

File No. 241142

Committee Item No. 16

Board Item No. 43

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date December 4, 2024

Board of Supervisors Meeting Date December 10, 2024

Cmte Board

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Completed by: Brent Jalipa Date November 26, 2024

Completed by: Brent Jalipa Date December 5, 2024

1 [Contract - Recology San Francisco - Refuse Collection and Disposal Services - Not to
2 Exceed \$119,000,000]

3 **Resolution approving and authorizing the Office of Contract Administration (“OCA”) to**
4 **enter into Contract 1000034862 between City and County of San Francisco, and Sunset**
5 **Scavenger Company d/b/a Recology Sunset Scavenger, Golden Gate Disposal &**
6 **Recycling Company d/b/a Recology Golden Gate, and Recology San Francisco**
7 **(collectively “Recology”) for the provision of refuse collection and disposal services at**
8 **City facilities, for an initial term of seven years, commencing on January 1, 2025,**
9 **through December 31, 2031, with an option to extend for three additional years through**
10 **December 31, 2034, for a total contract duration of 10 years, and with a total contract**
11 **not to exceed amount of \$119,000,000 for the full 10-year duration; and to authorize**
12 **OCA to make necessary, non-material changes to the Contract prior to its final**
13 **execution by all parties that do not materially increase the obligations or liabilities to**
14 **the City and are necessary or advisable to effectuate the purposes of the Contract.**

15
16 WHEREAS, On June 30, 2022, the Office of Contract Administration (OCA) issued a
17 Request for Proposals (“RFP”) under Sourcing Event 0000006945, for the collection and
18 disposal of refuse generated at City facilities; and

19 WHEREAS, OCA issued a conditional Notice of Intent to Award the contract to the
20 highest-ranked proposer to the solicitation in January 2023; and

21 WHEREAS, The highest-ranked proposer withdrew its proposal in March 2024, prior to
22 final approval and execution of the new contract, and OCA thereby terminated negotiations
23 with this proposer and commenced negotiations with the second-highest ranked proposer,
24 Recology; and

1 WHEREAS, Charter, Section 9.118(b), requires Board of Supervisors' approval by
2 Resolution of any contract which, when entered into, extends over 10 years, and of any
3 contract which, when entered into, costs the City \$10,000,000 or more; and

4 WHEREAS, The proposed Contract contained in File No. 241142, is substantially in
5 final form, with all material terms and conditions included, and only remains to be executed by
6 the parties upon approval of this Resolution; now, therefore, be it

7 RESOLVED, That the Board of Supervisors hereby approves the Contract in
8 substantially the form contained in File No. 241142; and, be it

9 FURTHER RESOLVED, That the Board of Supervisors authorizes OCA to make any
10 modifications to the Contract, prior to its final execution by all parties, that OCA determines, in
11 consultation with the City Attorney, are consistent with this Resolution, in the best interest of
12 the City, do not materially increase the obligations or liabilities of the City, are necessary or
13 advisable to effectuate the purposes of the Contract, and are in compliance with all applicable
14 laws, including City's Charter; and, be it

15 FURTHER RESOLVED, That within 30 days of the Contract being fully executed by all
16 parties, OCA shall submit to the Clerk of the Board of Supervisors a completely executed
17 copy for inclusion in File No. 241142; this requirement and obligation resides with the
18 Department, and is for purposes of having a complete file only, and in no manner affects the
19 validity of approved Contract.
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|--|---|
| Item 16 File 24-1142 | Department: Office of Contract Administration |
| EXECUTIVE SUMMARY | |
| <p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> The proposed resolution seeks approval for a contract between the City and Recology to provide refuse collection and disposal services for City departments. The contract has a total term of up to ten years, including an initial seven-year period from January 1, 2025, to December 31, 2031, with an option to extend for three additional years through December 31, 2034. The total contract amount is not to exceed \$119,000,000 over the ten-year term. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> In June 2022, the Office of Contract Administration (OCA) issued an RFP to secure refuse collection and disposal services for City facilities, including recyclables, compostables, and trash. The initial highest-scoring proposer, Allied Waste Services, withdrew its proposal in March 2024 due to pricing errors before Board approval, leading Recology, the second highest-scoring proposer and current service provider, to be selected for contract negotiations. Recology will continue to provide refuse collection services for both City-owned and leased facilities, including the collection of recyclables, compostables, trash, bulky items, and pallets. Recology will also supply and deliver color-coded containers for internal material separation. A dedicated Waste Zero Specialist will be assigned by Recology to manage the Zero Waste Plan, in collaboration with the San Francisco Environment Department, to support the City's zero waste goals. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> The total contract amount is not to exceed \$119,000,000 over the ten-year term. A new Recovery Discount Incentive Program provides discounts on base collection costs to the City's Recovery Rate (the amount of recycling and composting), incentivizing departments to reduce landfill disposal and overall waste. Unlike the previous contract, which included an automatic discount, the new discount is performance-based. Departments may achieve higher savings each year by meeting certain waste reduction targets. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> Approve the proposed resolution. | |

MANDATE STATEMENT

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

BACKGROUND

Recology and Procurement

The City and County of San Francisco requires refuse collection and disposal services (recyclables, compostables, and trash) for City facilities, which are managed separately from residential and commercial services. In June 2022, the Office of Contract Administration (OCA) issued a Request for Proposals (RFP) for refuse collection and disposal services at City facilities. Proposals were evaluated on a 100-point scale, with the Written Proposal comprising 50 points, the Oral Interview contributing 10 points, and the Price Proposal accounting for 40 points. Allied Waste Services (AWS) received the highest total score of 87.83 but withdrew its proposal in March 2024 due to pricing errors prior to Board of Supervisors' approval of the contract.¹ Recology, the second highest-scoring proposer with 87.19 points, was subsequently selected for contract negotiations. The scores are outlined in Exhibit 1 below.

Exhibit 1: Proposers and Rankings from RFP²

| Proposer | Score (Out of 100) | Rank |
|--------------|--------------------|------|
| Allied Waste | 87.83 | 1 |
| Recology SF | 87.19 | 2 |

Source: OCA

¹ In February 2024, prior to Board of Supervisors approval of the Allied Waste contract, Recology, the only other proposer, issued a letter to OCA with copies to members of the Board of Supervisors questioning Allied Waste's pricing on Aggregate 3 (collection of large compactors), namely that collection rates did not increase as container sizes increased. Allied Waste subsequently indicated to the City that it could not proceed with the contract at the proposed rates for Aggregate 3 and withdrew its proposal. Since the final RFP scores were very close, Recology may have been the higher scoring proposer if Allied Waste had submitted slightly higher rates in its proposal.

² The evaluation panel included: Environment Department Commercial Zero Waste Coordinator, Airport Zero Waste Compliance Lead, Recreation and Parks Department Field Operations Analyst, and City Administrator's Office CFO.

To ensure continuity of service during negotiations, the existing contract with Recology, the current provider of refuse services for the City, was extended through amendments (File 24-0863), with the current extension valid until December 31, 2024.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution approves a contract between the City and Recology (comprised of Sunset Scavenger Company doing business as Recology Sunset Scavenger, Golden Gate Disposal & Recycling Company doing business as Recology Golden Gate, and Recology San Francisco) to provide refuse collection and disposal services for City departments, for a total contract term of up to ten years, including an initial seven-year term from January 1, 2025, to December 31, 2031, followed by an option to extend for three additional years through December 31, 2034, with a total not-to-exceed amount of \$119,000,000 over the 10-year term.

Scope of Services

Under the proposed agreement, Recology will provide refuse collection services for both City-owned and leased facilities. Services include the collection of recyclables, compostables, trash, bulky items, and pallets, as well as the supply and delivery of color-coded internal containers for proper material separation. City departments may adjust service levels and collection locations. Increases in trash and reductions in recycles or compost must be approved by the San Francisco Environment Department (SFE). Collections will occur Monday through Sunday, excluding holidays, based on facility-specific needs.

Zero Waste Plan

Recology is required to assign a dedicated Waste Zero Specialist to administer the Zero Waste Plan in collaboration with SFE. Within six months of the contract's start date, Recology must develop a Zero Waste Plan, which will outline recommended annual activities to enhance resource recovery, reduce landfill disposal, and ensure compliance with local and state regulations. The plan will include benchmarks for initiatives such as the Recovery Inspection Program, Auto-Migration Program, and Three-Cart Pilot Program, subject to SFE's approval.³ Annual revisions will begin in 2026 for the 2027 agreement year.

To enhance recovery outcomes, Recology will conduct Waste Zero Site Visits and provide Source Reduction Recommendations to City facilities to reduce refuse generation. Alternative Service Plans and Technical Assistance will be offered to locations requiring customized refuse

³ The Recovery Inspection Program includes evaluation of materials generated at City collection locations and identifying opportunities to right-size services, reduce contamination, and to improve recovery or reduce disposal. The Auto-Migration Program recommends and implements changes to trash bin sizes and service frequencies based on data from recovery inspections (subject to SFE approval) to address locations with low recovery rates or high volumes of trash that are not responsive to Contractor efforts to improve recovery rates. The Three-Cart Pilot Program introduces a standardized three-stream collection system (trash, recyclables, compostables) at selected underperforming sites to improve resource recovery.

management solutions. Efforts will focus on improving recycling and composting at sites with recovery rates⁴ below 65 percent, in collaboration with SFE.

Contamination and Overage Management

The contract includes provisions to manage contamination and overages (or refuse that exceeds the capacity of the bin volume). During a three-month phase-in period, Recology will educate City departments on proper material separation practices without assessing contamination charges. Afterward, contamination thresholds will be enforced—10 percent for recyclables, 5 percent for compostables, and 25 percent for trash. “Per occurrence” charges will apply for each instance of contamination following a notification and correction protocol. Additionally, recurring charges ranging from 50 percent to 100 percent of the regular collection rate may apply if thresholds are exceeded repeatedly at a collection location. Departments will receive notifications and opportunities to address issues before charges are imposed. Additional charges may apply for overages or bins not placed in designated pickup locations.

Local Business Enterprise Requirements

The Local Business Enterprise (LBE) subcontracting participation requirement for this contract has been waived as there are no LBEs with the necessary permits from the Department of Public Health to provide refuse collection and disposal services in the City.

Reporting Requirements and Performance Monitoring

Recology is required to submit regular reports to demonstrate compliance with the City's refuse collection goals. Monthly invoices and citywide billing reports are due within 15 days of each month's end. Quarterly, Recology must provide recovery and disposal tonnage reports, customer complaint logs, and reports on disputed charges. Annually, they must submit compost delivery reports and verify volume reductions as part of the recovery discount adjustment (described below). OCA will be responsible for overseeing the contract and SFE will be responsible for overseeing implementation of the program/scope of work.

FISCAL IMPACT

The proposed contract has a total not-to-exceed amount of \$119,000,000 over a potential ten-year term, covering the initial seven-year period and the optional three-year extension. City departments will incur costs based on the volume and frequency of refuse collection services required. These costs encompass regular collection services, provision and maintenance of bins, and participation in programs supporting the City's Zero Waste goals. The proposed not to exceed amount includes a 20 percent contingency to account for potential additional costs such as contamination charges (which are not estimated in the proposed budget), overages, and changes

⁴ Recovery rates reflect the share of refuse that is recycled, composted, or reused compared to the total refuse generated.

in service requirements such as collection frequency. Exhibit 2 below summarizes the not to exceed expenditure projections for the initial and extended term.

Exhibit 2: Not to Exceed Annual Expenditure Estimates

| Cost Category | Year One | 7-Year Total | 10-Year Total |
|--|--------------------|---------------------|----------------------|
| Refuse Collection Cost (collection of bins, front-load compactors, debris boxes, and ancillary charges) | \$7,206,983 | \$60,783,324 | \$92,189,413 |
| Refuse Collection Cost (Ancillary Charges) | \$323,485 | 2,615,288 | 4,024,949 |
| Compactor Lease Cost | \$168,901 | 1,365,515 | 2,101,538 |
| Overage Cost | \$27,367 | 221,256 | 340,515 |
| Subtotal | \$7,726,737 | 64,985,383 | 98,656,415 |
| <i>Contingency (20%)</i> | | <i>12,997,077</i> | <i>19,731,283</i> |
| Total Estimated Contract Cost | | \$77,982,460 | \$118,387,698 |

Source: OCA

Notes: Year 1 costs include an estimated 5.99% Consumer Price Index (CPI) increase from December 2022 to June 2024. Years 2 through 10 costs include an estimated annual Water, Sewer, and Trash (WST) CPI increase of 4.77%, based on the average annual percentage change from June 2014 to June 2024.

Rates

Refuse collection costs are based on rates included in Appendix B of the proposed agreement, which vary depending on the size and frequency of refuse collections. The proposed rates for bin collection are 2-53 percent less expensive than the City's current agreement with Recology but were generally 2 percent more expensive than Recology Uniform Commercial Rates effective October 1, 2024. The proposed rates are based on Recology's bid and are not subject to Recology's residential and commercial rate setting process.

Rates may be escalated annually based on changes in the Consumer Price Index for Water and Sewer and Trash Collection Services, as published by the U.S. Department of Labor, Bureau of Labor Statistics. The contract provides for a Recovery Discount Incentive Program which applies discounts off the base collection rates based on the recovery rate (percent by volume of total materials that are recovered (e.g., recyclable and compostable materials) at each collection location). The new Recovery Discount is designed to incentivize City Departments to actively reduce landfill disposal and total waste generation. The Recovery Discount is calculated by subtracting an Adjustment Factor from the Recovery Rate. Unlike the previous contract, where a fixed Composting Credit of 20% was automatically applied (effectively reducing the adjustment from 25% to 5%), the new discount depends on meeting specific waste reduction goals. Starting at 5% in Year 1 and increasing to 25% in Year 2, the Adjustment Factor can be reduced in subsequent years if the City achieves targeted reductions in trash volume (1,000 cubic yards reduction in total monthly Trash Bin volume) and overall waste generation (2% reduction compared to the same month of the previous year). These reductions can lower the Adjustment

Factor by up to 10% each, with proportional amounts applied based on the extent to which goals are met. Therefore, the discount is directly dependent on the City's performance in decreasing waste. If the City fails to meet these targets, the Adjustment Factor remains at 25%, which is 20 percentage points higher than the effective adjustment in the previous contract. This could result in higher costs for the City compared to the previous agreement, making it essential for the City to meet its waste reduction goals to avoid increased expenses.

Exhibit 3: Recovery Discount Calculation Formula (Years 3-10)

| | | | |
|----------------------------|--|----------|---------------------------|
| | | | 25% |
| | | | - (% of Landfill Disposal |
| | | | Reduction Goal Met x |
| | | | 10%) |
| Recovery Discount = | (Recycling + Composting Volume) | / | --- |
| | (Recycling + Composting + Trash Volume) | | - (% of Total Waste Goal |
| | | | Met x 10%) |

Source: Recology Contract

The proposed budget in Exhibit 2 includes a recovery discount based on a 45 percent recovery rate as well as the maximum possible discount in Years 3 through 10 under the Recovery Discount Incentive Program, which assumes the City reduces the volume of landfill disposal and total refuse generation in each year compared to the prior year. The most recent Citywide consolidated monthly report (September 2024) recorded the recovery rate at 44 percent. As a result, OCA proposes the current budget as an estimate, acknowledging that adjustments may be needed once the variable charges (e.g., recovery discount, contamination charges) are realized.

Sources of Funding

The contract spending will be covered by the operating budgets of individual City departments, and therefore a mix of General Fund and enterprise funds.

RECOMMENDATION

Approve the proposed resolution.

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

Agreement between the City and County of San Francisco and

Sunset Scavenger Company (d/b/a Recology Sunset Scavenger), Golden Gate Disposal & Recycling Company (d/b/a Recology Golden Gate), and Recology San Francisco

**Term Contract 83151
Refuse Collection & Disposal Services**

This Agreement is made this **January 1, 2025**, in the City and County of San Francisco (“City”), State of California, by and between **Sunset Scavenger Company (d/b/a Recology Sunset Scavenger), Golden Gate Disposal & Recycling Company (d/b/a Recology Golden Gate), and Recology San Francisco** (hereinafter referred to collectively as “Contractor”).

Recitals

WHEREAS, the Office of Contract Administration (“Department”) wishes to procure refuse collection and disposal services from Contractor; and

WHEREAS, Contractor represents and warrants that it is qualified to perform the Services required by City as set forth under this Agreement; and

WHEREAS, Contractor was competitively selected pursuant to Sourcing Event ID 0000006945 issued on June 30, 2022; and

WHEREAS, this is a contract for Services and the Local Business Entity (“LBE”) subcontracting participation requirement for the Services has been waived; and

WHEREAS, approval for the Agreement was obtained on December 4, 2023, from the Civil Service Commission under PSC number 43805 – 23/24 in the amount of \$95,800,000 for the period of seven (7) years; and

WHEREAS, the City’s Board of Supervisors approved this Agreement by Resolution [insert Resolution number] on [date of Commission or Board action] in the amount of [insert dollar Amount] for the period commencing [insert Start Date] and ending [insert End Date].

Now, THEREFORE, the parties agree as follows:

Article 1 Definitions

The following definitions apply to this Agreement:

1.1 “Agreement” means this contract document, including all attached appendices, and all applicable City Ordinances and Mandatory City Requirements specifically incorporated into this Agreement by reference as provided herein.

1.2 “City” or “the City” means the City and County of San Francisco, a municipal corporation, acting by and through both its Director of the Office of Contract Administration or the Director’s designated agent, hereinafter referred to as “Purchasing” and Office of Contract Administration.

1.3 “City Data” means all data that is provided by City to Contractor, collected, used, maintained, processed, stored, or generated by Contractor on behalf of the City in connection with this Agreement. City Data includes, without limitation, Confidential Information. Notwithstanding the foregoing, operational data maintained by Contractor as part of its regular business operations that relates to this Agreement is not City Data.

1.4 “CMD” means the Contract Monitoring Division of the City.

1.5 “Confidential Information” means confidential City information including, but not limited to, personally-identifiable information (“PII”), protected health information (“PHI”), or individual financial information (collectively, “Proprietary or Confidential Information”) that is subject to local, state or federal laws restricting the use and disclosure of such information, including, but not limited to, Article 1, Section 1 of the California Constitution; the California Information Practices Act (Civil Code § 1798 et seq.); the California Confidentiality of Medical Information Act (Civil Code § 56 et seq.); the federal Gramm-Leach-Bliley Act (15 U.S.C. §§ 6801(b) and 6805(b)(2)); the privacy and information security aspects of the Administrative Simplification provisions of the federal Health Insurance Portability and Accountability Act (45 CFR Part 160 and Subparts A, C, and E of part 164); and San Francisco Administrative Code Chapter 12M (Chapter 12M).

1.6 “Contractor” means Sunset Scavenger Company (d/b/a Recology Sunset Scavenger), Golden Gate Disposal & Recycling Company (d/b/a Recology Golden Gate), and Recology San Francisco, 250 Executive Park Boulevard, Suite 2100, San Francisco, CA 94134.

1.7 “Deliverables” means Contractor’s work product resulting from the Services provided by Contractor to City during the course of Contractor’s performance of the Agreement, including without limitation, the work product described in the “Scope of Services” attached as Appendix A.

1.8 “Mandatory City Requirements” means those City laws set forth in the San Francisco Municipal Code, including the duly authorized rules, regulations, and guidelines implementing such laws that impose specific duties and obligations upon Contractor.

1.9 “Party” and “Parties” mean the City and Contractor either individually or collectively.

1.10 “Purchase Order” means the City form by which a City Department will document its purchase of Services and/or Equipment or lease of Equipment, under this Agreement, documented through the City’s financial system.

1.11 “Services” means the work performed by Contractor under this Agreement as specifically described in the “Scope of Services” attached as Appendix A, including all services,

labor, supervision, materials, equipment, actions and other requirements to be performed and furnished by Contractor under this Agreement.

Article 2 Term of the Agreement

2.1 The term of this Agreement shall commence on **January 1, 2025** (“Contract Start Date”), and expire on **December 31, 2031**, unless earlier terminated as otherwise provided herein.

2.2 The City has an option to renew the Agreement for a period up to three years, for a maximum term of 10 years. The City may extend this Agreement beyond the above-mentioned expiration date by exercising this option at the City’s sole and absolute discretion by modifying this Agreement as provided in Section 11.5, “Modification of this Agreement.”

Article 3 Financial Matters

3.1 **Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation.** This Agreement is subject to the budget and fiscal provisions of the City’s Charter. Charges will accrue only after prior written authorization certified by the Controller, and the 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 Agreement 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 Agreement 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 Agreement 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 Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.

3.2 **Guaranteed Maximum Costs.** The City’s payment obligation to Contractor cannot at any time exceed the amount certified by City’s Controller for the purpose and period stated in such certification. Absent an authorized Emergency per the City Charter or applicable Code, no City representative is authorized to offer or promise, nor is the City required to honor, any offered or promised payments to Contractor under this Agreement in excess of the certified maximum amount without the Controller having first certified the additional promised amount and the Parties having modified this Agreement as provided in Section 11.5, “Modification of this Agreement.”

3.3 Compensation.

3.3.1 **Calculation of Charges.** Contractor shall provide an invoice to the City on a monthly basis for goods delivered and/or Services completed in the immediate preceding month, unless a different schedule is set out in Appendix B, “Calculation of Charges.” Compensation shall be made for goods and/or Services identified in the invoice that the City, in his or her sole discretion, concludes has been satisfactorily performed. In no event shall the

amount of this Agreement exceed **[insert NTE] (\$XXXXXX)**. The breakdown of charges associated with this Agreement appears in Appendix B, "Calculation of Charges." A portion of payment may be withheld until conclusion of the Agreement if agreed to by both Parties as retainage, described in Appendix B. In no event shall City be liable for interest or late charges for any late payments. City will not honor minimum service order charges for any services covered by this Agreement.

3.3.2 Payment Limited to Satisfactory Services and Delivery of Goods.

Contractor is not entitled to any payments from City until City approves the goods and/or Services delivered pursuant to this Agreement. Payments to Contractor by City shall not excuse Contractor from its obligation to replace unsatisfactory delivery of goods and/or Services even if the unsatisfactory character may not have been apparent or detected at the time such payment was made. Goods and/or Services delivered pursuant to this Agreement that do not conform to the requirements of this Agreement may be rejected by City and in such case must be replaced by Contractor without delay at no cost to the City.

3.3.3 Withhold Payments. If Contractor fails to provide goods and/or Services in accordance with Contractor's obligations under this Agreement, the City may withhold any and all payments due Contractor with respect to the unsatisfactory goods and/or Services until such failure to perform is cured, and Contractor shall not stop work as a result of City's withholding of payments as provided herein.

3.3.4 Invoice Format. Invoices furnished by Contractor under this Agreement must be in a form acceptable to the Controller and City and include a unique invoice number and a specific invoice date. Payment shall be made by City as specified in Section 3.3.8, or in such alternate manner as the Parties have mutually agreed upon in writing. All invoices must show the PeopleSoft Purchase Order ID Number, PeopleSoft Supplier Name and ID, item numbers (if applicable), complete description of goods delivered or Services performed, sales/use tax (if applicable), contract payment terms and contract price. Invoices that do not include all required information or contain inaccurate information will not be processed for payment.

3.3.5 Reserved (LBE Payment and Utilization Tracking System).

3.3.6 Getting paid by the City for Services.

(a) The City and County of San Francisco utilizes the Paymode-X[®] service offered by Bank of America Merrill Lynch to pay City contractors. Contractor must sign up to receive electronic payments to be paid under this Agreement. To sign up for electronic payments, visit http://portal.paymode.com/city_countyofsanfrancisco.

(b) At the option of the City, Contractor may be required to submit invoices directly in the City's financial and procurement system (PeopleSoft) via eSettlement. Refer to <https://sfcitypartner.sfgov.org/pages/training.aspx> for more information on eSettlement. For access to PeopleSoft eSettlement, submit a request through sfemployeeportalsupport@sfgov.org.

3.3.7 Reserved (Grant Funded Contracts).

3.3.8 Payment Terms.

(a) **Payment Due Date:** Unless City notifies the Contractor that a dispute exists, Payment shall be made within 30 calendar days, measured from (1) the delivery of

goods and/or the rendering of services or (2) the date of receipt of the invoice, whichever is later. Payment is deemed to be made on the date on which City has issued a check to Contractor or, if Contractor has agreed to electronic payment, the date on which City has posted electronic payment to Contractor.

(b) Reserved (Payment Discount Terms).

3.4 Audit and Inspection of Records. Contractor agrees to maintain and make available to the City, during regular business hours, accurate books and accounting records relating to its Services. 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 Agreement, whether funded in whole or in part under this Agreement. 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 Agreement or until after a final audit has been resolved, whichever is later. The State of California or any Federal agency having an interest in the subject matter of this Agreement shall have the same rights as conferred upon City by this Section. Contractor shall include the same audit and inspection rights and record retention requirements in all subcontracts.

3.5 Submitting False Claims. The full text of San Francisco Administrative Code Chapter 21, Section 21.35, including the enforcement and penalty provisions, is incorporated into this Agreement.

3.6 Payment of Prevailing Wages and Transition Employment Requirements

3.6.1 Covered Services. Services to be performed by Contractor under this Agreement involve the performance of work covered by San Francisco Labor and Employment Code Article 102, formerly known as Chapter 21C [Miscellaneous Prevailing Wage Requirements] of the San Francisco Administrative Code (collectively, "Covered Services") which is incorporated into this Agreement as if fully set forth herein and will apply to any Covered Services performed by Contractor and its subcontractors.

(a) Solid Waste Hauling Services. This Agreement is subject to the prevailing wage requirements of Labor and Employment Code Article 102.1 and Article 102.5, which are incorporated by reference as terms of this Agreement. Contractor agrees that any employee engaged in the hauling of Solid Waste (as defined in article 102.5) shall be paid not less than the Prevailing Rate of Wages, as fixed and determined by the Board of Supervisors pursuant to Labor and Employment Code Article 102.1. Contractor agrees to comply with, and to require any authorized Subcontractors to comply with, the prevailing wage rate requirement imposed by this Article.

(b) Enforcement of Prevailing Wage Requirements. Contractor agrees that a failure to pay the Prevailing Rate of Wages required by this Agreement by Contractor or its subcontractors will result in City taking enforcement action against Contractor in accordance with Labor and Employment Code Article 102.1(c)(4).

(c) Transition Employment Requirements. This Agreement is subject to the Transition Employment Requirements in Labor and Employment Code Article 102.1(d). Contractor agrees to comply with, and to require any authorized Subcontractors to comply with, the obligations imposed by Article 102.1(d).

(d) **Requirement of Employer-Employee Relationship.** This Agreement is subject to the Employer-Employee Relationship requirements in Labor and Employment Code Article 102.1(e). Contractor and any authorized Subcontractors shall perform this Agreement with Individuals employed by Contractor or Subcontractor in an Employer-Employee relationship as defined by California law.

3.6.2 **Wage Rates.** The latest prevailing wage rates for private employment on public contracts as determined by the San Francisco Board of Supervisors, as such prevailing wage rates may be changed during the term of this Agreement, are hereby incorporated as provisions of this Agreement. Copies of the prevailing wage rates are available from the City's Office of Labor Standards and Enforcement ("OLSE"). See also <http://sf.gov/resource/2022/citywide-contractor-labor-laws>. Contractor agrees that it shall pay not less than the prevailing wage rates, as determined by the Board of Supervisors, to all workers employed by Contractor who perform Covered Services under this Agreement.

3.6.3 **Subcontract Requirements.** Contractor shall insert in every subcontract for the performance of Covered Services under this Agreement a provision requiring subcontractor to pay all persons performing labor in connection with Covered Services under said subcontract not less than the highest general prevailing rate of wages as fixed and determined by the Board of Supervisors for such labor or services.

3.6.4 **Reserved.**

3.6.5 **Payroll Records.** Contractor shall keep or cause to be kept complete and accurate payroll records for all workers performing Covered Services. Such records shall include the name, address and social security number of each worker who provided Covered Services, including apprentices, their classification, a general description of the Services each worker performed each day, the rate of pay (including rates of contributions for, or costs assumed to provide fringe benefits), daily and weekly number of hours worked, deductions made and actual wages paid. Every subcontractor who shall perform any part of Covered Services shall keep a like record of each person engaged in the execution of Covered Services under the subcontract. All such records shall at all times be available for inspection of and examination by City and its authorized representatives and OLSE.

3.6.6 **Reserved.**

3.6.7 **Compliance Monitoring.** Covered Services performed under this Agreement are subject to compliance monitoring and enforcement of prevailing wage requirements by OLSE. Contractor and any subcontractors performing Covered Services will cooperate fully with OLSE and other City employees and agents authorized to assist in the administration and enforcement of the prevailing wage requirements. Contractor agrees that (i) OLSE shall have the right to engage in random inspections of job sites and have access to the employees of the Contractor, employee time sheets, inspection logs, payroll records and employee paychecks; (ii) Contractor shall maintain a sign-in and sign-out sheet showing which employees are present on the job site; (iii) Contractor shall prominently post at each job-site a sign informing employees that the project is subject to City's prevailing wage requirements and that these requirements are enforced by OLSE; and (iv) OLSE may audit such records of Contractor as it reasonably deems necessary. Failure to comply with these requirements may result in penalties and forfeitures pursuant to the San Francisco Labor and Employment Code Article 102, as applicable.

3.6.8 Reserved.

Article 4 Services and Resources

4.1 Services Contractor Agrees to Perform. The Contractor agrees to perform the Services stated in Appendix A, "Scope of Services." Officers and employees of the City are not authorized to request, and the City is not required to reimburse the Contractor for, Services beyond the Scope of Services listed in Appendix A, unless Appendix A is modified as provided in Section 11.5, "Modification of this Agreement."

4.2 Qualified Personnel. Contractor shall utilize only competent personnel under the supervision of, and in the employment of, Contractor (or Contractor's authorized subcontractors) to perform the Services. Contractor will comply with City's reasonable requests regarding assignment and/or removal of personnel, but all personnel, including those assigned at City's request, must be supervised by Contractor. Contractor shall commit adequate resources to allow timely completion within the project schedule specified in this Agreement.

4.3 Subcontracting.

4.3.1 Contractor may subcontract portions of the Services only upon prior written approval of City. Contractor is responsible for its subcontractors throughout the course of the work required to perform the Services. All Subcontracts must incorporate the terms of Article 10 "Additional Requirements Incorporated by Reference" of this Agreement, unless inapplicable. Neither Party shall, on the basis of this Agreement, contract on behalf of, or in the name of, the other Party. Any agreement made in violation of this provision shall be null and void.

4.3.2 Contractor will not employ subcontractors without the prior written consent of City. It is understood and agreed that Contractor might need to engage third parties to perform compactor maintenance, repair, installation and/or removal services, and such third parties shall not be deemed subcontractors. Contractor shall be fully responsible for any acts or omissions by these third parties that harm City in any way.

4.4 Independent Contractor; Payment of Employment Taxes and Other Expenses.

4.4.1 Independent Contractor. For the purposes of this Section 4.4, "Contractor" shall be deemed to include not only Contractor, but also any agent or employee of Contractor. Contractor acknowledges and agrees that at all times, 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 Agreement. Contractor, its agents, and employees will not represent or hold themselves out to be employees of the City at any time. 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 Agreement 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 Agreement 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 Agreement. Contractor agrees to maintain and make available to City, upon request and during regular business hours, accurate books and accounting records demonstrating Contractor's compliance with this Section. Should City determine that Contractor, or any agent or employee of Contractor, is not performing in accordance with the requirements of this Agreement, City shall provide Contractor with written notice of such failure. Within five (5) business days of Contractor's receipt of such notice, and in accordance with Contractor policy and procedure, Contractor shall remedy the deficiency. Notwithstanding, if City believes that an action of Contractor, or any agent or employee of Contractor, warrants immediate remedial action by Contractor, City shall contact Contractor and provide Contractor in writing with the reason for requesting such immediate action.

4.4.2 Payment of Employment Taxes and Other Expenses. Should City, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Contractor is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Contractor which can be applied against this liability). City shall then forward those amounts to the relevant taxing authority. Should a relevant taxing authority determine a liability for past services performed by Contractor for City, upon notification of such fact by City, Contractor shall promptly remit such amount due or arrange with City to have the amount due withheld from future payments to Contractor under this Agreement (again, offsetting any amounts already paid by Contractor which can be applied as a credit against such liability). A determination of employment status pursuant to this Section 4.4 shall be solely limited to the purposes of the particular tax in question, and for all other purposes of this Agreement, Contractor shall not be considered an employee of City. Notwithstanding the foregoing, Contractor agrees to indemnify and save harmless City and its officers, agents and employees from, and, if requested, shall defend them against any and all claims, losses, costs, damages, and expenses, including attorneys' fees, arising from this Section.

4.5 Assignment. The Services to be performed by Contractor are personal in character. Neither this Agreement, nor any duties or obligations hereunder, may be directly or indirectly assigned, novated, hypothecated, transferred, or delegated by Contractor, or, where the Contractor is a joint venture, a joint venture partner, (collectively referred to as an "Assignment") unless first approved by City by written instrument executed and approved in the same manner as this Agreement in accordance with the Administrative Code. The City's approval of any such Assignment is subject to the Contractor demonstrating to City's reasonable satisfaction that the proposed transferee is: (i) reputable and capable, financially and otherwise, of performing each of Contractor's obligations under this Agreement and any other documents to be assigned, (ii) not forbidden by applicable law from transacting business or entering into contracts with City; and (iii) subject to the jurisdiction of the courts of the State of California. A change of ownership or control of Contractor or a sale or transfer of substantially all of the assets of Contractor shall be deemed an Assignment for purposes of this Agreement. Contractor shall

immediately notify City about any Assignment. Any purported Assignment made in violation of this provision shall be null and void.

4.6 **Warranty.** Contractor warrants to City that the Services will be performed with the degree of skill and care that is required by current, good and sound professional procedures and practices, and in conformance with generally accepted professional standards prevailing at the time the Services are performed so as to ensure that all Services performed are correct and appropriate for the purposes contemplated in this Agreement.

Article 5 Insurance and Indemnity

5.1 Insurance.

5.1.1 **Required Coverages.** Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

(a) Commercial General Liability Insurance with limits not less than \$5,000,000 each occurrence for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations.

(b) Commercial Automobile Liability Insurance with limits not less than \$5,000,000 each occurrence, "Combined Single Limit" for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

(c) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness.

(d) Reserved (Professional Liability Coverage).

(e) Reserved (Technology Errors and Omissions Liability Coverage).

(f) Reserved (Cyber and Privacy Coverage).

(g) Pollution Liability Insurance applicable to Contractor's activities and responsibilities under this Agreement with limits not less than \$1,000,000 each occurrence combined single limit and \$2,000,000 aggregate per policy period of one year and this coverage shall be endorsed to include Non-Owned Disposal Site coverage and, coverage for on-site third party claims for bodily injury and property damage.

5.1.2 Additional Insured Endorsements

(a) The Commercial General Liability policy must be endorsed to name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

(b) The Commercial Automobile Liability Insurance policy must be endorsed to name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

(c) The Commercial Automobile Liability Insurance policy must be endorsed to include Auto Pollution Additional Insured Endorsement naming as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

5.1.3 Waiver of Subrogation Endorsements

(a) The Workers' Compensation policy(ies) shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agents and subcontractors.

5.1.4 Primary Insurance Endorsements

(a) The Commercial General Liability policy shall provide that such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that the insurance applies separately to each insured against whom claim is made or suit is brought.

(b) The Commercial Automobile Liability Insurance policy shall provide that such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that the insurance applies separately to each insured against whom claim is made or suit is brought.

(c) The Pollution Liability Insurance policy shall provide that such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that the insurance applies separately to each insured against whom claim is made or suit is brought.

5.1.5 Other Insurance Requirements

(a) Thirty (30) days' advance written notice shall be provided to the City of cancellation, intended non-renewal, or reduction in coverages, except for non-payment for which no less than ten (10) days' notice shall be provided to City. Notices shall be sent to the City address set forth in Section 11.1 entitled "Notices to the Parties."

(b) Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the Agreement term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

(c) 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 or claims limits specified above.

(d) Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

(e) Before commencing any Services, Contractor shall 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. Approval of the insurance by City shall not relieve or decrease Contractor's liability hereunder.

(f) If Contractor will use any subcontractor(s) to provide Services, Contractor shall require the subcontractor(s) to provide all necessary insurance and to name the City and County of San Francisco, its officers, agents and employees and the Contractor as additional insureds.

5.2 Indemnification. Each Contractor shall indemnify and hold harmless City and its officers, agents and employees from, and, if requested, shall defend them from and against any and all liabilities (legal, contractual, or otherwise), losses, damages, costs, expenses, or claims for injury or damages (collectively, “Claims”), arising from or in any way connected with Contractor’s performance of the Agreement, including but not limited to, any: (i) injury to or death of a person, including employees of City or Contractor; (ii) loss of or damage to property; (iii) violation of local, state, or federal common law, statute or regulation, including but not limited to privacy or personal identifiable information, health information, disability and labor laws or regulations; (iv) strict liability imposed by any law or regulation; (v) losses arising from Contractor’s execution of subcontracts not in accordance with the requirements of this Agreement applicable to subcontractors; or (vi) Claims arising from Contractor’s engagements with third parties to perform compactor maintenance, repair, installation and/or removal services; except to the extent such indemnity is void or otherwise unenforceable under applicable law, and except where such Claims are the result of the active negligence or willful misconduct of City and are 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, experts, and related costs, and City’s costs of investigating any claims against the City.

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 attorneys’ 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 arising directly or indirectly from the receipt by City, or any of its officers or agents, of Contractor’s Services.

Article 6 Liability of the Parties

6.1 Liability of City. CITY’S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 3.3.1, “PAYMENT,” OF THIS AGREEMENT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, 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 AGREEMENT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

6.2 **Liability for Use of Equipment.** City shall not be liable for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or any of its subcontractors, or by any of their employees, even though such equipment is furnished, rented or loaned by City.

6.3 **Liability for Incidental and Consequential Damages.** Each Contractor shall be responsible for incidental and consequential damages resulting in whole or in part from Contractor's acts or omissions.

Article 7 Payment of Taxes

7.1 **Contractor to Pay All Taxes.** Except for any applicable California sales and use taxes charged by Contractor to City, Contractor shall pay all taxes, including possessory interest taxes levied upon or as a result of this Agreement, or the Services delivered pursuant hereto. Contractor shall remit to the State of California any sales or use taxes paid by City to Contractor under this Agreement. Contractor agrees to promptly provide information requested by the City to verify Contractor's compliance with any State requirements for reporting sales and use tax paid by City under this Agreement.

7.2 **Possessory Interest Taxes.** Contractor acknowledges that this Agreement may create a "possessory interest" for property tax purposes. Generally, such a possessory interest is not created unless the Agreement 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:

7.2.1 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.

7.2.2 Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that the creation, extension, renewal, or assignment of this Agreement 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 Agreement. 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.

7.2.3 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.

7.2.4 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.

7.3 **Withholding.** Contractor agrees that it is obligated to pay all amounts due to the City under the San Francisco Business and Tax Regulations Code during the term of this Agreement. Pursuant to Section 6.10-2 of the San Francisco Business and Tax Regulations Code,

Contractor further acknowledges and agrees that City may withhold any payments due to Contractor under this Agreement if Contractor is delinquent in the payment of any amount required to be paid to the City under the San Francisco Business and Tax Regulations Code. Any payments withheld under this paragraph shall be made to Contractor, without interest, upon Contractor coming back into compliance with its obligations.

Article 8 Termination and Default

8.1 Termination for Convenience

8.1.1 City shall have the option, in its sole discretion, to terminate this Agreement, 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.

8.1.2 Upon receipt of the notice of termination, Contractor shall commence and perform, with diligence, all actions necessary on the part of Contractor to effect the termination of this Agreement on the date specified by City and to minimize the liability of Contractor and City to third parties as a result of termination. All such actions shall be subject to the prior approval of City. Such actions may include any or all of the following, without limitation:

- (a) Halting the performance of all Services under this Agreement on the date(s) and in the manner specified by City.
- (b) Terminating all existing orders and subcontracts, and not placing any further orders or subcontracts for materials, Services, equipment or other items.
- (c) At City's direction, assigning to City any or all of Contractor's right, title, and interest under the orders and subcontracts terminated. Upon such assignment, City shall have the right, in its sole discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.
- (d) Subject to City's approval, settling all outstanding liabilities and all claims arising out of the termination of orders and subcontracts.
- (e) Completing performance of any Services that City designates to be completed prior to the date of termination specified by City.
- (f) Taking such action as may be necessary, or as the City may direct, for the protection and preservation of any property related to this Agreement which is in the possession of Contractor and in which City has or may acquire an interest.

8.1.3 Within 30 days after the specified termination date, Contractor shall submit to City an invoice, which shall set forth each of the following as a separate line item:

- (a) The reasonable cost to Contractor, without profit, for all Services prior to the specified termination date, for which Services City has not already tendered payment. Reasonable costs may include a reasonable allowance for actual overhead, not to exceed a total of 10% of Contractor's direct costs for Services. Any overhead allowance shall be separately itemized. Contractor may also recover the reasonable cost of preparing the invoice.

(b) A reasonable allowance for profit on the cost of the Services described in the immediately preceding subsection (a), provided that Contractor can establish, to the satisfaction of City, that Contractor would have made a profit had all Services under this Agreement been completed, and provided further, that the profit allowed shall in no event exceed 5% of such cost.

(c) The reasonable cost to Contractor of handling material or equipment returned to the vendor, delivered to the City or otherwise disposed of as directed by the City.

(d) A deduction for the cost of materials to be retained by Contractor, amounts realized from the sale of materials and not otherwise recovered by or credited to City, and any other appropriate credits to City against the cost of the Services or other work.

8.1.4 In no event shall City be liable for costs incurred by Contractor or any of its subcontractors after the termination date specified by City, except for those costs specifically listed in Section 8.1.3. Such non-recoverable costs include, but are not limited to, anticipated profits on the Services under this Agreement, post-termination employee salaries, post-termination administrative expenses, post-termination overhead or unabsorbed overhead, attorneys' fees or other costs relating to the prosecution of a claim or lawsuit, prejudgment interest, or any other expense which is not reasonable or authorized under Section 8.1.3.

8.1.5 In arriving at the amount due to Contractor under this Section, City may deduct: (i) all payments previously made by City for Services covered by Contractor's final invoice; (ii) any claim which City may have against Contractor in connection with this Agreement; (iii) any invoiced costs or expenses excluded pursuant to the immediately preceding subsection 8.1.4; and (iv) in instances in which, in the opinion of the City, the cost of any Service performed under this Agreement is excessively high due to costs incurred to remedy or replace defective or rejected Services, the difference between the invoiced amount and City's estimate of the reasonable cost of performing the invoiced Services in compliance with the requirements of this Agreement.

8.1.6 City's payment obligation under this Section shall survive termination of this Agreement.

8.2 Termination for Default; Remedies.

8.2.1 Each of the following shall constitute an immediate event of default ("Event of Default") under this Agreement:

(a) Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement:

| | | | |
|-----------|--------------------------|------------|---------------------------------|
| 3.5 | Submitting False Claims. | 10.10 | Alcohol and Drug-Free Workplace |
| 4.5 | Assignment | 11.10 | Compliance with Laws |
| Article 5 | Insurance and Indemnity | Article 13 | Data and Security |
| Article 7 | Payment of Taxes | | |

(b) Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, including any obligation imposed by

ordinance or statute and incorporated by reference herein, and such default is not cured within ten days after written notice thereof from City to Contractor. If Contractor defaults a second time in the same manner as a prior default cured by Contractor, City may in its sole discretion immediately terminate the Agreement for default or grant an additional period not to exceed five days for Contractor to cure the default.

(c) Contractor (i) is generally not paying its debts as they become due; (ii) files, or consents by answer or otherwise to the filing against it of a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction; (iii) makes an assignment for the benefit of its creditors; (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Contractor or of any substantial part of Contractor's property; or (v) takes action for the purpose of any of the foregoing.

(d) A court or government authority enters an order (i) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Contractor or with respect to any substantial part of Contractor's property, (ii) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (iii) ordering the dissolution, winding-up or liquidation of Contractor.

8.2.2 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 Agreement or to seek specific performance of all or any part of this Agreement. In addition, where applicable, 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 reasonable 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 Agreement or any other agreement between City and Contractor: (i) all damages, losses, costs or expenses incurred by City as a result of an Event of Default; and (ii) any liquidated damages levied upon Contractor pursuant to the terms of this Agreement; and (iii), any damages imposed by any ordinance or statute that is incorporated into this Agreement by reference, or into any other agreement with the City. This Section 8.2.2 shall survive termination of this Agreement.

8.2.3 All remedies provided for in this Agreement 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. Nothing in this Agreement shall constitute a waiver or limitation of any rights that City may have under applicable law.

8.2.4 Any notice of default must be sent in accordance with Article 11.

8.3 **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 it in any way affect the right of the Party to enforce such provisions thereafter.

8.4 Rights and Duties upon Termination or Expiration.

8.4.1 This Section and the following Sections of this Agreement listed below, shall survive termination or expiration of this Agreement:

| | | | |
|-----------|--|------------|-------------------------------------|
| 3.3.2 | Payment Limited to Satisfactory Services | 9.2 | Works for Hire |
| 3.4 | Audit and Inspection of Records | 11.6 | Dispute Resolution Procedure |
| 3.5 | Submitting False Claims | 11.7 | Agreement Made in California; Venue |
| Article 5 | Insurance and Indemnity | 11.8 | Construction |
| 6.1 | Liability of City | 11.9 | Entire Agreement |
| 6.3 | Liability for Incidental and Consequential Damages | 11.10 | Compliance with Laws |
| Article 7 | Payment of Taxes | 11.11 | Severability |
| 8.1.6 | Payment Obligation | Article 13 | Data and Security |
| 9.1 | Ownership of Results | | |

8.4.2 Subject to the survival of the Sections identified in Section 8.4.1, above, if this Agreement is terminated prior to expiration of the term specified in Article 2, this Agreement shall be of no further force or effect. Contractor shall transfer title to City, and deliver in the manner, at the times, and to the extent, if any, directed by City, any equipment ordered and fully paid for by City but not yet delivered to City, work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to City. For clarity, this provision is intended to require Contractor to provide any annual, quarterly or monthly reports required under this Agreement with respect to the final annual, quarterly and monthly periods (or partial periods) that this Agreement is in effect, but not for any subsequent periods. Similarly, Contractor shall not be required to provide the annual allocation of internal containers (Appendix A, Article 3.d) or compost product (Appendix A, Article 5.f) for any years after the year in which this Agreement is terminated (but will provide the required reporting relating to such compost product).

Article 9 Rights in Deliverables

9.1 **Ownership of Results.** Any interest of Contractor or its subcontractors, in the Deliverables, including any drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Contractor or its subcontractors specifically for the City pursuant to this Agreement, shall become the property of and will be transmitted to City. However, unless expressly prohibited elsewhere in this Agreement, Contractor may retain and use copies for reference and as documentation of its experience and capabilities.

9.2 **Works for Hire.** If, in connection with Services, Contractor or its subcontractors creates Deliverables including, without limitation, artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, blueprints, source codes, or any other original works of authorship, whether in digital or any other format, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works shall be the property of the City. If any Deliverables created by Contractor or its subcontractor(s) under this Agreement are ever determined not to be works for hire under U.S. law, Contractor hereby assigns all Contractor's copyrights to such Deliverables to the City, agrees to provide any material and execute any documents necessary to effectuate such assignment, and agrees to include a clause in every subcontract imposing the same duties upon subcontractor(s). With City's prior written approval, Contractor and its subcontractor(s) may retain and use copies of such works for reference and as documentation of their respective experience and capabilities.

Article 10 Additional Requirements Incorporated by Reference

10.1 **Laws Incorporated by Reference.** The full text of the laws listed in this Article 10, including enforcement and penalty provisions, are incorporated by reference into this Agreement. The full text of the San Francisco Municipal Code provisions incorporated by reference in this Article and elsewhere in the Agreement ("Mandatory City Requirements") are available at http://www.amlegal.com/codes/client/san-francisco_ca/.

10.2 **Conflict of Interest.** By executing this Agreement, Contractor certifies that it does not know of any fact which constitutes a violation of Section 15.103 of the City's Charter; Article III, Chapter 2 of City's Campaign and Governmental Conduct Code; Title 9, Chapter 7 of the California Government Code (Section 87100 *et seq.*), or Title 1, Division 4, Chapter 1, Article 4 of the California Government Code (Section 1090 *et seq.*), and further agrees promptly to notify the City if it becomes aware of any such fact during the term of this Agreement.

10.3 **Prohibition on Use of Public Funds for Political Activity.** In performing the Services, Contractor shall comply with San Francisco Administrative Code Chapter 12G, which prohibits funds appropriated by the City for this Agreement from being expended to participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure. Contractor is subject to the enforcement and penalty provisions in Chapter 12G.

10.4 **Consideration of Salary History.** Contractor shall comply with San Francisco Labor and Employment Code Article 141, the Consideration of Salary History Ordinance or "Pay Parity Act." Contractor is prohibited from considering current or past salary of an applicant in determining whether to hire the applicant or what salary to offer the applicant to the extent that such applicant is applying for employment to be performed on this Agreement or in furtherance of this Agreement, and whose application, in whole or part, will be solicited, received, processed or considered, whether or not through an interview, in the City or on City property. The ordinance also prohibits employers from (1) asking such applicants about their current or past salary or (2) disclosing a current or former employee's salary history without that employee's authorization unless the salary history is publicly available. Contractor is subject to the enforcement and penalty provisions in Article 141. Information about and the text of Article 141 is available on the web at <https://sfgov.org/olse/consideration-salary-history>. Contractor is

required to comply with all of the applicable provisions of Article 141, irrespective of the listing of obligations in this Section.

10.5 Nondiscrimination Requirements.

10.5.1 Nondiscrimination in Contracts. Contractor shall comply with the provisions of San Francisco Labor and Employment Code Article 131 and Article 132 of the. Contractor shall incorporate by reference in all subcontracts the provisions of Article 131.2(a), Article 131.2(c)-(k), and Article 132.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. Contractor is subject to the enforcement and penalty provisions in Article 131 and Article 132.

10.5.2 Nondiscrimination in the Provision of Employee Benefits. San Francisco Labor and Employment Code Article 131.2. Contractor does not as of the date of this Agreement, and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of employee benefits between employees with domestic partners and employees with spouses and/or between the domestic partners and spouses of such employees, subject to the conditions set forth in San Francisco Labor and Employment Code Article 131.2.

10.6 Local Business Enterprise and Non-Discrimination in Contracting Ordinance. Contractor shall comply with all applicable provisions of San Francisco Administrative Code Chapter 14B ("LBE Ordinance"). Contractor is subject to the enforcement and penalty provisions in Chapter 14B.

10.7 Minimum Compensation Ordinance. Labor and Employment Code Article 111 applies to this Agreement. Contractor shall pay covered employees no less than the minimum compensation required by San Francisco Labor and Employment Code Article 111, including a minimum hourly gross compensation, compensated time off, and uncompensated time off. Contractor is subject to the enforcement and penalty provisions in Article 111. Information about and the text of the Article 111 is available on the web at <http://sfgov.org/olse/mco>. Contractor is required to comply with all of the applicable provisions of Article 111, irrespective of the listing of obligations in this Section. By signing and executing this Agreement, Contractor certifies that it complies with Article 111.

10.8 Health Care Accountability Ordinance. San Francisco Labor and Employment Code Article 121 applies to this contract. Contractor shall comply with the requirements of Article 121. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Article 121.3 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. Information about and the text of the Article 121, as well as the Health Commission's minimum standards, is available on the web at <http://sfgov.org/olse/hcao>. Contractor is subject to the enforcement and penalty provisions in Article 121. Any Subcontract entered into by Contractor shall require any Subcontractor with 20 or more employees to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section.

10.9 First Source Hiring Program. Contractor must comply with all of the provisions of the First Source Hiring Program, Chapter 83 of the San Francisco Administrative Code, that

apply to this Agreement, and Contractor is subject to the enforcement and penalty provisions in Chapter 83.

10.10 Alcohol and Drug-Free Workplace. City reserves the right to deny access to, or require Contractor to remove from, City facilities personnel of any Contractor or subcontractor who City has reasonable grounds to believe has engaged in alcohol abuse or illegal drug activity which in any way impairs City's ability to maintain safe work facilities or to protect the health and well-being of City employees and the general public. City shall have the right of final approval for the entry or re-entry of any such person previously denied access to, or removed from, City facilities. Illegal drug activity means possessing, furnishing, selling, offering, purchasing, using or being under the influence of illegal drugs or other controlled substances for which the individual lacks a valid prescription. Alcohol abuse means possessing, furnishing, selling, offering, or using alcoholic beverages, or being under the influence of alcohol.

10.11 Limitations on Contributions. By executing this Agreement, Contractor acknowledges its obligations under Section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with, or is seeking a contract with, any department of the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, for a grant, loan or loan guarantee, or for a development agreement, from making any campaign contribution to (i) a City elected official if the contract must be approved by that official, a board on which that official serves, or the board of a state agency on which an appointee of that official serves, (ii) a candidate for that City elective office, or (iii) a committee controlled by such elected official or a candidate for that office, at any time from the submission of a proposal for the contract until the later of either the termination of negotiations for such contract or twelve months after the date the City approves the contract. The prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 10% in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Contractor certifies that it has informed each such person of the limitation on contributions imposed by Section 1.126 by the time it submitted a proposal for the contract, and has provided the names of the persons required to be informed to the City department with whom it is contracting.

10.12 Reserved (Slavery Era Disclosure).

10.13 Reserved (Working with Minors).

10.14 Consideration of Criminal History in Hiring and Employment Decisions.

10.14.1 Contractor agrees to comply fully with and be bound by all of the provisions of Article 142, "City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions," of the San Francisco Labor and Employment Code including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Article 142 are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the Article 142 is available on the web at <http://sfgov.org/olse/fco>. Contractor is required to comply with all of the applicable provisions of Article 142, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Article 142.

10.14.2 The requirements of Article 142 shall only apply to a Contractor's or Subcontractor's operations to the extent those operations are in furtherance of the performance of this Agreement, shall apply only to applicants and employees who would be or are performing work in furtherance of this Agreement, and shall apply when the physical location of the employment or prospective employment of an individual is wholly or substantially within the City of San Francisco. Article 142 shall not apply when the application in a particular context would conflict with federal or state law or with a requirement of a government agency implementing federal or state law.

10.15 Reserved (Public Access to Nonprofit Records and Meetings).

10.16 Food Service Waste Reduction Requirements. Contractor shall comply with the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including but not limited to the remedies for noncompliance provided therein.

10.17 Reserved (Distribution of Beverages and Water).

10.18 Tropical Hardwood and Virgin Redwood Ban. Pursuant to San Francisco Environment Code Section 804(b), the City urges Contractor not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

10.19 Reserved (Preservative Treated Wood Products).

Article 11 General Provisions

11.1 Notices to the Parties. Unless otherwise indicated in this Agreement, all written communications sent by the Parties may be by U.S. mail or e-mail, and shall be addressed as follows:

To City: Purchaser
City Hall, Room 430
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
oca@sfgov.org

And

City Government Coordinator
Department of the Environment
1445 Market Street
San Francisco, CA 94103
CityGovZeroWaste@sfgov.org

To Contractor: Recology Inc.
Attn: Legal Department
50 California Street, 24th Floor
San Francisco, CA 94111
Email: bgiddens@recology.com

And

SF Recology Companies
Attn: Region Vice President
250 Executive Park Boulevard, Suite 2100
San Francisco, CA 94134
Email: eboyd@recology.com

Any notice of default must be sent by certified mail or other trackable written communication. Either Party may change the address to which notice is to be sent by giving written notice thereof to the other Party at least ten (10) days prior to the effective date of such change. If email notification is used, the sender must specify a receipt notice.

11.2 Compliance with Americans with Disabilities Act. Contractor shall provide the Services in a manner that complies with the Americans with Disabilities Act (ADA), including but not limited to Title II's program access requirements, and all other applicable federal, state and local disability rights legislation.

11.3 Incorporation of Recitals. The matters recited in the Recitals section of this Agreement are a substantive portion of this Agreement and are hereby incorporated into and made part of this Agreement.

11.4 Sunshine Ordinance. Contractor acknowledges that this Agreement and all records related to its formation, Contractor's performance of Services, and City's payment are subject to the California Public Records Act, (California Government Code §7920.000 et. seq.), and the San Francisco Sunshine Ordinance, (San Francisco Administrative Code Chapter 67). Such records are subject to public inspection and copying unless exempt from disclosure under federal, state or local law.

11.5 Modification of this Agreement. This Agreement may not be modified, nor may compliance with any of its terms be waived, except as noted in Section 11.1, "Notices to Parties," regarding change in personnel or place, and except by written instrument executed and approved in the same manner as this Agreement. Contractor shall cooperate with Department to submit to the Director of CMD any amendment, modification, supplement or change order that would result in a cumulative increase of the original amount of this Agreement by more than 20% (CMD Contract Modification Form).

11.6 Dispute Resolution Procedure.

11.6.1 Negotiation; Alternative Dispute Resolution. The Parties will attempt in good faith to resolve any dispute or controversy arising out of or relating to the performance of services under this Agreement. If the Parties are unable to resolve the dispute, then, pursuant to San Francisco Administrative Code Section 21.36, Contractor may submit to the Contracting Officer a written request for administrative review and documentation of the Contractor's claim(s). Upon such request, the Contracting Officer shall promptly issue an administrative decision in writing, stating the reasons for the action taken and informing the Contractor of its right to judicial review. If agreed by both Parties in writing, disputes may be resolved by a mutually agreed-upon alternative dispute resolution process. If the Parties do not mutually agree to an alternative dispute resolution process or such efforts do not resolve the dispute, then either

Party may pursue any remedy available under California law. The status of any dispute or controversy notwithstanding, Contractor shall proceed diligently with the performance of its obligations under this Agreement in accordance with the Agreement and the written directions of the City. Neither Party will be entitled to legal fees or costs for matters resolved under this Section.

11.6.2 Government Code Claim Requirement. No suit for money or damages may be brought against the City until a written claim therefor has been presented to and rejected by the City in conformity with the provisions of San Francisco Administrative Code Chapter 10 and California Government Code Section 900, et seq. Nothing set forth in this Agreement shall operate to toll, waive or excuse Contractor's compliance with the California Government Code Claim requirements set forth in San Francisco Administrative Code Chapter 10 and California Government Code Section 900, et seq.

11.7 Agreement Made in California; Venue. The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California without regard to conflict of law provisions. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

11.8 Construction. All paragraph captions are for reference only and shall not be considered in construing this Agreement.

11.9 Entire Agreement. This contract, including the Appendices, and all Purchase Orders issued against this contract, sets forth the entire Agreement between the Parties, and supersedes all other oral or written provisions. This Agreement may be modified only as provided in Section 11.5, "Modification of this Agreement."

11.10 Compliance with Laws. Contractor shall keep itself fully informed of the City's Charter, codes, ordinances and duly adopted rules and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

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

11.12 Cooperative Drafting. This Agreement has been drafted through a cooperative effort of City and Contractor, and both Parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No Party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the Party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

11.13 Order of Precedence. Contractor agrees to perform the services described herein in accordance with the terms and conditions of this Agreement, including all Appendices, Purchase Orders, the RFP issued by the Department, and Contractor's proposal dated September 30, 2022, and subsequent proposal clarifications and revisions. The RFP and Contractor's proposal are incorporated by reference as though fully set forth herein. Should there be a conflict

of terms or conditions, this Agreement, including all Appendices and Purchase Orders, shall control over the RFP and the Contractor's proposal, and this Agreement, including all Appendices, shall control over any Purchase Orders. If the Appendices include any terms from the Contractor, Contractor agrees that in the event of any discrepancy, inconsistency, gap, ambiguity, or conflict in language between the City's terms and Contractor's terms, the City's terms shall take precedence, followed by the RFP, Contractor's proposal, and Contractor's terms, respectively.

11.14 Notification of Legal Requests. Contractor shall immediately notify City upon receipt of any subpoenas, service of process, litigation holds, discovery requests and other legal requests ("Legal Requests") related to all City Data, or which in any way might reasonably require access to City Data, and in no event later than 24 hours after it receives the request. Contractor shall not respond to Legal Requests related to City without first notifying City other than to notify the requestor that the information sought is potentially covered under a non-disclosure agreement. Contractor shall retain and preserve City Data in accordance with the City's instruction and requests, including, without limitation, any retention schedules and/or litigation hold orders provided by the City to Contractor, independent of where the City Data is stored.

Article 12 Reserved (Department Specific Terms)

Article 13 Data and Security

13.1 Nondisclosure of Private, Proprietary or Confidential Information.

13.1.1 Protection of Private Information. If this Agreement requires City to disclose "Private Information" to Contractor within the meaning of San Francisco Administrative Code Chapter 12M, Contractor and subcontractor shall use such information only in accordance with the restrictions stated in Chapter 12M and in this Agreement and only as necessary in performing the Services. Contractor is subject to the enforcement and penalty provisions in Chapter 12M.

13.1.2 Confidential Information. In the performance of Services, Contractor may have access to, or collect on City's behalf, City's proprietary or Confidential Information, the disclosure of which to third parties may damage City. If City discloses proprietary or Confidential Information to Contractor, or Contractor collects such information on City's behalf, such information must be held by Contractor in confidence and used only in performing the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary or Confidential Information.

13.2 Reserved (Payment Card Industry ("PCI") Requirements).

13.3 Reserved (Business Associate Agreement).

13.4 Management of City Data and Confidential Information.

13.4.1 Use of City Data and Confidential Information. Contractor agrees to hold City Data in strictest confidence. Contractor shall not use or disclose City Data except as

permitted or required by the Agreement or as otherwise authorized in writing by the City. Any work using, or sharing or storage of, City Data outside the United States is subject to prior written authorization by the City. Access to City Data must be strictly controlled and limited to Contractor's staff assigned to this project on a need-to-know basis only. Contractor is provided a limited non-exclusive license to use the City Data solely for performing its obligations under the Agreement and not for Contractor's own purposes or later use. Nothing herein shall be construed to confer any license or right to the City Data or Confidential Information, by implication, estoppel or otherwise, under copyright or other intellectual property rights, to any third-party. Unauthorized use of City Data by Contractor, subcontractors or other third-parties is prohibited. For purpose of this requirement, the phrase "unauthorized use" means the data mining or processing of data and/or machine learning from the data, stored or transmitted by the service, for unrelated commercial purposes, advertising or advertising-related purposes, or for any purpose that is not explicitly authorized other than security or service delivery analysis.

13.4.2 Disposition of City Data. Upon request of City or termination or expiration of this Agreement, and pursuant to any document retention period required by this Agreement, Contractor shall promptly, but in no event later than thirty (30) calendar days, return all data given to or collected by Contractor on City's behalf, which includes all original media. Once Contractor has received written confirmation from City that City Data has been successfully transferred to City, Contractor shall within ten (10) business days clear or purge all City Data from its servers, any hosted environment Contractor has used in performance of this Agreement, including its subcontractors environment(s), work stations that were used to process the data or for production of the data, and any other work files stored by Contractor in whatever medium. Contractor shall provide City with written certification that such purge occurred within five (5) business days of the purge. Secure disposal shall be accomplished by "clearing," "purging" or "physical destruction," in accordance with National Institute of Standards and Technology (NIST) Special Publication 800-88 or most current industry standard.

13.5 Ownership of City Data. The Parties agree that as between them, all rights, including all intellectual property rights, in and to the City Data and any derivative works of the City Data is the exclusive property of the City.

Article 14 Appendices

14.1 Appendices. The following appendices ("Appendices" in the plural and each an "Appendix" in the singular) are hereby attached and incorporated into this Agreement by reference as though fully set forth herein (except for Appendix G, which is attached for information only):

Appendices:

- A: Scope of Services
- B: Calculation of Charges (B1 through B10)
- C: Price Adjustments; Regulatory and Compliance Requirements
- D: Summary of Required Reports, Notifications, and Program Activities
- E: Contractor's Zero Waste Programs
- F: Equipment Lease Term Sheet
- G: 2015 Landfill Agreement

Article 15 MacBride And Signature

15.1 MacBride Principles - Northern Ireland. The provisions of San Francisco Administrative Code §12F are incorporated herein by this reference and made part of this Agreement. By signing this Agreement, Contractor confirms that Contractor has read and understood that the City urges companies doing business in Northern Ireland to resolve employment inequities and to abide by the MacBride Principles, and urges San Francisco companies to do business with corporations that abide by the MacBride Principles.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day first mentioned above.

CITY

Recommended by:

Carmen Chu
City Administrator
Office of City Administrator

Approved as to Form:

David Chiu
City Attorney

By: _____
Elaine M. O'Neil
Deputy City Attorney

Approved: _____

Sailaja Kurella
Director of the Office of Contract Administration,
and Purchaser

By: _____
Sailaja Kurella

CONTRACTOR

**Recology Sunset Scavenger (d/b/a Recology
Sunset Scavenger)**

Salvatore M. Coniglio
Chief Executive Officer
(see Article 11.1 for address)

City Supplier ID number: 0000012408

**Golden Gate Disposal & Recycling
Company (d/b/a Recology Golden Gate)**

Salvatore M. Coniglio
Chief Executive Officer
(see Article 11.1 for address)

City Supplier ID number: 0000012413

Recology San Francisco

Salvatore M. Coniglio
Chief Executive Officer
(see Article 11.1 for address)

City Supplier Number: 0000012409

Appendix A Scope of Services

1. Definitions. For the purpose of this Agreement, the following terms shall apply:

- a. “2015 Landfill Agreement” means the existing Landfill Disposal Agreement between The City and County of San Francisco and Recology San Francisco executed in 2015 or any successor agreement, attached as Appendix G.
- b. “Abandoned Materials” means materials including but not limited to refuse, bulky items, intentionally or unintentionally dumped outside of Collection Locations.
- c. “Adjustment Factor” means the amount subtracted from the Recovery Rate to determine the Recovery Discount. The Adjustment Factor represents fixed expenses associated with recycling and composting collection. The Adjustment Factor will be fixed annually as specified in Appendix B10 – Recovery Discount.
- d. “Ancillary Charges” means any applicable charges including but not limited to cardboard or Pallet pickup, access, key, elevation, distance, weight and any other charges associated with secondary type of services. Ancillary Charges are in addition to Subscribed service charges and are added to monthly bills.
- e. “Bin” means any exterior collection bins serviced by Contractor under this Agreement, including carts, dumpsters, debris boxes, and compactors.
- f. “Bulky Item” means large items including but not limited to appliances, furniture and mattresses.
- g. “Collection Location” means any City Department location requiring Refuse collection services
- h. “Composting” means processing compostable materials into a product through controlled biological decomposition.
- i. “Compostables” means any material offered for collection that has been Source Separated and is an acceptable material for composting in San Francisco’s programs, including, but not limited to: food scraps, soiled paper, plant trimmings and clean wood.
- j. “Construction and Demolition Debris” means building materials and solid waste generated from construction and demolition activities in San Francisco, including, but not limited to, fully-cured asphalt, concrete, brick, rock, soil, lumber, gypsum wallboard, roofing material, ceramic tile, carpeting, fixtures, plastic pipe, metals, tree stumps, and other vegetative matter resulting from land clearing and landscaping for City construction, deconstruction, demolition or land development projects.

- k. “Contamination” means any material other than Recyclables in a Bin designated for Recyclables, any material other than Compostables in a Bin designated for Compostables, and Recyclables or Compostables in a Bin designated for Trash.
- l. “Customer” means individual City Departments or divisions of departments requiring service for one or more Collection Locations.
- m. “Department Designee” means a person delegated within each City department or location that has authority for Collection Locations under her or his jurisdiction.
- n. “Disposal” means the deposition of material to landfill or incineration. Disposal does not include beneficial reuse or other use of material at a landfill in a manner that qualifies as recovery under applicable California Department of Resources Recycling and Recovery regulations.
- o. “Equipment Lease” means any lease for Leased Equipment entered into pursuant to this Agreement.
- p. “Extra” means the one-time or temporary increase of collection service of any front-load or rear-load Bin or Bins that is in addition to the Subscribed level of service at a Collection Location. For clarification, any collection of Roll-Off compactors or debris boxes for one-time or temporary increase of collection service is *not* deemed “Extra” and shall be charged at the applicable per-pickup rate for that service pursuant to Appendix B3 and Appendix B4.
- q. “Extra Collection Rate” means the per-occurrence charge assessed to a Collection Location Customer for Extra collection service(s) performed on any Bin or Bins that is above the Subscribed level of service at a Collection Location. The Extra Collection Rate is also assessed for Contamination, Overages, collection of Excessively Contaminated Bins, and collection of Prohibited Waste pursuant to Appendix A, Section 9 (Contamination and Overages Management). This per-occurrence charge is in addition to a Collection Location’s monthly charges for its Subscribed level of service. Rates for Extra Collection can be found in Appendix B5 of this Agreement.
- r. “Leased Equipment” means any compactor leased by the City from the Contractor pursuant to this Agreement. Compactors are the only type of equipment that is available for lease to City Departments under this Agreement.
- s. “OCA” means the City and County of San Francisco’s Office of Contract Administration.
- t. “Overage” means a Bin that is overfilled such that its lid will not close; materials placed outside the Bin; or other excess material that exceeds the capacity of Customer’s Bin volume.
- u. “Pallet Service” means the removal of pallets from Collection Locations.

- v. “Prohibited Waste” means hazardous waste, universal waste, designated waste, medical waste or sewage sludge as those terms are defined under State law and the 2015 Landfill Agreement.
- w. “Recovery” means activities that reduce the disposal of material in landfill or incineration.
- x. “Recovery Discount” means the discount applied to each City Department Collection Location’s monthly bill, equal to the Recovery Rate less the Adjustment Factor. The Recovery Discount is calculated as specified in Appendix B10. The Recovery Discount applies only to Subscribed service; it does not apply to any other charges, including Extra Collection charges, Ancillary Charges, Contamination and Overages charges, and compactor purchase, lease, maintenance and repair charges.
- y. “Recovery Rate” for a Collection Location means the Subscribed Recyclables and Compostables monthly Bin volume for that location, divided by total Subscribed Refuse monthly Bin volume for that location. For clarity, the volume of any Roll-Off compactors and debris boxes serviced at a Collection Location in that month *is* included in the Recovery Rate calculation. “Extra” services are excluded. Only collection services provided by Contractor are included in the Recovery Rate calculation.
- z. “Recycling” means sorting, cleansing, treating and reconstituting materials that would otherwise be disposed of, and returning them to the economic mainstream in the form of raw materials for new or reconstituted products which meet the quality standards necessary for use in the marketplace. Recycling does not include incineration, pyrolysis, distillation, gasification, or other high-temperature processes. SFE will determine if technologies (e.g., “chemical” or “advanced” recycling) qualify as recycling in San Francisco.
- aa. “Recyclables” means any material offered for collection that has been Source Separated and is an acceptable material for recycling in San Francisco’s programs, including but not limited to paper, bottles and cans.
- bb. “Refuse” means all discarded materials (Recyclables, Compostables, and Trash) collected from all facilities, office buildings, institutions, parks, etc., excluding Prohibited Waste and Construction and Demolition Debris.
- cc. “Roll-Off” means serviced by a roll-off vehicle (as opposed to a front-load or side-load vehicle). Roll-Off Bins consist of (a) compactors with a volume greater than 6 cubic yards, and (b) debris boxes of any size (i.e. 14, 20 or 30 cubic yards).
- dd. “SFE” means the City and County of San Francisco’s Department of the Environment.
- ee. “Source Separate” means to divide refuse at the place of generation, prior to collection, into the appropriate separate Bins that are designated for Recyclables, Compostables or Trash.

- ff. “Subscribed,” “Subscribed level of service,” and “Service Level” all mean the regularly scheduled weekly collection service that a Collection Location has requested and receives from Contractor, including the frequency of collection(s) per week, the quantity and size of Bins to be collected, the material (i.e., Trash, Recyclables, or Compost) to be collected, and the day(s) of the week that collection will occur. Subscribed, Subscribed level of service, and Service Level also include collection of any Roll-Off compactors and debris boxes, regardless of frequency of collection, but *do not* include “Extra” collections.
- gg. “Trash” means refuse other than Recyclables or Compostables.

2. Refuse Collection Services

- a. The Contractor shall collect, transport, and handle all Refuse generated by City Departments on a scheduled or On-Call basis, as requested by City Departments.
- b. The Contractor shall provide Bulky Item collection and Pallet Service to City Departments at both City-owned facilities (Collection Locations) as well as non-City owned facilities (e.g., leased properties) where City Departments are located. Bulky Item collection and Pallet Services are to be provided within five (5) days of request by Department Designee or SFE.
- c. At any given time, City Department Designees may add or remove Collection Locations and change Service Levels at any Collection Location under the Designee’s control. Department Designee shall copy SFE on all requests for changes in Service Levels. Customer requests for reductions in Recycling and Composting Service Levels or increases in Trash Service Levels require SFE approval, i.e., Contractor shall not process such requests until SFE has approved. All other Service Level requests do not require SFE approval.
- d. The Contractor shall use reasonable efforts to prohibit and prevent the collection and disposal of Prohibited Waste in any manner inconsistent with applicable laws and the 2015 Landfill Agreement. SFE may request from the Contractor a copy of their policies and procedures for compliance handling Prohibited Waste in accordance to federal, state, and local laws.

3. Provision of Bins; Cleanliness and Serviceability

- a. The Contractor shall supply and deliver Bins and other related items throughout the term of the Agreement as needed to perform the Scope of Services. All Bins and other related items supplied by Contractor will remain Contractor’s property unless said Bins or other related items were previously owned by City or purchased by City.
- b. City Departments may request to purchase or lease from the Contractor specific additional equipment, consisting of compactors and/or Bins for use internally or externally to facilitate recycling and composting. If Contractor offers such equipment for sale or lease, Contractor shall charge said equipment to the requested City Department through this Agreement, in accordance with the rates listed in Appendix B. Individual Equipment Leases shall be entered into in accordance with the terms specified in Appendix A, Section

10 (Equipment Leases; Establishment of Equipment Leases) and Appendix F (Equipment Lease Term Sheet). Purchased equipment shall be offered in accordance with Appendix A, Section 11 (Purchased Equipment).

- c. Contractor shall provide Bins that are color-coded, clearly marked with Contractor's name, and properly labeled depicting material collection consistent with City's Zero Waste program. The Bins shall be of sufficient size to contain Recyclables, Compostables, and Trash generated at Collection Locations. If a City Location wishes to Subscribe for additional Bins or change Bin size, Contractor shall deliver to the Collection Location, at no cost to City beyond the applicable Service Level rate, the additional or replacement Bins as requested by the Department Designee, within three (3) calendar days of Department Designee's written request.
- d. At the direction of SFE, Contractor, at no cost to the City and on an as-needed basis, shall purchase, store, and deliver to Collection Locations and to City Departments without Collection Locations (e.g. Departments located within leased properties) containers for internal use, including:
 - (i) 1-gallon Trash caddies;
 - (ii) Blue Recycling containers: 7-gallon, 10-gallon, and 23-gallon; and
 - (iii) Green Composting containers: 3-gallon kitchen pails, 7-gallon, 10-gallon, and 23-gallon
 - (iv) Blue Recycling and Green Composting containers shall be provided with the appropriate lids for the 7-gallon, 10-gallon, and 23-gallon containers for internal use.

SFE has final approval on the manufacturer and model of internal containers. The number of internal containers and associated lids to be provided by Contractor shall not exceed 1,550 internal containers and associated lids annually. Any unused portion of the annual internal container allocation shall not carry over to subsequent years. City Departments will purchase their own internal Trash containers other than the 1-gallon Trash caddy through a separate City agreement.

- e. All Bins and internal containers shall be appropriate for the intended use as specified by Department Designee or SFE. All Bins and internal containers provided by Contractor shall be non-absorbent and leak-resistant and must be constructed to prevent loss during collection or transportation. If Contractor fails to provide sufficient and adequate external Bins after written notice by Department Designee or SFE, City may purchase and place into service the necessary Bins and deduct the cost of such Bins from any amounts owed to Contractor.
- f. The development, design, and distribution of collateral (i.e., color-coded signage to be placed near Bins or internal containers or distributed to employees) will not be provided through this Agreement. However, Contractor shall work in collaboration with City-approved vendor(s) to support the development of such collateral. All developed collateral shall be approved by SFE.

- g. The Bins and internal containers delivered by Contractor shall be clean and graffiti free. City agrees to reasonably maintain all exterior Bins for cleanliness and appearance. Contractor agrees to exchange broken or uncleanable Bins as requested by City at no cost to City.
- h. Contractor shall be responsible for leaving all exterior Bins, equipment, Collection Locations and City facilities served in a safe condition, reasonably clear of fluid or debris caused by Contractor and reasonably free from residue resulting from spillage caused by Contractor. All releases or spillage from exterior Bins, equipment or vehicles caused by Contractor will be cleaned up by Contractor in accordance with Contractor's ordinary course of business.

4. Time and Manner of Collection

- a. Service Frequency: Recyclables, Compostables, and Trash shall be removed from Collection Locations, Monday through Sunday, other than holidays on which Contractor does not generally provide service, in a systematic and timely manner. The Department Designee or SFE reserves the right to change Service Levels such as collection frequency, collection day(s) or Collection Locations in writing; provided, Contractor confirms any such changes, including all changes that would affect the cost of providing any services.
- b. Title: Title to all refuse passes to Contractor when it is loaded into Contractor's Bins and/or vehicles.
- c. Minimum Service Level: Contractor shall collect all Bins containing refuse that are subject to putrefaction at least once per week. Contractor shall collect all other Bins at least once per month.
- d. On-Call Service: Services not provided on a regularly scheduled basis are designated as "On-Call". When On-Call collection is required, the Department Designee for the Collection Locations where the service is needed shall contact Contractor for service by phone and confirm in writing, and Contractor shall provide collection within twenty-four (24) hours of such notice.
- e. Missed Collections: Upon notice by phone, with written confirmation, by the Department Designee or SFE, of a partial or missed collection of Recyclables, Compostables, or Trash, Contractor shall complete the collection on the day or following day notification was made at no additional cost. **If Contractor does not complete the partial or missed collection within 24 hours of notification, the per-pickup cost of a Bin of the same size as the Bin that was partially collected or uncollected shall be deducted from any amount City owes Contractor for the month when the missed or partial collection occurred.** The deduction shall be calculated the same way regardless of whether the partial or missed collection was of a Recyclables, Compostables or Trash Bin. For services charged on a monthly basis, the per-pickup cost shall be calculated by taking the monthly charge for a Trash Bin of the same size collected at the same frequency, and dividing it by the number of scheduled collections for that Bin for that month.

- f. Emergency/Off-hours Collection: The Department Designee for a Collection Location may initiate emergency, off-hour, and additional On-Call Service collections by phone, and confirmed in writing, to Contractor. Such collections will be billed at the regular Extra or per-pickup collection rates applicable for the day that the service is provided.
- g. Holiday Service: In the event of a holiday occurring on a scheduled collection date, collection shall be made on the next business day.

5. Zero Waste Program Requirements

- a. Contractor shall develop a Zero Waste Plan for City Departments **within six (6) months of the Contract Start Date**. Within the six (6) months, Contractor will complete an analysis of all City Department locations that will help inform the plan.
- b. The Zero Waste Plan:
 - (i) Shall outline recommended annual Zero Waste activities at selected City Department Collection Locations based on assessment and analysis of generation and disposal activities at each of the selected City Collection Locations.
 - (ii) Shall include proposed activities under the Zero Waste Programs outlined in Appendix E: Contractor's Zero Waste Programs, including, but not limited to:
 - 1) Recovery Inspection Program (Appendix E, Section B)
 - 2) Auto Migration Program (Appendix E, Section C)
 - 3) Three Cart Pilot Program (Appendix E, Section D)
 - (iii) Shall include benchmarks and milestones for the three (3) above-named Zero Waste Programs.
 - (iv) Shall include the following additional information:
 - 1) Contractor's Recovery Inspection plan for the year, including targeted Collection Locations and inspection timeline.
 - 2) Source reduction recommendations.
 - 3) Contractor's implementation plans for technologies to support City's goal of zero waste, including those identified in Appendix E, Section I, "Technology to Monitor Material Streams."
 - 4) Educational material and internal containers available for City Department Locations.
 - 5) A list of training events to be offered each year.
- c. SFE must approve the final Zero Waste Plan; such approval not to be unreasonably withheld. On an annual basis, beginning in 2026 for the 2027 Agreement Year, the Waste Zero Specialist shall collaborate with SFE to revise the Zero Waste Plan as needed for the subsequent Agreement Year, such collaboration to begin no earlier than October 1 and end no later than November 30.

- d. Contractor shall assign a dedicated “Waste Zero Specialist” who will administer the Zero Waste Plan and Contractor’s programs, as further outlined in Appendix E. Working directly and closely with SFE, Contractor’s Waste Zero Specialist shall manage outreach, education, recovery inspection, and other related zero waste activities pursuant to the Agreement and the Zero Waste Plan. Contractor’s Waste Zero Specialist will act as Contractor’s “Recovery Liaison” to the City Department Locations.
- e. Contractor shall use its reasonable efforts to recycle or compost the maximum amount of material collected pursuant to this Agreement that is recyclable or compostable.
- f. At City’s request, and at no cost to City (inclusive of transportation and delivery costs), Contractor shall provide City up to 600 cubic yards of SB 1383 qualified compost per year, to contribute to the City’s procurement target under SB 1383. Contractor shall deliver the compost at a time and location within the City and County of San Francisco mutually agreeable between City and Contractor. City shall make no more than one request for compost delivery per month. Each request shall be for between 25 and 300 cubic yards. Individual requests over 100 cubic yards may be delivered over multiple days. Any unused portion of the annual allocation shall not carry over to subsequent years. SB 1383-qualified mulch may be substituted for compost if mutually agreed by City and Contractor. Delivered compost can be in bulk form or bagged, at Contractor’s option. Contractor will keep and provide records from prior calendar year to City annually by July 1st with the following information:
 - (i) Source of product including name, physical location and contact information for each entity, operation or facility from whom the compost was procured;
 - (ii) Type of product;
 - (iii) Quantity provided; and
 - (iv) Invoice or other record or documentation demonstrating purchase, procurement, or transfer of material to specified location.

6. Delivery and Processing

- a. Disposal of Trash by Contractor is governed by the 2015 Landfill Disposal Agreement. Trash that contains Recyclables and Compostables may be processed by Contractor to recover these materials. Contractor shall notify SFE and OCA prior to any change in processing technologies.
- b. Contractor shall deliver Recyclables and Compostables to permitted Recycling and Composting facilities. If Compostables are delivered to a facility for anaerobic digestion Contractor must provide signed documentation from the facility stating that none of the resulting digestate will go to landfill, including for alternative daily cover (as defined by the State of California), and will instead be composted or beneficially land applied. Contractor shall notify SFE and OCA prior to any change in processing facilities.
- c. Contractor shall make a reasonable effort to maximize the use of alternative power, such as renewable fuel, solar and wind power in transporting and processing the materials.

7. Technical Assistance, Education, and Outreach

Contractor must provide an on-going and effective technical assistance, education, and outreach program to City Departments to assist the City in meeting recovery requirements and the goal of Zero Waste. The program shall be led by the dedicated Waste Zero Specialist. The program's messaging must be developed in collaboration with and approved by the SFE. The program shall include the programs identified in Appendix E, "Contractor's Zero Waste Programs," as well as the following, to the extent not covered in Appendix E:

a. Technical Assistance:

- (i) Inspections of the external Bins for quality control and compliance.
- (ii) Site visits to Collection Locations to understand movement of refuse materials.
- (iii) Bill/invoice analyses to identify cost savings and recovery rate improvement.
- (iv) Assistance with placement of internal containers, as necessary.
- (v) Right-sizing of Bins for maximizing recovery.

b. Audits and Inspections:

- (i) Audits shall be conducted by Contractor for Customer Collection Locations identified as large refuse generators in accordance with City and County of San Francisco's Chapter 19 – Section 1906 of the Environment Code and associated regulations.
- (ii) Route reviews or waste evaluations that include routes servicing City Locations shall be conducted in accordance with the State of CA's Article 9.25 of the SB 1383 Regulation requirements.
- (iii) On-site refuse inspections shall be conducted for the low recovery rate Collection Locations. Contractor, in collaboration with and approval by SFE, shall determine the appropriate number of City Department Customer accounts to focus on annually for the duration of this Agreement.
- (iv) The results of the refuse audits, provided in a reporting format approved by SFE, and on-going compliance reports related to refuse collection and processing for Chapter 19 of the Environment code and SB 1383 will be provided to SFE.

c. Education and Outreach:

- (i) Inform and educate Customers on the full range of all services being offered, including Bin exchange and cleaning, bulky item and pallet collection services, and availability of external Bins and internal containers.
- (ii) Advise Customers on the selection of collection services and Bin sizes at each Collection Location to maximize recovery, and the potential cost control if a City Department takes recommended actions to increase recovery.
- (iii) Educate Customers on how to participate in Contractor's recycling and composting recovery programs, and decrease or eliminate contamination, including advising appropriate personnel (management, employees, janitors, etc.) at Collection

Locations on methods and recommendations to increase recycling and composting and decrease Trash.

City reserves the right to redirect Contractor's Technical Assistance, Education, and Outreach efforts in a cost-neutral manner if the Technical Assistance, Education, and Outreach program as proposed by Contractor is not showing measurable and tangible results.

Contractor shall provide personnel with in-depth technical knowledge of the services the Contractor is providing under this Agreement, to answer questions and offer assistance to City personnel, during City business hours (7:30 A.M. – 5:00 P.M.) Monday through Friday.

8. Invoice and Customer Service Requirements; Reporting

- a. City Department Invoices: Contractor shall invoice individual City Departments and City Departments shall pay such invoice directly to the Contractor. Invoices shall be sent to the Department Designees or the person delegated within each City Department with authority to receive invoices and responsible for obtaining payment approval for Collection Locations.
- b. Invoice Format: OCA and SFE have final approval on invoice format. Invoices furnished by Contractor under this Agreement must be in a form acceptable to City and include the information specified in Article 3.3.4 of this Agreement, as well as include the following information:
 - (i) Collection Locations
 - (ii) Frequency of collection (collection day(s))
 - (iii) Size of each collection Bin
 - (iv) Type of material (Recyclables, Compostables, Trash)
 - (v) Quantity of each collection Bin type
 - (vi) Charges associated with each Bin service
 - (vii) Any Ancillary Charges
 - (viii) Any Contamination & Overages charges
 - (ix) Any Equipment Lease charges
 - (x) Recovery Rate and the resulting applicable Recovery Discount, and/or any other applicable discounts
 - (xi) For Roll-Off Bins (compactors above six (6) cubic yards and debris boxes), Contractor shall include the number of times each Roll-Off Bin was collected (pulled) in the reporting period and associated charges. Detailed weight information for Roll-Off Bins shall be provided by Contractor as requested by the Department Designee or SFE.

- c. Past Due Notices: Past due notices shall be sent to the Department Designees or the person delegated within each City Department with authority to receive invoices and responsible for obtaining payment approval for Collection Locations. Contractor shall notify OCA and SFE of all disputed invoice charges and complaints quarterly.
- d. City-wide Billing and Usage Report: On a monthly basis, within 15 days of the end of each month, Contractor shall provide, electronically in the form of an online portal or dashboard, if available, as well as through an electronic report in Microsoft Excel, a City-Wide Billing and Usage Report to OCA and SFE. The City-Wide report shall be a compilation of the monthly usage and charges at each individual Collection Locations pursuant to Section 8(a). Charges shown shall be consistent with invoices. Report shall include analysis of month- over-month charges, recovery rates, and as applicable, contamination and overages charges, for each location. Report must include all calculations for tabulating monthly charges for each Collection Location. The City reserves the right to inspect the Contractor's records to verify the information provided in the reports. OCA and SFE have final approval on the electronic report format.
- e. City-wide Recovery and Disposal Tonnage Breakdown Report: On a quarterly basis, within 45 days after the end of each quarter, Contractor shall provide, electronically in Microsoft Excel, a City-wide Recovery and Disposal Tonnage Breakdown Report identifying recovery and disposal volumes for the prior quarter. It is understood that tonnages in the report will generally be estimates based on Subscribed-for Bin volume, volume-to-weight conversion factors, facility-wide recovery rates at recycling and composting facilities, and other relevant factors. The format will be as follows:

| | Collected | Recovered | Disposed | % Recovered |
|-----------------------|----------------------------|-----------|----------|-------------|
| Recyclables | | | | |
| Compostables | | | | |
| Trash | | | | |
| Bulky Item Collection | | | | |
| Total Tons | | | | |
| | Monthly quantity collected | | | |
| Pallet Collection | | | | |

- f. City Facilities Customer Complaint Log: On a quarterly basis, within 45 days after the end of each quarter, Contractor shall provide, electronically in Microsoft Excel, a complaint log listing complaints of missed pickups to City Departments, including the date and service address of each complaint and the resolution of each complaint. City reserves the right to understand each complaint case provided in the log. OCA and SFE have final approval on the electronic log format.
- g. Customer Service; Billing Inquiries:

(i) **Hours of Operation:** Contractor must maintain normal business hours of at least 7:30 A.M. to 5:00 P.M., Monday through Friday throughout the term of the Agreement, and be open at all times during that period.

(ii) **Service Support:**

- a) Contractor shall maintain sufficient customer service personnel during City business hours (7:30 A.M. – 5:00 P.M.) to provide service support, including, but not limited to:
 - 1. Responding to Service Level and Collection Location change requests, and requests for Ancillary services
 - 2. Logging and resolving complaints regarding service, including missed collections, billing and invoice questions, etc.
 - 3. Responding to routine inquiries regarding services offered
- b) Customer Service personnel shall be reachable via a single customer service phone number and single customer services email address:

Customer Service Email:

customerservice@recologysf.com

Customer Service Phone:

(415) 330 - 1300

- c) Contractor shall also maintain a 24-hour/On-Call service support email and phone number to handle evening and weekend service issues. 24-hour/On-Call service support number and email address are as follows:

24-hour/On-Call Customer Service Email:

customerservice@recologysf.com

24-hour/On-Call Customer Service Phone:

1 (800) 707 - 8673

- d) **Customer Service Response.** Contractor shall make good faith efforts to achieve “first call resolution” for each customer service request received during normal working hours by 4:00 PM, including:
 - 1. Resolution of field issues during the shift in which Customer submits service complaint or request;
 - 2. Returning all calls within one hour after they are received; and
 - 3. Responding to all emails by end of the business day in which they are received.

e) Online Service Portal

1. Contractor is in the process of implementing a new online customer service portal for its commercial customers in San Francisco. Contractor shall use good faith efforts to make such system available to City Department Customers at the same time and with the same capabilities as are provided to commercial customers in San Francisco generally. The features of the system are expected to include:

- Allowing City Departments to view their collection schedules.
- Allowing City Departments to submit change requests for Service Levels and Collection Locations, as well as submit general service inquiries and questions.
- Allowing City Departments to view invoice data for each Collection Location, including Subscribed recycling volume, compost volume, and Trash volume.
- Allowing City Departments to view their past and current invoices, including payment history. (Note: Invoices available through the portal may not reflect all the requirements of this Agreement.)
- Allowing City Departments to access bill pay options online, using a credit card, debit card, or checking/savings account.
- Allowing Contractor to upload contamination photos and recovery reports to customers' accounts, where they can be viewed by City Departments.

(iii) Billing Discrepancy Protocol: Contractor shall assign a dedicated accounting/billing representative to manage City accounts and handle billing discrepancies/disputes. City shall direct billing inquiries to such dedicated accounting/billing representative. Resolution of billing discrepancies/disputes may include, but shall not be limited to, review and verification by Contractor and City of service levels on the account, invoiced rates, records of service dates, records of contamination or overages, etc.

For confirmed billing errors by Contractor, Contractor shall submit a corrected invoice to the City. Should billing errors be identified and confirmed after payment has been made by City on an invoice, Contractor shall credit City in accordance with City's payment/credit procedures.

(iv) Timely Invoice Dispute Resolution: Contractor shall timely issue invoices to each City Department pursuant to Article 3.3.1, Calculation of Charges. City shall endeavor to review invoices timely and to dispute any charges and/or request clarification, in writing, within 15 business days of receipt. Contractor shall endeavor to respond to clarification and data requests within 15 business days of receipt of written notification of disputed charges and/or requests for clarification.

- h. The timely and complete submission of all reports is a necessary and material term and obligation of this Agreement.
- i. The Contractor shall maintain a proper set of books and records in accordance with the Generally Accepted Accounting Principles, except that any unaudited financial statements need not contain the notes required by Generally Accepted Accounting Principles, accurately reflecting the business done by it under this Agreement.

9. Contamination & Overages Management

a. Phase-In Period; General Requirements.

- (i) Over a period of three (3) months from the Contract Start Date, Contractor shall provide outreach and notifications to City Department Customers, including via email, designed to encourage recycling and composting, describe proper sorting procedures, ensure that Collection Locations are Subscribed to the correct Service Level, and identify additional costs that Contractor incurs due to Contamination and Overages. This notification and outreach procedure shall be designed to educate City Department Customers regarding Contractor's system of Contamination and Overage charges and communicate that, if each Collection Location properly separates Recyclables and Compostables from Trash and has a Subscription for sufficient Bin volume to handle all their material, no such charges will be assessed.
- (ii) After the three (3) month period, Contractor will provide a recommendations report to SFE, to include the Collection Locations with observed high Contamination levels, and opportunities for Bin resizing and other areas for improvement at those locations.
- (iii) Upon review of the recommendations report, SFE shall notify the Collection Locations covered by the report of the observed high contamination levels and Contractor's recommendations for Contamination reduction and right-sizing, etc., to the extent SFE agrees with such recommendations.
- (iv) During the three (3) months after the Contract Start Date, Contractor shall not charge City Departments for Contamination. The Contamination warning notifications and Contamination charges, as specified in Appendix A, subsection 9.c below, will be implemented beginning at the end of such three (3) month period (i.e., beginning April 1, 2025). For clarity, Contractor may charge for Overages at any time.
- (v) SFE has final approval on the Contractor's proposed content for the notification letters required per this Section 9. Contractor shall share proposed notification letter templates with SFE prior to commencing the notification and contamination charge procedures identified herein.

b. Contamination Thresholds.

- (i) If a Recyclables Bin appears to contain more than 10% by volume of non-Recyclables, then the Bin is considered "contaminated."

- (ii) If a Compostables Bin appears to contain more than 5% by volume of non-Compostables, then the Bin is considered “contaminated.”
- (iii) If a Trash Bin appears to contain more than 25% by volume of Recyclables and Compostables, then the Bin is considered “contaminated.”

| Collection Stream | Contamination Threshold |
|-------------------|-------------------------|
| Recyclables | 10% |
| Compostables | 5% |
| Trash | 25% |

- (iv) The Contractor’s practice is not to collect any Bin that contains any amount of Hazardous Material, Medical Waste, Electronic Waste, or other material that is prohibited from being disposed of in the refuse stream.
- (v) Public facing Trash Bins that Collection Locations do not have control over and/or Trash Bins that Collection Locations use to consolidate Abandoned Materials from the public will not be subject to Contamination charges. City and Contractor shall mutually agree on such Collection Locations.

c. Contamination Charges and Notification Procedure

(i) Contamination Charges.

- (a) **Per Occurrence Contamination Charge.** The “Per Occurrence” Contamination Charge shall equal the Extra Collection Rate for the same size Bin as specified in Appendix B5. For instance, if Contamination is observed in a 64-gallon Compostables Bin, the Customer will be charged for collection of a commercial 64-gallon Trash Bin at the Extra Collection Rate, in addition to the Customer’s regular charge for the 64-gallon Compostables Bin. The Per Occurrence Contamination Charge shall be in addition to the Customer’s regular charge for the Bin.

The Per Occurrence Contamination Charge can be charged on a Bin at any time that Contamination is observed in that Bin, except if (A) it is the first (1st) instance of observed Contamination in that Bin, (B) it occurs after the first (1st instance) but before the First Notice is provided under subsection (ii)(a)(I) below, (C) it occurs within the first seven (7) days after the First Notice is provided under subsection (ii)(a)(I) below, or (D) a Recurring Contamination Charge is in effect with respect to that Bin at the time the Contamination is observed.

- (b) **Recurring Contamination Charge.** The Recurring Contamination Charge shall be assessed for recurring Contamination at a Collection Location pursuant to the procedures below, and shall equal either fifty-percent (50%) or one hundred percent (100%) of the regular collection rate for the same-size Bin collected at the same frequency, with no Recovery Discount, pursuant to the procedures below. The recurring Contamination Charge shall be in addition the Customer’s regular Subscribed charge for the Bin.

(ii) Notification Procedure for Recurring Contamination Charge.

(a) First Notice: At the first (1st) instance of observed Contamination in a particular Bin at a particular Collection Location:

- I. Contractor shall provide the Customer a written notice (the “First Notice”) within seven (7) days of the occurrence, which notifies Customer of the Contamination and advises Customer that Per Occurrence and Recurring Contamination Charges may be assessed for future instances of Contamination in that Bin. The notification shall be via email, copying SFE, informing the Collection Location Customer that contamination was observed in the Bin.
- II. As evidence of the Contamination, Contractor’s driver will place a “driver tag” on the Bin, and/or Contractor will provide a copy of the system note indicating that the driver observed the Contamination.
- III. No Per-Occurrence Contamination shall be charged on that Bin for the first instance of observed Contamination, for any subsequent instances of observed Contamination before the First Notice is issued, or for any subsequent instances of observed Contamination within the first seven (7) days after the First Notice is issued. Beginning after seven (7) days following issuance of the First Notice by Contractor, Per-Occurrence Contamination Charges may be assessed for any instance of observed Contamination in that Bin, unless the Recurring Contamination Charge is in effect with respect to that Bin at the time the Contamination is observed.

(b) Second Notice: If a subsequent instance of Contamination is observed in the same Bin at the same Collection Location after seven (7) days following Contractor’s issuance of the First Notice with respect to that Bin, then:

- I. The Per-Occurrence Contamination Charge shall be charged to the Customer with respect to that Bin and the Per-Occurrence Contamination Charge shall also be charged for any subsequent instances of observed Contamination in that Bin, except when the Recurring Contamination Charge is in effect.
- II. Contractor shall provide a written notice via email to Collection Location Customer and SFE (“Contamination Warning Letter”) to notify Customer: 1) of the subsequent instance of Contamination, 2) that the Per Occurrence Contamination Charge will be assessed for this instance and any subsequent observed instance of Contamination in that Bin, 3) that the Recurring Contamination Charge may be charged for future instances of Contamination in that Bin, and 4) that the charges may increase if the problem is not corrected.
- III. As evidence of the Contamination, Contractor’s driver will place a “driver tag” on the Bin, and/or Contractor will provide a copy of the system note indicating that the driver observed the Contamination.

- IV. Contractor shall provide thirty (30) calendar days after issuance of the Contamination Warning Letter for Customer to discontinue the Contamination at the Collection Location, before proceeding to the next notification tier.

(c) **Third Notice:** If a subsequent instance of Contamination in the same Bin at the same Collection Location thirty (30) or more days after the Contractor issues the Contamination Warning Letter with respect to that Bin, then:

- I. The Per Occurrence Contamination Charge shall be charged to Customer with respect to that Bin and the Per-Occurrence Contamination Charge shall also be charged for any subsequent instances of observed Contamination in that Bin, except when the Recurring Contamination Charge is in effect.
- II. Contractor shall provide a written notice via email to Customer and SFE (“Final Notice of Contamination Letter”) to notify Customer: 1) of the subsequent instance of Contamination, 2) that the Per Occurrence Contamination Charge will be assessed for this instance and any subsequent observed instance of Contamination in that Bin, 3) that the Recurring Contamination Charge - 50% will be added to the monthly bill if the Contamination issue is not addressed within thirty (30) days, and 4) that the charges may increase if the problem is not corrected.
- III. As evidence of the Contamination, Contractor’s driver will place a “driver tag” on the Bin, and/or Contractor will provide a copy of the system note indicating that the driver observed the Contamination;
- IV. Contractor shall provide thirty (30) calendar days after issuance of the Final Notice of Contamination Letter for Customer to discontinue the Contamination at the Collection Location before Recurring Contamination Charges are assessed.

(d) **Fourth and Subsequent Instances; Assessment of Recurring**

Contamination Charge – 50%: If a subsequent instance of Contamination is observed in the same Bin at the same Collection Location thirty (30) or more days after the Contractor issues the Final Notice of Contamination Letter with respect to that Bin, then:

- I. Contractor shall provide written notice via email to Customer and SFE (“Recurring Contamination Charge Letter”) to notify Customer: 1) of the subsequent instance of Contamination, 2) that the Recurring Contamination Charge - 50% will be added to the monthly bill with respect to that Bin, and 3) that the recurring charges may increase if the problem is not corrected.
- II. As evidence of the Contamination, Contractor’s driver will place a “driver tag” on the Bin, and/or Contractor will provide a copy of the system note indicating that the driver observed the Contamination.

- III. In addition, the Waste Zero Specialist shall contact the Customer to inform them about the steps needed to remove the charge.
 - IV. The Recurring Contamination Charge – 50% shall be assessed to the Customer with respect to that Bin and remain on the account for a minimum of two (2) monthly billing cycles;
 - V. While the Recurring Contamination Charge – 50% is in effect, the Per-Occurrence Contamination Charge will not be assessed with respect to that Bin.
- (e) **Assessment of Recurring Contamination Charge – 100%:** If a subsequent instance of Contamination is observed in the same Bin more than sixty (60) days after Contractor issues the Recurring Contamination Charge Letter with respect to that Bin, then:
- I. Contractor may increase the recurring charge with respect to that Bin to the Recurring Contamination Charge – 100%.
 - II. While the Recurring Contamination Charge – 100% is in effect, the Per-Occurrence Contamination Charge will not be assessed with respect to that Bin.
- (f) **Removal of the Recovery Discount:** If the Recurring Contamination Charge – 100% is imposed pursuant to subsection (e) above, and the Customer is unresponsive to repeated outreach efforts by Contractor, then Contractor may also remove the Recovery Discount for all services at that Collection Location. The procedure for restoring the Recovery Discount shall be the same as for removal of the recurring Contamination charge, as specified in (g) below. Prior to removing the Recovery Discount, Contractor will contact the Customer using a written notice via email, copying SFE and OCA, informing all parties of the change.
- (g) **Removal of Recurring Contamination Charge/Reinstating the Recovery Discount:** The procedure for removing the Recurring Contamination Charge and/or reinstating the Recovery Discount shall be as follows:
- I. At any time after the Recurring Contamination Charge – 50% has been assessed with respect to a particular Bin for at least two (2) monthly billing cycles, the Customer may request and submit to Contractor a self-assessment form with photos for the Bin in question.
 - II. Contractor will review the form within ten (10) business days and respond with a decision as to whether the Customer passed or failed the self-assessment with respect to the Bin in question.
 - III. If the Customer fails the self-assessment, then the Customer shall have the option of: 1) either submitting a second self-assessment form for the Bin in question (in which case subsection (II) above shall be repeated), or 2) requesting that Contractor perform a quality assurance inspection on the Bin. If the Customer requests a quality assurance inspection, then within the next fifteen (15) business

days, Contractor will perform the inspection and provide the results to the Customer.

- IV. If the Collection Location passes the first or second self-assessment or passes the inspection:
 - a. The Recurring Contamination Charge with respect to the Bin in question will be removed effective as of the month the self-assessment was submitted or inspection was completed;
 - b. The Recovery Discount for the Collection Location shall be reinstated effective as of the month the self-assessment or inspection was completed, if the Recovery Discount had been removed from the Collection Location due to Contamination in the Bin in question.
- V. If the Collection Location fails the second self-assessment or fails the inspection, then the Recurring Contamination Charge and/or removal of the Recovery Discount will continue for another two (2) monthly billing cycles, at which time another self-assessment form may be requested and the above procedure repeated.
- VI. In the case of the Recurring Contamination Charge only (not the removal of the Recovery Discount), if the self-assessment or inspection shows improvement, but not enough to meet the Contamination thresholds, Contractor may opt to decrease the Recurring Contamination Charge (e.g., from 50% to 25% of the regular collection rate for the same-size Bin collected at the same frequency, etc.).

(h) Subsequent Instances of Contamination:

- I. If Contamination is observed in a Bin within six (6) months after the Recurring Contamination Charge with respect to that Bin is removed (and/or the Recovery Discount is restored), then the Bin will revert to the step it was last on. For example, if the Recurring Contamination Charge – 50% was being charged on the Bin, and was then removed pursuant to subsection (g) above, and then a subsequent instance of Contamination was observed in that Bin within six (6) months after the removal, then the Recurring Contamination Charge—50% would resume, and to remove it the Customer would again have to complete the steps specified in subsection (g).
- II. If no instances of Contamination are observed in a Bin within six (6) months after the Recurring Contamination Charge with respect to that Bin is removed (and/or the Recovery Discount is restored), but an instance of Contamination occurs after such six (6) month period, then the instance of Contamination will be treated as the first (1st) instance (subsection (ii)(a) above).

d. Prohibited Material Charges and Notification Procedure.

- (i) Any time a Bin contains Prohibited Waste and is noticed by the driver, the Bin shall not be collected. Contractor shall notify Collection Location Customer and SFE within 24 hours of the occurrence, providing details of the materials found in the Bin, if possible. Customer will be required to remove the Prohibited Waste from the Bin. Contractor shall collect the Bin at no charge once the Bin is absent any Prohibited Waste.
- (ii) Any time a Bin is inadvertently collected that contains Prohibited Waste, a charge equal to the Extra Collection Rate for the same-size Bin will be charged to the Collection Location Customer, pursuant to Appendix B5.

e. Overages Management. The Contractor may either refuse to collect an Overage or may collect it and charge the then-applicable Extra Collection Rate for the same-size Bin as the Bin that had the Overage, pursuant to Appendix B5. If the Bin is not collected, Contractor shall notify Collection Location Customer and SFE within 24 hours to indicate why the Bin was not collected. For material placed outside the Bin, the Extra Collection Rate charged is the overage rate per yard specified in Appendix B5, based on the volume of material.

f. For clarity, these Contamination and Overages charges and procedures are summarized in Appendix B8.

10. Leased Equipment; Establishment of Equipment Leases.

- a. **Leased Equipment.** Contractor shall offer equipment for lease as specified in Appendix B6 (Compactor Lease Rates). Any Leased Equipment shall remain the property of Contractor.
- b. **Establishment of Equipment Leases.** Individual Equipment Leases shall be established by each City Department Customer, and shall be documented via Purchase Order issued against this Agreement. The terms and conditions of this Agreement, including Appendix F, "Equipment Lease Term Sheet," shall apply to all Leased Equipment and govern each Purchase Order. Each Equipment Lease Purchase Order shall include the Equipment Lease Term Sheet. Equipment Leases shall be billed monthly.

11. Purchased Equipment. Contractor shall offer compactors for purchase as specified in Appendix B7 ("Compactor Purchase Price"). Before any purchase, Contractor shall provide a complete quote to City for compactor purchase, including any allowable Ancillary Charges identified in Appendix B7 (installation, delivery, customization, etc.). City shall authorize the purchase via Purchase Order. Any equipment that is purchased by City from Contractor shall become the City's property.

- a. **Use, Licenses.** City will not use or operate the Purchased Equipment improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement

- b. Delivery of Equipment; Transportation. Contractor shall arrange with the manufacturer and/or vendor for the delivery and any installation of the Purchased Equipment. City will reimburse Contractor for reasonable delivery and installation charges after the Purchased Equipment is accepted and upon proper presentation of invoices unless such charges are included in the cost of the equipment. The Purchased Equipment shall be delivered to the location designated by City and installed and made ready for operation. Contractor is responsible for arranging with the manufacturer and/or vendor to provide working equipment that is free of defects in equipment, material, or workmanship and is fit for its intended purpose or use.
- c. Installation. Contractor will arrange with the City and manufacturer and/or vendor to prepare the site, furnish, assemble and install the Purchased Equipment as necessary at the location designated by City. Contractor shall comply with all applicable State laws and local Ordinances in installing the equipment.
- d. Warranty. Contractor warrants to City that it will assign the manufacturer's warranty and service to the City effective as of the time of delivery of Purchased Equipment.
- e. Warranty Repairs. Contractor shall arrange with the manufacturer, authorized servicer or authorized dealer of the Purchased Equipment to perform all required warranty work and to schedule warranty services and parts delivery in coordination with the City's schedules. This does not limit or reduce in any manner the manufacturer's warranty or use of manufacturer's warranty service. Warranty repairs and parts shall be initiated within 24 business hours of initial notification by the City. All work required under warranty shall be promptly accomplished at no expense to the City. An adequate stock of repair parts shall be available within 24 business hours from notification by City for the equipment purchased.
- f. Force Majeure. Contractor shall not be liable for failure to furnish or install Purchased Equipment ready for use on the date specified, nor shall City be liable for delay in installation, when such failures are due to causes beyond the reasonable control of the party under obligations to perform, such as acts of God, acts of civil or military authority, fires, strikes, floods, epidemics, quarantine, war, riot, delays in transportation, and inability due to causes beyond its reasonable control to obtain necessary labor, materials or manufacturing facilities, and in such event the party under obligations to perform shall perform as soon as such cause is removed.
- g. City's Right to Use Other Equipment Simultaneously with the Purchased Equipment. City does not grant Contractor an exclusive right during the term of this Agreement to supply City with purchased compactors or with purchased Bins for Refuse storage and collection. City reserves the right to purchase similar or different equipment from any other supplier which may be used contemporaneously with any item of equipment purchased hereunder. City shall ensure equipment obtained from suppliers other than Contractor conforms with requirements for servicing by Contractor's vehicles and other equipment.
- h. Training on Purchased Equipment. If requested by the City Department purchaser, Contractor shall coordinate with the manufacturer or authorized dealer of any purchased compactors (or other service provider) to provide qualified instructor(s) to conduct

training for the City Department purchaser on use of the compactors. The training shall familiarize City personnel on safe operation, routine maintenance such as cleaning, and basic troubleshooting of the compactors. Location of training to be determined by the City.

Appendix B
Calculation of Charges (B1 through B10)
Effective January 1, 2025

B1. Bin Collection Rates (Monthly Rate)

| Size | Collections per week | | | | | | | | |
|----------------|--------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---|---|------------------------|----------------------|
| | 1 collection per week (M-F) | 2 collections per week (M-F) | 3 collections per week (M-F) | 4 collections per week (M-F) | 5 collections per week (M-F) | 6 collections per week (Mon-Sat) | 7 collections per week (Mon-Sun) | Saturday collection | Sunday collection |
| 32-gallon cart | \$53.77 | \$107.55 | \$161.33 | \$215.11 | \$268.88 | \$330.72 | \$400.64 | \$61.85 | \$69.92 |
| 64-gallon cart | \$107.55 | \$215.11 | \$322.65 | \$430.21 | \$537.76 | \$661.46 | \$801.27 | \$123.69 | \$139.82 |
| 96-gallon cart | \$161.33 | \$322.65 | \$483.99 | \$645.32 | \$806.64 | \$992.16 | \$1,201.91 | \$185.52 | \$209.73 |
| 1.0-yard bin | \$314.53 | \$629.05 | \$943.58 | \$1,258.10 | \$1,572.63 | \$1,997.24 | \$2,563.38 | \$424.61 | \$566.15 |
| 1.5-yard bin | \$471.78 | \$943.58 | \$1,415.37 | \$1,887.15 | \$2,358.93 | \$2,995.85 | \$3,845.07 | \$636.90 | \$849.22 |
| 2.0-yard bin | \$560.03 | \$1,120.07 | \$1,680.10 | \$2,240.13 | \$2,800.16 | \$3,556.21 | \$4,564.27 | \$756.04 | \$1,008.06 |
| 2.5-yard bin | \$700.38 | \$1,400.77 | \$2,101.16 | \$2,801.56 | \$3,501.94 | \$4,447.47 | \$5,708.17 | \$945.53 | \$1,260.70 |
| 3.0-yard bin | \$471.78 | \$1,562.24 | \$2,343.35 | \$3,124.49 | \$3,905.60 | \$4,960.11 | \$6,366.14 | \$945.53 | \$1,260.70 |
| 4.0-yard bin | \$560.03 | \$1,953.06 | \$2,929.58 | \$3,906.10 | \$4,882.64 | \$6,200.96 | \$7,958.69 | \$1,318.32 | \$1,757.75 |
| 6.0-yard bin | \$700.38 | \$2,773.69 | \$4,160.55 | \$5,547.40 | \$6,934.25 | \$8,806.50 | \$11,302.83 | \$1,872.24 | \$2,496.33 |
| 7.0-yard bin | \$781.13 | \$3,235.41 | \$4,853.11 | \$6,470.82 | \$8,088.51 | \$10,272.42 | \$13,184.29 | \$2,183.90 | \$2,911.86 |

| PARTIAL & MISSED COLLECTIONS DEDUCTION | |
|--|---|
| Partial Collection or Missed Collection not completed within 24-hours of City notification | DEDUCTION AMOUNT: Per-pickup cost for Bin of same size as uncollected or partially collected Bin shall be deducted from monthly bill, pursuant to Appendix A, Section 4.e |

B2. Ancillary Charges

| Types of Ancillary Services | Charge/Rate | Unit of measurement (UOM) |
|--|--------------------|--|
| <u>Distance Fee:</u> Bins located inside the property, less than 100 feet from the curb | 10% | Of Monthly Service Fee |
| <u>Distance Fee:</u> Bins located inside the property, more than 100 feet from the curb | 25% | Of Monthly Service Fee |
| <u>Elevation Fee:</u> carts located 4 feet or more above or below ground level | 25% | Of Monthly Service Fee |
| An access/key charge will be applied for every pickup in a week, except for Front-Loader Compactors. | \$15.79 | Each Pickup |
| Pallet Collection | \$7.42 | Each Pallet (in addition to per-trip charge) |
| Pallet Collection (as needed/On-Call service) | \$148.39 | Per Trip (in addition to per-pallet charge) |
| Cardboard Pickup/Collection Program – Weekday | \$16.76 | Per 2' x 2' x 2' Bundle* |
| Cardboard Pickup/Collection Program – Saturday | \$18.88 | Per 2' x 2' x 2' Bundle* |
| Cardboard Pickup/Collection Program – Sunday | \$21.34 | Per 2' x 2' x 2' Bundle* |
| * Cardboard must be flattened and tied with string or placed in a cardboard box. | | |
| External Bins for Internal Use | | |
| For Purchase | | |
| <i>Brand: Toter Inc. or City Approved Models</i> | | |
| 16 Gallon, 2-wheel Cart | \$89.03 | Each |
| 32 Gallon, 2-wheel Cart | \$123.92 | Each |
| 64 Gallon, 2-wheel Cart | \$164.02 | Each |
| 96 Gallon, 2-wheel Cart | \$186.36 | Each |
| Lids for External bins – 2-wheel toter cart | \$27.53 | Each |
| Rental | | |
| <i>Brand: City Approved Models</i> | | |

| | | |
|---|---------|-------------|
| 16 Gallon | \$8.32 | Per Month |
| 32 Gallon | \$8.73 | Per Month |
| 64 Gallon | \$9.50 | Per Month |
| 96 Gallon | \$10.31 | Per Month |
| 1 Yard | \$33.06 | Per Month |
| 1.5 Yard | \$33.94 | Per Month |
| 2 Yard | \$34.81 | Per Month |
| 3 Yard | \$36.63 | Per Month |
| 4 Yard | \$38.46 | Per Month |
| Compactor Steam Cleaning Rate Per Occurrence | | |
| Compactor Size | | Rate |
| All Sizes | | \$850.00 |

B3. Compactor Collection Rates

Front-Load Compactor (less than 6-yard) Collection Rates (Monthly Rate):

All Rates are comprehensive flat rates inclusive of all associated costs – transportation, container rotation, disposal, etc.
No additional charges are applicable.

| Front-Load Compactor Size | Weekday Collection Rate (for 1 collection/week) | Saturday Collection Rate | Sunday Collection Rate |
|---------------------------|---|--------------------------|------------------------|
| 0.50 yds | \$249.26 | \$274.17 | \$301.59 |
| 0.75 yds | \$373.89 | \$411.27 | \$452.40 |
| 1.00 yds | \$498.51 | \$548.36 | \$603.20 |
| 1.50 yds | \$747.77 | \$822.54 | \$904.80 |
| 2.00 yds | \$997.03 | \$1,096.73 | \$1,206.40 |
| 2.50 yds | \$1,246.28 | \$1,370.91 | \$1,507.99 |
| 3.00 yds | \$1,495.54 | \$1,645.09 | \$1,809.60 |
| 4.00 yds | \$1,994.04 | \$2,193.44 | \$2,412.80 |
| 4.50 yds | \$2,243.30 | \$2,467.62 | \$2,714.40 |
| 5.00 yds | \$2,492.56 | \$2,741.79 | \$3,025.54 |
| 6.00 yds | \$2,991.07 | \$3,290.16 | \$3,619.20 |

Roll-Off Compactor (exceeding 6-yard) Collection Rates per Pickup:

All Rates are comprehensive flat rates inclusive of all associated costs – transportation, container rotation, disposal, etc.
No additional charges are applicable.

| Compactor Size | Weekday Collection Rate | Saturday Collection Rate | Sunday Collection Rate |
|----------------|-------------------------|--------------------------|------------------------|
| 10 yds | \$1,166.39 | \$1,341.35 | \$1,542.55 |
| 15 yds | \$1,468.79 | \$1,689.11 | \$1,942.47 |
| 18 yds | \$1,819.93 | \$2,092.92 | \$2,406.86 |
| 20 yds | \$1,762.63 | \$2,027.03 | \$2,331.08 |
| 25 yds | \$2,056.48 | \$2,364.95 | \$2,719.70 |
| 27 yds | \$2,125.48 | \$2,444.30 | \$2,810.95 |
| 30 yds | \$2,203.10 | \$2,533.56 | \$2,913.60 |

B4. Debris Box Rates Per Pickup*

| Debris Box Size | Weekday Collection | Weekends & Holidays Collection |
|-----------------|--------------------|--------------------------------|
| 14 yds | \$1,067.26 | \$1,227.34 |
| 20 yds | \$1,240.51 | \$1,426.58 |
| 30 yds | \$1,338.29 | \$1,539.04 |

* For Trash, Recyclables and Compostables. The rate shown is the rate per pickup.

B5. Extra Collection Rates

| Extra Collection Rates Per Occurrence | | | |
|--|---------------------------|----------------------------|--------------------------|
| Size | Weekday Collection | Saturday Collection | Sunday Collection |
| 32 gallon cart | \$18.82 | \$21.65 | \$24.47 |
| 64 gallon cart | \$37.64 | \$43.29 | \$48.94 |
| 96 gallon cart | \$56.47 | \$64.93 | \$73.41 |
| 1.0 yard bin | \$110.09 | \$148.61 | \$198.15 |
| 1.5 yard bin | \$165.12 | \$222.92 | \$297.23 |
| 2.0 yard bin | \$196.01 | \$264.61 | \$352.82 |
| 2.5 yard bin | \$245.13 | \$330.94 | \$441.25 |
| 3.0 yard bin | \$273.39 | \$369.08 | \$492.11 |
| 4.0 yard bin | \$341.78 | \$461.41 | \$615.21 |
| 6.0 yard bin | \$485.40 | \$655.28 | \$873.72 |
| 7.0 yard bin | \$566.20 | \$764.37 | \$1,019.15 |
| Overage Rate Per Yard | \$110.09 | \$148.61 | \$198.15 |

| Front-Load Compactor Extra Collection Rates Per Occurrence (6-yards or less) | | | |
|---|---------------------------|----------------------------|--------------------------|
| Compactor Size | Weekday Collection | Saturday Collection | Sunday Collection |
| 0.5 yard compactor | \$87.24 | \$95.96 | \$105.56 |
| 0.75 yard compactor | \$130.86 | \$143.94 | \$158.34 |
| 1.0 yard compactor | \$174.48 | \$191.93 | \$211.12 |
| 1.5 yard compactor | \$261.72 | \$287.89 | \$316.68 |
| 2.0 yard compactor | \$348.96 | \$383.86 | \$422.24 |
| 2.5 yard compactor | \$436.20 | \$479.82 | \$527.80 |
| 3.0 yard compactor | \$523.44 | \$575.78 | \$633.36 |
| 4.0 yard compactor | \$697.91 | \$767.70 | \$844.48 |
| 4.5 yard compactor | \$785.16 | \$863.67 | \$950.04 |
| 5.0 yard compactor | \$872.40 | \$959.63 | \$1,058.94 |
| 6.0 yard compactor | \$1,046.87 | \$1,151.56 | \$1,266.72 |
| Overage Rate Per Yard | \$110.09 | \$148.61 | \$198.15 |

| Roll-Off Compactor or Debris Box Extra Collection Rates Per Occurrence | | | |
|---|--------------------|---------------------|-------------------|
| NOTE: Additional collections of Roll-Off compactors (greater than 6 yards) or debris boxes are not considered Extras and are charged the applicable per-pickup rate for the service. However, if material is placed outside a Roll-Off compactor or a debris box, such material shall be treated as an Overage and charged the overage rate per yard specified below based on the volume of material. | | | |
| | Weekday Collection | Saturday Collection | Sunday Collection |
| Overage Rate Per Yard | \$110.09 | \$148.61 | \$198.15 |

B6. Compactor Lease Rates

| Compactors for Lease | Monthly Lease Rate | Unit of Measurement (UOM) |
|--|---|---------------------------|
| 2 yds Front-End Load Compactor | \$972.37 | month |
| 4 yds Front-End Load Compactor | \$1,001.96 | month |
| 6 yds Front-End Load Compactor | \$1,194.94 | month |
| 15 yds Compactor | \$1,492.73 | month |
| 18 yds Compactor | \$1,592.63 | month |
| 20 yds Compactor | \$1,522.58 | month |
| 25 yds Compactor | \$1,552.71 | month |
| 27 yds Compactor | \$1,654.87 | month |
| 30 yds Compactor | \$1,689.08 | month |
| Compactor Maintenance Rate | | |
| Maintenance & Repair (above and beyond Preventative Maintenance) | \$264.98/hour + twenty (20)% mark-up on parts | |
| Pricing for compactors is based on the “standard” configurations specified below, or equivalent. | | |
| <u>Specifications – Front Load Compactors</u> Cram-a-Lot® Model CS.5, stationary horizontal-style compactor with One (1) 4 yd receiver bin | | |
| <div>1. ½ cubic yard capacity charge hopper</div> <div>2. Standard hopper with Safety interlocked loading door on RIGHT or LEFT Side</div> <div>3. Controls mounted on the RPU including:<div>a. Start Button</div><div>b. Emergency Stop / Reverse Button</div></div> <div>4. RIGHT or LEFT side, Single-lever securement latch</div> <div>5. Power pack mounted pressure gauge</div> <div>6. Multi-cycle capability to enhance compaction</div> <div>7. Tri-Voltage 3-phase s, voltage et as required</div> <div>8. Color: any std factory color</div> <div>9. ONE (1) 4yd Receiver bin with:<div>a. Two-wheel swivel on the blind end & fixed casters on ram end.</div><div>b. 6”x 3” poly on steel wheels</div><div>c. Top lids and side door can be padlocked</div></div> | | |
| <u>Specifications – Roll-Off Compactors (15, 20, 30 cu. yd.)</u> Cram-a-Lot® SC-T2 Series Self-contained compactor | | |
| Specifications | | |
| <div>1. Fully Enclosed 2 cubic yard Hopper with loading door on the RIGHT or LEFT side</div> <div>2. Double-end pickup</div> <div>3. Operating controls mounted on the RPU</div> | | |

- a. Keyed master on/off switch
- b. Push button start, emergency stop
- c. Combined 75% & 100% advance full warning light
- 4. Pressure gauge mounted on the power pack
- 5. Plumbed to Rear Door on RIGHT or LEFT side
- 6. Multi-cycle capability to enhance compaction
- 7. 10hp Motor, Tri-Voltage, 3-phase, voltage set as required
- 8. Hinged breaker bar teeth
- 9. Steel wheels
- 10. One set of steel, full channel guide rails and stops painted Safety Yellow
- 11. Color: any standard factory color

Additional notes, including items subject to additional charges, which shall be quoted at time of order:

- 1. FEL compactor includes one bin only
- 2. Lease rates are based on a minimum 36-month term; Early Termination Fee will apply pursuant to Appendix F, Equipment Lease Term Sheet, Section 15.
- 3. Compactor pricing is driven by unit size & specifications, not commodity (Trash, Recycling, Compost). Purchase and Lease rates are the same regardless of commodity.
- 4. Adding a cart lifter to an FEL compactor will increase lease price
- 5. Adding a cart or bin lifter to a Roll-Off compactor will increase lease price
- 6. Hydraulic Tailgate models (HTG) will increase lease price.

B7. Compactor Purchase Price

| Compactors for Purchase | Unit Price | Unit of Measurement (UOM) |
|--------------------------------|-------------------|----------------------------------|
| 2 yds Front-End Load Compactor | \$29,868.85 | each |
| 4 yds Front-End Load Compactor | \$30,854.60 | each |
| 6 yds Front-End Load Compactor | \$38,818.75 | each |
| 15 yds Compactor | \$48,273.89 | each |
| 18 yds Compactor | \$50,543.90 | each |
| 20 yds Compactor | \$48,208.96 | each |
| 25 yds Compactor | \$49,213.14 | each |
| 27 yds Compactor | \$52,618.65 | each |
| 30 yds Compactor | \$53,759.00 | each |

Pricing for compactors is based on the “standard” configurations specified below, or equivalent.

Specifications – Front Load Compactors

Cram-a-Lot® Model CS.5, stationary horizontal-style compactor with One (1) 4 yd receiver bin

1. ½ cubic yard capacity charge hopper
2. Standard hopper with Safety interlocked loading door on RIGHT or LEFT Side
3. Controls mounted on the RPU including:
 - a. Start Button
 - b. Emergency Stop / Reverse Button
4. RIGHT or LEFT side, Single-lever securement latch
5. Power pack mounted pressure gauge
6. Multi-cycle capability to enhance compaction
7. Tri-Voltage 3-phase s, voltage et as required
8. Color: any std factory color
9. ONE (1) 4yd Receiver bin with:
 - a. Two-wheel swivel on the blind end & fixed casters on ram end.
 - b. 6”x 3” poly on steel wheels
 - c. Top lids and side door can be padlocked

Specifications – Roll-Off Compactors (15, 20, 30 cu. yd.)

Cram-a-Lot® SC-T2 Series Self-contained compactor

1. Fully Enclosed 2 cubic yard Hopper with loading door on the RIGHT or LEFT side
2. Double-end pickup
3. Operating controls mounted on the RPU
 - a. Keyed master on/off switch
 - b. Push button start, emergency stop
 - c. Combined 75% & 100% advance full warning light
4. Pressure gauge mounted on the power pack
5. Plumbed to Rear Door on RIGHT or LEFT side
6. Multi-cycle capability to enhance compaction

7. 10hp Motor, Tri-Voltage, 3-phase, voltage set as required
8. Hinged breaker bar teeth
9. Steel wheels
10. One set of steel, full channel guide rails and stops painted Safety Yellow
11. Color: any standard factory color

Additional notes, including items subject to additional charges, which shall be quoted at time of order:

1. FEL compactor includes one bin only
2. All pricing excludes sales tax, which will be added to the invoiced amounts
3. Compactor pricing is driven by unit size & specifications, not commodity (Trash, Recycling, Compost). Purchase and Lease rates are the same regardless of commodity
4. Adding a cart lifter to an FEL compactor will increase purchase price
5. Adding a cart or bin lifter to a Roll-Off compactor will increase purchase price
6. Hydraulic Tailgate models (HTG) will increase purchase price

B8. Summary of Contamination & Overages Charges and Procedures

The below table summarizes the procedures and charges specified in Appendix A, Section 9. Should a discrepancy between this Appendix B8 and the charges and procedures outlined in Appendix A, Section 9 exist, the charges and procedures in Appendix A, Section 9 shall govern.

| CONTAMINATION | Contamination Notice Tier | Description of Notice Trigger | Notification to Customer and SFE | Contamination Charge | | |
|--|---------------------------|---|--|--|--------------------------------|---------------------------|
| | | | | Per Occurrence Contamination Charge | Recurring Contamination Charge | Recovery Discount Removal |
| <u>Recycling:</u> Bin contains 10% or more by volume non-recyclable material | 1st Notice | At the first instance of observed Contamination in a particular Bin at a particular Collection Location | " First Notice " by email within 7 days of occurrence | None before First Notice issued and for the first seven (7) days after First Notice issued | none | n/a |
| <u>Compost:</u> Bin contains 5% or more by volume non-compostable material | 2nd Notice | Contamination that occurs after seven (7) days following issuance of First Notice | "Contamination Warning Letter" by email warning of Per Occurrence and Recurring Contamination Charges | Per Occurrence Contamination Charge = Extra Collection Rate for same size Bin <i>(see Appendix B5)</i> | none | n/a |
| <u>Trash:</u> Bin contains 25% or more by volume non-recyclable material | | | | Charged on all Contamination instances that occur after seven (7) days following issuance of First Notice | | |

| | | | | | | |
|---|------------|---|--|--|--|-----|
| more by volume non-Trash material | 3rd Notice | Contamination that occurs 30 or more days after Contamination Warning Letter issued | "Final Notice of Contamination" by email regarding assessment of Recurring Contamination Charges if Contamination not resolved | Per Occurrence Contamination Charge = Extra Collection Rate for same size Bin <i>(see Appendix B5)</i> Charged on all Contamination instances that occur after seven (7) days following issuance of First Notice | none | n/a |
| | 4th Notice | Contamination that occurs 30 or more days after Final Notice of Contamination issued | "Recurring Contamination Charges Letter" by email regarding implementation of Recurring Contamination Charges | None while Recurring Contamination Charge is in effect | Recurring Contamination Charge - 50% = 50% of collection rate for the same-size Bin collected at the same frequency, with no Recovery Discount <i>(see Appendix B.1, B.3, and B.4 for collection rates)</i> Charge assessed for minimum of two (2) billing cycles (2 months) and continues until Contamination issues resolved | n/a |

| | Instances after Recurring Contamination Charge - 50% assessed | Contamination that occurs 60 or more days (2 billing cycles) after the 50% Recurring Charges start | none | None while Recurring Contamination Charge is in effect | Recurring Contamination Charge - 100% = 100% of collection rate for the same-size Bin collected at the same frequency, with no Recovery Discount <i>(see Appendix B.1, B.3, and B.4 for collection rates)</i> Charge assessed until Contamination issues resolved | n/a |
|--|---|--|---|--|---|--|
| | Instances after 100% Recurring Charge assessed | Contamination not resolved and Customer remains unresponsive to Contractor outreach efforts to cure issue. | | None while Recurring Contamination Charge is in effect | 100% Recurring Charge continues until Contamination issues resolved | Potential removal of Recovery Discount |
| PROHIBITED WASTE | Occurrence | | Notification to Customer and SFE | Charge | | |
| When Prohibited Waste is discovered in Bin | Inadvertently picked up | | email or phone call within 24hours of occurrence | Extra Collection Rate for same size Bin <i>(see Appendix B5)</i> | | |
| | Driver notices material before collection | | email or phone call within 24 hours of occurrence | Contractor collects Bin when Customer indicates Prohibited Waste is removed or upon next collection. | | |
| OVERAGES | Occurrence | | Notification to Customer and SFE | Charge | | |

| | | | |
|--|---------------|---|--|
| Bin overfilled; material placed outside of Bin; other excess material exceeding Bin volume | Collected | none | Extra Collection Rate for same size Bin (or Overage rate per yard for material placed outside Bin) (see Appendix B5) |
| | Not collected | email or phone call within 24 hours of occurrence | none |

B9. Additional Collection Rates – Bulky Item Pickup

- 1) **Cost for Bulky Item Pickup:** charge for Bulky Item Pickup includes Per Trip charge and Per Item charge specified in this Appendix B9.
- 2) All Bulky Items shall be disposed of in accordance with all laws and regulations, including State of California law.

| DESCRIPTION | | Rate (per trip) |
|---|-----------------------------|--|
| Bulky Item Trip Charge | | \$148.39 |
| Electronics | Type | Rate (per item) |
| Copier | | \$28.62 |
| Electronics - VHS, DVD, Stereo components | | \$7.42 |
| Electronics - Speakers | Small: < 24" each | \$7.42 |
| Electronics - Speakers | Large: > 24" each | \$16.96 |
| Electronics - Fans, heaters, paper shredders | | \$7.42 |
| Electronics - Computers, printers, fax machines | | \$14.84 |
| Electronics - Laser printer | | \$36.04 |
| Monitors | All sizes | \$11.66 |
| TV / Microwave | Small: 22" or less | \$14.84 |
| TV / Microwave | Medium: 23" - 27" | \$21.20 |
| TV / Microwave | Large: 28" - 36" | \$36.04 |
| TV - console | Small / Medium: 32" or less | \$42.40 |
| TV - console | Big Screen: 32" or greater | \$71.01 |
| Appliances | Type | Rate (per item unless otherwise specified) |
| Dishwasher | Non-commercial /Residential | \$42.40 |
| Dishwasher | Commercial | \$63.59 |
| Dryer | Non-commercial /Residential | \$49.82 |
| Dryer | Commercial | \$74.72 |
| Refrigerator | Non-commercial /Residential | \$71.01 |
| Refrigerator | Commercial | \$106.52 |
| Stove | Single | \$57.23 |
| Stove | Commercial | \$85.85 |
| Water Heater | < 50 gallon | \$42.40 |
| Water Heater | Commercial | \$63.59 |
| Washer | Non-commercial /Residential | \$57.23 |
| Washer | Commercial | \$85.85 |
| Washer/Dryer Combo Unit | Non-commercial /Residential | \$71.01 |

| Additional charge for non-standard sized appliances | | \$75.00 for each 200-pound increment |
|--|--|--|
| Furniture | Type | Rate (per item unless otherwise specified) |
| Cabinets / Shelves / Nightstand | Wood: Small | \$14.84 |
| Cabinets / Shelves / Dresser | Wood: Large | \$28.62 |
| Cabinets / Shelves / Dresser / China Cabinet | Wood: Heavy duty | \$57.23 |
| Cabinets / Shelves | Metal: Small | \$11.66 |
| Cabinets / Shelves | Metal: Large | \$23.32 |
| Cabinets / Shelves | Metal: Heavy Duty | \$57.23 |
| Carpet/Rug | 4' Roll <60 Pounds | \$11.66 |
| Carpet/Rug | 8'x12' | \$33.92 |
| Chairs | Small office style | \$10.60 |
| Chairs | Large office style | \$14.84 |
| Desk | Straight | \$28.62 |
| Desk | 2 sections | \$49.82 |
| Desk | 3 sections | \$57.23 |
| Desk | Flat sections for partitions - per section | \$14.84 |
| File Cabinets | Small | \$14.84 |
| File Cabinets | Medium | \$21.20 |
| File Cabinets | Large | \$28.62 |
| Futon | All sizes | \$36.04 |
| Mattress | Box Spring - twin | \$20.14 |
| Mattress | Box Spring - double | \$25.44 |
| Mattress | Box Spring - queen | \$36.04 |
| Mattress | Box Spring - king | \$42.40 |
| Mattress or Futon Frame | All sizes | \$12.72 |
| Partitions - Unassembled per section | < 36" | \$7.42 |
| Partitions - Unassembled per section | > 36" | \$10.60 |
| Recliner | Single seat lazy chair | \$28.62 |
| Sofa | All sizes | \$42.40 |
| Sofa Bed | All sizes | \$57.23 |
| Table | Small/Medium (Coffee table / End table size) | \$16.96 |
| Table | Large (Kitchen or Dining Room size) | \$36.04 |
| Additional charges to be assessed for non-standard sizes | | \$25.00 for each 3' x 3' x 3' increment |
| Building Materials | Type | Rate (Per Item) |
| (CITY DEPARTMENTS: DO NOT USE THIS AGREEMENT TO DISPOSE OF LARGE QUANTITIES OF CONSTRUCTION & DEMOLITION DEBRIS. This contract may be used only for disposal of single/small quantities of such items.) | | |
| Bath Tub - light steel or plastic | Light Steel or Plastic | \$14.84 |
| Bath Tub - claw foot or heavy cast iron | Claw Foot or Heavy Cast Iron | \$71.01 |
| Door - Hollow core | Hollow Core | \$14.84 each single door |
| Door - Solid core | Solid Core | \$21.20 each single door |

| | | |
|---|--|------------------------------------|
| Door | Security | \$36.04 each single door |
| Shower | | \$21.20 |
| Sink | Small | \$28.62 |
| Sink | Large | \$42.40 |
| Sink | Cast Iron | \$57.23 |
| Sink | Concrete Single | \$84.79 |
| Sink | Concrete Double | \$169.58 |
| Toilet | Wrapped with cloth or in cardboard box or separate water tank from base | \$28.62 |
| Windows | Small / Medium | \$16.96 |
| Windows | Large | \$36.04 |
| Windows | Sliding Glass Door | \$57.23 |
| Wood | Untreated and Unpainted Only 4' Bundle <60 Pounds | \$14.84 |
| Miscellaneous Items | Type | Rate |
| Tires (No commercial tires) | Without rim | \$34.98 per tire + handling fee |
| Tires (No commercial tires) | With rim | \$43.46 per tire + handling fee |
| Tire handling fee (with or without rim) (added to per- tire fee) | | \$26.50 per trip |
| Battery bucket | | \$20.14 per gallon |
| Battery handling fee | | \$79.99 per trip |
| Extra Bag/Can/Box | | \$9.54 |
| Misc Items/Loose/Unbundled | | \$72.63 per Cubic Yard |
| Carts for fabrics | | Rate |
| 64g cart for fabrics | | \$28.62 each |
| 96g cart for fabrics | | \$39.22 each |
| Other items, including medical equipment: | | Rate |
| To be quoted by Contractor at time of disposal request | | |

B10. Recovery Discount

1. Recovery Discount Formula

Each Department shall receive a Recovery Discount applied to each City Department Collection Location's monthly bill, equal to the Recovery Rate for the Collection Location less the Adjustment Factor. The Recovery Discount is calculated by Collection Location as follows:

| | |
|----------------------------|---|
| Recovery Discount = | $\frac{(\text{Recycling} + \text{Composting Volume})}{(\text{Recycling} + \text{Composting} + \text{Trash Volume})} - \text{Adjustment Factor}$ |
|----------------------------|---|

The Recovery Discount will be rounded up or down to the nearest full percentage point. Any Recovery Discount calculation that results in a Recovery Discount percentage that is half-way between full percentage points will be rounded up to the nearest full percentage point (i.e., 55.5% will be rounded up to 56%).

2. Annual Adjustment Factor Table

The Adjustment Factor used to calculate the Recovery Discount for each City Department Location shall be fixed for **Year 1** (January 1, 2025 – December 31, 2025) and **Year 2** (January 1, 2026 – December 31, 2026) of the Agreement. The Adjustment Factor for Year 3 through Year 7 shall be calculated annually pursuant to this Appendix B10, Section 4. Recovery Discount Incentive Program, below, and shall be documented in this Annual Adjustment Factor Table via an annual written amendment to the Agreement.

| ANNUAL ADJUSTMENT FACTOR TABLE | | | | | | |
|--------------------------------|---------------------------------|---|---|---|--|--|
| Agreement Year | Adjustment Factor Default Level | Prior Year Landfill Disposal Reduction (Goal = 1000 CY annual reduction) | Allowable Landfill Disposal Adjustment Factor Reduction (0%-10%) | Prior Year Total Generation Reduction (Goal = 2% annual reduction) | Allowable Total Generation Adjustment Factor Reduction (0%-10%) | Final Adjustment Factor (25% – column 4 – column 6) |
| Year 1 (2025) | 5% | n/a | n/a | n/a | n/a | 5% |
| Year 2 (2026) | 25% | n/a | n/a | n/a | n/a | 25% |
| Year 3 (2027) | 25% | __ CY | __ % | __ % | __ % | __ % |
| Year 4 (2028) | 25% | __ CY | __ % | __ % | __ % | __ % |
| Year 5 (2029) | 25% | __ CY | __ % | __ % | __ % | __ % |
| Year 6 (2030) | 25% | __ CY | __ % | __ % | __ % | __ % |
| Year 7 (2031) | 25% | __ CY | __ % | __ % | __ % | __ % |

3. Example Recovery Discount Calculation

Assume:

1) Adjustment Factor = 5%

2) City Department Location is Subscribed for the following service level:

| Service Level @ Collection Location | Subscribed Monthly Bin Volume by Cubic Yard |
|---|--|
| 3 96-gal. Trash Bins, 4 days/week | $= 3 * (96/201.9) * 4 * 4.33 = \mathbf{24.7}$ |
| 3 64-gal. Recyclables Bins, 4 days/week | $= 3 * (64/201.9) * 4 * 4.33 = \mathbf{16.47}$ |
| 1 7-yd. Compostables Compactor, 1 x per month | $= 1 * (7 * 3) * 1 = \mathbf{21}$ |

Note: 201.9 converts gallons to cubic yards; 4.33 converts weeks to month; using typical 3 to 1 compaction rate for compactors

The Recovery Discount for the above City Location would be as follows:

$$\text{Recovery Discount @ Collection Location} = (16.47 + 21) / (16.47 + 21 + 24.7) - 5\% = 55.3\%, \text{ rounded down to } \mathbf{55\%}$$

For the example above, the Recovery Discount calculation of fifty-five-point three percent (55.3%) would be rounded down to fifty five percent (55%).

4. Recovery Discount Incentive Program

To incentivize City to achieve its Climate Action Goals, Contractor shall provide a Recovery Discount Incentive Program as follows:

- a) The **Year 1** Adjustment Factor shall be fixed **5%**.
- b) The **Year 2** Adjustment Factor shall increase and be fixed at **25%**.
- c) Beginning in **Year 3** of the agreement (**January 1, 2027-December 31, 2027**), and annually thereafter through **Year 7**, the Adjustment Factor shall have a default level of **25%** ("Default Level").
- d) Beginning in **Year 3**, and annually thereafter through **Year 7**, the Adjustment Factor shall be reduced at the start of the year if the following conditions are met:
 - i) **Reduction in Landfill Disposal: Maximum Adjustment Factor reduction of 10%**
 - (1) The City shall have a goal of reducing the total Subscribed monthly Trash Bin volume for all City Departments combined by 1,000 cubic yards when compared to the same month from the previous year's total Subscribed monthly Trash Bin volume. This year over year change shall be determined pursuant to the methodology described in Subsection (iii) of this Section 4.(d).
 - (2) If City meets or exceeds **1,000 cubic yards reduction** in total Subscribed monthly Trash Bin volume in a given Agreement Year for all City Departments combined compared to the previous year, the Adjustment Factor shall **decrease by 10%**.

- (3) If City reduces total Subscribed Trash Bin volume by **less than 1,000 cubic yards** in a given Agreement Year for all City Departments combined compared to the previous year, the Adjustment Factor shall **decrease in proportion** to the volume reduction (e.g. a 500 cubic yard reduction will result in a 5% decrease in the Adjustment Factor).

ii) **Reduction in Total Generation: Maximum Adjustment Factor reduction of 10%**

- (1) The City shall have a goal of reducing its total Subscribed monthly Bin volume for all three streams (Trash, Recyclables, Compostables) for all City Departments combined by 2% when compared to the same month from the previous year's total Subscribed monthly Bin. This year over year change shall be determined pursuant to the methodology described in Subsection (iii) of this Section 4.(d).
- (2) If City meets or exceeds **2% reduction** in total Subscribed monthly Bin volume in a given Agreement Year for all City Departments combined compared to the previous year, the Adjustment Factor shall **decrease by 10%**.
- (3) If City reduces total Subscribed monthly Bin volume **less than 2%** in a given Agreement Year for all City Departments combined compared to the previous year, the Adjustment Factor shall **decrease in proportion** to the volume reduction (e.g. a 1% reduction will result in a 5% decrease in the Adjustment Factor).

iii) **Annual Volume Analysis:**

- (1) Volume reductions described in i) and ii) above shall be calculated annually based on Contractor's Trash, Recyclables, and Compostables collection service data. Volume reduction goals are not cumulative over the life of the Agreement but reset annually.
- (2) The reductions in Trash Bin volume and total Bin volume shall be based on Subscribed monthly collection services provided by Contractor to City Departments. Extra collection services are excluded from the calculation. Construction and Demolition Debris services are not part of this Agreement and shall also be excluded from the calculation.
- (3) The reductions in Trash Bin volume and total Bin volume shall be determined by calculating the year over year change in Subscribed monthly Bin volumes on July 1 of each year. For example, in calculating the Adjustment Factor effective January 1, 2027, the Subscribed monthly Bin volumes for July 1, 2026 shall be compared to the Subscribed monthly Bin volumes for July 1, 2025.
- (4) Annual volume reduction calculations shall be prepared by Contractor and submitted to City by no later than the September 1 prior to the end of each Agreement year, and shall be verified by City no later than the December 1 prior to the end of each Agreement year. The first such submission shall be due September 1, 2026. If City finds any errors in Contractor's calculations,

City shall promptly notify Contractor and the parties shall cooperate in good faith to resolve the error before January 1.

- iv) Reductions to the Adjustment Factor described in i) and ii) above shall apply to all City Departments equally.
 - v) Once the annual volume reduction calculations are verified by City, the Annual Adjustment Factor Table) shall be updated and documented via an annual written amendment to this Agreement as provided above.
 - vi) City shall not receive any Adjustment Factor decrease in any given Agreement Year if City does not achieve any annual reduction in Trash Bin volume and total Bin volume as described in i) and ii) above.
 - vii) Reductions in the Adjustment Factor described above will only apply so long as Contractor is the sole provider of Trash, Recyclables and Compostables collection services for all City Departments.
- e) Upon request by either Party, Contractor and City may consider revisions to this Recovery Discount Incentive Program within Years 3 – 7. If mutually agreed by both Parties, revisions to this Recovery Discount Incentive Program within Years 3 – 7 shall be effectuated via written amendment to the Agreement. For clarity, this provision (and other similar provisions in this Agreement) in no way obligate City or Contractor to agree to any modification of this Agreement.
- f) Should the Agreement be extended beyond Year 7, Contractor and City shall renegotiate the recovery goals specified in i) and ii) to allow for continued decrease of the Adjustment Factor below the twenty-five percent (25%) Default Level (but in no event to less than five percent (5%)). Such re-negotiated terms shall be reflected in the written Amendment that extends the Agreement.

Appendix C Price Adjustments; Regulatory and Compliance Requirements

1. Price

Only prices that appear on Appendix B will be considered for adjustment under this Appendix. No other pages with prices or attached price lists and/or catalog prices will be considered. Prices shall be exclusive of any Federal, State, local sales or use tax. In the event of a discrepancy between the unit price and the extended price, the unit price will prevail.

2. Price Adjustment

A. Annual Price Adjustment. Effective January 1, 2026 and each January 1 thereafter (“Adjustment Date”), prices that appear on Appendix B shall be adjusted by the annual percentage change in Consumer Price Index (“CPI”), as published by United States Department of Labor, Bureau of Statistics as defined below, provided, that if such index is discontinued, it shall be replaced by the index that most closely approximates it.

Series ID: CUSR0000SEHG

Series Title: Water and sewer and trash collection services in U.S. city average, all urban consumers, seasonally adjusted

Area: U.S. city average

Item: Water and sewer and trash collection services

Base Date: December 1997=100

Website: www.bls.gov/data/

B. Annual Price Adjustment Calculation. The adjustment to each price shall be calculated based on the most recently published CPI as of the November 1 date when the Annual Price Adjustment request is due pursuant to 2.C below (“CPI(CY)”), and will be calculated as follows:

$$\text{Adjusted Price} = \text{Current Price} * \left[1 + \frac{(\text{CPI(CY)} - \text{CPI(PY)})}{\text{CPI(PY)}} \right]$$

Where “CPI(PY)” equals the CPI value for the month 12 months before the month of CPI(CY). CPI(CY) will typically be the CPI value for the month of September. The calculated price will be rounded to the nearest cent.

The following example shows the calculation of a hypothetical price adjustment effective January 1, 2026 (with assumed values for the Current Price, CPI(CY) and CPI(PY)):

| Current Price | CPI(CY) | CPI(PY) | % Change in CPI | Adjusted Price |
|------------------------|--------------------|--------------------|--------------------|------------------------|
| \$50.00 (Oct. 2025) | 380 (Sep. 2025) | 370 (Sep. 2024) | 2.70% | \$51.35 (Jan. 2026) |

- C. When to request Annual Price Adjustment.** By the November 1 prior to the Adjustment Date, Contractor shall notify the City's Office of Contract Administration ("OCA") of a requested price adjustment in writing. The Contractor shall submit to OCA calculations for the price adjustment and an updated Appendix B showing Adjusted Prices. OCA shall review the Contractor's submission to verify the Contractor's calculations and may ask the Contractor for additional information to support the Adjusted Prices. If OCA finds any errors in Contractor's calculations, OCA shall promptly notify Contractor and the parties shall cooperate in good faith to resolve the error before January 1. After verification,, Price Adjustments will be documented in an Amendment to this Agreement.
- D. Price Adjustment to account for Successor Landfill Agreement.** If Contractor is required to dispose of Trash in accordance with a successor agreement to the existing Landfill Disposal Agreement between the City and Recology San Francisco executed in 2015 (such existing agreement, the "Existing Landfill Agreement"), then effective as of the date Contractor begins disposing of Trash in accordance with such successor agreement, Contractor's rates under this Agreement shall be adjusted so as to pass through to City any reasonable increased or decreased costs associated with disposal of Trash under such successor agreement (including but not limited to tip fees and transport costs) as compared to disposal of Trash under the Existing Landfill Agreement. Contractor shall notify OCA of such increased or decreased costs. Contractor shall submit to OCA justification for any such increased or decreased costs and submit an updated Appendix B showing Adjusted Prices, sufficiently documenting that Adjusted Prices reflect a pass through of the increased or decreased costs. OCA shall review the Contractor's submission and may ask the Contractor for additional information to support the Adjusted Prices. OCA has final approval on all Adjusted Prices under this subsection D but shall not unreasonably withhold or delay such approval. If approved, Price Adjustments will be implemented with an amendment to this Agreement and shall be effective upon execution of the amendment, such execution not to be unreasonably delayed by the City upon approval of Adjusted Prices. For clarity, such amendment may be executed (and the Adjusted Prices may take effect) at any time of year, not necessarily on January 1. Any adjustment under this subsection D shall be in addition to the Price Adjustments under subsections A-C above. If, after expiration of the Existing Landfill Agreement, the disposal of Trash is governed by arrangements other than an agreement (such as by operation of law), then such arrangements shall be treated as a successor agreement for purposes of this subsection D.

3. Additional Services

If, in the satisfaction of governmental interests it is necessary to purchase additional Services from Contractor, additional Services may be added to this Agreement by mutual agreement of the Parties in accordance with Chapter 21 of the San Francisco Administrative Code.

4. Regulatory Requirements

- A.** The Contractor must comply with all relevant refuse collection and processing laws and regulations, including but not limited to:
1. San Francisco's Goal of Zero Waste

2. Mandatory Recycling and Composting Ordinance, Chapter 19 of the City and County of San Francisco's Environment Code.
3. Refuse Separation Compliance Ordinance, Chapter 19 of the City and County of San Francisco's Environment Code.
4. State Assembly Bill (AB) 939 – The California Integrated Waste Management Act, AB 341- Mandatory Commercial Recycling Law, and AB 1826 – Mandatory Commercial Organic Waste Recycling Law.
5. State Senate Bill (SB) 1383 – Short-Lived Climate Pollutant Reduction Law.
6. All City and County of San Francisco's Public Health, Public Works and Administrative Codes that are applicable to refuse service collection.

B. Reserved.

C. Vehicle Permit and License Compliance

1. Department of Public Health Refuse Collection Truck Permit (Health Code, Article 12, Section 714) Contractor is required to obtain, and maintain for the duration of this Agreement, a valid Refuse Collection Truck Permit ("Permit") from the San Francisco Department of Public Health (DPH) - Environmental Health Branch, for each refuse collection truck used in connection with this Agreement. Contractor is required to obtain the Permit no later than January 1, 2025. Contractor may be subject to routine Refuse Collection Truck inspections conducted by DPH, pursuant to **SFHC Article 6** and **14 CCR, Chapter 3, Article 5**. The City has the option to terminate this Agreement in accordance with Article 8. Termination and Default for the Contractor's failure to obtain a Refuse Collection Truck Permit by the DPH Environmental Health Branch.
2. Tax Collector License (Business & Tax Regulations Code, Article 2, Section 249.6) Contractor is required to obtain and maintain a valid license from the City's Tax Collector for each truck used to provide Services under this Agreement. These licenses must be renewed annually for the term of the Agreement. The City has the option to terminate this Agreement in accordance with Article 8: Termination and Default for the Contractor's failure to obtain the necessary licenses from the Tax Collector.

D. General Vehicle Compliance

1. The Contractor shall only utilize vehicles permitted by the Department of Public Health Environmental Health Branch during the duration of the Agreement and shall maintain a sufficient number of vehicles to perform the work required herein. All vehicles used in the performance of this Agreement shall have the name of the

Contractor and the permit prominently displayed. All vehicles and equipment used in the performance of this Agreement shall meet applicable state and local standards and shall be operated and maintained in a safe and sanitary condition. All vehicles and equipment used in the performance of this Agreement shall be the property and sole responsibility of the Contractor.

2. The Contractor shall make a reasonable effort to use environmentally preferable fuels, such as renewable diesel or biomethane from source separated anaerobic digestion

5. Other Requirements.

A. Infectious Disease Terms: Contractors required to perform physical activities on City property that places Contractor or its employees in proximity to medical patients, including but not limited to San Francisco Department of Public Health facilities where patient care or counseling is performed, shall be subject to the following requirements, as applicable:

1. Infection Control, Health and Safety:

- a. Contractor must have a Bloodborne Pathogen (BBP) Exposure Control plan for its employees, agents and subcontractors as defined in the California Code of Regulations, Title 8, Section 5193, Bloodborne Pathogens (<http://www.dir.ca.gov/title8/5193.html>), and demonstrate compliance with all requirements including, but not limited to, exposure determination, training, immunization, use of personal protective equipment and safe needle devices, maintenance of a sharps injury log, post-exposure medical evaluations, and recordkeeping.
- b. Contractor must demonstrate personnel policies/procedures for protection of its employees, agents, subcontractors and clients from other communicable diseases prevalent in the population served. Such policies and procedures shall include, but not be limited to, work practices, personal protective equipment, staff/client Tuberculosis (TB) surveillance, training, etc.
- c. Contractor must demonstrate personnel policies/procedures for Tuberculosis (TB) exposure control consistent with the Centers for Disease Control and Prevention (CDC) recommendations for health care facilities and based on the Francis J. Curry National Tuberculosis Center: Template for Clinic Settings, as appropriate.
- d. Contractor must demonstrate personnel policies/procedures for COVID-19 exposure control consistent with CDC recommendations, Cal/OSHA regulations, SF DPH Health Orders, Directives, and Guidance. The Contractor's attention is directed to Cal/OSHA's new 8 CCR 3205 COVID-19 Prevention Emergency Temporary Standard and/or any successor regulations.

- e. Contractor is responsible for site conditions, equipment, health and safety of their employees, and all other persons who work or visit the job site.
- f. Contractor shall assume liability for any and all work-related injuries/illnesses including infectious exposures such as BBP and TB and demonstrate appropriate policies and procedures for reporting such events and providing appropriate post-exposure medical management as required by State workers' compensation laws and regulations.
- g. Contractor shall comply with all applicable Cal-OSHA standards including maintenance of the OSHA 300 Log of Work-Related Injuries and Illnesses.
- h. Contractor assumes responsibility for procuring all medical equipment and supplies for use by its employees, agents and subcontractors, including safe needle devices, and provides and documents all appropriate training.
- i. Contractor shall demonstrate compliance with all state and local regulations with regard to handling and disposing of medical waste.

2. Aerosol Transmissible Disease Program, Health and Safety:

- a. Contractor must have an Aerosol Transmissible Disease (ATD) Program as defined in the California Code of Regulations, Title 8, Section 5199, Aerosol Transmissible Diseases (<http://www.dir.ca.gov/Title8/5199.html>), and demonstrate compliance with all requirements including, but not limited to, exposure determination, screening procedures, source control measures, use of personal protective equipment, referral procedures, training, immunization, post-exposure medical evaluations/follow-up, and recordkeeping.
- b. Contractor shall assume liability for any and all work-related injuries/illnesses including infectious exposures such as Aerosol Transmissible Disease and demonstrate appropriate policies and procedures for reporting such events and providing appropriate post-exposure medical management as required by State workers' compensation laws and regulations.
- c. Contractor shall comply with all applicable Cal-OSHA standards including maintenance of the OSHA 300 Log of Work-Related Injuries and Illnesses.
- d. Contractor assumes responsibility for procuring all medical equipment and supplies for use by their employees, agents, subcontractors including Personnel Protective Equipment such as respirators, and provides and documents all appropriate training.
- e. If/when Contractor determines that they do not fall under the requirements of 8 CCR 5199 Contractor is directed to Cal/OSHA's Emergency Temporary Standard

for COVID-19, 8 CCR 3205, which applies to all employers who do not fall under 8 CCR 5199 but for whose employees have potential for exposure to COVID-19.

Appendix D

Summary of Required Reports, Notifications, and Program Activities

| Description | Frequency / Deadline | Contract Reference |
|---|--|---|
| Invoice, Billing, and Customer Support | | |
| Invoices | Monthly | Section 3.3.1, "Calculation of Charges" <i>Provided in format specified in Appendix A, Section 8.b, "Invoice Format"</i> |
| Citywide Billing & Usage | Monthly <i>Within 15 days of end of each month</i> | Appendix A, Section 8.d, "City-wide Billing and Usage Report" |
| Citywide Recovery and Disposal Tonnage Breakdown | Quarterly <i>Within 45 days of end of each quarter</i> | Appendix A, Section 8.e, "City-wide Recovery and Disposal Tonnage Breakdown Report" |
| Disputed Invoice Charges and Complaints | Quarterly <i>Within 45 days of end of each quarter</i> | Appendix A, Section 8.c, "Past Due Notices" |
| Customer Complaint Log | Quarterly <i>Within 45 days of end of each quarter</i> | Appendix A, Section 8.f, "City Facilities Customer Complaint Log" |
| Recovery Discount Adjustment and Price Adjustment | | |
| Annual Volume Reduction Calculation (by Contractor) | September 1 of each Agreement year (beginning 2026) | Appendix B10, Section 4(iii)(4), "Recovery Discount Incentive Program – Annual Volume Analysis" |
| Verification of Annual Volume Reduction Calculation (by City) | December 1 of each Agreement year (beginning 2026) | Appendix B10, Section 4(iii)(4), "Recovery Discount Incentive Program – Annual Volume Analysis" |
| Annual Price Adjustment Request | November 1 of each Agreement Year | Appendix C, Section 2.C, "When to request Annual Price Adjustment" |
| Zero Waste Plan Activities <i>(subject to change if mutually agreed in Zero Waste Plan)</i> | | |
| Zero Waste Plan | Within six (6) months of Contract Start Date for initial plan <i>To be revised as mutually agreed through duration of Agreement</i> | Appendix A, Section 5.a, "Zero Waste Program Requirements" |
| Contaminated Bins Report | Monthly | Appendix E, Section M, "Driver Tagging" |
| Recovery Rate Measurements | Quarterly <i>Following establishment of initial baseline recovery rate for each dept</i> | Appendix E, Section G, "Measuring Recovery Outcomes" |

| | | |
|--|--|--|
| Waste Zero Champion Workshop | Quarterly | Appendix E, Section F, “Waste Zero Champion Program” |
| Recovery Inspection | At least once per City Department Location over contract term, | Appendix E, Section B, “Recovery Inspection Program” |
| Waste Zero Site Visit | As requested by City Departments | Appendix E, Section H, “Waste Zero Site Visits” |
| Re-Prioritization of Recovery Inspection Locations | Annual (part of Zero Waste Plan) | Appendix E, Section B, “Recovery Inspection Program” |
| Other Compliance Reporting | | |
| SB 1383 Compost Delivery Report | Annually for prior calendar year by July 1 | Appendix A, Section 5.f |
| Large Refuse Generator Audit Reports | Upon completion of any audits pursuant to Chapter 19, Section 1906 of the City Environment Code. | Appendix A, Section 7.b.i, “Audits & Inspections” |
| Other Reports, Logs, Notifications Not Listed Above | | |
| As required per Contract | | |

Appendix E

Contractor's Zero Waste Programs

A. Dedicated Waste Zero Specialist

The Waste Zero Specialist will collaborate closely with SFE, City staff, and Contractor's Operations and Waste Zero teams to oversee outreach and Recovery inspection activities, including:

1. Working directly with Contractor's Diversion Auditors to plan and facilitate refuse inspection activities, as described in the section titled "Recovery Inspection Program"
2. Compiling reports of the refuse inspections, which will be provided to the City Department locations and SFE for follow up.
3. Working directly with Contractor's Operations Team and City staff to implement the recommended service changes, with a focus on increasing Recovery.
4. Implementing outreach and education material at the City Department locations, including color-coded labels, signage, and posters, as applicable.
5. Coordinating and producing educational events, such as staff trainings and the Waste Zero Champion program.
6. Conducting trainings and presentations for City staff.
7. Coordinating tours of Contractor's Recycle Central or BVON facilities, upon request.
8. Meeting regularly with SFE to review progress and update programs accordingly.
9. Updating the Zero Waste Plan, in collaboration with SFE, on an annual basis.

B. Recovery Inspection Program

In collaboration with the Waste Zero Specialist and City staff, Contractor's Diversion Auditors will conduct refuse inspections of Bins at City Collection Locations, to:

1. Evaluate material being generated or landfilled
2. Identify opportunities to reduce contamination
3. Identify alternative solutions to reduce disposal and maximize Recovery
4. Identify opportunities for right-sizing services

Contractor will create a comprehensive Recovery Inspection program for the City Department Locations, ensuring that every location receives a Recovery Inspection at least once over the course of the contract term; accounts with low Recovery rates may receive more than one inspection. This will be in addition to Waste Zero site visits and other programs described in the Zero Waste Plan.

Recovery Inspectors may physically open the contents of bags when conducting inspections, allowing them to analyze contents for further Recovery opportunities. This level of analysis is not possible if passive methods (such as cameras) are the only tools employed.

Under the Recovery Inspection program, Contractor may tailor outreach and Recovery opportunities for City Department Locations and provide the City more complete information on Bin contents.

The Recovery Inspections may be conducted at a number of locations, including:

1. At the Collection Locations
2. At Contractor's facilities through a network of high-definition cameras for front load or Roll-Off compactors
3. On collection trucks through cameras that capture images of the materials as they are being dumped from Bins or front load compactors

In each Agreement Year, Contractor will conduct Recovery Inspections at the thirty-five (35) Collection Locations with the lowest Recovery Rates that have not already received a Recovery Inspection under this Agreement. Each Agreement Year, Contractor will generate an updated list of Recovery Rates at Collection Locations, and use it to select the thirty-five (35) Collection Locations that will receive Recovery Inspections in the following year. Contractor will include the updated list of Recovery Inspection locations in the Zero Waste Plan.

Based on the data collected during the Recovery Inspections, as well as site visits by the Waste Zero Specialist, Contractor may also recommend locations participate in the Auto-Migration Program or Recovery Pilot Program, described below.

C. Auto-Migration Program

Contractor's Auto-Migration Program shall address locations that have low Recovery Rates or high Trash volumes that are unresponsive to SFE or Contractor's efforts to increase recovery at their location.

1. Contractor will use information gathered through the Recovery Inspection Program and the Waste Zero Site Visits to recommend Service Level changes at identified Collection Locations.
2. Contractor shall provide recommendations to Collection Locations for reducing the Trash container sizes, by replacing Trash containers with comparably sized recycling and compost containers, or for increasing service frequency, to facilitate capture of recoverable material from the Trash.

Collection Locations would be notified by Contractor (after receiving approval from SFE) that their services are being automatically changed (typically with a minimum of 30 days' notice). Participating Collection Locations shall be offered support to prepare for the change. In most cases, the service changes are expected to result in cost savings for the Collection Location. After the change has been made, and in order to ensure proper placement of material into the bins, Contractor's collection staff will check for contamination and report that information back to the dedicated Waste Zero Specialist.

D. Three-Cart Pilot Program

Contractor's Three-Cart Pilot Program shall focus on Collection Locations with the lowest Recovery Rates that do not currently have three-stream collection.

Contractor shall work in collaboration with SFE to identify a subset of these Customers and Collection Locations that are appropriate to participate in the pilot program. Based on knowledge from similar sites that currently have three-stream collection services, Contractor's Waste Zero Specialist and Operations Team shall work with the identified Collection Location(s) to support implementation of a three-stream collection program to increase Recovery at the pilot locations.

E. Source Reduction Recommendations

Contractor shall provide recommendations for source reduction' at City Locations to support achievement of City's Zero Waste goals, which aim to reduce municipal solid waste generation (encompassing recycling, composting, and Trash) 15% below 2015 levels by 2030.

Based on waste characterization data collected by the Diversion Auditors and Waste Zero Specialist, Contractor will identify common items in the refuse stream (such as disposal cups and utensils) that could be replaced with durable, reusable items.

Source reduction recommendations will be provided to City staff in the inspection notes, as well as in reports following Waste Zero Site Visits.

Contractor will also include helpful tips to reduce waste and reuse material whenever possible in its outreach, education, and training programs. Contractor can also provide procurement support to interested City agencies, recommending resources and vendors that promote durable products and less waste.

F. Waste Zero Champion Program

Contractor shall offer a Waste Zero Champion program to interested City facilities.

Working in collaboration with SFE, Contractor may roll out the Waste Zero Champion program to City accounts and encourage each site to identify a Champion or team of Champions. Volunteers in the program participate in an onboarding presentation that orients them to the available resources for their site, demonstrates how the resources might be best deployed, and provides time to brainstorm actionable first steps.

This onboarding presentation also presents a valuable opportunity to network with other new Champions and collaborate on potential solutions for their sites. This collaborative networking continues throughout the Champion program.

The Contractor Waste Zero team offers a quarterly workshop for all Champions, which features information on topics requested by Champions, stories from Champions on the best practices at their sites, and breakout rooms where attendees can discuss what they have learned in the session and share ideas.

For clarity, under applicable law Contractor is prohibited from giving anything of value to public officials or employees (food, t-shirts, etc.).

G. Measuring Recovery Outcomes

Consistently measuring recovery progress at the City locations will help Contractor, SFE, and the City ensure programs are working and inform adjustments to the Zero Waste Plan.

Contractor shall establish a baseline recovery rate for each department (based on Subscription level) at the beginning of each Zero Waste Plan year. Quarterly updates shall be provided to the City to track progress and help ensure goals are being met for the year.

These reports would be discussed with the City during its regular meetings with Contractor staff, helping to facilitate collection and outreach programs.

H. Waste Zero Site Visits

Contractor's Waste Zero Specialist will conduct site visits for City locations that request support, technical assistance, and Zero Waste guidance.

During a Waste Zero site visit, the Waste Zero Specialist will walk through the location with custodial staff and building management, identifying opportunities for improvement and further recovery. For example, a Specialist might identify a lack of signage, a "lonely" Trash bin with no recycling and composting, a lack of sorting stations, or other opportunities.

After the site visit, the Specialist will compile photos taken during the visit and makes recommendations for the location, including steps Contractor would take to facilitate implementation. For more information on this process, see the section titled "Alternative Service Plans and Technical Assistance" below.

The Waste Zero site visits and corresponding reports can help City Department Locations make process improvements, and also identify the ways contamination is being introduced into the system.

I. Technology to Monitor Material Streams

Contractor may use cameras and photographs to help track and monitor customers' material streams, including but not limited to:

Recovery Inspection mobile software: Contractor's Diversion Auditors use a proprietary software platform when conducting Recovery Inspections. The software allows Auditors to capture data and photos of contamination at the individual customer level. This data is shared with the Waste Zero Team to help identify recovery opportunities and is used to create reports for the location highlighting common types of contamination.

Vehicle Cameras: Certain trucks are equipped with cameras, strategically positioned in the vehicle to capture the contents of containers as they're being emptied. Drivers can flag

contaminated accounts in the on-board computer; this information is shared with the Waste Zero Team to help identify outreach, education, and recovery opportunities.

Facility Cameras: Contractor's Organics Annex and Recycling Facility feature a network of high-definition cameras that help monitor the material entering the facility for quality and assists in identifying contamination issues. Heavily contaminated loads can be assessed to determine where on the route the contamination occurred, to increase outreach and customer support.

J. Alternative Service Plans and Technical Assistance

Based on the findings during Recovery Inspections and Waste Zero site visits, Contractor's Waste Zero Specialist can create Alternative Service Plans for interested City Department locations. This will include recommendations to right size containers, adjust collection frequency, or adjust procurement policies to minimize total disposal.

In order to successfully transition to services with a higher recovery rate, Contractor shall offer education and outreach support at these sites, including site visits (in compliance with public health regulations), trainings and presentations, signage and posters, videos, and suggestions tailored to the specific site.

As noted in Appendix A, Section 3.d, Contractor will also provide internal containers in 7-gallon, 10-gallon, and 23-gallon sizes at no additional cost to help sites to set up successful three-stream collection stations.

Contractor will also work with SFE to determine locations that might benefit the most from participation in the Auto-Migration Program. For example, if a location is unresponsive to SFE or Contractor's efforts to adjust service levels, Contractor could proceed with the Auto-Migration Program with SFE's approval.

K. Educational Materials & Internal Containers

Contractor offers an array of educational materials, including posters and stickers, to help City Department Locations engage in proper source separation.

As a part of the initial phase-in for the City Department Locations, Contractor will provide each location that does not already have up-to-date signage with an initial allotment of up-to-date educational signage during the first six (6) months after the Contract Start Date.

As noted in Appendix A, Section 3.d, Contractor will provide internal Recycling and Composting containers in 7-gallon, 10-gallon, and 23-gallon sizes at no additional cost, helping City locations establish successful three-stream collection stations.

L. Targeting Low Recovery Rates

Contractor will work with SFE to identify the accounts with recovery rates below 65%, as well as accounts that have not implemented recycling in compliance with AB 341, or compost service

in compliance with SB 1383. The Contractor shall notify SFE of these accounts on a quarterly basis.

As provided in Appendix E, Section B above, Diversion Auditors will conduct inspections at these sites to provide insight on common contaminants in each stream, the amount of recoverable material going into landfill, and opportunities for right-sizing services.

After these inspections, the Contractor Waste Zero Specialist would provide support and recommendations for each of these accounts based on the findings of the inspections. They will also suggest a more appropriate service level for the site, prioritizing an increase in recovery rate. Upon approval by SFE, these accounts could also become part of the Auto-Migration Program.

M. Driver Tagging

Contractor drivers are trained to “tag” Bins that are contaminated, adding a note into their route books or on-board computer. This provides a record of contamination frequency at a certain Collection location. Contaminated Bins may also be identified by Diversion Auditors or automated systems, when available.

This information is used to facilitate the Contamination and Overages system, in compliance with Appendix A, Section 9 of the Agreement. Each month, the Contractor Waste Zero Specialist will compile a report with the tags drivers issued at City accounts. This information will be provided to SFE to aid in outreach strategy and the Contamination and Overages System.

For City Department Collection Location accounts with persistent contamination, escalating letters are sent to notify the Department Location of the issue, in accordance with Appendix A, Section 9. Contractor shall offer outreach and support to Collection locations that are struggling with contamination concerns.

N. Customized Virtual or In-Person Trainings

In order to achieve the City's generation and disposal reduction targets, as may be adjusted from time to time pursuant to City's Climate Action Plan, Contractor will work with SFE to identify relevant topics and offer virtual or in-person presentations and trainings specific to City refuse services. These trainings could be tailored to the type of Collection Location and material that is generated, address issues and concerns facing City Department locations, such as specific contamination concerns, implementing greater recovery services, and the cost-saving benefit associated with the Recovery Incentive Discount.

O. SB 1383 Contamination Monitoring Program

In collaboration with SFE, Contractor is conducting waste evaluations at its 501 Tunnel Ave. Transfer Station, to help the City comply with the Container Contamination Minimization requirements under Section 18984.5 of SB 1383.

Per the regulation, Contractor conducts waste evaluations twice each year for each material stream, collecting a sample of material from one route to analyze the proportion of contaminants.

If the sampled weight of contaminants exceeds 25% in any container type, Contractor distributes educational material to all customers on the route to help facilitate proper sorting. Since City facilities are integrated into Contractor's existing routes, they are incorporated into the current SB 1383 Container Contamination Minimization program.

Appendix F

Equipment Lease Term Sheet

This Appendix F, "Equipment Lease Term Sheet," is attached and incorporated into Agreement [Contract ID XXXXXXXXXXXX] and defines the Parties' obligations with respect to the lease of the Equipment ("Lease"). "Leased Equipment" is defined in Section 1 ("Definitions") of Appendix A of the Agreement. Any defined terms used in this Equipment Lease Term Sheet which are not defined herein shall have the meaning provided in the Agreement. The Leased Equipment is provided at the rate established in Appendix B6 ("Compactor Lease Rates") of the Agreement and the equipment pricing for the Initial Equipment Lease Term (as defined below) shall be fixed at the applicable Appendix B6 rate that is in effect at the date of the commencement of the initial term of any individual Equipment Lease. In the event City and Contractor mutually agree to extend or renew any equipment lease pursuant to Section 2.c herein, the pricing for such extension or renewal term shall be the then applicable Appendix B6 price in effect at the time of the extension or renewal. Any individual Equipment Leases under the Agreement shall be established by each City Department Customer, and shall be documented via Purchase Order issued against this Agreement. The terms and conditions of this Agreement, including Appendix F, "Equipment Lease Term Sheet," govern each Purchase Order. Each Equipment Lease Purchase Order shall include the Equipment Lease Term Sheet. Equipment Leases shall be billed monthly.

1. Equipment Lease Term.

- a) Duration of Equipment Leases. Equipment Leases shall have a term of 36 months ("Initial Equipment Lease Term") unless the remaining term of the Agreement is shorter than the Initial Equipment Lease Term, then Contractor and City Department Customer may choose to enter into an Equipment Lease that will be for the remaining term of the Agreement at a compactor lease rate to be mutually agreed upon between City and Contractor and that reflects the accelerated amortization period resulting from the shorter lease duration.
- b) Continuation of Existing Equipment Leases with Contractor. Equipment leases between Contractor and City Department Customers in place as of the Contract Start Date ("Existing Equipment Leases") shall continue in force under the terms and conditions of this Agreement applicable to Equipment Leases, including without limitation with a term as specified in subsection (a) above, and with pricing as specified in Appendix B6; all prior lease terms and conditions for such equipment shall be null and void. Existing Equipment Leases shall be documented and effectuated as Equipment Leases under this Agreement as specified in Appendix A, Section 10. The Equipment Leases resulting from the continuation of Existing Equipment Leases are referred to herein as "Continuing Equipment Leases," and are distinct from new Equipment Leases. The Initial Equipment Lease Term of each Continuing Equipment Lease shall be 36 months from the Contract Start Date.

2. No Automatic Renewal. Notwithstanding anything to the contrary, the Equipment Lease shall not:

- a) extend past the initial term expressly stated in the Agreement [Contract ID XXXXXXXXXXXX], Article 2, "Term of the Agreement;

- b) automatically renew or extend (whether or not conditioned upon any notice or absence thereof from either party) or include any similar “evergreen” provision; and/or
 - c) be extended or renewed except by written agreement duly authorized for a period of one year at a time, executed and delivered by City.
3. **Use, Licenses.** City will not use or operate the Leased Equipment improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement.
4. **Delivery of Equipment; Transportation.** Contractor shall arrange with the manufacturer and/or vendor for the delivery and any installation of the Leased Equipment. Charges for delivery and installation are the responsibility of Contractor. However, City will reimburse Contractor for reasonable delivery and installation charges after the Leased Equipment is accepted and upon proper presentation of invoices unless such charges are included in the cost of the equipment. The Leased Equipment shall be delivered to the location designated by City and installed and made ready for operation. Contractor is responsible for providing working equipment that is free of defects in equipment, material, or workmanship and is fit for its intended purpose or use.
5. **Installation.** Contractor will arrange with City and the manufacturer and/or vendor to prepare the site, furnish, assemble and install the Leased Equipment as necessary at the location designated by City. Manufacturer and/or vendor must comply with all applicable State laws and local Ordinances in installing the equipment.
6. **Maintenance.** Contractor shall be responsible for preventive maintenance of Leased Equipment provided, however, that City shall reimburse Contractor for the cost of any service, repair or maintenance resulting from the negligent, reckless or wrongful actions or omissions of City or its employees, officers, agents, contractors or volunteers (other than reasonable wear and tear). Contractor shall provide replacement of defective Leased Equipment, or when Leased Equipment is deemed beyond its useful life due to reasonable wear and tear, at no additional cost to City. Contractor shall arrange with City and the manufacturer, authorized servicer and/or authorized dealer for preventive maintenance and inspection of Leased Equipment. Contractor is required to respond within 24 business hours from City’s initial maintenance request and provide action plan such as scheduling inspection of the equipment.
7. **Relocation of Leased Equipment.** Contractor agrees that City may upon reasonable notice, relocate the Leased Equipment or any item or items thereof to any location or locations within the geographical boundaries of City where City has offices at City’s sole discretion and cost. Prior to any such relocation City agrees to execute or obtain and to deliver to Contractor such documents which Contractor reasonably requests to protect Contractor’s right, title and interest in the Leased Equipment.
8. **Contractor’s Removal and City’s Surrender of Leased Equipment.** At the end of the Agreement term or unless sooner terminated, City agrees to surrender any remaining Leased Equipment in as good a condition as when furnished, reasonable wear and tear

excepted. Contractor agrees, at Contractor's cost, to accept and remove the Leased Equipment as provided in this Agreement. Contractor's failure to accept and remove the Leased Equipment shall entitle City to remove the Leased Equipment and place it in any storage facility in San Francisco at Contractor's sole expense and Contractor shall hold City free and harmless from any expense or damages of any kind occasioned thereby and arising therefrom. Inspection of the leased equipment shall take place with both City Department Customer and Contractor present, prior to removal of Leased Equipment.

9. **Force Majeure.** Contractor shall not be liable for failure to furnish Leased Equipment ready for use on the date specified or to remove in accordance with the terms of this Agreement nor shall City be liable for delay in installation or removal when such failures are due to causes beyond the reasonable control of the party under obligations to perform, such as acts of God, acts of civil or military authority, fires, strikes, floods, epidemics, quarantine, war, riot, delays in transportation, and inability due to causes beyond its reasonable control to obtain necessary labor, materials or manufacturing facilities, and in such event the party under obligations to perform shall perform as soon as such cause is removed.
10. **City's Right to Use Other Equipment Simultaneously with the Leased Equipment.** City does not grant Contractor an exclusive right during the term of this Agreement to supply City with leased equipment used for refuse storage and collection. City reserves the right to lease or purchase similar or different equipment from any other supplier or lessors which may be used contemporaneously with any item of equipment leased hereunder. City shall ensure equipment obtained from suppliers or lessors other than Contractor conforms with requirements for servicing by Contractor's vehicles and other equipment.
11. **Enjoyment of the Leased Equipment.** Provided that, and so long as, the City is not in default under the Agreement, Contractor hereby covenants to provide the City during the term of this Agreement with quiet use and enjoyment of the Leased Equipment, and the City shall during the Agreement term peaceably and quietly have and hold and enjoy the equipment, without suit, trouble or hindrance from Contractor. Any assignee of Contractor shall not interfere with the City's quiet use and enjoyment during the Agreement Term so long as the City is not in default pursuant to the Agreement.
12. **Title to the Leased Equipment.** Title to the Leased Equipment and any and all additions, repairs, replacements or modifications thereto shall be held in the name of Contractor, and the City shall have no right, title or interest in the Leased Equipment or any additions, repairs, replacements or modifications thereto except as expressly set forth in the Agreement.
13. **Liability for Damage to Leased Equipment.** It is understood and agreed that the City is responsible for loss of or damage to any Contractor-owned equipment involved, only as caused by the negligent, reckless or wrongful actions or omissions of City's officers, agents, employees or contractors.

14. **Training on Leased Equipment.** If requested by the City Department lessee, Contractor shall coordinate with the manufacturer or authorized dealer of any Leased Equipment (or other service provider) to provide qualified instructor(s) to conduct training for City Department lessee on use of Leased Equipment. The training shall familiarize City personnel on safe operation, routine maintenance such as cleaning, and basic troubleshooting of the equipment. Location of training to be determined by the City.

15. **Termination of Equipment Lease.**

a) **Notification of Early Termination.**

- i. A City Department Customer may terminate an Equipment Lease effective at any time **within** the Initial Equipment Lease Term by giving written notice to Contractor at least thirty (30) days prior to ending the Equipment Lease.
- ii. A City Department Customer may terminate an Equipment Lease effective at any time **after** the Initial Equipment Lease Term by giving written notice to Contractor at least sixty (60) days prior to ending the Equipment Lease.
- iii. If Contractor determines that a compactor leased pursuant to a Continuing Equipment Lease will be reaching the end of its useful life, Contractor shall provide City Department Customer written notice at least three (3) months prior to the anticipated end-of-life date. Contractor and City may mutually agree to terminate the Continuing Equipment Lease on a date certain. Such termination shall take effect without any penalty incurred by City Department Customer and with no lease payments or Early Termination Charges due following the termination date. City Department Customer may choose to enter into a new Equipment Lease with Contractor pursuant to the terms and conditions of the Agreement [Contract ID XXXXXXXXXXXX].

b) **Early Termination Charge.**

- i. Early termination of a new Equipment Lease by a City Department Customer effective **within** the Initial Equipment Lease Term shall result in an Early Termination Charge equal to the one (1) month rental fee as of the effective date of the termination, multiplied by the number of months remaining in the Initial Equipment Lease Term.
- ii. Early termination by a City Department Customer of a Continuing Equipment Lease, effective **within** the Initial Equipment Lease Term shall result in an Early Termination Charge equal to the one (1) month rental fee as of the effective date of the termination, multiplied by two (2).
- iii. Early termination of any Equipment Lease by a City Department Customer effective **after** the Initial Equipment Lease Term shall result in an Early Termination Charge equal to the one (1) month rental fee as of the effective date of the termination, multiplied by two (2).

- c) **Buy-Out Option.** Upon notification of termination of an Equipment Lease by a City Department Customer, Contractor shall provide the Customer the option to buy-out the Leased Equipment. The Buy-Out Option shall be priced at an amount reflecting the fair market value as mutually agreed to in writing by City and Contractor. Buy-out of Leased Equipment by City Department Customer shall require approval of OCA.
- d) **Termination of Agreement.** The termination of this Agreement pursuant to Article 8.1, Termination for Convenience, effective within the Initial Equipment Lease Term of any Equipment Lease shall be deemed to be an early termination of the Equipment Lease effective as of the termination of this Agreement. In that event, the City Department Customer shall pay an Early Termination Charge equal to the one (1) month rental fee as of the effective date of the termination of this Agreement, multiplied by the number of months remaining in the Initial Equipment Lease Term, except for Continuing Equipment Leases, in which case, City Department Customer shall pay an Early Termination Charge equal to the one (1) month rental fee as of the effective date of the termination, multiplied by two (2).

Appendix G 2015 Landfill Agreement

City and County of San Francisco
Department of the Environment
1455 Market Street, Suite 1200
San Francisco, California 94103

APPROVED JUL 22 2015

Landfill Disposal Agreement between The City and County of San Francisco and Recology San Francisco

This Landfill Disposal Agreement (this "Agreement") is made this ___ day of July, 2015, in the City and County of San Francisco, State of California ("San Francisco"), by and between: Recology San Francisco, a California corporation, hereinafter referred to as "Contractor," and the City and County of San Francisco, a municipal corporation, hereinafter referred to as "City," acting by and through its Department of the Environment.

Recitals

WHEREAS, the City, Contractor (d/b/a Sanitary Fill Company) and Waste Management of Alameda County, Inc. ("Waste Management") (d/b/a Oakland Scavenger Company) are parties to that certain Waste Disposal Agreement dated as of January 2, 1987 (the "Prior Landfill Agreement"), and City and Contractor are parties to that certain Agreement in Facilitation of Waste Disposal Agreement dated January 2, 1987 (the "Prior Facilitation Agreement," and together with the Prior Landfill Agreement, the "1987 Agreements").

WHEREAS, the Prior Landfill Agreement provides the City with landfill disposal capacity of up to 15 million tons at Waste Management's Alameda landfill, approximately 14.6 million of which had been utilized as of January 1, 2015.

WHEREAS, the City estimates that the remaining landfill disposal capacity under the Prior Landfill Agreement will be exhausted sometime in the first half of 2016, depending on the rate at which residual solid waste is disposed of in San Francisco in the coming years.

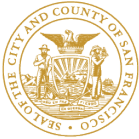
WHEREAS, the California Department of Resources Recycling and Recovery (CalRecycle) requires that the City have a plan for 15 years of landfill disposal capacity.

WHEREAS, in 2006, the Department of the Environment began considering options for disposal of the City's refuse after the conclusion of the 1987 Agreements. The Department elected to use a competitive selection process ("Competitive Selection Process") to select a proposed contractor. Specifically,

(1) The Department of the Environment held a series of noticed public hearings in 2007 to assess the public's priority considerations for a new disposal agreement.

(2) On May 30, 2008, the Department of the Environment issued a Request for Qualifications ("RFQ"), and invited every landfill operator in the State of California to submit a response.

(3) In February 2009, the Department of the Environment sent all landfill operators that responded to the RFQ the Request for Proposals for Landfill Disposal Capacity ("RFP"). The RFP required each proposer to provide detailed information regarding its principal proposed landfill and any proposed back-up landfill. Only two companies, Recology and Waste Management, submitted responses to the RFP and satisfied all pre-submission requirements.



**San Francisco Office of the City Administrator
City Administrator Carmen Chu**

Refuse Collection & Disposal Services

Contract 1000034862 / TC83151

File 241142

Office of Contract Administration

Board of Supervisors' Budget & Finance Committee

December 4, 2024

Refuse Services Contract History

- Since 2004, City has held a consolidated contract for City government facility refuse collection and disposal services
- November 2020: new long-term contract presented to Board but no action taken
- OCA entered into interim contract
 - **Original NTE:** \$5.6M
 - **Amendment 1 NTE:** \$9.9M
 - **Duration :** December 1, 2020 – November 30, 2021
- Five contract amendments subsequently approved by Board
 - **Amendment 2 (Nov. 2021):** extended through June 30, 2022
 - **Amendment 3 (June 2022):** extended through June 30, 2024 to allow time for competitive solicitation
 - **Amendment 4 (June 2023):** adjustment of rates, as authorized by Board in June 2022
 - **Amendment 5 (May 2024):** extended through October 31, 2024 to allow time to negotiate new contract
 - **Amendment 6 (Oct. 2024):** extended through December 31, 2024 to allow for conclusion of negotiations

Solicitation for New Contract

- **June 2022:** Issued solicitation for new contract. Two firms submit proposals:
 - Allied Waste Services of North America, LLC
 - Recology
- **January 2023:** Completed evaluation, issued Notice of Intent to Award to Allied Waste Services
- **February 2023 – February 2024:** Conducted CEQA process
- **February 2024:** Submitted new contract to BOS for approval
- **March 2024:** Allied Waste Services withdrew proposal following BOS Budget & Finance Committee meeting
- **March 2024:** City terminated negotiations with Allied Waste Services; negotiations with Recology commenced
- **December 2024:** Current contract with Recology ends

Proposed Contract: Overview of Major Provisions

- **Duration:** 7 years + option to extend up to 10 years
- **NTE:** \$119,000,000
 - Total for 7-year initial duration + 3-year extension
 - Based on representative month of utilization
 - Includes 20% contingency
- **Scope:**
 - Refuse collection service for all City departments comprising 380+ locations
 - Ancillary service (cardboard & pallet pickup; access, key, elevation, distance charges; bulky item pickup)
 - Lease and purchase of compactors
 - Contamination and overages requirements
 - Zero Waste Program requirements

Proposed Contract: Overview of Major Provisions

▪ Rates:

- **Uniform Collection Rates**: same rates applied for trash, recyclables, compost based on bin size and frequency of service
- **Ancillary Rates**: for cardboard & pallet pickup; access, key, elevation, distance fees; bulky item pickup
- **Equipment Rates**: for compactor leases and purchases
- **Contamination Charges**: for repeated mixing of materials in specified bins (e.g. recyclables in trash bin)
- **Volumetric “Recovery” Discount**: applied to Collection Location’s total monthly bill based on % of collected recyclable and compostable material vs. total collected, less an *“Adjustment Factor”* to cover contractor costs
- **Price Adjustments**: annual rate adjustment based on % change in WST (Water Sewer Trash) Index

Proposed Contract: Overview of Major Provisions

■ Recovery Discount Incentive Program

- New in this contract is a “Recovery Discount Incentive Program,” as proposed by Recology in its proposal
- Designed to support the City in meeting its Climate Action goals by the end of the seventh year of the contract; starts in Year 3
- Requires City as a whole to meet **two thresholds** each year to receive maximum possible Recovery Discount:
 - 1) Reduction in total subscribed monthly trash bin volume by **1,000 cubic yards**
 - 2) Reduction in total subscribed monthly bin volume for all three streams by **2%**
- If City does not fully meet these thresholds, the Recovery Discount will be adjusted in proportion to the reductions achieved
- Maximum achievable Recovery Discount could vary from year to year

Proposed Contract: Overview of Major Provisions

■ Contamination Charges & Notification Procedures

- New contract clarifies contractor's notification requirements and charges to be assessed for bin contamination
- Contamination is defined by specific thresholds for each bin
- Three possible charges, assessed progressively
 - 1) **Per Occurrence Charge**: assessed for each instance of contamination of a bin that occurs a minimum of 14 days following warning notifications
 - 2) **50% Recurring Charge**: monthly charge assessed for contamination that occurs a minimum of 30 days following a subsequent notification
 - 3) **100% Recurring Charge**: monthly charge assessed for contamination that occurs a minimum of 60 days following a subsequent notification
- Designed to ensure departments correctly separate material for maximum recovery

Projected Expenditures

| | Annual |
|---|----------------------|
| Collection + Ancillary Charges | \$7,530,469 |
| Compactor Lease | \$168,901 |
| Overage | \$27,367 |
| Contamination | <i>unknown</i> |
| PROJECTED EXPENDITURES | \$7,726,737 |
| SUBTOTAL 7-Year PROJECTED EXPENDITURES | \$64,985,383 |
| 20% contingency | \$12,997,077 |
| 7-year CONTRACT NTE | \$77,982,460 |
| TOTAL 10-year CONTRACT NTE | \$118,387,698 |

Performance Measures

- **Response time to service issues and complaints by City**
- **Service Levels:**
 - *Number / percent of missed collections*
 - *Response to on-call, emergency, and holiday service requests*
- **Compliance with:**
 - *Audit, inspection, and route review requirements per Env. Code Ch. 19 and SB 1383*
 - *General reporting requirements*
 - *Contamination notification procedures and charges*
- **Billing:**
 - *Number / percent of bills with errors*
 - *Timely resolution of billing errors*

Performance Measures

■ Zero Waste:

Citywide goals

- *Reduce generation by 15% by 2030 and*
- *Reduce disposal to landfill by 50% by 2030*

City Government Goals

- *Improve of existing zero waste programs at City Departments*
- *Increase city agency recovery by 5% in the first year of the contract*

Thank You



DATE: November 8, 2024
TO: Angela Calvillo, Clerk of the Board
FROM: Sailaja Kurella, Director of Office of Contract Administration (OCA) and Purchaser
SUBJECT: Resolution to approve Contract 1000034862 (Term Contract 83151) – Refuse Collection and Disposal Services

Enclosed please find the resolution authorizing execution of Contract 1000034862 (OCA Term Contract 83151) with Sunset Scavenger Company d/b/a Recology Sunset Scavenger, Golden Gate Disposal & Recycling Company d/b/a Recology Golden Gate, and Recology San Francisco (collectively “Recology”) for refuse collection and disposal services. The proposed contract is for an initial contract duration of seven years, commencing on January 1, 2025, and ending on December 31, 2031, with an option to extend for three additional years through December 31, 2034, for a total contract duration of 10 years, and with a total not-to-exceed contract amount of \$119,000,000 for the full 10-year duration.

The contract was competitively procured pursuant to Administrative Code Chapter 21.1, through a Request for Proposals (RFP) issued by the Office of Contract Administration (OCA) on June 30, 2022 (Sourcing Event 0000006945). The solicitation resulted in the conditional award of the contract to Allied Waste Services of North America LLC (“Allied Waste Services”) as the highest ranked proposer. However, on March 8, 2024, Allied Waste Services withdrew its proposal following BOS Budget & Finance Committee meeting, and OCA commenced negotiations with the next highest ranked responsive proposer, Recology.

Solicitation Process for New Citywide Refuse Collection and Disposal Services Contract

The City’s Refuse Ordinance, which defines how waste must be disposed by residents, business, and institutions in San Francisco, and authorizes only licensed refuse collectors to transport waste through San Francisco among other things, does not prohibit the City from competitively soliciting for refuse collection services at City government facilities. As such, OCA and the Department of Environment collectively developed a solicitation for the City’s new refuse collection and disposal contract. OCA issued the RFP in June 2022. Two firms submitted proposals, and the evaluation resulted in Allied Waste Services as the highest-ranked proposer, but due to Allied Waste Services withdrawing its proposal, OCA proceeded with the next highest ranked responsive proposer, Recology.

Proposed Contract

The proposed contract will provide for collection and disposal services for recyclable material, compostable material, and trash generated at over 380 City facilities. In addition to basic refuse collection service, the contract includes ancillary items and services, including leasing and purchase of compactors, and incorporates specific requirements for management of bin overages (bin overfilling) and contamination (mixing of waste streams in bins), as well as Zero Waste Program requirements.



The rates under the new agreement are based on uniform rates for the three disposal streams: recyclable material, compostable material, and trash. The contract includes a new Recovery Discount Incentive Program, whereby the City receives a greater discount off the base collection rates (the “recovery discount”) based on the its efforts towards achieving two City Climate Action Goals—reduction in landfill disposal and reduction in total refuse generation. This rate structure ensures alignment with the City’s Zero Waste program, overseen by the Department of Environment, by incentivizing greater diversion of waste generated at City facilities.

Projected Expenditures

Expenditures on the proposed contract are estimated to be \$78 million for the initial 7-year duration, and \$119 million for the full 10-year duration. This estimate is based on the proposed rates and current City service levels. It assumes a 4.77 percent annual escalation (though the actual annual rate adjustment, based on the Bureau of Labor Statistic’s Water Sewer Trash Index, may differ). In addition, OCA included a 20 percent contingency to account for new collection locations, charges for bin contamination, future new equipment leases, and future rate increases that may exceed OCA’s estimates.

Recommendation

This contract is essential for ensuring the City’s substantial refuse collection needs are met. To ensure continuity of this critical service, OCA recommends approval of proposed Contract 1000034862 with Recology, with an initial 7-year contract duration and an option to extend up to three additional years, and with a total not-to-exceed contract value commensurate with expected usage.

Should you have any questions or require additional information, please contact Paul Cheng, OCA Procurement Manager, at 628-652-1600.

Enclosures:

1. Refuse Collection Services Contract – New Contract (Contract 1000034862, TC 83151)
2. Resolution for New Contract (Contract 1000034862, TC 83151)
3. S.F. Ethics Commission form 126f2, Notification of Submission of Proposal
4. S.F. Ethics Commission form 126f4, Notification of Contract Approval (Contract 1000034862, TC 83151)



San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102

Phone: 415.252.3100 . Fax: 415.252.3112

ethics.commission@sfgov.org . www.sfethics.org

Received On:

File #: 241142

Bid/RFP #: 0000006945

Notification of Contract Approval

SFEC Form 126(f)4

(S.F. Campaign and Governmental Conduct Code § 1.126(f)4)

A Public Document

Each City elective officer who approves a contract that has a total anticipated or actual value of \$100,000 or more must file this form with the Ethics Commission within five business days of approval by: (a) the City elective officer, (b) any board on which the City elective officer serves, or (c) the board of any state agency on which an appointee of the City elective officer serves. For more information, see: <https://sfethics.org/compliance/city-officers/contract-approval-city-officers>

1. FILING INFORMATION

| | |
|---|---|
| TYPE OF FILING | DATE OF ORIGINAL FILING (for amendment only) |
| Original | |
| AMENDMENT DESCRIPTION – Explain reason for amendment | |
| | |

2. CITY ELECTIVE OFFICE OR BOARD

| | |
|------------------------|--------------------------------------|
| OFFICE OR BOARD | NAME OF CITY ELECTIVE OFFICER |
| Board of Supervisors | Members |

3. FILER'S CONTACT

| | |
|----------------------------------|--------------------------------|
| NAME OF FILER'S CONTACT | TELEPHONE NUMBER |
| Angela Calvillo | 415-554-5184 |
| FULL DEPARTMENT NAME | EMAIL |
| Office of the Clerk of the Board | Board.of.Supervisors@sfgov.org |

4. CONTRACTING DEPARTMENT CONTACT

| | |
|---------------------------------------|--|
| NAME OF DEPARTMENTAL CONTACT | DEPARTMENT CONTACT TELEPHONE NUMBER |
| Paul Cheng | 628-652-1600 |
| FULL DEPARTMENT NAME | DEPARTMENT CONTACT EMAIL |
| GSA Office of Contract Administration | paul.cheng@sfgov.org |

| 5. CONTRACTOR | |
|---|---|
| NAME OF CONTRACTOR Sunset Scavenger Company-Golden Gate Disposal | TELEPHONE NUMBER 415-330-1300 |
| STREET ADDRESS (including City, State and Zip Code) 250 Executive Park, Ste 2100, San Francisco, CA 94134 | EMAIL EBoyd@recology.com |

| 6. CONTRACT | | |
|--|--|--|
| DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S) | ORIGINAL BID/RFP NUMBER 0000006945 | FILE NUMBER (If applicable) 241142 |
| DESCRIPTION OF AMOUNT OF CONTRACT \$119,000,000 | | |
| NATURE OF THE CONTRACT (Please describe) Provide refuse collection and disposal services for City departments. | | |

| 7. COMMENTS |
|--|
| Not enough space for full Name of Contractor: Sunset Scavenger Company (d/b/a Recology Sunset Scavenger), Golden Gate Disposal & Recycling Company (d/b/a Recology Golden Gate), and Recology San Francisco |

| 8. CONTRACT APPROVAL | |
|-------------------------------------|--|
| This contract was approved by: | |
| <input type="checkbox"/> | THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM |
| <input checked="" type="checkbox"/> | A BOARD ON WHICH THE CITY ELECTIVE OFFICER(S) SERVES Board of Supervisors |
| <input type="checkbox"/> | THE BOARD OF A STATE AGENCY ON WHICH AN APPOINTEE OF THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM SITS |

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

| # | LAST NAME/ENTITY/SUBCONTRACTOR | FIRST NAME | TYPE |
|----|--------------------------------|------------|-------------------------|
| 1 | Coniglio | Salvatore | CEO |
| 2 | Coniglio | Salvatore | Board of Directors |
| 3 | Puccinelli | Mario | COO |
| 4 | Puccinelli | Mario | Board of Directors |
| 5 | Heneweer | Gordon | CFO |
| 6 | Chen | Cary | Other Principal officer |
| 7 | Recology Inc. | | Shareholder |
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9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

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9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

| # | LAST NAME/ENTITY/SUBCONTRACTOR | FIRST NAME | TYPE |
|----|--------------------------------|------------|------|
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☐ Check this box if you need to include additional names. Please submit a separate form with complete information. Select "Supplemental" for filing type.

10. VERIFICATION

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information I have provided here is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK

DATE SIGNED

BOS Clerk of the Board

Introduction Form

(by a Member of the Board of Supervisors or the Mayor)

I hereby submit the following item for introduction (select only one):

- ☒ 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- ☐ 2. Request for next printed agenda (For Adoption Without Committee Reference)
(Routine, non-controversial and/or commendatory matters only)
- ☐ 3. Request for Hearing on a subject matter at Committee
- ☐ 4. Request for Letter beginning with "Supervisor _____ inquires..."
- ☐ 5. City Attorney Request
- ☐ 6. Call File No. _____ from Committee.
- ☐ 7. Budget and Legislative Analyst Request (attached written Motion)
- ☐ 8. Substitute Legislation File No. _____
- ☐ 9. Reactivate File No. _____
- ☐ 10. Topic submitted for Mayoral Appearance before the Board on _____

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

- ☐ Small Business Commission ☐ Youth Commission ☐ Ethics Commission
- ☐ Planning Commission ☐ Building Inspection Commission ☐ Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

- ☐ Yes ☐ No

(Note: For Imperative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)

Sponsor(s):

Aaron Peskin

Subject:

Contract – Recology San Francisco – Refuse Collection and Disposal Services - Not to Exceed \$119,000,000

Long Title or text listed:

Resolution approving and authorizing the Office of Contract Administration ("OCA") to enter into Contract 1000034862 between City and County of San Francisco, and Sunset Scavenger Company d/b/a Recology Sunset Scavenger, Golden Gate Disposal & Recycling Company d/b/a Recology Golden Gate, and Recology San Francisco (collectively "Recology") for the provision of refuse collection and disposal services at City facilities, for an initial term of seven years, commencing on January 1, 2025, and ending on December 31, 2031, with an option to extend for three additional years through December 31, 2034, for a total contract duration of 10 years, and with a total contract not-to-exceed amount of \$119,000,000 for the full 10-year duration; and to authorize OCA to make necessary, non-material changes to the Contract prior to its final execution by all parties that do not materially increase the obligations or liabilities to the City and are necessary or advisable to effectuate the purposes of the Contract.

Signature of Sponsoring Supervisor:

