

File No. 130962

Committee Item No. 6

Board Item No. 28

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: 11/13/2013

Board of Supervisors Meeting

Date: NOVEMBER 19, 2013

Cmte Board

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Completed by: Victor Young

Date: November 8, 2013

Completed by: Victor Young

Date: 11/14/13

1 [Contract Modification - S & S Trucking Corporation - Estimated Cumulative Value of
2 \$13,500,000]

3 **Resolution extending an agreement between the City and County of San Francisco and**
4 **S & S Trucking Corporation from December 20, 2013, through December 19, 2015, and**
5 **increasing the estimated cumulative contract amount from \$9,000,000 to \$13,500,000**
6 **for hauling biosolids (sludge) and grit, pursuant to Charter, Section 9.118(b).**

7
8 WHEREAS, The Wastewater Enterprise of the San Francisco Public Utilities
9 Commission (SFPUC) wastewater treatment facilities produce approximately 80,000 wet tons
10 per year of Class B biosolids and 4,000 wet tons per year of grit that must be hauled to
11 various out-of-county locations for beneficial land application on a daily basis; and,

12 WHEREAS, The San Francisco Office of Contract Administration (OCA) issued
13 Contract Proposal 68380 to solicit competitive bids for biosolids and grit hauling services for
14 the SFPUC; and,

15 WHEREAS, Bids were received and evaluated by the OCA, and S & S Trucking
16 Corporation was determined to be the lowest responsive and responsible bidder; and

17 WHEREAS, The OCA awarded a five-year contract with the provision for two two-year
18 extensions to S & S Trucking Corporation for hauling services effective December 20, 2008;
19 and,

20 WHEREAS, A copy of the approved contract is on file with the Clerk of the Board of
21 Supervisors in File No. 130962, which is hereby declared to be a part of this Resolution as if
22 fully set forth herein; and,

23 WHEREAS, The five year contract with S & S Trucking Corporation is scheduled to
24 expire on December 19, 2013 unless a two-year extension is approved; and,

1 WHEREAS, The service rendered by S&S Trucking Corporation has been consistently
2 reliable and satisfactory; and,

3 WHEREAS, Approval of a two-year extension results in an increase in the total price by
4 approximately \$2,000,000 per year to accommodate the expense incurred during the first two-
5 year extension period, resulting in an anticipated cumulative contract cost of \$13.5 million;
6 and,

7 WHEREAS, At this time the SFPUC does not intend to exercise the second two-year
8 contract extension option with S & S Trucking Corporation but intends to develop and
9 competitively bid a new contract for biosolids hauling; and,

10 WHEREAS, Charter Section 9.118(b) requires Board of Supervisor authorization, by
11 resolution, of contracts with a value in excess of \$10,000,000; now, therefore, be it

12 RESOLVED, That the Board of Supervisors authorizes the Office of Contract
13 Administration to exercise the option and execute a two year extension of the contract for
14 Biosolids and Grit Hauling Services between the City and County of San Francisco and S & S
15 Trucking Corporation; and, be it

16 FURTHER RESOLVED, That within thirty (30) days of the contract option to extend the
17 term by two years being fully executed by all parties the General Manager of the San
18 Francisco Public Utilities Commission shall provide the final contract modification to the Clerk
19 of the Board for inclusion in the official file.

Item 6 File 13-0962	Department: Public Utilities Commission (PUC)
EXECUTIVE SUMMARY	
<p>Note: This item was continued from the November 6, 2013 Budget and Finance Committee meeting.</p>	
<p style="text-align: center;">Legislative Objectives</p>	
<ul style="list-style-type: none"> • The proposed resolution would (a) exercise the first two-year option to extend the existing contract between the City, on behalf of the PUC, and S&S Trucking Corporation from December 20, 2013 through December 19, 2015 and (b) increase the not-to-exceed contract amount from \$9,000,000 to \$13,500,000 for hauling biosolids and grit, pursuant to Charter Section 9.118(b). 	
<p style="text-align: center;">Key Points</p>	
<ul style="list-style-type: none"> • The Public Utilities Commission (PUC) operates four sewage/wastewater treatment plants which together generate approximately 80,000 tons of biosolids and grit material annually. • In 2007, the Office of Contract Administration (OCA) working with the PUC competitively bid the City's biosolids and grit hauling services for the PUC and selected S&S Trucking Corporation (S&S Trucking) as the lowest bidder. Although the Board of Supervisors did not approve a resolution authorizing the City to enter into this contract (File 07-1386), based on a subsequent court ruling, on December 20, 2008, the OCA awarded a not-to-exceed \$9,000,000 contract to S&S Trucking. Based on subsequent amendments, the existing contract with S&S Trucking is through December 19, 2013, with two, two-year options to extend, or through December 19, 2017. 	
<p style="text-align: center;">Fiscal Impact</p>	
<ul style="list-style-type: none"> • As of September 30, 2013, the PUC had expended \$8,236,805 to haul 385,564 tons of biosolids and grit from the City's wastewater treatment plants. Based on these costs incurred to date, if the proposed contract with S&S Trucking is extended for two additional years or through December 19, 2015, the PUC would incur an estimated total of \$12,627,162 in costs. An additional contingency factor of \$872,838 or approximately 6.9% is included, for an additional \$4,500,000 or a total of \$13,500,000. 	
<p style="text-align: center;">Policy Consideration</p>	
<ul style="list-style-type: none"> • Administrative Code Section 21C.5 subjects employees who haul solid waste, including sludge, to the City's prevailing wage provisions. However, S&S Trucking's drivers/haulers are independent contractors and not employees. The PUC intends to competitively bid the subject sludge hauling contract during the first two-year extension period. 	
<p style="text-align: center;">Recommendations</p>	
<ul style="list-style-type: none"> • Amend the proposed resolution to confirm the PUC's intention not to exercise the second two-year option to extend the existing S&S Trucking contract. • Approve the proposed resolution as amended. 	

MANDATE STATEMENT / BACKGROUND**Mandate Statement**

City Charter Section 9.118(b) states that contracts entered into by a department, board or commission that (1) have a term of ten years or more, (2) require expenditures of \$10 million or more, or (3) require a modification for \$500,000 or more is subject to Board of Supervisors approval.

Background

The Public Utilities Commission (PUC) operates the following four sewage/wastewater treatment plants:

- Oceanside Plant on the Great Highway near Sloat Boulevard;
- Southeast Plant near Third Street and Cesar Chavez Boulevard;
- Treasure Island on Treasure Island; and
- Northpoint near Fisherman's Wharf.

Three of these sewage/wastewater treatment plants operate 24 hours a day, 365 days a year and together generate approximately 80,000 tons of biosolids and grit¹ material annually².

In 2007, the Office of Contract Administration (OCA) working with the PUC competitively bid the City's biosolids and grit (sludge) hauling services for the PUC. The OCA and PUC received five bids and selected S&S Trucking Corporation (S&S Trucking) as the lowest responsive and responsible bidder for a five-year contract estimated at a cost of approximately \$8.58 million. However, on November 13, 2007, the Board of Supervisors, following the recommendation of their Budget and Finance Committee, voted not to approve the proposed resolution authorizing the OCA and PUC to enter into a contract with S&S Trucking (File 07-1386).

As a result, in November of 2007, the PUC extended the existing contract with Sunset Scavenger³, which had historically provided the sludge hauling services for the PUC on a sole source basis from the early 1950s until 2007.

On November 20, 2007, S&S Trucking filed a petition in Superior Court alleging that the Board of Supervisors could not interfere with the PUC's and OCA's award of this contract to S&S

¹ Biosolids are treated sludge that comes out of the wastewater treatment plants. Grit is the particulate matter (e.g., sand and rocks) that is removed before treatment at the wastewater plants.

² Approximately 73% of the loads are hauled from the Southeast Plant, which generally serves the eastern portion of the City, 27% is hauled from Oceanside Plant, which generally serves the western portion of the City, and less than 1% is hauled from the Treasure Island Plant, which serves Treasure Island. The Northpoint Plant generally only operates during the rainy season to handle stormwater overflow.

³ Sunset Scavenger is currently known as Recology, which provides garbage and recycling services for all City residents and commercial customers.

Trucking because the contract did not have a term of ten years or more or anticipated expenditures of \$10,000,000 or more, in accordance with the City’s Charter. Both the Superior Court and subsequently the State Court of Appeal ruled that the Board of Supervisors lacked the authority to approve or disapprove the S&S Trucking contract, in accordance with the City’s Charter and the PUC and OCA had the sole authority to award the contract.

On December 20, 2008, the OCA awarded an approximately three-year and four-month contract from December 20, 2008 through April 30, 2012 for a total not-to-exceed \$9,000,000, with two, two-year options to extend, or through April 30, 2016, to S&S Trucking to haul the PUC’s biosolids and grit. This original contract with S&S Trucking has been subsequently modified by OCA four times, to update contract conditions, increase prices, add new services and extend the initial contract term through December 19, 2013, with two, two-year options to extend, or through December 19, 2017.

Under the existing S&S Trucking contract, costs are charged to the PUC on a per mile basis, with additional fuel and bridge toll costs passed through to the PUC. The costs vary depending on the season, the materials being hauled and the distance to the disposal location. Based on the modifications to the contract, the rates per mile have increased since the contract began in 2008, as shown in Table 1 below.

Table 1: S&S Rates Charged per Mile for Biosolids and Grit Hauling

Effective Dates	Biosolids	Grit		
		M-F	Sat	Sun
12/20/08	\$3.32	\$3.14	\$3.30	\$3.45
1/1/11	\$3.36	\$3.18	\$3.34	\$3.49
2/1/12	\$3.44	\$3.26	\$3.42	\$3.57

Biosolids are disposed in various locations, requiring hauling of different mileage distances from each sewage treatment plant, including:

1. Various land application sites to enhance pastures in Solano and Sonoma counties;
2. Recology’s Hay Road land fill site in Vacaville, Solano County; and
3. Synagro Central Valley Compost Facility in Merced County.

Grit is disposed in the Keller Canyon Landfill owned by Allied Waste Industries in Solano County.

As shown in Table 2 below, as of September 30, 2013, the PUC had expended a total of \$8,236,805 to haul 385,564 tons of biosolids and grit from the City's wastewater treatment plants under the existing S&S Trucking contract, at an average cost of \$21.36 per ton.

Table 2: Total Costs, Tonnage and Average Costs by Calendar Year from December 20, 2008 through September 30, 2013

Year	Biosolids	Grit	Total	Total Tons	Average Cost/Ton
2008*	\$63,825	\$5,733	\$69,558	3,132	\$22.21
2009	1,534,441	41,725	1,576,166	80,474	19.59
2010	1,612,059	51,360	1,663,420	80,906	20.56
2011	1,573,205	91,674	1,664,878	78,760	21.14
2012	1,794,764	52,689	1,847,454	81,110	22.78
2013**	1,391,558	23,771	1,415,329	61,182	23.13
Total	\$7,969,852	\$266,952	\$8,236,805	385,564	\$21.36

*Reflects costs from December 20-December 31, 2008.

**Reflects tonnage and costs from January through September of 2013.

From 2009 through 2013, the hauling cost per ton has increased at an average rate of 4.3 percent per year.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would (a) exercise the first two-year option to extend the existing contract between the City, on behalf of the PUC, and S&S Trucking Corporation from December 20, 2013 through December 19, 2015 and (b) increase the not-to-exceed contract amount from \$9,000,000 to \$13,500,000 for hauling biosolids and grit, pursuant to Charter Section 9.118(b).

FISCAL IMPACT

The existing contract with S&S Trucking is for a period of five years and for a not to exceed \$9,000,000. The proposed contract would be extended for two years, through December 19, 2015 for an additional \$4,500,000 or a total of \$13,500,000. As shown in Table 2 above,

\$7,969,852 or 97% of the total \$8,236,805 costs incurred to date by the PUC are from hauling and disposing of biosolids from the City's wastewater treatment plants.

As shown in Table 3 below, based on actual costs incurred to date, if the proposed contract with S&S Trucking is extended for two additional years or through December 19, 2015, the PUC would incur an estimated total of \$12,627,162 in costs.

Table 3: Projected Costs to Extend the S&S Trucking Contract by Two Years

Year	Total
Total through September 30, 2013 (Table 2)	\$8,236,805
October 1-December 31, 2013 Projected	471,775
2014 Projected	1,959,291
2015 Projected	1,959,291
Subtotal	\$12,627,162
Contingency (6.9%)	872,838
Total	\$13,500,000

However, Ms. Bonnie Jones, Biosolids Coordinator at the PUC advises that the PUC has included a contingency factor of \$872,838 or approximately 6.9% because:

- Projected rates do not assume any increases in fuel or bridge tolls, which may be passed through to the PUC, as increases in rates;
- Actual tonnage of biosolids and grit being hauled each year has been increasing as the economy improves and the residential and work population in San Francisco increases. An estimated 81,576 tons are projected to be hauled in 2013, which may further increase over the next two years; and
- The existing Recology Hay Road land fill contract in Vacaville, Solano County expires on November 30, 2014, such that the PUC does not currently know where or what the costs will be to haul and dispose of biosolids as of December 1, 2014. Currently, approximately 52% of all biosolids are disposed at the Hay Road land fill.

According to Mr. Carlos Jacobo, PUC Budget Manager, the Wastewater Enterprise operating budget includes the cost of the S&S Trucking contract, which is funded from sewer service charges to customers.

POLICY CONSIDERATION

According to Ms. Donna Levitt, Labor Standards Enforcement Officer in the City's Office of Labor Standards Enforcement (OLSE), in accordance with City Administrative Code Section 21C.5, the Board of Supervisors is responsible for determining the prevailing wage rates paid to **employees** (emphasis added) engaged in the hauling of solid waste, including sludge, based on the existing collective bargaining agreement between the Teamsters and Recology⁴. Ms. Jones advises that S&S Trucking's drivers/haulers are independent contractors and not employees of S&S Trucking. Under the existing Administrative Code provisions, employees are subject to the prevailing wage requirements but independent contractors are not subject to the prevailing wage requirements. Nevertheless, Ms. Levitt advises that during the term of the existing S&S Trucking contract, the OLSE conducted two audits, both of which resulted in the payment of back wages and penalties for employees hired by the independent contractors to S&S Trucking for prevailing wage violations.

Ms. Levitt further advises that, the Board of Supervisors approved an ordinance (File 11-1190; Ordinance 12-12) amending the prevailing wage provisions to require that any new solid waste or sludge hauling contract be provided by employees paid at the prevailing wage rates. However, the proposed resolution would extend the existing contract by two years, rather than approve a new contract, and as such, the S&S Trucking drivers/haulers will continue to be independent contractors, not subject to the City's prevailing wage requirements.

Ms. Ivy Fine, Manager of the Contract Administration Bureau for the PUC, advises that, rather than entering into a new contract at this time that would be subject to the City's new prevailing wage requirements, the PUC is requesting the first two-year extension of the existing S&S Trucking contract through December 19, 2015, because the PUC is currently investigating more comprehensive, beneficial and flexible approaches to reusing biosolids. Ms. Fine advises that at this time the PUC does not intend to exercise the second two-year contract extension option with S&S Trucking. Rather, Ms. Fine advises that the PUC intends to competitively bid the subject sludge hauling contract during the first two-year extension period.

Ms. Fine estimates that the PUC will require additional time to identify various strategies and approaches to more beneficially reusing biosolids. In addition, Ms. Fine estimates the PUC will then need 4-6 months to develop the procurement documents and another 6-8 months to competitively bid, evaluate and execute a new contract, which would be subject to the City's prevailing wage requirements. Given that the existing S&S Trucking contract expires on

⁴ Specifically the provisions of the Collective Bargaining Agreement between Sanitary Truck Drivers and Helpers Union Local 350, International Brotherhood of Teamsters and Recology Sunset & Recology Golden Gate, in effect from January 1, 2012 through December 31, 2016.

December 19, 2013, Ms. Fine advises that the PUC does not have sufficient time to complete these tasks within that timeframe.

RECOMMENDATIONS

1. Amend the proposed resolution to confirm the PUC's intention not to exercise the second two-year option to extend the existing S&S Trucking contract.
2. Approve the proposed resolution as amended.



San Francisco
Water Power Sewer
 Services of the San Francisco Public Utilities Commission

525 Golden Gate Avenue, 13th Floor
 San Francisco, CA 94102
 T 415.554.0706
 TTY 415.554.3488

RECEIVED
 BOARD OF SUPERVISORS
 SAN FRANCISCO

2013 SEP 30 AM 10:52

TO: Angela Calvillo, Clerk of the Board

FROM: Erin Hagan, Policy and Government Affairs Manager

DATE: September 30, 2013

SUBJECT: Approving a hauling contract extension with an estimated cumulative value of \$13,500,000

Attached please find an original and two copies of a proposed resolution authorizing the San Francisco Public Utilities Commission General Manager to extend an existing contract with S & S Trucking Corp (contractor) for hauling biosolids (sludge) and grit with an estimated cumulative value of \$13,500,000.

The following is a list of accompanying documents (3 sets):

1. Board of Supervisors Resolution
2. Ethics Form SFEC-126
3. Contract between City and County of San Francisco and S & S Trucking Corp. for biosolids and grit hauling services (Contract 68380)
4. Contract Modification 5 for Contract 68380

Please contact Erin Hagan at 554-0706 if you need any additional information on these items.

Edwin M. Lee
 Mayor

Art Torres
 President

Vince Courtney
 Vice President

Ann Moller Caen
 Commissioner

Francesca Viotor
 Commissioner

Anson Moran
 Commissioner

Harlan L. Kelly, Jr.
 General Manager



City and County of San Francisco
 Office of Contract Administration
 Purchasing Department
 City Hall, Room 430
 1 Dr. Carlton B. Goodlett Place
 San Francisco, CA 94102-4685



Contract Modification 5

Biosolids and Grit Hauling Services

SN Sands Corporation
 DBA: S & S Trucking
 Frank Sanchez
 P O Box 282009
 San Francisco, CA 94128
 Email: frank@snsands.com

Date: September 10, 2013
 Buyer Name: Howard Tevelson
 Term contract: 68380
 City Blanket No. BPSF 00003517
 Type: Indefinite quantity
 Not-to-exceed amount: \$13,500,000

The history of this contract and its modifications is as follows:

Modification	Start date	End date	Amount	Other changes
Original contract	12/20/2008	4/30/2012	\$ 9,000,000	
1	No Change	No Change	No Change	Update Contract Conditions Price Increase
2	No Change	12/19/2013	No Change	Extend the Contract End Date Add 2 new services and pricing
3	No Change	No Change	No Change	Add 1 new service/pricing Modification to Item #6
4	No Change	No Change	No Change	Update Contract Conditions Price Increase
5	12/20/2013	12/19/2015	\$ 13,500,000	Update Contract Conditions

This Modification 5 changes the contract as follows:

- 1) Extends the contract term from December 20, 2013 through December 19, 2015.
- 2) Increases the contract amount from \$9,000,000 to \$13,500,000.
- 3) Updates the contract conditions in Attachment A.

All other terms and conditions remain the same.

Approved by the City:

 Jaci Fong, Director and Purchaser

 Date

Approved by Contractor:

 Signature

 Date

Name and title

Sign and return one original. The duplicate original is for your files.

1187

P-280 (11/20-09)

Attachment A
Contract No. 68380
Contract Modification No. 5
SN Sands Corporation
DBA: S & S Trucking
Date: September 10, 2013

The following requirement has been added to Section VIII, Personnel and Equipment Requirements in Appendix B, Scope of Services and Contractors Minimum Requirements:

Unsatisfactory Performance

Unsafe or unacceptable practices by Contractor's personnel or subcontractors such as improper use of SFPUC equipment, inappropriate interactions with SFPUC personnel or on-site contractors, inability to follow instructions at beneficial use sites or unsafe or unacceptable driving practices (i.e., deviating from approved truck routes, excessive speed) would be interpreted as unsatisfactory performance. It is within the discretion of the SFPUC to deny entry to SFPUC property to the Contractor's personnel or subcontractors that have documented such unsatisfactory performance.

General Condition 44 has been revised and is hereby replaced in its entirety to read as follows:

44. REPORTS BY CONTRACTOR – MULTI-YEAR TERM CONTRACT

Each year, no later than February 15; Contractor shall submit a soft copy report of the total services ordered, by month, under this contract during the preceding calendar year (January 1 – December 31). The report must be in a format acceptable to City and must list by department or location the following: (1) all services awarded under this contract; and (2) total quantity and dollar value of each service ordered, including services for which there were no orders. Contractor must also furnish a separate similar report for the total of all services ordered by City which are not part of this Contract, and any usage reports required prior to the extension of a Contract or Contract Modification. Emailed reports must not be larger than **10MB**.

Contractor shall email reports to:

OCAVendor.Reports@sfgov.org

Any report files larger than **10MB** must be submitted in electronic format on CD-ROM or USB drive and mailed to the address shown below with the term contract number and "Annual Vendor Reporting" clearly marked on the envelope/packaging.

Contractor shall mail the reports to:

OCA Vendor Reporting
Re: Term Contract No. XXXXX
City and County of San Francisco
Office of Contract Administration – Purchasing
City Hall, Room 430
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4685

Sign and return one original. The duplicate original is for your files. **1188**

P-280 (11/20-09)

AWARD
BIOSOLIDS and GRIT HAULING SERVICES
For the Term December 20, 2008 Through April 30, 2012

COMPANY INFORMATION

WARNING

Do not use any term contracts to purchase goods and/or services when using Federal, State or Special Funds. Term contracts may contain provisions that conflict with Federal or State provisions.

City departments must contact their assigned City Attorney for applicable provisions, procedures and relevant fund requirements.

Name of Company: SN Sands Corp.
DBA: S & S Trucking

Address: P.O. Box 282009

City, State, Zip: San Francisco, CA 94128

Contact: Franck Sanchez

Telephone Number: (510) 383-3556

Fax Number: (510) 383-2917

24-Hour Emergency Number: (510) 453-9673 – Bruce (Dispatcher)

Email: frank@snsands.com

Payment Terms: Net 30

Federal Tax I.D. Number: 94-3233844

Vendor Number: 16047

CBPO Number: BPSF00003517

A W A R D
BIOSOLIDS and GRIT HAULING SERVICES
For the Term December 20, 2008 Through April 30, 2012

AWARD SHEET

Item No.	Description	Estimated Miles	Price Per/Mile
1.	<p>Biosolids Hauling, Flat Rate per mile For all Locations listed in Table B-1</p> <p>Flat rate applicable 7 days per week. No holiday or overtime rates are applicable.</p> <p>1,884 miles based on one round trip from each City Plant to each landfill.</p> <p>Do not include bridge tolls.</p> <p>Rate per mile shall be fixed for the initial 5 year term of the contract except for annual adjustments for fuel costs.</p>	1,884 mi	<u>\$ 3.32</u>
2.	<p>Grit Hauling, Weekday Rate Flat Rate per mile To Keller Canyon Landfill</p> <p>88.8 miles based on one round trip from each City Plant to Keller Canyon</p> <p>Weekday rate commences on 6:00 PM Sunday and continues through 6:00 PM Friday.</p> <p>Service will be requested as needed.</p>	88.8 mi	<u>\$ 3.14</u>
3.	<p>Grit Hauling, Saturday/Overtime Rate Flat Rate per mile, To Keller Canyon Landfill. 6:00 PM Fri to 6:00 PM Sat</p>	88.8 mi	<u>\$ 3.30</u>
4.	<p>Grit Hauling, Sunday/Holiday Rate Flat Rate per mile. To Keller Canyon Landfill. 6:00 PM Sat to 6:00 PM Sun</p>	88.8 mi	<u>\$ 3.45</u>

A W A R D
BIOSOLIDS and GRIT HAULING SERVICES
For the Term December 20, 2008 Through April 30, 2012

BID AND CONTRACT CONDITIONS

TERMS RELATED TO BIDDING

1. When Bids are Due; Bid Opening Procedures

Bids must be delivered before time set for bid opening. Bids will be opened by Purchasing at the hour and place stated in the ad in the presence of bidders who attend, and bid prices will be read upon request as time permits. Bidders may inspect the bids after award.

2. Articles Furnished

Articles and services must comply with applicable laws, ordinances and other legal requirements, including (among others) the Cal-OSHA regulations in Title 8 of the Code of Regulations and, for electrical products, Sections 110.2 and 110.3 (B) of the S.F. Electrical Code. In addition, if an electrical item has not been tested by a lab approved by City's Department of Building Inspection (DBI) or Department of Public Works (DPW), Contractor shall notify the requesting department before delivery by writing the department at the "Deliver to" address on the front of the Purchase Order. Approved testing labs are posted on Purchasing's website at <http://www.sfgov.org/oca/>. When a non-tested item is delivered, the department will request approval from DPW. If the department is unable to obtain approval, City reserves the right to cancel the transaction and return the item to Contractor, at no charge to City.

3. Bidding on Separate Services and in the Aggregate

Bidders may bid separately for any service unless otherwise provided. Bidders may make an offer on one, some or all services, unless otherwise provided.

4. Prices

Prices quoted must be fixed except as otherwise specified in this document. Any bid requiring receipt of order in less than 30 days will be unacceptable unless otherwise specified herein.

5. Awards; Rejection of Bids

Purchasing may make awards on one, some or all services in a bid. Purchasing reserves the right to reject any and all bids.

6. Cash Discounts; Terms of Payment

Cash discount (discount for prompt payment) will not be taken into consideration in determining the low bid. However, cash discounts are encouraged and must meet the following conditions:

- a. The discount period will start upon date of completion of all services on any Purchase Order or other authorization certified by Controller, or upon date of receipt of properly prepared invoices covering such services, whichever is later.

A W A R D
BIOSOLIDS and GRIT HAULING SERVICES
For the Term December 20, 2008 Through April 30, 2012

BID AND CONTRACT CONDITIONS

- b. Payment is deemed to be made, for the purpose of earning the discount, on the date of mailing the City's check.

The discount will be deducted from the invoice amount in accordance with the provisions of 6a and 6b above, unless the bid states the discount is not available. No additional charge shall accrue against City in the event that City does not make payment within any time specified by bidder.

7. Sunshine Ordinance

In accordance with Sec. 67.24(e) of the San Francisco Administrative Code, contracts, contractors' bids, responses to RFPs and all other records of communications between City and persons or firms seeking contracts shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

TERMS RELATED TO THE CONTRACT

8. Contract Interpretation: Choice of Law/Venue; Assignment

Should any questions arise as to the meaning and intent of the contract, the matter shall be referred to Purchasing, who shall decide the true meaning and intent of the contract. This contract shall be deemed to be made in, and shall be construed in accordance with the laws of the State of California; the venue for all claims arising out of this contract shall be in San Francisco. This contract may be assigned only with the written approval of Purchasing.

9. Hold Harmless and Indemnification

Contractor shall indemnify and save harmless City and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims thereof for injury to or death of a person, including employees of Contractor or loss of or damage to property, arising directly or indirectly from Contractor's performance of this Contract, including, but not limited to, Contractor's use of facilities or equipment provided by City or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on City, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Contract, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of City and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors or either's agent or employee. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any claims against the City.

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In addition to Contractor's obligation to indemnify City, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by City and continues at all times thereafter.

Contractor shall indemnify and hold City harmless from all loss and liability, including attorney's fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by City, or any of its officers or agents, of articles or services to be supplied in the performance of this Contract.

10. Failure to Deliver

If Contractor fails to deliver an article or service of the quality, in the manner or within the time called for by this Contract, such article or service may be bought from any source by Purchasing and if a greater price than the contract price be paid, the excess price will be charged to and collected from Contractor or sureties on its bond if bond has been required.

11. Budget and Fiscal Provisions

This Contract is subject to the budget and fiscal provisions of City's Charter. Charges will accrue only after prior written authorization certified by the Controller, and amount of City's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization.

This Contract will terminate without penalty, liability or expense of any kind to City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Contract will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated.

City has no obligation to make appropriations for this Contract in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Contractor's assumption of risk of possible non-appropriation is part of the consideration for this Contract.

12. Default; Remedies

On and after any event of default, City shall have the right to exercise its legal and equitable remedies, including without limitation, the right to terminate this Contract or to seek specific performance of all or any part of this Contract. In addition, City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any event of default. Contractor shall pay to City on demand all costs and expenses incurred by City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. City shall have the right to offset from any amounts due to Contractor under this Contract or any other contract between City and Contractor all damages, losses,

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costs or expenses incurred by City as a result of such event of default and any liquidated damages due from Contractor pursuant to the terms of this Contract or any other contract.

All remedies provided for in this Contract may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

13. Termination for Convenience

City shall have the option, in its sole discretion, to terminate this Contract, at any time during the term hereof, for convenience and without cause. City shall exercise this option by giving Contractor written notice of termination. The notice shall specify the date on which termination shall become effective.

In no event shall City be liable for costs incurred by Contractor or any of its subcontractors after the termination date specified by City.

14. Guaranteed Maximum Costs

- a. The City's obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification.
- b. Except as may be provided by City ordinances governing emergency conditions, the City and its employees and officers are not authorized to request Contractor to perform services or to provide materials, equipment and supplies that would result in Contractor performing services or providing materials, equipment and supplies that are beyond the scope of the services, materials, equipment and supplies agreed upon in the contract unless the contract is amended in writing and approved as required by law to authorize the additional services, materials, equipment or supplies. The City is not required to reimburse Contractor for services, materials, equipment or supplies that are provided by Contractor which are beyond the scope of the services, materials, equipment and supplies agreed upon in the contract and which were not approved by a written amendment to the agreement having been lawfully executed by the City.
- c. The City and its employees and officers are not authorized to offer or promise to Contractor additional funding for the contract which would exceed the maximum amount of funding provided for in the contract for Contractor's performance under the contract. Additional funding for the contract in excess of the maximum provided in the contract shall require lawful approval and certification by the Controller of the City. The City is not required to honor any offered or promised additional funding for a contract which exceeds the maximum provided in the contract which requires lawful approval and certification of the Controller when the lawful approval and certification by the Controller has not been obtained.

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- d. Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

15. Taxes

- a. Payment of any taxes, including possessory interest taxes and California sales and use taxes, levied upon or as a result of this Contract, or the services delivered pursuant hereto, shall be the obligation of Contractor.
- b. Contractor recognizes and understands that this Contract may create a "possessory interest" for property tax purposes. Generally, such a possessory interest is not created unless the Contract entitles the Contractor to possession, occupancy, or use of City property for private gain. If such a possessory interest is created, then the following shall apply:
- (1) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that Contractor, and any permitted successors and assigns, may be subject to real property tax assessments on the possessory interest;
 - (2) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that the creation, extension, renewal, or assignment of this Contract may result in a "change in ownership" for purposes of real property taxes, and therefore may result in a revaluation of any possessory interest created by this Contract. Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report on behalf of the City to the County Assessor the information required by Revenue and Taxation Code section 480.5, as amended from time to time, and any successor provision.
 - (3) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that other events also may cause a change of ownership of the possessory interest and result in the revaluation of the possessory interest. (see, e.g., Rev. & Tax. Code section 64, as amended from time to time). Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report any change in ownership to the County Assessor, the State Board of Equalization or other public agency as required by law.
 - (4) Contractor further agrees to provide such other information as may be requested by the City to enable the City to comply with any reporting requirements for possessory interests that are imposed by applicable law.

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16. Use of City Opinion

Contractor shall not quote, paraphrase, or otherwise refer to or use any opinion of City, its officers or agents, regarding Contractor or Contractor's performance under this Contract without prior written permission of Purchasing.

17. Nondiscrimination; Penalties

- a. **Contractor Shall Not Discriminate.** In the performance of this Contract, Contractor agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or AIDS or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with Contractor, in any of Contractor's operations within the U.S., or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Contractor.
- b. **Subcontracts.** Contractor shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Contract.
- c. **Nondiscrimination in Benefits.** Contractor does not as of the date of this Contract and will not during the term of this Contract, in any of its operations in San Francisco, on real property owned by the City or where work is being performed for the City, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, and any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, or between the domestic partners and spouses of such employees, if the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to conditions set forth in San Francisco Administrative Code Sec. 12B.2(b).
- d. **Incorporation of Administrative Code Provisions by Reference.** The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated by reference and made a part of this Contract as though fully set forth herein. Contractor shall comply fully with and be bound by all of the provisions that apply to this Contract under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Contractor understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Contract may be assessed against Contractor and/or deducted from any payments due Contractor.

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18. Local Business Enterprise Utilization; Liquidated Damages

a. **The LBE Ordinance.** Contractor, shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance"), provided such amendments do not materially increase Contractor's obligations or liabilities, or materially diminish Contractor's rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. Contractor's willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of Contractor's obligations under this Agreement and shall entitle City, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, Contractor shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

b. **Compliance and Enforcement.**

1. **Enforcement.** If Contractor willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Agreement pertaining to LBE participation, Contractor shall be liable for liquidated damages in an amount equal to Contractor's net profit on this Agreement, or 10% of the total amount of this Agreement, or \$1,000, whichever is greatest. The Director of the City's Human Rights Commission or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of HRC") may also impose other sanctions against Contractor authorized in the LBE Ordinance, including declaring the Contractor to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Contractor's LBE certification. The Director of HRC will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to Administrative Code §14B.17.

By entering into this Agreement, Contractor acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to City upon demand. Contractor further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Contractor on any contract with City.

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Contractor agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Agreement, and shall make such records available for audit and inspection by the Director of HRC or the Controller upon request.

2. **Subcontracting Goals.** The LBE subcontracting participation goal for this contract is 7.5%. Contractor shall fulfill the subcontracting commitment made in its bid or proposal. Each invoice submitted to City for payment shall include the information required in the HRC Progress Payment Form and the HRC Payment Affidavit. Failure to provide the HRC Progress Payment Form and the HRC Payment Affidavit with each invoice submitted by Contractor shall entitle City to withhold 20% of the amount of that invoice until the HRC Payment Form and the HRC Subcontractor Payment Affidavit are provided by Contractor.

Contractor shall not participate in any back contracting to the Contractor or lower-tier subcontractors, as defined in the LBE Ordinance, for any purpose inconsistent with the provisions of the LBE Ordinance, its implementing rules and regulations, or this Section.

3. **Subcontract Language Requirements** Contractor shall incorporate the LBE Ordinance into each subcontract made in the fulfillment of Contractor's obligations under this Agreement and require each subcontractor to agree and comply with provisions of the ordinance applicable to subcontractors.

Contractor shall include in all subcontracts with LBEs made in fulfillment of Contractor's obligations under this Agreement, a provision requiring Contractor to compensate any LBE subcontractor for damages for breach of contract or liquidated damages equal to 5% of the subcontract amount, whichever is greater, if Contractor does not fulfill its commitment to use the LBE subcontractor as specified in the bid or proposal, unless Contractor received advance approval from the Director of HRC and contract awarding authority to substitute subcontractors or to otherwise modify the commitments in the bid or proposal. Such provisions shall also state that it is enforceable in a court of competent jurisdiction.

Subcontracts shall require the subcontractor to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination of this contract and to make such records available for audit and inspection by the Director of HRC or the Controller upon request.

4. **Payment of Subcontractors** Contractor shall pay its subcontractors within three working days after receiving payment from the City unless Contractor notifies the Director of HRC in writing within ten working days prior to

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receiving payment from the City that there is a bona fide dispute between Contractor and its subcontractor and the Director waives the three-day payment requirement, in which case Contractor may withhold the disputed amount but shall pay the undisputed amount.

Contractor further agrees, within ten working days following receipt of payment from the City, to file the HRC Payment Affidavit with the Controller, under penalty of perjury, that the Contractor has paid all subcontractors. The affidavit shall provide the names and addresses of all subcontractors and the amount paid to each. Failure to provide such affidavit may subject Contractor to enforcement procedure under Administrative Code §14B.17.

19. MacBride Principles – Northern Ireland

Pursuant to San Francisco Administrative Code § 12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride principles. By signing below, the person executing this agreement on behalf of Contractor acknowledges and agrees that he or she has read and understood this section.

20. Tropical Hardwood and Virgin Redwood Ban

Pursuant to § 804(b) of the City and County of San Francisco urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood product, virgin redwood or virgin redwood product. If this order is for wood products or a service involving wood products: (a) Chapter 8 of the Environment Code is incorporated herein and by reference made a part hereof as though fully set forth. (b) Except as expressly permitted by the application of Sections 802(B), 803(B), and 804(B) of the Environment Code, Contractor shall not provide any items to the City in performance of this Contract which are tropical hardwoods, tropical hardwood products, virgin redwood or virgin redwood products. (c) Failure of Contractor to comply with any of the requirements of Chapter 8 of the Environment Code shall be deemed a material breach of contract.

21. Resource Conservation

Contractor agrees to comply fully with the provisions of Chapter 5 of the San Francisco Environment Code ("Resource Conservation"), as amended from time to time. Said provisions are incorporated herein by reference.

22. Submitting False Claims; Monetary Penalties

Any contractor, subcontractor or consultant who commits any of the following acts shall be liable to the City for three times the amount of damages which the City sustains because of the act of that contractor, subcontractor or consultant. A contractor, subcontractor or

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consultant who commits any of the following acts shall also be liable to the City for the costs, including attorney's fees, of a civil action brought to recover any of those penalties or damages, and may be liable to the City for a civil penalty of up to \$10,000 for each false claim: (a) Knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval. (b) Knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City. (c) Conspires to defraud the City by getting a false claim allowed or paid by the City. (d) Knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City. (e) Is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

23. Liability of City

CITY'S PAYMENT OBLIGATIONS UNDER THIS CONTRACT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR UNDER THIS CONTRACT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS CONTRACT, IN NO EVENT SHALL CITY BE LIABLE REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS CONTRACT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS CONTRACT.

24. Drug-Free Workplace Policy

Contractor acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. Contractor agrees that any violation of this prohibition by Contractor, its employees, agents, or assigns will be deemed a material breach of this Contract.

25. Compliance with Americans with Disabilities Act

Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Contractor shall provide the services specified in this Contract in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Contract and further agrees that any violation of this prohibition on the part of Contractor, its employees, agents or assigns will constitute a material breach of this Contract.

26. Compliance with Laws

Contractor shall keep itself fully informed of the City's Charter, codes, ordinances and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Contract, and must at all times comply with such local codes,

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ordinances, and regulations and all applicable laws as they may be amended from time to time.

27. Bid Protests

Bid protests for purchases of Services in excess of \$50,000 shall be submitted and responded to in accordance with Regulation 21.3(i) of the San Francisco Administrative Code, Chapter 21.

End Bid and Contract Conditions

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These terms and conditions supplement the City's Bid and Contract Conditions. In the event of a conflict between these conditions and the preceding Bid and Contract Conditions, these conditions shall take precedence.

28. CONTRACT TERM

The contract period shall be for **60 months**. The initial term of this contract is the period from award execution date, approximately December 1, 2008, or the above-stated term date, whichever is later, through the last day of the month of a 60 consecutive month period.

29. CONTRACT EXTENSION

This contract may be extended as follows. Two (2) extensions are allowed. Each extension may be for a period of up to **24 months**. Extensions must be by mutual agreement in writing. The maximum contract period shall not be more than 9 years.

30. TOLL-FREE TELEPHONE NUMBER

A contractor located outside of the City and County of San Francisco is encouraged to provide free telephone services for placing orders. This requirement can be met by providing a toll-free telephone number or accepting collect calls. The free service may be a consideration in evaluating this bid.

31. COOPERATIVE AGREEMENT

Contractor agrees _____, or does not agree _____ (make a selection by an "X" mark) that during the term of this agreement and any authorized extension, the Director of Purchasing may allow other public agencies or non-profits made up of multiple public agencies to utilize this agreement to obtain some or all of the services and/or commodities to be provided by Contractor under the same terms and conditions as the City, pursuant to a Board of Supervisor Resolution.

32. LEFT BLANK BY AGREEMENT OF THE PARTIES

33. LBE ORDINANCE – (LBE Bid Discount Not Applicable on this Contract)

To qualify for a bid discount under the provisions of Administrative Code Chapter 14B, an LBE must be certified by the Human Rights Commission by the Bid Due date.

The certification application is available from HRC (415) 252-2500, and on the web at:

www.sfhrc.org

Click on 14B (LBE) Requirements & Forms.

Click on appropriate LBE Certification Application.

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GENERAL CONDITIONS (Continued)

34. CLAIM FOR PREFERENCE

To claim preference under the LBE Ordinance, See Bid Questionnaire attached.

35. BID PREFERENCE FOR BROKERAGE SERVICES

Pursuant to Section 14B.7 of the Administrative Code, a bid preference will only be awarded to an LBE, or an LBE joint venture where the LBE's participation in the joint venture exceeds 35 percent, directly responsible for providing materials, equipment, supplies or services to City as required by the Bid solicitation. An LBE will be deemed to be directly responsible for providing the required commodity or service only if it regularly does business as a manufacturer, or authorized manufacturer's representative, dealer or distributor, stocking distributor, franchisee, licensee, service provider, or has another direct agency relationship with the manufacturer or provider of the solicited commodity or service, and has been so certified by HRC.

An LBE will be considered to be "regularly doing business", as that term is used in the foregoing paragraph, if in the normal course of business, it stocks, warehouses or distributes commodities to businesses or entities other than public entities having a local business preference program. Such a determination will be subject to audit by HRC.

No preference will be given to an LBE engaging in brokerage, referral or temporary employment services not meeting this definition, unless those services are required and specifically requested by the department.

36. CHAPTER 14B REQUIREMENTS A. LBE Subcontracting Participation Goals

The LBE subcontracting goal for this project is 7.5% of the total value of the services to be procured.

Each firm responding to this solicitation shall demonstrate in its response that it has used good-faith outreach to select LBE subcontractors as set forth in S.F. Administrative Code §§14B.8 and 14B.9, and shall identify the particular LBE subcontractors solicited and selected to be used in performing the contract. For each LBE identified as a subcontractor, the response must specify the value of the participation as a percentage of the total value of the services to be procured, the type of work to be performed, and such information as may reasonably be required to determine the responsiveness of the bid. LBEs identified as subcontractors must be certified with the San Francisco Human Rights Commission at the time the bid is submitted, and must be contacted by the bidder (prime contractor) prior to listing them as subcontractors in the bid. Any bid that does not meet the requirements of this paragraph may be deemed non-responsive.

In addition to demonstrating that it will achieve the level of subcontracting participation required by the contract, a bidder shall also undertake and document in its submittal the good faith efforts required by Chapter 14B.8(C)&(D) and HRC Attachment 3, Requirements for General Services Contracts.

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Bids which fail to comply with the material requirements of S.F. Administrative Code §§14B.8 and 14B.9, HRC Attachment 3 and this solicitation may be deemed non-responsive and will be rejected. During the term of the contract, any failure to comply with the level of LBE subcontractor participation specified in the contract shall be deemed a material breach of contract. Subcontracting goals can only be met with HRC-certified LBEs located in San Francisco.

B. LBE Participation – Rating Discounts - (Not Applicable)

C. HRC Forms to be Submitted with Proposal – See HRC Attachment 3

(1) All proposals submitted must include the following Human Rights Commission (HRC) Forms. See HRC Attachment 3:

- 1) HRC Contract Participation Form 2A
- 2) HRC "Good Faith Outreach" Requirements Form 2B
- 3) HRC Non-Discrimination Affidavit Form 3
- 4) HRC Employment Form 5

If these forms are not returned with the proposal, the proposal may be determined to be non-responsive and may be rejected. All HRC forms may be obtained from the following website: http://sfgov.org/site/sfhumanrights_page.asp?id=53945

(2) Please submit two (2) copies of the above forms with your bid. The forms should be submitted in two separate, sealed envelopes addressed to:

Selormey Dzikunu, Contract Compliance Officer
Human Rights Commission
25 Van Ness, 8th floor
San Francisco, CA 94102 Re: Contract Proposal 68380

AND

Ben Kawamura
Office of Contract Administration – Purchasing
City Hall, Room 430
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4685 Re: Contract Proposal 68380

If you have any questions concerning the HRC Forms, you may call Selormey Dzikunu, Human Rights Commission Contract Compliance Officer at (415) 274-0511. e-mail: Selormey.Dzikunu@sfpport.com

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GENERAL CONDITIONS (Continued)

37. AUDIT AND INSPECTION OF RECORDS

Contractor agrees to maintain and make available to City during business hours accurate books and accounting records relative to its activities under this Contract. Contractor will permit City to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Contract, whether funded in whole or in part under this Contract. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than five years after final payment under this Contract or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject of this Contract shall have the same rights conferred upon City by this Article.

37. CONFLICT OF INTEREST

Through its execution of this Contract, Contractor acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter; Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of any said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Contract.

38. NON-WAIVER OF RIGHTS

The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall in any way affect the right of the party to enforce such provisions thereafter.

39. CONTRACTOR'S DEFAULT

If Contractor fails to fulfill its obligations under this Contract Proposal, whether or not said obligations are specified in this section, Purchasing reserves the right to: (a) terminate this contract at no cost to City; (b) take action in accordance with Section 12 or (c) exercise any other legal or equitable remedy.

41. BANKRUPTCY

In the event that either party shall cease conducting business in the normal course, become insolvent, make a general assignment for the benefit of creditors, suffer or permit the appointment of a receiver for its business or assets or shall avail itself of, or become subject to, any proceeding under the Federal Bankruptcy Act or any other statute of any state relating to insolvency or the protection of rights of creditors, then at the option of the other party this Contract shall terminate and be of no further force and effect, and any property or rights of such other party, tangible or intangible, shall forthwith be returned to it.

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GENERAL CONDITIONS (Continued)

42. PROPRIETARY INFORMATION OF CITY

Contractor understands and agrees that, in the performance of the work or services under this Contract or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by City and that such information may contain proprietary details, the disclosure of which to third parties will be damaging to City. Contractor agrees that all information disclosed by City to Contractor shall be held in confidence and used only in performance of the contract, except to the extent that Contractor can demonstrate that: (a) the confidential information at the time of disclosure was part of the public domain by publication or otherwise, except by breach of this contract; (b) the confidential information can be established to have been in possession of Contractor at the time of disclosure and was not acquired directly or indirectly from City under another proprietary information obligation; or (c) the confidential information was received from a third party without any restrictions; provided, however that such information was not obtained by said third party, directly or indirectly, in breach of a proprietary information obligation with City.

43. INCIDENTAL AND CONSEQUENTIAL DAMAGES

Contractor shall be responsible for incidental and consequential damages resulting in whole or in part from Contractor's acts or omissions. Nothing in this Contract shall constitute a waiver or limitation of any rights which City may have under applicable law.

44. REPORTS BY CONTRACTOR - MULTI-YEAR TERM CONTRACT

Each year, 90 days before each anniversary date of this Contract, Contractor must furnish a report of the total services ordered under this Contract during the preceding twelve months. The report must be in a format acceptable to City and must list by department or location the following: (1) all services awarded under this contract; and (2) total quantity and dollar value of each service ordered, including services for which there were no orders. Contractor must also furnish a separate similar report for the total of all services ordered by City which are not part of this Contract.

Contractor shall send the reports to:

Jeannie Louie, Supervising Purchaser
Re: Term Contract No. 68380
City and County of San Francisco
Office of Contract Administration – Purchasing
c/o Public Utilities Commission
1155 Market Street, 5th floor
San Francisco, CA 94103

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45. NOTICE TO PARTIES

All notices to be given by the parties hereto shall be in writing and served by depositing same in the United States Post Office, postage paid and registered as follows:

Director of Purchasing
City and County of San Francisco
Office of Contract Administration – Purchasing
c/o Public Utilities Commission
1155 Market Street, 5th floor
San Francisco, CA 94103

46. SUBCONTRACTING

Contractor is prohibited from subcontracting services under this Contract unless such subcontracting is agreed to in writing by Purchasing. No party on the basis of this Contract shall in any way contract on behalf of or in the name of the other party of this Contract, and violation of this provision shall confer no rights on any party and any action taken shall be void.

47. INDEPENDENT CONTRACTOR

Contractor or any agent or employee of Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by City under this Contract. Contractor or any agent or employee of Contractor shall not have employee status with City, nor be entitled to participate in any plans, arrangements, or distributions by City pertaining to or in connection with any retirement, health or other benefits that City may offer its employees. Contractor or any agent or employee of Contractor is liable for the acts and omissions of itself, its employees and its agents. Contractor shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Contractor's performing services and work, or any agent or employee of Contractor providing same. Nothing in this Contract shall be construed as creating an employment or agency relationship between City and Contractor or any agent or employee of Contractor.

Any terms in this Contract referring to direction from City shall be construed as providing for direction as to policy and the result of Contractor's work only, and not as to the means by which such a result is obtained. City does not retain the right to control the means or the method by which Contractor performs work under this Contract.

48. SEVERABILITY

Should the application of any provision of this Contract to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Contract shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to

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effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

49. EMERGENCY – PRIORITY 1 SERVICE

In case of an emergency that affects the San Francisco Bay Area, Contractor will give the City and County of San Francisco Priority 1 service. Contractor will make every good faith effort in attempting to provide emergency services.

Contractor shall provide a 24-hour emergency telephone number of a company representative who is able to receive and act on requests for emergency services.

In addition, Contractor shall charge fair and competitive prices for services ordered during an emergency and not covered under the awarded contract.

50. REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION – IRS FORM W-9

See attached Form P-225, Standard Bid Forms, Item 1.

51. FIRST SOURCE HIRING PROGRAM (FSHP)

If the contract is for more than \$50,000, the successful bidder will be required to agree to comply fully with and be bound by the provisions of the First Source Hiring Program ordinance, as set forth in San Francisco Administrative Code Chapter 83. Generally, this ordinance requires contractors to notify the First Source Hiring Program of available entry level jobs and provide the Workforce Development System with the first opportunity to refer qualified individuals for employment.

Contractors should consult the San Francisco Administrative Code to determine their compliance obligations under this Chapter. For additional information regarding the FSHP, call (415) 401-4935.

A. Incorporation of Administrative Code Provisions by Reference

The provisions of Chapter 83 of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Contract as though fully set forth herein. Contractor shall comply fully with, and be bound by, all of the provisions that apply to this Contract under such Chapter, including but not limited to the remedies provided therein. Capitalized terms used in this Section and not defined in this Contract shall have the meanings assigned to such terms in Chapter 83.

B. First Source Hiring Agreement

- (1) Contractor will comply with First Source interviewing, recruitment and hiring requirements, which will provide the San Francisco Workforce Development System with the exclusive opportunity to initially provide Qualified Economically Disadvantaged Individuals for consideration for employment for Entry Level Positions. The duration of the First Source interviewing

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requirement shall be ten (10) days, unless business necessity requires a shorter period of time.

- (2) Contractor will comply with requirements for providing timely, appropriate notification of available Entry Level Positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of Qualified Economically Disadvantaged Individuals to participating Employers.
- (3) Contractor agrees to use good faith efforts to comply with the First Source hiring requirements. A contractor may establish its good faith efforts by filling: 1) its first available Entry Level Position with a job applicant referred through the First Source Program; and, 2) fifty percent (50%) of its subsequent available Entry Level Positions with job applicants referred through the San Francisco Workforce Development System. Failure to meet this target, while not imputing bad faith, may result in a review of the Contractor's employment records.

C. Hiring Decisions

Contractor shall make the final determination of whether an Economically Disadvantaged Individual referred by the System is "qualified" for the position.

D. Exceptions

Upon application by Employer, the First Source Hiring Administration may grant an exception to any or all of the requirements of Chapter 83 in any situation where it concludes that compliance with this Chapter would cause economic hardship.

E. Liquidated Damages

Violation of the requirements of Chapter 83 is subject to an assessment of liquidated damages in the amount of \$5,000 for every new hire for an Entry Level Position improperly withheld from the First Source hiring process. The assessment of liquidated damages and the evaluation of any defenses or mitigating factors shall be made by the FSHA.

F. Subcontracts

Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of Chapter 83 and shall contain contractual obligations substantially the same as those set forth in this section.

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52. PREVAILING RATE OF WAGES REQUIRED

For Solid Waste Hauling Services:

Every contract issued by the City and County of San Francisco for the hauling of solid waste (or grit) generated by the City in the course of City operations must require that any employee engaged in the hauling of solid waste (or grit) shall be paid not less than the Prevailing Rate of Wages, including fringe benefits or the matching equivalent thereof, paid in private employment for similar work in the area which the contract is being performed. The term "employee" as used in this section shall mean any individual engaged in the hauling of solid waste (or grit) for a Prime Contractor or Subcontractor. Prime Contractors must require Subcontractors to comply with the prevailing wage rate required in this section. The Board of Supervisors shall determine the Prevailing Wage Rate at least once each year. If a contract for solid waste (or grit) hauling conflicts with an existing Collective Bargaining agreement to which the contractor is a party, the collective bargaining agreement shall prevail.

Enforcement

If a Contracting Officer determines that the Contractor or a Subcontractor may have violated the Prevailing Wage requirements of this section, the Contracting Officer shall send written notification to the Contractor or Subcontractor of the possible violation. In addition to and without prejudice to any other remedy available, the Contracting Officer may terminate the Contract, in which case the Contractor shall not be entitled to any additional payment unless within 30 days of receipt of the violation notice the Contractor has either (1) cured the violation or (2) established by documentary evidence, including but not limited to payroll records, the truth and accuracy of which shall be attested to by affidavit, proof of compliance with the provisions of this section.

Where a Contractor or Subcontractor fails to pay at least the Prevailing Rate of Wages to employees, the Contractor shall have "cured" the violation once the Contractor or Subcontractor reimburses employees by paying each individual the balance of what he or she should have earned in accordance with the requirements of this section.

In addition to, or instead of terminating the Contract, where the Contracting Officer finds that the Contractor willfully violated the requirements of this section, the Contracting Officer or the Labor Standards Enforcement Officer may assess a penalty (a "willful violation penalty") of not more than 10 percent of the dollar amount of the Contract. The Contracting Officer or Labor Standards Enforcement Officer may impose such willful violation penalty regardless of whether the Contractor has cured the violation.

53. MINIMUM COMPENSATION ORDINANCE ("MCO") - *Not Applicable*

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54. REQUIRING HEALTH BENEFITS FOR COVERED EMPLOYEES

Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at www.sfgov.org/olse. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

a. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission..

b. Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3(e) of the HCAO, it shall have no obligation to comply with part (a) above.

c. Contractor's failure to comply with the HCAO shall constitute a material breach of this agreement. City shall notify Contractor if such a breach has occurred. If, within 30 days after receiving City's written notice of a breach of this Agreement for violating the HCAO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

d. Any Subcontract entered into by Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Contractor shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Contractor shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against Contractor based on the Subcontractor's failure to comply, provided that City has first provided Contractor with notice and an opportunity to obtain a cure of the violation.

e. Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to Contractor's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to

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the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

f. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

g. Contractor shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

h. Contractor shall keep itself informed of the current requirements of the HCAO.

i. Contractor shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

j. Contractor shall provide City with access to records pertaining to compliance with HCAO after receiving a written request from City to do so and being provided at least ten business days to respond.

k. Contractor shall allow City to inspect Contractor's job sites and have access to Contractor's employees in order to monitor and determine compliance with HCAO.

l. City may conduct random audits of Contractor to ascertain its compliance with HCAO. Contractor agrees to cooperate with City when it conducts such audits.

m. If Contractor is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but Contractor later enters into an agreement or agreements that cause Contractor's aggregate amount of all agreements with City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Contractor and the City to be equal to or greater than \$75,000 in the fiscal year.

55. EARNED INCOME CREDIT (EIC) FORMS

Administrative Code section 12O requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

A. Contractor shall provide the Earned Income Credit (EIC) Form to each Eligible Employee at each of the following times:

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- (1) within 30 days following the date on which the applicable Contract or Contract Modification becomes effective (unless Contractor has already provided such EIC Forms at least once during the calendar year in question);
 - (2) promptly after any Eligible Employee is hired by Contractor; and
 - (3) annually between January 1 and January 31 of each calendar year during the term of the Contract.
- B. Failure to comply with the foregoing requirement shall constitute a material breach by Contractor of the terms of the Contract.
- C. If within 30 days after the Contractor receives written notice of such a breach, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under the terms of the Contract or under applicable law.

56. LIMITATIONS ON CONTRIBUTIONS

Through execution of this Contract, Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services or for the furnishing of any material, supplies or equipment to the City, whenever such transaction would require approval by a City elective officer of the board on which that City elective officer serves, from making any campaign contribution to the officer at any time from the commencement of negotiations for the contract until the later of either (1) the termination of negotiations for such contract or (2) three months after the date the contract is approved by the City elective officer or the board on which that City elective officer serves.

57. PROHIBITION ON POLITICAL ACTIVITY WITH CITY FUNDS

In accordance with San Francisco Administrative Code Chapter 12.G, Contractor may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Contract. Contractor agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event Contractor violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this contract, and (ii) prohibit Contractor from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider Contractor's use of profit as a violation of this Section.

58. PRESERVATIVE-TREATED WOOD CONTAINING ARSENIC

Contractor may not purchase preservative-treated wood products containing arsenic in the performance of this Contract unless an exemption from the requirements of Chapter 13 of

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the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Administrative Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Contractor may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Contractor from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

59. SERVICES PROVIDED BY ATTORNEYS

Any services to be provided by a law firm or attorney must be reviewed and approved in writing in advance by the City Attorney. No invoices for services provided by law firms or attorneys, including, without limitation, as subcontractors of Contractor, will be paid unless the provider received advance written approval from the City Attorney.

60. CONTRACT PRODUCT / SERVICE QUALITY REPORT

The attached report form (Attachment A) will be provided to departments using this Contract. Users of the contract may complete and return these reports at any time during the life of the contract. The purpose of the report is to monitor contractor performance and determine supplier successes or shortcomings. Each report will be sent to the awarded supplier/contractor. They will have an opportunity to respond to the information provided by the department. Quality reports that go unresolved to the satisfaction of the Purchaser may be used as a basis for commencement of partial or complete contract default proceedings.

61. NONDISCLOSURE OF PRIVATE INFORMATION

Contractor agrees to comply fully with and be bound by all of the provisions of Chapter 12M of the San Francisco Administrative Code (the "Nondisclosure of Private Information Ordinance"), including the remedies provided. The provisions of the Nondisclosure of Private Information Ordinance are incorporated herein by reference and made a part of this Contract as though fully set forth. Capitalized terms used in this section and not defined in this Contract shall have the meanings assigned to such terms in the Nondisclosure of Private Information Ordinance. Consistent with the requirements of the Nondisclosure of Private Information Ordinance, Contractor agrees to the following:

A. Neither Contractor nor any of its Subcontractors shall disclose Private Information obtained from the City in the performance of this Contract to any other Subcontractor, person, or other entity, unless one of the following is true:

- 1) The disclosure is authorized by this Contract;

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- 2) The Contractor received advance written approval from the Contracting Department to disclose the information; or
 - 3) The disclosure is required by law or judicial order.
- B. Any disclosure or use of Private Information authorized by this Contract shall be in accordance with any conditions or restrictions stated in this Contract. Any disclosure or use of Private Information authorized by a Contracting Department shall be in accordance with any conditions or restrictions stated in the approval.
- C. Private Information shall mean any information that: (1) could be used to identify an individual, including without limitation, name, address, social security number, medical information, financial information, date and location of birth, and names of relatives; or (2) the law forbids any person from disclosing.
- D. Any failure of Contractor to comply with the Nondisclosure of Private Information Ordinance shall be a material breach of this Contract. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate this Contract, debar Contractor, or bring a false claim action against Contractor.

62. GRAFFITI REMOVAL

Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti.

Contractor shall remove all graffiti from any real property owned or leased by Contractor in the City and County of San Francisco within forty-eight (48) hours of the earlier of Contractor's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require a Contractor to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or

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marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.)

Any failure of Contractor to comply with this section of this Contract shall constitute a default of this Contract.

63. MODIFICATION OF CONTRACT

This Contract may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Contract.

End General Conditions

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SPECIAL CONDITIONS

64. PURPOSE

The purpose of this contract is to provide Biosolids and Grit Hauling Services for the San Francisco Public Utilities Commission (PUC). The PUC operates three (3) wastewater treatment facilities; the Southeast Water Pollution Control Plant, the Oceanside Water Pollution Control Plant and the Treasure Island Sewage Treatment Plant. Biosolids and grit will be hauled from these sites to destinations as determined by the PUC.

San Francisco generates between 84,000 - 89,000 tons of biosolids per year and between 4,000 - 6,000 tons of grit per year. Approximately 800 - 1300 tons of grit is from annual digester cleaning.

Hauling services must be provided year round; 365 days per year on a 24 hour basis, regardless of weather conditions, from all the wastewater treatment facilities specified in this document.

The Contractor must provide all labor, equipment, materials and supervision necessary to receive, transport and unload the biosolids and grit.

65. PRE-BID CONFERENCE

A Pre-bid Conference and Plant Tour will be held as follows:

Location: Southeast Water Pollution Control Plant
750 Phelps
San Francisco, CA 94124

Date and Time: February 22, 2007, 1:00 PM

Although not mandatory, attendance is strongly urged for all prospective bidders on this contract.

Please bring a copy of this contract proposal to the Pre-bid Conference.

Questions concerning this Contract Proposal should be submitted by e-mail or FAX at least 72 hours prior to the date and time of the Pre-bid Conference and directed to:

Ben Kawamura, Supervising Purchaser
Office of Contract Administration
c/o Public Utilities Commission
1155 Market Street, 5th floor
San Francisco, CA 94103

FAX: (415) 487-5237
Tel: (415) 554-3166

Email: bkawamura@sfgwater.org

Please reference Contract Proposal No. 68380.

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The Pre-bid Conference will begin at the time specified, and company representatives are urged to arrive on time. Topics already covered will not be repeated for the benefit of late arrivals. Failure to attend the Pre-bid Conference shall not excuse the successful bidder from any obligations of the contract. Any change or addition to the requirements contained in this Contract Proposal as a result of the Pre-bid Conference will be by written Change Notice.

66. SCOPE OF SERVICES TO BE PERFORMED

The Contractor shall provide the services as described in the Appendices below. All Appendices are attached.

Scope of Services	Appendix B
Calculation of Charges – Biosolids	Appendix B-1
Calculation of Charges – Grit	Appendix B-2

In addition to the Scope of Services described herein, the Contractor shall provide its best efforts to continue to provide hauling services in the event of a public emergency as may be declared by any public official, including but not limited to, a sudden, unforeseeable and unexpected occurrence involving a clear and imminent danger that demands immediate action to prevent or mitigate the loss of, or damage to, life, health, property or essential public services, or the discovery of any condition involving such activities. In providing continuity of service, the Contractor shall respond to an emergency service request within four (4) hours of notification by the City. Nothing in this paragraph shall be interpreted to be in conflict with General Condition 48, Emergency – Priority 1 Service, of this document

67. QUESTIONS / PROTESTS

Any questions or objections concerning the requirements in this contract proposal must be submitted, in writing, and received by the Office of Contract Administration – Purchasing no less than five working days prior to the bid opening date and time. Bidders who fail to do so will waive all further rights to protest, based on these specifications and conditions.

68. COMPLIANCE WITH REGULATIONS

Licenses Required

The Contractor shall possess all valid Federal, State and local hauling licenses and, upon request, shall provide such licenses to the Biosolids Coordinator. The Contractor shall be licensed with the State of California Public Utilities Commission with either a highway carrier contract permit, a common carrier certificate, or a Cal PUC T number. These permits and/or certificates must not be currently under probation or suspension, as defined or determined by the State of California Department of Consumer Affairs.

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The Contractor shall insure that its subcontractor(s) and all workers that the Contractor and its subcontractors employ have proper and valid licenses and/or certifications required by Federal, State or local law that may be necessary to perform the work as described in this contract. The Contractor and its subcontractors shall submit current identification (e.g. Driver's License) for each truck driver employed on this contract so that the driver may be properly identified prior to entering City facilities.

The Contractor and its subcontractors shall ensure compliance of all personnel and equipment with all applicable rules and laws, including but not limited to those promulgated by the Division of Industrial Safety of the Department of Industrial Relations of the State of California. The Contractor shall be solely responsible for insuring the proper training of its drivers. The Contractor shall, at the request of the Biosolids Coordinator, furnish proof of any licenses and/or certifications. Changes in regulations and/or licensing requirements will not constitute justification for contract amendments or relaxation of the responsibility of the Contractor to provide the required service.

69. BIDDER'S / CONTRACTOR'S QUALIFICATIONS

A. Minimum Requirements

In order to receive consideration Bidders must meet the minimum requirements described in Appendix B, Section X, Minimum Criteria for Responsiveness. Bidders who do not clearly meet these requirements will be deemed non-responsive, and removed from further consideration.

B. The City may make such investigation, as it deems necessary prior to the award of this contract, to determine the Bidders compliance with the Minimum Criteria for Responsiveness. The City may take into consideration, but not be limited to:

- (1) Bidder's experience
- (2) Location
- (3) Adequacy of plant facilities
- (4) Personnel and equipment to properly perform all services called for under the contract.

C. In order to receive consideration, bidder must have sufficient knowledge and experience in the services covered by the contract.

D. Bidder must be able to demonstrate to the Purchaser's satisfaction that it possesses adequate facilities, equipment and the financial resources to fully comply with the minimum requirements of the contract prior to award.

E. City reserves the right to inspect Contractor's place of business prior to award or at any time during the contract term or any extension thereof, to determine the Contractor's capabilities and qualifications.

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- F. Contractor shall be responsible for producing the reports required under General Condition 44 of this document. Failure to provide the required reports may result in application of the Contractor's Default clause of this Contract.
- G. City reserves the right to reject any bid on which the information submitted by Bidder fails to satisfy City and/or Bidder is unable to supply the information and documentation within the period of time requested.
- H. City reserves the right to terminate this contract and or declare a Bidder non-responsive if the information requested from and submitted by Contractor fails to meet the requirements stated herein, or Contractor is unable to provide the information and/or documentation within the period requested.
- I. Contractor shall be independent and, as such, the hiring, training, equipping, supervising, directing and discharging of their employees shall be the responsibility of the Contractor. The payment of Federal, State, and local taxes and overtime wages shall also be the responsibility of Contractor.

70. CITY DEPARTMENT'S RESPONSIBILITIES

The Public Utilities Commission shall designate a representative, the Biosolids Coordinator, who shall administer the contract and direct and monitor the services provided by the Contractor.

- A. The Biosolids Coordinator shall determine the distribution and site destinations for the disposal and /or re-use of all biosolids and grit generated by City facilities.
- B. The Biosolids Coordinator shall provide the Contractor with written notice of the composition of the biosolids, to include information requested by the Contractor that may be needed to facilitate compliance with applicable legal and regulatory requirements.
- C. The City will stabilize the biosolids by approved processes as defined by 40 CFR 503 regulations. The City shall comply with applicable local, State and Federal biosolids regulations and permit requirements. All biosolids shall be stabilized by an industry approved process to minimize offensive odors and to reduce volatile solids consistent with a stabilized material.
- D. The City will not provide the Contractor with any biosolids, grit or digester cleaning spoils that contain hazardous material in accordance with applicable Federal, State or local laws.
- E. The City will allow the Contractor reasonable access to the City's biosolids and grit delivery systems.
- F. The Assistant General Manager of the PUC's Wastewater Enterprise or designee maintains the sole right to select or reject any or all sites for biosolid and grit disposal or re-use. No City biosolids or grit may be disposed or re-used at a site that is rejected by the City. All such biosolids and grit are for re-use or disposal at the

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BIOSOLIDS and GRIT HAULING SERVICES
For the Term December 20, 2008 Through April 30, 2012

SPECIAL CONDITIONS (Continued)

site(s) outlined in this document. No other use or disposal of the biosolids or grit is permitted without written authorization from the City.

- G. The Biosolids Coordinator shall notify the Contractor of operational changes that may affect the quantities of biosolids or grit. (e.g. plant shutdowns, planned maintenance etc.)
- H. The Biosolids Coordinator shall provide status information to the Contractor when requested so that the Contractor can schedule biosolids and grit hauling. Additionally, nothing in the agreement shall abridge the right for City personnel to request additional biosolids or grit hauling, provided there is adequate material for a minimum load greater than 20 tons. The Contractor shall respond to each request for additional hauling within six (6) hours.

71. BID SECURITY

Each bid must be accompanied by a bid bond, or money order, or a cashier's check or certified check, in the amount of One thousand dollars, (\$ 1,000.00) payable to the City and County of San Francisco, to guarantee the filing of Performance Bond and Insurance Certificates, and proper execution of the contract. Personal or company checks will not be accepted.

Any proposal submitted without the proper bid security may be determined to be non-responsive and result in the rejection of the bid.

After the successful bidder has furnished the required documents or the City has rejected proposals, all bid securities, except those which may have been forfeited, will be returned to the respective bidders whose proposals they accompanied.

72. PERFORMANCE BOND

The successful bidder will be required to furnish a Performance Bond on the form furnished by City, in a sum of not less than 50% of the annual amount of the contract to guarantee the faithful performance of this contract.

The Contractor shall furnish the bond within ten (10) days after receiving notice from the City. The bond must remain in force for the full term of the contract and must be renewed annually for multi-year contracts.

The bond must be approved as to sufficiency and qualifications of the surety by the Controller.

73. FIDELITY BOND - *Not Applicable*

74. INSURANCE

Prior to award, the successful bidder or bidders will be required to furnish evidence of insurance as follows:

AWARD
BIOSOLIDS and GRIT HAULING SERVICES
For the Term December 20, 2008 Through April 30, 2012

SPECIAL CONDITIONS (Continued)

- A. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Contract, Contractor must maintain in force, during the full term of the contract, insurance in the following amounts and coverages:
1. Workers' Compensation, with Employers' Liability limits not less than \$1,000,000 each accident.
 2. Commercial General Liability Insurance with limits not less than \$3,000,000 each occurrence Combined Single Limit Bodily Injury and Property Damage, including Contractual Liability, Independent Contractor, Broad Form Property Damages, Personal Injury, Products and Completed Operations.
 3. Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit Bodily Injury and Property Damage, including Owned and Non-owned and Hired Auto Coverage, as applicable.
 4. Contractor shall provide Pollution Liability Coverage for clean-up, restoration, transportation and disposal at an appropriate certified disposal site in an amount not less than \$3,000,000.
- B. Commercial General Liability and Commercial Automobile Liability Insurance policies shall be endorsed to provide the following:
1. Name as ADDITIONAL INSUREDS, the City and County of San Francisco, its Officers, Agents, and Employees.
 2. That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Contract, and that insurance applies separately to each insured against whom claim is made or suit is brought.
- C. ALL POLICIES SHALL BE ENDORSED TO PROVIDE:
- Thirty days advance written notice to City of cancellation, non-renewal or reduction in coverage for any reason, mailed to the following address:
- Director
Office of Contract Administration – Purchasing
City and County of San Francisco
City Hall, Room 430
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4685
- D. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Contract and, without lapse, for a period of three years beyond the expiration of this contract, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Contract, such claims shall be covered by such claims-made policies.

A W A R D
BIOSOLIDS and GRIT HAULING SERVICES
For the Term December 20, 2008 Through April 30, 2012

SPECIAL CONDITIONS (Continued)

- E. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence limits specified above.
- F. Should any required insurance lapse during the contract term, requests for payments originating after such lapse shall not be processed until City receives satisfactory evidence of reinstated coverage as required by this Contract, effective as of the lapse date. If insurance is not reinstated, City may, at its sole option, terminate this Contract effective on the date of such lapse of insurance.
- G. Before commencing any operations under this Contract, Contractor shall do the following: (1) furnish to City certificates of insurance and Additional Insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City in form evidencing all coverages set forth above, and (2) furnish complete copies of policies promptly upon City request. Failure to maintain insurance shall constitute a material breach of this Contract.
- H. Approval of the insurance by City shall not relieve or decrease the liability of Contractor hereunder.
- I. If a subcontractor will be used to complete any portion of this agreement, the Contractor shall ensure that the subcontractor shall provide all necessary insurance and shall name the City and County of San Francisco, its officers, agents and employees and the Contractor listed as additional insureds.

74. FAILURE TO EXECUTE CONTRACT

- A. Within ten days of the receipt of a notice of award, the bidder to whom the contract is awarded shall deliver the performance bond and/or specified insurance certificates to City.
- B. If the bidder fails or refuses to furnish the required bond and/or insurance within ten days after receiving notice from Purchasing, Purchasing may, at its option, determine that this bidder has abandoned its bid. Thereupon the tentative award of said contract to this bidder shall be canceled and City shall notify the bidder's surety and collect on the bidder's bond (or the check accompanying its bid shall be deposited with the Treasurer of the City and County of San Francisco for collection) and the proceeds thereof shall be retained by City as partial liquidated damages for failure of such bidder to properly file the bonds and insurance herein required. The foregoing in no way limits the damages which are recoverable by City whether or not defined elsewhere in the contract documents.

A W A R D
BIOSOLIDS and GRIT HAULING SERVICES
For the Term December 20, 2008 Through April 30, 2012

SPECIAL CONDITIONS (Continued)

75. PRICE

- A. Bid prices are to be firm for the initial five (5) year term of the contract except for annual adjustments that are allowed for the cost of fuel. See Price Adjustment, Section 77.
- B. Only the bid prices that appear on City's Contract Proposal Bid Sheets will be considered. No other pages with prices or attached price lists and/or catalog prices will be considered.
- C. Bid price to include all costs chargeable to City. Contractor will assume all costs including personnel salaries, transportation and any other expense for the training of his/her employees. No charges to City are to be made for training. All costs to City shall be included in prices entered on Bid Sheets. No overtime will be paid unless same has been approved in advance by City the Public Utilities Commission.

77. PRICE ADJUSTMENT

Biosolids and Grit Hauling

- A. Prices for biosolids and grit hauling are to remain firm for five (5) years, the initial term of the contract. Thereafter, the Contractor may request a price adjustment for each of the allowed two (2) year extensions.
- B. Price adjustments for any extension shall be based upon the Prevailing Wage in effect at the time of the extension. Prices shall remain firm for the duration of each two year extension.
- C. Such adjustments shall commence 30 days after submission of satisfactory documentation and the approval of the Purchaser.
- D. It shall be the Contractor's responsibility to request and to provide documentation satisfactory to the Purchaser to support any price increase request.

Fuel Adjustments

Fuel prices shall remain firm for the first calendar year of the contract. Thereafter, Contractors may make requests to review prices due to fluctuations in diesel fuel prices. Changes to the cost of labor, materials, overhead or administration will not be considered as cause to adjust fuel prices. Requests for price adjustment for fuel costs may be submitted by the Contractor at least sixty (60) days prior to the end of the calendar year.

The City will use the fuel index published by the Energy Information Administration's Weekly On-Highway Diesel Prices Index to determine the allowable price adjustment. The index is

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BIOSOLIDS and GRIT HAULING SERVICES
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SPECIAL CONDITIONS (Continued)

available from their web site at: <http://tonto.eia.doe.gov/oog/info/wohdp/diesel.asp>. Information will be taken from the California data.

The allowable adjustment will be calculated by dividing the posted price for October 19th of the current year by the index posted price for October 19th of the prior year.

To calculate the fuel price adjustment, the City will assume the cost of fuel is 9% of the rate per mile for Biosolids Hauling. This factor will be a constant in the calculations and will not change and will be used for all bidders. A sample calculation is below.

Example: Fuel Adjustment – For Illustration Only

Index on Oct 19 th 2007	1.50	
Index on Oct 19 th 2008	1.75	
Percent Change:	16.7%	[(1.75 / 1.50) – 1 = 0.167]
Cost per mile	\$20.00	
Fuel cost	\$20.00 x 9% = \$1.80	
Allowable Increase	16.7% x \$1.80 = \$0.30	
Adjusted Cost per mile	\$20.00 + \$1.80 + \$0.30 = \$22.10	

The effective date of all adjustments based on the cost of fuel will be January 1 of the following year.

Alternative Fuel

If, per Appendix B, the Contractor elects to use an alternative fuel, including but not limited to biodiesel, in all vehicles involved in hauling of biosolids and grit, the Contractor shall receive an additional one-time fuel adjustment increase of 10%. In order to qualify for this adjustment, the Contractor must submit receipts indicating purchase of alternative fuel to the Biosolids Coordinator. If approved, the alternative fuel adjustment would be effective sixty (60) days after the submittal of receipts.

78. BID PRICE EVALUATION

To determine the apparent low bidder, the price per mile for Biosolids hauling, (Item 1 on Bid Sheet) and the price per mile for Grit hauling, (Item 2 on Bid Sheet) will be multiplied by the Estimated Miles for each item. This calculation will yield an Extended Price.

The Extended Price for Items 1 and 2 will be added together to yield an Evaluated Price.

Items 3 and 4 on the Bid Sheet are for information only, and will not be evaluated.

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BIOSOLIDS and GRIT HAULING SERVICES
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SPECIAL CONDITIONS (Continued)

Except as otherwise noted on Bid Sheets, bid prices will be evaluated for each service based on the estimated quantity multiplied by the bid price per specified unit and less any applicable LBE preference (see General Conditions 33 through 35).

Purchasing will attempt to evaluate this contract proposal within thirty (30) days after receipt of bid(s). If Purchasing requires additional evaluation time, all bidders will be notified in writing of the new expected award date.

79. AWARD

- A. Award will be made to the lowest responsive and responsible bidder in the aggregate as noted on the Bid Sheets.
- B. In determining the award, Purchasing will take into consideration, but will not be limited to:
 - 1. Compliance with Minimum Requirements in Appendix A
 - 2. Price (evaluated)
 - 3. Satisfactory review of bidder's qualifications
 - 4. Any other factors deemed pertinent

80. AWARDED SERVICES

- A. If, during the term of the contract, a contract service is determined to be unacceptable, and such is documented by Purchasing, it is understood and agreed that the service will be cancelled and removed from the contract without penalty to City. City's sole obligation to Contractor is payment for services performed prior to the cancellation date. City shall give Contractor ten days notice prior to any cancellation. City will contract for the required service from any source and in the manner as determined by Purchasing.
- B. Contractor must notify Purchasing by certified mail, 30 days in advance of any changes in the services required in the contract. Any changes made without the approval of Purchasing will constitute default and result in City invoking General Condition 12.

81. ADDITIONAL SERVICES

- A. If, in the satisfaction of governmental interests, it is necessary to purchase additional services from Contractor, additional services may be added to this contract by mutual agreement of the parties.
- B. Aggregated cost of all services added to the contract during the contract term shall not exceed 20% of the total estimated value (cost) of the original contract.
- C. All requests to add additional services to the contract must be submitted by City departments in writing to the Office of Contract Administration – Purchasing (Purchasing). All requests must include complete scope of work, estimated

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SPECIAL CONDITIONS (Continued)

quantities for the remainder of the contract period and a price quotation provided by Contractor, for each service.

- D. All additional services added to the contract shall be approved through issuance of a contract modification, executed and signed by Purchasing and Contractor.
- E. In the event the aggregated cost of the contract increases by more than 20% of the total estimated value of the original contract, or the increase totals more than \$50,000, the amount over 20%, or \$50,000, shall be bid in accordance with Standard Purchasing Procedures.

The resulting bid award shall be added to the contract through a contract modification (same Contractor) or the issuance of a new contract (new Contractor) and include Contractor's name and information, complete item description, delivery information and pricing information.

- F. The contract term for the additional services added to the contract after the initial award shall be the remaining term of the existing contract and any extension thereof.

82. WORKER RETENTION

Contractors are hereby notified of the requirements to comply with the Worker Retention requirements of Section 21.25-5 of the San Francisco Administrative Code. This section applies to Employees of Contractors and Subcontractors who work at least 15 hours per week under the contract.

For contracts subject to this Section, the Contractor is under the following obligations:

Transition Employment Period

- A. Where the Contracting Officer has given notice that a contract has been terminated or ended, or where a Contractor has given notice of such termination, upon giving or receiving such notice, as the case may be, the terminated or ending Contractor shall, within ten (10) days thereafter, provide to the successor contractor, the name, date of hire, and employment occupation classification of each employee who works at least 15 hours per week under the contract.

If the terminated contractor does not know the identity of the successor Contractor, if any, by the time that notice was given of the contract termination, the terminated Contractor shall obtain such information from the Contracting Officer. If a successor Contractor has not been awarded by the end of the 10 day period, the employment information shall be provided to the Contracting Officer. Where a Subcontractor has been terminated prior to the termination of the contract, the terminated Subcontractor shall be deemed a terminated Contractor.

- B. A successor contractor shall retain, for a 90-day transition employment period, employees who have worked at least 15 hours per week and been employed by the terminated Contractor or its Subcontractors, if any, for the preceding twelve (12)

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SPECIAL CONDITIONS (Continued)

months or longer under the Contract, providing that just cause does not exist to terminate such employee. The predecessor Contractor's employees who worked at least 15 hours per week shall be employed in order of their seniority with the predecessor.

- C. If at any time a successor contractor determines that fewer employees are required to perform the new Contract than were required by the terminated Contractor (and Subcontractors, if any), the successor Contractor shall retain employees by seniority within job classification.
- D. During such 90-day period, the successor Contractor (or Subcontractor, where applicable) shall maintain a preferential hiring list of eligible covered employees not retained by the successor Contractor (or Subcontractor) from which the successor Contractor (or Subcontractor) shall hire additional employees.
- E. Except as provided in subsection C of this section, during such 90-day period, the successor Contractor (or Subcontractor, where applicable) shall not discharge without cause an employee retained pursuant to Section. Cause for this purpose shall include, but not be limited to, the employee's conduct while in the employ of the terminated Contractor or Subcontractor that contributed to any decision to terminate the contract or subcontract for fraud or poor performance, excluding permissible union-related activity.
- F. At the end of such 90-day period, a successor Contractor (or Subcontractor, where applicable) shall perform a written performance evaluation for each employee retained pursuant to this Section. If the employee's performance during such 90-day period is satisfactory, the successor Contractor (or Subcontractor) shall offer the employee continued employment under the terms and conditions established by the successor Contractor (or Subcontractor) or as required by law.
- G. Contractors must include a provision in all subcontracts requiring Subcontractors to comply with the obligations imposed by this Section.

Enforcement

- A. An employee who has not been hired or has been discharged in violation of this Section by a successor Contractor or its Subcontractor may bring an action in the Superior Court of the State of California, as appropriate, against the successor Contractor and, where applicable, its Subcontractor, and may be awarded back pay, including the value of benefits, for each day during which the violation continues, which shall be calculated at a rate of compensation not less than the higher of:
 - 1. The average regular rate of pay received by the employee during the last three years of the employee's employment in the same occupation classification; or
 - 2. The final regular rate received by the employee.

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BIOSOLIDS and GRIT HAULING SERVICES
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SPECIAL CONDITIONS (Continued)

- B. If the employee is the prevailing party in any such legal action, the Court shall award reasonable attorney's fees and costs as part of the costs recoverable.

Successor's Prior Employees

A successor Contractor or Subcontractor may replace an employee otherwise entitled to be retained pursuant to this Section with a person employed by the Contractor or Subcontractor continuously for twelve (12) months prior to the commencement of the successor contract or subcontract in a capacity similar to that proposed under the successor contract or subcontract. This section shall apply only where the existing employee of the successor Contractor or Subcontractor would otherwise be laid off work as a result of the award of the successor contract.

Collective Bargaining Agreements

Notwithstanding anything to the contrary in this Section, if the contract conflicts with an existing collective bargaining agreement to which a Contractor or Subcontractor is a party, the collective bargaining agreement shall prevail. However, the Contractor or Subcontractor will be obligated to make good faith efforts to comply with the requirements of this Section that do not conflict with the collective bargaining agreement.

83. PROP J APPROVAL - (Not Applicable to this Contract)

84. ORDERING

- A. Services to be furnished under this Contract shall be ordered by issuance of a Direct Purchase Order through a release from the appropriate Citywide Blanket Purchase Order by City departments during the effective period of the contract.
- B. All invoices for payments shall show the Direct Purchase Order Release Number against the Citywide Blanket Purchase Order assigned by Purchaser to include the complete description of services and contract pricing.

85. BILLING

All invoices must show the Contract Number, Citywide Blanket Purchase Order Number, contract item number, complete description of services performed, contract payment terms and contract price.

City, on services covered by this contract, will honor no minimum service order charges. Contractor must accept and process, without any extra charges, orders for any service as requested by City.

Failure to submit invoices with all the required information, or invoices that contain inaccurate information will not be processed for payment.

All discount periods will begin only when City receives a properly completed invoice containing all the required information. Note: Invoices must be submitted in triplicate.

A W A R D
BIOSOLIDS and GRIT HAULING SERVICES
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SPECIAL CONDITIONS (Continued)

86. PAYMENT

- A. In accordance with the prices quoted in the successful bid and subject to any applicable discount provision contained in said bid, City agrees to pay for all services at said rate. City shall make payments to Contractor in arrears, for services actually performed, throughout the term of the contract.
- B. Invoices submitted by Contractor must be in a form acceptable to Purchasing and Controller. All amounts paid by City to Contractor shall be subject to audit by City.

87. MULTIPLE AWARDS

Multiple awards may be made for certain or all services. The award would be to a primary contractor and a secondary contractor to ensure adequate levels of uninterrupted service.

Contractor will be notified by contract acceptance which will designate the primary or secondary contractor.

- A. If the primary contractor fails to provide service for any contract items by the required date, then the secondary contractor agreeing to act as a secondary contractor will be required to provide said service. City will pay secondary contractor directly for the service. The secondary contractor shall continue to provide the required service, as required pursuant to the contract, until the primary contractor demonstrates to the satisfaction of City that they are ready, willing and able to provide said service to City.
- B. Purchaser reserves the right to request service not really available from the secondary contractor from any other source if Purchaser deems it is in the public interest to take such action.

88. CHANGE OF CONTRACTOR

Should this contract necessitate a change in contractor, both contractors shall work to a systematic change in collaboration with each City department as required. The newly awarded contractor shall assume the responsibility to supply all services under this Contract only after receiving confirmation from City that they have provided all Bond and Insurance requirements. Both contractors shall enter into an Assignment and Assumption Agreement.

89. RESOURCE CONSERVATION ORDINANCE (Not applicable to this Contract)

90. ENTIRE AGREEMENT

This contract sets forth the entire Contract between the parties, and supersedes all other oral or written provisions.

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BIOSOLIDS and GRIT HAULING SERVICES
For the Term December 20, 2008 Through April 30, 2012

SPECIAL CONDITIONS (Continued)

91. BID SUBMITTAL INSTRUCTIONS Bids must be received at:

**Office of Contract Administration
City Hall, Room 430
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102**

By 2:00 PM, Friday March 9, 2007. Late bids will not be considered.

Bids transmitted by FAX or any type of electronic mail will not be accepted.

Bidders are to return the required documents, which include:

- A. Page 1 of the Contract Proposal completed and signed
- B. Bid Sheet(s) for items being bid
- C. All questionnaires and forms, completed and signed (See "Standard Bid Forms, P-225" attached to this Contract Proposal.)
- D. Bid Security (See Special Condition 71)
- E. Bidders shall mail bid in an envelope clearly marked with the bid number and due date in the lower left corner.

Bids must be submitted on the enclosed Bid Sheet(s).

Prices should be clearly written by typewriter or pen and ink.

To receive full consideration, your bid should be unqualified and unconditional.

For more information, contact:

Jeannie Louie
Supervising Purchaser
(415) 554-3166
E-mail: jeannielouie@sfgwater.org

End of Special Conditions

City and County of San Francisco
 Office of Contract Administration
 Purchasing Department
 City Hall, Room 430
 1 Dr. Carlton B. Goodlett Place
 San Francisco, CA 94102-4685



Contract Modification 1

Biosolids and Grit Hauling Services

SN Sands Corporation
 DBA: S & S Trucking
 Frank Sanchez
 P O Box 282009
 San Francisco, CA 94128
 Email: Frank@snsands.com

Date: November 29, 2010
 Buyer Name: Jeanette Louie
 Term contract: 68380
 City Blanket No.: BPSF 00003517
 Type: Indefinite quantity
 Not-to-exceed amount: \$9,000,000

The history of this contract and its modifications is as follows:

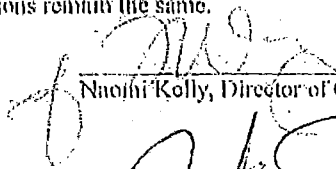
Modification	Start date	End date	Amount	Other changes
Original contract	12/20/2008	4/30/2012	\$ 9,000,000	
1	No Charge	No Change	\$ No Change	Update Contract Conditions Price Increase

This modification 1 changes the contract as follows:

- 1) Effective January 1, 2011, pricing for contract line items 1-1 will be increased by 12.5% per Section 77 for increase in fuel cost. See Attachment A.
- 2) The following condition, "Food Services" and "Electronic Payment" have been added to the contract and General Condition 51, First Source Hiring Program has been revised. See Attachment A.

All other terms and conditions remain the same.


Approved by the City:


 Naohi Kolly, Director of OCA and Purchaser

Date

12/6/2010

Approved by Contractor:


 Signature

Date

12-17-10

Name and title

Frank Sanchez

Sign and return one original. The duplicate original is for your file.

P-280 (11/20-09)

Attachment A
Contract No. 68380
Contract Modification No.1
SN Sands Corporation
DBA: S & S Trucking
Date: November 29, 2010

Effective January 1, 2011, pricing for contract line items 1-4 have increases as follows:

Item	Product	Previous Price	New Price
1	Biosolids, Hauling, Flat Rate per mile For all Locations listed in Table B-1 Flat rate applicable 7 days per week. No holiday or overtime rates are applicable. 1,884 miles based on one round trip from each City Plant to each landfill. Do not include bridge tolls. Rate per mile shall be fixed for the initial 5 year term of the contract except for annual adjustments for fuel costs.	\$3.32/mile	\$3.36/mile
2	Grit Hauling, Weekday Rate Flat Rate per mile To Keller Canyon Landfill 88.8 miles based on one round trip from each City Plant to Keller Canyon Weekday rate commences on 6:00 PM Sunday and continues through 6:00 PM Friday. Service will be requested as needed.	\$3.14/mile	\$3.18/mile
3	Grit Hauling, Saturday/Overtime Rate Flat Rate per mile, to Keller Canyon Landfill. 6:00 PM Fri to 6:00 PM Sat	\$3.30/mile	\$3.34/mile

Item	Product	Previous Price	New Price
4	Grit Hauling, Sunday/Holiday Rate Flat Rate per mile. To Keller Canyon Landfill. 6:00 PM Sat to 6:00 PM Sun	\$3.45/mile	\$3.49/mile

Add the following to the Bid and Contract Conditions:

Electronic payment. The City and County of San Francisco (City) uses Bank of America's PayMode-X system to pay invoices electronically and not by check whenever possible. The City makes PayMode-X payments every business day, but starting November 17, 2010 will process, print and mail paper checks only one day a week. So the City encourages you – and it is greatly to your benefit – to enroll in PayMode-X now.

There is no cost to you to enroll in PayMode-X, and you get the same information electronically from PayMode-X that you would get on the City's check stub.

For more information, please visit the Controller's website at:

<http://sfcontroller.org/index.aspx?page=85>

If you have questions, please call:

Steve W. Lee, Controller's Office (415) 554-7591

Add the following to the Bid and Contract Conditions:

Food Service Waste Reduction Requirements. Contractor agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Contractor agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Contractor's failure to comply with this provision

Section 51, First Source Hiring Program has been revised and replaced with the following:

First Source Hiring Program

a. **Incorporation of Administrative Code Provisions by Reference.** The provisions of Chapter 83 of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall

comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter, including but not limited to the remedies provided therein. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 83.

b. First Source Hiring Agreement. As an essential term of, and consideration for, any contract or property contract with the City, not exempted by the FSHA, the Contractor shall enter into a first source hiring agreement ("agreement") with the City, on or before the effective date of the contract or property contract. Contractors shall also enter into an agreement with the City for any other work that it performs in the City. Such agreement shall:

(1) Set appropriate hiring and retention goals for entry level positions. The employer shall agree to achieve these hiring and retention goals, or, if unable to achieve these goals, to establish good faith efforts as to its attempts to do so, as set forth in the agreement. The agreement shall take into consideration the employer's participation in existing job training, referral and/or brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications, participation in such programs may be certified as meeting the requirements of this Chapter. Failure either to achieve the specified goal, or to establish good faith efforts will constitute noncompliance and will subject the employer to the provisions of Section 83.10 of this Chapter.

(2) Set first source interviewing, recruitment and hiring requirements, which will provide the San Francisco Workforce Development System with the first opportunity to provide qualified economically disadvantaged individuals for consideration for employment for entry level positions. Employers shall consider all applications of qualified economically disadvantaged individuals referred by the System for employment; provided however, if the employer utilizes nondiscriminatory screening criteria, the employer shall have the sole discretion to interview and/or hire individuals referred or certified by the San Francisco Workforce Development System as being qualified economically disadvantaged individuals. The duration of the first source interviewing requirement shall be determined by the FSHA and shall be set forth in each agreement, but shall not exceed 10 days. During that period, the employer may publicize the entry level positions in accordance with the agreement. A need for urgent or temporary hires must be evaluated, and appropriate provisions for such a situation must be made in the agreement.

(3) Set appropriate requirements for providing notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified economically disadvantaged individuals to participating employers. Notification should include such information as employment needs by occupational title, skills, and/or experience required, the hours required, wage scale and duration of employment, identification of entry level and training positions, identification of English language proficiency requirements, or absence thereof, and the projected schedule and procedures for hiring for each occupation. Employers should provide both long-term job need projections and notice before initiating the interviewing and hiring process. These notification requirements will take into consideration any need to protect the employer's proprietary information.

(4) Set appropriate record keeping and monitoring requirements. The First Source Hiring Administration shall develop easy-to-use forms and record keeping requirements for documenting compliance with the agreement. To the greatest extent possible, these requirements shall utilize the employer's existing record keeping systems, be nonduplicative, and facilitate a coordinated flow of information and referrals.

(5) Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of this Chapter. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall appoint a liaison for dealing with the development and implementation of the employer's agreement. In the event that the FSHA finds that the employer under a City contract or property contract has taken actions primarily for the purpose of circumventing the requirements of this Chapter, that employer shall be subject to the sanctions set forth in Section 83.10 of this Chapter.

(6) Set the term of the requirements.

(7) Set appropriate enforcement and sanctioning standards consistent with this Chapter.

(8) Set forth the City's obligations to develop training programs, job applicant referrals, technical assistance, and information systems that assist the employer in complying with this Chapter.

(9) Require the developer to include notice of the requirements of this Chapter in leases, subleases, and other occupancy contracts.

c. Hiring Decisions. Contractor shall make the final determination of whether an Economically Disadvantaged Individual referred by the System is "qualified" for the position.

d. Exceptions. Upon application by Employer, the First Source Hiring Administration may grant an exception to any or all of the requirements of Chapter 83 in any situation where it concludes that compliance with this Chapter would cause economic hardship.

e. Liquidated Damages. Contractor agrees:

(1) To be liable to the City for liquidated damages as provided in this section;

(2) To be subject to the procedures governing enforcement of breaches of contracts based on violations of contract provisions required by this Chapter as set forth in this section;

(3) That the contractor's commitment to comply with this Chapter is a material element of the City's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the City and the public which is significant and substantial but extremely difficult to quantify; that the harm to the City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to \$5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

(4) That the continued failure by a contractor to comply with its first source referral contractual obligations will cause further significant and substantial harm to the City and the public, and that a second assessment of liquidated damages of up to \$10,000 for each entry level position improperly withheld from the FSHA, from the time of the conclusion of the first investigation forward, does not exceed the financial and other damages that the City suffers as a

result of the contractor's continued failure to comply with its first source referral contractual obligations;

(5) That in addition to the cost of investigating alleged violations under this Section, the computation of liquidated damages for purposes of this section is based on the following data:

A. The average length of stay on public assistance in San Francisco's County Adult Assistance Program is approximately 41 months at an average monthly grant of \$348 per month, totaling approximately \$14,379; and

B. In 2004, the retention rate of adults placed in employment programs funded under the Workforce Investment Act for at least the first six months of employment was 84.4%. Since qualified individuals under the First Source program face far fewer barriers to employment than their counterparts in programs funded by the Workforce Investment Act, it is reasonable to conclude that the average length of employment for an individual whom the First Source Program refers to an employer and who is hired in an entry level position is at least one year;

therefore, liquidated damages that total \$5,000 for first violations and \$10,000 for subsequent violations as determined by FSHA constitute a fair, reasonable, and conservative attempt to quantify the harm caused to the City by the failure of a contractor to comply with its first source referral contractual obligations.

(6) That the failure of contractors to comply with this Chapter, except property contractors, may be subject to the debarment and monetary penalties set forth in Sections 6.80 et seq. of the San Francisco Administrative Code, as well as any other remedies available under the contract or at law; and

Violation of the requirements of Chapter 83 is subject to an assessment of liquidated damages in the amount of \$5,000 for every new hire for an Entry Level Position improperly withheld from the first source hiring process. The assessment of liquidated damages and the evaluation of any defenses or mitigating factors shall be made by the FSHA.

f. Subcontracts. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of Chapter 83 and shall contain contractual obligations substantially the same as those set forth in this Section.

City and County of San Francisco
 Office of Contract Administration
 Purchasing Department
 City Hall, Room 430
 1 Dr. Carlton B. Goodlett Place
 San Francisco, CA 94102-4685



Contract Modification 2

Biosolids and Grit Hauling Services

SN Sands Corporation
 DBA: S & S Trucking
 Frank Sanchez
 P O Box 282009
 San Francisco, CA 94128
 Email: frank@snsands.com

Date: January 5, 2011
 Buyer Name: Jeannie Louie
 Term contract: 68380
 City Blanket No. BPSF 00003517
 Type: Indefinite quantity
 Not-to-exceed amount: \$9,000,000

The history of this contract and its modifications is as follows:

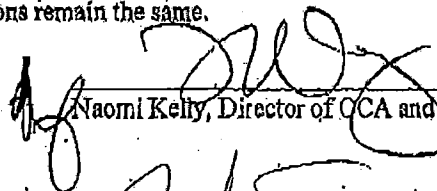
Modification	Start date	End date	Amount	Other changes
Original contract	12/20/2008	4/30/2012	\$ 9,000,000	
1	No Change	No Change	\$ No Change	Update Contract Conditions Price Increase
2	No Change	12/19/2013	\$ No Change	Extend the Contract End Date Add 2 new services and pricing

This modification 2 changes the contract as follows:

- 1) Per Ordinance No. 119-10, the term of the contract has been extended to December 19, 2013.
- 2) Effective February 1, 2011, 2 new contract items #5 for Extraordinary Pick-up for Biosolids and #6 for Standby-Pay have been added to the contract. See Attachment A.

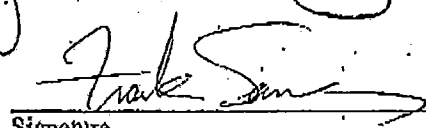
All other terms and conditions remain the same.

Approved by the City:


 Naomi Kelly, Director of OCA and Purchaser.

1/6/2011
 Date

Approved by Contractor:


 Signature

1-7-11
 Date

Name and title

Frank Sanchez, V.I.P.

Attachment A
 Contract No. 68380
 Contract Modification No.2
 SN Sands Corporation
 DBA: S & S Trucking
 Date: January 5, 2011

Effective February 1, 2011, the following new services, items 5 and 6, have been added to the contract as follows:

Item	Service	Price
5	Extraordinary Pick-up for Biosolids	\$200.0/load
	<p>If the Shift Supervisor or Plant Superintendent determines that unanticipated circumstances require immediate service and that no reuse/disposal site that is authorized to receive SFPUC generated biosolids is open within six hours of the hauling request, the Shift Supervisor or Plant Superintendent may direct the contractor to pick up biosolids that the contractor may hold at an appropriate and properly maintained site. The cost for this service will be in addition to the regular hauling charges between the plant and reuse/disposal site. The invoice for this extraordinary pick-up service must be accompanied by a signed memo from the Shift Supervisor or Plant superintendent or his/her designate describing the extraordinary circumstances and the reason for the pick-up, in the absence of which the service charge will not be honored. All federal, state and local laws apply to the pick-up and storage of the biosolids, and the contractor shall indemnify the City for all damages and liabilities arising from such pick-up and storage, in accordance with Section 9 - Hold Harmless and Indemnification, in Contract Proposal 68380.</p>	
6	Stand-by Pay	\$70.00/load
	<p>The Shift Supervisor or Plant Superintendent may request that a truck be loaded with biosolids, grit or digester spoils by a front loader or means other than the standard hopper facilities. The contractor is authorized to charge for the amount of stand-by time that exceeds the first 30 minutes. The invoice must be accompanied by a signed memo from the Shift Supervisor or Plant Superintendent verifying of the stand-by time, in the absence of which the service charge will not be honored.</p>	

City and County of San Francisco
 Office of Contract Administration
 Purchasing Department
 City Hall, Room 430
 1 Dr. Carlton B. Goodlett Place
 San Francisco, CA 94102-4685



Contract Modification 3

Biosolids and Grit Hauling Services

SN Sands Corporation
 DBA: S & S Trucking
 Frank Sanchez
 477 Roland Way
 Oakland, CA 94621
 Email: frank@snsands.com

Date: July 15, 2011
 Buyer Name: Jeannie Louie
 Term contract: 68380
 City Blanket No.: BPSF 00003517
 Type: Indefinite quantity
 Not-to-exceed amount: \$9,000,000

The history of this contract and its modifications is as follows:

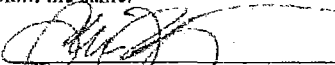
Modification	Start date	End date	Amount	Other changes
Original contract	12/20/2008	4/30/2012	\$ 9,000,000	
1	No Change	No Change	\$ No Change	Update Contract Conditions Price Increase
2	No Change	12/19/2013	\$ No Change	Extend the Contract End Date Add 2 new services and pricing
3	No Change	No-Change	\$ No Change	Add 1 new service/pricing Modification to Item #6

This modification 3 changes the contract as follows:

- 1) Effective July 15, 2011, contract item #7 for Digester Cleaning at Southeast Water Pollution Control Plant (SEP) has been added to the contract. See Attachment A.
- 2) Correct bid line item #6 to read: \$70.00/hour.

All other terms and conditions remain the same.

Approved by the City:


 Jaci Fong, Acting Director of OCA

7/19/11
 Date

Approved by Contractor:


 Signature

7-20-11
 Date

Name and title:

Frank Sanchez V.P.

Sign and return one original. The duplicate original is for your files.

P-280 (11/20-09)

Attachment A
Contract No. 68380
Contract Modification No.3
SN Sands Corporation
DBA: S & S Trucking
Date: July 15, 2011

Effective July 15, 2011, the following new service, item 7 has been added to the contract as follows:

Item	Service	Price
7	Digester Cleaning at Southeast Water Pollution Control Plant (SEP)	\$75.00/hour

The Shift Supervisor or Plant Superintendent may request that the Contractor provide a driver and tractor during digester cleaning to move trailers within the boundaries of the Southeast Water Pollution Control Plant. This service consists of the driver attaching his/her tractor to the onsite trailer(s) and moving the trailer(s) at the SEP site to assist with load out of grit and other sandy digester material. The drivers' activities, including attaching/detaching the onsite trailer(s) will be under the exclusive direction of the Shift Supervisor or Plant Superintendent. The invoice must be accompanied by a signed memo from the Shift Supervisor or Plant Superintendent verifying of the stand-by-time, in the absence of which the service charge will not be honored.

Correct price for line item #6, Stand-by Pay, to read follows:

6	Stand-by Pay	\$70.00/hour
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The Shift Supervisor or Plant Superintendent may request that a truck be loaded with biosolids, grit or digester spoils by a front loader or means other than the standard hopper facilities. The contractor is authorized to charge for the amount of stand-by time that exceeds the first 30 minutes. The invoice must be accompanied by a signed memo from the Shift Supervisor or Plant Superintendent verifying of the stand-by time, in the absence of which the service charge will not be honored.

Sign and return one original. The duplicate original is for your files.

P-280 (11/20-09)

City and County of San Francisco
 Office of Contract Administration
 Purchasing Department
 City Hall, Room 430
 1 Dr. Carlton B. Goodlett Place
 San Francisco, CA 94102-4685

Received

JAN 24 2012

S & S Trucking



Contract Modification 4

Biosolids and Grit Hauling Services

SN Sands Corporation
 DBA: S & S Trucking
 Frank Sanchez
 477 Roland Way
 Oakland, CA 94621
 Email: frank@snsands.com

Date: January 12, 2012
 Buyer Name: Jeannie Louie
 Term contract: 68380
 City Blanket No. BPSF 00003517
 Type: Indefinite quantity
 Not-to-exceed amount: \$9,000,000

The history of this contract and its modifications is as follows:

Modification	Start date	End date	Amount	Other changes
Original contract	12/20/2008	4/30/2012	\$ 9,000,000	
1	No Change	No Change	\$ No Change	Update Contract Conditions Price Increase
2	No Change	12/19/2013	\$ No Change	Extend the Contract End Date Add 2 new services and pricing
3	No Change	No Change	\$ No Change	Add 1 new service/pricing Modification to Item #6
4	No Change	No Change	No Change	Update Contract Conditions Price Increase

This modification, 4 changes the contract as follows:

- 1) Effective February 1, 2012, pricing for contract line items 1-4 will be increased. Per Section 77, Fuel Adjustment, prices increased 26.9%. Only 9% of the 26.9% increase will be applied to the contract line items. See Attachment A.
- 2) The following condition, Electronic Payment, has been revised and updated. See Attachment A.

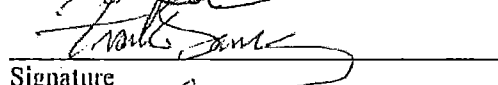
All other terms and conditions remain the same.

Approved by the City:


 Jaci Fong, Acting Director of OCA

1/18/2012
 Date

Approved by Contractor:


 Signature
 Frank Sanchez V.P.

1-24-12
 Date

Name and title:

Sign and return one original. The duplicate original is for your files.

P-280 (11/20-09)

Attachment A
Contract No. 68380
Contract Modification No.4
SN Sands Corporation
DBA: S & S Trucking
Date: January 12, 2012

Effective February 1, 2012, pricing for contract line items 1-4 have increased as follows:

Item	Product	Previous Price	New Price
1	Biosolids, Hauling, Flat Rate per mile For all Locations listed in Table B-1	\$3.36/mile	\$3.44/mile
	Flat rate applicable 7 days per week. No holiday or overtime rates are applicable.		
	1,884 miles based on one round trip from each City Plant to each landfill.		
	Do not include bridge tolls.		
	Rate per mile shall be fixed for the initial 5 year term of the contract except for annual adjustments for fuel costs.		
2	Grit Hauling, Weekday Rate Flat Rate per mile To Keller Canyon Landfill	\$3.18/mile	\$3.26/mile
	88.8 miles based on one round trip from each City Plant to Keller Canyon		
	Weekday rate commences on 6:00 PM Sunday and continues through 6:00 PM Friday.		
	Service will be requested as needed.		
3	Grit Hauling, Saturday/Overtime Rate Flat Rate per mile, to Keller Canyon Landfill. 6:00 PM Fri to 6:00 PM Sat	\$3.34/mile	\$3.42/mile
4	Grit Hauling, Sunday/Holiday Rate Flat Rate per mile. To Keller Canyon Landfill. 6:00 PM Sat to 6:00 PM Sun	\$3.49/mile	\$3.57/mile

Attachment A
Contract No. 68380
Contract Modification No.4
SN Sands Corporation
DBA: S & S Trucking
Date: January 12, 2012

Delete "Electronic Payments" in its entirety from the Bid and Contract Conditions and replace with:

Getting paid for goods and/or services from the City:

1. Beginning January 2012, all City vendors receiving new contracts, contract renewals, or contract extensions must sign up to receive electronic payments through Paymode-X, the City's third party service that provides Automated Clearing House (ACH) payments.
2. Electronic payments are processed every business day and are safe and secure.
3. To sign up for electronic payments, visit www.sfgov.org/ach.
4. The following information is required to sign up:
 - a. The enroller must be their company's authorized financial representative.
 - b. The company's legal name, main telephone number and all physical and remittance addresses used by the company
 - c. The company's U.S. federal employer identification number (EIN) or Social Security number (if they are a sole proprietor)
 - d. The company's bank account information, including routing and account numbers

If you have questions, please email: ACH.Support@sfgov.org

Appendix B

Biosolids and Grit Hauling Services

Scope of Services and Contractors Minimum Requirements

I. Purpose

The purpose of this Contract is to provide biosolids and grit hauling services from the various Wastewater Enterprise facilities of the City and County of San Francisco. Disposal and re-use (landfill) services are governed by a series of separate contracts between the City and the landfill site operators. Because each landfill site has unique conditions in terms of season, days of operation and allowable daily capacity, the Biosolids Coordinator designated by the General Manager of the City's Wastewater Enterprise Division, has sole discretion to determine the distribution and site destination for the disposal or re-use of all biosolids and grit generated by the City's facilities.

San Francisco generates between 84,000 and 89,000 tons of biosolids per year and between 4,000 and 6,000 tons of grit per year, of which 800 to 1300 tons of grit is from annual digester cleaning.

The City's Wastewater Enterprise Facilities generate an anaerobically digested Class B biosolids (latest analytical data will be supplied upon request). The City's biosolids and grit are generated from the City's three wastewater enterprise facilities: the Southeast Water Pollution Control Plant, the Oceanside Water Pollution Control Plant, and the Treasure Island sewage treatment plant. Digester cleaning spoils are generated during dry weather from the Southeast facility.

II. Scope of Services to be Performed

The Contractor shall perform the services described in this Appendix B. The Contractor shall provide all services including, but not limited to labor, equipment, materials supervision (including dispatch), that are necessary to receive, transport, and unload the biosolids and grit (including digester cleaning spoils) from the City's wastewater treatment plants on a 24-hour, seven day per week, as needed basis.

The Contractor shall provide one point of contact for receiving communications from the City's Operations personnel for all services. The Contractor acknowledges that the City does not guarantee any minimum number of loads for any driver on any given day or during any given shift.

The Contractor shall provide and maintain all equipment for the transportation of biosolids and grit. The Contractor must be able to haul the maximum level of biosolids and grit during peak production periods.

The Contractor shall possess all insurance, licenses and permits necessary to perform this work in accordance with this Agreement, and in compliance with City, State and Federal laws.

Any part of the work that is not specifically mentioned in this Agreement, including this Appendix B, but is necessary or normally required as part of such work, shall be performed by the Contractor as incidental work without extra cost to the City.

The length of this contract shall be five years. If performance is unsatisfactory during the first year of the contract, the City may elect to re-bid the contract or change contractors. Unsatisfactory performance would be linked to failure to execute the basic services described in this Appendix B, most notably the responsiveness clauses detailed in Part V of this Appendix.

III. Wastewater Enterprise Facilities and Operations

The Contractor shall be aware of the following conditions and must meet the following requirements in order to provide the timely and proper loading and transportation of Biosolids and Grit.

Appendix B

Plant Operations

Treatment plant operations are subject to the sole discretion and control of the WWE Operations Manager. The watch supervisor at each plant will ascertain the service level required for that day for each plant. The Contractor shall inquire as to the number of trucks or loads required at each plant for that day and any anticipated changes in required trucks or loads for the week. The Contractor shall inquire as to any changes in the operation of biosolids loading equipment or biosolids facilities, routes, unloading or disposal matters. The Contractor shall comply with the service level requested by Shift Supervisors through the Watch Supervisor at each plant and the other designated points of contact for the City. The Contractor acknowledges that service level requirements may be affected by a number of items, including but not limited to power failures, equipment failures, power reductions, process problems and design changes, and thus biosolids production may be unpredictable. The Contractor shall make such adjustments as necessary to meet required changes in schedules or loads for each plant. The City will make good faith efforts to timely notify the Contractor of any changes in service level requirements.

Biosolids

Each twelve-hour shift at the Southeast Water Pollution Control Plant (SEP) produces an average of 88 tons of biosolids, although this quantity may vary from 0 to 200 tons.

Each twelve-hour shift at the Oceanside Water Pollution Control Plant (OSP) produces an average of 30 tons of biosolids, although this quantity may vary from 0 to 100 tons.

The Contractor shall endeavor to maintain average hopper capacity at 65% or below at all times to allow for unimpeded plant operation. The Distribution Control System (DCS) archival records at each plant will be used by the City to document the average storage capacity and to verify compliance. The Contractor shall initiate contact with the Watch Supervisor at each plant throughout the day to match its truck hauling services with the production rate of biosolids.

The Contractor shall be available to haul biosolids on any day of the year. The destinations, as specified by the City, may vary based on the landfill and land application site's days and hours of operation.

Grit

Grit production at SEP averages 300 tons/month, although it varies and can exceed 1000 tons/month. Grit production at OSP averages 125 tons/month, although unpredictable events can result in amounts in excess of 1400 tons/month and up to 150 tons/day. The Contractor shall provide adequate equipment to service the grit hauling requests without adversely affecting the biosolids hauling operations.

Digester Cleaning Spoils

The hauling of digester cleaning spoils covered in this contract refers to the material in the digester after the digester has been taken out of service. Digester cleaning procedures typically, but not always, occur during dry-weather conditions, and produce between 800 and 1300 tons of material over a three to four month period. The Contractor shall provide up to three dedicated additional trailers at SEP during the cleaning process period, and shall haul the fully loaded grit trailers to the appropriate sites designated by the City, as necessary to complete the cleaning project.

Plant Security – Driver Identification Required

The Contractor shall provide a list of all qualified drivers and their experience (years, type of equipment and material) prior to the award of this contract. The City requires fingerprinting and criminal background checks and only after each driver has passed these reviews shall he/she be allowed entry onto City premises. The same information shall be provided for any replacement or new drivers added subsequent to the award of this contract. The Contractor shall submit a current copy of identification (i.e. Driver's License) for each truck driver to ensure recognition upon entry. Each driver shall also have a

Appendix B

laminated photo identity card indicating name, employer, and Driver's License Number. The Identification Card shall be visible for inspection at all times when the drivers are on City premises. The Contractor shall be responsible for accounting for all City keys and remote access units, and shall ensure that all keys and access units are returned to the City from a driver who is dismissed or transferred. The Contractor shall provide an accounting of all keys and remote access units semi-annually to the Biosolids Coordinator.

The Contractor is responsible and liable for any damage to City facilities, structures (including, but not limited to hopper operational equipment, roll-up doors, gates, scales), roadways, and landscaping caused in whole or in part by their employees or their equipment. The City, at its sole discretion, may perform repair work or have such work performed, and may deduct the resulting costs from the Contractor's monthly billing statements.

IV. Loading Procedures

Loading Responsibilities

The Contractor's employees are permitted to operate the loading equipment at the treatment plants for the sole purpose of placing or receiving biosolids or grit in each truck. Contractor shall ensure that any such employee whose job requires them to operate this equipment is properly trained. The Contractor shall be solely responsible for ensuring that its employees properly operate the loading equipment. The Contractor is responsible for ensuring that each loading does not exceed the legal weight limit for the respective equipment being loaded or does not violate any other applicable law or regulation.

The City will not be responsible for loss or damage of any equipment or property owned or operated by the Contractor, its agents, or employees on or off City property.

The Contractor shall at all times provide adequate equipment and trailer storage capacity to meet the City's needs.

The Contractor shall prevent, control and abate any odor, spillage, insects, vermin or any other nuisance arising from its operation. The City's wash down area may be used by the Contractor to keep the loading site, the treatment plants and trucks clean and free of spillage, before leaving the treatment plants. The Contractor shall promptly clean any spillage or discharge of material to City or public roads. If the Contractor fails to clean spillage and discharge, and City staff cleans such spillage or discharge, all costs incurred, including direct costs and administrative costs, shall be reimbursed by the Contractor or withheld from Contractor payments. Cleaning or servicing of the Contractor's equipment, except hosedowns after biosolids or grit loading, shall not take place on City property unless authorized by plant supervisory personnel.

At SEP, an on-site scale is available and shall be used by the Contractor for weighing loads. The City is responsible for periodically calibrating the scale. At OSP, the hoppers are equipped with weight-measuring equipment. For loads from OSP, a certified weigh ticket may be obtained either from the SEP scale or the Contractor's scale, but the City will not pay for any additional distance traveled beyond what is specified in Appendices B-1 and B-2.

The costs of all damages and repairs to these City facilities, caused by the Contractor's use of such facilities, shall be paid by the Contractor, or withheld from Contractor payments.

The Contractor shall neither over-load nor under-load its hauling trucks. The monthly average tons per truck load shall be no less than 23.4 tons. No single truck load shall be less than 21.1 tons, unless authorized by the watch supervisor.

Appendix B

Biosolids

The Contractor shall receive and haul biosolids daily from the City's treatment plants, as directed by the Watch Supervisor and shall not rely on any storage capacity at the plants. Hauling is required on Sundays and holidays. The Contractor is responsible for ensuring that biosolids are removed from the treatment plants in a timely manner; failure to remove biosolids in a timely manner that results in impacts to treatment plant operations is a material breach of this agreement.

Treasure Island

The Contractor shall provide 30-yard debris boxes to receive and store biosolids and grit at the Treasure Island treatment plant. The Contractor shall haul biosolids and grit from the Treasure Island plant, typically one to two loads per month. When notified by treatment plant personnel that the debris box is nearing full capacity, the Contractor shall provide an empty debris box and haul the full biosolids and grit debris box to the designated disposal/reuse site.

Grit

The Contractor shall receive and haul grit, as needed, from each treatment plant, typically three to five loads per week. Grit from the three treatment plants may be commingled. Unpredictable grit events at OSP may require eight loads or more per day for several days. During these grit events, the Contractor shall haul grit without adversely affecting the hauling operations for biosolids or digester cleaning spoils.

V. Response Requirements for Hauling Requests

Because the City will produce biosolids and grit twenty-four (24) hours per day, seven (7) days per week, every day of the year, the Contractor shall agree to meet the following hauling request response requirements:

Biosolids

The Contractor shall respond to requests for biosolids hauling from City within six (6) hours from the time of request. The Contractor shall furnish and update, as necessary, a list of current phone numbers, paging services, beeper numbers and names of the responsible parties to be called on a 24-hour, 7-day-per-week basis to ensure that City staff at Central Control at SEP and OSP has accurate contact information. The Contractor will develop a protocol, distributed to the watch staff, outlining the call-in procedures and actions to take if there is no answer or response from the initial call. The City's Central Control staff will log the time of each call and the time of each corresponding pick-up to ensure compliance. The City, at its discretion, will deduct up to 5% of the average monthly billing for non-compliance with the 6-hour response provision. Non-compliance is defined as failure to respond within the six hour time period twice in a one-month period. If no reuse/disposal site was open within six hours of the hauling request, this provision will not be enforced.

Grit

The Contractor shall respond to request for grit hauling from City within two (2) hours from the time of request. The current grit disposal site has strictly limited hours. To meet this requirement and to serve the needs of the City, the Contractor may have to dedicate trailers for storage of grit until the disposal site is available. The Contractor must have adequate equipment to service the grit hauling requests without adversely affecting the biosolids hauling operations. The City, at its discretion, will deduct up to 5% of the average monthly billing for non-compliance with the 2-hour response provision.

Appendix B

VI. Hauling Procedures

Hauling Practices

The Contractor shall comply with all Department of Transportation, Cal OSHA, Federal and other requirements for the lawful transport of the biosolids and grit. The Contractor shall not exceed the gross highway weight allowance when loaded based on the length of the truck or the weight allowance per Federal, State and local regulations. The Contractor shall provide the City with the Contractor's Safety Record and Plan.

All Contractor employees shall obey posted speed limits and shall not exceed 15 mph on City property in areas where speed limits are not posted.

Contractor shall not commingle City's biosolids with any materials from an outside source prior to arrival at final reuse or disposal site. The Contractor shall be responsible for all transportation, holding and unloading. The Contractor shall ensure that the cargo bays are completely empty and the exterior of the truck is clean (including tires) prior to leaving the haul destination. The Contractor shall be responsible for coordination with City vendors of biosolids reuse and grit disposal services to conduct unloading operations that comply with site requirements and applicable regulations.

The City reserves the right to approve the haul route to any destination. Drivers shall not stop en route except for normal traffic requirements. The contractor shall submit proposed haul routes and any proposed changes to these routes to the City's Biosolids Environmental Management System (EMS) Coordinator at least two weeks prior to implementation. Haul routes shall avoid residential land uses to the extent possible. If the use of haul routes near residential land uses cannot be avoided, the use of these routes shall be restricted to daylight hours.

Default for being unable to haul

If at any time during operation, the Contractor does not have equipment available to receive the biosolids or grit, the Biosolids Coordinator may elect to have the biosolids or grit hauled by another contractor. All costs incurred above the contract price, plus indirect and administrative costs, shall be reimbursed by the Contractor or withheld from Contractor payments.

VII. Destinations

Hauling destinations are chosen at the sole discretion of the Biosolids Coordinator. The City has several contracts for the re-use and disposal of biosolids, grit and digester cleaning spoils. Each facility or site has constraints in terms of daily capacity, hours of delivery and ease of access. It is the responsibility of the Contractor to be fully apprised of all contract terms and to ensure that all employees are fully aware of the limitations. Documented failure to abide by the designated times, number of loads or quantities is a material breach of this agreement, and the City, at its discretion, will deduct up to 5% of the average monthly billing upon such non-compliance.

The Contractor is responsible for full compliance with all disposal/reuse site requirements. In addition, the Contractor shall be fully responsible for any and all liability incurred by the City in whole or in part caused by the Contractor's failure to comply with disposal site requirements. In the event of a spill or other incident that violates those requirements or causes damages or personal injuries, the Contractor shall implement the contingency plan outlined in Part IX and shall be fully liable for any damages incurred. The Contractor's failure to clean up spilled material, repair damage, provide compensation for damages and injuries, or undertake any other necessary remedial action may result in the deduction of up to 15% of the average monthly bill until the situation has been remedied.

When the City's biosolids are being land applied, the Contractor shall provide a weight ticket to the City's Land Application Contractor. When the City's biosolids are being recycled as Alternative Daily

Appendix B

Cover, the Contractor shall use the weight tickets provided by the landfill disposal sites.

All applicable safety rules shall be observed, including those imposed at specific disposal/reuse sites. Personnel must be familiar with procedures to follow if vehicles are involved in an accident. All drivers must have a copy of the City's EMS Spill and Emergency Response Packet and adhere to the City's EMS policies.

Contractor shall bear all costs associated with traffic violations incurred during or as a result of hauling services for the duration of the Agreement.

VIII. Personnel and Equipment Requirements

Contractor Personnel

The Contractor shall assign a qualified person to be in charge of coordinating with City staff. The assigned person shall be available at all times to make decisions regarding work under this contract, and shall provide to the City 24-hour emergency contact phone numbers. All services performed under this contract shall be performed by competent personnel under the supervision of and in the employment of the Contractor. Failure or delay in the performance of this contract due to any inability by the Contractor, for any reason, to obtain employees of the number and skill required may be deemed by the City to constitute a default of this contract.

Each driver shall be licensed as a deputy weighmaster under the Contractor's weighmaster license. The Contractor shall provide weigh tickets that include City location(s) and are compatible with the Weightronix TM-295 printer. The weigh tickets shall be fully compliant with all State and City information and format requirements. The Contractor shall bear all costs, as of the award of this contract, for deputy weighmaster licenses. Contractor shall notify the City immediately of any operational or compliance problems regarding the weigh scale and/or printer.

Protective Equipment Required:

The Contractor shall provide all personnel with personal protective equipment (hard hats, gloves, boots, liquid repellent coveralls, face shield or goggles, etc.) and this equipment must be available for use at all times.

Training

The Contractor shall provide ongoing operating and safety training for all personnel working under this contract. The Contractor shall train drivers on safety, emergency response, spill procedures, basic biosolids/grit characteristic and regulations, hauling routes, public perception issues and proper loading and unloading procedures, in accordance with the City's Environmental Management System. Function-specific training tailored to the specific vehicle and trailer shall be provided by the Contractor. The Contractor shall document training with sign-in sheets, syllabuses, and handouts, and provide such documents to the City upon request. Supervisory personnel shall be trained in first aid.

Hauling Equipment Requirements

The Contractor's vehicles shall be capable of accommodating and maneuvering within the treatment plants' existing loading facilities. Truck/trailer height shall not exceed 11 feet, 6 inches. The exposed interior length of the trailer shall be a minimum of 33 feet. Tractors and trailers must be able to haul a minimum of 25 cubic yards per load and meet all local, State and Federal weight requirements.

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Each trailer shall be end dump, water-tight (to prevent leakage), operated and maintained for hauling biosolids and grit and equipped with a cover (canvas or suitable alternative material) that can be securely fastened to reduce odors and contain biosolids, to the extent reasonably possible in the event of an accident. All loads shall be covered in accordance with this paragraph prior to their departure from the plants and unloading sites. The Contractor shall be responsible for handling the trailer covers for loading and unloading. Transport vehicles must also be equipped with splashguards.

The Contractor shall have enough tractors and trailers to accommodate fluctuations in service, both during normal operations and during OSP emergency grit events (as defined by grit inflow exceeding the storage capacity of the existing hoppers). During dry-weather digester cleaning procedures, three (3) trailers shall always be available for this operation. Contractor shall submit documentation of the quantity, type, size, capacity and age of hauling equipment (tractors and trailers) to be used in support of this hauling contract. Identifying numbers for each tractor and trailer must be included.

If, by December 1, 2007, all vehicles used by the Contractor to collect, haul and dispose of biosolids and grit under this contract utilize alternative fuels, including but not limited to biodiesel fuels, the Contractor shall receive an adjustment in rate, as per Appendices B-1 and B-2. This adjustment will aid in offsetting the anticipated difference in cost for the alternative fuel.

The Contractor shall provide the Biosolids Coordinator with a list of identification numbers, tare weights, maximum legal load limit, and biosolids and grit volume capacities for all hauling containers, truck and/or trailers being utilized under this Contract, within thirty(30) days after execution of this agreement. The Contractor shall update this list quarterly.

The Contractor shall conspicuously mark each trailer unit with the maximum legal weight of the unit when loaded and a corresponding "full load" indicator inside the trailer to guide loading.

Inspections

The Biosolids Coordinator (or his/her designee) reserves the right to inspect at all times any tractor and trailer the Contractor supplies to haul biosolids or grit, either on City property or at the landfill or land application destinations. These inspections may include, but are not limited to checking tarping, cleanliness of tractor, trailer, tires, and the presence of the Biosolids and Grit Hauling Contingency Plan packet, personal protective equipment (PPE), and emergency spill equipment.

In the event of any rejection by the City after such an inspection, the Contractor must remove any unsatisfactory equipment and replace it with acceptable equipment within twenty-four (24) hours of notification of the unsatisfactory condition.

IX. Other Requirements

Licenses Required

The Contractor shall possess all valid Federal, State and local hauling licenses and, upon request, provide evidence of such license to the Biosolids Coordinator. The Contractor shall be licensed by the State of California Public Utilities Commission with either a highway carrier contract permit, a common carrier certificate or a Cal PUC T number. These permits and/or certificates must not be currently under probation or suspension, as defined or determined by the State of California, Department of Consumer Affairs.

The Contractor shall insure that its subcontractor(s) and all workers that the Contractor and its subcontractor's employees have proper and valid licenses and/or certifications required by local, State and

Appendix B

Federal law necessary to perform work as described in this contract. The Contractor shall submit a current copy of identification (i.e. Driver's License) for each truck driver to ensure recognition upon entry into City facilities.

The Contractor shall ensure compliance of all personnel and equipment with all applicable rules and laws, including but not limited to those promulgated by the Division of Industrial Safety of the Department of Industrial Relations of the State of California. The Contractor shall be solely responsible for insuring proper training of its drivers. The Contractor shall, at the request of the Biosolids Coordinator, furnish proof of any licenses and/or certifications. Changes in regulations and/or licensing requirements will not constitute justification for contract amendments or relaxation of the responsibility of the Contractor to provide the required service.

Biosolids Hauling Contingency Plan

The Contractor shall prepare a contingency plan for responding to accidents or spills and submit this plan to the City's Biosolids EMS Coordinator for approval within three (3) weeks after receipt of the Notice of Conditional Award.

A Biosolids and Grit Hauling Contingency Plan packet shall be carried in each biosolids and grit hauling truck, and shall be readily available to the driver in the event of an accident or spill:

The plan shall contain the following information:

- Table of Contents
- Transportation Section
- Emergency Procedures Section
- Emergency Contacts Section
- Basic First Aid Principles
- Incident Report Form
- Biosolids Fact Sheet

The Transportation Section shall discuss on-board safety equipment, safety training, equipment maintenance, truck routes and any other applicable subjects.

The Emergency Procedures Section shall discuss incident protocol, determining the extent of the incident, non-spill incident procedures and spill clean up procedures. A list of required Personal Protective Equipment (PPE) and Emergency Spill Equipment shall be included in the Emergency Procedures Section. A copy of Wastewater Enterprise Division's Biosolids Spill Response Policy and supporting EMS documents shall be included with the written protocol. The Contractor must comply with the Wastewater Enterprise's Biosolids Spill Response Policy and any related EMS protocols.

The Emergency Contacts Section shall describe who will be called in the event of an incident and in what priority, subcontractor contacts that can be called for cleanup assistance with telephone numbers and the division of responsibility for emergency response if an incident occurs.

The Biosolids and Grit Hauling Contingency Plan packet in each truck shall contain a supply of Incident Report Forms. Prior to approval of the plan, the Biosolids Coordinator will review the Incident Report Forms to ensure that they contain all relevant information that the City will need in filing a report with the RWQCB.

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The Biosolids and Grit Hauling Contingency Plan packet in each truck shall contain a supply of Biosolids Fact Sheets for distribution to responding Public Safety officers or members of the public that explains in the constituents and non-hazardous nature of Biosolids, the proper handling of the material, any risks regarding handling and disposal (i.e., proper procedures regarding personal health and safety for responding Public Safety personnel) and SFPUC Communications telephone numbers.

Communication

To ensure regular and timely communication regarding the performance of this Agreement, there shall be monthly meetings held between the Contractor's designated coordinator and the City Biosolids Coordinator and any other persons deemed necessary by either representative to attend such discussions. In addition to regular meetings, the representatives shall keep each other apprised of contract performance and operational issues. This includes maintaining a record of public inquiries and complaints, in accordance with the City's EMS.

Reports

In addition to monthly invoices, Contractor shall submit to the PUC's representative, on a monthly and annual basis as requested, the following written reports as otherwise required by the PUC to satisfy its operational and regulatory requirements:

- A. Daily tons hauled from each Plant and their corresponding disposal location(s).
- B. Daily loads hauled from each Plant and their corresponding disposal location(s).
- C. Explanation of all underweight loads hauled.

The format for the content of such reports shall be determined by the PUC. The above reports shall be postmarked, faxed or emailed no later than the 10th day of each month unless the parties agree in writing otherwise. The timely submission of the above reports is a necessary and material term and condition of this Agreement. The reports, including any copies, shall be submitted on recycled paper and printed on double-sided pages to the maximum extent possible.

The PUC may request other reports for any matters related to contract performance and cost. Whether such reports are prepared and the timing of their preparation shall be discussed in good faith by the parties and such reports shall be required of the Contractor only if the parties so agree in writing.

Violations

The Contractor agrees to promptly notify the City of any notice of violation, action, suit, claim, or legal proceeding against the Contractor relating to any aspect of its biosolids or grit hauling services under this contract. This notification requirement includes, but is not limited to, all traffic citations, weight station citations and notices of violation issued by any county or local agencies.

In the event of any conflict between any provision of Appendices B, B-1, and B-2 with any other provision of the Agreement, the provisions of Appendices B, B-1, and B-2 will be effective and controlling.

Management of Subcontractor

The Contractor shall ensure that subcontractors employed under this contract are competent and skilled in the performance of the work to which they are assigned. Except in case of emergency, the Contractor shall notify the City in writing two (2) weeks prior to any changes in subcontractors.

Appendix B

The Contractor shall provide operating and safety training for all personnel working under this contract, including emergency response, proper loading and unloading procedures, and basic first aid.

X. Minimum Requirements for Responsiveness

In addition to any requirements listed above, the Contractor shall meet the minimum requirements listed below. Failure to demonstrate compliance with these minimum requirements may disqualify the Contractor / Bidder from further consideration.

Requirement	May be Satisfied by Providing
Prior biosolids hauling experience handling a minimum of 50,000 wet tons/year	2 years of successful hauling within the last 3 years. Must provide proof of this experience with Bid.
Experience in hauling biosolids and grit from a facility where removal is required 24 hours/day	2 years of successful hauling within the last 3 years. Must provide name and contact information of facility.
Must possess all permits required to perform the hauling services required herein.	Possession of required permits, including current driver's license information. Must provide permits and driver's license information with Bid.
Proof of 100% Performance/Payment Bondability	Possession of Letter of Bondability
All drivers qualified to perform specified work	At a minimum, current records of the driver's license numbers and proof of licensure as Deputy Weighmaster under the Contractor's Weighmaster license
Sufficient equipment to perform specified work: <ul style="list-style-type: none"> • all trailers have a minimum exposed interior length of 33 feet; • truck/trailer height may not exceed 11 feet, 6 inches; • trailers capable of hauling 25 cubic yards of biosolids material • sufficient number of tractors and trailers to accommodate peak loads at the plants • all trailers must be end dump, water-tight, and equipped with a cover to reduce odors and contain biosolids 	Provide list of identification numbers, tare weights, maximum legal load limit, and biosolids and grit volume capacities for all hauling containers, trucks and trailers that will be utilized to provide the services under this Agreement.

Appendix B

The Subcontractor(s) shall meet the minimum requirements listed below. Failure to demonstrate compliance with these minimum requirements may disqualify the Contractor / Bidder from further consideration.

Requirement	May be Satisfied by Providing
Prior experience hauling biosolids or similar material from a facility where removal is required 24 hours / day.	2 years of successful hauling experience within the last 3 years. Must provide proof of this experience with Bid.
<p>Sufficient equipment to perform specified work:</p> <ul style="list-style-type: none"> • all trailers have a minimum exposed interior length of 33 feet; • truck/trailer height may not exceed 11 feet, 6 inches; • trailers capable of hauling 25 cubic yards of biosolids material • sufficient number of tractors and trailers to accommodate peak loads at the plants • all trailers must be end dump, water-tight, and equipped with a cover to reduce odors and contain biosolids 	List of identification numbers, tare weights, maximum legal load limit, and biosolids and grit volume capacities for all hauling containers, trucks and trailers that will be utilized under this Contract.
All drivers qualified to perform the services specified in this document.	At a minimum, provide current records of the driver's license numbers and proof of licensure as deputy Weighmaster under the Contractor's Weighmaster license
All permits required for the proposed work	Possession of required permits, including current driver's license information

**Biosolids and Grit Hauling Services
Calculation of Charges and Rates**

APPENDIX B-1

In exchange for hauling biosolids from the Southeast and Oceanside Water Pollution Control Plants and from the Treasure Island treatment plant, the Contractor shall be paid as follows, subject to periodic adjustments as described in Section IV of this Appendix.

I. BIOSOLIDS - BILLING RATES

The billing rate for biosolids hauling services shall be a Per Mile Rate exclusive of bridge tolls. The billing rate for hauling services shall be a flat rate, applicable seven days per week. No holiday, weekend or overtime rates shall be charged for this service. The rate shall be applicable to hauling biosolids to all the disposal sites listed in Table B.1 below.

To assist Bidders in calculating this rate, approximately 80% of all loads hauled are hauled on weekdays, 12% are hauled on Saturdays, and 8% are hauled on Sundays and holidays.

Round-trip distances from each plant to each disposal site are provided in Table B.1. This distance is fixed and will be the basis for billing.

The Contractor shall account for costs incurred for any additional distances traveled beyond the distances listed below (e.g. distance from Contractor's yard to the plants) in the Per Mile Rate. The only changes permitted to these distances are those following an audit, as per Section VII of this Appendix.

An approximate distribution of loads is provided in Table B.2. Approximately one-third of all loads are hauled from OSP, the remainder are hauled from SEP. Approximately one load per month is hauled from the Treasure Island Plant. The City does not guarantee that it will adhere to the distribution provided in Table B.2, and reuse sites may change at any time.

Table B.1.

Disposal Site	Southeast Plant	Oceanside Plant	Treasure Island Plant
	Round Trip Miles	Round Trip Miles	Round Trip Miles
Hay Road Landfill	126	136	
West Contra Costa County Landfill	48	58	
Potrero Hills Landfill	106	116	96
Vasco Road Landfill	100	110	
Sonoma County Land Application Sites	69	79	
Solano County Land Application Sites	126	136	
Merced County – Land Application and Composting Sites	284	294	

**Biosolids and Grit Hauling Services
Calculation of Charges and Rates**

APPENDIX B-1

Table B.2

Site	2006-2007 Distribution (tons per year)	2008-2010 Distribution (tons per year)
Hay Road Landfill	40,650	42,900
West Contra Costa County Landfill	1,500	0
Potrero Hills Landfill	4,500	4,500
Vasco Road Landfill	1,500	1,500
Sonoma County Land Application Sites	6,600	6,600
Solano County Land Application Sites	19,300	9,700
Merced County – Synagro	3,000	4,000
Merced County – Solid Solutions	3,000	4,000
Merced Compost Facility	3,000	3,000
Alameda County	0	3,500
Sacramento County	0	3,350

As per Appendix B, the monthly average tonnage of each load shall be 23.4 tons; 15% shall be deducted off the monthly bill for failure to meet this average tonnage. A penalty of 10% shall be imposed for any load weighing less than 21.1 tons. Any fines incurred for exceeding legally allowable weights are the sole responsibility of the Contractor. Rates may be adjusted in accordance with Section IV of this Appendix.

III. SPECIAL FEES

Biosolids disposal at current or proposed land application sites may require payment of valid special County-imposed fees to support inspections programs or to mitigate for road damage. The Contractor shall designate the same two or three trailers throughout the land application season for this purpose. At the start of each season, City representatives will determine the minimum number of trailers to be used in this program and will only accept fees for that designated number of units. Any other valid fees assessed by the land application site operator directly to the Contractor will be paid by the City, without any mark-up. Invoice documentation must be included with all requests for payment.

IV. ADJUSTMENTS

Prices will remain firm for the first calendar year of the contract. Thereafter, requests to review prices for adjustment due to diesel fuel price fluctuations will be allowed. Changes to other prices affecting cost elements such as labor, materials, overhead, and administration costs will not be considered as cause to adjust prices. Requests for price adjustment on the basis of fuel costs may be submitted by the Contractor at least 60 days prior to the end of each calendar year.

**Biosolids and Grit Hauling Services
Calculation of Charges and Rates**

APPENDIX B-1

To calculate the amount of price adjustment, this proposal will assume the cost of fuel to be 9% of the total price regardless of which vendor is ultimately identified as the lowest responsible/responsive bidder. The index to determine the amount of price adjustment the City will allow will come from information gathered from the Energy Information Administration.

Their web site is <http://tonto.eia.doe.gov/oog/info/wohdp/diesel.asp> and the information will be taken from the California data.

The allowable percent change will be calculated by dividing the index dated October 19th of the previous year to the October 19th index of the current year. For example, if the index during the first year of the contract was 1.50 (assumed value) and during the following year, the index was 1.75, then the percent change in the index would be **16.7%** ($[(1.75/1.50)-1]=0.167$). If the cost per mile is \$1.11, then the fuel cost represents \$0.10 of the cost per mile, and the increase in the fuel cost would be:

$$16.7\% \times \$0.10 = \$0.017 \text{ for a total fuel cost of } \$0.12.$$

The new cost per mile would then be \$1.23 ($\$0.12+\1.11).

The effective date of all related adjustments will be January 1 of the following year.

If, as per Appendix B, the Contractor elects to use an alternative fuel, including but not limited to biodiesel, in *all* vehicles involved in the hauling of biosolids and grit, the Contractor shall receive an additional, one-time fuel adjustment increase of 10%. In order to qualify for this adjustment, the Contractor must submit receipts indicating purchase of alternative fuel to the Biosolids Coordinator. If approved, the alternative fuel adjustment would be effective sixty (60) days after submittal of receipts.

V. BRIDGE TOLLS

The following bridge tolls are allowed.

Golden Gate Bridge: \$ 12.50/trip State Bridges: \$10.25/trip (Bay Bridge)

Bridge tolls incurred on routes which deviate from the standard travel routes will be paid only with the prior approval of the Biosolids Coordinator. In the event bridge tolls are increased or decreased during the term of this Agreement, the PUC shall pay the amount of the adjusted bridge tolls, upon receipt of justification.

VI. PROCEDURE FOR CHANGING RE-USE/DISPOSAL SITE

If the PUC elects to change some or all of the reuse/disposal site locations from current reuse/disposal sites, Contractor shall be notified within two (2) months of the expected start date for the new reuse/disposal site(s), except in case of emergency. Hauling charges to and from the new reuse/disposal site(s) shall be calculated using the audited distance for truck travel and the rate per mile value established during the bidding process, provided, however, that that rate shall be adjusted upward or downward by any incremental change in fuel cost.

**Biosolids and Grit Hauling Services
Calculation of Charges and Rates**

APPENDIX B-1

VII. AUDIT

The PUC may, at any time, conduct an audit of hauling route times and distances. Any discrepancies arising from such an audit may affect the number of miles, used in the calculation of rates for each disposal site.

VIII. MONTHLY INVOICES

Monthly invoices shall be submitted directly to the Biosolids Coordinator and shall include the following: origin and destination of all loads hauled, number of loads hauled, tonnage per load, total bridge tolls, and total labor hours. Invoices are to be submitted in either Microsoft Excel or Microsoft Word format and shall be submitted both electronically and in hard copy format.

**Biosolids and Grit Hauling Services
Calculation of Charges and Rates**

APPENDIX B-2

In exchange for hauling Grit from the Southeast Plant and the Oceanside Plant, the Contractor shall be paid on a per-hour basis as follows, subject to periodic adjustments as described in Section III of this Appendix.

I. GRIT - BILLING RATES

The monthly billing rate shall be based on a Per Mile Rate exclusive of bridge tolls. Due to the variability in labor time associated with grit hauling, the rate will vary according to the day of the week that the hauling is required.

The weekday billing rate for hauling services on Monday through Friday commences at 6:00 pm Sunday and concludes at 6:00 pm on Friday.

The Saturday hauling rate commences at 6:00 pm on Friday and concludes at 6:00 pm on Saturday.

The Sunday hauling rate commences at 6:00 pm on Saturday and concludes at 6:00 pm on Sunday.

Rates may be adjusted in accordance with the adjustments detailed in Section III of this Appendix.

Currently, the sole disposal site for grit is Keller Canyon Landfill, located a distance of 39.4 miles from Southeast Plant and 49.4 miles from Oceanside Plant.

III. ADJUSTMENTS

Prices will remain firm for the first calendar year of the contract. Thereafter, requests to review prices for adjustment due to diesel fuel price fluctuations will be allowed. Changes to other prices affecting cost elements such as labor, materials, overhead, and administration costs will not be considered as cause to adjust prices. Requests for price adjustment on the basis of fuel costs may be submitted by the Contractor at least 60 days prior to the end of each calendar year.

To calculate the amount of price adjustment, this proposal will assume the cost of fuel to be 9% of the total price regardless of which vendor is ultimately identified as the lowest responsible/responsive bidder. The index to determine the amount of price adjustment the City will allow will come from information gathered from the Energy Information Administration.

Their web site is <http://tonto.eia.doe.gov/oog/info/wohdp/diesel.asp> and the information will be taken from the California data.

The allowable percent change will be calculated by dividing the index dated October 19th of the previous year to the October 19th index of the current year. For example, if the index during the first year of the contract was 1.50 (assumed value) and during the following year, the index was 1.75, then the percent change in the index would be 16.7% ($[1.75/1.50]-1=0.167$). If the cost per mile is \$1.11, then the fuel cost represents \$0.10 of the cost per mile, and the increase in the fuel cost would be:

$$16.7\% \times \$0.10 = \$0.017 \text{ for a total fuel cost of } \$0.12.$$

**Biosolids and Grit Hauling Services
Calculation of Charges and Rates**

APPENDIX B-2

The new cost per mile would then be \$1.23 (\$0.12+\$1.11).

The effective date of all related adjustments will be January 1 of the following year.

If, as per Appendix B, the Contractor elects to use an alternative fuel, including but not limited to biodiesel, in *all* vehicles involved in the hauling of biosolids and grit, the Contractor shall receive an additional, one-time fuel adjustment increase of 10%. In order to qualify for this adjustment, the Contractor must submit receipts indicating purchase of alternative fuel to the Biosolids Coordinator. If approved, the alternative fuel adjustment would be effective sixty (60) days after submittal of receipts.

IV. BRIDGE TOLLS

The following bridge tolls are allowed:

Golden Gate Bridge: \$ 12.50/trip

State Bridges: \$10.25/bridge

Bridge tolls incurred on routes which deviate from the standard travel routes will be paid only with the prior approval of the Biosolids Coordinator. In the event bridge tolls are increased or decreased during the term of this Agreement, the PUC shall pay the amount of the adjusted bridge tolls, upon receipt of justification.

V. PROCEDURE FOR CHANGING DISPOSAL SITE

If the PUC elects to change the disposal site locations from disposal sites, Contractor shall be notified within two (2) months of the expected start date for the new disposal site(s), except in case of emergency. Hauling charges to and from the new disposal site(s) shall be calculated using the audited distance for truck travel and the rate per mile value established during the bidding process, provided, however, that that rate shall be adjusted upward or downward by any incremental change in fuel cost.

VI. AUDIT

The PUC may, at any time, conduct an audit of hauling route times and distances. Any discrepancies arising from such an audit may affect the number of miles, used in the calculation of rates for each disposal site.

VII. MONTHLY INVOICES

Monthly invoices shall be submitted directly to the Biosolids Coordinator and shall include the following: origin and destination of all loads hauled, number of loads hauled, tonnage per load, total bridge tolls, and total labor hours. Invoices are to be submitted in either Microsoft Excel or Microsoft Word format and shall be submitted both electronically and in hard copy format.

**FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)**

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors

Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: S & S Trucking	
Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary. Steve Navarro – President/Secretary Frank Sanchez – Vice President Subcontractors: Camese Transportation Shumate Trucking Cam-Cal Trucking	
Contractor address: 477 Roland Way Oakland, CA 94621	
Date that contract was approved: <i>(By the SF Board of Supervisors)</i>	Amount of contracts: \$ 13,500,000
Describe the nature of the contract that was approved: Sludge Hauling	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves: San Francisco Board of Supervisors
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed