
- Notification to Customers residing on the Premises being serviced.
- Single-type (Refuse) Containers without Recycling and Green Waste Containers.

SECTION 5 - ADDITIONAL PERFORMANCE OBLIGATIONS

Exhibit 5 contains additional Performance Obligations of a general nature, not necessarily directly related to providing daily Collection. Exhibit 5 includes the following parts:

Part 3 General CONTRACT Requirements

Part 4 Indemnifications and Insurance

Part 6 Debarment Breaches and Defaults; Suspensions; Termination

Part 8 Transfer of CONTRACT

Part 9 General Provisions

Part 10 Definitions and Interpretations of CONTRACT

Part 11 Compliance with Laws and Regulations

Part 12 Labor-Related Provisions Required in County Contracts

SECTION 6 - CUSTOMER SERVICE (Task 1 Services)

A. Facilities

CONTRACTOR shall maintain both the following:

- A Vehicle maintenance yard, and
- Office at the address provided in CONTRACTOR Documentation.

CONTRACTOR may change the address by notifying Director in accordance with Item A6 of Exhibit 3D.

B. Telephone Service

CONTRACTOR shall maintain a toll-free telephone number and meet the following criteria:

1. Office Hours

CONTRACTOR shall provide a customer service representative to personally answer all calls to the toll-free number during CONTRACTOR Office Hours, including calls from Director, Customers, Occupants, and the public.

2. After Hours

CONTRACTOR shall provide an answering machine to answer all calls to the toll-free number outside of CONTRACTOR Office Hours that allows callers to leave messages, such as reporting missed pick-ups and other complaints. CONTRACTOR shall further comply with County Code Section 20.72.160.

3. On Hold Messaging

CONTRACTOR shall use Reasonable Business Efforts to broadcast public education messages while Customers are waiting on hold to talk to a customer service representative.

4. Telephone Tree

CONTRACTOR shall require no more than two recorded options on a telephone tree before the caller speaks to a live customer service representative (for example, English/Spanish and residential/commercial service choices).

5. Answer Speed

CONTRACTOR shall use Reasonable Business Efforts to answer the telephone within four rings. CONTRACTOR shall answer 90 percent of all calls within the first 4 rings.

CONTRACTOR shall not leave the Customer on hold for more than ten minutes.

If Director determines that CONTRACTOR does not meet these Service Standards, Director may require that CONTRACTOR install additional telephone lines, hire additional customer service representatives, and make other customer service improvements without increasing Service Fees. Their determination will be based on whether the CONTRACTOR answers calls:

- Within five rings, based on at least three calls within one week, or
- 10 calls within one month.

6. Bilingual

CONTRACTOR shall respond to Customers and Occupants in English or Spanish as requested by the Customer or Occupant.

7. Knowledgeable Staff

CONTRACTOR shall provide customer service representatives with a knowledge of basic services in the CONTRACT. A supervisor with extensive CONTRACT knowledge is to be available to respond to questions or concerns by callers.

A representative answering a regional or nation-wide hotline with no CONTRACT specific training is not acceptable. Also, calling someone back after researching the correct answer is acceptable but providing the wrong information due to a lack of adequate training is not acceptable.

C. Paperless/Electronic Information and Services

1. Website

CONTRACTOR shall develop and maintain a website that includes the following information and Service options:

a. Service Information

Information such as Terms and Conditions form or service information, service brochures, newsletters, FAQ's, Holiday schedules, holiday tree pick-up information, service changes, invoice

explanations, allowable and forbidden discards, list of recyclable materials, educational and outreach materials, notifications, alerts, and other information requested by Director.

b. *Bill Payment*

The ability for Customers to review and pay their bills under Item B3 of Section 7, if they subscribe to Smart e-Club.

c. *Service Requests*

Requests for service collection that is not regularly scheduled, including on-call bulky waste collection, requests for extra pickups, and service cancellations.

d. *Contact Us*

CONTRACTOR's contact information where Customers can register complaints and follow-up on complaint resolution.

e. *Link*

Link to Director's website, CleanLA.com.

2. Smart-eClub

To reduce paper waste and reach more readers, CONTRACTOR shall offer both the owners and occupants of serviced Premises the option to join the Smart e-Club. CONTRACTOR shall offer Customers the following Smart e-Club options:

- Receiving service information described in preceding Item C1a electronically, subsequently switching back to paper;
- Electronic billing under preceding Item C1b;
- Making service requests under preceding Item C1c; and
- Contacting CONTRACTOR under preceding Item C1d.

CONTRACTOR shall give all educational messages and the template for service messages to Director for approval prior to sending to Customers. Upon Director's request, CONTRACTOR shall send messages provided by Director.

3. E-mail Address

CONTRACTOR shall maintain an e-mail address for use by Customers and Occupants.

D. Responses to Customer Complaints and Other Correspondence

1. Resolution of Complaints

a. *Call/E-mail for Service*

CONTRACTOR shall maintain an e-mail address under preceding subsection C3 and telephone service under subsection B of this Section.

A call or e-mail from a Customer or Occupant to request a service or report an issue, such as a damaged container, is not considered a complaint.

b. *First Complaint*

CONTRACTOR shall address all Customer and Occupant complaints immediately and resolve them by the end of the next Service Day following Customer or Occupant contact or any reasonable time agreed upon between Customer or Occupant and CONTRACTOR. A Customer or Occupant should not have to call or e-mail to complain on the same issue because CONTRACTOR did not resolve it as previously committed by CONTRACTOR, such as a damaged container was not repaired or replaced as committed.

c. *Second and Subsequent Complaints*

A Customer or Occupant should never have to call or e-mail to complain a second time on the same issue because CONTRACTOR did not resolve it as previously committed by CONTRACTOR such as a damaged container was not repaired or replaced and the Customer or Occupant previously called or e-mailed to complain.

2. Communications Log

CONTRACTOR shall enter, log, and maintain Records of all communications and their resolution, in computerized format and in compliance with County Code Section 20.72.160. CONTRACTOR shall maintain that log. CONTRACTOR shall submit the log for the applicable quarter to Director with CONTRACTOR'S Quarterly Report under Item A2 of Section 10.

3. Missed Collections

If Director, a Customer, or an Occupant notifies CONTRACTOR that CONTRACTOR has not Collected an Occupant's Solid Waste and not met its Performance Obligation, CONTRACTOR shall Collect at no additional charge:

- No later than 6 p.m. on the day of service, if it receives the complaint by 12 p.m.; or
- On the next day, if the complaint is received after 12 p.m. on the day of service.

4. County's Reimbursement Costs

If COUNTY employees or their contractors spend more than either of the following times resolving Customer complaints, then CONTRACTOR shall reimburse COUNTY its Reimbursement Costs that COUNTY incurred to resolve the complaint:

- Two hours in the aggregate resolving complaints from any single Customer that the Customer states have previously been filed with CONTRACTOR, or
- More than one hour in any work week (Monday through Friday) resolving complaints from different Customers.

The invoice for Reimbursement Costs should include all the following information:

- The address of the Premises being serviced,
- Customer who complained,
- Nature of complaint,
- Amount of time spent,
- Costs, including hourly fees for employees, agents or contractors who addressed the complaints, and
- Expenses, including phone and postage costs.

E. Service Interruption

CONTRACTOR shall monitor the Department of Public Works Road Closure website (<http://dpw.lacounty.gov/roadclosures/>) for conditions that may cause service interruptions. CONTRACTOR shall not alter or interrupt its service schedule without Director consent.

CONTRACTOR shall alert all Customers and Occupants of any Director-approved interruption in service and when service will resume. CONTRACTOR may use any type of communication, including phone blast, e-mail blast, and text messaging. Examples of interruption include various reasons, such as road closures, extreme weather conditions, or breakdown of CONTRACTOR equipment.

F. Responsiveness to Customer

Respond to communications such as telephone messages, text messages, and e-mails to the source that made contact no later than the next business day. If CONTRACTOR is unable to directly address the issue, CONTRACTOR shall

respond with an acknowledgement to confirm receipt of message and indicate when the issue will be addressed.

Respond to United States Postal Service, Federal Express, or other courier provided correspondence from Customers or Occupants within one week of receipt.

G. Setting Up or Terminating Service

1. New Customers

- Obtain contact and service location information
- Explain services and charges
- Mail brochure
- Offer Bulky Item Collection

2. Terminating Service

- Offer Bulky Item Collection
- Explain what to do with Containers
- Explain refund procedure for any prepaid services

SECTION 7 - SERVICE FEES AND BILLING

A. Customer Service Fees

CONTRACTOR shall charge Customers no more than the Customer Service Fees in Attachment 7-2, Task 1 Service Fees of Exhibit 7. Customer Service Fees are subject to a rate adjustment as specified in Item B of Exhibit 7.

1. Uniform Fees

CONTRACTOR shall charge the same, uniform Customer Service Fees for the same Task 1 Services listed in Attachment 7-2, Task 1 Service Fees of Exhibit 7.

2. Surcharges

Surcharges will be added to the Basic Service Fee. See Attachment 7-2, Task 1 Service Fees of Exhibit 7.

a. Billing Fees

- 10 percent late fee
- \$25.00 for interruption of service
- \$25.00 fee on returned checks

b. Extra Containers

c. Difficult to Service

d. Roll out Service

(1) Non-Elderly or Non-Disabled

(2) Elderly or Disabled

CONTRACTOR shall provide this service, without additional charge to Customer, for Occupants who are Elderly or Disabled and certify to the CONTRACTOR that there is no able-bodied individual in the household who can roll-out Cart to the Set-Out Site.

e. Additional Bulky Item Collection

f. Excessive Container Exchanges

g. Manure Service

- h. Bear Resistant Carts*
- i. Recyclables Cart with Gravity Lock*

B. Customer Invoice and Payment

While services within a GDD that are included in a properties allotment are paid through the property tax and shall not be billed by CONTRACTOR to the Customer. Any additional surcharges as identified in Section 7A2 are to be billed to the Customer.

1. Invoice Content

CONTRACTOR shall include in its Customer invoice the following information:

a. Contact Information

CONTRACTOR's telephone number, Office address, website and e-mail address for Customer complaints and questions.

b. Itemized Costs

Itemize costs in accordance with services. CONTRACTOR shall not identify that portion of a Customer's invoice attributable to a Franchise Fee, if any.

c. Paperless Option

A message promoting its website-based invoicing and payment system on all paper invoices sent to Customers.

At Director's request, CONTRACTOR shall promptly submit a copy of a Customer's invoice to Director.

2. Frequency

CONTRACTOR shall invoice Cart Customers quarterly following the Calendar Year quarter and Dumpster Customers (if applicable) monthly, or an alternate frequency as approved by Director.

Customers are not to be billed to their basic allotment of Task 1 Services. For Method of Payment to COUNTY for these services, see Item J of Exhibit 3A1. However, surcharges for Task 1 Services are to be billed to Customers quarterly, three months in advance. Bills shall be sent on or after the first day of the billing period. Payment in full is due no later than the last day of the first month. For example, bills that are sent on April 1 for the billing period of April, May, and June are due on April 30.

If Customer fails to pay bill in full, see Item B7 of this Section for actions to be taken.

3. Electronic Invoicing

To reduce paper waste, CONTRACTOR shall make available to all Customers an electronic invoicing system at no additional charge. CONTRACTOR shall ensure that the electronic invoicing and payment website conforms to industry-standard practices for electronic commerce security. CONTRACTOR must ensure that these Customers receive invoice inserts, such as newsletters either electronically or paper copies, as requested by Customer. Through CONTRACTOR'S website, Customers may request to cease paper invoices and receive all invoices through e-mail or access them on CONTRACTOR'S website.

4. Inserts

At Director's request, CONTRACTOR shall include a message and/or enclose with Customer's invoice all inserts prepared and provided by Director.

5. Electronic Payment

CONTRACTOR shall make available to all Customers an electronic payment system at no additional charge. This system will be website based and allow Customers to pay invoices through CONTRACTOR'S website, both one-time and reoccurring. CONTRACTOR must allow credit card payments and may include direct bank routing or other payment methods.

6. Refunds

CONTRACTOR shall refund any overcharges to a Customer (including advance payments for Task 1 Services that are subsequently canceled) within 30 days after collection thereof. CONTRACTOR shall pay the Customer interest on overcharges (other than advance payments for subsequently canceled services) with interest thereon at ten percent per annum from the date originally overcharged until the date refunded.

7. Late Payment

a. Residential Customers (Quarterly Billing)

Residential Customer payment of bills for extra services are due to CONTRACTOR no later than the last day of the first month of the calendar quarter. The following are the required warning notices and maximum penalties for late payment. CONTRACTOR may be more lenient.

If payment is not received after 1.5 month, a reminder shall be sent to Residential Customer indicating missed payment, balance due, and warning of ten percent late fee. If payment is not received by the last day of the second month, the account will become delinquent and an additional ten percent fee may be added to the balance. If payment is not received after 2.5 months, a second reminder shall be sent to Residential Customer indicating missed payment, balance due including ten percent late fee, and warning of stopping service and Container removal. If payment is not received after three months, extra services may be stopped. If payment is not received after 3.5 months, extra services may be interrupted by removing the extra Containers from the premises and a \$25 interruption fee may be charged upon returning Containers to Premises. CONTRACTOR is to abide by any trespassing laws while removing Containers.

Plain Language Table

Elapsed Time	Action
1st day of quarter	Bill sent to Residential Customer
1 month	Bill due to CONTRACTOR
1.5 months	Reminder sent with warning of late fee
2 months	Unpaid bill delinquent and ten percent late fee added
2.5 months	Reminder sent with warning of stop service, container removal, and interruption fee
3 months	Service stopped
3.5 months	Containers removed, \$25 interruption fee

b. Commercial Customers (Monthly Billing)

Commercial Customer payment of bills for extra services are due to CONTRACTOR no later than the last day of the month. The following are the required warning notices and maximum penalties for late payment. CONTRACTOR may be more lenient.

If payment is not received after 1.5 months, a reminder shall be sent to Commercial Customer indicating missed payment, balance due, and warning of ten percent late fee. If payment is not received by the last day of the second month, the account will become delinquent and an additional ten percent fee may be added to the balance. If payment is not received after 2.5 months, a second reminder shall be sent to Commercial Customer indicating missed payment, balance due including ten percent late fee, and warning of stopping service and Container removal. If payment is not received after three months, extra services may be stopped. If payment is not received after 3.5 months, extra services may be interrupted by removing the extra Containers from the premises and a \$25 interruption fee may be

charges upon returning Containers to Premises. CONTRACTOR is to abide by any trespassing laws while removing Containers.

Plain Language Table

Elapsed Time	Action
1st day of quarter	Bill sent to Commercial Customer
1 month	Bill due to CONTRACTOR
1.5 months	Reminder sent with warning of late fee
2 months	Unpaid bill delinquent and ten percent late fee added
2.5 months	Reminder sent with warning of stop service, container removal, and interruption fee
3 months	Service stopped
3.5 months	Containers removed, \$25 interruption fee

a. Partial Payment

If Customers fails only to pay for surcharges for any or all special services in Item A2 of Section 7, those special services shall be stopped without affecting other services. For example, if a Customer has an extra Refuse Container but is not paying the fee for the Container, the extra Container should not be Collected but all other Task 1 Services shall be provided.

b. Returned Check Fee

A \$25 fee on returned checks (insufficient funds) may be charged to Customer.

C. County Service and Fees

1. County Service Fees and Maximum Contract Sum

COUNTY agrees, in consideration of satisfactory performance of Task 2 Services in Sections A and B of this exhibit, in strict accordance with the service specifications set forth herein, to the satisfaction of Director, to pay the CONTRACTOR County Service Fees at the fee specified in Attachment 7-3, Task 2 Service Fees of Exhibit 7 for Disposal that CONTRACTOR Collects, **not to exceed \$[_____]** per Contract Year or a greater amount as the Board may approve. This is referred to as the "Maximum Contract Sum" for Task 2 Services.

a. Abandoned Waste Not Commingled

If CONTRACTOR does not commingle Abandoned Waste in the same Vehicle with other Refuse, and the facility weighs Abandoned Waste that CONTRACTOR delivers, CONTRACTOR shall report

that weight to Director in the Monthly Report and keep copies of all weigh receipts. If a facility does *not* weigh those materials, CONTRACTOR shall calculate the weight of allocated Abandoned Waste in accordance with Cal Recycle weight conversion standards <http://www.calrecycle.ca.gov/LGCentral/Library/dsg/Appendix.html>, or other method satisfactory to Director.

b. Abandoned Waste Commingled

If CONTRACTOR *does* commingle Abandoned Waste in the same Vehicle as other Refuse, CONTRACTOR shall allocate the proportion of Abandoned Waste to other Refuse in a formula approved by Director, and weigh or calculate the weight of the Abandoned Waste as set forth in the preceding paragraph.

2. Special Fund Obligation

COUNTY will pay County Service Fees from COUNTY'S Road Fund or other sources. CONTRACTOR acknowledges that it will not be compensated for providing County Service under Task 2 Services from Customer Service Fees under Task 1 Services. Customers or Occupants do not pay County Service Fees.

3. Billing

CONTRACTOR shall bill COUNTY monthly for COUNTY Services performed during the preceding month by invoice (original and a copy) in a form satisfactory to Director. COUNTY will pay County Service Fees to the CONTRACTOR within 30 days of receipt and approval of a properly completed and undisputed invoice. If CONTRACTOR is certified by COUNTY as a Local Small Business Enterprise, COUNTY will pay CONTRACTOR in accordance with Board of Supervisors Policy No. 3.035, Small Business Liaison and Prompt Payment Program.

The Itemized invoice shall contain a reference to the name of the Service Area and Environmental Programs Division, Residential Franchise/Garbage Disposal District Section. CONTRACTOR shall submit invoices to:

County of Los Angeles Department of Public Works
Attention Fiscal Division, Accounts Payable
P.O. Box 7508
Alhambra, CA 91802-7508

For weekly or daily Abandoned Waste Collection, CONTRACTOR shall bill COUNTY based on per incident, foot, day, or receptacle collection, as indicated in Attachment 7-3 Task 2 Service Fees of Exhibit 7. The rate shall be calculated as follows:

a. Weekly Collection

(1) Expected Number of Incidents, Volume Up to Four Cubic Yards

CONTRACTOR may request a fee equal to the expected number of incidents rate for four cubic yards of volume.

CONTRACTOR is required to record the location of each incident and submit with the monthly invoice. CONTRACTOR is not required to provide evidence of Abandoned Waste removal unless Director requests.

(2) More Than Expected Number of Incidents

CONTRACTOR may request a fee equal to the more than expected number of incidents rate.

CONTRACTOR is required to record the location of each incident and submit with the monthly invoice. CONTRACTOR shall take and submit photos of the waste to request a higher fee for that location. These special circumstances must be Itemized separately on the invoice.

(3) More Than Four Cubic Yards

CONTRACTOR may request a fee equal to the more than four cubic yards rate for a volume greater than four cubic yards.

CONTRACTOR is required to record the location of each incident and submit with the monthly invoice. CONTRACTOR shall take and submit photos of the waste to request a higher fee for that location. These special circumstances must be Itemized separately on the invoice.

b. Hot Zone Daily Monitoring and Collection

(1) Monitoring All Hot Zone Locations

CONTRACTOR may request a fee equal to the Monitoring All Hot Zone Locations for every linear foot within the zone, each day. All Hot Zones refers to the original location indicated in CONTRACT and not any that are added after the Execution Date.

For example, for a \$1.00 rate for 500 feet, CONTRACTOR may request $\$1.00 \times 500 \times 22 \text{ days} = \$11,000$ per month. CONTRACTOR is not required to provide evidence of monitoring unless Director requests.

(2) **Additional Hot Zone Monitoring**

After the Execution Date, if Hot Zones are created or expanded greater than the length indicated in Item 16.A.2 of Exhibit 16, CONTRACTOR may request a fee equal to Monitoring Additional Hot Zones for the additional distance only.

CONTRACTOR is not required to provide evidence of monitoring unless Director requests.

(3) **Waste Collection from All Hot Zone Locations**

CONTRACTOR may request a fee equal to the Waste Collection from All Hot Zone Location with four cubic yards or less rate. All Hot Zones refers to the original locations indicated in CONTRACT and not any that are added after the Execution Date.

The four cubic yards volume refers to the total amount of waste at a single incident, not the total collected in all Hot Zones. For example, five piles of two cubic yards is billed at this rate and is not considered ten cubic yards. Waste separated by more than ten feet shall be considered a separate incident. CONTRACTOR is not required to provide evidence of Collection unless Director requests. CONTRACTOR is required to record the location of each incident and submit with the monthly invoice.

(4) **Additional Hot Zone Waste Collection**

After the Execution Date, if Hot Zones are created or expanded greater than the length indicated in Item 16.A.2 of Exhibit 16, CONTRACTOR may request a fee equal to the Additional Hot Zone Waste Collection with four cubic yards or less rate for the additional distance only.

The four cubic yards volume refers to the total amount of waste at a single incident, not the total collected in all Hot Zones. Waste separated by more than ten feet may be considered a separate incident. CONTRACTOR is not required to provide evidence of Collection unless Director requests. CONTRACTOR is required to record the location of each incident and submit with the monthly invoice.

(5) **Waste Collection with More Than Four Cubic Yards**

For any incident larger than four cubic yards, CONTRACTOR may request an extra fee equal to the Waste Collection With More Than four cubic yards rate. Waste separated by more than ten feet shall be considered a separate incident. CONTRACTOR shall take and submit photos of the waste to request a higher fee for that location. These special circumstances must be Itemized separately on the invoice.

c. Public Receptacles

CONTRACTOR may request a fee equal to the number of Collections made from Public Receptacles during the month, regardless if it is Refuse or Recyclables from a standard or solar powered compactor. CONTRACTOR is required to record the number of Collections and submit with the monthly invoice.

d. Homeless Encampments

(1) Abandoned Homeless Encampments

CONTRACTOR may request a fee equal to the number of Collections made during the cleanup on an abandoned homeless encampment during the month.

(2) Occupied Homeless Encampments

CONTRACTOR may request a fee equal to the number of each bag, box, or Dumpster Collection made each week at homeless encampments during the month.

4. Payment Exceeding Maximum Contract Sum

In no event shall the aggregate total amount of compensation paid to the CONTRACTOR exceed Maximum Contract Sum.

5. Request Work

The CONTRACTOR understands and agrees that only Director is authorized to request or order work under this CONTRACT. The CONTRACTOR acknowledges that the designated authorized representative is not authorized to request or order any work that would result in the CONTRACTOR earning an aggregate compensation more than this CONTRACT's Maximum Contract Sum.

6. Performing Work to Exceed Maximum Contract Sum

The CONTRACTOR shall not perform or accept work requests from the designated authorized representative or any other person that will cause

the Maximum Contract Sum to be exceeded. CONTRACTOR shall monitor the balance of the Maximum Contract Sum. When the total of the CONTRACTOR's paid invoices, invoices pending payment, invoices yet to be submitted, and ordered services reaches 75 percent of the Maximum Contract Sum, the CONTRACTOR shall immediately notify the authorized representative in writing.

7. Budget Reduction

If the Board of Supervisors adopts a budget for any Fiscal Year that reduces the salaries or benefits paid to most COUNTY employees and imposes similar reductions with respect to COUNTY Contracts, COUNTY reserves the right to correspondingly reduce the following:

- The County Service Fees for that Fiscal Year and any subsequent Fiscal Year during the Term of this CONTRACT (including any extensions), and
- The Maximum Contract Sum.

Except as set forth in the preceding sentence, the CONTRACTOR shall continue to provide all the services set forth in this CONTRACT. Director's notice to the CONTRACTOR regarding said reduction in payment obligation shall be provided within 30 calendar days of the Board's approval of such actions.

8. Deductions

COUNTY may deduct from any payment due CONTRACTOR any incurred or anticipated County Reimbursement Costs, including legal fees and staff costs, associated with any investigation or enforcement proceeding brought by Cal/OSHA arising out of COUNTY Service.

9. No Payment Following Expiration/Suspension/Termination of CONTRACT

CONTRACTOR shall make no claim against COUNTY for payment of any money or reimbursement, of any kind whatsoever, for any County Service that CONTRACTOR provides after the expiration, suspension, or other termination of this CONTRACT. If CONTRACTOR receives any such payment, it shall immediately inform Director and repay all that payment to COUNTY. Payment by COUNTY for County Services rendered after expiration, suspension, or termination of this CONTRACT shall not constitute a waiver of COUNTY's right to recover such payment from CONTRACTOR. This provision shall survive the expiration, suspension, or termination of this CONTRACT.

10. Most Favored Public Entity

If the CONTRACTOR's prices decline, or should the CONTRACTOR, at any time during the term of this CONTRACT provides the same goods or services under similar quantity and delivery conditions to the State of California or any County, municipality, or district of the State at prices below those set forth in this CONTRACT, then such lower prices shall be immediately extended to the County.

11. Change in Service Area

It is understood that the monthly compensation to be paid to the CONTRACTOR may be increased in proportion to the enlargement of the boundaries of the Service Area or to expansion of the area to be served, and the monthly compensation may be decreased if the area to be served decreases such as diminution of the size of the Service Area. This also included a change in the number of public receptacles and a change in the number or length of Hot Zones.

12. Dissolution of Service Area

It is understood that in the event of the dissolution of the Service Area, this CONTRACT and all obligations of either of the parties thereto shall be at an end, whether such dissolution results from proceedings under the provisions of the act pursuant to which the Service Area was created, by operation of law, or resulting from municipal annexation or incorporation, except for record retention requirements.

13. Adjustment to County Service Fee

Throughout the Term of the CONTRACT, COUNTY may adjust the Service Fee in Attachment 7-3, Task 2 Service Fees of Exhibit 7, per the conditions set forth in Exhibit 7.

SECTION 8 - WASTE CHARACTERIZATION STUDY

A. Participate with County Study

CONTRACTOR shall cooperate with Director in conducting Solid Waste characterization studies and waste stream audits. Cooperation includes all the following:

- Diverting Collection Vehicles from their regular route to alternate locations;
- Emptying all Solid Waste from Collection Vehicles; and
- Providing Collection, transportation, and Disposal of Solid Waste remaining after the study or audit.

B. Perform Study

CONTRACTOR shall perform Solid Waste generation and Disposal characterization studies to assist County in compliance with State laws and goals. CONTRACTOR's study shall also include collecting data and preparing reports, as needed and as directed by Director, to determine weights and volumes of Solid Waste that is Collected and to characterize Solid Waste that is generated, Disposed, transformed, Diverted, or otherwise processed, by Customer type (such as Single-Family, Multi-Family, Commercial).

1. Methodology

CONTRACTOR shall follow all guidelines and sampling methodology established by CalRecycle when conducting the study.

2. Frequency

CONTRACTOR shall perform the required studies during the first Contract Year and every other year thereafter.

SECTION 9 - RECORDS

CONTRACTOR'S obligations and COUNTY'S rights in this Section survive the term.

A. Record Maintenance and Retention

1. All Records

CONTRACTOR shall prepare and maintain all Records in accordance with generally accepted auditing principles during the Term and for an additional period of not less than five years after the Expiration Date or any longer period required by Applicable Law.

2. Disposal Records

CONTRACTOR acknowledges:

a. *Claims*

That COUNTY may need to respond to claims under CERCLA or similar applicable laws with respect to Disposal of Solid Waste.

b. *Quantity*

COUNTY'S need to determine the quantity, location, and date of CONTRACTOR'S Disposal of Solid Waste.

Therefore, CONTRACTOR shall establish and maintain a protocol for the retention and preservation of those Records, for a period of five years after the Expiration Date or any longer period required by Applicable Law, which protocol will document where CONTRACTOR Disposed of Solid Waste that it Collected (whether landfilled, incinerated, composted, or otherwise processed or marketed).

3. Notification

CONTRACTOR shall give Notice to Director at least 30 days before destroying Records of Disposal at any time after the retention period referred to in Item A1 of Section 9.

B. County Custody

If Director has reason to believe that Records may be lost, discarded, or destroyed for any reason, Director may require that CONTRACTOR give COUNTY custody of any or all Records. Access to those Records will be granted to any Person duly authorized by CONTRACTOR. CONTRACTOR shall pay for storage cost.

C. Inspection and Review of Records

Upon five Service Days' notice by telephone or writing, or a lesser amount of time in the event of extraordinary circumstances, Director and/or its contractor may inspect, review (including using outside contractor), excerpt, transcribe, and copy all Records at CONTRACTOR'S Office during CONTRACTOR Office Hours. CONTRACTOR may maintain Records outside of COUNTY (1) if it promptly provides copies thereof to Director at Director's offices, (2) if Director, in its sole discretion, agrees to travel outside COUNTY and CONTRACTOR pays COUNTY's Reimbursement Costs.

In addition to travel costs, COUNTY will bear the expense of the review and of obtaining a copy of Records; however, within 30 days of Director Notice, CONTRACTOR shall reimburse COUNTY for COUNTY'S Reimbursement Cost of the expenses for the review if the review reveals a discrepancy of the lesser of three percent or \$2,500 between:

- The amount contained in the Records (e.g., the amount of Solid Waste Collected or Diverted), and
- Any representation or Report that CONTRACTOR made to COUNTY; Franchise Fee or other money paid to COUNTY; County Service Fees paid by COUNTY, or information that CONTRACTOR submitted to Director.

Director may give Notice to CONTRACTOR identifying any discrepancy.

CONTRACTOR shall pay any discrepant shortfall in Franchise Fee or other payments due COUNTY, or excess of County Service Fees, upon Director demand, including fees and charges for the late payment of Franchise Fees. Failure to make those payments will constitute a CONTRACTOR Default in accordance with Part 6 of Exhibit 5. In lieu of payment, Director in its sole discretion may (1) deduct that shortfall from amounts that COUNTY owes CONTRACTOR under this CONTRACT, other contracts, or any other obligation, or (2) draw that shortfall from the performance bond, letter of credit, certificate of deposit, or other form of performance assurance provided by CONTRACTOR in accordance with Section 16.

COUNTY will pay any discrepant shortfall in County Service Fees due CONTRACTOR up to COUNTY'S maximum obligation for County Service Fees appropriated by COUNTY for purpose of this CONTRACT.

D. Copies of Audits

If anyone, including Federal or State auditors and auditors or accountants employed by CONTRACTOR or others, conducts an audit of CONTRACTOR specifically regarding this CONTRACT, then within 30 days of the audit report, CONTRACTOR shall file a copy of the audit report with County's Auditor-Controller and notify Director of the filing, unless otherwise provided by Applicable Law. Subject to Applicable Law, COUNTY shall make a reasonable effort to maintain the confidentiality of such audit report(s)

E. Submission of Records

CONTRACTOR shall submit to Director, without charge to COUNTY or charge to Customers, any Records relating to Diversion requested by Director to assist COUNTY in meeting obligations imposed by Federal, State, and local laws. CONTRACTOR shall submit those Records using COUNTY's Solid Waste Information Management System (SWIMS) forms or as requested by Director.

F. Public Record Request

1. Exclusive Property

The following become the exclusive property of COUNTY:

- Any Record or other document that CONTRACTOR gives Director, including about the procurement of this CONTRACT (such as proposals);
- Any Record or other document that Director obtains about Director's audit or inspection under this CONTRACT, including books and accounting records.

The above Records or other documents become a matter of public record and shall be regarded as public records, *except* if CONTRACTOR marks them as a "trade secret," "confidential," or "proprietary," they will be deemed excluded from disclosure under Government Code 6250 et seq. (Public Records Act). However, if a requestor seeking records marked "trade secret," "confidential," or "proprietary" does not agree that the records are exempt, then COUNTY will notify the CONTRACTOR that such records will be produced, unless the CONTRACTOR intercedes and files an injunction or other action to legally prevent disclosure.

CONTRACTOR agrees that COUNTY shall not in any way be liable or responsible for the disclosure of any such records including, with limitation, those so marked, if law requires disclosure, or by an order issued by a court of competent jurisdiction.

2. Defend, Indemnify and Hold COUNTY Harmless

CONTRACTOR shall defend, indemnify and hold harmless County from all costs and expenses, including reasonable attorney's fees, in connection with any requested action or liability arising under the Public Records Act, including request for any of the Records or other documents marked "trade secret," "confidential," or "proprietary." CONTRACTOR releases COUNTY from liability or responsibility for disclosing Records or other documents including those so marked, if Applicable Law require disclosure, including an order issued by a court of competent jurisdiction.

SECTION 10 - REPORTS

A. Types and Content

1. Monthly Data

Within 30 days after the end of each calendar quarter, CONTRACTOR shall complete and submit the data electronically for each individual calendar month. Upon Director request, monthly data shall be submitted as soon as possible. CONTRACTOR shall complete and submit SWIMS Forms C, L, T, and V accessible through SWIMS and e-mail Collection route maps and schedule if any map or schedule has changed during the prior month. See sample in Item E of Exhibit 16.

2. Quarterly Reports

Within 30 days after the end of each calendar quarter, CONTRACTOR shall submit the Quarterly Report for the preceding three calendar months ending with that month to Director using the form provided by Director, which includes the following information:

a. Rejected Recyclables and Green Waste

Number of loads and tons of materials in Recycling or Green Waste loads rejected for Processing together with the reason for rejection and facility at which the rejected materials were Disposed.

b. Educational Materials

A report of educational materials distributed, events held, and any events attended by CONTRACTOR to its Customers.

c. Non-Collection Notices

The number of Non-Collection notices issued and the reasons for issuance.

d. Customer List

CONTRACTOR customer service list (a SWIMS form), which includes a list of all current and closed accounts, account numbers, name associated with each account, customer addresses, level of service provided at each address, services provided that are not Contract Services, billing and payment dates, payment received from each Customer, and any other information associated with Task 1 Services as requested by Director.

GDD contracts will need to include all locations receiving service, both those who receive only the service paid through their property taxes and those who pay for additional services;

3. Annual Report

On or before each February 28, CONTRACTOR shall submit the Annual Report to Director in a form satisfactory to Director, for the preceding Calendar Year, including the following information:

a. Waste Diversion Program Implementation

A report of CONTRACTOR'S compliance with its Performance Obligations with respect to Waste Diversion Program implementation during the preceding Calendar Year.

b. Subcontractors

An updated list naming all Subcontractors, the amount of Goods or Services that each Subcontractor provides to CONTRACTOR, and a description of CONTRACTOR'S relationships to each Subcontractor (including ownership interests) in accordance with Item 9M of Exhibit 5.

c. South Coast Air Quality Management District Rule 1193

Each Vehicle's compliance with South Coast Air Quality Management District Rule 1193, Clean On-Road Residential and Commercial Collection Vehicles, and Diesel Particulate Matter Control Measures (13 California Code of Regulations 202 et seq.).

d. Task 2 Services Information

Information relating to Task 2 Services requested by Director.

e. Scavenging

A narrative description of efforts made to deter and prevent unauthorized removal or scavenging of Recyclables.

f. Vehicles

An inventory of Vehicles assigned to the service area and information on each Vehicle including its number, fuel type, year, make, model, license plate number, VIN number, assigned route with start and finish points, days of service, type of material collected, and number of accounts being serviced. CONTRACTOR shall update and submit

immediately if any Vehicle, route or information has changed during the prior year.

4. Reports of Violators

If CONTRACTOR discovers that any Person is providing MSW Management Services in the Service Area that are not authorized by Director or are in Violation of Applicable Law, then CONTRACTOR shall promptly e-mail Director with the following:

- The identity and address of the Person ("Violator"), if known;
- The facts and documentation supporting CONTRACTOR'S report; and
- Any other information or documentation about the Violator and CONTRACTOR'S report that Director may reasonably request.

COUNTY acknowledges that CONTRACTOR may seek legal or injunctive relief against the Violator in accordance with Applicable Law to cease providing those MSW Management Services. Notwithstanding the foregoing, COUNTY is not liable to CONTRACTOR, and CONTRACTOR hereby releases COUNTY about any act of a Violator.

B. Submission of Reports

CONTRACTOR shall submit Reports in a format compatible with COUNTY'S computers and shall submit reports using the following methods:

1. Monthly Reports

Submitted electronically by using forms available through COUNTY'S Solid Waste Information Management System (SWIMS), in accordance with this Section and Section 12.

2. Quarterly Reports and Annual Report

Submitted via e-mail or printed copy, as determined by Director, in accordance with this Section and Section 12.

C. Reporting Adverse Information

CONTRACTOR shall provide Director copies of all reports, pleadings, applications, notifications, and notices of violation, communications or other material directly relating to its Performance Obligations submitted by CONTRACTOR to, or received by CONTRACTOR from Regulatory Agencies, including any of the following:

- The United States or California Environmental Protection Agency;
- CalRecycle;

- The Securities and Exchange Commission;
- Any other Regulatory Agency;
- Any Federal, State, or County court.

CONTRACTOR shall submit copies to Director simultaneously with CONTRACTOR'S submission of those materials to those entities. At Director's request, CONTRACTOR shall promptly make available to Director any other correspondence between CONTRACTOR and those entities.

D. County's Right to Request Information

At Director's request, CONTRACTOR shall promptly provide to Director additional information reasonably and directly pertaining to this CONTRACT (including substantiation of information submitted in Reports).

SECTION 11 - SUBSTITUTE, EMERGENCY, AND BACK-UP SERVICE

A. Director's Right to Provide Contract Services

1. Events

COUNTY may provide, or contract with a third party to provide, for the performance of, any or all Customers services in either of the following events, determined by Director in its sole discretion:

a. Unable for a Period of 48 Hours to Collect

- For 48 consecutive hours CONTRACTOR does not Collect and Dispose of any type of Solid Waste for any reason, including Uncontrollable Circumstances, or
- Director determines there is danger to public health, safety, or welfare.

b. COUNTY Suspends or Terminates CONTRACT

County suspends or terminates all or a portion of the CONTRACT.

COUNTY has no obligation to continue providing any or all Contract Services. It may stop providing them at any time, in its sole discretion. However, COUNTY may continue to provide those Contract Services until either of the following occurs:

- CONTRACTOR demonstrates to Director's satisfaction that CONTRACTOR is ready, willing, and able to resume providing timely and full Contract Services, or
- Director can make alternative arrangements for providing MSW Management Services comparable to Contract Services in scope and price. Alternative arrangements may include contracting with another, third-party service provider.

2. Notice

Director may give CONTRACTOR oral notice that Director is exercising its right to perform Task 1 and Task 2 Services, which notice is effective immediately, but must confirm oral notice with a Notice within 24 hours thereafter.

3. Stipulations

CONTRACTOR stipulates that COUNTY'S exercise of rights under this Section does not constitute a taking of private property for which COUNTY must compensate CONTRACTOR, shall not create any liability on the part

of COUNTY to CONTRACTOR, and does not exempt CONTRACTOR from any Indemnities, which Parties acknowledge are intended to extend to circumstances arising under this Section. However, CONTRACTOR is not required to indemnify COUNTY against claims and damages arising from the negligence or misconduct of COUNTY officers and employees (other than employees of CONTRACTOR at the time COUNTY began performing Task 1 and Task 2 Services) and agents driving Vehicles. COUNTY shall indemnify CONTRACTOR, its Affiliates and its and their officers, directors, employees, and agents from and against damages, costs, or other expenses or losses they incur arising out of or relating to that negligence or misconduct.

4. Rental and Other Compensation

a. *Uncontrollable Circumstances*

If an event enumerated in Items A1a or A1b in Section 11 is due to Uncontrollable Circumstances, then COUNTY shall pay CONTRACTOR the following Direct Costs of having CONTRACTOR's personnel operate CONTRACTOR's equipment or vehicles, that CONTRACTOR is not being compensated for through charging and collecting Rates:

(1) Rental Fees

Rental fees for the use of equipment equal to fair market value thereof as determined by an independent appraiser selected by the Parties.

(2) Vehicles

CONTRACTOR'S Direct Costs of providing Vehicles with fuel, oil, and other maintenance.

(3) Personnel

CONTRACTOR'S Direct Costs of making CONTRACTOR'S personnel available to COUNTY, including Direct Costs of using CONTRACTOR's personnel to operate CONTRACTOR's equipment or vehicles.

The Parties shall select an appraiser as follows: within ten days after CONTRACTOR requests payment of rental fees in events described in Item (i) of this subsection 8a, each Party will prepare a separate list of five Persons who do not work for either Party having experience in solid waste equipment appraisal, in numerical order with the first preference at the top, and exchange and compare lists. The Person ranking highest on the two lists by having the lowest total

rank order position on the two lists is the appraiser. In case of a tie in scores, the Person having the smallest difference between the rankings of the two Parties is selected; a coin toss determines other ties. If no Person appears on both lists, this procedure is repeated. If selection is not completed after the exchange of three lists or 60 days, whichever comes first, then each Party will select one Person having the qualifications and experience described above and those two Persons will together select an appraiser.

b. Other Than Uncontrollable Circumstances

If an event enumerated in Items A1a or A1b in Section 11 is not due to Uncontrollable Circumstances, then COUNTY will not be obligated to pay the compensation and CONTRACTOR shall pay County's Reimbursement Costs within 10 days of COUNTY'S submitting an invoice therefore. If CONTRACTOR does not so timely pay, COUNTY may draw upon any performance bond, letter of credit, or other security provided under this CONTRACT.

B. Emergency Assistance (Contract Services)

CONTRACTOR shall provide MSW Services requested by County in the following circumstances:

- Solid Waste in any part of the unincorporated area of COUNTY is not collected, and
- In the judgment of Director, the uncollected solid waste creates a danger to public health, safety, or welfare.

Reasons for non-collection include earthquake, fire, mudslide, storm, riot, or civil disturbance, and terminated hauler contracts.

- An example of MSW Management Services is providing Vehicles and staff to cleanup, Collect, transport, and Dispose/Divert any Solid Waste, such as rubble, mud, and fallen trees, from the public right-of-way.
- Another example is holding a drop-off event for County residents to bring Solid Waste when their hauler is not providing service.

CONTRACTOR acknowledges that under emergency circumstances, CONTRACTOR may be required to Collect Solid Waste from another waste hauler's Containers. Also, another waste hauler may Collect Solid Waste from CONTRACTOR's Containers.

Prior to performing any work, CONTRACTOR is to consult with Director regarding the number of Vehicles and staff, and duration of cleanup. This includes vehicle certification discussed in more detail below. CONTRACTOR shall charge COUNTY for requested MSW Management Services in amounts no greater than the following:

1. Task 1 Services

Fees with respect to Solid Waste discarded in Containers. Examples include:

- Provide an additional day of service to Occupants; or
- Provide service to Persons outside the Service Area such as to the City of Glendora residents if their waste hauler is unable to Collect Refuse after a major earthquake and the city has an agreement with COUNTY for assistance. If location is not near Service Area, COUNTY will pay a fair price for additional transportation or Disposal costs based on comparable MSW Management Services.

2. Solid Waste Not Discarded in Containers

Fees per ton for Disposal* (with respect to Solid Waste, including Abandoned Waste, not discarded in Containers) as provided in Attachment 7-2, Task 1 Service Fees of Exhibit 7. Director may require CONTRACTOR to obtain consent or acknowledgement from property owners prior to removal of Solid Waste or debris. This may be in the form of an agreement to pay for such services.

3. Roll-Off Containers or Drop-Off Events

Fees the CONTRACTOR charges for comparable MSW Management Services (with respect to Solid Waste not discarded in Containers) such as roll-off containers or drop-off events.

4. Palm Frond Collection

Fees per hour per vehicle* as proposed in Attachment 7-4, Emergency Service Fees of Exhibit 7 if significant amounts of palm fronds fall from trees, CONTRACTOR shall Sweep areas requested, Collect from right-of-way, and Dispose of palm fronds.

* Dollar amounts are subject to an annual Cost of Living Adjustment using the Consumer Price Index identified in Item C of Exhibit 7.

None of these fees can be greater than the limits provided in Item C10 of Section 7, Most Favored Public Entity, unless Director, at his sole discretion, provides authorization based on information provided by CONTRACTOR substantiating the need for an increase.

CONTRACTOR shall cooperate with all Regulatory Agencies, including COUNTY, State of California, and Federal officials in filing information related to a regional, State, or Federally-declared state of emergency or disaster as to which CONTRACTOR has provided equipment and drivers under this CONTRACT. Each vehicle used to transport Solid Waste must be assigned a unique number for

tracking and invoice reconciliation. CONTRACTOR shall keep records of relative information, found on a typical weigh ticket, including the location of the source of Collection, location of Disposal/Diversion, vehicle number, tonnages, and type of material. CONTRACTOR shall have any vehicles used during an emergency certified for compliance with Federal Emergency Management Agency (FEMA) requirements for reimbursement. Additionally, if Director has directed residences or businesses to place their debris in the public right-of-way outside the terms of Contract Services, including bulky Items, excess solid waste, or Construction and Demolition in quantities that exceeds the limit of two 70-pound containers, Director may request CONTRACTOR to take geotagged photographs of the debris that include adequate background to provide evidence of the location.

Director may direct CONTRACTOR to deliver Solid Waste to any specified location, including a materials recovery facility, landfill, sediment placement site, or a debris placement sight. Upon Director request, CONTRACTOR shall deliver Solid Waste to any location determined by CONTRACTOR.

CONTRACTOR shall give first consideration to COUNTY in the event of a major disaster such as an earthquake, fire, mudslide, storm, riot, or civil disturbance as declared by the President of the United States, Governor of California, or the Board of Supervisors.

C. Backup Service Plan

CONTRACTOR shall implement its Backup Service Plan within seven days of Director request if Customer's Solid Waste is not Collected at Customer's Set-Out Site or Abandoned Waste is not Collected for any reason, including uncontrollable circumstances. An example is if CONTRACTOR'S drivers' strike or it is not possible to provide Contract Services in difficult to service areas due to severe weather conditions, especially on hillsides. CONTRACTOR shall include the provisions:

1. Dumpsters or roll-off containers

Provide conveniently located Dumpsters or roll-off containers where Customers may discard Solid Waste.

2. Self-hauling Solid Waste

Offer Customers the option of self-hauling Solid Waste to a transfer station or disposal facility.

3. Inform Customers

Inform Customers of procedures for handling Solid Waste, preventing litter and discouraging vectors (such as keeping Carts in their storage place and not at Set-Out Sites, discarding excess Solid Waste in closed plastic bags and not loose in Carts).

4. Customer Service Fee Refund Policy

Describe any Customer Service Fee refund policy for missed Task 1 Services.

5. Replacement Drivers

Provide replacements for drivers and other employees who are not providing Collection or other Contract Services (such as supervisory personnel or management, or employees of Affiliates or other solid waste management companies), in cases of strikes of CONTRACTOR drivers, and security for those drivers and other employees.

6. Priority Service Customers

Identify customers that require priority service.

D. Use of Goods, Services and Property

1. Cart Acquisition Contracts

CONTRACTOR acknowledges that COUNTY must have full use and possession of Carts to secure its rights under this Contract, including both the following:

- Providing substitute franchise service in accordance with its remedies under Part 6 of Exhibit 5 for Breach or default, and
- Purchasing Carts upon termination of this Contract.

Therefore, if CONTRACTOR does not own Carts outright without encumbrance, any Cart Acquisition Contract must allow the Guarantor, COUNTY or COUNTY designee to do all the following:

- Assume CONTRACTOR's obligations under the Cart Acquisition Contract,
- Take use and possession of the Carts, and
- Obtain the benefits of any outstanding Cart warranties.

"Cart Acquisition Contract" means an instrument establishing a security interest in the Carts or that otherwise encumbers or limits CONTRACTOR's interest in Carts, including any of the following:

- Lease or lease-purchase agreement,
- Installment sales or other financing contract, or
- Note or other loan documentation.

2. Inventory

CONTRACTOR shall store unused Carts in a secure location. CONTRACTOR shall update its Cart inventory at both following times:

- In each Monthly Report and Annual Report, and
- Within one week of COUNTY request

3. Insurance

If COUNTY or Customers have possession and use of Goods, Services and Property, CONTRACTOR shall execute whatever documentation its liability insurers require to ensure that COUNTY and Customers are protected and covered by CONTRACTOR's general and automobile policies, including requesting and executing endorsements to those policies. CONTRACTOR is not obligated to pay any additional cost of those endorsements unless COUNTY reimburses CONTRACTOR for those costs. COUNTY may pay for any endorsements, additional premiums or other costs. CONTRACTOR authorizes COUNTY to call and confer with CONTRACTOR's insurance broker to determine what, if any, documentation or actions are necessary to achieve protection satisfactory to COUNTY. Upon COUNTY REQUEST, CONTRACTOR shall direct its insurance broker to cooperate with and take direction from COUNTY. CONTRACTOR may not rescind that authorization without COUNTY consent.

4. Vehicle Certification for FEMA

CONTRACTOR shall cooperate with COUNTY to certify all Vehicles to be used for emergency work. CONTRACTOR shall not use non-certified Vehicles unless approved by Director.

SECTION 12 - ENFORCEMENT OF CONTRACT

A. As Provided by Law

Either Party may avail itself of any remedy available under law.

B. COUNTY'S Additional Remedies

Without limiting COUNTY'S remedies otherwise available under this CONTRACT in law or equity, at its option, COUNTY may enforce a Breach in any or all the following ways:

- Execute alternative CONTRACTs for MSW Management Services in the event of CONTRACTOR Default
- Seek to obtain injunctive relief and/or damages
- Assess damages under Item D of this Exhibit
- With respect to a CONTRACTOR Default under Part 6B3 of Exhibit 5 (Failure to Provide Insurance, Bonds), immediately withhold payments due CONTRACTOR
- Draw on Performance Assurance/Letter of Credit under Section 15

C. Injunctive Relief

CONTRACTOR acknowledges that COUNTY'S remedy of damages for a Breach may be inadequate for reasons including the following:

- The urgency of timely, continuous, and high-quality Task 1 and Task 2 Services, including Collection, transportation, and/or transfer for Disposal of wastes which constitute a threat to public health;
- The long time and significant commitment of money and personnel and elected officials (both COUNTY staff and private consultants, including engineers, procurement counsel, citizens, public agency colleagues, and elected County officials) invested in this CONTRACT, including developing COUNTY'S Option Analysis dated February 2001 and implementing its recommendations through numerous meetings of a Working Group comprised of Solid Waste industry representatives from small and large businesses, requesting and evaluating qualifications and proposals for this CONTRACT (including CONTRACTOR'S), reviewing and commenting on documentation submitted by CONTRACTOR in conjunction with execution of this CONTRACT, and review of CONTRACTOR Documentation;
- The time and investment of personnel and elected officials described in the preceding paragraph to develop alternative Solid Waste services comparable to Task 1 and Task 2 Services for the price provided under this CONTRACT, and to negotiate new contracts therefore; and

- COUNTY'S reliance on CONTRACTOR'S technical Solid Waste management expertise.

Consequently, COUNTY is entitled to all available equitable remedies, including injunctive relief.

D. Recovery of Damages

1. Compensatory

COUNTY may seek compensatory damages, including, but not limited to the following:

- Amounts equal to any Franchise Fees, liquidated damages, or other amounts that CONTRACTOR has previously paid to COUNTY but are subsequently recovered from COUNTY by a trustee in bankruptcy as preferential payments or otherwise;
- If COUNTY terminates this CONTRACT for a CONTRACTOR Default or in the event of Criminal Activity in accordance with Part 6D2a of Exhibit 5, costs incurred by COUNTY to provide or reprocur MSW Management Services in lieu of Task 1 and Task 2 Services;
- If COUNTY terminates this CONTRACT before expiration for a CONTRACTOR Default or in the event of Criminal Activity in accordance with Part 6D2a of Exhibit 5, costs of MSW Management Services provided or reprocured in lieu of Task 1 and Task 2 services more than Customer Service Fees/County Service Fees for the balance of the Term remaining if this CONTRACT had not been terminated; and
- In the event of CONTRACTOR DEFAULT under Part 6B3 of Exhibit 5 (Failure to Provide Insurance, Bond), in COUNTY'S sole discretion, obtain damages resulting from that DEFAULT.

COUNTY may draw upon the performance bond, letter of credit, certificate of deposit, or other form of performance assurance provided by CONTRACTOR in accordance with Section 15 to pay compensatory damages.

For CONTRACTOR'S misrepresentation regarding contingent fees in Attachment 5-9H, in addition to terminating this CONTRACT, COUNTY may recover from CONTRACTOR the full amount of the proscribed commission, percentage, brokerage, or contingent fee.

2. Liquidated Damages

COUNTY may seek liquidated damages listed in Attachment 12-D2.

The Parties have set these liquidated damages in recognition of the following circumstances existing at the time of the formation of this CONTRACT:

- a. COUNTY incurred considerable time and expense procuring this CONTRACT to secure an improved level of Collection quality and increased Customer and Occupant satisfaction. Therefore, consistent and reliable Task 1 and Task 2 Services are of the utmost importance to COUNTY and Customers and Occupants.
- b. COUNTY has considered and relied on CONTRACTOR'S representations as to its quality of service commitment in entering into this CONTRACT, and CONTRACTOR'S Breach represents a loss of bargain to COUNTY. CONTRACTOR is experienced in providing services like Task 1 and Task 2 Services.
- c. Quantified standards of performance are necessary and appropriate to ensure quality, consistent, and reliable Collection, and if CONTRACTOR fails to meet its Performance Obligations, COUNTY will suffer damages (including its Customers and Occupants' inconvenience; anxiety, frustration, potential political pressure, criticism, and complaint by Customers and Occupants; lost Supervisors and staff time; deprivation of the benefits of this CONTRACT and loss of bargain) in subjective ways and in varying degrees of intensity that are incapable of measurement in precise monetary terms, and that it is and will be impracticable and extremely difficult to ascertain and determine the value thereof. It would be difficult for COUNTY to prove its loss resulting from CONTRACTOR'S Breaches and nonperformance or untimely, negligent, or inadequate performance of County Services.
- d. The CONTRACT contains a reasonable statement of Task 1 and Task 2 Services in order that the Parties will realize their expectations. COUNTY expects that CONTRACTOR shall perform Task 1 and Task 2 Services with due care in a workmanlike, competent, timely, and cost-efficient manner. CONTRACTOR expects to realize a profit by performing Task 1 and Task 2 Services in accordance with the terms and conditions of the CONTRACT for County Service Fees.
- e. In addition, in the event of Breach or CONTRACTOR Default, urgency of protecting public health and safety may necessitate that COUNTY enter into emergency or short-term arrangements for services without competitive procurement at prices substantially

greater than under this CONTRACT, and the monetary loss resulting there from is impossible to precisely quantify. Time is of the essence.

- f.** The CONTRACTOR accepts COUNTY'S assessment of liquidated damages for certain Breaches as part of the consideration CONTRACTOR offers to COUNTY for the award of this CONTRACT to CONTRACTOR.
- g.** Lastly, termination of this CONTRACT for CONTRACTOR Default and other remedies provided in this CONTRACT are, at best, a means of future correction and not remedies that make COUNTY whole for past Breaches and CONTRACTOR Defaults.

Therefore, the Parties agree that the liquidated damages listed in Exhibit 12-D2 represent a reasonable estimate and fair approximation of the amount of damages COUNTY would incur as a consequence of CONTRACTOR'S Breach corresponding to each Item of specified liquidated damages, considering all the circumstances existing on the date of this CONTRACT, including the relationship of the sums to the range of harm to COUNTY that reasonably could be anticipated and anticipation that proof of actual damages would be costly or inconvenient.

In signing this CONTRACT, each Party specifically confirms the following:

- The accuracy of the statements made above, and
- The fact that each Party had many opportunities to consult with legal counsel and obtain an explanation of this liquidated damage provision at the time that this CONTRACT was made.

E. County's Reimbursement Costs

CONTRACTOR shall pay COUNTY promptly upon request, COUNTY'S Reimbursement Costs of conducting a nonroutine investigation of any alleged Breach, when appropriate in judgment of Director. CONTRACTOR shall reimburse COUNTY for COUNTY'S Reimbursement Costs incurred because of CONTRACTOR'S Breach, including failure to maintain insurance.

F. Waiver

No waiver by County of any Breach of any provision of this CONTRACT constitutes a waiver of any other Breach of that provision. Failure of COUNTY to enforce at any time, or from time to time, any provision of this CONTRACT will not be construed as a waiver thereof. The rights and remedies set forth in this Item F are exclusive and are in addition to any other rights and remedies provided by law or under this CONTRACT.

SECTION 13 - UNPERMITTED WASTE SCREENING AND REPORTING (Contract Services)

A. Protocol

CONTRACTOR shall develop and implement the Unpermitted Waste Screening Protocol in compliance with Applicable Law and including the following provisions:

- Ongoing employee training in identification, safety and notification procedures, including leaving Non-Collection notices, when safe;
- Means of driver inspection, such as visual inspection during tipping of Carts into Vehicles;
- Immediate driver response, such as load segregation;
- Driver notification, such as calling CONTRACTOR'S dispatcher or field supervisor;
- Notification of appropriate local agency or department;
- Appropriate action, such as segregation and containerization for manifesting and transport for disposal in accordance with Applicable Law or securing services of permitted handling and transport company;
- Compliance with Applicable Law, including regulations of the United States Department of Transportation (DOT) (Title 49 CFR) and of the United States Environmental Protection Agency (Title 40 CFR); and
- Labels on Containers, described in Item D of this Section.

B. Prohibition on Collection

CONTRACTOR shall not Collect any Unpermitted Waste that it finds in Refuse, Recyclables, or Green Waste unless it is licensed under Applicable Law. If CONTRACTOR finds Unpermitted Waste it shall notify all Persons in compliance with Applicable Law.

C. Notice to Director

If CONTRACTOR sees anything that it reasonably believes or suspects may be Unpermitted Waste on any public property in COUNTY, CONTRACTOR shall immediately notify Director and all Persons in compliance with Applicable Law. Public property includes storm drains, streets, and other public rights of way.

D. Labels

CONTRACTOR shall conspicuously label Containers with embossing or other secure means prohibiting Customers from discarding Unpermitted Waste. CONTRACTOR shall submit the label and text for Director approval prior to placing any purchase order for Containers. Item D9 of Exhibit 3A1 contains additional Container requirements.

SECTION 14 - EXECUTION OF CONTRACT

A. Execution in Counterparts

This CONTRACT, including dated signatures on amended Exhibits and attachments to those Exhibits, may be signed in any number of original counterparts. All counterparts constitute the same CONTRACT.

B. Authority to Execute

COUNTY warrants that the individual signing this CONTRACT has been duly authorized by COUNTY to sign this CONTRACT on behalf of COUNTY and has the full right, power, and authority to bind COUNTY to this CONTRACT. CONTRACTOR warrants that the individual signing this CONTRACT below has been duly authorized by CONTRACTOR to sign this CONTRACT on behalf of CONTRACTOR and has the full right, power, and authority to bind CONTRACTOR to this CONTRACT.

SECTION 15 - PERFORMANCE ASSURANCE

A. Performance Bonds, Other Security

CONTRACTOR shall secure and maintain throughout the Term and until CONTRACTOR has complied with all its obligations that survive the Expiration Date a faithful performance bond, approved by COUNTY. The performance bond must be in a form satisfactory to COUNTY or, at COUNTY'S sole and absolute discretion, any alternative security acceptable to Director, including cash, certified check payable to COUNTY, certificate of deposit, or letter of credit (together, "**Performance Assurance**"), in the amount not less than \$50,000.

The Performance Assurance secures full and timely satisfaction of Performance Obligations for both Task 1 and Task 2 services.

CONTRACTOR shall provide a Performance Assurance in the amount listed in the table below for the period beginning on the Execution Date and ending on the last day of the first Contract Year.

Service Area	Amount of Performance Assurance
Lennox and Malibu	[Amount]

Beginning on the first day of the next Contract Year, and in all subsequent Contract Years, that amount must be not less than the sum of:

- 15 percent of CONTRACTOR'S Gross Receipts from Task 1 Services minus any Franchise Fees for the prior Contract Year;
- + 15 percent of CONTRACTOR'S Gross Receipts from Task 2 Services for the prior Contract Year
- + 110 percent of any Franchise Fees paid by CONTRACTOR during the first six months of the prior Contract Year;
- + 110 percent of any liquidated damages assessed CONTRACTOR by COUNTY during the first six months of the prior Contract Year; and
- + Up to \$50,000, at the discretion of Director;
- = SUM OF PERFORMANCE ASSURANCE (\$50,000 MINIMUM)

A performance bond must be payable to COUNTY and executed by a corporate surety licensed to transact business (admitted) as a surety in the State of California. The corporate surety must have an A.M. Best Rating of not less than A: VII, unless otherwise approved by Director. The form of performance bond may not allow the bond surety to substitute another Person to perform Task 1 and Task 2 services but must provide for payment of moneys to COUNTY to; (1) secure substitute Task 1 and Task 2 services; (2) remedy damages incurred by COUNTY, including reasonable expenses, attorney's fees, and liquidated and compensatory damages; (3) ensure satisfaction of all Performance Obligations, including

payment of Franchise Fees; and, (4) repay any money recovered from COUNTY in any bankruptcy or similar proceedings relating to CONTRACTOR. The performance bond must be conditioned on faithful performance by CONTRACTOR of all the terms and conditions of this CONTRACT, including payment of Franchise Fees and any liquidated damages.

Each Performance Assurance must be renewed to provide for continuing liability in the above amount notwithstanding any payment or recovery thereon. At least 30 days prior to the Execution Date and 30 days prior to any renewal of the Performance Assurance, CONTRACTOR shall deliver the Performance Assurance to Director.

Director may verify the accuracy and authenticity of the Performance Assurance submitted.

B. Further Assurances

In addition to all other rights and remedies it may have, within five days of County request CONTRACTOR will provide reasonable assurances that it can timely and fully meet its obligations under this CONTRACT in any or all of in the following events:

1. Labor

CONTRACTOR is the subject of any labor unrest (including work stoppage or slowdown, sick-out, picketing and other concerted job actions).

2. Tipping Fees

CONTRACTOR does not pay an Identified Solid Waste Facility for services.

3. Employee Wages

CONTRACTOR does not pay wages to its employees, provide workers' compensation insurance required by law, or pays employment-related taxes or fees.

4. County

CONTRACTOR does not pay COUNTY any amount that COUNTY has charged CONTRACTOR.

5. Meet Obligation

In the COUNTY's judgment, the occurrence of either of the following events jeopardizes CONTRACTOR's ability to timely and fully meet its obligations

under this CONTRACT:

- CONTRACTOR does not regularly pay its bills when due, or
- The entering of any judgment against CONTRACTOR or any Guarantor with respect to Criminal Conduct by CONTRACTOR or Guarantor.

"Assurance of Performance" means any or all of the following actions, as COUNTY requests:

- Reduction or elimination of insurance deductibles or self-insured retention,
- Providing or increasing the size of a letter of credit, or
- Providing an additional performance bond, certificate of deposit or other instrument.

SECTION 16 - CONTRACT SERVICE AREA INFORMATION

CONTRACTOR is to use and follow the information below provided by Director. Not every Service Area has a sample of every Item as it may not be applicable. For example, East Los Angeles has no history of bears opening Refuse Containers so a Bear Map will not be included. Many of the required documents in Exhibit 3D will have a sample listed below.

A. Maps

1. Service Area and Collection Schedule
2. Hot Zones
3. Difficult to Service
4. Bear Zone
5. Alleys
6. Public Receptacles
7. Roll-Out Minimum Service

B. Sample Graphics

1. Cart Lid Labels
2. Dumpster Labels
3. Vehicle Billboards

C. Data

1. Street and Alley Miles
2. Difficult to Service Addresses
3. Public Receptacles Locations
4. Roll-Out Minimum Service Locations
5. Customer Information
 - Number of Customers
 - Number of Containers of each Size
 - Number of Senior Discounts
 - Number of Extra Services (Manure, Bear Cart, Roll-Out, etc.)
 - Number of Extra Containers
6. Tonnages
7. Item Typical Weights
 - CalRecycle Conversion Factor
 - FRN
8. Parcels

D. Outreach

1. COUNTY and CONTRACTOR Letters
2. Non-Collection Notice
3. Customer Terms and Conditions

IN WITNESS WHEREOF, COUNTY has by order of its Board of Supervisors caused this CONTRACT to be signed by Director, and CONTRACTOR has caused this CONTRACT to be signed by its duly authorized officers, as of the date first written above.

COUNTY OF LOS ANGELES

By _____
Director of Public Works

APPROVED AS TO FORM:

County Counsel

By _____
Deputy

By _____
President

Type or Print Name

Secretary

Type or Print Name

ENCLOSURE B

**COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS
CONTRACTOR'S UTILIZATION PARTICIPATION FOR**

INVITATION FOR BIDS FOR LENNOX AND MALIBU GARBAGE DISPOSAL DISTRICTS

SELECTED FIRMS

Small-Sized Business Category Contractor Name	Local SBE	SBE	Minority	Women	Disadvantaged	DisabledVet
none						
Medium-Sized Business Category Contractor Name						
none						
Large-Sized Business Category Contractor Name						
Universal Waste Systems, Inc.	n/a	n/a	n/a	n/a	n/a	n/a
Ware Disposal, Inc.	n/a	n/a	n/a	✓	n/a	n/a

NON-SELECTED FIRMS

Small-Sized Business Category Contractor Name	Local SBE	SBE	Minority	Women	Disadvantaged	DisabledVet
none						
Medium-Sized Business Category Contractor Name	Local SBE	SBE	Minority	Women	Disadvantaged	DisabledVet
none						
Large-Sized Business Category Contractor Name						
Consolidated Disposal Service, LLC dba Allied Waste Services and dba Republic Services	n/a	n/a	n/a	n/a	n/a	n/a
USA Waste of California, Inc. dba Waste Management	n/a	n/a	n/a	n/a	n/a	n/a

Bid Detail Information

Bid Number : PW-BRCD006
Bid Title : Lennox and Malibu Garbage Disposal Districts
Bid Type : Service
Department : Public Works
Commodity : GARBAGE/TRASH REMOVAL AND DISPOSAL SERVICE
Open Date : 4/12/2018
Closing Date : 5/8/2018 9:00 AM
Bid Amount : \$ 1,500,000
Bid Download : Not Available
Bid Description : PLEASE TAKE NOTICE that the Department of Public Works (Public Works) invites bids for the Lennox and Malibu Garbage Disposal Districts (2018-GDD017) contracts. Public Works may award up to a total of two contracts for these areas: one for the Lennox Garbage Disposal District and one for the Malibu Garbage Disposal District. Each area will be evaluated and awarded separately. These contracts have been designed to have a potential maximum contract term of 11 years, consisting of an initial 7-year term and potential additional two 18-month option renewals. The total annual contract amount of these services is estimated to be \$1.5 million for the Lennox Garbage Disposal District and \$1 million for the Malibu Garbage Disposal District. The Invitation for Bids (IFB) with contract specifications, forms, and instructions for preparing and submitting bids, may be accessed at <http://dpw.lacounty.gov/brcd/servicecontracts/> or may be requested from Mr. David Pang at (626) 458-7167 or dpang@dpw.lacounty.gov or Ms. Anna Leung at (626) 458-4072 or aleung@dpw.lacounty.gov, Monday through Thursday, 7 a.m. to 5 p.m.

PLEASE CHECK THE WEBSITE FREQUENTLY FOR ANY CHANGES TO THIS SOLICITATION. ALL ADDENDA AND INFORMATIONAL UPDATES WILL BE POSTED AT <http://dpw.lacounty.gov/brcd/servicecontracts>.

Public Works' "Business Opportunities" Website Registration:

All interested bidders for this IFB are strongly encouraged to register at <http://dpw.lacounty.gov/general/contracts/opportunities/>. Only those firms registered for this IFB through the website will receive automatic notification when any update to this IFB is made. The County does not have an obligation to notify any bidders other than through the Public Works websites' automatic notification system.

Doing Business with Local Small Business Enterprise, Disabled Veteran Business Enterprise, and Social Enterprise:

The County strongly encourages participation from firms, primes, and subcontractors, which are certified in the County's Local Small Business Enterprise (LSBE), Disabled Veteran Business Enterprise (DVBE), and Social Enterprise (SE) Preference Programs. The County's' LSBE, DVBE, and SE Preference Programs require firms to complete a certification process to receive certain benefits allowed only for LSBE, DVBE, and SE, such as a 15 percent price preference, not to exceed \$150,000, when applicable and LSBE Prompt Payment Program. The following link provides additional information on being a County certified LSBE, DVBE, and SE: <http://dcba.lacounty.gov>.

Minimum Mandatory Requirements: At the time of bid submission, bidders must meet all minimum mandatory requirements set forth in the IFB document including, but not limited to:

1. The Bidder and any subcontractor performing Task 1, must have a minimum of three years of experience in the automated collection via plastic carts, metal dumpsters, and the management of refuse, recyclable materials, and green waste from residences (single-family homes and duplexes), multifamily residences, businesses, commercial establishments, and industrial establishments.
2. The Bidder and any subcontractor performing Task 2, must have a minimum of three years of experience in the removal of discarded materials from the public right-of-way's.
3. Bidder must possess the required valid Waste Collector Permit naming the Bidder as the permittee or a copy of the application for a Waste Collector Permit naming the Bidder as the permittee issued by the County of Los Angeles Department of Public Health at the time of bid submission. This information must be identified in the bid and must be included in Form PW-18, Bidder's Compliance with the Minimum Mandatory Requirements of the IFB.
4. Bidder must also submit a Bid Guaranty as outlined in Part I, Section 2.A.15., of the Bid Guaranty. This information must be identified in the bid and must be included in Form PW-18, Bidder's Compliance with the minimum mandatory requirements of the IFB. A separate bid guaranty must be submitted for each area that the bidder is submitting a bid for.
5. The Bidder must be able to demonstrate its financial and physical capabilities to provide all of the services contemplated in the specifications outlined in Part II of the Sample Contract, as well as equipment required in the

performance of the work through either one of the two options:

- When audited financial statements are submitted, the Bidder's annual average gross business income for the most current three full fiscal years, shall be no less than one time the total proposed annual amount for Tasks 1 and 2 from Form PW-2, Schedule of Prices, and must be prepared and certified by an independent Certified Public Accountant or an accounting firm.

- When reviewed financial statements are submitted, the Bidder's annual average gross business income for the most current three full fiscal years shall be no less than three times the total proposed annual amount for Tasks 1 and 2 from Form PW-2, Schedule of Prices, and must be prepared and certified by an independent Certified Public Accountant or an accounting firm.

PLEASE NOTE THAT BIDDERS ARE RESPONSIBLE FOR INDEPENDENTLY INVESTIGATING SERVICE CONDITIONS IN THE SERVICE AREAS PRIOR TO BID SUBMISSION.

A Bidders' Conference will be held on Tuesday, April 24, 2018, at 1:30 p.m. at Public Works Headquarters, 900 South Fremont Avenue, Alhambra, California 91803, in Conference Room C. ATTENDANCE BY THE BIDDER OR AN AUTHORIZED REPRESENTATIVE AT THE CONFERENCE IS MANDATORY. Public Works will reject bids from those whose attendance at the conference cannot be verified. Attendees should be prepared to ask questions at that time about the specifications, bid requirements, and contract terms. After the conference, Bidders must submit questions in writing and request information for this solicitation within three business days from the date of the conference.

The deadline to submit bids is Tuesday, May 8, 2018, at 9 a.m. Please direct your questions to Mr. David Pang at (626) 458-7167 or Ms. Anna Leung at (626) 458 4072.

Contact Name : David Pang

Contact Phone# : (626) 458-7167

Contact Email : dpang@dpw.lacounty.gov

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