Franchise Agreement

for

SOLID WASTE, RECYCLABLE MATERIALS,
AND GREEN WASTE COLLECTION

between

County of Napa

and

Napa County Recycling and Waste Services, LLC
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AGREEMENT

This AGREEMENT made and entered into this 3rd day of May, 2004 between the County of Napa (hereinafter “County”) a political subdivision of the State of California, and Napa County Recycling and Waste Services, LLC, a Limited Liability Company (hereinafter “Contractor”).

Recitals

This Agreement is entered into with reference to the following facts and circumstances:

1. The Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (AB 939), set forth in Public Resources Code Sections 40000 et seq., declares that it is within the public interest to authorize and require local agencies to make adequate provision for Solid Waste handling within their jurisdiction.

2. The Board of Supervisors of the County has determined that the public health, safety and well being of its residents require that certain Solid Waste Collection, transportation, processing, Recycling, Green Waste, and Disposal services, as specified in this Agreement, be provided by an exclusive franchise.

Agreement

NOW, THEREFORE, intending to be legally bound, the Parties agree as follows:
ARTICLE 1
DEFINITIONS

For purposes of this Agreement the following words or phrases shall have the following meanings unless any such word is otherwise specifically defined herein or unless it is obvious from the context hereof that another meaning is necessarily intended. To the extent that these definitions differ from those found in the County ordinances and codes, these definitions shall prevail.

AB 939 “AB 939” means the California Integrated Waste Management Act of 1989 (Division 30, California Public Resources Code), as amended, supplemented, superseded, and replaced from time to time.

Agreement “Agreement” means this Franchise Agreement between the County and Contractor for the provision of the Collection Services as specified herein, including all exhibits and future amendments.

Alternative Daily Cover “Alternative Daily Cover” or “ADC” means cover materials used at a Disposal Facility. ADC includes at least six (6) inches of cover material other than earthen material, placed on the surface of the active face of the refuse fill area at the end of each operating day to control blowing litter, flies, odors, scavenging and vectors, as defined in Section 20164, Title 29 of the CCR. The Green Waste Processing may use up to a maximum of ten (10) percent of incoming Green Waste as ADC.

Applicable Law “Applicable Law” means all laws, regulations, rules, orders, judgments, decrees, permits, approvals, or other requirement of any governmental agency having jurisdiction over the collection and disposition of Solid Waste, Recyclable Materials and Green Waste that are in force on or promulgated or enacted after the Signature Date as they may be enacted, issued or amended during the Term of this Agreement.

Base Term “Base Term” means the initial ten (10) year portion of the Term of the Agreement, commencing on October 1, 2005 and ending on November 30, 2015.

Best Efforts “Best Efforts” as used in this Agreement with regard to performance of Contractor’s obligations to Divert materials, shall mean at a minimum to competently undertake each of the programs for which materials Diversion is required hereunder and to perform materials Diversion activities for the program in a manner which is equal to or exceeds industry standards within California for communities which are in compliance with AB 939 diversion requirements.

Bin “Bin” means a receptacle for Solid Waste, Recyclable Materials, or Green Waste, provided by the Contractor unless owned by the Customer, having a capacity less than ten (10) cubic yards that generally has wheels, a handle for ease of movement and a tight-fitting, attached lid, and is designed to be dumped mechanically into a front loading Collection vehicle.

Bin Service “Bin Service” means the provision of Collection Services using Bins.

Board of Supervisors “Board of Supervisors” means the legislative body of the County.

Bulky Items “Bulky Items” means all discarded household waste matter that is too large to be placed in a Cart, including large household appliances, including appliances containing...
chlorofluorocarbons (CFCs), furniture, tires, carpets, mattresses, and similar large items that require special handling due to their size.

**Cart** "Cart" means wheeled Containers of approximately thirty-five (35), sixty-five (65) and ninety-six (96) gallon capacity provided by Contractor to Customers for Collection of Solid Waste, Recyclables, and Green Waste.

**Cart Service** "Cart Service" means provision of Collection Services using Carts, and charged at a single Rate based on Solid Waste Cart size.


**Change in Law** "Change in Law" means the following events or conditions which have a substantial, material and adverse effect on the performance by the Parties of their respective obligations under this Agreement (except for performance of Remittance obligations):

1. Enactment, adoption, promulgation; issuance, modification, or written change in administrative or judicial interpretation on or after the Signature Date of any Applicable Law; or

2. Order or judgment of any governmental body, on or after the Signature Date, to the extent such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of County or of Contractor, whichever is asserting the occurrence of a Change in Law; provided, however, that the contesting in good faith or the failure in good faith to contest any such order or judgment shall not constitute or be construed as such a willful or negligent action, error, or omission or lack of reasonable diligence.

**Change in Scope** "Change in Scope" is a significant change in the type or level of Collection Services for which Contractor may be compensated as provided in Article 5.7.

**Clear and Convincing Evidence** "Clear and Convincing Evidence" means evidence of such convincing force that demonstrates, in contrast to the opposing evidence, a high probability of truth of the facts for which it is offered as proof. Such evidence requires a higher standard of proof than proof by a preponderance of the evidence.

**Collection** "Collection," "Collect," "Collected," "Collecting" means Collection by Contractor of Solid Waste, Recyclable Materials, Green Waste, or other material specified in this Agreement and its transportation to a Disposal or Transfer Facility, Green Waste Processing Facility or a Recycling Facility.

**Collection Materials** "Collection Materials" means all Solid Waste, Recyclables, Green Waste generated in the unincorporated areas of the County and included within this Agreement as provided in Article 3.2.

**Collection Services** "Collection Services" means all of the rights, duties and obligations of Contractor as specified in this Agreement, and associated with this Agreement.
Collection Services Area “Collection Services Area” means the territory identified within County unincorporated area, as described in Exhibit C as Zone 1 and as such territories may change from time to time due to deannexations or other means.

Compactor, Compactors, Compactor Service “Compactor”, “Compactors”, “Compactor Service” means any Bin or other similar Container incorporating a built in mechanism to reduce waste volume by crushing action or other compacting method.

Construction and Demolition Debris “Construction and Demolition Debris” means building materials and solid waste from construction, deconstruction, remodeling, repair, cleanup, or demolition operations that are not “hazardous” as defined in PRC Section 40141. C & D includes, but is not limited to: asphalt, concrete, Portland cement, brick, lumber, wallboard, roofing material, ceramic tile, plastic pipe, and associated packaging.

Construction and Demolition – Source Separated, C&D “Construction and Demolition – Source Separated” and “C&D” means recycling materials from construction, deconstruction, remodeling, repair, cleanup, or demolition operations that are not “hazardous” as defined in PRC Section 40141 and that have been separated, kept separate, set aside, and handled separately from the solid waste stream at the point of generation, for the purpose of processing those materials for recycling or reuse.


Containers “Containers” means Bins, Carts, Compactors and Debris Boxes used to provide Solid Waste, Recyclables or Green Waste Services.

Contractor “Contractor” means Napa County Recycling and Waste Services, LLC.

Contractor Compensation Fee “Contractor Compensation Fee” means the portion of each Rate that compensates Contractor for provision of Collection services and that is subject to adjustment by a portion of CPI. The Contractor Compensation Fee includes all bank fees or service charges related to Contractor use of the Lock Box as specified in Exhibit J.

Contractor Compensation Fee Adjustment Factor “Contractor Compensation Fee Adjustment Factor” means the variable expense portion of the Contractor Compensation Fee of each Rate, equal to seventy-five (75) percent of that Fee, that is subject to annual adjustment by the Consumer Price Index.

Contractor’s Proposal “Contractor’s Proposal” means the proposal submitted by Contractor and accepted by the County in response to a Request for Proposals released by the County on September 3, 2004. Contractor’s Proposal is included as Exhibit M to this Agreement. The Contractor’s proposal cost forms 3 through 12, submitted as part of the Contractor’s Proposal are separately contained in Exhibit N and are integral to the administration of this Agreement.

Cost Forms “Cost Forms” means the cost and rate schedules provided by the Contractor as part of the Contractor’s Proposal, as reflecting any final negotiations, and as contained in Exhibit N.
County “County” means the County of Napa, California, as its boundaries exist now or in the future.

County Representative “County Representative” means the County Executive Officer, or his/her designee authorized by written notice to Contractor to enforce the terms of this Agreement.

Customer “Customer” means the person or entities receiving Collection Services.

Debris Box “Debris Box” means an open-top Container with as capacity of six (6) to fifty (50) cubic yards that is serviced using a roll-off truck.

Delivery “Delivery” of Solid Waste, Recyclables, or Green Waste has occurred once a Customer has deposited Solid Waste, Recyclables, or Green Waste in a receptacle or at a location that is designated for Collection pursuant to County’s codes or ordinances, or is otherwise lawfully discarded.

Designated Disposal or Transfer Facility “Designated Disposal or Transfer Facility” means the Napa-Vallejo Waste Management Authority’s Devlin Road Transfer Station (DRTS), or such other transfer or Disposal facility(ies) designated by the County to which the Contractor will transport all Solid Waste Collected under this Agreement, as specified or as otherwise excepted in Article 4.

Designated Green Waste Processing Facility “Designated Green Waste Processing Facility” means the facility(ies) selected by the Contractor and approved by the County for handling, processing, and preparing Green Waste for marketing through beneficial reuse such as mulching and composting.

Designated Recycling Facility “Designated Recycling Facility” means the facility(ies) used by Contractor upon County approval or direction for handling, processing, and preparing Recyclable Materials for marketing.

Disposal “Disposal,” “Disposing,” “Dispose,” or “Disposed” means the final disposition of Solid Waste Collected by Contractor, at the Designated Disposal or Transfer Facility.

Disposal Facility “Disposal Facility” means the Disposal Facility(ies) to which the Contractor will ensure that all Residues are transported that remain following Recycling and Green Waste Processing at any privately owned Recycling and/or Green Waste Processing facility

Diversion, Divert “Diversion”, “Divert” means the tonnage or percentage of Collected Collection Materials that are not Disposed.

Effective Date “Effective Date” means October 1, 2005.

Extension “Extension” means any of the Extensions that may be provided by the County as defined in Article 3.1B or 3.1C.

Food Waste “Food Waste” means all source-separated originally acquired for animal or human consumption included but not limited to: vegetable waste, fruit waste, grain waste, dairy waste, meat waste, fish waste; and non-recyclable paper.
Franchise Fee “Franchise Fee” means the portion of Rate Revenues specified in Article 3.5 and due to the County from Gross Rate Revenues in return for grant of the exclusive rights provided for in this Agreement.

Green Waste “Green Waste” means biodegradable materials such as leaves, grass, weeds, and wood materials from trees and shrubs, provided that larger items such as tree stumps and intact dead trees are Bulky Items.

Green Waste Tip Fee “Green Waste Tip Fee” means the tip fees at the Designated Green Waste Processing Facility as specified by the Contractor on cost form 12 of Contractor’s Proposal, or as later negotiated by the parties.

Green Waste Tip Fee Component “Green Waste Tip Fee Component” means the portion of each Rate that is a pass-through expense reflecting the actual cost of Green Waste processing, or of Green Waste and Food Waste processing at the Designated Green Waste Processing Facility. This component of each Rate is adjusted annually based on Cost Form 12 contained in Exhibit N, and is not subject to CPI adjustment.

Gross Rate Revenues “Gross Rate Revenues” means all Rate Revenues collected by the Contractor from Customers.

Hazardous Waste “Hazardous Waste” shall have the meaning set forth in California Code of Regulations, Title 14, Division 7, Chapter 3, Article 4, Section 17225.32 and Health and Safety Code Section 25117, or in CERCLA, or in their successor laws and regulations as may be amended from time to time, whichever definition is in the opinion of the County more inclusive.

Household Hazardous Waste "Household Hazardous Waste" shall have the meaning set forth in California Code of Regulations, Title 14, Division 7, Chapter 7, Article 1.1, Section 18502 or successor laws and regulations as may be amended from time to time.

Liquidated Damages “Liquidated Damages” means the damages for specified violations of the terms of the Agreement as enumerated in Exhibit E and levied by County against Contractor.

Lock Box Account “Lock Box Account” means the account into which all Gross Rate Revenues are deposited by the Contractor, as specified in Exhibit J.

Medical and Infectious Waste “Medical and Infectious Waste” means biomedical waste generated at hospitals, public or private medical clinics, dental offices, research laboratories, pharmaceutical industries, blood banks, mortuaries, veterinary facilities, and other similar establishments.

Minimum Diversion Rate (MDR) “Minimum Diversion Rate” means the diversion rate for collected materials that the Contractor must maintain in order to avoid Liquidated Damages as defined in Exhibit E.

Monthly Distribution “Monthly Distribution(s)” means the monthly payments made by the bank from the Lock Box Account to the County and to other parties, based on Contractor instructions and as specified in Article 6 and Exhibit J.

Multi-Family “Multi-Family” means dwellings with four or more units. Multi-Family customers may have cart or bin service. Service is determined by the property manager or property owner.
Net Recycling Processing Fee

"Net Recycling Processing Fee" means the processing fees at the Designated Recycling Facility net of all Recyclable Material sales revenue, as specified by the Contractor on cost form 12 of Contractor's Proposal, or as later negotiated by the parties.

Net Recycling Processing Fee Component

"Net Recycling Processing Fee Component" means the portion of each Rate that is a pass-through expense reflecting the actual cost of Recycling processing at the Designated Recycling Facility. For a facility other than the City of Napa Materials Diversion Facility, this component of each Rate is adjusted annually based on Cost Form 12 contained in Exhibit N, This rate component is not subject to CPI adjustment.

Party

"Party" or "Parties" means County or Contractor individually, or County and Contractor.

Rate Revenue

"Rate Revenue" means the revenue billed to and collected from Customers by Contractor for provision of Collection Services, as based on the County's approved and published Rates.

Rates

"Rates" or "Rate" means the amount each Customer is billed by as specified in the Rate schedules as approved by the County.

Recyclable Materials, Recyclables

"Recyclable Materials" or "Recyclables" means discarded materials from the Customer intended for and capable of being Recycled, and that are separated, set aside, handled, packaged, offered, or otherwise Delivered for Collection by a Customer in a manner different from Solid Waste. Exhibit A and Exhibit O include the initial list of Recyclable Materials that may be set out for Collection by Customers receiving Single-Stream Recycling Service.

Recycle, Recycled, Recycling

"Recycle, Recycled, Recycling" means the process of Collection, sorting, cleansing, treating and reconstituting Recyclable Materials that would otherwise be Disposed of, and returning them to the economy in the form of raw materials for new, reused, repaired, refabricated, remanufactured, or reconstituted products. The Collection, transportation, or Disposal of Solid Waste not intended for, or capable of, reuse is not Recycling.

Recycling Revenues

"Recycling Revenues" means revenues derived from the sale of Recycled materials Collected under this franchise, net of processing, transportation to market and third-party brokerage fees that are directly and entirely related to the transaction.

Refuse

"Refuse" means waste material intended for Disposal and including: (1) all putrescible and nonputrescible wastes, except liquid-carried industrial wastes or sewage hauled as an incidental part of septic tank or cesspool-cleaning service; (2) garbage (i.e. putrescible animal, fish, food, fowl, fruit or vegetable matter, or any thereof, resulting from the preparation, storage, handling or consumption of such substances); (3) rubbish (such as printed materials, paper, pasteboard, rags, straw, used and discarded clothing, packaging materials, ashes, floor sweepings, glass, and other waste materials).

Residue

"Residue" means materials which remain after processing Recyclable Materials which cannot be Recycled, marketed, or otherwise utilized, including, but not limited to, materials such as rocks, contaminated paper, putrescibles, and other debris. Residue shall not exceed ten (10) percent by weight of the materials processed for Recycling.
Self-Haul “Self-Haul” means that any private individual may transport and dispose of non-commercial Solid Waste, Recyclable Materials or Green Waste generated by that individual and from the unincorporated area of the County.

Signature Date “Signature Date” means the date of execution of this Agreement by Board of Supervisors.

Single Stream Recycling “Single Stream Recycling” means the use of a single Container to collect two or more types of Recyclables.

Solid Waste "Solid Waste" means all discarded putrescible and non-putrescible solid, semi-solid and liquid wastes, including garbage, trash, refuse, paper, rubbish, ashes, industrial wastes, Construction and Demolition Debris, discarded home and industrial appliances, manure, vegetable or animal solid and semi-solid wastes, and other discarded and other discarded substances or materials. Solid Waste does not include (1) Hazardous Waste, (2) low-level radioactive waste regulated under California Health and Safety Code Sections 25800, et seq., (3) untreated medical waste which is regulated pursuant to the Medical Waste Management Act, California Health and Safety Code Sections 25015, et seq., (4) electronic materials classified as universal waste pursuant to CCR Title 14, Section 66260.22 et seq., or (5) Recyclable Materials, Green Waste or Food Waste that have been segregated from other Waste Material by the Waste Generator.

Solid Waste Tip Fee “Solid Waste Tip Fee” means the Solid Waste disposal tip fee at the Designated Disposal or Transfer Facility as approved by the County.

Solid Waste Tip Fee Component “Solid Waste Tip Fee Component” means the portion of each Rate that is a pass-through expense reflecting the actual cost of Disposal and Transfer at the Designated Disposal or Transfer Facility. This component of each Rate is not subject to CPI adjustment.

Special Services Rates “Special Services Rates” are specific service-related charges that are contained on Exhibit D, Schedule of Rates and that may be billed by the Contractor upon advance notice to the Customer.

Special Rate Review “Special Rate Review” means the process defined in Article 7.4 by which Contractor may be compensated for specified extraordinary costs.

Special Waste “Special Waste” includes flammable waste; liquid waste transported in a bulk tanker; sewage sludge; pollution control process waste; residue and debris from cleanup of a spill or release of chemical substances, commercial products, or any other Special Wastes; contaminated soil, waste, residue, debris, and articles from the cleanup of a site or facility formerly used for the generation, storage, treatment, Recycling, reclamation, or Disposal of any other Special Wastes; dead animals; manure; waste water; explosive substances; radioactive substances; abandoned or discarded automobiles, trucks, motorcycles or parts thereof, including tires; fluorescent tubes; and any other materials that under current or future statute or regulation require the application of special treatment, handling, or disposal practices beyond those normally required for Solid Waste.

Surcharge Fee “Surcharge Fee” means a component of each Rate that is a pass-through to the County, and that is of an amount and duration determined by the County.
Term “Term” means the Base Term and any Extension, as provided in Article 3.

Uncontrollable Circumstance "Uncontrollable Circumstance" means an act of God, including landslides, lighting, fires, storms, floods, pestilence, freezing, and earthquakes; explosions, sabotage, civil disturbances, acts of a public enemy, wars, blockades, riots, eminent domain, condemnation or other taking, or other events of a similar nature, not caused or maintained by the County or Contractor, which event is not reasonably within the control of the Contractor, and only to the extent such event has a material adverse effect on the ability of the Contractor to perform Collection Services. Events that could or should have been prevented through reasonable precaution, including compliance with agreements and applicable laws, shall be not be considered Uncontrollable Circumstances. Labor unrest, including but not limited to strike, work stoppage or slowdown, sickout, picketing, or other concerted job action conducted by the Contractor's employees or directed at the Contractor, or a subcontractor, are not considered Uncontrollable Circumstances.

Working Days "Working Days", unless otherwise specified means Monday through Saturday.
ARTICLE 2
REPRESENTATIONS AND WARRANTIES

2.1 CONTRACTOR STATUS AND RESOURCES
Contractor is a Limited Liability Company, validly existing, and in good standing under the laws of the State of California. Contractor is qualified to transact business in the State of California and has the power to own its properties and to carry on its business as now owned and operated and as required by this Agreement. Contractor agrees that this Agreement is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. Contractor has not directly or indirectly colluded, conspired, connived, or agreed with any person, partnership, company, association, organization, or corporation to secure any advantage against County.

Contractor possesses the business, professional, and technical expertise to Collect and Dispose of the Solid Waste, and to Collect and Process Recyclable Materials, Green Waste and Food Waste. Contractor possesses the equipment, facilities, and employee resources required to perform the services specified in this Agreement.

2.2 CONTRACTOR AUTHORIZATION
Contractor has the authority to enter into and perform its obligations under this Agreement. The Pending confirmation of Agreement award, Board of Directors of Contractor (or the shareholders if necessary) has taken all actions required by law, its articles of incorporation, its bylaws or otherwise as applicable to authorize the execution of this Agreement. The persons signing this Agreement on behalf of Contractor have authority to do so. This Agreement constitutes the legal, valid and binding obligation of Contractor enforceable in accordance with its terms, except as limited by applicable bankruptcy insolvency, reorganization, moratorium or other laws or general application relating to or affecting enforcement of creditors’ rights.

2.3 NO CONFLICT
Neither the execution nor the delivery by Contractor of this Agreement nor the performance by Contractor of its obligations hereunder: (i) conflicts with, violates, or results in a breach of any law or governmental regulation applicable to Contractor; (ii) conflicts with, violates, or results in a breach of any term or condition of any judgment, decree, agreement (including, without limitation, the certificate of incorporation of Contractor), or instrument to which Contractor is a party or by which Contractor or any of its properties or assets are bound, or constitutes a default under any such judgment, decree, agreement or instrument; or (iii) will result in the creation or imposition of any encumbrance of any nature whatsoever upon any of the properties or assets of Contractor.

2.4 NO LITIGATION
As of the Signature Date of the Agreement, there is no action, suit, or other proceeding at law or in equity, or to the best of Contractor's knowledge, any investigation, before or by any court or governmental authority, pending or threatened against Contractor which is likely to result in an unfavorable decision, ruling, or finding which would materially and adversely affect the validity or enforceability of this Agreement or any such agreement or instrument entered into by Contractor in connection with the transactions contemplated hereby, or which could materially and adversely affect the ability of Contractor to perform its obligations hereunder or which would have a material adverse effect on the financial condition of Contractor or its parent company.
2.5 NO LEGAL PROHIBITION
Contractor has no knowledge of any applicable law in effect on the Signature Date that would prohibit the performance by Contractor of this Agreement and the transactions contemplated hereby.

2.6 CONTRACTOR’S INVESTIGATION
Contractor has made an independent investigation (satisfactory to it) of the conditions and circumstances surrounding the Agreement and the work to be performed by it and has taken these matters into consideration in agreeing to provide these services in exchange for the compensation provided for under the terms of this Agreement.

2.7 INFORMATION SUPPLIED BY CONTRACTOR
The information supplied by Contractor in all written submittals made in connection with procurement of Contractor’s services, including Contractor’s proposal, and negotiation and execution of this Agreement, and all verbal or written representations and warranties made by Contractor throughout this Agreement are true, accurate, correct, and complete in all material respects on and as of the Signature Date of this Agreement.

2.8 REPRESENTATIVES OF THE PARTIES
Contractor has designated in writing a responsible officer who shall serve as the representative of Contractor and who shall have authority in all daily operational matters related to the Agreement. County may rely upon action taken by such designated representative as action of Contractor except for actions not taken within the scope of this Agreement. The Managing Partner/General Manager shall be the initial designated representative of Contractor. Contractor shall notify County Representative prior to, or at the time of a change in the designated representative.

2.9 WAIVER OF CERTAIN RIGHTS
Contractor hereby waives any right it may possess to contest the legal right, power, or the authority of County to enter into and perform this Agreement and agrees to cooperate with and assist County in supporting the legal validity of, and authorization for, such provisions in the event of any legal challenge thereto brought or made in any manner by a third party.

2.10 WAIVER OF RENEWAL STATUTE
Contractor knowingly and specifically waives any and all rights it may have now or in the future as a result of California Public Resources Code, Division 30, Part 1, Chapter 2, Section 49520, or any subsequent statute granting the same or similar rights regarding County notice to Contractor of termination of the Agreement. Contractor agrees that its rights to provide any of the services specified in this Agreement shall be governed solely by the provisions of this Agreement, and any of its rights to provide such services shall terminate upon termination of this Agreement. This waiver shall not apply to services specified in Article 3.4 of this Agreement or otherwise not within the scope of or required to be provided by Contractor in this Agreement.
ARTICLE 3
COLLECTION SERVICES AGREEMENT

3.1 AGREEMENT TERM AND EXTENSIONS

A. Base Term
The Collection Services granted in this Agreement shall continue in force for a period of ten (10) years ("Base Term") from 12:01 AM on October 1, 2005 ("Effective Date") to Midnight, November 30, 2015. Contractor will receive no compensation provided for in this Agreement prior to the Effective Date. However, the Parties acknowledge that the Contractor will undertake all implementation measures (as described in Exhibit H, Implementation Plan) prior to the Effective Date such that rollout of all new services will be completed by the Effective Date.

B. Extensions
Following the Base Term, and at the sole discretion of the County with or without cause, Contractor may be granted up to four (4) one-year Extensions of this Agreement and its full rights and responsibilities. The County shall provide Contractor written notice of Extension no less than one hundred and twenty (120) days prior to the conclusion of the Base Term. Contractor has no express or implied right to an Extension.

C. Agreement Transition Extension
By giving written notice ninety (90) days prior to the effective date of termination of the Base Term, County, at its sole discretion, may require Contractor to continue to provide Collection Services under the terms of this Agreement for up to one hundred and eighty (180) days following the effective date of termination. The purpose of such an Extension is to ensure uninterrupted Collection Services in the event of transition to a successor contractor and/or ongoing Agreement renegotiations with present Contractor that County anticipates may not be concluded by the effective date of termination.

3.2 COLLECTION SERVICES AGREEMENT

A. Services Provided
County hereby grants Contractor, and Contractor shall have throughout the duration of this Agreement, the exclusive right to engage in Collection, transportation, processing, transport for transfer and Disposal, and material sales in Zone 1 (as described in Exhibit C) related to the following:

1. Solid Waste placed in Carts by residential and commercial Customers.

2. Solid Waste placed in Bins by multi-family and commercial Customers.

3. Single Stream Recyclables placed in Carts or Bins by residential and commercial Customers.

4. Other Recyclables placed for Collection by residential and commercial Customers.

5. Green Waste placed in Carts or Bins by residential and commercial Customers.

6. Collection materials placed in Debris Boxes and Compactors by Customers.

7. Used oil and used oil filters placed for collection by residential Customers.
8. Food waste placed in Carts or Bins by residential and commercial Customers.

The services specified in this Article 3.2A, together with those enumerated throughout the Agreement constitute the Collection Services.

B. Compensation

Except as otherwise specified, the Rates contained in Exhibit D in their initial form as of the Effective Date, and as they are adjusted during the Term are Contractor's sole compensation for provision of Collection Services. Contractor shall retain one hundred (100) percent of gross Recycling revenues resulting from the sale or salvage of Recyclable Materials should the Designated Recycling Facility be a facility other than the City of Napa Materials Diversion Facility.

3.3 PROVISION OF SERVICE

A. General

The work to be done by Contractor pursuant to this Agreement shall include the furnishing of all labor, supervision, vehicles, Containers, other equipment, materials, supplies, and all other items necessary to perform all Collection Services, and the payment of all related expenses including all taxes, utility charges, etc. The Collection Services shall be performed in a thorough and professional manner that constitutes litter free, reliable, courteous and high-quality service. Contractor shall at all times provide Collection Services using best industry practice for comparable operations, performed at all times in full accordance with Exhibit A Scope of Work, and Exhibit B, Standards of Performance. Unless otherwise specifically stated in this Agreement, the revenue generated by the Rates, less the Franchise Fee, the Surcharge Fee and pass-through expenses related to the use of the Designated Disposal and Transfer Facility and the City of Napa Materials Diversion Facility and other payments as specified in Exhibit J is the only source of compensation to Contractor for provision of Collection Services. Contractor shall make Best Efforts to Recycle or Divert from Disposal fifty percent (50%) of all Collection Materials.

B. Hours of Collection

Contractor shall limit Collection to 6 AM to 7 PM in residential zones. In accordance with Section 8.16.080.4 of the County Code, Contractor shall limit Collection to 5:30 AM to 6 PM in commercial and industrial zones except that the County reserves the right to require later Collection in sensitive areas near residences.

3.4 EXCEPTIONS TO COLLECTION SERVICES AGREEMENT

The following services and materials are expressly excluded from this Agreement. The granting of this Agreement shall not preclude the services and materials described below from being provided, or delivered to, collected and/or transported by others, provided that nothing in this Agreement is intended to or shall be construed to excuse any person from any authorization from the County that is otherwise required by law:

1. Customers from donating or selling Recyclable Materials to any party of their choice.

2. Collection services provided by bonded paper and document destruction companies, metal recyclers, and pallet recyclers.

3. Materials which would otherwise constitute Collection Materials that are removed from a premises by a landscaping, gardening or construction contractor as an incidental part of a gardening, landscaping, tree trimming, cleaning, maintenance,
construction or similar service offered by the contractor rather than as a hauling service only.

4. Self-Haul materials, which are delivered by an individual directly to a transfer station or Disposal facility in a manner consistent with County ordinances and codes and other applicable laws.

5. Construction and Demolition Debris collection which is provided by private companies operating within the County on a non-exclusive basis.

The provisions of this Agreement shall not preclude or prohibit the County or any officer or employee thereof or any employee of the State, or any governmental subdivision thereof, from Collecting, removing, and Disposing of Solid Waste from County or other public facilities.

3.5 FRANCHISE FEE AND SURCHARGE FEE

A. Amount

In consideration of the exclusive rights provided to the Contractor through this Agreement, Contractor agrees that County is due a Franchise Fee and a Surcharge Fee. The Contractor shall pay to the County a Franchise Fee equal to the percent of Gross Rate Revenues determined by the County, which initially is ten (10) percent. Contractor shall also pay to the County a Surcharge Fee equal to four and half (4 1/2) percent of Gross Rate Revenues for the first two (2) years of the Agreement. The County reserves the right to impose the Franchise Fee and Surcharge Fee at any time during the Term of this Agreement, with a corresponding adjustment to the Rates. The County shall give the Contractor ninety (90) days notice prior to the date on which any such charge becomes effective.

B. Payment by Contractor

Contractor shall compute and pay the Franchise Fee and Surcharge Fee on the basis of the Contractor's receipt of Gross Rate Revenues for each calendar month from Customers. The Contractor shall remit the Franchise Fee specified in Article 6.2. If the Contractor fails to pay the entire amount of compensation due the County through error or otherwise, the difference due the County shall be paid by the Contractor within thirty (30) days from discovery of the error or determination of the correct amount. In addition, the Contractor shall pay interest on any underpayment at the rate of ten percent (10%) per annum from due date. Any overpayment to the County through error or otherwise shall be offset against the next payment due from the Contractor. Acceptance by the County of any payment due under this Article 3.5B shall not be deemed to be a waiver by the County of any breach of this Agreement, nor shall the acceptance by the County of any such payments preclude the County from later establishing that a larger amount was actually due, or from collecting any balance due to the County. In case of dispute between the County and the Contractor regarding any amounts due, the Contractor shall pay the amount claimed by the County as due and notify the County in writing at the time of payment as to any portion that is paid under protest, specifying the basis of its claim of overpayment.

3.6 SERVICE TO ALL ACCOUNTS

Contractor shall provide Collection Services to all Customers within the Zone 1 of the County requesting service during the Term and shall be compensated on a per-account basis by the then effective Rates.

3.7 TITLE TO COLLECTED MATERIALS

It is expressly understood that all Solid Waste, Recyclable Materials, and Green Waste becomes the property of Contractor at the point of Collection, subject to the requirements of
Article 4 to ensure proper delivery of specified Collection Materials to the Designated Disposal
or Transfer Facility, Designated Recycling Facility, or Designated Green Waste Processing
Facility. In the case of the Devlin Road Transfer Station and the City of Napa Materials
Diversion Facility, upon delivery of waste or materials, ownership of the materials shall transfer
to the facility owner.

3.8 AB 939 GOALS
Contractor acknowledges that it shall provide a package of Collection Services, including
particular Single-Stream Recycling and weekly Green Waste Collection, and Food Waste
Collection defined as a Change in Scope pursuant to Article 5.7, with attendant public education
and customer service programs that should be sufficient to achieve and maintain a level of
Diversion for the County that is in compliance with the State’s goal of fifty (50) percent
diversion.

3.9 ENFORCEMENT
Contractor shall become familiar with all County ordinances and codes related to the provision
of Collection Services, and shall as requested assist the County in its enforcement
responsibilities by promptly notifying the County Representative of any third party violations of
these ordinances and codes observed by Contractor, and by promptly providing County any
related information it may have.

3.10 EMERGENCY SERVICES
Notwithstanding the provisions of Article 3.2 specifying Contractor scope of services, in the
event of a declared emergency, County reserves the right to use County staff, agents,
contractors, and/or subcontractors as necessary to clear debris from the Collection Services
Area. Contractor agrees to not contest County’s use of other parties to collect, transport, and
dispose of any debris resulting from such emergency. In the event of a declared emergency,
Contractor shall upon notice from the County make all reasonable effort to provide vehicles and
crews to assist in clearing and/or transporting debris.

3.11 INFORMATION MANAGEMENT SYSTEMS
Contractor shall maintain such information management systems as are needed to collect,
store, and organize operational and financial data, and in a format necessary and sufficient to
produce the reports and plans as specified in this Agreement, including in electronic formats
that are compatible with County software. All data shall be backed up so as to ensure no loss of
data due to computer failure.

3.12 CONDITIONS TO EFFECTIVENESS OF AGREEMENT
In entering into this Agreement and performing obligations set forth therein, County is relying on
the conditions set forth below. The obligation of County to permit this Agreement to become
effective is subject to the satisfaction of each and all of the conditions set out below, each of
which may be waived in whole or in part in writing by County. Waiver of any of the following as
a condition to the effectiveness of the Agreement does not preclude the County from pursuing
any claim or breach of this Agreement.

A. Accuracy of Representations
The representations and warranties made by Contractor in Article 2 of this Agreement are true
and correct on and as of the Signature Date.
B. Absence of Litigation
There is no litigation pending on the Signature Date in any court challenging the award or execution of this Agreement or seeking to restrain or enjoin its performance. Contractor shall notify County in writing within thirty (30) days of Contractor's becoming aware of any litigation that may in any way affect its performance of the Collection Services.

C. Effectiveness of Board Action
A Board of Supervisors Resolution approving this Agreement, shall have become effective pursuant to Applicable Law on the Signature Date.

D. Verification of Insurance Coverage and Performance Assurances
Contractor shall submit no later than thirty (30) days prior to the Effective Date, and shall maintain to the satisfaction of County, endorsements of insurance coverage pursuant to Article 9.5 performance bond, letter of credit or other performance assurance pursuant to Article 9.6.

E. Company Guaranty
On or before October 1, 2005, the Contractor shall provide a guaranty or other assurance acceptable to County from Contractor's ultimate parent company, other parent company or financial guarantor as acceptable to County, guaranteeing or assuring performance under this Agreement by Contractor. The guaranty shall be in a format acceptable to the County, and be incorporated into this Agreement as Exhibit I.

The guaranty will establish ownership of Napa County Recycling and Waste Services, LLC and the percentage of ownership of each Member. The guaranty will establish that the day-to-day operations will be the responsibility of the Managing Partner/General Manager. The guaranty will establish that operations other than day-to-day will be approved by the Members [Board of Directors]. Any changes to the guaranty will require the consent of the County, which consent will not be unreasonably withheld.
ARTICLE 4
COLLECTION SERVICES

4.1 SCOPE OF WORK - GENERAL
Contractor shall (a) collect Solid Waste generated at Residential Premises, Commercial
Premises, County facilities and other events and locations within the County and deliver it to the
Designated Disposal or Transfer Facility or other disposal site approved by County, and (b)
collect Recyclable Materials, Green Waste and other items specified in Exhibit A placed for
collection by participating Residential Customers, Commercial Customers, County facilities and
other events and locations within the County and deliver it to the Designated Recycling, and
Green Waste Processing Facilities.

The work to be done by Contractor includes the furnishing of all labor, supervision, equipment,
materials, supplies and all other items necessary to perform the services required in a
thorough, professional, and efficient manner, so that residents, businesses and institutions
within the County are provided reliable, courteous and high-quality services at all times. The
enumeration of, and specification of requirements for, particular items of labor or equipment
shall not relieve Contractor of the duty to furnish all others that may be required, whether
enumerated or not.
Contractor shall perform all work in accordance with Exhibit A, all provisions of which are
incorporated herein whether or not such provisions are specifically referred to in any other
article of this Agreement. In addition, to the extent that Contractor's proposal includes promises
to perform services in addition to, or at a higher standard of service than those required by the
Request for Proposals, those promises are incorporated into this Agreement and Contractor
hereby ratifies its agreement to perform as promised.

4.2 TRANSITION PLAN
The parties recognize that substantial planning and preparation will be required to ensure a
successful initiation of collection operations by Contractor on October 1, 2005. To that end,
Contractor has prepared a detailed transition plan addressing the steps Contractor will take,
and the schedule on which it will take them, to prepare for commencement of collection
operations. The transition plan covers, but not limited to, detailed transition schedule showing
all key milestone dates and the sequencing of ongoing and periodic activities that separately
address solid waste collection, recyclables collection, processing, and marketing, and green
waste collection, Contractor's schedule for hiring and training of personnel, acquiring necessary
collection vehicles and equipment, preparing customer relations materials (including collection
schedules, route maps, billing forms, complaint forms, service request forms and so forth),
distributing new Solid Waste, recycling and Green Waste containers to all customers, etc. and
is attached as Exhibit H.
Contractor shall diligently adhere to the transition plan and shall meet periodically, whenever
County's requests, to review progress. Failure to adhere to the transition plan, including its
schedule, shall constitute a breach of this Agreement which, if uncured, shall constitute a
default under Article 10.
County will take actions, make decisions, and provide directions to Contractor in accordance
with the schedule and time allowances set forth in Exhibit H, so as not to delay Contractor's
adherence to the transition plan schedule.

4.3 RESIDENTIAL SOLID WASTE COLLECTION

A. Regular Collections
Contractor shall collect all Solid Waste generated at Residential Premises within the County and placed for collection at curbside, and at side-yard/backyard locations by occupants who are eligible for such collection under regulations adopted by County from time to time. Solid Waste shall be collected from such Premises at the frequencies and in the manner described in Exhibit A, Section 1.0.

4.4 COMMERCIAL SOLID WASTE COLLECTION
Contractor shall collect all Solid Waste generated at Commercial Premises within the County and placed for collection. Solid Waste shall be collected from such Premises at the frequencies and in the manner described in Exhibit A, Section 1.1.

4.5 COUNTY FACILITIES/EVENTS SOLID WASTE COLLECTION
Contractor shall collect all Solid Waste generated at facilities owned and/or operated by the County (except for those located within the City of Napa), and at up to two (2) County-sponsored events at no charge to the County. The County facilities, and type and frequency of service are listed in Exhibit K.

4.6 DIVERSION PROGRAMS

A. Residential Recycling
The Contractor shall collect Recyclable Materials and Green Waste generated at participating Residential Premises, placed for collection in authorized containers (to be provided by Contractor) at the curbside. Contractor shall also collect Recyclable Materials and Green Waste generated at Residential Premises, placed for collection at backyard or side-yard locations by occupants who are eligible for backyard or side-yard collection under regulations adopted by the County from time to time. Recyclable Materials shall be collected from Residential Premises at the frequencies and in the manner described in Exhibit A, Section 1.0.

B. Commercial/Business Recycling
Contractor shall collect Recyclable Materials and Green Waste from participating Commercial Premises at the frequencies and in the manner described in Exhibit A, Section 1.1.

C. County Facilities/Events Recycling
Contractor shall collect Recyclable Materials and Green Waste from two (2) County Facilities and at up to two (2) County-sponsored events at the frequencies and in the manner described in Exhibit A, Section 1.3.

D. Food Waste Recycling
Contractor shall implement Food Waste Collection and Recycling for Residential Customers as provided in Exhibit A, Section 1.0; for Commercial Premises as provided in Exhibit A, Section 1.1; and at County facilities and events as provided in Exhibit K.

E. Recycling Diversion Calculated Increase
Every two (2) years commencing October 1, 2007 and continuing through the Term of the Agreement, the Minimum Diversion Rater (MDR) will be adjusted up or down based on the documented median differential diversion rate for collected materials for the following five Bay Area agencies. County may review and adjust in accordance with any applicable change in law. As of October 1, 2005, the MDR (2005) is 40%

- Sonoma County (SC), Sonoma County Waste Management Agency
• Santa Clara County (SCC), Integrated Waste Management Division
• Castro Valley Sanitary District (CVSD), Castro Valley Sanitary District
• Mendocino County (MDC), Mendocino County Solid Waste Authority
• Marin County (MC), Public Works Department

The calculation to adjust the MDR is for **illustrative purposes only** and used the following assumptions:

1. October 1 MDR (2005) = 48%

2. Collected diversion rates for participating agencies based on 2005 calendar year information:
   - SC = 46%
   - SCC = 38%
   - CVSD = 42%
   - MDC = 49%
   - MC = 51%

Median diversion for calendar year 2005 = 46%

3. Collected diversion rates for participating agencies based on 2006 calendar year information:
   - SC = 48%
   - SCC = 41%
   - CVSD = 40%
   - MDC = 49%
   - MC = 50%

Median diversion for calendar year 2006 = 48%

4. The median diversion differential for calendar years 2005 and 2006 equals

   \[48 - 46/46 = 4.35\%\]

5. The new MDR for October 1, 2007 is calculated as follows:

   \[\text{MDR (2005)} \times \text{[Median diversion (2005/06) +1]} = \text{MDR(2007) or}\]

   \[48\% \times 1.0435 = 50.1\%\]

**F. Food Waste Diversion Calculated Increase**

Upon the implementation of both the commercial and residential food waste program, the MDR will be adjusted based on historical information from County approved communities, as well as, the recycling diversion calculated increase provided above.
4.7 OTHER SERVICES AND SPECIAL SERVICES

A. Other Services
Contractor shall provide other collection services as requested by waste generators in the County on an on-call basis, including drop box service described in Exhibit A, Section 1.0 and 1.1.

B. Special Services
Contractor shall provide the following special services as described in Exhibit A.

- Bulky Item Collections
- Collection and Recycling of Used Oil and Used Oil Filters at Residences
- Holiday Greenery Collection and Recycling
- Telephone Directory Collection and Recycling
- Electronic Waste Collection and Recycling

4.8 TRANSPORT AND DISPOSAL OF SOLID WASTE
Contractor shall transport Solid Waste to the Designated Disposal or Transfer Facility and is responsible for payment of all transport and Disposal charges from the Rates. As of the Effective Date, the Designated Disposal or Transfer Facility is the Napa-Vallejo Waste Management Authority's Devlin Road Transfer Station. County may at its sole discretion direct the Contractor to use a different Disposal or Transfer Facility. Any County designation of a different Disposal or Transfer Facility(ies) shall be considered a Change in Scope and shall be subject to the provisions of Article 5.7.

4.9 RECYCLING TRANSPORTATION, PROCESSING AND MARKETING
The Contractor shall provide for the transportation, processing and marketing of all Recyclable Materials collected within this Agreement. The Contractor shall use Recycling Facilities of its own choosing, unless a Recycling Facility is designated in Exhibit P of this Agreement, in which case the provisions of Exhibit P shall control. Contractor shall ensure that processing and marketing occurs in a manner that results in Residue requiring Disposal equal to no more than ten (10) percent by weight of the original weight of the collected Recyclable Materials, and that any Residue is delivered to a permitted Disposal facility for proper Disposal. As specified in Article 8, Contractor's reports to County will include specified information on the use of the utilized Recycling Facility.

4.10 TRANSPORT AND PROCESSING OF GREEN WASTE
Contractor shall provide for the transportation, processing and marketing of all Green Waste for use as compost, mulch, alternative daily cover, or other forms of beneficial reuse, and is responsible for payment for these services from the Rates. The Contractor shall use Green Waste Processing Facilities of its own choosing, unless a Recycling Facility is designated in Exhibit P of this Agreement, in which case the provisions of Exhibit P shall control. Contractor shall ensure any residue is delivered to a permitted Disposal Facility for proper Disposal. As specified in Article 8, Contractor's reports to County will include specified information on the use of the utilized Recycling Facility.
ARTICLE 5
OTHER SERVICES

5.1 ROLE OF CUSTOMER INFORMATION AND PUBLIC EDUCATION IN ACHIEVING DIVERSION

Exhibit A specifies the minimum standards for Contractor performance of these activities in a proactive, timely, and professional manner. All materials and messages shall be conveyed in English and Spanish.

Contractor acknowledges the importance throughout the Term of developing, and maintaining consistent effort in conducting the public education activities, and in particular the role of information and education in successful implementation and on-going success of Single Stream Recycling, multi-Family and commercial Recycling services, and weekly Green Waste Collection. Contractor's information and education efforts are also crucial in ensuring that Customers are fully aware of all services to which they are entitled as specified in this Agreement, including but not limited to Christmas tree collection, side yard or backyard service for frail elderly and disabled Customers, and the free community cleanup program. Contractor further acknowledges its responsibility, and the important role of the Contractor's consumer information and public education efforts, in causing the County to reach and maintain an AB 939 diversion level of fifty (50) percent or above for the service area served by the Contractor. Exhibit L contains the final approved public education and diversion plans, including the specific activities that the Contractor is solely responsible for conducting.

5.2 CUSTOMER SERVICE AND ACCESSIBILITY

A. General
Contractor acknowledges that County expects provision by Contractor of highly professional and courteous customer service.

B. Telephone
Contractor shall maintain a toll-free telephone number for Customer service. Contractor shall provide all specified services in English and Spanish. Contractor shall install and maintain telephone equipment, and have available service representatives sufficient to handle the volume of calls typically experienced on the busiest days. Dedicated customer service representatives shall be available to answer calls from 8 a.m. to 5 p.m., Monday through Friday. Contractor shall also maintain an after-hours telephone message system to take calls received other than during normal business hours. Contractor shall provide the County a means of contacting a representative of the Contractor on a 24-hour basis. Further specification of these requirements is contained in Exhibit A.

5.3 SERVICE COMPLAINTS AND RESOLUTION

A. General
The County expects Customers to receive a high level of Customer service that is provided in a professional, timely, and courteous manner.

B. Customer Complaint Log
Contractor shall maintain a written log of all oral and written service complaints registered with Contractor from Customers within County ("Complaint Log"). Contractor shall be responsible for prompt and courteous attention to, and prompt and reasonable resolution of, all Customer complaints. Contractor shall record in the Complaint Log all written and oral complaints, noting the name and address of complainant, date and time of complaint, nature of complaint, identity of supervisor, and nature and date of resolution. Such log shall be kept so that it may conveniently be inspected by representatives of County upon written request. Such log shall be retained by Contractor for four (4) years following the end of the year in which the complaint was made, except that any log incidental to an assessment of Liquidated Damages, a breach, a default, or a cause of termination shall be retained through the Term unless the County otherwise in writing permits its disposal.

C. Resolution of Complaints
Contractor shall respond to all Customer complaints within twenty-four (24) hours, Saturdays, Sundays and holidays (as specified in Exhibit A) excluded. Contractor shall make best efforts to resolve all complaints within ten (10) Working Days, with the exception of missed Customer pick-ups. If a complaint involves a missed pick-up of Solid Waste, Recyclables or Green Waste provided by the Customer for Collection in accordance with County ordinances, Contractor shall Collect the Solid Waste, Recyclables or Green Waste in question by the same day if the complaint is received by 12 Noon, or by 12 Noon the following Working Day if the complaint is received after 12 Noon.

5.4 CHANGE IN COLLECTION OPERATIONS, ADMINISTRATION, OR SCHEDULE

A. County Notice
Changes to Solid Waste, Recycling and Green Waste Collection routes or Collection days, or other changes to Collection operations that have possible potential to create Customer confusion, are subject to prior approval of the County Representative, which shall not be unreasonably withheld. The County shall respond to such a request within ten (10) County business days of the request from the Contractor. A change in Collection route or day is defined as any change that affects more than five (5) percent of customers.

B. Customer Notice
Contractor shall make the following notifications regarding any changes in service:

1. Notify all affected Cart Customers at least fourteen (14) calendar days prior to any change in their scheduled day of Solid Waste, Recyclables and Green Waste by mailing notice at least seventeen (17) calendar days prior to the change. Contractor shall not permit any Cart Customer to go more than seven (7) calendar days without service in connection with a Collection schedule change, excluding scheduled holidays.

2. Notify all affected Bin Customers at least five (5) calendar days prior to any change in service. Except by prior arrangement with the Customer, no change in service shall temporarily reduce the weekly frequency of Collection.

5.5 REPORT ACCUMULATION OF SOLID WASTE: UNAUTHORIZED DUMPING AND CESSION OF SERVICE
Contractor shall direct its employees to note and report any County address at which they observe significant and/or ongoing accumulation of Solid Waste that is not being delivered for Collection. Contractor shall also direct its employees to note and report any County address or location at which Solid Waste has been apparently dumped in a manner that does not conform
to County ordinances. Contractor shall notify the County Representative within three (3)
Working Days of the address or location of any accumulation or dumping.

5.6 HAZARDOUS WASTE

A. General
If Contractor determines that waste placed in any Container for Collection or delivered to any
facility is Hazardous, Medical or Infectious Waste, or other waste that may not legally be
disposed of at the Disposal and Transfer Facility or presents a hazard to Contractor’s
employees, Contractor shall have the right to refuse to accept such waste. The Customer shall
be contacted by Contractor and requested to arrange proper disposal. If the Customer cannot
be reached immediately, Contractor staff shall, prior to leaving the premises, leave a tag
indicating the reason for refusing to collect the waste.

B. Ownership of Hazardous and Noncollectible Waste
The Parties agree and intend that upon Collection all Collection Materials (not including
Hazardous Waste or other waste that Contractor is prohibited from collecting under its
governmental permits) becomes the property of Contractor. All other materials (including
Hazardous and other waste that Contractor is prohibited from collecting under its governmental
permits) shall remain the property of the Customer that disposed of such materials, which shall
remain solely responsible for such materials, including without limitation for their transportation
and disposal, retrieval of such materials from any location to which Contractor may have
transported them and for any and all damages, losses, liabilities, fines, penalties, forfeitures,
claims, demands, actions, proceedings or suits arising out of or relating to the generation,
transportation, handling, cleanup, remediation or disposal of or with respect to such materials.

C. Hazardous Waste Disposal Responsibility
If Hazardous Waste is nonetheless collected by Contractor during Contractor’s normal
Collection Service and the Customer cannot be identified or fails to remove the waste after
being requested to do so, Contractor shall arrange for its proper disposal at no cost to County.
Contractor shall make a good faith effort to recover the cost of proper disposal from the
Customer, and the cost of this effort as well as the cost of disposal shall be chargeable to that
individual or entity. If the Customer cannot be identified, Contractor shall absorb the cost of
proper disposal. Contractor shall report any such disposal cost in writing to the County within
forty-eight (48) hours of the date and time incurred.

5.7 CHANGE IN SCOPE

A. General
County may require a Change in Scope, consisting of changes in, or modifications to existing
Collection Services, or a request that Contractor provide new services; or may consider a
Contractor request for a Change in Scope.

1. Should the Change in Scope result in documented increases in Contractor’s operating
or capital expenses, the County shall increase Rates as provided in Article 7.4 as
necessary to compensate Contractor for the additional documented expenses, including
an increase in profit equal to ten (10) percent of the portion of increased expenses that
are not pass-through expenses (e.g., not such expenses as facility tipping fees,
including associated regulatory and/or surcharges).

2. Should the Change in Scope result in documented decreases in Contractor’s operating
or capital expenses, the County shall decrease Rates, as provided in Article 7.4, as
necessary to reflect such decrease in costs, including a decrease in profit equal to ten
(10) percent of the portion of reduced expenses that are not pass-through expenses 
(e.g., not such expenses as facility tipping fees, including associated regulatory and/or 
surcharges).

B. Good Faith Negotiation
In the event of a Change in Scope, the Parties agree to negotiate in good faith to determine the 
applicable distribution for the reasonable costs of reviewing the proposed Change in Scope, 
and for the resulting increase or decrease in Rates. Contractor shall promptly provide any 
documentation reasonably requested by County as necessary to identify and quantify any 
added or reduced expenses related to the Change in Scope. Either Party may, at its own cost, 
seek independent third-party assistance in determining the nature of any costs or savings. All 
determinations of added or reduced expenses shall be based on reasonable industry standards 
and averages for providing such services. If a Change in Scope results in a reduction or shift in 
equipment needs, to minimize capital expenditures, Contractor, including a parent or any 
affiliates, shall make its best efforts to redeplo or sell vehicles, Containers, equipment, and 
materials that are not fully amortized.

C. Adjustment of Rates
Any Rate adjustment made pursuant to this Article 5.7 shall be calculated as follows. The 
appropriate and then-current component(s) of each Rate (Contractor Fee, Solid Waste Tip Fee 
Component, Green Waste Tip Fee Component, and/or Recycling Tip Fee Component) shall be 
adjusted to reflect the percentage change in the relative proportion of Gross Rate Revenues 
that needs to be generated from that component(s) of the Rates as a result of the Special Rate 
Review. With regards to any Change in Scope, County reserves the right to adjust Contractor’s 
compensation through an alternative method, such as a one-time or phased lump sum payment 
from the County to the Contractor, or from the Contractor to the County.
ARTICLE 6
BILLING, COLLECTION, AND REMITTANCE

6.1 BILLING RESPONSIBILITIES

A. General
The Contractor is responsible for billing and collecting Rates for all Collection Services. The Contractor shall not charge any amount in excess of the Rates for any services required or permitted to be performed by the terms of this Agreement. The Rates are those set forth in Exhibit D, "Schedule of Rates," or as they may be adjusted by the County during the Term.

B. Specific Requirements
In billing the Rates, Contractor shall:

1. Levy Special Charges as provided in the Exhibit D. Special Charges shall not be levied without prior notification to the Customer.

2. Not bill for side yard or backyard service for eligible Customers as specified in Article 4.6 and Exhibit A.

All Commercial Customers shall be billed monthly, in advance of service, except Commercial Customers receiving one-time or drop box service. The Contractor may bill such Commercial Customers in arrears; however the Contractor assumes all risk and responsibility for non-payment. Residential Customers may be billed in advance on a monthly or every three months basis, at the Contractor's discretion. All Customer invoices are due and payable within 30 days of the invoice date. Residential Customers may prepay in advance for one year of Collection service, at a discount of five (5) percent from the usual Rate for that level of service.

6.2 CONTRACTOR RECEIPT OF GROSS RATE REVENUES
The Contractor shall enter into a Lock Box Agreement with the County and a third party agent or "Lock Box Bank" to provide Lock Box services, attached as Exhibit J. In addition to any other requirements specified in Exhibit J, Contractor shall deposit all Rate Revenues into the Lock Box Account according to the process specified in Exhibit J pursuant to Section 1 and Schedule A.

6.3 GENERAL CONTRACTOR REQUIREMENTS FOR DISTRIBUTIONS
The Contractor, with the County’s consent, will issue instructions each month to the Lock Box Bank as to how the funds are to be distributed in accordance with Section 2.b. of the Lock Box Agreement contained in Exhibit J. Article 6.4 of this Agreement details the method of calculating the distributions to the County.

6.4 CALCULATION OF MONTHLY DISTRIBUTION TO THE COUNTY
This Article 6.4 addresses the specific steps Contractor shall take to report Gross Rate Revenues to the County, and to monies to the County pursuant to Section 2.b.(iv) of the Lock Box Agreement contained in Exhibit J. For each calendar month the Contractor shall prepare and provide to the County a monthly statement by the 15th day after the end of the month. The monthly statement shall include the following information and calculations for the Monthly Distribution.

25
A. Gross Rate Revenues
All Rate Revenues collected by the Contractor from Customers during that month for current and past due accounts are to be reported as Gross Rate Revenues. Documentation should be provided to support the Gross Rate Revenues. Documentation should include the number of accounts for each Rate and total number of Customers billed for each Special Charge.

B. Franchise Fee and Surcharge Fee.
The Contractor shall present the Franchise Fee calculations and the amount of the monthly Franchise Fee, and Surcharge Fee obligation if a Surcharge Fee is then in effect. The Franchise Fee shall be calculated as follows:

Franchise Fee = 0.10 x Gross Rate Revenues

The Surcharge shall be calculated as follows:

Surcharge Fee = .045 Gross Rate Revenues

C. Liquidated Damages
Any Liquidated Damages the Contractor is obligated to pay to the County, as provided for in Article 10.1 and Exhibit E shall be reported for the month.

D. Other Payments
Any other payments due to the County, such as the cost of performance reviews or audits. County also reserves the right to during the Term add an AB 939 Fee, or other fee to the Rates and require its distribution to the County.

E. Illustration
For example, for illustrative purposes only assume that:

1. Gross Rate Revenues for the month equals $100,000 which is the sum of $90,000 from current monthly collections and $10,000 from past due accounts collected.

2. Franchise Fee = 0.10 x Gross Rate Revenues
   = 0.10 x $100,000
   = $10,000

3. Surcharge Fee = 0.045 x Gross Rate Revenues
   = 0.045 x $100,000
   = $4,500

4. Liquidated Damages due for the month are $100.

5. Total County Distribution = $10,000 + $4,500 + $100 = $14,600

6.5 CONTRACTOR RESPONSIBILITY FOR BAD DEBT AND DELINQUENT PAYMENTS
Contractor shall solely bear all expenses and losses related to collecting or failing to collect bad debt from delinquent Customer accounts. Notwithstanding the foregoing, the Franchise Fee and Surcharge Fee shall be based only on Gross Rate Revenues actually collected by Contractor and shall not reflect any delinquent accounts, bad debts or other uncollected amounts. Upon best reasonable effort (at least three attempts) to collect delinquent payments, Contractor may stop service to Customers with delinquent accounts. Contractor shall within ten
(10) Working Days notify County of any Customer for whom service has been stopped due to delinquent payment.

6.6 AUDIT OF BILLINGS AND FINANCIAL REPORTS; REVIEW OF COSTS

A. Scope of Audit

County may at its sole discretion select a qualified independent firm to perform up to three audits during the Base Term and two during any Extension. The cost of such audits as provided for in this Article 6.6 A. is solely the responsibility of the Contractor. The frequency and timing of the audits shall be determined at County's sole discretion. County shall provide Contractor sixty (60) days notice of each audit. County shall determine the scope of any audits based on the general requirements specified below and may elect to conduct either one or both of the following types of audit:

1. **Audit of Billings.** The auditor shall review the billing practices of Contractor with relation to delivery of Collection Services. The intent of this audit is to use sampling to verify that Customers are receiving the type and level of service for which they are billed.

2. **Audit of Revenue Reporting.** The auditor shall review relevant financial reports and data submitted by Contractor pursuant to Article 8. The purpose of this audit is to verify that Contractor is correctly calculating Gross Rate Revenues, and is properly remitting Franchise Fees, AB 939 Fees and Liquidated Damages.

B. Review of Costs. In conjunction with or separate from an audit, the County may review any costs and revenues related to any Change in Scope or special Rate review. Apportionment of the cost to each Party of any review of cost or revenues associated with a Change in Scope or special Rate review is as specified in Articles 5.7 and 7.4, respectively.

6.7 VACATION STOP SERVICE

Contractor shall allow Customers to stop service once per year without any additional charge or compensation to the Contractor during the vacation stop period. Contractor shall allow Customers to specify no service during certain dates for a minimum of a two-week period and for no longer than three months. If the stop request exceeds three months, the Contractor will arrange to pick-up the Carts from the Customer and will reinitiate Service and billing upon notification of the Customer.
ARTICLE 7
CONTRACTOR COMPENSATION AND CUSTOMER RATES

7.1 RATES
The Rates contained in Exhibit D ("Schedule of Rates") are the only source of compensation to Contractor for provision of Collection Services. Contractor shall bill Customers and collect payment in accordance with the Rates set forth in Exhibit D and pursuant to Article 6 and the Lock Box Agreement contained in Exhibit J.

7.2 ADJUSTMENT OF RATES

A. Annual Adjustment
Notwithstanding the provisions of Article 7.4 and subject to the terms herein, the Contractor is entitled to one Rate adjustment annually beginning October 1, 2007. Contractor's request for an adjustment shall be prepared in a format approved by the County Representative, and is to be submitted to County by each June 1 beginning with June 2007. Each adjustment is to be based on data from a previous twelve (12) month period as specified in this Article 7.2, is to be approved by the County with good faith effort by August 1 of each year, and will be effective on each subsequent October 1. Each component is adjusted as specified in this Article 7.2.

The County shall adjust each Rate up or down to reflect: 1) the product of the change in the annual inflation rate measured as the percentage increase in the Consumer Price Index (CPI) over the previous twelve (12) months multiplied by the then-current Contractor Compensation Fee Component, and; 2) actual changes in any of the pass-through components of each Rate.

The annual change in the CPI shall be calculated using the twelve (12) months that began twelve (12) months prior to the effective date of the Rate adjustment, accounting for the fact that the CPI is published six times per year for February, April, June, August, October, and December, and allowing for lag time in the publishing of the latest CPI. Thus the calculation of the change in the CPI for a Rate adjustment taking effect on October 1, 2007 shall be based on CPI for February 2006 through February 2007. The then-current Contractor Compensation Fee Component is then also adjusted by the Contractor Compensation Fee Adjustment Factor, which is seventy-five (75) percent.

Adjustment of the Solid Waste Tip Fee Component, the Net Recycling Processing Fee Component, and the Green Waste Tip Fee Component shall be based on the relative proportion of any change in the Solid Waste Tip Fee, the Green Waste Tip Fee, or in the Net Recycling Processing Fee, respectively, compared to the then-current fees.

For example, for illustrative purposes only assume that:

The Solid Waste Tip Fee increases from $32.00 per ton to $34.00 per ton, and the then-current Solid Waste Tip Fee Component is $4.00,

Adjusted Solid Waste Tip Fee Component = $4.00 x ($34.00/$32.00) = $4.25

B. Calculation of Adjustment

Each Rate shall be adjusted as follows:
1. Current Contractor Compensation Fee Component x \[ (((\text{Current CPI}/12\text{-month previous CPI}) - 1) \times 0.75 + 1) + \]

2. Adjusted Solid Waste Tip Fee Component (pass-through) +

3. Adjusted Net Recycling Processing Fee Component (pass-through) +


Adjusted Rate = \[ \text{Adjusted Components 1. through 4. above}/0.855 \]
where 0.855 represents the addition of the Franchise Fee Component of 10 percent and 4.5 percent Surcharge Fee.

For example, assume the following change in CPI and no changes in the three pass-through components:

1. Current CPI Adjustment is 123

2. Previous 12-month CPI = 118

3. Then-current Contractor Compensation Fee Component = $10.00

4. Then-current Solid Waste Tip Fee Component = $4.00

5. Then-current Net Recycling Processing Component = $3.00

6. Then-current Green Waste Tip Fee Component = $2.00

Then the adjusted Rate is calculated as follows:

\[
\text{Adjusted Rate} = \frac{10 \times \left[ ((123/118) - 1.00) \times 0.75 + 1 \right] + 4.00 + 3.00 + 2.00}{0.855} = 22.59
\]

C. CPI Index Cap

In the event that the specified CPI index increases by more than four (4) percent in any one year (i.e., Current CPI/12-month previous CPI is greater than 1.04), the Contractor shall receive an adjustment of the CPI Component of each Rate greater than four (4) percent only to the extent that the Contractor can demonstrate that actual costs increased more than four (4) percent during that twelve month period.

D. Change in the CPI Index

If the CPI is discontinued or revised during the Term by the United States Department of Labor, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the CPI had not been discontinued or revised.

7.3 APPROVAL AND NOTICE OF ADJUSTED RATES

The County shall act in good faith to approve adjusted Rates on each August 1, beginning with August 1, 2007, to be effective the following October 1 beginning with October 1, 2007. Contractor shall provide all Customers with advance written notice of approved Rate
adjustments, in the form of a bill insert-or notification on the invoice at least thirty (30) days prior to the effective date of each Rate adjustment.

7.4 SPECIAL RATE REVIEW

A. Eligible Items
Notwithstanding the schedule for annual Rate adjustments described in Article 7.2 and subject to the terms herein, the Contractor is entitled to apply to the County for consideration of a Special Rate Review, or the County may initiate such a Review should one or more of the following occur:

1. A change in the cost of providing Collection Services due to an increase in State or local fees or surcharges at the Disposal or processing site or a Change in Law.

2. A Change in Scope as provided in Article 5.7.

3. Changes to the Franchise Fee, Surcharge Fee or an addition, deletion or change to any other County fee in accordance with Article 3.5.

4. A Change in Law for which Contractor compliance is mandatory, and that results in significant documented increases in the specific cost of providing Collection Services.

Special Rate Reviews are intended to be used to make legitimate Rate adjustments to reflect changes in eligible expenses. It is the responsibility of the Contractor to identify any such eligible items as early as possible, and prior to their taking effect for any eligible item such as a change in State law that the Contractor should reasonably have anticipated. Special Rate Reviews are not intended to provide retroactive compensation for past changes in the eligible items listed above, nor to assist the Contractor should the Contractor have underbid the cost of providing the services specified in the Agreement.

B. Ineligible Items
Items for which Contractor will not be additionally compensated over the Term, except as resulting from a Change in Scope, include, but are not limited to:


2. Decreases in Recyclable Material sales revenues or Green Waste material sales revenues due to changes in market conditions or in any other factor affecting revenues.

3. Increases in transportation time and/or costs related to provision of Collection Services.

4. Changes in the number of Customers due to changes in population or housing/business development, or to annexation or de-annexation.

5. Shifts in the number of accounts between larger and smaller Cart sizes, large and smaller Bins, or more or less frequency of Bin pickup.

6. Incorrectly estimated number of accounts; tons of Solid Waste, Recyclables or Green Waste; or inaccuracies in any other assumptions or data at any time during the Term.
7. Changes in local, state or federal clean air regulations, except constituting a Change in Law and meeting the requirements of 7.4.A, including but not limited to all alternative fuel or vehicle requirements.

C. Review of Costs
Should either Party request a Special Rate Review, the County shall have the right to review any or all costs associated with the Contractor's services under this Agreement. A Special Rate Review may, at the County's sole discretion occur in conjunction with a performance review pursuant to Article 8.7.

D. Submittal of Request
Contractor must submit any request for a Special Rate Review, and reasonable supporting cost and operational data in a form and manner specified by the County at least six (6) months prior to the proposed effective date of any Rate adjustment, and shall make every effort to have any such increase coincide with a regular Rate adjustment as specified in Article 7.2.

E. Burden of Justification
Contractor shall bear the burden of justifying to County by Clear and Convincing Evidence any entitlement to a Rate adjustment under this Article 7.4. If the County determines that the Contractor has not met its burden, the Contractor may request another hearing to produce additional evidence. Upon request, the County may permit said additional hearing.

F. Grant of Request
Based on evidence the Contractor submits, the Board of Supervisors may grant some, all or none of the Rate adjustment requested pursuant to this Article 7.4.

G. Calculation of Rate Adjustment
Any Rate adjustment made pursuant to this Article 7.4 shall be calculated as follows. The appropriate and then-current component(s) of each Rate (Contractor Compensation Fee, Solid Waste Tip Fee Component, Net Recycling Processing Fee Component, and/or Green Waste Tip Fee Component) shall be adjusted to reflect the percentage change in relative proportions of the Gross Rate Revenues that need to be generated from one or more of the four component(s) of the Rates as a result of the Special Rate Review.

H. Cost of the Review
The Party initiating or requesting a Special Rate Review shall compensate the other Party for all reasonable and documented costs associated with conducting the review.

7.5 RESOLUTION OF DISPUTES REGARDING SPECIAL RATE REVIEWS
This Article 7.5 pertains only to Special Rate Reviews requested by Contractor under the provisions of Article 7.4. If County rejects a special Rate adjustment requested by the Contractor, grants a Rate adjustment different than was requested by the Contractor, or fails to act in a timely manner upon all or any part of the Contractor's special Rate adjustment application, then Contractor's sole remedy against the County is to file a petition for writ of mandate pursuant to CCP Section 1085. Contractor expressly does not have a cause for action for damages against the County. In addition, Contractor expressly does not have a cause for action for damages against the County, should the County be unable to implement a planned adjustment in Rates due to applicable legal requirements including but not limited to California State Proposition 218.
ARTICLE 8
RECORD KEEPING, REPORTING, AND PERFORMANCE REVIEWS

8.1 RECORD KEEPING

A. Accounting Records
Contractor shall maintain full, complete and separate financial, statistical and accounting records, pertaining to cash, billing, and provisions of all Collection Services, prepared on an accrual basis in accordance with generally accepted accounting principles. Such records shall be subject to audit, copy, and inspection by the County Representative or designee. Gross Rate Revenues and Recycling revenues derived from provision of the Collection Services, whether such services are performed by the Contractor or by a subcontractor or subcontractors, shall be recorded as revenues in the accounts of the Contractor. Contractor shall maintain and preserve all cash, billing and Disposal records for a period of not less than five (5) years following the close of each of the Contractor’s fiscal years, except that any record incidental to an assessment of Liquidated Damages, a breach, a default, or a cause of termination shall be retained through the Term unless the County otherwise allows for its disposal in writing.

B. Collection Materials Records
Contractor shall maintain records of the quantities of (i) Solid Waste Collected and Disposed under the terms of this Agreement, (ii) Recyclable Materials, by type, Collected, purchased, processed, sold, donated or given for no compensation, and Residue Disposed, and (iii) Green Waste Collected, received, purchased, processed, sold, donated or given for no compensation, and Residue Disposed.

C. Customer Complaint Log
Contractor shall maintain the customer complaint log pursuant to Article 5.3B.

D. Other Records
Contractor shall maintain all other records reasonably related to provision of Collection Services, whether or not specified in this Article 8 or elsewhere in the Agreement.

8.2 MONTHLY AND ANNUAL REPORTING

A. General
Annual reports shall be submitted no later than February 1 for the previous calendar year, beginning February 1, 2006, with the exception of the audited financial statement/report that must be submitted ninety (90) days after close of Contractor’s fiscal year. Monthly reports shall be submitted as provided below. Monthly and annual reports shall be submitted in hard copy, and shall be provided electronically via e-mail. County shall in advance approve the format, specific content, and software used for each type of report. All costs associated with preparation of the required reports are the sole responsibility of the Contractor.

B. Annual Reports
Annual reports shall include:

1. A summary of the prior year’s monthly Gross Rate Revenues, Franchise Fee, Surcharge Fee, and any other County fee(s), Liquidated Damages, any other payments to County, and Monthly Distributions.
2. Account data submitted in hard copy, including the number of accounts, account names and addresses of collection locations per each service category. List of delinquent accounts for which service was stopped during the year, and indication of whether or not service has resumed.

3. Public education and information activities undertaken during the year, including distribution of bill inserts, collection notification tags, community information and events, tours and other activities related to the provision of Collection Services. Discuss the impact of these activities on Recycling and Green Waste program participation and amounts collected for Commercial and Residential Customers.

4. An analysis of any Recycling and Green Waste Collection, processing and marketing issues or conditions (such as participation, setouts, contamination, etc) and possible solutions, discussed separately for Cart and Bin Customers.

5. Detailed review of the number and type of complaints received over the past year, including how they were resolved and the elapsed time between receipt of the first complaint and final resolution of the complaint. Contractor shall propose, and County shall approve in advance the format to be used for this portion of the annual report.

6. Audited annual financial statement/report provided each year beginning in 2006, and submitted no later than 60 days following the close of the Contractor's fiscal year. The audited financial statement shall be specific to the operations to be provided under this contract. In addition, the statements/reports shall address all specific information regarding the overall financial situation of the Contractor that could in any reasonably foreseeable way affect the ability of the Contractor to fulfill its obligations under this Agreement, including but not limited to Contractor's ability to service short-term and long-term debt. The financial statements, management letter and footnotes shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and audited in accordance with Generally Accepted Auditing Standards (GAAS) by a certified public accountant (CPA) licensed (in good standing) to practice public accounting in the State of California as determined by the State of California Department of Consumer Affairs Board of Accountancy. The CPA opinion on Company's annual financial statements and supplemental schedule shall be unqualified, except as to uncertainties for which the ultimate outcome cannot be determined by the date of the CPA's opinion. Company shall, in its agreement with the CPA performing its annual audit referred to above, have its CPA make available to the County (or County's designated representative) such CPA's all-inclusive working papers related to the audit.

The information contained in 6. above will be used by the County to confirm the ongoing financial solvency with regard to Contractor's ability to fulfill contractual obligations throughout the term.

C. Monthly Reports

Monthly reports to the County shall be due 15 days after the end of each month and shall include:

1. Total tons collected, diverted through recycling, diverted through green waste processing, and disposed through provision of the Collection Services.
2. Detail of previous month’s distributions to all parties as specified in Article 6 and Exhibit J.

3. Gross and net Recycling revenues if the Designated Recycling Facility is not the City of Napa Materials Diversion Facility.

4. Name and address of any Customer for whom service has been suspended or ended due to a failure to pay for service.

5. Identification of any commercial Customers that have refused service during the previous month, and delivery of service to any commercial Customers that had previously refused service.

D. Additional Report Information to Be Submitted As Requested
County may also require that the monthly and/or annual reports include some or all of the following information and data:

1. **Solid Waste Data.** Include separately for Cart and Bin Service the average number of daily setouts, and tons Collected and Delivered to the Disposal facility. Indicate number of service accounts by service classification level for Cart and Bin Customers. Indicate number of Bins and Carts distributed by size and Customer type. Provide total tons Disposed by Disposal site location.

2. **Recycling Data.** Include gross tons Collected daily on average by material type by route for Cart and Bin Service. Indicate average number of daily setouts by Cart route. Provide total setouts and tonnages, by material type and by route for the quarter. Indicate average participation rates by quarter relative to the total number of Customers in terms of weekly setout counts. Indicate, by material type (and grade where appropriate), quarterly totals of Recyclable Materials processed and sold including facility name and location, average price received per ton and total Recycling Revenue received for the quarter. Indicate any quantities, by material type, donated or otherwise disbursed without compensation. Indicate number of Bins and Carts distributed by size and Customer type. Also provide monthly totals and location for Residue Disposed.

3. **Green Waste Data.** Include average daily gross tons collected by route. Indicate average daily number of setouts by route. Indicate average participation rates relative to the total number of Customers in terms of weekly setout counts. Indicate number of Bins and Carts distributed by size and Customer type. Also provide totals and location for Residue Disposed.

4. **Praises, Complaints, Missed Pickups and Resolutions.** Provide a copy of log of praises and complaints and resolutions of complaints, including a summary of the type and number of complaints. Provide written record of all calls related to missed pickups and responses to such calls.

5. **Problems and Actions Taken.** Provide summary narrative of problems encountered with Collection and processing activities and actions taken. Indicate type and number of notification tags left at Customer locations. Indicate instances of property damage or injury, poaching or scavenging, significant changes in operation, market factors, publicity conducted, and needs for publicity. Include description of processed material loads rejected for sale, reason for rejection and disposition of load after rejection.
6. **Equipment Inventory.** An updated complete inventory of collection and major processing equipment including stationary, rolling stock, and bins and carts by type and size.

### 8.3 ADDITIONAL REPORTING
The Contractor shall furnish the County with any additional reports as may reasonably be required, to be prepared within a reasonable time following the reporting period. County reserves the right to require submittal of any of the annual report information on a more frequent basis, whether periodically or on an ongoing basis.

### 8.4 OTHER RELATED REQUIREMENTS

#### A. Waste Characterization and Waste Diversion Studies
The Contractor shall fully and in a timely manner cooperate with and assist the County in the performance, if and as needed, of periodic waste characterization and waste diversion studies.

#### B. Collection Monitoring
The Contractor shall monitor its Collection of Solid Waste, Recyclable Materials, and Green Waste to identify occurrences of, and to prevent, contamination of Recyclable Materials and Green Waste. Contractor shall allow a person designated by the County Representative to ride with Contractor's collection vehicles on any route or routes. The County Representative will inform Contractor at least one week in advance prior to date of route monitoring. The County Representative will comply with all policies and procedures of Contractor when riding in such vehicles.

### 8.5 INSPECTION BY THE COUNTY
County Representative, or his designee(s) shall have the right to observe and review any Contractor's records, operations, and equipment, used in or connected with the provision of Collection Services, and to enter premises during normal business hours for the purposes of such observations and review at any time without prior notification. County Representatives shall make notification to Contractor's Representative upon arrival. The County Representative will comply with all policies and procedures of Contractor when on Contractor's premises.

### 8.6 PERIODIC REVIEW
County will periodically review the performance of the Contractor based on Customer complaints, timely payment of sums due, statistical reporting, program progress, AB 939 compliance, etc. This review will be conveyed to the Board of Supervisors, and the Contractor may review the draft report before it is conveyed to the Board of Supervisors and submit its own statement.

#### 8.7 PERFORMANCE REVIEW
Subject to the appropriate areas of concern listed below, the County may require a "Performance Review" of the Contractor up to three times during the Base Term of the Agreement and two times during any Extensions of the Agreement. The Performance Review shall be conducted as set forth below.

#### A. Scope of Performance Review. The Performance Review shall:
1. Be performed by the County or a qualified firm under contract to the County. The qualified firm shall be selected by the County with input from the Contractor.

2. County cost of the Performance Review shall be reimbursed by Contractor, provided that such reimbursement shall not exceed $60,000 per review, or a combined total of $180,000 during the Base Term. However, if any Performance Review results in a finding of a material breach or default in the Contractor's performance, the Contractor shall in a timely manner reimburse the County for the total cost of the Performance Review.

3. Address all appropriate areas of concern to the County, and shall provide specific recommendations, as appropriate, for improvement in each area, including but not limited to the following:
   a. Compliance with the terms of this Agreement and Applicable Laws.
   b. Overall organizational structure and management systems and procedures.
   c. Efficiency of Collection operations, including an analysis of routes, schedules and the impact of the requirements of this Agreement.
   d. Compliance with the Public Education and Diversion Plans contained in Exhibit L.
   e. Staffing practices, including the deployment of management and supervisory personnel.
   f. Financial management practices, including the Contractor's billing and collection system, its policies with regard to uncollected Customer accounts, and its compliance with the Lock Box Agreement contained in Exhibit J.
   g. Personnel management practices, including the resolution of employee grievances.
   h. Employee job and safety training, and management of Hazardous Waste.
   i. Procedures for receiving and resolving Customer complaints and concerns.
   j. Procedures for the acquisition, maintenance, safety check, and replacement of equipment.
   k. Utilization and management of facilities, equipment and personnel.
   l. Comparison with practices of businesses deemed similar to the Contractor.

Contractor shall cooperate fully with the Performance Review, and provide within thirty (30) days of request, all operational, financial and other information deemed reasonable or convenient by County or the firm selected by the County for purposes of conducting the Performance Review. The Contractor's failure to cooperate or provide all requested information shall be considered an event of Default as provided in Article 10.2A.
Notwithstanding the foregoing provisions of this Article, the County and Contractor agree to use
good faith efforts to ensure that any Performance Review is conducted in as cost-effective a
manner as possible, so as to minimize unnecessary costs or administrative oversight. To this
end, the County and the Contractor shall confer prior to any Performance Review to establish
the scope and budget of the review, in a manner designed to meet the County’s concerns and
needs.

B. Determination of Breach
If, as a result of a Performance Review the County identifies one or more areas of Contractor
breach of the Agreement, the provisions of Article 10.1 shall apply.

C. Changes to Operations
As the result of a Performance Review, the County reserves the right to require reasonable
changes to the Contractor's operations, which the County determines to be necessary or
appropriate to carrying out the intent of the terms and conditions of this Agreement.

D. Determination of Default
If, after the County has reviewed the results of a particular Performance Review including
problem areas, frequency of occurrence, recommended improvements and compliance
therewith, and has considered any evidence presented by the Contractor in connection
therewith, the County determines to its satisfaction that any significant event of Default has
occurred, then this Agreement may be terminated by the County at its option pursuant to Article
10.7 of this Agreement and without prejudice to any other remedy to which it may be entitled to
either at law, in equity, or under this Agreement by giving written notice of termination, either by
mail or personal service, to the Contractor not less than thirty (30) days prior to the date upon
which the termination is to become effective.
ARTICLE 9
INDEMNITY, INSURANCE, BOND

9.1 INDEMNIFICATION OF THE COUNTY

The Contractor agrees to and shall indemnify, defend, with Counsel acceptable to the County, and hold harmless County, its officers, officials, employees, volunteers, agents and assigns (indemnities) from and against any and all damages (whether special, general or punitive), loss, liability, fines, penalties, forfeitures, claims, demands, actions, proceedings or suits (whether administrative or judicial), in law or in equity, of every kind and description, (including, but not limited to), injury to and death of any person and damage to property, strict liability, product liability, or for contribution or indemnity claimed by third parties arising or resulting from or in any way connected with: (i) the operation of the Contractor, its agents, employees, contractors, and/or subcontractors, in performing or failing to perform this Agreement; (ii) the failure of the Contractor, its agents, employees, contractors and/or subcontractors to comply in all respects with applicable laws, ordinances and regulations, and/or applicable permits and licenses; (iii) the acts of the Contractor, its officers, employees, agents, contractors and/or subcontractors in performing services under this Agreement for which strict liability is imposed by law; and (iv) the processing, marketing, and end use of Recyclable Materials and Green Waste. The foregoing indemnity shall apply regardless of whether such loss, liability, penalty, forfeiture, claim, demand, action, proceeding, suit, injury, death or damage is also caused in part by any of the indemnittees' negligence.

The Contractor will, however, be required to reimburse or indemnify the County to the extent any damages, losses, liabilities, fines, penalties, forfeitures, claims, demands, actions, proceeding or suits, as more fully set forth above, are due to intentional wrongful acts or the active negligence of the County. In instances where Contractor and County are both named defendants, Contractor shall provide a defense for the County, unless after meeting and conferring on the issue, it appears that sufficient conflicts between the Contractor and the County exists so as to reasonably prevent a joint defense of the Contractor and County by counsel for the Contractor. If a final decision, judgment, or settlement allocates liability to the Contractor and to the County, or to one or more other County contractors, Contractor shall have no obligation to the County for indemnification or otherwise with respect to any liability allocated to the County for intentional wrongful acts or active negligence. The Contractors responsibility for indemnification of one or more other County contractors, if any, shall be based on legal principles regarding allocation of fault, contribution and equitable indemnity.

9.2 AB 939 INDEMNIFICATION OF THE COUNTY

Contractor shall defend, indemnify and hold harmless County with respect to the County's failure to meet its AB 939 diversion goals as a result of Contractor's failure to meet the applicable Diversion goals for the materials required to be collected by Contractor pursuant to this Agreement. Such indemnity shall be limited to exclude all damages or claims to the extent that they are caused by, (i) any actively negligent acts or omissions, or willful misconduct of the County, or its employees, agents, appointed and elected officials; (ii) the County's failure to establish and maintain a source reduction and recycling element pursuant to Sections 41000, et seq. of the Public Resources Code; or (iii) the failure of the County or its employees, agents, appointed and elected officials to comply with or enforce applicable solid waste and/or recycling statutes, ordinances, regulations, or other requirements other than failure attributable to Contractor's performance under this Agreement. The extent of the Contractor's liability under this Article shall not exceed the Contractor's proportionate share of the fault.
9.3 HAZARDOUS SUBSTANCES INDEMNIFICATION

Contractor shall indemnify, defend with counsel acceptable to County, protect and hold harmless the County, its officers, officials, employees, agents, assigns and any successor or successors to the County’s interest from and against any and all claims, damages (including but not limited to special, consequential, natural resources and punitive damages) injuries, response mediation and removal costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties attorneys fees for the adverse party and expenses (including but not limited to attorneys and expert witness fees and costs incurred in connection with defending against any of the foregoing or in enforcing this indemnity) of any kind whatsoever paid, incurred or suffered by, or asserted against, the County or its officers, officials, employees, agents, assigns, or contractors arising from or attributable to acts or omissions including but not limited to any repair, cleanup, disposal or detoxification, or preparation and implementation of any removal, remedial, response, closure or other plan (regardless of whether undertaken due to governmental action) concerning any hazardous substance or hazardous wastes at any place where the Contractor transports, stores or disposes of Collection Materials pursuant to this Agreement. This obligation to indemnify is limited to responsibility, liability and damages, as more fully set forth above, attributed to Collection Materials or other commodities transported, stored, or disposed of pursuant to the exclusive services for Collection under this Agreement.

If a final decision or judgment allocates Liability for matters within the scope of Article 9.3 to Contractor and one or more other County contractors, then Contractor shall have no obligation to the County for indemnification with respect to any Liability allocated: (i) to such other contractor or contractors; (ii) to the County for activities undertaken by such other contractor or contractors; or (iii) to County for Liability resulting from activities of Contractor not related to Collection under this Agreement.

9.4 PROPOSITION 218 INDEMNIFICATION

County intends to comply with all applicable laws concerning the approving of Rates under this Agreement. Nonetheless, Contractor shall indemnify, defend and hold harmless County, its officers, employees, agents and volunteers, (collectively, indemnities) from and against all claims, damages, injuries, costs, including demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest fines, charges, penalties and expenses (including attorneys’ and expert witness fees, expenditures for investigation and administration) and costs of any kind whatsoever paid, imposed upon, endured or suffered by or assessed against any of the indemnitees resulting in any form from the County’s approval of Rates for service under this Agreement or in connection with the application of California Constitution, Article XIIIIC and Article XIIIID to the imposition, payment or collection of Rates and fees for services provided by Contractor under this Agreement.

9.5 INSURANCE SCOPE AND LIMITS

The Contractor shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors. With respect to General Liability, Errors & Omissions and Pollution and/or Environmental Impairment Liability coverage should be maintained for a minimum of five (5) years after Agreement completion. The maintenance of claims made against any insurance required of the Contractor shall not be considered a waiver by County of any claim or liabilities it may have against the Contractor.

A. Minimum Scope of Insurance
Coverage shall be at least as broad as:

1. Insurance Services Office form number GO 0002 (Ed. 1/73) covering comprehensive General Liability and Insurance Services Office form number GO 0404 covering Broad Form Comprehensive General Liability; or Insurance Services Office Commercial General Liability coverage ("occurrence" form CG 0001, Ed. 10/01).

2. Insurance Services Office form number CA 0001 (Ed. 10/01), covering Automobile Liability, code 1 (any auto) and endorsement CA 0025 (Ed. 1/88).

3. Worker's Compensation Insurance as required by the State of California and Employer's Liability Insurance.

B. Minimum Limits of Insurance

The Contractor shall maintain limits no less than:

1. **Commercial General Liability**: Commercial General Liability Insurance with limits of not less than One Million Dollars ($1,000,000) per occurrence with an aggregate of Two Million Dollars ($2,000,000). This policy shall be issued on a per-occurrence basis. The County may require specific coverages including completed operations, products liability, contractual liability, Explosion-Collapse-Underground, fire legal liability or any other liability insurance deemed necessary because of the nature of the contract.

2. **Automobile Liability**: Comprehensive Automobile Liability Insurance with limits for bodily injury of not less than One Million Dollars ($1,000,000). Coverage should include owned and non-owned vehicles used in connection with the contract.

3. **Worker's Compensation**: A policy of Worker's Compensation insurance as may be required by the California Labor Code.

C. Deductible and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved in writing by the County. At the option of the County, either the Insurer shall reduce or eliminate such deductibles or self insured retentions as respects the County, its officers, officials, employees and volunteers; or the Contractor shall provide evidence satisfactory to the County guaranteeing payment of losses and related investigations, claim administration and defense expenses. Notwithstanding the foregoing, the County may elect not to accept any deductibles or self-insured retentions offered by the Contractor, and/or may elect to accept a bond held by the Contractor with a third party administrator.

D. Other Insurance Provisions

1. The policies are to contain, or be endorsed to contain, the following provisions:

   a. The County, its officers, officials, employees and volunteers are to be covered as additional insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Contractor; and with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations; Pollution and/or Asbestos Pollution.
b. The Contractor's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, agents or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

c. Each insurance policy required by this clause shall be occurrence-based (other than for pollution legal liability, which may be claims-made), or an alternate form as approved by the County and shall be endorsed to state that coverage shall not be canceled by the Insurer except after thirty (30) days prior written notice has been given to the County.

d. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

e. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subsection (b) of Section 2782 of the Civil Code.

2. **Automobile Liability Coverage.** The Automobile Liability policy shall be endorsed to delete paragraph A of the Pollution exclusion and add the Motor Carrier Act endorsement (MCS-90) and/or other endorsements required by federal or state authorities.

3. **Worker's Compensation and Employers Liability Coverage.** The insurer shall agree to waive all rights of subrogation against the County, its officers, officials, employees and volunteers for losses arising from work performed by the Contractor for the County.

4. **All Coverages.** Each insurance policy required by this clause shall be occurrence-based (other than for pollution legal liability, which may be claims-made) or an alternate form as approved by the County and endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the County.

E. **Acceptability of Insurers**

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII if admitted. If pollution and/or Environmental Impairment and/or errors and omissions coverages are not available from an Admitted insurer, the coverage may be written with the County's permission, by a Non-admitted insurance company. A Non-admitted company should have an A.M. Best's rating of A:X or higher.

F. **Verification of Coverage**

As provided in Article 3.12 D and Exhibit G, the Contractor shall furnish the County with original certificates evidencing coverage required by this clause. All insurance coverages referenced in this Article 9 shall be evidenced by one or more certificates of coverage which shall be filed by Contractor with the County Representative prior to commencement of performance of any of Contractor's duties; shall be kept current during the term of this Agreement; shall provide that County shall be given no less than thirty (30) days prior written notice of any non-renewal,
cancellation, other termination, or material change, except that only ten (10) days prior written
notice shall be required where the cause of non-renewal or cancellation is non-payment of
premium; and shall provide that the inclusion of more than one insured shall not operate to
impair the rights of one insured against another insured, the coverage afforded applying as
though separate policies had been issued to each insured, but the inclusion of more than one
insured shall not operate to increase the limits of the company's liability. For the insurance
coverage referenced in Article 9.5B.1., the certificate of insurance or endorsements attached
thereto shall also name County, its officers, employees, agents and volunteers as additional
insureds; shall provide that if the same policy applies to activities of Contractor not covered by
this Agreement then the limits in the applicable certificate relating to the additional insured
coverage of County shall pertain only to liability for activities of Contractor under this
Agreement; and shall provide that the insurance provided is primary coverage to County with
respect to any insurance or self-insurance programs maintained by County. Upon request of
County's Risk Manager, Contractor shall provide or arrange for the insurer to provide within
thirty (30) days of the request, certified copies of the actual insurance policies or relevant
portions thereof.

G. Subcontractors
The Contractor shall include all subcontractors as insureds under its policies or shall furnish
separate certificates and endorsements for each subcontractor. All coverages for
subcontractors shall be subject to all of the requirements stated herein.

H. Additional Provisions
Any failure to comply with reporting or other provisions of the policies including breaches of
warranties shall not affect coverage provided to the County, its officers, officials, agents,
employees and volunteers.

9.6 INSTRUMENT FOR SECURING PERFORMANCE
No later than the Effective Date, the Contractor shall file with the County an instrument for
securing performance payable to the County, in a form acceptable to the County, securing the
Contractor's faithful performance of each and every one of its obligations under this Agreement.
The instrument shall become Exhibit F to this Agreement. The principal sum of the instrument
shall be $750,000, of which a minimum of $50,000 will be surety specifically dedicated to
vehicles. The instrument may be in the form of a certificate of deposit, letter of credit or
performance bond. The instrument shall as required be executed as surety by a corporation
authorized to issue such instrument in the State of California, with a financial condition and
record of service satisfactory to the County. The instrument shall be in a form specified by the
County Representative. The instrument shall remain in force for the duration of this Agreement.
The premium for a letter of credit or any other charge related to maintenance of any of the
instruments shall be paid by the Contractor.
ARTICLE 10
BREACH, DEFAULT, AND TERMINATION

10.1 EVENTS OF BREACH

A. Definition
The Parties acknowledge that provision of consistent, reliable Collection Services is of utmost importance to County and that County has considered and relied on Contractor's representations as to its ability and commitment to quality of service in awarding this Agreement. In the event that Contractor fails to perform fully any of its obligations under this Agreement (other than "Events of Default" stipulated in Article 10.2), Contractor shall be in breach of this Agreement.

B. Cure of Breach
Contractor shall begin cure of any breach as soon as it becomes aware of the breach, whether discovered by Contractor or through notice from County. Upon giving or receiving written notice of a breach, Contractor shall proceed to cure such breach as follows:

1. Immediately, if the breach is such that in the sole determination of County, the health, welfare or safety of the public is endangered thereby; or

2. Within thirty (30) days of giving or receiving notice of the breach; provided that if the nature of the breach is such that it will reasonably require more than thirty (30) days to cure, Contractor shall not be in default so long as Contractor promptly commences to cure such breach, provides County weekly written status of progress in curing such breach, and diligently proceeds to complete same. The thirty (30) day cure period may only be extended upon Contractor's receipt of written agreement from County.

C. Liquidated Damages
The Parties further recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance, and to serve as a specific measure of successful performance under the Agreement. The Parties further recognize that if Contractor fails to perform its obligations, County and residents of County will suffer damages that are and will be impractical and extremely difficult to ascertain and determine. The Parties agree that the Liquidated Damage amounts provided in Exhibit E represent a reasonable estimate of the amount of such damages for the specified breaches, without prejudice to County's right to treat uncorrected non-performance as an event of default under this Article 10. Liquidated Damages are paid as damages, and not as a penalty. County may determine the occurrence of events giving rise to Liquidated Damages through the observation of its own employees or representatives, or by investigation of Customer or resident complaints.

D. Notice
Prior to assessing Liquidated Damages, and in addition to any other available remedies County may impose, County shall give Contractor written notice of its intention to do so. The notice shall include a brief description of the incident or nonperformance. Contractor may review (and copy at its own expense) all information in the possession of County relating to the assessment of Liquidated Damages. Contractor may, within ten (10) Working Days after receiving the notice request a meeting with County Representative. Contractor may present evidence in writing and through testimony of its employees and others relevant to the incident or nonperformance.
10.2 EVENTS OF DEFAULT

A. Definition
Each of the following shall constitute an Event of Default ("Event of Default") hereunder:

1. Material Breach. Failure to perform any obligation under this Agreement which (i) constitutes a significant hazard to the public health safety or welfare or (ii) would impose civil or criminal liability on the County.

2. Non-Material Breach. A non-material breach of this Agreement shall not constitute an Event of Default if (i) such breach is cured as specified in Article 10.1 B upon notice to Contractor, and (ii) such breach is accidental, inadvertent, and occasional and not a pattern and practice of Contractor.

3. Repeated Pattern of Breaches. There is a pattern of breaches over time such that in combination, they constitute a significant failure by Contractor to perform its obligations.

4. Misrepresentation or False Warranty. Any representation, disclosure, assurance, or warranty made to County by Contractor in connection with, or as an inducement to entering into or performing this Agreement or any future amendment to this Agreement, or that is a condition to the effectiveness of the Agreement, that proves to be false or misleading in any material respect as of the time the representation, disclosure, assurance, or warranty is made.

5. Adherence to Transition Plan. Failure to adhere to the requirements of Article 4.2 regarding the transition to full service.

6. Adherence to Lock Box Agreement. Failure to adhere to the substantive requirements of the Lock Box Agreement contained in Exhibit J.

7. Adherence to Public Education and/or Diversion Plans. Failure to adhere to the requirements of Exhibit L.

8. Result of Performance Review. Failure to provide information for performance review, or as a result of a poor performance review, as provided in Article 8.7.

9. Seizure or Attachment of Equipment. There is a seizure or attachment (other than a prejudgment attachment) of, or levy affecting possession on, the operating equipment of Contractor, including without limit its vehicles, maintenance or office facilities, or any part thereof of such proportion as to impair Contractor’s ability to perform under this Agreement and which cannot be released, bonded, or otherwise lifted within forty-eight (48) hours excluding weekends and holidays.
10. **Contractor Debt.** Contractor files a voluntary petition for debt relief under any applicable bankruptcy, insolvency, debtor relief, or other similar law now or hereafter in effect, or consents to the appointment of, or taking of possession by, a receiver, liquidator, assignee (other than as a part of a transfer of equipment no longer useful to Contractor or necessary for this Agreement), trustee (other than as security for an obligation under a deed of trust), custodian, sequestrator (or similar official) of Contractor for a part of Contractor's operating assets or any substantial part of Contractor's property, or shall make any general assignment for the benefit of Contractor's creditors, or shall become insolvent and unable to pay its debts generally as they become due.

11. **Court Order or Decree.** Any court having jurisdiction shall enter a decree or order for relief in respect of Contractor, in any involuntary case brought under any bankruptcy, insolvency, debtor relief, or similar law now or hereafter in effect, or Contractor shall consent to or shall fail to oppose any such proceeding, or any such court shall enter a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Contractor or for any part of Contractor's operating equipment or assets, or order the winding up or liquidation of the affairs of Contractor.

12. **Failure to Provide Performance Assurances.** Contractor fails to provide reasonable assurances of performance as required under Article 10.11.

13. **Failure to Notify County.** Contractor fails to notify County in a timely manner of any receipt of notice of violation or official communication from those regulatory agencies regulating Solid Waste, Recyclables, Green Waste Collection, transportation, processing or Disposal activities that might materially affect Contractor's ability to perform all of the Collection Services.

14. **Lapse of Financial Requirement.** Lapse of any insurance, letter of credit, bond or other financial instrument required under this Agreement.

15. **Regulatory Violation.** Contractor violates in any material respect any orders or filings of any regulatory body having jurisdiction over Contractor relative to this Agreement, provided Contractor may contest any such orders or filings by appropriate proceedings conducted in good faith, in which case no breach of this Agreement shall be deemed to have occurred until the later of a final order or judgment has been issued.

16. **Cessation of Services.** Contractor ceases to provide Collection Services as required under this Agreement for a period of two (2) consecutive days or more, for any reason within the control of Contractor.

17. **Failure to Meet Payment or Reporting Requirements.** Contractor fails to make any payment of any sum owed to County required under this Agreement and/or refuses to provide County with required information, reports, and/or records in a timely manner as provided for in the Agreement.

18. **Unremedied Acts or Omissions.** Any act or omission relative to this Agreement by Contractor which violates in any material respect the terms, conditions, or requirements of this Agreement, the California Integrated Waste Management Act of 1989, as it may be amended from time to time, or any law, statute, ordinance, order, directive, rule, or regulation issued thereunder and which is not corrected or remedied within the time set
in the written notice of the violation or, if Contractor cannot reasonably correct or remedy
the breach within the time set forth in such notice, if Contractor should fail to commence
to correct or remedy such violation within the time set forth in such notice and diligently
effect such correction or remedy thereafter.

19. **Criminal Activity of Contractor.** Should Contractor or any of its officers, directors or
contract manager, or others in position to supervise or influence actions under this
Agreement, be “found guilty” of felonious conduct relating to its obligations, or other,
 felonious conduct at any of Contractor’s operations. The term “found guilty” shall be
deeded to include any judicial determination that Contractor or any of Contractor’s
officers, directors or employees is guilty, and any admission of guilt by Contractor, or
any of Contractor’s officers, directors or employees including, but not limited to, the
pleas of “guilty,” “nolo contendere,” “no contest,” or “guilty to a lesser felony” entered as
part of any plea bargain. Such felonious conduct includes, but is not limited to any
activities related to or carried out pursuant to this Agreement for: (i) price fixing, (ii)
illegal transport or disposal of hazardous or toxic materials, (iii) bribery of public officials,
or (iv) fraud or tampering. In the event of felonious conduct County reserves the right to
exercise one or more of the remedies specified below in Article 10.5. Such action shall
be taken after Contractor has been given notice and an opportunity to present evidence
in mitigation. If County does not terminate this Agreement, Contractor shall dismiss or
remove officers, directors or employees found guilty of felonious behavior and take all
action necessary and appropriate remedy any breach of its obligations.

20. **Assignment.** Contractor assigns this Agreement in violation of Article 11.5.

**B. Notice of Default**
Contractor shall be in default from the date of receipt of a notice from County identifying such
default. The notice shall include a brief description of the default. Contractor may review (and
copy at its own expense) all information in the possession of County relating to the Event(s) of
Default. Contractor may, within three (3) Working Days after receiving the notice, request a
meeting with County Representative. Contractor may present evidence in writing and through
 testimony of its employees and others relevant to the Event(s) of Default. The decision of
County Representative regarding determination of an Event(s) of Default shall be final.

**C. Cure of Default**
Contractor shall begin cure of any Event of Default as soon as it becomes aware of the Event of
Default, whether discovered by Contractor or through notice from County. Upon giving or
receiving verbal notice of default, Contractor shall proceed to cure such breach as follows:

1. Immediately, if the default is such that in the sole determination of County, the health,
   welfare or safety of the public is endangered thereby; or

2. Within ten (10) Working Days of giving or receiving notice of default; provided that if the
   nature of the default is such that it will reasonably require more than ten (10) days to
cure, Contractor shall have such additional time as is reasonably needed to
   expeditiously complete a cure, and only upon written agreement from County. During
   any default cure period, Contractor shall provide County weekly written status of
   progress in curing such default.
10.3 COUNTY DETERMINATION OF CURE OF BREACH OR DEFAULT

An Event of breach or default shall be considered remedied and/or cured upon signature by both Parties of a written agreement specifying the event and stating that remedy and/or cure of such event has been completed.

10.4 COUNTY’S RIGHT TO PERFORM

A. General

In addition to any and all other legal or equitable remedies, in the event that Contractor, for any reason whatsoever, fails, refuses or is unable to provide any Collection Service for a period of more than seventy-two (72) hours, and if, as a result thereof, should Solid Waste accumulate in County to such an extent, in such a manner, or for such a time that County should find that such accumulation endangers or menaces the public health, safety or welfare, then County shall have the right, but not the obligation, without payment to Contractor upon twenty-four (24) hours prior notice to Contractor during the period of such emergency as determined by County: (i) to perform, or cause to be performed, such services itself with its own or other personnel without liability to Contractor; and/or (ii) to take possession of any or all of Contractor’s land, equipment and other property used or useful in providing Collection Services and to use such property to provide any Collection Services.

Notice of Contractor’s failure, refusal or neglect to provide Collection Services may be given orally by telephone to Contractor and shall be effective immediately. Written confirmation of such oral notification shall be sent to Contractor within twenty-four (24) hours of the oral notification.

Contractor further agrees that in such event:

1. It will fully cooperate with County to effect the transfer of possession of property to County for County’s use.

2. It will, if County so requests, and to the extent feasible, keep in good repair and condition all of such property, provide all motor vehicles with fuel, oil and other service, and provide such other service as may be necessary to maintain said property in operational condition.

3. Contractor shall provide all necessary billing information to the County. County shall determine how to bill, in what amounts, and the distribution of amounts received. County shall provide Contractor reasonable compensation for provision of Contractor’s land, equipment, or other property if the County’s exercise of the right to perform is the result of an Uncontrollable Circumstance.

County’s exercise of its rights under this Article 10: (i) does not constitute a taking of private property for which compensation must be paid; (ii) will not create any contract, tort, or common count liability on the part of County to Contractor; and (iii) does not exempt Contractor from the indemnity provisions of Article 9.1, which are meant to extend to circumstances arising under this Article, provided that Contractor is not required to indemnify County against claims and damages arising from the active negligence or willful misconduct of County officers, employees, agents, or volunteers acting under this Article. County shall make good faith efforts to coordinate use of Contractor’s land, equipment and other property with Contractor in order to minimize interference with or disruption of other business activities of Contractor.
B. Duration of County's Possession
County has no obligation to maintain possession of Contractor’s property and/or continue its use in providing any Collection Services for any period of time and may, at any time, in its sole discretion, relinquish possession to Contractor. County’s right to retain temporary possession of Contractor’s property, and to provide one or more Collection Services, shall continue until Contractor can demonstrate to County’s satisfaction that it is ready, willing, and able to resume such services.

10.5 COUNTY REMEDIES FOR CONTRACTOR DEFAULT
Upon failure to cure a default pursuant to Article 10.2C, County shall have the following rights:

1. Waive Default. To, at its sole discretion, waive the Contractor default.

2. Termination. Terminate the Agreement in accordance with Article 10.7.

3. All Other Available Remedies. In addition to, or in lieu of termination, to exercise all of its remedies in accordance with this Article 10 and any other remedies at law and in equity, to which County shall be entitled, according to proof.

4. Damages Survive. If Contractor owes any damages upon County’s termination of the Agreement, Contractor’s liability under this Article 10.5 shall survive termination.

Whether or not County exercises its right to terminate, County shall have the right to: (i) seek performance by the surety under the letter of credit, performance bond or certificate of deposit (instrument for securing performance), and (ii) make a claim on any insurance policy or policies.

10.6 COUNTY WAIVER OF BREACH OR DEFAULT
A waiver by County of any breach or default by Contractor shall not be deemed to be waiver of any other breach or default by Contractor, including ones with respect to the same obligations hereunder, and including new incidents of the same breach or default. The subsequent acceptance by County of any damages or other money paid by Contractor hereunder shall not be deemed to be a waiver by County of any preexisting or concurrent breach or default by Contractor.

10.7 TERMINATION

A. Termination for Cause
County shall have the right to terminate this Agreement without need for any hearing, suit, or legal action in the circumstances specified below. Contractor’s liability to provide such records shall survive the termination of this Agreement. Contractor shall forfeit its instrument for securing performance to County to the extent required to compensate County for damages incurred as a result of the breach or default. Termination may occur upon:


2. Poor Performance Review. As the result of a poor performance review as provided in Article 8.7.
3. **Excessive Liquidated Damages.** Upon assessment of cumulative Liquidated Damages totaling more than $15,000 in any twelve (12) month period, or $25,000 in any twenty-four (24) month period. Contractor acknowledges that if cumulative Liquidated Damages exceed either of these thresholds that it waives all rights to contest a termination based on this Article 10.7A.3. Liquidated Damages assessed for failure to achieve the Diversion percentages specified in Exhibit E will not be included in calculating “Excessive Liquidated Damages”.

**B. Notice of Termination**

In addition to any other available remedies County may impose as specified in Article 10.5 and as a result of Contractor default, County may give Contractor written notice of termination, effective within five (5) days. The decision of County Representative with regards to termination may be appealed to the Board of Supervisors. Upon notice of termination, Contractor shall promptly provide County with any or all records kept in accordance with Article 8 or any other record keeping provisions of this Agreement or its Exhibits.

10.8 **POSSESSION OF PROPERTY UPON TERMINATION**

In the event of termination for default, County shall have the right to take possession of any and all of Contractor’s land, equipment, and other property used or useful in the Collection and transportation of Solid Waste, Recyclables, or Green Waste in the provision of services under this Agreement, and the billing and collection of fees for these services and to use such property. County shall pay reasonable compensation to Contractor for the temporary use of such land, equipment, and other property except that County shall not be required to compensate Contractor for the value of business goodwill. County shall have the right to retain the possession of such property for up to four (4) months until other suitable arrangements can be made for the provision of Solid Waste, Recyclables, or Green Waste Collection services which may include the award of an agreement to another contractor(s). Contractor shall furnish County with immediate access to all of its business records related to its route maps, schedules, and billing of accounts for services. County shall make good faith efforts to coordinate use of Contractor’s land, equipment and other property with Contractor in order to minimize interference with or disruption of other business activities of Contractor.

10.9 **COUNTY’S REMEDIES CUMULATIVE: SPECIFIC PERFORMANCE**

County’s right to terminate the Agreement under Article 10.7 and to take possession of Contractor’s properties under Article 10.8 are not exclusive, and County’s termination of the Agreement shall not constitute an election of remedies. Instead, all remedies provided for in this Agreement shall be in addition to any and all other legal and equitable rights and remedies which County may have under law or as otherwise provided in this Agreement. By virtue of the nature of this Agreement, the urgency of timely, continuous and high-quality service, the lead time required to effect alternative service, and the rights granted by County to Contractor, the remedy of damages for a default hereof by Contractor is inadequate, and County may be entitled to injunctive relief.

10.10 **EXCUSE FROM PERFORMANCE**

**A. Excuse from Performance**

The Parties shall be excused from performing their respective obligations hereunder in the event they are prevented from so performing by reason of floods, moderate to severe earthquakes, tsunamis, other “acts of God,” war, civil insurrection, riots, and other similar catastrophic events which are beyond the control of and not the fault of the Party claiming excuse from performance hereunder. Labor unrest, including but not limited to strike, work...
stoppage or slowdown, picketing, or other concerted job action conducted by
Contractor's employees or directed at Contractor, or a subcontractor, is not an excuse from
performance, and Contractor shall be obligated to continue to provide service notwithstanding
the occurrence of any or all of such events. In the case of labor unrest or job action directed at
a third party over whom Contractor has no control, the inability of Contractor to make collections
due to the unwillingness or failure of the third party to provide reasonable assurance of the
safety of Contractor's employees while making collections or to make reasonable
accommodations with respect to container placement and point of delivery, time of collection, or
other operating circumstances to minimize any confrontation with pickets or the number of
persons necessary to make collections, shall, to that limited extent, excuse performance. The
foregoing excuse shall be conditioned on Contractor's cooperation in making collection at
different times and in different locations.

B. Inexcuse from Performance
In addition, none of the following are to be considered an excuse from performance: (i) general
economic conditions, interest or inflation rates, or currency fluctuation or changes in the cost or
availability of fuel, commodities, supplies or equipment; (ii) changes in transport or Disposal
costs, Disposal facility locations, and/or other related circumstances; (iii) changes in the
financial condition of Contractor or any of its subcontractors affecting their ability to perform
their obligations; (iv) the consequences of errors, neglect or omissions by Contractor, or any
subcontractor; (v) any failure of any subcontractor or supplier to furnish labor, materials, service
or equipment for any reason; (vi) equipment failure; or (vii) changes in market prices for, or the
unavailability of markets for, the sale or purchase of Recyclable Materials.

C. Notice
The Party claiming excuse from performance shall, within two (2) days after such party has
notice of such cause, give the other Party notice of the facts constituting such cause and
asserting its claim to excuse under this Article. Notwithstanding, Contractor, in the event of a
declared disaster, shall comply with the contingency and emergency plans of the Contractor,
consistent with the emergency plans of County.

D. Interruption or Discontinuance of Service
The partial or complete interruption or discontinuance of Contractor's services caused by one or
more of the events described in this Article and constituting an excuse from performance shall
not constitute an Event of Default by Contractor under this Agreement. Notwithstanding the
foregoing, however, (i) the existence of an excuse from performance shall not affect County's
right to perform services under Article 10.4 and (ii) if Contractor is excused from performing its
obligations hereunder for any of the causes listed in this Article 10 for a period of thirty (30)
days or more, other than as the results of third-party labor disputes under which Collection
Services cannot be provided for reasons described earlier in this Article, County shall
nevertheless have the right, in its sole discretion, to terminate this Agreement by giving ten (10)
days notice, in which case the provisions of Article 10.5 shall apply.
10.11 RIGHT TO DEMAND ASSURANCES OF PERFORMANCE

If Contractor is: (i) the subject of any labor unrest including work stoppage or slowdown, sickout, picketing or other concerted job action; (ii) appears in the reasonable judgment of County to be unable to regularly pay its bills as they become due; or (iii) is the subject of a civil or criminal investigation, charge, or judgment or order entered by a federal, state, regional or local agency for violation of a law relating to performance under this Agreement, and County believes in good faith that Contractor’s ability to perform under the Agreement has thereby been placed in substantial jeopardy, County may, at its option and in addition to all other remedies it may have, demand from Contractor reasonable assurances of timely and proper performance of this Agreement, in such form and substance as County believes in good faith is reasonably necessary in the circumstances to evidence continued ability to perform under the Agreement. If Contractor fails or refuses to provide satisfactory assurances of timely and proper performance in the form and by the date required by County, such failure or refusal shall be an Event of Default for purposes of Article 10.2.
ARTICLE 11
OTHER AGREEMENTS OF THE PARTIES

11.1 RELATIONSHIP OF PARTIES
The Parties intend that Contractor shall perform the Collection Services as an independent contractor engaged by County and not as an officer or employee of County nor as a partner of or joint venturer with County. No employee or agent of Contractor shall be or shall be deemed to be an employee or agent of County. Except as expressly provided herein, Contractor shall have the exclusive control over the manner and means of conducting Collection Services and all persons performing such services. Contractor shall be solely responsible for the acts and omissions of its officers, employees, subcontractors, and agents. Neither Contractor nor its officers, employees, subcontractors, and agents shall obtain any rights to retirement benefits, workers' compensation benefits, or any other benefits which accrue to County employees by virtue of their employment with County. Contractor or its employees shall not provide, directly or indirectly, any gifts or gratuities to any County employee or representative.

11.2 COMPLIANCE WITH LAW
In providing the services required under this Agreement, Contractor shall at all times, at its sole cost, comply with all Applicable Laws of the United States, the State of California, Napa County, and other states or counties which may have jurisdiction over any service provided in this Agreement including all Applicable Laws pertaining to air pollution control, and with all applicable regulations promulgated by any federal, state, regional, or local administrative and regulatory agencies, now in force and as they may be enacted, issued, or amended during the term of this Agreement, including all permit requirements for facilities used to provide Collection Services.

11.3 GOVERNING LAW
This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

11.4 VENUE
This Agreement is made in Napa County, California. The venue for any legal action in the state court filed by either party to this Agreement for the purpose of interpreting or enforcing any provisions of this Agreement shall be in the Superior Court of California, County of Napa, a unified court. The venue for any legal action in federal court filed by either party of this Agreement for the purpose of interpreting or enforcing any provision of this Agreement lying within the jurisdiction of the federal courts shall be the Northern District of California. The appropriate venue for arbitration, mediation or similar legal proceedings under this Agreement shall be Napa County, California; however, nothing in this sentence shall obligate either party to submit to mediation or arbitration any dispute arising under this Agreement.

11.5 ASSIGNMENT

A. Definition
For purposes of this Article, "assignment" shall include, but not be limited to: (i) a sale, exchange, or other transfer of substantially all of Contractor's assets dedicated to service under this Agreement to a third party; (ii) a sale, exchange, or other transfer of thirty (30) percent or more of the outstanding common stock of Contractor; (iii) any reorganization, consolidation, merger recapitalization, stock issuance or reissuance, voting trust, pooling agreement, escrow arrangement, liquidation, or other transaction to which Contractor or any of its shareholders is a...
party which results in a change of ownership or control of thirty (30) percent or more of the
value or voting rights in the stock of Contractor; and (iv) any combination of the foregoing
(whether or not in related or contemporaneous transactions) which has the effect of any such
transfer or change of ownership. If Contractor is not a corporation, an assignment shall also
include, among other things, any transfer or reorganization that has an effect similar to the
situations described in foregoing sentence for corporations. For purposes of this Article, the
term “proposed assignee” shall refer to the proposed transferee(s) or other successor(s) in
interest pursuant to the assignment. If Contractor is a subsidiary of another corporation or
business entity, any assignment, as defined above, by the parent company or corporation shall
be considered an assignment by Contractor.

B. County Consent
Contractor acknowledges that this Agreement involves rendering a vital service to County’s
residents and businesses, and that County has relied upon Contractor’s representation of its
experience and financial resources in qualifying Contractor to provide Collection Services under
this Agreement. Except as provided in this Article, Contractor shall neither assign its rights nor
delegate, subcontract, or otherwise transfer its obligations under this Agreement to any other
person or entity without the prior written consent of County. Any such assignment without the
consent of County shall be void and the attempted assignment shall constitute a material
breach of this Agreement. Under no circumstances shall County be required to consider any
proposed assignment if there is an uncured Event of Default at any time during the period of
consideration.

C. Requirements of Contractor
If Contractor requests County’s consideration of and consent to an assignment, County may
deny or approve such request in its complete discretion, and with or without a detailed review of
the proposed assignment. No request by Contractor for consent to an assignment need be
considered by County unless and until Contractor has met the following requirements:

1. Contractor shall pay County its reasonable expenses for attorney’s fees and
   investigation costs to investigate the suitability of any proposed assignee, and to review
   and finalize any documentation required as a condition for approving any such
   assignment.

2. Contractor shall furnish County with audited financial statements of the proposed
   assignee’s operations for the immediately preceding five (5) operating years.

3. Contractor shall furnish County with satisfactory proof that the proposed assignee has
   the demonstrated technical capability to perform all Collection Services and to provide
   exceptional service to customers, including: (i) that the proposed assignee has at least
ten (10) years of Solid Waste management experience on a scale equal to or exceeding
the scale of operations conducted by Contractor under this Agreement; (ii) in the last
five (5) years, the proposed assignee has not suffered any significant citations or other
censure from any state, federal, or local environmental laws and the assignee has
provided County with a complete list of such citations and censures; (iii) the proposed
assignee has at all times conducted its operations in a environmentally safe and
conscientious fashion; (iv) the proposed assignee conducts its Solid Waste
management practices in substantial compliance with all federal, state, and local laws
regulating the Collection and Disposal of Solid Waste including hazardous substances;
and (v) the proposed assignee has in the last five (5) years provided excellent service to
existing franchised customers and has not been subject to any administrative or legal
actions related to failure to provide adequate service under a contract or franchise; or
any other information required by County to ensure the proposed assignee can fulfill the
terms of this Agreement in a timely, safe, and effective manner. County reserves the
right to approve an assignment conditioned on an increase to the instrument for
securing performance required pursuant to Article 9.6 and contained in Exhibit F and/or
use of another mechanism in addition to, or as an alternative to, the instrument for
securing performance required in Article 9.6 and contained in Exhibit F.

D. Application and Transfer Fee
Any application for transfer of this Agreement shall be governed by the following conditions:

1. Any application for transfer of this Agreement shall be made in a manner prescribed by
   County Representative. The application shall include a transfer fee in an amount to be
   set by resolution of the Board of Supervisors to cover the cost of all direct and indirect
   administrative expenses including consultants necessary to adequately analyze the
   application and to reimburse County for all direct and indirect expenses. In addition,
   Contractor shall reimburse County for any and all additional costs related to the
   assignment requested and not covered by the transfer fee. Bills shall be supported with
   evidence of the expense or cost incurred. The applicant shall pay such bills within (30)
   days of receipt.

2. The transfer fees are over and above any other fees or charges specified in the
   Agreement.

E. Transition
If County consents to an assignment, at the point of transition, Contractor shall cooperate with
County and subsequent Contractor(s) or subcontractor(s) to assist in an orderly transition which
shall include, but not be limited to, Contractor providing route lists and billing information listing
accounts, and Best Efforts to minimize disruption to Customers.

11.6 DISPUTE RESOLUTION

A. Continue Performance
Except for an Event of Termination, in the event of any dispute arising under this Agreement,
County and Contractor shall continue performance of their respective obligations under this
Agreement and shall attempt to resolve such dispute in a cooperative manner, including but not
limited to, negotiating in good faith.

B. Mediation
Any unresolved dispute arising between the Parties under this Agreement shall first be
submitted to non-binding mediation before a recognized mediator having experience with
agreements of this nature and that is mutually acceptable to the Parties, provided that neither
Party shall unreasonably withhold its acceptance. If the parties are unable, after a period of
thirty (30) days from commencement of the dispute resolution process, to agree on a mediator,
either Party shall be entitled to petition a court of competent jurisdiction to appoint such a
mediator for the Parties. Each Party shall bear its own costs, including attorney’s fees, incurred
in connection with the mediation. If the mediation does not result in a resolution of the dispute
that is acceptable to both Parties, either Party may pursue its legal remedies.

11.7 NON-DISCRIMINATION
Contractor shall not discriminate in the provision of service or the employment of persons engaged in performance of this Agreement on account of race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, or sex of such persons or as otherwise prohibited by law.

11.8 SUBCONTRACTING
Contractor shall not engage any subcontractors for performance of Collection Services without the prior written consent of County.

11.9 BINDING ON SUCCESSORS
The provisions of this Agreement shall inure to the benefit to and be binding on the successors and permitted assigns of the Parties.

11.10 TRANSITION TO NEXT CONTRACTOR
If at any point County desires to grant to a third party Collection Services which are contracted to Contractor under this Agreement, Contractor shall be obligated to cooperate with County and subsequent contractor(s) to assist in an orderly transition. One (1) year prior to the conclusion of the Base Term and of any Extension, and in order to assist with the competitive bid process to award the Collection Services at the conclusion of the Term, Contractor shall provide County with such information as may reasonably be requested, including but not limited to, route maps and days of collection, account names and phone numbers, and level of service provided. Contractor shall cooperate with and schedule with County and new contractor its removal of all Carts distributed to each Customer. Contractor and the new contractor may choose at their discretion to enter into negotiations to sell (in part or all) Collection vehicles, Bins, and Containers to the new contractor. Failure to provide full cooperation with a transition may, at County's sole discretion, preclude Contractor from participating in future competitive procurements.

11.11 PARTIES IN INTEREST
Nothing in this Agreement, whether express or implied, is intended to confer any rights on any persons other than the Parties to it and their representatives, successors and permitted assigns.

11.12 WAIVER
The waiver by either Party of any breach or violation of any provisions of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision not of any subsequent breach of violation of the same or any other provision. The subsequent acceptance by either party of any monies which become due hereunder shall not be deemed to be a waiver of any preexisting or concurrent breach of violation by the other party of any provision of this Agreement.

11.13 CONDEMNATION
In addition to the rights in Article 10.4 County fully reserves the rights to acquire Contractor's property utilized in the performance of this Agreement, by purchase or through the exercise of the right to eminent domain.

11.14 NOTICE
A. Notice Procedures
All notices, demands, requests, proposals, approvals, consents and other communications with this Agreement require, authorize, or contemplate all, except as otherwise specifically provided,
be in writing and shall be effective when personally delivered to a representative of the Parties at the address below or deposited in the United States mail, first class postage prepaid, addressed as follows:

If to County: Attention: County Executive Officer County of Napa County Executive Office 1195 Third Street, Suite 310 Napa, CA 94559 (707) 253-4421

If to Contractor: Attention: Managing Partner/General Manager Napa County Recycling and Waste Services, LLC 3216 Vichy Avenue Napa, CA 94558 (707) 255-5200

The address to which communications may be delivered may be changed from time to time by a notice given in accordance with this Article.

B. Facsimile Notice Procedures

1. Facsimile notice may be substituted for written notice with the following limitations:

   a. Facsimile notice shall be considered valid and delivered at such time as an authorized representative of the receiving Party acknowledges receipt in writing or by a facsimile acknowledgement to the sending Party.

   b. Written notice must follow any facsimile notice.

2. If above conditions are met, facsimile notice will be considered effective from date and time of transmission as indicated on receiving Party's original copy of the transmission.

3. Facsimile notices must be sent to the following addressees:

   If to County:
   County Executive Officer
   County of Napa
   Fax number (707) 253-4176

   If to Contractor:
   Managing Partner/General Manager
4. The facsimile number to which communications may be transmitted may be changed from time to time by a notice given in accordance with this Article.

11.15 REPRESENTATIVE OF THE PARTIES
All actions to be taken by County shall be taken by Board of Supervisors except as otherwise provided herein. Board of Supervisors may delegate, in writing, authority to the County Representative and/or to other County officials, in turn, to delegate in writing some or all of such authority to subordinate officers. Contractor may rely upon actions taken by such delegates if they are within the scope of the authority properly delegated to them.

1. County Representative shall be responsible for administration of this Agreement on behalf of County.

2. County Representative may delegate authority to appropriate County employees or other appropriate persons.

3. Board of Supervisors reserves to itself all discretionary and administrative authority not otherwise expressly delegated pursuant to ordinance. Whenever this Agreement requires approval by County, the approval may be given by County Representative or his or her designee, subject to appeal to Board of Supervisors by Contractor.

Contractor shall, by the Effective Date, designate in writing a responsible officer who shall serve as the representative of Contractor in all matters related to the Agreement and shall inform County in writing of such designation and of any limitations upon his/her authority to bind Contractor. County may rely upon action taken by such designated representative as action of Contractor unless they are outside the scope of the authority delegated to him/her by Contractor as communicated to County.

11.16 COUNTY FREE TO NEGOTIATE WITH THIRD PARTIES
County may, at any time, investigate all options for the provision of the exclusive and non-exclusive services granted to Contractor by this Agreement. Without limiting the generality of the foregoing, County may solicit proposals from Contractor and from third parties for the provision of any or all Collection Services and may negotiate and execute agreements for such services which will take effect upon the expiration, or earlier termination under Article 10.7, of this Agreement and/or any future agreements.

11.17 CONTRACTOR TO DEFEND AGREEMENT
Contractor may at its election, and if it makes that election, at its sole expense defend the validity of this Agreement against all challenges to the Agreement by any entity or person not a Party to this Agreement. Neither the County nor the Contractor shall have any liability to the other resulting from a determination that this Agreement violates any state or Federal law, statute, or constitutional provision, except to the extent such determination relates to Contractor’s willful misconduct or negligence. However, if the Contractor elects to not defend the validity of this Agreement, the County may, upon reasonable notice, terminate the Agreement at its election, and if it makes that election, it shall have no liability to Contractor resulting from that election to terminate. Contractor’s sole remedy shall be to retain its share of Gross Rate Revenues as specified in Articles 6, for services rendered by Contractor up to the
date of termination, minus any offsets or monies due the County provided for under this Agreement.
ARTICLE 12
MISCELLANEOUS AGREEMENTS

12.1 ENTIRE AGREEMENT
This Agreement, including the Exhibits, represents the full and entire Agreement between the Parties with respect to the matters covered herein.

12.2 SECTION HEADINGS
The article headings and sections headings in this Agreement are for convenience of reference only and are not intended to be used in the construction of this Agreement, nor to alter or affect any of its provisions.

12.3 REFERENCES TO LAWS
All references in this Agreement to laws shall be understood to include such laws as they may be subsequently amended or recodified, unless otherwise specifically provided.

12.4 INTERPRETATION
This Agreement shall be interpreted and construed reasonably and neither for nor against either party, regardless of the degree to which either Party participated in its drafting.

12.5 AMENDMENT
This Agreement may not be modified or amended in any respect except by a written agreement duly approved and signed by the Parties.

12.6 SEVERABILITY
If any nonmaterial provision of this Agreement is for any reason deemed to be invalid and unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of the Agreement which shall be enforced as if such invalid or unenforceable provision had not been contained herein.

12.7 COUNTERPARTS
This Agreement may be executed in counterparts each of which shall be considered an original.

12.8 MISCELLANEOUS

A. Privacy
Contractor shall strictly observe and protect the rights of privacy of Customers during provision of all Collection Services. Information identifying individual Customers or the composition or contents of Customer's Solid Waste, Recyclables or Green Waste shall not be revealed by Contractor to any person, governmental unit, private agency, or company, unless upon the authority of a court of law, by statute, written request from a law enforcement agency, or upon valid authorization of the Customer or County. This provision shall not be construed to preclude Contractor from providing the report information required by Article 8, complying with the requirements of Article 11.10, or preparing, participating in, or assisting in the preparation of waste characterizations studies or waste stream analysis which may be required by a regional, state, or federal agency.
B. Advice
Each of the Parties has received the advice of legal counsel prior to signing this Agreement. Each Party acknowledges no other party or agent or attorney has made a promise, representation, or warranty whatsoever, express or implied, not contained herein concerning the subject matter herein to induce another party to execute this Agreement. The Parties agree no provision or provisions may be subject to any rules of construction based upon any party being considered the party "drafting" this Agreement.

12.9 EXHIBITS
Each of the Exhibits identified is attached hereto and incorporated herein and made a part hereof by this reference.

IN WITNESS WHEREOF, County and Contractor have executed this Agreement as of the day and year first above written.

NAPA COUNTY RECYCLING AND WASTE SERVICES, LLC
By
GREG KELLEY, MANAGING PARTNER/GENERAL MANAGER
"CONTRACTOR"

COUNTY OF NAPA, a political subdivision of the State of California
By
DIANE DILLON, Chair of the Board of Supervisors
"COUNTY"

ATTEST: PAMELA A. MILLER,
Clerk of the Board of Supervisors
By

APPROVED AS TO FORM: ROBERT WESTMEYER, Napa County Counsel

APPROVED BY THE BOARD OF SUPERVISORS:
Date May 3, 2005
Processed by:
Deputy Clerk of the Board

By
EXHIBIT A
DETAILED SCOPE OF SERVICES FOR COLLECTION

1.0 RESIDENTIAL COLLECTION SERVICES

Residential Premises Defined. Residential Premises means any dwelling units in residential developments wherein such dwelling units are provided individual collection service and individually billed as a Customer of Contractor's.

Service Options. Contractor shall provide each of the service options for Residential collection of Solid Waste and Recyclable Materials. There is no shared-cart service in the County of Napa (County).

Basic Level of Service Defined. Residential solid waste service is currently voluntary in the County. However, the County is in the process of adopting an ordinance to phase in mandatory service for residential service in Napa County Zone 1. The proposed service would become mandatory at the time the property transfers to a new owner or with the development of new property. The ordinance is expected to be effective October 1, 2005 for property transfers occurring on or after the effective date.

The basic level of service for all Residential Premises, as defined above, with the exception of multi-family, includes: (A) Once weekly automated collection of Solid Waste in gray carts sized at 35, 65, or 96-gallons at curbside with variable can rates approved by the County, (B) once weekly collection of single-stream Recyclable Materials in a 65 or 96-gallon blue cart at curbside, (C) once weekly collection of Green Waste in 65 or 96-gallon brown cart at curbside, and (D) once weekly collection of used oil and filters in a transparent container at curbside.

All containers are to be provided by the Contractor at no additional cost. The Contractor will provide one (1) replacement container annually at no additional costs, regardless of the reason for replacement including a change in service level. The Contractor reserves the right to charge a fee for any replacement containers thereafter.

The basic level of service is recoverable through a single rate for all services provided. The County reserves the right to change this format during the term of the contract. Solid waste will be taken to the Napa-Vallejo Waste Management Authorities Devlin Road Transfer Station (DRTS).

A. Curbside Solid Waste Collection. Solid Waste collection service includes Solid Waste collection in either a 35, 65 or 96-gallon gray cart per week. Collection will be fully automated wherever feasible.

Back Yard/Wheel-Out Service for Medical Reasons. All basic Residential services as defined above shall be provided to those residents with back yard/wheel-out service. The Contractor shall go into "backyards" at no charge for accounts that have a medical note on file from a physician confirming there is a medical reason that prevents the resident from moving Solid Waste, recycling and Green Waste carts and other materials to the curb. The County requires that the Contractor annually receive a new medical note from a physician in order for the account to maintain backyard service at no charge.
**Back Yard/Wheel-Out Service for a Fee.** For those who want the back yard/wheel-out service and cannot provide a medical note, the service will be provided for an extra charge to be approved by the County for distances as outlined in the non-curbside footage service.

**Vacation Stop Service.** County customers may stop service once per year and not be liable for payment during the vacation stop period. Residents can call the Contractor and ask for no service during certain dates for a minimum of a two-week period and for no longer than three months. If the stop request exceeds three months, the Contractor will arrange to pick-up the carts from the customer and will reinitiate service and billing upon their return.

**Non-Curbside Footage.** Charge for customers who do not have a medical note on file but have difficulty getting the carts out to the curb such as accounts with an extended driveway, the contractor shall offer Solid Waste, recycling, and Green Waste service for a monthly footage charge approved by the County. The extra charges will be broken into a higher rate for service as distances from the curb increase by the following increments:

- Five (5) to one hundred and thirty (130) feet (ft.)
- One hundred thirty one (131) ft. to three hundred and thirty (330) ft.
- Three hundred and thirty one (331) ft. to six hundred and sixty (660) ft.
- Six-hundred sixty one (661) feet to one thousand fifty six (1,055) ft.
- One thousand fifty six (1,056) feet and greater (Chargeable per 1,000 feet)

**Extra Solid Waste and Recycling Service on Regular Service Day.** Up to five (5) times per calendar year, residential customers can call ahead for extra Solid Waste collection to be provided for a fee to be approved by the County. Extra Solid Waste and recycling service will be provided on the normal collection service. Customers can place Solid Waste bags or customer provided cans at the curb not to exceed 96 gallons. Residents can call the Contractor to collect unusually large amounts of cardboard, such as moving boxes, and any other large amounts of a single-stream recyclable material for curbside collection at no additional charge on regular service day.

**Temporary Bin and Roll-Off Services.** Temporary bin and roll-off services is exclusive for the collection of Solid Waste and Recyclable Materials, except construction and demolition debris. Contractor may choose to provide temporary bin and roll-off services to Residential customers for construction and demolition debris as part of a non-exclusive system as provided in Ordinance 1123 Section 8.48.040. Contractor shall make all reasonable efforts to inform waste generators temporarily utilizing containers at a particular site that materials being generated can be recycled. Such efforts include, but are not limited to, providing a list of the materials that can be recycled. The materials to be collected will include, but are not limited to, the following:

- Newspaper (including inserts, coupons, and store advertisements)
- Chipboard
- Corrugated cardboard
- Mixed waste paper (including office paper, computer paper, magazines, junk mail, catalogs, kraft bags and kraft paper, paperboard, egg cartons, phone books, brown paper, grocery bags, colored paper, construction paper, envelopes, legal pad backings, shoe boxes, cereal and other similar food boxes)
- Glass containers (including brown, clear, and green glass bottles and jars)
- Milk, soy and juice cartons
- Aluminum (including beverage containers, food containers, small scrap metal)
- Steel or tin cans
- Scrap metal (ferrous and non-ferrous)
- All plastic containers #1 through #7
- Any other materials mutually agreed to by the hauler and the County.

Any County additions or deletions to the list above will be considered a Change in Scope as provided in Article 5.7 of the Agreement, and with appropriate adjustment (up or down) in Contractor service rates.

**Gated Developments.** The Contractor shall provide services to gated developments and gated mobile home parks as may be selected and directed by the Homeowners Association (HOA) or property manager. The HOA or property manager may direct, once in a twelve-month period, the location of solid waste, the frequency of solid waste collection and/or the method of billing as further described in Section 1.4.E of this Exhibit. Residential customers that are included in the central or meter-billing arrangement by a HOA or property manager may not suspend service for any period time.

**Multi-Family Service.** The Napa County Ordinance Number 1123 passed in 1995, available on the County website or by request, requires that facilities have small, medium, or large enclosure areas with requirements based on square feet or number of units. Multi-family units can be billed as commercial or residential customers based on if the property owner or manager selects bin or cart service.

The County and Contractor have an opportunity for significant improvement in diversion rates at multi-family units and the Contractor is expected to make every effort to maximize diversion at multi-family complexes. Recycling shall be single-stream with collection frequency to be determined by the Contractor to maximize service and recycling. Containers shall be color coded and labeled properly to minimize contamination. If contamination exceeds ten (10) percent in single-stream, the Contractor shall work with the on-site property manager to reduce contamination. The Contractor is required to offer recycling to one hundred (100) percent of the units. If a manager refuses recycling services, a form identifying that the manager has refused recycling service shall be signed by the manager and filed at the Napa County offices by the Contractor. Complexes with fifty (50) or more units shall be offered a separate collection container for cardboard. Outreach and public education at multi-family units is key to the success of multi-family programs and shall be conducted by the Contractor as outlined in 1.4.

**B. Curbside Recycling Single-Stream.** Recycling collection service includes single-stream recycling in either a 65 or 96-gallon blue cart per week with a maximum of two 65 or 96-gallon carts. The second cart is provided by request to the contractor. Collection will be fully automated wherever feasible.

**C. Curbside Green Waste.** Green Waste weekly collection service will be in a 65 or 96-gallon brown cart. One 65 or 96-gallon cart will be provided to each Customer. Customers may request up to three (3) additional carts at no charge, although this service will not be advertised.
Collection will be fully automated wherever feasible. When full automation is not feasible, then
collection will be performed with semi-automated vehicles. Service beyond four (4) 96-gallon
Green Waste carts will be provided with each additional cart having a charge of fifty percent
(50%) of Solid Waste fee. During the months of February and August the Contractor shall send
a coupon that is eligible for use during the one month in the Spring and Fall, respectively,
allowing for free drop-off of Green Waste at the County designated Material Diversion Facility
(MDF).

D. Curbside Used Oil and Oil Filters. Contractor shall provide weekly curbside used
motor oil and oil filter collection to all Residential Customers and multi-family residents where it
does not conflict with the policy of the facility.

Contractor shall make used oil and oil filter collection containers available to all residents. Oil
containers and filter bags shall be approved by the County prior to purchase and contain
highest post-consumer recycled content feasible. Contractor shall make containers available to
the County for distribution upon request of the County.

Contractor shall exchange full used motor oil containers and oil filter bags for empty containers
weekly, on same day as Solid Waste collection. Contractor shall collect only County approved
used oil and filter collection containers and bags. If residents use a container different from the
approved container, Contractor is not obligated to collect the used oil and/or oil filter. Contractor
shall notify resident with the reason for non-collection the same day through the use of tags.
Contractor shall note on the resident's customer account the non-collection and reason for non-
collection within two (2) business days after the non-collection.

Contractor shall advertise the used oil and oil filter collection program to all residential
customers twice a year, six (6) months apart. The County shall approve advertisement prior to
distribution by Contractor.

Contractor shall complete the required application to become a Registered Curbside Program
through the California Integrated Waste Management Board. Contractor will submit claims for
incentive reimbursement as outlined in the Curbside Program procedures.

E. E-Waste. The County, in conjunction with the City of Napa, will conduct one free annual
e-waste drop-off event. The drop-off event is called the “Computer and Electronics Recycling
Event” (Event) and is historically held the first Friday and Saturday of June at Napa Valley
College. E-waste to be collected includes personal computers, laptops, cell phones, telephones
and fax machines, computer peripherals such as keyboards, printers, scanners, cables and
mouse, consumer electronics such as radios, tape players, VCRs, stereo equipment, personal
digital assistants, and computer monitors and televisions. The event is limited to Napa County
businesses and residents only. The Contractor shall reimburse the franchise holder at the City
of Napa Materials Diversion Facility (CNMDF) a portion of the cost, based on a City managed
participation survey conducted during the two day event and/or other allocation methodology
agreed to by the County. For example, in 2004 Zone 1 participation was approximately less than
10% the total event cost of $125,000.

A notice and coupon for the event is provided as an insert in the May and June Solid Waste bill
and required “non-bill” direct mailing, respectively. All e-waste is collected for free with
presentation of the coupon. The advertising is developed, paid for and mailed by the Contractor.
The e-waste coupon will be included as a bill insert in the Solid Waste bills and also be mailed
to multi-family residences and those who pay their bill in advance every year to ensure that all
residents (including renters) have access to coupons.

The CNMDF accepts all e-waste year round during regular business hours with a minimal
charge for CRTs and designated special waste and no charge for other electronic items. The
City will determine both the minimal charge and the designated special waste. Should coupons
be used at the CNMDF by customers versus the Event, the Contractor shall reimburse the
CNMDF based on the standard minimal charge to non-coupon holders.

F. Tire Recycling. The Contractor will reimburse the CNMDF for up to nine (9) tires in one
(1) trip for customers who self-haul and present a coupon and either a driver’s license or phone
document proving residency of Napa County. If a state grant is received, the Contractor will reimburse
the CNMDF for up to nineteen (19) tires in one (1) trip during the allocated amnesty period. The
coupon will be distributed once a year in bill and “non-bill” direct mailing inserts and be valid for
one calendar year only. Individuals or businesses may deliver tires on multiple occasions if they
have coupons; however, the per trip limit still applies.

G. Food Waste. Food waste collection and recycling shall begin phase-in no later than
January 2012 and shall complete phase-in of service within three months. The program will be
part of the basic residential curbside service. No later than six months prior to the
implementation date, Contractor shall provide County with a detailed implementation plan and
schedule for addition of food waste collection and processing. Contractor shall offer food waste
collection to all existing and future residential customers receiving green waste service. The
plan shall address amount and timing of any capital purchases, changes in operational costs
and/or procedures, and a specific schedule by route for phasing-in service. Public education for
the program will be performed by Contractor as described in Section 1.0, and is also to be
addressed in the implementation plan. The plan shall address delivery of in-house food waste
pails to each customer. The County will review the plan within one month of submittal and
provide any necessary comments to the Contractor in writing. Contractor shall address
comments in writing no later than three months prior to the implementation date. Contractor’s
plan must be approved by County Board prior to implementation.

Food materials collected by Contractor shall be delivered to a facility approved by County for
recycling, mulching, composting or other method authorized by State law. If it becomes known
to the County or Contractor that the designated facility is no longer recycling or processing
materials as agreed and understood, is not in compliance with Local, State, or Federal
operating permits, laws or regulations; and/or is not processing and /or using food waste in such
a way that the food materials collected from within County shall count as materials diverted from
solid waste stream for purposes of complying with the Act, and any other applicable state or
federal law the Contractor has the duty to report such knowledge to County within four (4)
calendar days.

County reserves the right to:

1) Delay implementation of the program at is sole discretion.

2) Modify the program as described in the Contractor’s implementation plan.

3) Direct Contractor to deliver food materials to another processing facility, with an
adjustment in compensation (up or down) to reflect the change in transportation cost
as provided in Article 7.4.A.
Contractor shall receive an increase or decrease in compensation to provide this service as proposed in the Contractor’s proposal (Exhibit M) and as provided in Article 7.2.B of this Agreement.

**H. Bulky Goods.** Bulky goods may be left for collection by curbside and drop-off to the County designated MDF. The customers can call the Contractor for curbside pick-up for a fee to be approved by the County for the following materials, to include at a minimum:

- Furniture such as sofas, chairs, and mattresses
- Appliances such as stoves, washer/dryer, water heater
- Toilets, sinks, and other porcelain products
- Tires

Items not accepted, currently:

- Household Solid Waste
- Paint
- Household Hazardous Waste (HHW)
- Green Waste of any kind
- Refrigerators

Additional items will be listed as unacceptable as they are reclassified through Local, State, and Federal regulatory processes as 'special' or 'hazardous' wastes.

The Contractor shall identify the type of vehicle to be used for bulky good collections. The County expects and encourages the Contractor to maximize the reuse and recycling bulky goods collected.

Non-hazardous bulky goods such as ovens, water heaters or mattresses will be accepted free of charge at the County designated MDF with presentation of a coupon, valid for one year from date of issuance. Should coupons be used at the CNMDF by customers versus the Event, the Contractor shall reimburse the CNMDF based on the standard minimal charge to non-coupon holders. The coupon will be developed by the Contractor and sent as a bill insert. For free drop-off, the residents are required to present the coupon with a driver’s license having a Napa County address.

Additionally, Customers will be informed through the public education efforts specified in Section 1.4, that selected bulky goods can be brought to the Devlin Road Transfer Station Reuse and Recycle Center during their regular business hours.

**I. Household Hazardous Waste (HHW).** Customers may recycle HHW such as paint, antifreeze, and oil and oil filters. All recyclable and non-recyclable HHW can be brought to the DRTS Permanent Household Hazardous Waste Collection Facility (HHWCF) for Napa County residents. HHWCF accepts during regular business hours toxic, flammable, corrosive or reactive products, such as insecticides, paints, thinner, solvents, cleaners, propane tanks, old gasoline, batteries and automotive fluids. The public can transport fifteen (15) gallons or one hundred and twenty-five (125) pounds maximum per trip. Additionally, the DRTS accepts auto batteries, latex paint, anti-freeze, used motor oil and filters daily at currently no charge. The Contractor has no direct responsibility to provide hazardous waste collection.
J. Holiday Greenery Recycling. This program is to be coordinated with a local non-profit agency and held annually on the first Saturday following New Years Day. The local non-profit agency will pick-up whole trees at the curb and bring to a centrally located roll-off container(s) that the Contractor provides at no charge to the local non-profit agency. The residents can give the local non-profit agency a donation for the service. Additionally, the following week only the Contractor shall collect whole trees from customers on customer's regular day of service if it is put out on the street next to the carts. Trees can also be cut-up and placed in Green Waste carts if not treated with non-compostable materials such as tinsel and flocking. Historically, the City of Napa has utilized the services of the Boy Scouts.

K. Telephone Book Collection. Telephone books are collected in the curbside single–stream program year-round. There are currently no additional drop-offs specific to phone book collection in the County.

1.1 COMMERCIAL, INDUSTRIAL AND INSTITUTIONAL COLLECTION SERVICES

Commercial, Industrial, and Institutional Premises Defined. Commercial Premises means any premises occupied by stores, offices, and other commercial facilities providing goods or services and, solely for the purposes of this Contract, dwelling units in residential developments wherein such dwelling units are not provided individual collection service nor individually billed as a customer of Contractor's, but are instead serviced through central collection by bin, roll-off and /or compactor and billed by a Homeowners Association or a property manager. Industrial Premises means premises occupied by manufacturing operations and other industrial facilities. Institutional Premises means premises occupied by educational, health care, correctional, research and other similar facilities.

Basic Level of Service Defined. Commercial solid waste service is Mandatory and self-hauling of solid waste is prohibited in the County of Napa under County Code Section 8.48.120 titled Mandatory Collection. Collection will be fully automated or semi-automated wherever feasible. Manual collection can be used only when semi-automated or automated collection is not available.

The basic level of service for a Commercial Customer that is serviced includes: (A) regularly scheduled automated collection of Solid Waste with variable rates approved by the County, (B) For automated collection of single-stream recyclables in variable container sizes, and regularly scheduled automated collection of Green Waste basic service shall be once per week collection. If once per week collection is inadequate with the existing container, Contractor shall offer Customer the choice of a larger container, up to 6 cubic yards, sufficient for once per week collection and/or more frequent collection. Compensation for collection of commercial recyclables beyond the basic service level shall not exceed fifty percent (50%) of the equivalent Solid Waste rate for the same size container size and collection frequency.

The basic level of service is recoverable through a single rate for all services provided except for those weekly recycling services in excess of four (4) cubic yards and as otherwise noted in subsequent section. The County reserves the right to change this format during the term of the contract.

Collection shall be accomplished in such a manner that the flow of traffic shall not be impeded or a threat to the public health or safety created. All containers are to be provided by the Contractor.
A. Containers. The Contractor will provide containers, except that Contractor shall collect materials from customer-owned bins as long as the customer-owned bins are maintained properly. Rental charges for recycling containers will be charged for roll-off sizes and above. All other containers will be provided by the Contractor free of charge.

B. Exclusive Right to Collect. Contractor shall have the exclusive right, except as otherwise provided in Section 1.1.C, to provide Solid Waste and Recyclable Materials collection services for carts, bins, roll-offs and compactors as follows: (A) regularly scheduled routine collection service a minimum of once per week; (B) as-needed on-call collection initiated at request of customer and in conjunction with (A) above, except that such an on-call request for collection shall not automatically increase the frequency of regularly scheduled routine collection service unless so intended by customer and confirmed in writing by customer to Contractor; and, (C) as-needed on-call collection initiated at the request of customer, which service may be exclusively ordered without subscribing to or receiving any regularly scheduled routine collection services. As-needed on-call collection requests may be made by customer, authorized agent or representative of customer, or, in the case of compactors so equipped, by automatic dial-up, other automated methods or electronic device that signals Contractor. Contractor is required to provide commercial services when requested by the business.

Within 90 days following commencement of service under this contract, the Contractor shall provide the County with a list of commercial entities that do not have basic solid waste service. Contractor shall provide a list of commercial customers that refuse solid Waste service in the monthly report outlined in Article 8.2.C. Prior to listing a commercial entity, the Contractor shall make two (2) attempts to have the commercial entity use the services of the Contractor. The County will perform an investigation to determine if the entity will be issued a letter explaining the service is mandatory, citing county code section applicable, and requesting a written response or request to start service within fourteen days (14) of receipt.

C. Exceptions to Exclusive Right to Collect. There are only five (5) programs where the hauler does not have the exclusive right to collect commercial materials within the County of Napa. They are for 1) bonded paper and document destruction companies, 2) metal recyclers, 3) pallet recyclers, 4) landscapers and 5) construction and demolition.

The Contractor can choose to become a bonded document destruction service and compete within the County for those services, but may not discriminate against any business that chooses to use document destruction and recycling services in the provision of other services under this contract.

The Contractor shall offer pallet collection and recycling as part of the commercial service program but it will not have the exclusive right to collect pallets.

D. Recyclable Materials Collection.

Changes in Collection Services. The customer shall have the unabridged right, at any time, to decrease the frequency of collections and/or the number of containers or compactors for Solid Waste commensurate with the amount of Recyclable Materials diverted by any recycling programs, projects or activities undertaken by customer.

Cooperative Arrangements. The customer shall have the unabridged right, at any time, to form cooperative arrangements and enter into written agreements with any other customer or
customers to aggregate Recyclable Materials or some category thereof, and to share, in any
manner mutually agreed to by and between such customers, the reduced collection charges
therefore. Contractor shall honor any applicable terms and conditions of any such agreement.

**Right to Consultations and Technical Assistance.** The customer shall have the right,
but not the obligation to consult with Contractor in establishing recycling programs, projects or
activities. The customer may consult with County, County’s agents, or representatives and/or
any other recycling company or expert in the field to plan, in accordance with Federal, State and
Local laws and regulations and without conflict to any other stipulation within the contract, the
most beneficial recycling program(s) for that customer’s Recyclable Materials or for materials
that may become recyclable due to technological advancements, development of new markets
or for other reasons. Business Recycling Plans and assistance will be provided on request of
customer by Contractor as outlined in Section 2.06.01.5 and 2.06.05.

**E. Recycling Programs**

**Single-Stream.** The Contractor shall offer single-stream recycling to all commercial,
industrial, and institutional customers. Single-stream recycling collection is by cart or bin and
accepts same material types collected in the residential program. The County currently allows
businesses to share recycling bins if it is most efficient and wishes to maintain that option for the
businesses. Recycling service is at no charge to customers up to roll-off sizes as long as they
receive Solid Waste service. Single stream recycling is permitted for weekly loads from 35
gallon up to six (6) cubic yards at no additional charge. For materials in excess of six (6) cubic
yards, the Contractor is allowed to charge up to (50%) fifty percent of the Solid Waste rate
based on container size. The Contractor shall offer recycling to every commercial business.

**Source Separated.** Some businesses have source-separated collection for cardboard,
Green Waste, or office paper, metal, wood, concrete, containers only, or glass. Any source-
separated Recyclable Material will be collected by the Contractor at no additional cost to
customers of the basic waste service and the container size is a six (6) cubic yard bin or less.
Cardboard collection shall stay separate as determined by the Contractor in consultation with
the customer on case-by-case basis. Source separated materials cannot exceed five (5) percent
contamination.

The Contractor will provide the County annual reporting, including but not limited to, to whom
the loads were sold, what types of loads were sold, and the total annual amount by type of
recyclable materials sold.

**Compacted Source Separated Recyclables.** Recyclables that are source-separated,
clean, and compacted shall be collected by the Contractor at no additional cost to the customer
as long as they take basic solid waste service and the container is compatible with the
Contractor’s equipment. This service shall include clean-baled film plastic and any other
material if it has a positive market value. Any source-separated Recyclable Material will be
collected by the Contractor at no additional cost to customers of the basic waste service.
Compacted source separated materials cannot exceed five (5) percent contamination.
F. **Green Waste.** Green Waste service shall be offered to all commercial, industrial and institutional customers. Green Waste is collected in 65 or 96 gallon carts or two (2) yard bins for customers of the basic service. For materials in excess of six (6) cubic yards, the Contractor is allowed to charge up to fifty percent (50%) of the Solid Waste rate based on the container sized utilized.

G. **Food Waste.** On or before January 1, 2009, the Contractor shall fully implement a food waste collection and recycling program for appropriate participants such as supermarkets, restaurants, resorts, assisted living facilities, skilled nursing facilities and convalescent homes, country clubs and golf courses, grocery stores and other caterers. The customers to be served shall be mutually selected by the County and Contractor. County shall seek input from various organizations, groups and associations in order to identify and solicit customers that may be interested in participating. Targeted materials shall include food waste materials suitable for composting.

No later than six months prior to the implementation date, Contractor shall provide County with a detailed implementation plan and schedule for provision of food waste collection and processing services to commercial customers. The plan shall address amount and timing of any capital purchases, changes in operational costs and/or procedures, and a specific schedule by route for phasing-in service. Public education for the program will be performed by Contractor as described in Section 1.4 and is also to be addressed in the implementation plan. The County will review the plan and within a month from submittal provide any necessary comments to the Contractor in writing. Contractor shall address comments in writing no later than three months prior to the implementation date. Contractor’s plan must be approved by County Board prior to implementation.

Contractor shall provide participating customers with sixty-five (65) or ninety-six (96) gallon wheeled carts or other containers and/or bins, roll-offs or compactors as necessary for the segregation and storage of food materials to be recycled. Contractor shall provide and distribute to participants reporting damaged carts, containers, bins, roll-offs or compactors a replacement thereof within seventy-two (72) hours of notice from participant. Contractor shall also provide carts, containers, bins, roll-offs or compactors to new program participants located in Zone 1 of unincorporated County or that request to participate.

Food materials collected by Contractor shall be delivered to a facility approved by County for recycling, mulching, composting or other method authorized by State law. If it becomes known to the County or Contractor that the designated facility is no longer recycling or processing materials as agreed and understood, is not in compliance with Local, State, or Federal operating permits, laws or regulations; and/or is not processing and/or using food waste in such a way that the food materials collected from within County shall count as materials diverted from solid waste stream for purposes of complying with the Act, and any other applicable state or federal law the Contractor has the duty to report such knowledge to County within four (4) working days.

County reserves the right to:

1) Delay implementation of the program at its sole discretion.

2) Modify the program as described in the Contractor’s implementation plan.
3) Direct Contractor to deliver food materials to another processing facility, with an adjustment in compensation (up or down) to reflect the change in transportation cost as provided in Article 7.4.A.

Contractor shall receive an increase or decrease in compensation to provide this service as proposed in the Contractor’s proposal (Exhibit M) and as provided in Article 7.2.B of this Agreement.

Contractor shall record the cost and operations data including, but not limited to: total tons collected, person hours, number of stops, number of participating customers, number of routes and all other pertinent data, as may be required by County, or considered to be reasonable and prudent by the Contractor, in a format approved by County and shall submit said data on a quarterly basis, beginning one month after inception of program. County reserves right to require submission of any and all additional information from Contractor as necessary or desirable in order to evaluate, or have agents of County evaluate, the cost, benefits and potential diversion opportunity of the program and to report data to state and federal agencies as required by law or regulation.

H. Bulky Goods. Bulky goods may be left for collection by curbside and drop-off to the County designated MDF. The customers can call the Contractor for curbside pick-up for a fee to be approved by the County for the following materials, to include at a minimum:

- Furniture such as sofas, chairs, and mattresses
- Appliances such as stoves, washer/dryer, water heater
- Toilets, sinks, and other porcelain products
- Tires

Items not accepted, currently:

- Household Solid Waste
- Paint
- Household Hazardous Waste (HHW)
- Green Waste of any kind
- Refrigerators

Additional items will be listed as unacceptable as they are reclassified through Local, State, and Federal regulatory processes as ‘special’ or ‘hazardous’ wastes.

The Contractor shall identify the type of vehicle to be used for bulky good collections. The County expects and encourages the Contractor to maximize the reuse and recycling bulky goods collected.

Non-hazardous bulky goods such as ovens, water heaters or mattresses will be accepted free of charge at the County designated MDF with presentation of a coupon, valid for one year from date of issuance. The coupon will be developed by the Contractor and sent as a bill insert. For free drop-off, the residents are required to present the coupon with a driver’s license having a Napa County address. Should coupons be used at the CNMDF by customers versus the Event, the Contractor shall reimburse the CNMDF based on the standard minimal charge to non-coupon holders.
Additionally, Customers will be informed through the public education efforts specified in Section 1.4, that bulky goods can be brought to the Devlin Road Transfer Station Reuse and Recycle Center during their regular business hours.

I. Other Recycling Programs

Hazardous Waste. Commercially generated hazardous waste can be brought to the DRTS HHWCF for a fee. This service is limited to businesses that meet program eligibility. The Contractor has no direct responsibility to collect hazardous waste collection from customers.

E-Waste. The County, in conjunction with the City of Napa, will conduct one free annual e-waste drop-off event. The drop-off event is called the “Computer and Electronics Recycling Event” (Event) and is historically held the first Friday and Saturday of June at Napa Valley College. E-waste to be collected includes personal computers, laptops, cell phones, telephones and fax machines, computer peripherals such as keyboards, printers, scanners, cables and mouse, consumer electronics such as radios, tape players, VCRs, stereo equipment, personal digital assistants, and computer monitors and televisions. The event is limited to Napa County businesses and residents only. The Contractor shall reimburse the franchise holder at the City of Napa Materials Diversion Facility a portion of the cost, based on a City managed participation survey conducted during the two day event and/or other allocation methodology agreed to by the County. For example, in 2004 Zone 1 participation was less than 10% of the total event cost of $125,000.

Non-County Sponsored Special Events. The Contractor shall assist the contact person for special events in designing and implementing services to provide for the containment, collection, recycling, and disposal of Solid Waste and recyclable materials proceeding, during and after the special event. The Contractor and County shall work closely together to ensure recycling is maximized at non-County special events to the extent feasible. Methods to reduce contamination can include changes to size, shape, and labeling to maximize use of proper containers. Contractor may charge for collection services no greater than the established and approved by County outlined in Exhibit D.

Schools. Napa Valley Unified School District will receive services under the City of Napa franchise. Private schools, however, are handled as commercial customers.
1.3 COUNTY FACILITIES AND EVENTS COLLECTION SERVICES

A. Collection Services at County Facilities. The County facilities located in County Zone 1 and within the City of Napa will continue to be billed by the Contractor and City of Napa Franchise, respectively, as commercial customers with the exception of Cutting’s Wharf and the future Sheriff’s Facilities which will be serviced without charge. The County reserves the right to add additional County Facilities to this list at any time by providing written notice to the Contractor. Exhibit K illustrates the location and service levels of these two (2) County Facilities. However, the County reserves the right to add locations in the future for the following services at no additional cost to the County.

Contractor shall provide containers for and collection of all Solid Waste and Recyclable Materials generated at premises owned and/or operated by the County. Collection shall be at a time convenient for the County. Occasionally over the Agreement Term, the County may direct Contractor to change frequency of collection, number and or type of container(s) provided or method of collection. The County shall receive all the basic collection services of a basic commercial account, including Solid Waste, single-stream recycling, Green Waste, and source-separated cardboard but without charge.

B. Collection Services at County Sponsored Special Events. From time to time, the County may sponsor or co-sponsor, host or otherwise organize a special event, such as a parade, public building dedication, conference of public officials, art show, cultural event or organized recreational activities at any of the County’s parks or venues. Contractor shall provide containers for collection service for no greater than two (2) special events per calendar year. The County currently has no sponsored Special Events. However, the County reserves the right to add Special Events in the future for the following services which would be considered a Change in Scope under Article 5.7. Contractor shall provide Solid Waste and Recyclable Materials collection services for such events, including containers for the general public to dispose of Solid Waste and Recyclable Materials, as well as larger size bins. Starting in 2009, the Contractor shall also provide containers for recycling food waste and other organics to coincide with the implementation of the commercial food waste collection program.

1.4 PUBLIC EDUCATION PROGRAM

A. General. The Contractor shall pay for advertising, development and printing for, the programs listed in Table 1-1 for two bill inserts per month. All advertisements will be provided to the County in PDF forms on a Compact Disk (CD) prior to printing. The County prior to printing and dissemination to the public shall approve all advertising materials. All outreach will be bilingual in both English and Spanish. Printing shall be performed at a printer within the County of Napa and be on the highest post-consumer content paper feasible. The Contractor shall also develop and pay for the following to promote programs:

- Billing inserts
- Coupons for e-waste, tires, and bulky-goods collections (bill inserts and/or direct mail).
- Annual phone book Recycling Guide. A draft will be submitted to the County no later than one month prior to the due date of the final draft as identified by the phone company. The Contractor will pay for fifty percent (50%) of the cost of printing the Recycling Guide.
• Contractor’s website will list all services available to residential and commercial customers. The website will also provide expanded educational and program information as relates to the Contractor’s waste reduction and recycling programs.
• Other methods, information and programs as agreed upon by Contractor and County.

B. Notice to Resident and Commercial Customers. Contractor shall, during the month of January of each year of the Contract Term, notify each residential and commercial customer of the opportunity to participate, at no additional charge, in the curbside recycling program, state how to obtain a container or additional containers if already participating, state how to replace a lost, stolen or damaged container, detail the benefits of recycling to the community and other information as may be appropriate. The Contractor shall, during the month of January of each year of the Contract Term provide a separate notice to residential and commercial customers regarding available Solid Waste services that are available and how to secure backyard service for disabled persons wishing to participate. Contractor shall submit to County by November 1 of the preceding calendar year a draft notice in PDF forms on a CD to County for review and approval. All costs associated with the preparation of a professional, well formatted and designed notice, as a pamphlet or brochure, costs of printing, labeling and mailing (first class postage) shall be borne by Contractor.

C. Periodic Technical Assistance. Contractor shall annually contact one hundred (100%) percent of all Commercial, Industrial and Institutional Premises to notify the occupants thereof of each and every alternative method of recycling and other supportive services available. Such contact shall include, at Contractor’s sole expense, the preparation of a professional, well-formatted and designed brochure that describes, at a minimum, the services available, benefits and cost savings that may result from participation or improving an on-going program and right of customer to procure technical assistance from Contractor or other recycling companies and persons. Contractor shall submit to County for review and approval the brochure not later than ninety (90) days after the beginning of the Contract Term. Contractor shall distribute the brochure by a first class postage mailing. Contractor shall provide waste stream audits, as requested, and prepare a Business Recycling Plan and report to customer on opportunities available to start-up or increase diversion and reduce cost of solid waste collection. Contractor is responsible for reporting to County the results of such contacts on an annual basis as required in the Contract or otherwise specified by the County.

D. Business Recycling Plans. The Contractor will annually perform a waste audit and prepare a “Recycling Plan” for ten (10) percent of commercial accounts. The Contractor and County will mutually agree on the type or size of business to be targeted to achieve diversion objectives (which may include: size of business, number of employees, specific discarded materials, willingness to participate, etc.). The Contractor will discuss the Recycling Plan with the business owner/manager prior to finalization. The Contractor will also provide waste audits and Recycling Plans upon request for any commercial customer as provided in Section 1.4.C, and these audits may be counted towards the above requirement to audit ten (10) percent of customers per year.

E. Notice to HOAs and Property Managers. Contractor shall, during the month of October of each year of the Term, notify each HOA and property manager of any gated development or mobile home park of each and every alternative method of recycling available to residents thereof. This notice shall include the following: (A) collection from backyard, side yard, closet or other place of enclosure at a charge as established and approved by County; (B) provision of a
bin or bins in a central location, such as a work yard, for drop-off of Recyclable Materials; (C) community drop-offs available for use by residents; (D) any other feasible method.

Contractor shall submit by August 1 of the same calendar year a draft notice in PDF form on a CD to County for review and approval. All costs associated with the preparation of a professional, well formatted and designed notice, as a pamphlet or brochure, costs of printing, labeling and mailing (first class postage) shall be borne by the Contractor. Contractor is responsible for reporting to County the response to those notices upon a first request from the County as required in the Contract or otherwise specified by County.

Contractor’s public education coordinator will meet with every multi-family complex manager at least once per year and make themselves available to attend multi-family related community meetings upon request. The Contractor’s public education coordinator shall provide literature and educational materials, and communicate directly and in-person with participating complexes, and alert property managers where contamination issues arise.

F. **Notice to Potential Participants of New Food Waste Collection and Recycling Program.** Ninety (90) days prior to commencement of the residential and commercial food waste collection programs, Contractor shall submit to County draft public education materials in PDF form on a CD. Educational & Promotional Materials will include information for both Commercial and Residential audiences or be prepared separately for each audience. Public Education Material will include: (1) draft brochures in English and Spanish to be provided to potential program participants; (2) draft flyer in English and Spanish to accompany delivery of carts or containers, bins, boxes or compactors, noting operational details pertinent to program, such as preparation and handling of materials, storage methods, and the like. Contractor shall consult with facility designated to take delivery of food materials in preparing the above drafts for County’s consideration. County shall provide Contractor with comments on draft materials within thirty (30) days. Contractor shall, at its sole expense: (1) prepare and produce a professional, well-formatted and designed brochure, to be subsequently distributed by first-class mail to potential program participants in a time frame prescribed by County; and, (2) prepare and produce a professional, well-formatted and designed flyer outlining operational details for distribution together with carts, containers, bins or compactors. The Contractor shall submit to County a draft of the materials in PDF form on a CD for the County’s review and approval prior to printing and dissemination.

G. **Collection Vehicles.** Solid Waste and Recyclable Materials Collection vehicles shall have signs that will be kept current to promote County’s recycling programs. The County prior to implementation of campaign shall approve any and all vehicle signs.

H. **Containers.** All Containers will be consistently color-coded, and have graphics to reduce contamination. Color coding scheme within County Zone 1 of is gray for Solid Waste, brown for Green Waste, and blue for single-stream recyclables.
I. **Website and Phone Book Recycling Guide.** The Contractor shall add to their website information to inform the citizens of all the County’s solid waste and recycling programs. If the Contractor does not have a website then one must be provided. The Contractor is required to submit to the County by February 1st every year a design of the draft phone book ad on recycling services in PDF form on a CD and then incorporate any County comments. The hauler will be required to submit a final by March 1st each year. The Contractor will pay for fifty percent (50%) of the cost of printing the recycling guide in the phone book. The City’s Contractor will pay for the remainder of the costs. If the phone company deadlines change, the draft of the advertisement 80 days before deadline, and the final 45 – days prior to phone company cut-off.

J. **Awards.** Starting in 2007, there will be an annual award for businesses, multi-family complexes, mobile home parks, and property managers who achieve the highest levels of recycling and have minimized contamination as determined by the County Representative. The Contractor shall work with County’s Representative to create and manage this award. The Contractor will publish a half (½) page advertisement in the Napa Register, or its successor, at the time of the award.

K. **Seminars, Workshops, Presentations, Meetings.** Contractor shall ensure the attendance of qualified and knowledgeable employees of Contractor, on an as-requested basis, at local seminars, workshops, presentations, meetings and the like, to provide information or discuss matters related to solid waste or recycling.

L. **Tours of Contractor’s Facilities.** County may require that facilities of Contractor, depending on location and nature of each facility, be periodically open in some portion to the public with seventy-two (72) hours notice by County.
Table 1-1
Contractor Advertised Programs

- **Holiday Greenery Collection** - First Saturday in January.
- **Home Composting** - February - October a series of 10-12 composting classes almost entirely conducted by County and County staff in coordination with local UC Extension Master Gardener Program. The County pays for any costs of actually holding the classes. Current contractor has honored coupons for one free Green Waste compost bin for class attendees.
- **Xeriscaping/Grasscycling** - Provide rate payers billing inserts on this type of recycling.
- **Food Reuse & Collection** "Spring Into Action" done in March. Food collection drive, which is done one week per year. Customers can set out dry or canned goods on regular day of collection service and the recycling truck drivers collect the food. Over four tons of food was collected in 2002. Food is donated to the Napa Food Bank. The contractor pays the cost of additional labor.
- **Lawn Mower Exchange** - Done in April, this program is largely funded through Air District, residents can turn in as powered mowers for a $100 discount on mulching electric mowers. Hauler provides bins for waste and roll-off boxes to recycle old mowers that are recycled.
- **Earth Day Festivities** - Provide recycling containers and service of containers for event. In addition, the Contractor will be providing an employee(s) knowledgeable about recycling to assist in manning the County’s booth at the event. Staffing of the event will be coordinated with the staff in the Napa County Environmental Management’s Department.
- **Napa County Fair** - Provide recycling containers and service of containers for event. In addition, the Contractor will be providing an employee(s) knowledgeable about recycling to assist in manning the County’s booth at the event. Staffing of the event will be coordinated with the staff in the Napa County Environmental Management’s Department.
- **Home & Garden Show** - The show is in May. There is a kiosk that is staffed with personnel from the County and contractor. Brochures and public education information are printed and available at the kiosk.
- **Business Showcase** - Chamber of Commerce annual event. Contractor with County staff educate businesses on waste reduction and recycling opportunities.
- **Special Event Brochure** - Developed for those individuals who are planning a special event.
- **E-waste Collection** - June, described in Section 1.0.E
- **Cell Phone Collection** - promoting private cell phone collection options in addition to County provided options
- **Ink Cartridge** - promote private collection and recycling of ink cartridges
- **Telephone Book Collection** - July, as described in Section 1.0.K.
- **Tire Amnesty Coupon** - August- **New program**, but the County has partnered with Napa County, NGS and Upper Valley to apply for grant funds from the CIWMB for tire recycling, probably in the form of a "free disposal coupon" for self-hauling up to 10 tires per trip. This program will be subject to available funding through the award of a CIWMB grant.
- **Coastal Clean-Up Day** - September - Volunteers collect litter from banks of the Napa River. Hauler provides the waste and recycling equipment and service.
1.5 OTHER INFORMATION

A. Service Area. Specific Description - See legal description in contract. General Description - South of Yountville to County line with the exceptions of the City of Napa and City of American Canyon.

B. “Non-Bill” Mailing Lists. The Contractor shall create and maintain a mailing list of all accounts that are “non-bill” customers. The Contractor may elect to utilize the services of a Direct Mailing Service for these “Non-Bill” Customers. Examples of non-direct bill customers would be apartments, mobile homes, condominiums, assisted living facilities, and other lease term/tenant situations such as a business park or strip mall. The mailing list shall be updated on an annual basis at a minimum and shall identify the number of non-direct customers who are "on service" through a central billing or property owner/property manager. The programs requiring an annual mailing to non-bill customers will include coupons for the bulky goods, e-waste and tires. Additionally, any customer who prepays their bill annually and does not receive monthly bills shall be included on this mailing list but identified as “prepay” customers and shall also receive the coupons and other public education materials.

C. New Diversion Programs. Contractor shall, at no additional cost, within forty five (45) days of a request by County, submit a written proposal on providing additional or expanded diversion services. The proposal shall contain a complete description of the following: (A) collection methodology to be employed; (B) equipment to be used and staffing requirements by number and classification; (c) type of container(s) to be used; (D) informational/promotional campaign; (E) projection of annual operating costs, including documentation of key assumptions underlying projections and support for assumptions.

D. Recyclable Materials Processing and Marketing. The Contractor will be responsible for all Recyclable Materials processing and marketing services associated with the collection of Recyclable Materials under this Agreement. The Contractor shall be required to provide processing facility capacity and shall designate a facility(ies) for such purpose in the proposal. In meeting the obligation to provide processing facility capacity, the Contractor may purchase, lease, subcontract, or make other arrangements with a new or existing facility for the processing and marketing of the Recyclable Materials collected in the County. Ownership or leasing arrangements and costs will be the responsibility of the Contractor. The Contractor will ensure that any applicable purchase or lease agreements with property owners and the local land-use authorities are implemented. The Contractor will have the responsibility to ensure the technical and environmental suitability of any processing site for its intended purpose. The Contractor will be compensated for Recyclable Materials processed and marketed solely through the Rates.

The Contractor will be responsible for arranging for the transportation of the Recyclable Materials to the processing facility. If the Contractor chooses to consolidate the Recyclable Materials to a distant processing site, the Contractor will be fully responsible for securing and operating a staging area for temporary storage, consolidation, and loading of materials into transfer vehicles for long-hauling to the processing facility.

The Contractor will be required to prepare, process, and market a minimum of ninety (90) percent of the Recyclable Materials Collected under this Agreement. The material types to be accommodated by the facility are outlined in Section 3. The Contractor will market and sell Recyclables collected pursuant to the Agreement. All revenues earned from the sale of the Recyclables will be retained by the Contractor.
By mutual written agreement, the Contractor will process and market additional types of Recyclables.

Disposal of Residue remaining after the segregation of the Recyclables Materials will be the Contractor's responsibility. The Contractor will transport the Residue to the Disposal or Transfer Facility or to another facility of its choosing. The costs of Residue transportation and Disposal will be borne by the Contractor and shall be included in the Rates.

E. **Transport and Processing of Green Waste and Food Waste.** Contractor shall provide for the transportation, processing and marketing of all Green Waste and Food Waste for use as compost, mulch, or other forms of beneficial reuse, and is responsible for payment for these services from the Rates. It is the intent of the County that the Contractor maximize recovery by means other than ADC, however the Designated Green Waste Processing Facility may use up to a maximum of ten (10) percent of Contractor’s delivered Green Waste as ADC.

Disposal of Residue remaining after the segregation of the Green Waste and Food Waste will be the Contractor’s responsibility. The Contractor will transport the Residue to the Disposal or Transfer Facility or to another facility of its choosing. The costs of Residue transportation and Disposal will be borne by the Contractor and shall be included in the Rates.
EXHIBIT B
PERFORMANCE STANDARDS

1.0 COMPANY STANDARDS

- Services are to be completed in thorough and professional manner that constitutes litter-free, reliable, timely, courteous and high-quality service.
- Contractor shall at all times perform its duties using best industry practice for comparable operations.
- Personnel shall conduct themselves in a courteous, workmanlike manner.
- Personnel shall dress in clean, uniform shirts with suitable identification.
- Color and appearance of collection vehicles, containers including their colors, employee uniforms, and public education materials provided by the Contractor will be designed to provide a standard representation of the company. If subcontractors are included, a distinct but uniform appearance of the subcontractor equipment, vehicles, and personnel will be allowable.

1.1 COLLECTION CONTAINERS

- Contractor shall provide industry-standard Bins for storage of materials which shall be designated and constructed to be watertight and prevent the leakage of liquids. All Containers with a capacity of 1 cubic yard or more shall meet all applicable federal regulations on solid waste bin safety.
- Containers shall be clearly labeled to indicate their designation for collection of solid waste, recyclables, or green waste and shall list the types of materials to be stored in the container for Collection. At the County’s request, Contractor shall work cooperatively with the County to develop an acceptable presentation of the logo on the Containers.
- The Contractor is to provide all Containers to Customers at no charge. Replacement containers shall be provided free of charge to Customers if previous container is rendered unserviceable by means other than the Customer’s action. If the damage is clearly caused by the Customer, and the Container was delivered to the Customer less than one year previously, Contractor may charge Customer up to an amount equal to Contractor’s own direct purchase cost of the Container.
- All Carts shall be wheeled carts with attached lids and a handle to allow for easy movement.
- All Containers shall be a standard color selected by the Contractor with input from the County. The following colors are specified for Cart Services: gray for Solid Waste, blue for Recyclables, and brown for Green Waste Containers. The County shall review and approve the shades of these colors proposed by the Contractor.
- Contractor shall select the Container manufacturer. Contractor responsible for distributing all containers to Customers by October 1, 2005 and as requested by new Customers during the Term of the Agreement.
- Contractor to maintain, repair, clean, paint, and replace Containers as needed to maintain a clean, attractive, functional, new-like condition. All graffiti shall be moved immediately.
- Contractor shall, at no charge, replace any Containers which become unusable by reason of normal wear and tear or damaged by collection operations.
1.2 VEHICLES

A. General
Contractor shall provide a fleet of industry-standard Collection and as needed, transfer vehicles sufficient in number and capacity to efficiently perform the work required by the Agreement in strict accordance with its terms. The Contractor agrees to maintain each piece of equipment used by it in the performance of this Agreement in good order and repair. Contractor shall have available on service days sufficient backup vehicles and qualified operators to respond to complaints and emergencies.

B. Vehicle Identification
The Contractor’s name, phone number, and vehicle identification number must be visibly displayed on its vehicles in letters and figures no less than three inches high.

C. Cleaning and Maintenance

General. Contractor shall maintain all of its properties, facilities, and equipment used in providing service under this Agreement in a safe, neat, clean and operable condition at all times, and shall keep its properties, facilities, and equipment well and uniformly painted, to the satisfaction of the County Representative. Vehicles shall be maintained in such a manner that no leakage of fluids from the collected materials occurs.

Cleaning. Vehicles used in the collection shall be thoroughly washed at a minimum of once per week, and thoroughly steam cleaned on a regular basis so as to present a clean appearance and minimize odors. All vehicles shall be painted on a regular schedule to maintain a clean, professional, new-like appearance, although the County Representative may require the painting of any vehicle which does not present a satisfactory appearance at any time. The vehicles shall be painted in a uniform manner; although Solid Waste, Recycling, and Green Waste vehicles may have different painting schemes. All graffiti shall be removed immediately. County may inspect vehicles at any time to determine compliance with sanitation requirements. Contractor shall make vehicles available to the County Health Department for inspection at any frequency it requests.

Maintenance. Contractor shall (i) inspect each vehicle daily to ensure that all equipment is operating properly. Vehicles which are not operating properly shall be taken out of service until they are repaired and do operate properly; and (ii) perform all scheduled maintenance functions in accordance with the manufacturer’s specifications and schedule. Contractor shall keep accurate records of all vehicle maintenance, recorded according to date and mileage and shall make such records available to the County upon request.

Repairs. Contractor shall repair, or arrange for the repair of, all of its vehicles and equipment, including dents, leaks, and other body damage, for which repairs are needed because of accident, breakdown or any other cause so as to maintain all equipment in a neat, safe and operable conditions. If an item of repair is covered by a warranty, Contractor shall obtain warranty performance. Contractor shall maintain accurate records of repair, which shall include date/mileage, nature of repair and the signature of a maintenance supervisor that the repair has been properly performed.

Inventory. Contractor shall furnish sufficient equipment to provide all service required under this Agreement, including backup Collection vehicles. Contractor shall furnish the County a written inventory of all vehicles, including collection vehicles, used in providing service, and
shall update the inventory annually. The inventory shall list all vehicles by manufacturer, ID number, date of acquisition, type, capacity and decibel rating.

**Storage.** Contractor shall arrange to store all vehicles and other equipment in safe and secure location(s) in accordance with County’s applicable zoning regulations.

**Operation.** All vehicles must be registered with the Department of Motor Vehicles of the State of California and inspected by the California Highway Patrol at the frequency required by the state. Vehicles shall be operated in compliance with the California Vehicle Code and all applicable safety and local ordinances. Contractor shall not load Collection or transfer vehicles in excess of the manufacturer’s recommendations or limitations imposed by state or local weight restrictions on vehicles. Contractor shall use all reasonable means to minimize any backing of Collection vehicles.

**Low Emission Vehicle Requirements.** As required by law, Contractor shall convert and/or retrofit its Collection fleet and/or fuel utilizing the most cost-effective means to reduce air pollutant emissions and to be in full compliance with local, state, and federal clean air requirements, including the California Air Resources Board Heavy Duty Engine Standards contained in CCR Title 13, Section 2020 et seq; and the Federal EPA’s Highway Diesel Fuel Sulfur regulations. The term “fuel” as used in this section may include bio-diesel or clean diesel, as allowed within local, state and/or federal requirements. All costs of compliance with low emission fuel and/or vehicle requirements are the sole responsibility of the Contractor.

### 1.3 COLLECTION SCHEDULE

- If the day of collection on any given route falls on New Year’s Day, Thanksgiving Day, or Christmas Day, the Contractor shall provide collection service for such route on such day or the next workday following such holiday and shall not provide collection service on such holiday. In the event the holiday schedule of the Disposal or Transfer Facility or recycling facility and Green Waste Processing Facility are different than the holidays stated herein, the holiday schedule will be adjusted by the Contractor in consultation with the County to match those of the Facility(ies).
- The Contractor shall provide one pickup per week for Cart Customers from the curbside (with the exception of side yard or backyard service for frail elderly and disabled individuals and for customers paying additional charge for side yard or backyard service).
- The Contractor shall provide pickups on the schedule requested by Customer (at least once weekly) for Bin Customers from a location designated by the property owner.

### 1.4 COLLECTION ROUTES

- Collection routes shall be established and maintained in such a manner as to provide uniform and efficient collection services.
- The Contractor shall submit route plans to the County Representative for informational purposes at the start of the Agreement, one year prior to the end of the Base Term, at end of the Base Term, at the end of any Extension and whenever there is a significant routing change. The route plans shall identify the course each vehicle follows, the properties served, approximate starting and ending time for each route, the day of week the route will be served, etc.
- Materials collected shall not be mixed in Contractor’s collection equipment with any materials collected from another governmental jurisdiction including the other cities or
1.5 COLLECTION REQUIREMENTS

A. Care of Private Property

Reasonable care shall be used by the Contractor’s employees in handling all Collection Containers and enclosures, and all damage caused thereto by the negligence or carelessness of the Contractor’s employees shall be promptly adjusted with the owner thereof. All Collection Containers after emptying thereof by the Contractor’s employees shall be returned to within 5 feet of the location from which the same were picked up by the Contractor’s employees, upright with lids properly secured, and Contractor’s employees shall use all reasonable means to insure same are not deposited in a manner that blocks any driveway, sidewalk, or street. Contractor shall ensure that its employees close all gates opened by them in making collections, unless otherwise directed by the customer, and avoid crossing landscaped areas and climbing or jumping over hedges and fences. County shall refer complaints about damage to private property to Contractor. Contractor shall repair all damage to private property caused by its employees.

B. Noise

All collection operations shall be conducted as quietly as possible and shall conform to applicable federal, state, county and County noise level regulations, including the requirement that the noise level during the stationary compaction process not exceed 70 decibels with the exceptions of 85 decibels for 1-minute duration as measured from a distance of fifty (50) feet. The County may conduct random checks of noise emission levels to ensure such compliance. Contractor shall promptly resolve any complaints of noise to the satisfaction of the County Representative.

C. Record of Noncollection

If any materials Delivered for Collection are not Collected by the Contractor for sufficient reason, Contractor shall place a notice on the uncollected material at least 2 inches x 6 inches in size. The notice shall provide the Contractor’s phone number and indicate the reasons for Contractor’s refusal to collect the materials placed in the collection containers giving reference to the section of the County Ordinance Code or to the section of this Agreement which has been violated, and which gives grounds for Contractor’s refusal. This information shall either be in writing and/or by means of a check system. Contractor shall maintain, at Contractor’s place of business, a logbook listing all complaints and taggings. Said logbook shall contain the names and date and manner of disposition of each case. Such log shall be kept so that it may conveniently be inspected by representatives of the County upon request.

D. Load Checking

The Contractor is responsible for inspecting all materials prior to collection for Hazardous Waste or other unacceptable materials. The Contractor is not responsible for collection of Hazardous Waste or other unacceptable materials.

The Contractor is responsible for controlling contamination levels of Recyclable Materials and Green Waste through public education efforts and tagging of improper setouts.
1.6 LITTER ABATEMENT

A. Minimization of Spills
Contractor shall use due care to prevent materials placed in the Collection containers from being spilled or scattered during the Collection or transportation process. If any material is spilled during Collection, the Contractor shall promptly clean up all spilled materials. Each Collection vehicle shall carry a broom and a shovel at all times for this purpose.

Contractor shall not transfer loads from one vehicle to another on any public street, unless it is necessary to do so because of mechanical failure or accidental damage to a vehicle.

B. Cleanup
During the Collection transportation process, the Contractor shall clean up litter in the immediate vicinity of any storage area (including the areas where collections bins are delivered for collection) of any materials that escape from the Collection vehicle or Collection Containers as a result of the Contractor’s service. In the event that litter not caused by the Contractor’s service is in the vicinity of the storage area, the Contractor is required to clean up this litter whether or not Contractor has caused the litter on a one-time basis and shall discuss the spillage directly with the customer responsible and shall report such instances to the County. The Contractor shall work with the Customer to resolve the spillage problem. County will attempt to rectify such situations with the Customer if Contractor has already attempted to do so without success.

C. Covering of Loads
All materials shall be contained or covered during transportation to the Disposal or processing facility. Material shall not be transported to the Disposal or processing facility in vehicle hoppers.

D. Oil or Other Vehicle Fluid Spills
Contractor is responsible for cleaning up all oil or vehicle fluid spills immediately and must notify the County within 24 hours of each such spill. All vehicles must carry an acceptable absorbent material to use in the event of spills. Repair for damages caused by oil or other vehicle spills shall be at the Contractor’s expense. The Contractor will follow the spill procedures below:

- Driver will determine cause and source of spill.
- Each driver or shop employee is responsible for having enough absorbent in their vehicle to contain or prevent any hydraulic fluid or oil from entering a storm drain or sewer and to clean up small spills as they occur.
- Driver will contain or stop the leak and clean it up without endangering self.
- Driver will immediately notify dispatch or supervisor.
- Driver will not leave the spill until either a supervisor or spill response personnel arrive at the scene.
- Driver will keep all people, cars, or other vehicles from walking or driving through the spill.
- Driver or spill response personnel will take whatever action possible to prevent the spill from entering any storm drain, grates, or other entry points.
1.7 PERSONNEL

A. General
Contractor shall furnish such qualified drivers, mechanical, supervisory, clerical and other personnel as may be necessary to provide the Collection Services required by this Agreement in a safe and efficient manner.

All Contractor employees must be able to read, write and speak English with sufficient proficiency to enable them to successfully meet and adhere to all of the terms of this Agreement.

B. Driver Qualifications
All drivers shall be trained and qualified in the operation of Collection vehicles and must have in effect a valid license, of the appropriate class with appropriate endorsements, issued by the California Department of Motor Vehicles. All Collection vehicle drivers shall also complete the Contractor’s in-house training program which includes education on the use of all vehicles in the Collection fleet, Collection programs, and route information as well as Customer service practices and safety information.

Contractor shall conduct an annual background check on each driver to ensure that the driver is not listed as a sexual predator and there is no felony record of violence or violations issued by the California Department of Motor Vehicles.

C. Identification Badge
Contractor shall require its drivers, and all other employees who come into contact with the public, to wear a clean, uniform shirt with an identification badge or other means of identifying the employee, as approved by the County Representative.

D. Safety Training
Contractor shall provide suitable operational and safety training for all of its employees who utilize or operate vehicles or equipment for collection or who are otherwise directly involved in such services. Contractor shall train its employees involved in collection to identify, and not to collect, Hazardous Waste or Medical and Infectious waste.

E. No Gratuities
Contractor shall not permit its employees to demand, solicit or accept, directly or indirectly, any additional compensation or gratuity from members of the public for the Collection Services under this Agreement. Contractor may permit its employees to accept small holiday gifts of nominal value.

F. Employee Appearance and Conduct
All employees, while engaged in collection services within the County, shall be attired in suitable and acceptable uniform shirts which are subject to approval by the County. Contractor shall use its best efforts to assure that all employees present a neat appearance and conduct themselves in a courteous manner. Contractor shall regularly train its employees in customer courtesy, shall prohibit the use of loud or profane language, and shall instruct collection crews to perform the work as quietly as possible. If any employee is found not to be courteous or not to be performing services in the manner required by the Agreement, Contractor shall take all appropriate corrective measures.
G. Provision of Field Supervision
Contractor shall designate one qualified employee as supervisor of field operations. The field supervisor shall devote whatever time is necessary, but not less than 50 percent of his/her time in the field checking on collection operations, including responding to complaints.

H. General Supervision
The collection services are under the general supervision of the County Representative, and the Contractor shall promptly comply with any County orders, directions and instructions that are consistent with the terms of this Agreement. County reserves the right to inspect any and all of the Contractor’s equipment at any time without prior notice.

1.8 RECYCLABLE MATERIALS AND GREEN WASTE PROCESSING AND MARKETING
Contractor is responsible for compliance with the following requirements, and with all other applicable requirements contained in this Agreement whether Contractor owns, or contracts for service at the Designated Recycling Facility and/or the Designated Green Waste Processing Facility.

A. General Operations and Maintenance Standards
Beginning on the Signature Date, Contractor covenants to comply with the Contractor’s performance obligations throughout the term of the Agreement and to perform the Contractor’s performance obligations with respect to Recyclable Materials and Green Waste processing and marketing services in accordance with accepted practice for comparable processing facilities, sound management and operations practice, the facility’s operation and maintenance manual, plans and specifications, permits, applicable law (including OSHA standards), provisions hereof, and covenants, conditions and restrictions pertaining to the site.

The Contractor shall be responsible for maintaining and renewing all necessary permits, licenses, and clearances necessary to provide the transportation and processing of Recyclable Materials and Green Waste. Contractor shall maintain and renew permits; provided, however, Contractor shall not be responsible for any delays in maintaining or renewing, or failure to maintain or renew, the permits, if Contractor has exercised due diligence in maintaining and/or renewing the permits, and such failure is caused by any action or inaction of the issuing or renewing authority.

The Contractor shall meet all applicable regulations, industrial codes, and all applicable standards of technical societies, either as stated or as in standard industry practice.

The Contractor shall have the responsibility for the sale of recovered materials and collection of payment thereof.

B. Maintenance and Repair
The Contractor shall maintain the facility and site in good working order and repair, including maintaining spare parts inventory and performing periodic maintenance in accordance with the operations and maintenance manual, manufacturer’s recommendations, accepted practice for comparable facilities, and sound management and operations practice. Contractor shall maintain the aesthetic appearance of the facility and site in a clean and neat manner in accordance with the plans and specifications, with due regard for reasonable control of odors, dust, and noise.
C. Safety
Contractor shall conduct facility operations in a safe manner, in accordance with applicable law, requirements of insurance carried, and standard industry practices in the waste management, composting, organics handling, and materials recovery industry.

D. Right to Enter and Inspect Facility
The County and its designated representative shall have the right, but not the obligation to enter, observe, and inspect the processing facility during the receiving hours; meet with the facility manager or his or her representative at any time, and meet with other employees upon request, which request shall not be unreasonably denied. Upon County request, Contractor shall make personnel available to accompany County employees on inspections. Contractor shall ensure that its employees cooperate with the County and respond to the County’s reasonable inquiries. Contractor shall make operational and business records available to the County during receiving hours upon County request.

E. Tours of Facility
Upon 24 hours request of the County, Contractor shall provide tours of the facility. Such tours shall not unreasonably disrupt facility operation. Contractor shall not be required to conduct such tours more frequently than once per week; provided that tours may be required once per day during the first year of operation, by appointment. County shall not be charged for labor, overhead, overtime, or any other costs associated with such tours. As part of such tours, Contractor shall prepare (subject to County’s approval of text and format) and shall distribute an educational brochure, printed on recycled paper, on conservation, recycling, composting, and general solid waste management programs. All persons on such tours will comply with all policies and procedures of Contractor when on Contractor’s premises.

F. Personnel
The Contractor shall engage and train qualified and competent employees, including managerial, supervisory, clerical, maintenance, and operating personnel, in numbers necessary and sufficient for facility operations and to perform the Contractor’s obligation under this Agreement. The Contractor shall train such staff to perform their work in a safe and efficient manner in accordance with the health and safety plan in the facility’s operations and maintenance manual.

G. Transportation of Residue
The Contractor shall transport and deliver all residue to the disposal facility after its delivery to the facility within the timeframes required by the facility’s permits and in no event longer than required by Applicable Law. The Contractor shall select routes from the facility to the disposal facility which minimize inconvenience and disturbance to the public and comply with permits and applicable law. Contractor shall enclose or cover all vehicles transferring residue from the facility to prevent spillage.

H. Weighing
The Contractor shall develop and manage a system of weighing materials received from collection vehicles and tracking recovery of incoming materials and disposition of residue. The Contractor shall record tonnages of material received. At a minimum, the recorded data must indicate for each delivery, hauler’s name, truck number if applicable, time of delivery, tonnage delivered, vehicle license number, and person receiving the delivery.
The Contractor shall install and maintain state-certified motor vehicles scales in accordance with applicable law.

I. Substitute Scales
To the extent that all the scales are inoperable, being tested, or otherwise unavailable, the Contractor shall substitute portable scales until the permanent scales are replaced or repaired. The Contractor shall arrange for the scale to be repaired or temporarily substitute scales to be used as soon as possible, and in any event, within 48 hours after failure of the permanent scales.

J. Estimating Volumes
Pending substitution of portable scales, Contractor shall estimate the quantity of materials being delivered to the processing facility and residue and recovered materials being transported from the processing facility, on the basis of delivery truck and transfer trailer volumes, tare weight, broker’s weigh records, and data obtained through historical information from the processing facility and purchasers of recovered materials using a methodology acceptable to the County. These estimates shall take the place of actual weighing and shall be the basis for records while scales are inoperable.

K. Testing of Scales
The Contractor shall test and calibrate all scales in accordance with applicable law, but at least every twelve months. Prior to any test, it shall provide at least five days notice thereof to the County. Upon County request, it shall provide the County with copies of the test results.

L. Processing Equipment
Contractor shall provide processing equipment in number and capacity to efficiently perform the work required by the Agreement. The Contractor agrees to maintain each piece of equipment used by it in the performance of this Agreement in good order and repair. Contractor shall have available sufficient backup equipment to respond to mechanical failures or other difficulties.
EXHIBIT C
COLLECTION SERVICES AREA

A legal description of the service area, a service area map, a map of the County islands, and the existing and potential service areas in the County islands is attached.

LEGAL DESCRIPTION

NOW, THEREFORE IT IS AGREED AS FOLLOWS.

1. This agreement shall supersede in its entirety that Franchise Agreement between the parties dated December 19, 1972, including all amendments thereto.

2. Contractor is hereby granted by County an exclusive franchise for Garbage Zone One of the Unincorporated Territory of the County of Napa, which said territory is particularly described as follows, to wit:

Being an area in the Southern portion of Napa County, California, and more particularly described as follows:

Commencing at the point formed by the intersection of the boundary line separating Napa and Solano Counties, with the center line of the “Napa River”; thence Northwesterly, along the center line of said “Napa River” and along the center line of the drainage facility known as “Mud Slough” to the point formed by the intersection of the center line of said “Mud Slough” with the boundary line separating Sections 8 and 17, T4N, R4W, M.FM.D.B. & M.; thence Westerly, along the Southerly line of Sections 8 and 7, T4N, R4W, M.D.B. & M. to the point formed by the intersection of the Southerly line of said Section 7 with the boundary line separating Napa and Sonoma Counties; thence Northerly, along said Napa and Sonoma County boundary to the point formed by the intersection of said boundary line with the center line of the State Highway, Route 8, Sign Route 12 and 37, known as “Sonoma Highway”; thence leaving said boundary line, Northeasterly, to the point formed by the intersection of the center line of the County Road known as “Henry Road” with the Range Line separating R4W and R5W, M.D.B. & M.; thence Northerly, along said Range Line to the point formed by the intersection of said Range Line, with the Township Line separating T5N and T6N, M.D.B. & M.; thence from said Township Corner, N 45.5° W, 6,500 feet more or less to the point of intersection with a line bearing South from the point formed by the intersection of the center line of the County Road known as “Redwood Road” with the center line of the County Road known as “Mt. Veeder Road”; thence North, to the point of intersection of said “Redwood Road” and “Mt. Veeder Road” thence N 20°E, 13,600 feet more or less to the point of intersection with the Range Line separating R4W and R5W, M.D.B. & M., said point also being the point formed by the intersection of said Range Line with the Westerly extension of a line parallel to, and distant 200 feet at right angles Southerly, from the center line of the County Road known as “Trubody Lane”, thence leaving said Range Line, Northeasterly, parallel to, and distant 200 feet at right angles Southerly from the center line of said “Trubody Lane” and its Westerly and Easterly extensions, to the point of intersection with the center line of the County Road known as “Silverado Trail”; thence Northeasterly, to the Southwest corner of Section 3, T6N, R4W, M.D.B. & M.; thence Easterly, along the southerly line of said Section 3, 2,640 feet more or less to the Southerly quarter corner of said Section 3; thence leaving said Southerly line, Southeasterly, to the Westerly quarter corner of Section 11, T6N, R4W, M.D.B. & M.; thence Southerly, along the Westerly line of said Section 11, 2,640 feet more or less to the Southwest corner of said Section 11; thence Easterly, along the Southerly line of said Section 11; to the Southeast corner of said Section 11; thence Southerly,
along the Westerly line of Section 13, T6N, R4W, M.D.B. & M., to the Southwest corner of said Section 13; thence Easterly, along the Southerly line of said Section 13, to the Southeast corner of said Section 13; thence Southerly, along the Westerly line of Section 19, T6N, R3W, M.D.B. & M., to the Southwest corner of said Section 19; thence Easterly, along the Southerly line of said Section 19, to the Southeast corner of said Section 19; thence Southerly, along the Westerly line of Sections 29 and 32, T6N, R3W, M.D.B. & M., to the Southwest corner of said Section 32, said corner also being corner number T13 as shown on a map on file in the office of the County Recorder, Napa, California, in the Book of Patents, entitled, “Plat of Tulucay Rancho”; thence Easterly, along the grant line of said Tulucay Rancho to corner No. T14; thence Southerly, along said grant line to the Southwest corner of Section 5, T5N, R3W, M.D.B. & M.; thence leaving said grant line, Southeasterly, to the point formed by the intersection of the center line of the County Road known as “Wild Horse Valley Road” with the center line of the County Road known as “Shady Brook Lane”; thence Southeasterly, to the Northerly quarter corner of Section 17, T5N, R3W, M.D.B. & M.; thence Southerly to the middle quarter corner of said Section 17; thence Southwesterly, to the Southwest corner of said Section 17; thence Easterly, along the Southerly line of Section 18, T5N, R3W, and Section 13, T5N, R4W, M.D.B. & M., and the Westerly extension thereof, to the point formed by the intersection of the extension of said Southerly line with a line parallel to, and distant 2,640 feet at right angles Easterly from the center line of the State Highway, Route 8, Sign Route 12 and 29, known as “Napa-Vallejo Highway”; thence Southeasterly, parallel to, and distant 2,640 feet at right angles Easterly from the center line of said “Napa-Vallejo Highway” and continuing Southeasterly, parallel to, and distant 2,640 feet at right angles Easterly from the center line of the State Highway, Route 74, Sign Route 29, also known as “Napa-Vallejo Highway”, to the point of intersection with a line parallel to, and distant 2,640 feet at right angles Northerly from the center line of the County Road known as “American Canyon Road”; thence Easterly, parallel to, and distant 2,640 feet at right angles Northerly from said “American Canyon Road” to the point of intersection with the Northerly line of Section 29, T4N, R3W, M.D.B. & M., thence Easterly along said Northerly line, and its extension to the point of intersection with the boundary line separating Napa and Solano Counties; thence Southerly and Westerly, along said boundary line to the point of commencement; excluding therefrom all area that is within the incorporated limits of the City of Napa currently, and areas which are subsequently annexed to the City of Napa at such time as they are annexed.

EXCEPTING THEREFROM any and all lands lying and being within the city limits American Canyon and of the City of Napa as said limits now or may hereafter extend. There shall further be excepted from such “Garbage Zone One” the area encompassed within the limits of any other city as may hereafter be incorporated therein.
## EXHIBIT D
### SCHEDULE OF INITIAL RATES

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Year 1 &amp; 2</th>
<th>Maximum Commingled and Green Waste Recycling Fee (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Residential</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential with Food Waste Cart Collection in year 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Proposed Rates in Dollars per Container per Month</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Solid Waste Cart</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>35 gallon</td>
<td>$ 15.88</td>
<td>$ -</td>
</tr>
<tr>
<td>65 gallon</td>
<td>$ 23.82</td>
<td>$ -</td>
</tr>
<tr>
<td>96 gallon</td>
<td>$ 35.73</td>
<td>$ -</td>
</tr>
</tbody>
</table>

| **Commercial**      |           |                                                  |
| **Commercial/Multi-Family/Mobile Homes Cart and Bin Collection** |           |                                                  |
| **Proposed Rates in Dollars per Container per Month** |           |                                                  |
| 35 gallon container | $ 21.81   | $ -                                              |
| 65 gallon container | $ 31.93   | $ -                                              |
| 96 gallon container, 1 pickup per week | $ 51.40 | $ -                                              |
| 96 gallon container, 2 pickup per week | $ 91.11 | $ -                                              |
| 96 gallon container, 3 pickup per week | $ 119.12 | $ -                                              |
| 96 gallon container, 4 pickup per week | $ 134.60 | $ -                                              |
| 96 gallon container, 5 pickup per week | $ 163.45 | $ -                                              |
| 96 gallon container, 6 pickup per week | $ 214.85 | $ -                                              |
| 1 cubic yards, 1 pickup per week | $ 187.13 | $ -                                              |
| 1.5 cubic yards, 1 pickup per week | $ 239.77 | $ -                                              |
| 2 cubic yards, 1 pickup per week | $ 321.64 | $ -                                              |
| 3 cubic yards, 1 pickup per week | $ 450.29 | $ -                                              |
| 4 cubic yards, 1 pickup per week | $ 514.62 | $ -                                              |
| 6 cubic yards, 1 pickup per week | $ 754.39 | $ -                                              |
| 1 cubic yards, 2 pickup per week | $ 339.18 | $ -                                              |
| 1.5 cubic yards, 2 pickup per week | $ 444.44 | $ -                                              |
| 2 cubic yards, 2 pickup per week | $ 602.34 | $ -                                              |
| 3 cubic yards, 2 pickup per week | $ 859.65 | $ -                                              |
| 4 cubic yards, 2 pickup per week | $ 982.46 | $ -                                              |
| 6 cubic yards, 2 pickup per week | $ 1,456.14 | $ -                                              |
### Commercial (Continued)

#### Commercial/Multi-Family/Mobile Homes Cart and Bin Collection

**Proposed Rates in Dollars per Container per Month**

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Year 1 &amp; 2</th>
<th>Maximum Commingled and Green Waste Recycling Fee (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 cubic yards, 3 pickup per week</td>
<td>$491.23</td>
<td>-</td>
</tr>
<tr>
<td>1.5 cubic yards, 3 pickup per week</td>
<td>$649.12</td>
<td>-</td>
</tr>
<tr>
<td>2 cubic yards, 3 pickup per week</td>
<td>$883.04</td>
<td>-</td>
</tr>
<tr>
<td>3 cubic yards, 3 pickup per week</td>
<td>$1,269.01</td>
<td>-</td>
</tr>
<tr>
<td>4 cubic yards, 3 pickup per week</td>
<td>$1,450.29</td>
<td>-</td>
</tr>
<tr>
<td>6 cubic yards, 3 pickup per week</td>
<td>$2,157.89</td>
<td>-</td>
</tr>
<tr>
<td>1 cubic yards, 4 pickup per week</td>
<td>$643.27</td>
<td>-</td>
</tr>
<tr>
<td>1.5 cubic yards, 4 pickup per week</td>
<td>$853.80</td>
<td>-</td>
</tr>
<tr>
<td>2 cubic yards, 4 pickup per week</td>
<td>$1,163.74</td>
<td>-</td>
</tr>
<tr>
<td>3 cubic yards, 4 pickup per week</td>
<td>$1,678.36</td>
<td>-</td>
</tr>
<tr>
<td>4 cubic yards, 4 pickup per week</td>
<td>$1,918.13</td>
<td>-</td>
</tr>
<tr>
<td>6 cubic yards, 4 pickup per week</td>
<td>$2,859.65</td>
<td>-</td>
</tr>
<tr>
<td>1 cubic yards, 5 pickup per week</td>
<td>$795.32</td>
<td>-</td>
</tr>
<tr>
<td>1.5 cubic yards, 5 pickup per week</td>
<td>$1,058.48</td>
<td>-</td>
</tr>
<tr>
<td>2 cubic yards, 5 pickup per week</td>
<td>$1,444.44</td>
<td>-</td>
</tr>
<tr>
<td>3 cubic yards, 5 pickup per week</td>
<td>$2,087.72</td>
<td>-</td>
</tr>
<tr>
<td>4 cubic yards, 5 pickup per week</td>
<td>$2,385.96</td>
<td>-</td>
</tr>
<tr>
<td>6 cubic yards, 5 pickup per week</td>
<td>$3,561.40</td>
<td>-</td>
</tr>
<tr>
<td>1 cubic yards, 6 pickup per week</td>
<td>$970.76</td>
<td>-</td>
</tr>
<tr>
<td>1.5 cubic yards, 6 pickup per week</td>
<td>$1,263.16</td>
<td>-</td>
</tr>
<tr>
<td>2 cubic yards, 6 pickup per week</td>
<td>$1,725.15</td>
<td>-</td>
</tr>
<tr>
<td>3 cubic yards, 6 pickup per week</td>
<td>$2,497.08</td>
<td>-</td>
</tr>
<tr>
<td>4 cubic yards, 6 pickup per week</td>
<td>$3,321.64</td>
<td>-</td>
</tr>
<tr>
<td>6 cubic yards, 6 pickup per week</td>
<td>$4,263.16</td>
<td>-</td>
</tr>
</tbody>
</table>
### Commercial Solid Waste Compactor Service
Proposed Rates in Dollars per Daily Pickup

<table>
<thead>
<tr>
<th>Per Cubic Yard:</th>
<th>Year 1 &amp; 2</th>
<th>Maximum Commingled and Green Waste Recycling Fee (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 YD</td>
<td>$461.99</td>
<td>$230.99</td>
</tr>
<tr>
<td>15 YD</td>
<td>$578.95</td>
<td>$289.47</td>
</tr>
<tr>
<td>20 YD</td>
<td>$766.08</td>
<td>$383.04</td>
</tr>
<tr>
<td>25 YD</td>
<td>$859.65</td>
<td>$429.82</td>
</tr>
</tbody>
</table>

### Commercial Solid Waste Drop Box Service
Proposed Rates in Dollars per Daily Pickup

<table>
<thead>
<tr>
<th>Per Cubic Yard:</th>
<th>Year 1 &amp; 2</th>
<th>Maximum Commingled and Green Waste Recycling Fee (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 YD</td>
<td>$251.46</td>
<td>$125.73</td>
</tr>
<tr>
<td>20 YD</td>
<td>$347.37</td>
<td>$173.68</td>
</tr>
<tr>
<td>25 YD</td>
<td>$403.51</td>
<td>$201.75</td>
</tr>
<tr>
<td>30 YD</td>
<td>$453.80</td>
<td>$226.90</td>
</tr>
<tr>
<td>40 YD</td>
<td>$571.93</td>
<td>$285.96</td>
</tr>
</tbody>
</table>

### Special Services

#### Extra Pickup (Residential - See page A-2 of Exhibit A):

<table>
<thead>
<tr>
<th>Extra Pickup</th>
<th>Year 1 &amp; 2</th>
<th>Maximum Commingled and Green Waste Recycling Fee (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>35 gallon cart</td>
<td>$11.70</td>
<td>-</td>
</tr>
<tr>
<td>65 gallon cart</td>
<td>$17.54</td>
<td>-</td>
</tr>
<tr>
<td>96 gallon cart</td>
<td>$23.39</td>
<td>-</td>
</tr>
<tr>
<td>1 CY bin</td>
<td>$46.78</td>
<td>-</td>
</tr>
<tr>
<td>1.5 CY bin</td>
<td>$52.63</td>
<td>-</td>
</tr>
<tr>
<td>2 CY bin</td>
<td>$64.33</td>
<td>-</td>
</tr>
<tr>
<td>3 CY bin</td>
<td>$81.87</td>
<td>-</td>
</tr>
<tr>
<td>4 CY bin</td>
<td>$105.26</td>
<td>-</td>
</tr>
<tr>
<td>6 CY bin</td>
<td>$163.74</td>
<td>-</td>
</tr>
</tbody>
</table>
### Special Services (Continued)

#### Service Description

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Year 1 &amp; 2</th>
<th>Maximum Commingled and Green Waste Recycling Fee (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clean or Exchange Bin</td>
<td>$70.18</td>
<td></td>
</tr>
<tr>
<td>Move Drop Box</td>
<td>$70.18</td>
<td></td>
</tr>
<tr>
<td>Heavy Waste Surcharge per ton in excess of 400 pounds per yard</td>
<td>$70.18</td>
<td></td>
</tr>
</tbody>
</table>

#### Commercial Roundtrip Charge for On-Call Businesses:

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Year 1 &amp; 2</th>
<th>Maximum Commingled and Green Waste Recycling Fee (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 35 gallons</td>
<td>$11.70</td>
<td></td>
</tr>
<tr>
<td>Up to 6 cubic yards</td>
<td>$35.09</td>
<td></td>
</tr>
<tr>
<td>More than 6 cubic yards</td>
<td>$58.48</td>
<td></td>
</tr>
</tbody>
</table>

#### Non-Curbside Footage Charges:

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Year 1 &amp; 2</th>
<th>Maximum Commingled and Green Waste Recycling Fee (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 feet to 130 feet</td>
<td>$14.04</td>
<td></td>
</tr>
<tr>
<td>131 feet to 330 feet</td>
<td>$18.71</td>
<td></td>
</tr>
<tr>
<td>331 feet to 660 feet</td>
<td>$23.39</td>
<td></td>
</tr>
<tr>
<td>661 feet to 1056 feet</td>
<td>$28.07</td>
<td></td>
</tr>
<tr>
<td>1057 feet to 2000 feet</td>
<td>$35.09</td>
<td></td>
</tr>
<tr>
<td>over 2000 feet</td>
<td>$46.78</td>
<td></td>
</tr>
</tbody>
</table>

#### Other Charges:

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Year 1 &amp; 2</th>
<th>Maximum Commingled and Green Waste Recycling Fee (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Backyard/Wheel-Out charge</td>
<td>$11.70</td>
<td></td>
</tr>
<tr>
<td>On-call bulky items pickup</td>
<td>$11.70</td>
<td></td>
</tr>
<tr>
<td>Key charges</td>
<td>$5.85</td>
<td></td>
</tr>
<tr>
<td>Enclosure charges</td>
<td>$5.85</td>
<td></td>
</tr>
<tr>
<td>Gate service charges</td>
<td>$5.85</td>
<td></td>
</tr>
<tr>
<td>Maximum charge (2)</td>
<td>$11.70</td>
<td></td>
</tr>
</tbody>
</table>

#### Deposits (3)

<table>
<thead>
<tr>
<th>Type</th>
<th>Year 1 &amp; 2</th>
<th>Maximum Commingled and Green Waste Recycling Fee (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>$116.96</td>
<td></td>
</tr>
<tr>
<td>Commercial</td>
<td>$584.80</td>
<td></td>
</tr>
</tbody>
</table>

---

1. Commercial - see page A-7 and page A-10 of Exhibit A
2. Charges for key, enclosure, gate, and long walk service are not cumulative pickup charges. The contractor's rate for a customer requiring one or more of the four special services will be a maximum rate (as specified in the table above) as adjusted for CPI, per pickup for any combination of the four service categories.
3. In the event a customer requests a replacement solid waste container more frequently than once every two years, which replacement shall not be the fault of the contractor, a deposit will be allowed.
In the event that the Contractor fails to perform fully any of the Contractor's obligations under this Agreement (other than "events of Default" stipulated in Article 10.2) the Contractor shall be in breach ("event of Breach") of this Agreement. Upon delivery of written notice to the Contractor and as provided in Article 10.1.D, the County may impose the following Liquidated Damages upon the Contractor, in addition to any other available remedies the County may have. Contractor shall pay any Liquidated Damages as provided in Exhibit J Lock Box Agreement.

**Implementation of New Services**

1. Failure to complete implementation in full of all Collection Services enumerated in this Agreement by October 1, 2006: $5,000 per day.

**Provision of Service to Customers**

1. Failure to commence service to a new Customer within seven (7) days of receiving order: $100.00 per incident.
2. Failure to provide Carts, Bins, or other Collection Containers to Customer within three Working Days of the Customer’s request for service: $200.00 per incident.
3. For each occurrence over ten (10) per calendar year to replace emptied Containers upright, with lids in-place, and in their original location: $100.00.
4. Failure to repair or replace any Cart, Bin, Debris Box, Compactor or other Collection Container, when so required by this Agreement within two (2) working days: $100.00 per occurrence.
5. Failure to correct a missed pickup within the required times set forth in Article 5.3C: $100.00 per occurrence; each additional 24-hours working day period: $100.00.
6. Failure to tag materials not collected due to contamination or inappropriate setout: $200.00 per occurrence.
7. Failure to respond to a Customer complaint as provided in Article 5.3: $100.00 per day per incident.
8. Failure to record a response to a Customer complaint or request within 24 hours of resolution: $100.00 per occurrence.
9. Failure to notify Customers of improper setouts: $100 per incident.
10. Discourteous behavior by Contractor staff: $300.00 per incident.
11. Failure to answer the telephone or answering machine during the Customer service hours specified in Article 5.2.B: $200.00 per incident.
12. Additional penalty when Contractor receives more than 25 valid service-related complaints in any 30-day period: $2,500.00.

1. Failure to Collect Collection Materials, including through seasonal leaf collection from County Facilities as required by this Agreement and/or as otherwise arranged with County staff: $300.00 per day per incident.
2. Failure to provide Collection services at County-sponsored events pursuant to Article 4.5 and Exhibit A Section 1.3.B: $1,000.00 per event.
## Contractor Operations

1. Undertaking Collection operations during hours outside of allowable collection hours as specified in Article 3.3D: $250.00 per verified complaint.

2. Failure to complete at least ninety-five (95) percent of a scheduled route on the regular scheduled route day: $500.00 per uncompleted route.

3. Making changes to routes or route days affecting five (5) percent or more of Customers without notice to County or Customers as required in Exhibit B: $100.00 per Customer per day.

4. Failure to properly cover materials in Collection vehicles: $300.00 per incident.

5. Failure to correct leakage of fluids from Collection vehicle upon notice from the County and prior to resuming use of the vehicle within the County: $300.00 per incident.

6. Failure to clean up spillage or litter occurring during Collection: $100.00 per occurrence.

7. Failure to have a vehicle properly licensed, registered and inspected: $100.00 per incident.

8. Exceeding the weight limitations as set forth in the State of California Vehicle Code: $1,000 per incident.

9. Failure to clean Collection vehicles once per week: $100.00 per incident.

10. For each occurrence over five (5) per calendar year of excessive noise: $300.00.

11. Failure to maintain properties, facilities, and equipment in clean, safe, and sanitary manner, upon notice by County: $100.00 per day.

## Segregation and Delivery of Collection Materials

1. Failure to keep Solid Waste and Recyclable Materials segregated once Delivered for Collection by Customers, and without County approval: $1,000 per incident.

2. Failure to deliver collected Solid Waste to the Designated Disposal or Transfer Facility, and without County approval: $1,000 per incident.

3. Failure to deliver collected Green Waste and Food Waste to the Designated Green Waste Processing Facility, and without County approval: $1,000 per incident.

4. Delivery of Collected Recyclable Materials to a disposal facility, rather than to the Designated Recycling Facility or delivery direct to market, and without County approval: $1,000.00 per incident.

5. Failure to meet the requirement for a maximum of ten (10) percent Residue from total single-stream Recyclables Collected under this Agreement: $1,000 per incident or amount charged to the County per incident by the Designated Processing Facility, whichever is higher.
Contractor Personnel and Liability

1. Failure to have a vehicle driver properly licensed: $100.00 per incident.

2. Failure to repair damage to Customer property or other private property caused by or resulting from actions of the Contractor or its personnel: $100.00 per incident per location.

Diversion Requirements

1. Failure to achieve a minimum diversion rate (MDR) for collected materials measured every year for the duration of the Agreement and commencing on Oct 1, 2006: $10,000 per failure during any year period. The MDR (2005) is 40%.

Further, every two years commencing on October 1, 2007 through the Term of the Agreement, the MDR will be adjusted up or down based on the documented median diversion differential for five representative Bay Area communities as defined in Article 4.6.E.

The MDR shall also be adjusted upward based on Article 4.6.F to reflect the implementation of Commercial and Residential Food Waste programs respectively. The Food Waste related adjustment(s) to the MDR will take effect upon County written notice to Contractor to commence each program.

Payment and Reporting Requirements

1. Failure to comply with the substantive requirements of the Lock Box Agreement contained in Exhibit J: $5,000 per incident.

2. Failure to maintain or submit documents and reports, including customer complaint logs as required under the terms of this Agreement after ten days notice: $100.00 per incident per day.

3. Failure to maintain a customer complaint log, or fraudulent record keeping or fraudulent information provided by the Contractor with regard to customer complaint logging, tracking and resolution: $10,000 per incident.

All Other Contractor Obligations

1. Failure to provide customer service levels and route information to County staff upon request for County use related to resolution of customer service, customer billing or other related service issues: $1,000 per occurrence.

2. Failure to provide detailed route maps and full customer lists to County staff upon request to assist the County in negotiating or procuring future collection services: $10,000 per occurrence.

3. Failure to perform any other requirements of the Agreement not specifically stated in this Exhibit E, and not corrected or in the process of correction within twenty-four (24) hours of notice from the County: $200.00 each.
Above amounts may be adjusted by the County on each October 1, beginning with October 1, 2007 to reflect changes in the Consumer Price Index for the preceding twelve (12) month period.

In initialing this Exhibit E in the area provide below, representatives of each of the Parties confirms their understanding of each of the above damages, and that each Party has consulted legal counsel, and obtained adequate explanation of the Liquidated Damages prior to the Signature Date.

Contractor: _________________________ County: ____________________________

Initial Here: _________    Initial Here: _________

Approved as to form:

Contractor legal counsel: ______________ County Counsel:______________________

Initial Here: _________    Initial Here: _________
EXHIBIT F
INSTRUMENT FOR SECURING PERFORMANCE

Contractor's bond or other assurance of performance to be inserted here.
Contractor’s initial insurance certificates to be inserted here.
EXHIBIT H
TRANSITION PLAN

1.1 Financing (Attachment A - ID. 3)
(January- April)

CPCFA  NCRWS has applied to receive California Pollution Control Financing Bonds, on Dec. 14th 2004 and the Bond Authority has approved the application. During March, the bonds should be approved for sale on April 1st.

1.2 Equipment Acquisition (Attachment A - ID. 4 to 7 & 11 to 14)
(January 1-31st)

A. Vehicles  All of the collection vehicles have been ordered. Vehicles will be received during July and August.

B. Bins, Carts & Roll Off boxes  All of the containers orders have been placed, containers will start being delivered to a transition yard in June.

1.3 Bin and Cart delivery to customers (Attachment A – ID. 15 to 16)

Carts and Containers will be delivered to customers starting in August and ending by October 1st. NCRWS will try to coordinate the container exchanges with WM so that customers will only have one company’s containers at any given time, but at the very least, all customers will have their NCRWS containers by Oct. 1st.

1.4 Contingency Plan (Attachment A – ID. 22 to 27)
(January- September)

NCRWS will develop contingency plans for the total operation; Vehicles, Employees, facilities, etc.

1.5 Health and Safety Plan (Attachment A – ID. 35 to 40)
(January- September)

NCRWS will develop a Health and Safety plan for all employees and services.

1.6 Customer Service and Billing (Attachment A – ID. 45 to 47)
(January- August)

NCRWS will work with County staff to transfer current customer information from the current provider. NCRWS will use the same customer software and support company, Soft Pak, so the information transfer should easily be accomplished. During February, NCRWS will meet with Soft Pak and WM’s office manager to discuss the transfer of information.
1.7 Public Education (Attachment A – ID. 48 to 49)
(January- September)

NCRWS is currently interviewing potential candidates to fill the Educational/ Outreach position. We anticipate hiring an individual by April 1st, 2005. NCRWS will also be working with a professional public relations firm on a customer educational and outreach campaign.

Residential, commercial and roll off customers will first receive an educational mailer designed to introduce the new company and the new services. Included in the mailer will be information about the new single stream recycling service. This information will indicate that the customers will initially receive a 95 gallon toter, with a replacement option of a 65 gallon toter. Residential customers will received a pre-paid mailer; customer will indicate their desired level of refuse service.

All commercial customers will be contacted directly by an NCRWS representative, they will be provided with informational material so that they can select their initial level of refuse and recycling services.

1.8 Employee Recruitment (Attachment A – ID. 28 to 34)
(March- May)

A. NCRWS will interview and recruit from the current collection employees. Employees will be selected as needed and trained during the weekends in September 2005.

B. Employee interviewing NCRWS will be interviewing current WM employees for potential employment starting in March. Selected future NCRWS employees will be notified by May 1st, 2005. Future employees will have to complete a pre-employment physical, drug test and driving test prior to Oct. 1st.

1.9 Routing (Attachment A – ID. 50 to 52)
(March-September)

NCRWS will continue to use the same routes that are currently in operation, which will help reduce customer confusion. Commercial routes for MSW, Recycling and Green Waste will be routed to increase collection efficiencies along with customer demands.

1.10 Container Delivery
(August-September)

NCRWS will deliver residential, commercial and roll off containers during August and September.
1.11 Meeting with County Staff (Attachment A – ID. 41 to 44)
(December-September)

From December through September, NCRWS staff will meet with County Staff to keep each other informed and provide updates on the transition and related matters as needed. County staff will approve all mailers and other education material prior to printing. NCRWS would like to meet with Napa County staff on the 2nd Monday of every month from March thru July.
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EXHIBIT I

COMPANY GUARANTEE
This AGREEMENT, dated as of October 1, 2005 ("Lockbox Agreement"), is entered into among Napa County Recycling and Waste Services, LLC, a California Limited Liability Company ("Hauler"), The Vintage BANK, a California bank ("Bank"), and the COUNTY OF NAPA, a political subdivision of the State of California ("County").

Preliminary Statement

1. Hauler and County are entering into a Franchise Agreement for Solid Waste, Recyclable Materials, and Green Waste Collection ("Franchise Agreement"), of which this Lockbox Agreement is a component. County is granting to Hauler an exclusive franchise to provide garbage collection and recycling services for the businesses and residents of a designated portion of the County.

2. Hauler and County wish to establish an accounts receivable lockbox account ("Lockbox Account") into which are to be deposited all payments made by the residents and businesses in the portion of the County for which garbage collection and recycling services are provided by the Hauler.

3. In order to provide for the orderly deposit of funds into the Lockbox Account, and in order to provide for disbursement of moneys from the Lockbox Account, the parties hereto wish to enter into this Lockbox Agreement.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Hauler, the County, and the Bank hereby enter into this Lockbox Agreement.

Agreement

1. The Bank shall provide to Hauler and County the following minimum services, and as more particularly set forth in attached Schedule A, and shall make disbursements from the Lockbox Account in conformance with Section 2 hereof. The minimum services are, and shall be based on the following:

   a. With respect to all commercial and residential customers, Hauler will be responsible for issuing bills, monthly statements, and maintaining an accounts receivable record.

   b. Hauler or Bank will obtain a post office box lockbox address from the United States Post Office in Los Angeles. Hauler will direct all customers to mail all payments, payable to Hauler, to the Lockbox address. Hauler and Bank shall establish a procedure where electronic payments and credit card payments are credited to the Lockbox Account. Bank (including any subcontractor of Bank) will have exclusive access to the Lockbox.
c. Hauler will instruct its Customers not to send cash to the Lockbox.

d. Each business day, Bank or its subcontractor will pick up at, and transport from, the Lockbox to the processing site designated by Bank, all payments addressed to the Lockbox.

e. Hauler authorizes Bank to endorse checks and other payment instruments received at the Lockbox, and to deposit them into the Lockbox Account which will be a demand deposit account that is owned by the Hauler and maintained under the Tax identification of the Hauler.

2. With respect to the Lockbox Account:

a. Hauler shall make an initial deposit to the Lockbox Account of $25,000 to cover initial and recurring expenses that exceed funds available in the Lockbox Account. This sum shall be maintained at all times in the Lockbox Account, increased annually by the same inflationary index used to increase rates to Customers as set forth in the Franchise Agreement. Hauler and County will jointly notify Bank of any such increase. Said deposit amount shall be reimbursed to Hauler at the expiration or termination of the Franchise Agreement.

b. Based on specific dollar amount instructions from the Hauler, the Bank shall disburse remaining moneys on hand in the Lockbox Account on a monthly basis within three (3) business days of receipt of instructions from Hauler for the following purposes, and in the following order and priority set forth below:

(i) Amounts invoiced to either the County or the Hauler by the Napa-Vallejo Waste Management Authority for the use by Hauler of the Devlin Road Transfer Station.

(ii) Amounts invoiced to either the County or the Hauler by the Material Diversion Facility or other processing facilities utilized by Hauler and agreed to by County.

(iii) Bank service charges associated with providing the Lockbox and Lockbox Account services.

(iv) The Franchise fee and Surcharge fee owing to County as provided for in the Franchise Agreement.

(v) The remainder, less the retained minimum balance, to Hauler.

Upon termination of the Franchise Agreement, and without a waiver of Hauler’s rights thereunder, Bank and Hauler acknowledge and agree that Hauler shall have no rights to any moneys on deposit in the Lockbox Account except for amounts payable to Hauler under paragraph (b)(v) of this Section 2.

3. The Bank shall not be liable for any damage, loss or liability (including attorneys’ fees and expenses) arising from the use of the Lockbox Account except to the extent that said damage, loss or liability (including attorneys’ fees and expenses) arises from the Bank’s own bad faith, willful misconduct, negligence or breach of this Agreement.

4. This Lockbox Agreement expires without action by any of the parties hereto on
termination of the Franchise Agreement, either by term expiration or termination for cause
("Expiration Date"). The parties hereto may, by mutual agreement, terminate this Lockbox
Agreement prior to the Expiration Date upon written notice received 30 days prior to the
requested date of termination; provided, however, that Hauler and County may terminate this
Lockbox Agreement on 3 days' notice in the event (i) Bank fails to disburse moneys from the
Lockbox Account as set forth in Section 2 or (ii) Bank fails to adequately account for moneys in
the Lockbox Account, either as required by Section 5 or as reasonably requested by the Hauler
or County from time to time. In the event that the County submits a Termination Notice to Bank,
this Agreement shall not terminate if the Bank cures the breach specified in the Termination
Notice within the 5 business day notice and cure period.

5. Bank shall provide Hauler and County with the following information on the
following schedule:

a. On or before the fifth Business Day of each month, a statement of:

i) Amounts on deposit in the Lockbox Account prior to any disbursements
from the Lockbox Account on the first Business Day of the current month.

ii) Revenues received from and after the date of the last monthly statement
through and including the first Business Day of the current month.

iii) Disbursements made during the current month.

b. On or before the fifth Business Day after the termination date or Expiration Date
of this Agreement, which obligation shall survive expiration or termination of this Lockbox
Agreement, a statement of the information described in clauses (i) through (iv) of the preceding
paragraph 5(a) for the period since the last monthly statement.

6. The parties acknowledge that time is of the essence in performance of each and
all of the terms and conditions of this Lockbox Agreement.

7. This Lockbox Agreement shall be binding upon, and inure to the benefit of, the
parties hereto and their respective successors and assigns.

8. This Agreement may be executed in two or more counterparts that shall be
deemed to have become effective when and only when one or more of such counterparts shall
have been signed by or on behalf of each of the parties hereto, although it shall not be
necessary that any single counterpart be signed by or on behalf of each of the parties hereto,
and all such counterparts shall be deemed to constitute but one and the same instrument.

9. This Agreement is made in Napa County, California, and shall be governed,
construed and enforced in accordance with the laws of the State of California. The venue for
any legal action in state court filed by any party to this Agreement for the purpose of interpreting
or enforcing any provision of this Agreement shall be in the Superior Court of California, County
of Napa. The venue for any legal action in federal court filed by any party to this Agreement for
the purpose of interpreting or enforcing any provision of this Agreement lying within the
jurisdiction of the federal courts shall be the Northern District of California. The appropriate
venue for arbitration, mediation or similar legal proceedings under this Agreement shall be Napa
County, California; however, nothing in this sentence shall obligate any party to submit to
mediation or arbitration any dispute arising under this Agreement.

10. Any notices or other communications given or required to be given under this
Agreement shall be effective only if rendered and given in writing, sent by registered or certified mail, or delivered personally or by overnight courier service, addressed to the parties at their respective addresses as set forth below:

**THE HAULER:**  Napa County Recycling and Waste Services, LLC
3216 Vichy Avenue
Napa, CA 94558
Attn: Mr. Greg Kelley

**COUNTY:**  County of Napa
Auditor-Controller
1195 Third Street, Suite B-10
Napa, CA 94559

**BANK:**  The Vintage Bank
1500 Soscol Avenue
Napa, CA 94559-1314
Attn: Mr. Dave Dillabaugh, Sr. Vice President

Any notice sent by mail in the manner prescribed by this paragraph shall be deemed to have been received on the date noted on the return receipt.

11. In the case that any provision of this Lockbox Agreement shall be deemed invalid, illegal or unenforceable, the validity, legality, and enforceability of such provisions in other contexts and the remaining provisions hereof, shall not in any way be affected or impaired thereby.

12. This Lockbox Agreement may not be modified without the prior written consent of all of the parties hereto by an instrument in writing executed by all of the parties hereto. No requirement hereof may be waived at any time except by writing signed by the party against whom such a waiver is sought to be enforced, nor shall any waiver be deemed a waiver of any subsequent breach or default.

IN WITNESS WHEREOF, the Bank, the Hauler, and the County have caused this Lockbox Agreement to be duly executed and delivered as of the day and year first above written.
By: ____________________________
Name: DIANE DILLON
Title: Chair of the Board of Supervisors

ATTEST:
PAMELA A. MILLER
Clerk of the Board

Board of Supervisors
Date: __________________________
Processed by: __________________
Deputy Clerk of the Board

APPROVED AS TO FORM
Office of County Counsel
By: ____________________________
Deputy County Counsel
Date: __________________________

COUNTY OF NAPA

Approved by the Napa County
Schedule A

LOCKBOX SERVICES

1. Collection of Mail from Post Office

The mail will be collected from the postal center daily by bonded bank or its subcontractor messenger.

2. Sorting and Opening Mail

The envelopes will be examined for proper addressee.

3. Removal and Verification of Contents

Contents of the envelopes will be removed and inspected. Remittance checks will be examined for regularity to see that:

   a. Checks are payable to the company which provided services
   
   b. Written and figure amounts on the checks agree; and
   
   c. Checks are not post-dated and contain no qualifying endorsement or statements.

4. Minor Errors on Remittance Checks

Minor errors on remittance checks, such as differences between the written and figure amounts, will be guaranteed and processed if the correct amount can be determined. Otherwise, such checks will be held for disposition.

5. Post Dated Checks

Post-dated remittance checks will be processed and forwarded for presentation if they will reach the drawee banks on or after the date of the check. Otherwise, such checks will be mailed to Hauler for disposition.

6. Detachable Vouchers, Remittance Advices, etc.

All detachable vouchers, remittance advices and other material received will be stapled to the corresponding remittance envelope and forwarded to Hauler.

7. Balancing

Invoices will be listed and balanced along with the checks. A copy of the invoice tape will be stapled to a copy of the deposit ticket and forwarded to Hauler with the daily support documents. The daily package will be sent to Hauler via regular United States mail.

8. Endorsement and Deposit of the Checks

The remittance checks will be endorsed “Credited to the account of within-named
Payee” and credited to Hauler's lockbox account.

9. Packaging and Mailing Material

The copy of the deposit ticket and all supporting detail will be forwarded to Hauler each banking day via the United States mail.

10. Miscellaneous

a. Items deposited to account will be credited subject to the Bank’s published availability schedule.

b. Processing days will be Monday through Friday with the exception of Bank holidays.

c. Processing for electronic payments and credit cards must be processed and posted to the Lockbox Account within 48 hours.
EXHIBIT K
COUNTY FACILITIES

The following County facilities will be provided solid waste and recycling free of charge by the contractor. The County reserved the right to add additional facilities at any time during the term of this Agreement. The following are the existing levels of service at these locations. The Contractor shall work with the facilities to determine the appropriate level of solid waste and recycling once the contract is awarded.

Sheriff’s Facilities located at 1335 Airport Boulevard

Requested Services
- One three yard front loader bin for solid waste picked up once per week
- One three yard front loader bin for cardboard picked up once per week
- One 96 gallon cart to be picked up once a week for single-stream recyclables.

Cutting’s Wharf Dock Area

Current Service
- Two 96 gallon carts of solid waste collected twice a week
PUBLIC EDUCATION AND DIVERSION PLANS

Public Education

The following describes NRWS’ plan for education during the transition period and public education activities that will be on-going throughout the term of the contract.

Start-Up Transition Education (Apr 1st-Oct 1st)

NRWS will implement a multi-pronged education process aimed at informing all customers of the transition to a new service provider. The following public education activities will take place between April 1st and the start-up date of October 1st.

Our first priority during the transition period between April 1st and October 1st is to begin educating the customers and to start establishing good customer relations. It is our belief that the best way to build positive customer relations is through clear and helpful communication about the changes that are taking place and the service improvements that will result. We will reach out to the Napa County community in several ways.

A. Information Notices

A customer survey and educational information will be mailed on May 1, 2005 to customer to begin educating the community on the change in service that will be effective October 1, 2005. The educational materials that will be included with the survey will explain cart sizes and rates, customer service information, set out and recyclable materials requirements and other pertinent information. Recipients will be asked to select the appropriate cart for their service and return it to NCRWS (postage paid). From this survey, NCRWS will plan its cart transition and distribution.

B. Work with the County Staff

We believe that regular meetings with the appropriate County staff are essential to ensuring the success during the transition period and throughout the term of the agreement. Coordination of activities, reporting and customer service issues will be routinely discussed to develop action plans that work. Input from the County staff will figure prominently in our transition education efforts.

C. Public Education Coordinator

Starting in April, NCRWS will designate one person who will work exclusively on the transition effort. The PEC would be integrally involved in all public education efforts associated with the transition to ensure that our transition education efforts are effective and as on-target as possible.
D. Personal Outreach to Customers
Throughout the transition period of April through October 1, 2005, Operations staff members and the Public Education Coordinator will identify and meet with commercial and multi-family customers currently receiving special services including back yard/wheel-out service for medical reasons, back yard/wheel-out service for a fee, and non-curbside footage.

E. Business Outreach
We will visit with businesses owners to explain the new services; review set out requirements and identifies appropriate designated collection locations for their carts, cans and/or bins.

F. Attend Chamber of Commerce and Other Business Associations
We will attend Chamber of Commerce and other business association groups as a part of our transition efforts to educate Napa businesses on the change in service, discuss maximizing business recycling efforts, answer questions, etc. Additionally, our efforts during the transition period will include identifying other groups that may benefit from a more comprehensive program.

G. Local Advertising/Media Campaign
Napa County Recycling & Waste Services will run a series of notices and advertisements in the Napa Register, informing and educating about the change in service coming to Napa County customers.

H. Customer Service Transition Support
Starting on September 1, 2005, NCRWS will be prepared and readily available to receive customer service inquiries and provide information about the change in service in Napa County.

I. Customer Collection Day Changes
As mentioned elsewhere in this proposal and the Transition Plan, our goal is to maintain the current collection day for each residential customer. If the collection day must change, we will notify the customers of this during the transition period. When the new carts are delivered to customers in August and September, we will have informational fliers placed on the customers’ carts.

The primary focus of the transition period’s public education activities described above is to clearly communicate the changes that will take place when the new service is implemented in October; thus, getting the new service off to a good start. In fact, many of the components described in the Start-up/Transition Activities will also be part of the Napa County Recycling & Waste Services Public Education Program that will be provided throughout the term of the agreement, which is described in the next section.

2. ON-GOING PUBLIC EDUCATION PROGRAM
School Outreach Services

Our school outreach activities include but are not limited to:

- Tours of Napa City Materials Diversion Facility.
- Classroom presentations.
- Working with student representatives to establish on-campus recycling programs.
- Partnering with schools on various hands-on projects such as on-campus compost projects.
- Monetary or in-kind contributions to or sponsorship of special events at schools.

Each year, we will send a letter to the public and private schools in our service area announcing the availability of tours of our facilities available throughout the year. Tours will capture the interest of the classes going through.

Monthly Billing Inserts

Each month, customers will receive 2 educational inserts along with their monthly bill. These inserts will be developed to inform our customers about new and on-going programs and educational material. Listed below are samples of inserts.

- NCRWS Educational Website, Single Stream Recycling and Yard Waste, 939 Recycling Goals,
- Used Oil & Filter recycling, Holiday Greenery Collection, Home Composting,
- Xeriscaping/Grasscycling, Food Reuse & Collection drive “Spring into Action”, Lawn Mower Exchange, Earth Day, Napa County Fair, Home & Garden, Business Show Case, E-Waste Collection, Cell Phone Collection, Telephone Book Recycling, Ink Cartridge, Tire Amnesty,
- Clean Up Day.

Community Relations

The officers and staff of Napa County Recycling & Waste Services routinely speak to community groups, service clubs, etc. about the importance of proper waste management and recycling, as an ongoing part of our Public Education Program.

We have a 50-year track record of taking an active role in community service and events by participating in fairs, art festivals, and parades. The NCRWS presence at such events reminds residents to think about their personal refuse and recycling practices, whether or not the event is tied to solid waste.

We attend and participate in public forums. We seek opportunities to partner with local governments on key waste collection issues.
Recycling Literature
NCRWS will develop and print brochures for Residential, Commercial and Industrial customers that describe available Solid Waste and Recycling programs.

Annual Customer Notification
Direct mail notification to each Commercial and Residential Customer of brochures that will describe available Solid Waste and recycling programs.

Annual Phone book Recycling guide

Website
NCRWS will maintain a web site that lists all services available and provide expanded educational and program information as it relates to Solid Waste and Recycling programs.

Special Events/Public Events
NCRWS will work with event coordinators to facilitate recycling at special events.

Commercial Technical Assistance
NCRWS will be available to meet with any and all commercial and industrial customers to perform Waste audits and prepare recycling plans. Annually, NCRWS will perform Waste Audits and Recycling plans for (10) percent of commercial accounts. Annually, NCRWS and County staff will target businesses for audits and plans.

HOAs and Multi-family complexes
Annually, NCRWS will notice and meet with every manager in regards to solid waste and recycling programs. These complexes will be treated as commercial accounts.

Promotional Signs on Collection Vehicles
All collection vehicles shall have a sign that will be kept current to promote recycling programs and information.

Annual Awards
Starting in 2007, annual award for businesses, multi-family, mobile home parks, and property managers who achieve the highest levels of recycling and have minimized contamination determined by County Representative. NCRWS will publish a half page advertisement in the local daily newspaper recognizing the winners.

Non-Billing Mailing List
NCRWS will create and maintain a mailing list of all accounts that are non-billing customers. This list shall be available by January 2006 to ensure public outreach materials will reach all customers.
Reporting
A report on public education and information activities undertaken during the year will be included as part of the Annual Report submitted to the County in February. The County will work with the NCRWS to establish a schedule of progress reports on the public education programs.

AB 939 Goals
NCRWS will provide all of the diversion programs that have describe in the County of Napa’s Service Agreement for Solid Waste, Recyclable Materials and Green Waste Collection, with attendant public education and customer service programs. NCRWS and the County of Napa will work together to achieve and maintain a level of diversion for the County of Napa that is in compliance with the State’s goal of fifty percent diversion.
EXHIBIT M
CONTRACTOR’S PROPOSAL

Incorporated herein by reference in full as Exhibit M is Contractor’s Proposal identified as “Proposal to Napa County for Solid Waste, Recyclables, and Green Waste Collection – Napa Recycling & Waste Services” dated October 2004 a full and complete copy of which is on file with the Clerk of the Board of Supervisors.
Proposal to Napa County
for
Solid Waste, Recyclables, and Green Waste Collection

Napa Recycling & Waste Services

October 2004
October 18, 2004

Mr. Greg Pirie  
County of Napa  
County Executive Office  
1195 Third Street, Suite 310  
Napa, CA 94559  

Dear Mr. Pirie:

Napa Recycling & Waste Services, LLC is pleased to submit a proposal, proposal forms and accompanying materials to provide the services requested in the County of Napa’s, Request for Proposals for Solid Waste, Recyclable Materials and Green Waste Collection dated September, 2004. We are including a short video presentation about our company on a DVD disk which is enclosed separately in the Executive Summary. A second DVD is enclosed that provides the background details of three of the companies that are part of NRWS.

The four firms that make up Napa Recycling & Waste Services, which is a limited liability company, are:

- **Upper Valley Disposal Service, Inc.** providing recycling and waste collection for the communities and unincorporated area of Upper Napa Valley and parts of Lake County.
- **Recovery Products & Services, Inc.** providing commercial recycling services locally. Greg Kelley is a principal in Recovery Products and will be the NRWS General Manager.
- **Marin Sanitary Service** providing recycling and disposal service to much of Marin County and is one of the country’s leading recycling and waste management companies.
- **Garaventa Enterprises, Inc.**, providing recycling and disposal service to the City of Concord and other incorporated and unincorporated communities in Contra Costa and Solano Counties.

These four companies have teamed together to provide a proposal to the County of Napa for services similar to those included in this RFP.

The name of the entity that would contract with the County is Napa Recycling & Waste Services, LLC. The key contact for NRWS is:

Mr. Greg Kelley  
General Manager
NRWS has reviewed the RFP, its enclosures, and all addenda as noted below:

- Request for Proposal – Dated September, 2004, received September 7, 2004
- Attachment 1 – Exhibit A – N, received September 7, 2004
- Attachment 2 – Cost Forms, received September 7, 2004
- Attachment 1 – Service Agreement for Solid Waste, Recyclable Materials and Green Waste Collection, received September 7, 2004
- Attachment 2 – Cost Forms 3 – 12, received September 7, 2004
- Attachment 3 – Optional Discounted Rate Schedule, received September 7, 2004

Based on the service we are now providing to county residents in the Upper Valley area and the service that Mr. Kelley has provided to the County, we are confident that you know we can, and will, provide you with services you can be proud of.

The person signing this Proposal on behalf of NRWS is authorized to do as described in Section 6.2 of the RFP.

Sincerely,

Napa Recycling & Waste Services

By: _______________________
Name: Greg Kelley
Title: General Manager
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1 Qualifications

The requirements of the RFP have been followed in preparing this proposal. We have prepared an Executive Summary, which is packaged separately for the reader’s convenience. The Executive Summary includes text that describes our capabilities and two DVD disks. One is a short summary (only 4.5 minutes) of the qualifications of each of the firms highlighting the synergies produced by their combined efforts. The second disk has short video summaries of three of the partners in NRWS.

1.1 Basic Information

This proposal is submitted in response to the Request for Proposals (RFP) from Napa County for solid waste, recyclables, and green waste collection. Napa Recycling & Waste Services (NRWS), a limited liability company comprised of four highly qualified partners, is the proposer. The articles of incorporation are in the Attachments. This section discusses the qualifications of the partners and also discusses how they will bring their individual strengths to Napa County to provide world-class service.

The partners in NRWS are:

- Recovery Products & Services, Inc., which provides commercial recycling services locally. Greg Kelley is a principal in Recovery Products and will be the NRWS General Manager.
- Upper Valley Disposal Service, Inc., which provides recycling and waste collection for the communities and unincorporated area of Upper Napa Valley and parts of Lake County.
- Marin Sanitary Service, which provides recycling and disposal service to much of Marin County, is one of the country’s leading recycling and waste management companies, and has achieved 71 percent diversion rate.
- Garaventa Enterprises, Inc., which provides recycling and disposal service to the City of Concord and other incorporated and unincorporated communities in Contra Costa and Solano Counties. Their services for the City of Concord have been ranked first by city residents for the past six years in a row.

All four of these companies are local. The NRWS headquarters is here in Napa and the decisions are made here. All decisions made are based on local considerations.

NRWS is a standalone company that is operated independently of the four companies. It is managed by one individual, Greg Kelley, who is responsible for all decisions.

The other companies are resources for information, problem solving, and support facilities. The management of these four companies have a combined 227 years of experience in collection and processing that will support Napa County.

With this team, the County will have a responsive company that understands how to provide the service the County is seeking. The principals have been providing those services to Napa County and to other jurisdictions for many years. They are all highly regarded by the jurisdictions they serve and have the recognition to show for these efforts (see accompanying letters of recommendation).
Proposal to Napa County

The contact information for NRWS, the entity that will sign the agreement, is shown below.

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Napa Recycling &amp; Waste Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact Person:</td>
<td>Greg Kelley</td>
</tr>
<tr>
<td>Address:</td>
<td>3216 Vichy Avenue, Napa, CA 94574</td>
</tr>
<tr>
<td>Telephone:</td>
<td>(707) 252-4313</td>
</tr>
<tr>
<td></td>
<td>(707) 287-1961</td>
</tr>
<tr>
<td>Fax:</td>
<td>(707) 257-6852</td>
</tr>
<tr>
<td>Email address:</td>
<td><a href="mailto:kelleys5@pacbell.net">kelleys5@pacbell.net</a></td>
</tr>
<tr>
<td>Type of Entity:</td>
<td>LLC</td>
</tr>
</tbody>
</table>

Substantive contract responsibilities will be shared among Upper Valley Disposal Service (UVDS), Marin Sanitary Service (MSS), Garaventa Enterprises, and Recovery Products & Services (RPS).

UVDS will provide the following:

- Processing for the single-stream materials.
- Composting service for the green waste and food waste (when implemented).
- Customer service and billing center.
- Management support, both during and after the transition.
- Expertise to resolve the problems that may arise.

MSS will provide the following to support the NRWS operation:

- Management support, both during and after the transition.
- Access to backup equipment.
- Expertise to resolve problems that may arise.
- Backup material recovery facility (MRF).
- Experience necessary to reach 71 percent diversion.

Garaventa Enterprises will provide support, as follows:

- Management support, both during and after the transition.
- Access to backup equipment.
- Backup MRF.
- Expertise to resolve problems that may arise.
RPS will provide the following support:

- Vehicle yard for storage and vehicle maintenance facility
- Backup vehicles.
- Backup containers.

1.2 Designated Service Coordinator

Mr. Greg Kelley is the General Manager of NRWS and will be the individual responsible to coordinate services with Napa County. It is our intention that Mr. Kelley will be in this position for the entire duration of the agreement.

Mr. Kelley’s resume follows.

GREG KELLEY

Napa Valley Disposal Service
General Manager
Recovery Products & Services
President

EXPERIENCE

Mr. Kelley was the General Manager of Napa Valley Disposal Service. He was the primary service coordinator for the garbage and recycling operations for Napa County and for the Cities of Napa and American Canyon. He also managed the curbside recycling contract for the City of Vallejo. In that job he was responsible for:

- Administering franchise agreements and negotiating revisions.
- Making presentations to the Board of Supervisors and others.
- Providing a liaison between the company and the Board of Supervisors and County staff.
- Overseeing operating costs, collection operations, finances accounting, rate review, and business growth.
- Maintaining compliance with operating permits and environmental and safety laws and regulations.

TECHNICAL EXPERIENCE

Extensive experience in design, implementation, and monitoring recycling and solid waste systems for communities.

Responsible for negotiating government and municipal service contracts covering the full range of solid waste services.

Negotiated many collective bargaining contracts. Experience in both union and non-union
operations.

EDUCATION

University of Oregon — BA in Economics

SKILLS NECESSARY FOR THIS PROPOSAL

As the former General Manager of Napa Valley Disposal Service, Mr. Kelley knows the Napa County community. He has provided the service to the area for many years and was responsible for various other activities prior to his last assignment. He is in a unique position to bring to Napa County the kind of service it expects without having to learn the system, he know its concern and understands the important issues. With almost 20 years of experience in the industry, nearly all of it in Napa County, Mr. Kelley is an excellent choice to head waste collection and diversion operations in Napa County.
1.3 Staff Responsibilities

Mr. Kelley will be assisted in serving Napa County by two people that have been part of his team in the past and are currently employed by Mr. Kelley’s current firm. Mr. Steve Manasse will head the commercial collection operation. Mr. Gus Vasquez will head residential collections and the maintenance operation. His experience will aid Napa County in lowering maintenance costs. Their resumes are on the following pages.

Ms. Linda Sereni, who is the office manager at UVDS, will assist the new company with setting up billing and customer service, and will provide important advice and direction during its early operations.
STEVE MANASSE
Napa Valley Disposal Service
Commercial Collection Manager
Recovery Products & Service
Operations Manager

EXPERIENCE

- Planned daily route assignments to ensure customers were serviced per company standards and agreements.
- Ensured that drivers were available and assigned on a daily basis.
- Conducted driver ride-alongs and driver training.
- Ensured that drivers complied with physicals, drug, and alcohol testing.
- Conducted regularly scheduled staff meetings and safety tailgates.
- Used software applications to perform daily work, including Kronos, Aims, Smart, and the Alive System.

TECHNICAL EXPERIENCE

Proven ability to maintain a good working relationship with the Napa County staff.
Excellent working relationship with coworkers and vendors.
Successfully operated the compost facility for five years without any accidents or injuries.
Ensured compliance with local and federal laws and use permits.

EDUCATION

College of Notre Dame — BS in Business Administration, Minor in Economics

SKILLS NECESSARY FOR THIS PROPOSAL

Mr. Manasse has had experience directly applicable to this proposal in working for Napa Valley Disposal Service. He has first hand familiarity with the commercial collection operations in Napa County.
GUS VASQUEZ
Napa Valley Disposal Service
Maintenance Manager
Recovery Products & Services
Maintenance Manager and Commercial Collection Supervisor

EXPERIENCE

• Supervises the maintenance staff.
• Budgeting for equipment and staff.
• Schedules maintenance and service for the entire collection fleet.
• Identifies the need for new equipment and estimates the cost.

TECHNICAL EXPERIENCE

Established a high level of availability for the collection fleet for the Napa County.
Streamlined the purchasing of supplies and equipment to support the maintenance department.
Established procedures that increased the level of safety in the maintenance operations.

SKILLS NECESSARY FOR THIS PROPOSAL

While he was with Napa Valley Disposal Service, Mr. Vasquez became intimately familiar with maintaining the collection equipment for the County’s program. Mr. Vasquez is also bilingual in Spanish which is helpful when working with the Hispanic community and work force.
LINDA K. SERENI
Upper Valley Disposal & Recycling
Director of Office Services and Human Resources

EXPERIENCE

1978 to Present — Upper Valley Disposal & Recycling, St. Helena, CA

TECHNICAL EXPERIENCE

Ms. Sereni is the Administrative Manager and Human Resources Director for Upper Valley Disposal & Recycling, Clover Flat Landfill, and South Lake Refuse & Recycling. She is responsible for all activities associated with Human Resources including, payroll, employee benefits, workers compensation, and staff issues. She oversees the staff regarding customer service, billing, and dispatch. Ms. Sereni’s billing experience is important to enable the NRWS team to provide the high quality of customer service our member teams and the County expect from the first day of the contract.

SKILLS NECESSARY FOR THIS PROPOSAL

Ms. Sereni has more than 25 years experience with Upper Valley Disposal & Recycling. With her experience in the area of human resources, customer services, billing, and dispatch comes the ability to help ensure a smooth transition period and superior ongoing services. Ms. Sereni also has experience with the same software that the current provider uses.
1.4 Company Qualifications

The RFP asks for a summary of the qualifications of the companies that make up NRWS. This section discusses those qualifications for each company.

All of the firms are family owned, are locally managed, and have a second generation of trained individuals who have or who are ready to step into, or already assuming leadership roles.

Table 1, Overview of Services Provided summarizes the information that is detailed below. We have provided the references for all of these jurisdictions later in this section.

Services have been provided from the date shown as date service started to the present.
### Table 1 – Overview of Services Provided

<table>
<thead>
<tr>
<th>Company</th>
<th>Jurisdiction</th>
<th>Material</th>
<th>Date Service Started</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RPS</strong></td>
<td>Napa County (portion)</td>
<td>Debris box waste and recycling</td>
<td>1916</td>
</tr>
<tr>
<td></td>
<td>City of Napa</td>
<td>Debris box waste and recycling</td>
<td>1916</td>
</tr>
<tr>
<td></td>
<td>City of American Canyon</td>
<td>Debris box waste and recycling</td>
<td>1916</td>
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<tr>
<td><strong>Town of Yountville</strong></td>
<td>MSW, recycling, green waste &amp; used oil</td>
<td></td>
<td>1963</td>
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<td><strong>Napa County (portion)</strong></td>
<td>MSW, recycling, green waste &amp; used oil</td>
<td></td>
<td>1963</td>
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<tr>
<td><strong>City of St. Helena</strong></td>
<td>MSW, recycling, green waste &amp; used oil</td>
<td></td>
<td>1965</td>
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<tr>
<td><strong>City of Calistoga</strong></td>
<td>MSW, recycling, green waste &amp; used oil</td>
<td></td>
<td>1966</td>
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<tr>
<td><strong>Lake County (portions)</strong></td>
<td>MSW, recycling, green waste &amp; used oil</td>
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<td>1980</td>
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<tr>
<td><strong>San Anselmo</strong></td>
<td>MSW, recycling, &amp; green waste</td>
<td>1/12/2002</td>
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<tr>
<td><strong>Town of Fairfax</strong></td>
<td>MSW, recycling, &amp; green waste</td>
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<tr>
<td><strong>Las Gallinass Valley Sanitary District</strong></td>
<td>MSW, recycling, &amp; green waste</td>
<td></td>
<td>1966</td>
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<td><strong>Ross Valley Sanitary District-North</strong></td>
<td>MSW, recycling, &amp; green waste</td>
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<td>11/26/2002</td>
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<td><strong>Ross Valley Sanitary District-South</strong></td>
<td>MSW, recycling, &amp; green waste</td>
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<td>1960</td>
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<td><strong>Town of Ross</strong></td>
<td>MSW, recycling, &amp; green waste</td>
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<td>1960</td>
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<td><strong>City of San Rafael</strong></td>
<td>MSW, recycling, &amp; green waste</td>
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<td>1948</td>
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<td><strong>City of Larkspur</strong></td>
<td>MSW, recycling, &amp; green waste</td>
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<td>1948</td>
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<td><strong>County of Marin (portions)</strong></td>
<td>MSW, recycling, &amp; green waste</td>
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<td>1948</td>
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<td><strong>Garaventa Enterprises</strong></td>
<td>City of Concord</td>
<td>MSW, recycling, green waste &amp; C&amp;D</td>
<td>1934</td>
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<td>City of Rio Vista</td>
<td>MSW, recycling, green waste &amp; C&amp;D</td>
<td>1974</td>
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<td>City of Pittsburg</td>
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<td><strong>Ironhouse Sanitary District</strong></td>
<td>MSW, recycling, green waste &amp; C&amp;D</td>
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<td><strong>Byron Sanitary District</strong></td>
<td>MSW, recycling, green waste &amp; C&amp;D</td>
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<td>1985</td>
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<td><strong>Contra Costa County (portions)</strong></td>
<td>MSW, recycling, green waste &amp; C&amp;D</td>
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<td>1985</td>
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<td><strong>Solano County (portions)</strong></td>
<td>MSW, recycling, green waste &amp; C&amp;D</td>
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<td>1974</td>
</tr>
</tbody>
</table>
Upper Valley Disposal Service

Background
UVDS holds the franchise for collection and processing of recyclables for the Upper Valley Waste Management Agency. Working with that Agency, we were the first service provider in the Napa Valley to reach the 50 percent diversion goal. This goal was reached prior to the AB939 mandate of 2000. The UVDS service area has achieved greater than 50 percent diversion in every year since 2000. We are confident that our experience in the Upper Valley area will ensure that, working with the County of Napa, we will continue to achieve a diversion rate in excess of 50 percent.

In 1963, UVDS began franchised collection of waste in parts of the unincorporated area of Napa County. We currently provide residential, commercial, and industrial waste and recyclable collection, green waste collection, and used oil collection. South Lake Refuse – Recycling, Inc., an affiliated entity, collects recyclables and refuse from residential and commercial customers in southern portions of Lake County.

Also in 1963, we became the franchised collector for the Town of Yountville. We provide the following services to the Town — residential, commercial, and industrial waste and recyclable collection, green waste collection, and oil collection.

UVDS has provided St. Helena with franchised waste collection services since 1965. The franchise agreement provides for residential, commercial, and industrial waste and recyclable collection, green waste collection, and used oil collection.

In 1966, we became the franchised hauler for the City of Calistoga. Having increased the services since the beginning of the franchise, we now provide — residential, commercial, industrial waste, single-stream and source separated recyclables collection, green waste collection, used oil collection, and several special services including the collection of City cans and a special leaf collection program each fall.

Clover Flat Landfill, an affiliate of UVDS, owns and operates our landfill near Calistoga. The landfill has diversion facilities for processing clean green material. That material is ground at the landfill and brought back to the composting site at our Upper Valley facility to be composted with the grape pomace.

In Lake County, we have been the franchised hauler for a portion of the unincorporated area of the County since 1980. We provide residential, commercial, and industrial waste and recyclable collection, green waste collection, and used oil collection. Additionally we are in the final stages of permitting a mixed C&D waste recovery facility.
**Processing Services**

Upper Valley Recycling, Inc. owns and operates our material recovery facility (MRF). We developed our MRF at our Upper Valley facility in 1995 to process the curbside materials collected from our other accounts. That facility was upgraded in 2002 to process materials collected in a single-stream program. The UVDS staff prepared the conceptual design of the MRF, both when the facility was first built and later when it was upgraded to become a single-stream facility.

**Diversion Services**

UVDS has been a leader in recycling programs in Napa County. The firm implemented the first single-stream collection program in the County and processed the material through a single-stream MRF that has one of the lowest residual rates (four percent) of single-stream MRFs in the nation. Our composting facility is one of the first in California that processed grape pomace. With the addition of green waste we not only provide diversion services for our solid waste customers, but also expanded the materials available to our compost customers, many of whom are the operators of the vineyards that produce the pomace.

**Recovery Products & Services**

Recovery Products & Services (RPS) is owned by Greg Kelley and William Bacigalupi. RPS provides commercial recycling and recycling material brokerage services throughout northern California and Nevada.

The Bacigalupi family has been a part of Napa County waste disposal and recycling history since 1916, when Archangelo Bacigalupi started collecting waste and recycling with a single horse and wagon. As you have grown, the family business has grown with it.

The company has grown from collecting and recycling bottles, cans, wool clothing, and rags, and disposing of trash. It expanded in 1920 to recycled food scraps with its herd of pigs. That activity lasted until 1950.

Prior to the current service provider, the managers of RPS expanded daily commercial recycling of glass and cardboard routes in the County in 1987. In 1988, they started a pilot curbside recycling program for the County in Monticello Park and continued that program until 1991 when the program was expanded to include all customers. They started the curbside recycling and green waste collection from all residential customers in 1991. The company processed and sold all of the recyclables and compost. The transition to automated collection of residential garbage took place in 1997 under Mr. Kelley’s leadership.
Marin Sanitary Services

Background

Marin Sanitary is one of the very few organizations in California to achieve a 71 percent diversion rate (significantly exceeding the State’s mandate of 50 percent) for the regional agency we service. This milestone was achieved through our personal commitment to recycling and by working closely with our customers.

Three separate companies make up the corporate structure for Marin Sanitary Service (MSS). All three are the result of the hard work and industry of five scavengers who moved to Marin County in 1948 to purchase one of Marin’s existing garbage companies. These entrepreneurial scavengers were named Garbarino, Segale, Zappetini, Marconi, and Zanotti. In those days, the Company was focused exclusively on garbage pickup. Currently, the two remaining partners are Joseph J. Garbarino (“Joe Jr.”) and Joseph Garbarino (“Joe Sr.”). Joe Sr. is one of the original founders of the company. Joe Jr. became a partner in 1956.

In the early years, our business focused exclusively on garbage pickup. Even then, recycling was an integral part of our business. Of course, we didn’t call it recycling at that time, but re-use of materials such as rags, paper, bottles, and eyeglasses represented the beginnings of modern recycling. Today, our company provides solid waste, recyclable and green waste collection, and landfill diversion services through three Companies: Marin Sanitary Service, Marin Resource Recovery Center, and Marin Recycling Center.

MSS owns a multi-faceted waste management operation located on a 103-acre parcel in east San Rafael. In addition to a business office and a corporation yard, the facility includes the 128,000 square foot Marin Resource Recovery Center, the 23,720 square foot Marin Recycling Center with an additional 20,000 square foot outdoor glass and plastic processing area, and the 37,434 square foot Marin Sanitary Service Transfer Station, which is fully permitted by the State of California.

MSS has been on the cutting edge of all aspects of solid waste management, particularly recycling, since its inception. In 1981, MSS designed and built the Marin Recycling Center to process residential recyclables collected at curbside thus initiating the first county-wide curbside recycling program in the United States. In that first year, 2,000,000 pounds of material were recycled and diverted from the landfill. In 1987, the Marin Resource Recovery Center was built to process mixed C&D, commercial, wood and green waste, and self-haul loads. This facility was the first of its kind in the country. Today, over 580 tons per day are recovered, reused, or recycled by these two facilities resulting in a 71 percent diversion rate.

The Household Hazardous Waste Facility (HHWF) is Marin Sanitary Service’s latest step to maximize recycling in Marin County. The HHWF opened in 1998, and is a public/private partnership between our company and the San Rafael Fire Department. This facility allows customers to safely dispose of paints, adhesives, auto fuel, oil, batteries, and a myriad of other hazardous wastes. Approximately 21,400 customers used this facility in the 2003 – 2004 fiscal year to properly dispose of almost 1,500,000 pounds of material.
**Diversion Services**

Our collection experience started in Marin County over 56 years ago. The first major change to residential refuse collection occurred in 1981 when MSS implemented residential curbside recycling. At the time, it was the first county-wide curbside recycling program in the country. Recyclables were collected at the curb utilizing 5-gallon plastic buckets with segregation of three different streams: glass, cans, and newspaper/cardboard. Side-loading trucks were used that contained separate compartments for the three different streams. Over the years the curbside recycling program has been improved with the inclusion of additional recyclables (for example, junk mail and additional plastics) and more efficient collection vehicles. The current method of curbside recycling collection fits well with the hilly terrain of Marin County and provides a clean, high value product for the markets that purchase the recyclables.

In conjunction with the curbside recycling program, MSS implemented commercial recycling. Businesses were afforded the opportunity to segregate cardboard, cans, and glass for collection by a separate recycling truck. Rear-load bins were used for the separate commodities and cardboard was collected loose.

In the late 80’s and early 90’s, Marin Sanitary continued to lead the way in providing innovative programs to enhance the services provided to its customers. Refuse carts, provided by the Company, were delivered to homes and businesses throughout our service area. The wheeled carts with attached lids were an instant success. Customers enjoyed the convenience and the Company improved its route efficiencies by utilizing rear-load collection vehicles with cart tippers to empty the cans.

MSS also implemented green waste collection during this time. Customers were provided 64-gallon carts for yard trimmings and small branches. The carts were serviced by a rear-load collection vehicle with cart tippers.

**Processing Facility History**

Our processing facility history started with the two distinct and separate processing facilities at MSS. The Marin Recycling Center is a “clean” MRF that processes the curbside recycling volume delivered by MSS residential recycling trucks. This facility also processes cans, bottles, and newspapers collected by MSS commercial recycling trucks and operates a public buy-back and drop-off operation that is heavily used by the residents of Marin County and is certified by the State of California.

The other processing facility is the Marin Resource Recovery Center (MRRC). This facility is a “dirty” MRF and is also referred to as the “indoor dump.” MRRC processes a wide variety of materials from various incoming sources. These sources include the public (both self-haul and commercial), other debris box haulers and garbage companies, MSS green waste loads, MSS debris box loads, and MSS commercial refuse loads. This facility recycles approximately 70 percent of the incoming volume.

In 1981, MSS started a curbside recycling program for all of its customers. The program allowed residents to set out cardboard, newspaper, cans, plastic, and glass for collection by a dedicated
recycling truck. Five-gallon plastic containers were delivered to homes along with educational materials to explain the new program.

MSS built the Marin Recycling Center to process and market the recyclables that were collected. The recycling program and processing facility were one of the first established in the U.S. and put Marin County in the lead for diversion of materials from landfills.

The next, and most significant, diversion program was the design and construction of the Marin Resource Recovery Center in 1987. While not a “program” in the traditional sense, the construction of this facility was truly a break-through in the goal of diverting waste from the landfill. The first of its kind, MRRC was the ultimate expression of Joe Garbarino’s vision of recycling, reuse, and landfill diversion. The huge “indoor dump” is not a dump at all, but rather a sophisticated operation encompassing conveyor systems, sorting lines, shakers, screens, and grinding equipment that recycles over 70 percent of the incoming volume.

In conjunction with the opening of the Marin Resource Recovery Center, MSS was able to introduce a green waste recycling program to its residential customers. 19,000 64-gallon carts were delivered to customers and an extensive education program was launched to ensure a successful program. Today over 13,000 tons of green waste are collected annually through this program.

Garaventa Enterprises

Background

Garaventa Enterprises operates hauling franchises in the Cities of Concord, Pittsburg, and Rio Vista, provides recycling and collection service in the Sanitary Districts of Ironhouse (Oakley area) and Byron and in the Counties of Contra Costa and Solano. The franchise services include residential and commercial refuse removal, residential curbside recycling and green waste, commercial recycling, construction and demolition, industrial waste, and debris box services. The operations are performed in conjunction with a recycling processing and buy-back center and the Recycling Center and Transfer Station (RCTS).

The quality of service provided has always been a company strength. The City of Concord, for the past several years, have surveyed the residents on services provided by the City, including but not limited to police, parks, permitting, and garbage and recycling services. The results of those surveys have ranked Garaventa Enterprises services as the best of all services provided within the City of Concord. We realize this does not happen without the hard work of many employees and a committed team, not only to the company, but more importantly to the Community in which we serve.

Our executive committee is Silvio Garaventa, Jr., Joseph Garaventa, and Clark Colvis, with combined experience of 80 years. The General Manager, Gary Lazdowski, has been with the family business for 35 years.

Diversion Programs

Garaventa Enterprises family roots go back to the 1930’s when Andrea Moresco was operating
the one horse and buggy rubbish pick up for the country town of Concord. We have come a long way since then. Moresco’s son-in-law, Silvio Garaventa, Sr., took the small town operation and built an enterprise that included multiple municipal franchises. From the City of Concord’s infancy of a population of 3,500 to today, Garaventa Enterprises serves over 250,000 people in Contra Costa and Solano Counties. Garaventa Enterprises (Concord Disposal) has serviced the City of Concord since 1934.

Mt. Diablo Paper Stock was founded in 1962 to specifically handle the processing and remarketing of recyclable materials. Operating a public buy-back facility before recycling was a household word; Mt. Diablo Paper Stock has been remarketing recyclables for 40 plus years. Newspaper and cardboard collection, baling, and marketing have been the main-stay since the inception.

Today, the company’s range goes far beyond the initial expectations. Newsprint, high-grade papers, cardboard, tin, glass, aluminum, and plastics are all handled by Mt. Diablo Recycling. In 1984, we opened a new facility to sort and separate the different grades of recyclables. We bale and deliver these products to a variety of different markets within and outside the State of California. We are currently the largest recycling company in Contra Costa County, marketing thousands of tons per month of reusable products.

The programs and facilities the company has implemented include:

- Numerous Charitable “Drop-Off” locations since the 1960’s, beginning with the Boy Scout Paper Drives.
- Buy-Back facility for paper, cardboard, and high grades in the 1970’s.
- CRV Buy-Back Center in the 1990’s.
- Recycling Center and Transfer Station (RCTS) extensive floor sort program in 1997.
Table 2, References, lists the jurisdiction names and the name of our contact and their phone number for the municipal clients to whom we provide services. These jurisdictions are the ones that were listed in Table 1, Overview of Services Provided.

**Table 2 – References**

<table>
<thead>
<tr>
<th>Company</th>
<th>Jurisdiction</th>
<th>Name</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>RPS</td>
<td>Napa County (portion)</td>
<td>Greg Pirie, County Administrative Officer</td>
<td>(707)253-4144</td>
</tr>
<tr>
<td></td>
<td>City of Napa</td>
<td>Kevin Miller, Recycling Coordinator</td>
<td>(707)257-9514</td>
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<td></td>
<td>City of American Canyon</td>
<td>Mark Joseph, City Manager</td>
<td>(707)647-4352</td>
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<td></td>
<td>Town of Yountville</td>
<td>Bill Dutton, City Manager</td>
<td>(707)944-8851</td>
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<td>Napa County (portion)</td>
<td>Mark Luce, Chair – Napa County Board of Supervisors</td>
<td>(707)253-4471</td>
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<tr>
<td></td>
<td>City of St. Helena</td>
<td>Diane Dillon – County Supervisor</td>
<td>(707)944-8280</td>
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<tr>
<td></td>
<td>City of Calistoga</td>
<td>Ken Slavens, Mayor</td>
<td>(707)967-2792</td>
</tr>
<tr>
<td></td>
<td>Lake County (portions)</td>
<td>Karen Slausser</td>
<td>(707)942-2754</td>
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<tr>
<td></td>
<td>Town of San Anselmo</td>
<td>Debra Stutsman, Town Administrator</td>
<td>(415)258-4600</td>
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<tr>
<td></td>
<td>Town of Fairfax</td>
<td>Alan Benygal, Town Administrator</td>
<td>(415)458-2345</td>
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<td></td>
<td>Las Gallinas Valley Sanitary District</td>
<td></td>
<td>(415)472-1734</td>
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<td></td>
<td>Ross Valley Sanitary District-North</td>
<td>Barry Hogue, District Manager</td>
<td>(415)461-1122</td>
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<tr>
<td></td>
<td>Ross Valley Sanitary District-South</td>
<td>Barry Hogue, District Manager</td>
<td>(415)461-1122</td>
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<tr>
<td></td>
<td>Town of Ross</td>
<td>Gary Broad, Town Administrator</td>
<td>(415)453-1453</td>
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<tr>
<td></td>
<td>City of San Rafael</td>
<td>Rod Gould, City Manager</td>
<td>(415)485-3075</td>
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<tr>
<td></td>
<td>City of Larkspur</td>
<td>Jean Bonander, City Manager</td>
<td>(415)927-5110</td>
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<td></td>
<td>County of Marin (portions)</td>
<td>Jeff Rawles, Program Manager</td>
<td>(415)499-6548</td>
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<tr>
<td>MSS</td>
<td>City of Concord</td>
<td>Peter Dragovich, Director of City Management</td>
<td>(925)671-3000</td>
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<td></td>
<td>City of Rio Vista</td>
<td>Brad Baxter, City Manager</td>
<td>(707)374-6451</td>
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<tr>
<td></td>
<td>City of Pittsburg</td>
<td>Laura Wright, Recycling Coordinator</td>
<td>(925)252-4850</td>
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<tr>
<td></td>
<td>Ironhouse Sanitary District</td>
<td>Denise Nunn,</td>
<td>(925)625-2279</td>
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<tr>
<td></td>
<td>Byron Sanitary District</td>
<td>Bob Byers, Board Member</td>
<td>(925)634-3147</td>
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<td></td>
<td>Contra Costa County (portions)</td>
<td>Mark DeSaulnier, Supervisor District IV</td>
<td>(925)646-5763</td>
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<td>Contra Costa County (portions)</td>
<td>Federal Glover, Supervisor District V</td>
<td>(925)427-8138</td>
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<tr>
<td></td>
<td>Solano County (portions)</td>
<td>Narcisa Untal, Senior Planner Waste Management</td>
<td>(707)421-6765</td>
</tr>
</tbody>
</table>

Letters of recommendations from several of the jurisdictions we serve are in Attachment.
### 1.5 Billing Experience

Table 3, Billing Experience, identifies the type of solid waste services provided and number of accounts where monthly billing service was required. We have included in Attachment 1 a copy of a sample bill for residential and for commercial customers in three of our jurisdictions.

<table>
<thead>
<tr>
<th>Company</th>
<th>Jurisdiction</th>
<th>Material</th>
<th># of Accounts Billed</th>
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<tr>
<td><strong>RPS (Bacigalupi family)</strong></td>
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<td>Napa County (portion)</td>
<td>MSW, recycling &amp; green waste</td>
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<td>City of American Canyon</td>
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<td><strong>UVDS</strong></td>
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<td>MSW, recycling, green waste &amp; used oil</td>
<td>836</td>
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<td>City of Calistoga</td>
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<td>1,297</td>
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<td>Lake County (portions)</td>
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<td>County of Marin (portions)</td>
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<td>County of Marin (portions)</td>
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<td>Solano County (portions)</td>
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</table>
1.6 Litigation History

Recovery Products and Services has no litigation to report.

Upper Valley Disposal Services has no litigation to report.

Within the past five years, Garaventa Enterprises has been named along with numerous parties, in our view, in unmeritorious lawsuits involving our past ownership of certain real property. All such litigation has been formally settled or settlement is pending. We have denied and continue to deny any liability and no liability has been proved.

This will advise that Marin Sanitary is currently a party to an action pending in the Marin County Superior Court entitled City of San Rafael v. Las Gallinas Sanitation District and Marin Sanitary Service, Case No. 041792. The case involves a boundary issue addressing the legal question of whether the City of San Rafael or the Las Gallinas Sanitation District is legally empowered to contract with the company for the collection of refuse in certain areas of northern San Rafael. The company is simply named as a necessary party defendant so that the Court's ruling will be binding upon it; however, no relief is sought from the company and, since the case involves a boundary dispute between third parties, the company has taken a neutral position in the suit.
2 Technical

2.1 Collection Methods and Procedures

We selected the vehicles and containers for the different residential services based on our 80-years of experience collecting recycling and waste in Zone 1 of Napa County. The use of larger trucks with heavier payloads increases driving hazards on the narrow, steep roads and driveways that are prevalent in this area. In Napa County, much of the housing growth has occurred in the hills rather than the valley floor. Everyday there is an increase in demand for special collection at multi-million dollar estates with their narrow lanes.

2.1.1 Residential

NRWS will provide a fully automated weekly MSW, single-stream and green waste curbside collection system.

The RFP states that 198 accounts are identified as special backyard or footage accounts. Based on our experience servicing these areas, the number is closer to 800 such accounts, and we know that the number will only grow.

The customers will place their cart at the curb before 6:00 a.m. Collection will start at 6:00 a.m. All containers are color coded and will have either a molded graphic or hot stamp indicating the type of material to be placed inside.

Customers will be provided a gray cart for MSW. They will have the choice of a 35-, 65-, or 95-gallon container. NRWS will have two vehicles collecting MSW daily, a 31-cubic yard three axle vehicle and a 12-cubic yard single axle vehicle. The 31-yard vehicle will service the customers located on the valley floor. The 12-yard truck will service customers with backyard or footage service and all of the customers on the narrow, mountainous roads such as Mt. Veeder, Redwood Road, Dry Creek, Soda Canyon, Atlas Peak, Monticello Road, Wild Horse, and Green Valley. The 12-yard truck is equipped with an automated arm and can also provide semi-automated and manual collection services.

Single-stream recycling will be collected using either 65- or 95-gallon carts. The carts will be blue. NRWS will use two vehicles each day for this service. A 31-cubic yard three-axle automated side loader will be used to collect material automated, semi-automated, or manually. The ability to collect materials manually is important because customers sometimes have more material than their container can hold or material larger than will fit in the container (for example, large pieces of cardboard.) Our second vehicle is a 17-cubic yard split body truck. This truck will collect single-stream recyclables and green waste. The 17-yard vehicle will service customers with backyard or footage service and all of the customers on the narrow, mountainous roads.

Green waste collection service will be weekly in a brown cart. We will provide either one 65- or
Proposal to Napa County

96-gallon cart to each customer. The green waste pickup will take place on the same day as solid waste collection. Customers may request up to three additional carts at no charge. From past experience, NRWS estimates that 2.5 carts will be needed per residential account. Zone 1 currently has customers placing more than ten cans out each week.

Collection will be fully automated wherever possible. When full automation is not possible, then collection will be performed with semi-automated or manual feature of the collection truck. The truck is a 17-yard split body (for collecting both single-stream materials and green waste). A front loader with a work bucket and an automated arm is used to collect all residential and commercial green waste on the Valley floor.

We will provide up to four 95-gallon green waste carts. If a customer wants more than four carts, the additional charge will be 50 percent of the solid waste fee. During the months of February and August we will send a coupon that can be used during those months, allowing free drop-off of green waste at the County-designated processing center.

Oil and oil filters will be collected weekly from all residential customers; we will provide used oil and oil filter collection containers to all residents who wish to participate in the program. We will exchange the full used motor oil containers and oil filter bags for empty containers on the same day as scheduled solid waste collection. All residential collection vehicles are equipped to collect used oil and filter bags.

We will submit a sample of the oil containers and filter bags for County approval prior to purchase.

All basic residential services will be provided to those residents with backyard/wheel-out service. We will provide backyard service at no charge for accounts where the resident has a medical note on file from a physician confirming there is a medical reason that prevents the resident from moving solid waste, recycling and green waste carts and other materials to the curb. For customers who want the backyard/wheel-out service but cannot provide a medical note, the customer will be charged for the additional distance between the curb and the cart.
Multi-Family Residences/Mobile Home Parks

NRWS will meet individually with the manager of every multi-family location to determine the best service options for their situation.

Multi-family residents have two collection options: cart service, which provides each dwelling with a container and centralized service where the materials are placed in a larger bin. The collection frequency will be determined by NRWS to maximize service and recycling. Containers will be color coded and labeled properly to minimize contamination. If contamination exceeds ten percent in single-stream, the NRWS and the property manager will work with the on-site property manager to reduce contamination. Complexes with 50 or more units will be offered a separate collection container for cardboard to further reduce contamination.

We will provide a fully automated weekly MSW, single-stream recycling, and green waste collection system to gated developments and gated mobile home parks. The program includes used oil collection. The Homeowners Association or property manager of the gated community will select whether they receive individual service or bring their materials to a central collection location. In either case, the type of service will be the same as received by single family residences, but will be customized for the situation they choose. Based on our experience servicing those accounts, we know that customizing service is important in areas like the Silverado County Club where each development is different. Individual carts will be collected by smaller vehicles. Most private roads and parking lots are not designed for large commercial vehicles.


2.1.2 Commercial

Commercial recycling, solid waste and green waste collection will be fully automated or semi-automated wherever feasible. Manual collection will only be used when semi-automated or automated collection vehicles are too large. Collection of commercial MSW, single-stream and green waste will be done with a front loader. The basic level of service for a commercial customer includes:

- Regularly scheduled automated collection of solid waste.
- Automated collection of single-stream recyclables.
- Regularly scheduled automated collection of green waste.

NRWS will offer single-stream recycling to all commercial, industrial, and institutional customers.

Single-stream recycling collection is by cart or bin and accepts same material types collected in the residential program. The County currently allows businesses to share recycling bins if it is most efficient and wishes to maintain that option for the businesses. Single-stream recycling is permitted for weekly loads from 35-gallon up to six-cubic yards. NRWS will offer recycling to every commercial business as we have done in the past.

Some businesses have source-separated collection for cardboard, green waste, office paper, metal, wood, concrete, containers only, or glass. Any source-separated recyclable material will be collected at no additional cost to customers of the basic waste service and the container size is a six-cubic yard bin or less. Cardboard collection will stay separate as determined by NRWS in consultation with the customer on case-by-case basis. All containers are color coded and clearly marked to help minimize contamination. All commercial bins are equipped with a locking bar to help minimize contamination and illegal dumping.

Recyclables that are source-separated, clean, and compacted will be collected at no additional cost to the customer as long as they take basic solid waste service and the container is compatible with the Contractor’s equipment. This service includes clean-baled film plastic and any other material that has a positive market value.

Green waste services are offered to all commercial, industrial, and institutional customers. Green waste is collected in 65- or 96-gallon carts or bins for customers. For containers in excess of six-yard bins, the customer will be charged 50 percent of the solid waste rate based on the container sized utilized.

2.1.3 Excess Materials

Excess single-stream materials and green waste from both residential and commercial customers
will be picked up. Customers do not need to call in advance. If a customer constantly has excess material, they will be provided additional containers as needed.

NRWS collection vehicles are equipped to collect materials using automated, semi-manual, and manual methods. The only problem that is created by excess materials is increased route time.

Residential and commercial customers with excess MSW can call 24 hours before their next scheduled collection day. We will notify the driver on a daily basis about all the excess collections. If a driver encounters excess MSW and it is not listed on their daily work papers, they will contact the office, who will contact the customer to authorize collection. Unless an account is marked in the computer with a statement to never collect extras, the driver will be instructed to collect extras even without customer approval.

2.1.4 Public Education

All residential customers will receive a “starter kit” prior to the start of service. The kit will include information about types of collection containers, placement of containers for collection, collection route days of service, CSR contact numbers. For each type of collection; MSW single-stream and green waste collection, there will be description of each program, describing allowed material and non-allowed material. All printed material will be approved by the County before distribution to customers.

All commercial and multi-family customers will receive written and verbal instruction. These accounts will be contacted in person by Greg Kelley, Steve Manasse or the NRWS Education Coordinator, to address each account's individual needs.

Our company recognizes the importance of public education to a successful recycling program. We have included monthly billing messages as well as several other activities (as described in Section 5) to encourage our customers to recycle and minimize contamination.

We will also promote public awareness through offering tours of our facilities. We will contact the schools and offer educational programs to help promote public awareness in that venue.

The school tours have been a very successful component of the education program in Upper Valley, Marin Sanitary, Concord, and at Napa Garbage Service when Mr. Kelley was the General Manager. Over the past 5 years, thousands of children, teachers, and parents have toured our facilities. We discuss the various types of recyclables, the sorting process, and view the baled finished products. We make classroom presentations and work with student representatives to establish on-campus recycling programs. We have been particularly successful partnering with schools on hands-on recycling projects, such as on-campus composting. In addition, we make monetary contributions, provide in-kind services, or sponsor special ecological events at schools.
2.2 Collection Schedule and Accounts

2.2.1 Collection Schedule

The collection details area summarized in Table 4, Collection Details. The information in this table is taken from the table in Form 12 (located in the cost proposal, which is at the end of this document).
### Table 4 – Collection Details

<table>
<thead>
<tr>
<th>Item</th>
<th>Residential</th>
<th>Commercial</th>
<th>Debris Box</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of full time positions, including standbys</td>
<td>5</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Number of collection trucks</td>
<td>5</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Number of spare collection trucks</td>
<td>0.5</td>
<td>0.5</td>
<td>-</td>
</tr>
<tr>
<td>Estimated annual truck hours</td>
<td>10,400</td>
<td>2,080</td>
<td>4,160</td>
</tr>
<tr>
<td>Number of routes</td>
<td>5</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Crew size</td>
<td>1 per truck</td>
<td>1</td>
<td>1 per truck</td>
</tr>
<tr>
<td>Stops per route</td>
<td>600 (large vehicles)</td>
<td>75</td>
<td>8</td>
</tr>
<tr>
<td>Daily/hourly wage of drivers</td>
<td>$22.68</td>
<td>$22.68</td>
<td>$22.68</td>
</tr>
<tr>
<td>Estimated annual man hours</td>
<td>10,800</td>
<td>2,160</td>
<td>4,320</td>
</tr>
</tbody>
</table>

#### 2.2.2 Allocation Assumptions

In preparing our collection plan, we have made the following cost assumptions in allocating between residential and commercial service:

- All cost assumptions are derived from the direct costs based on the number of employees, the equipment, and containers.
- The number of employees and vehicles needed was derived from our past experience and future growth plans.
2.3 Collection Containers

The type of containers that will be provided to each type of customer is summarized in Table 5, Collection Containers. Container design and manufacturing is located in attachments.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>35-gallon</td>
<td>2,150</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>65-gallon</td>
<td>2,150</td>
<td>900</td>
<td></td>
<td></td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>96-gallon</td>
<td>225</td>
<td>3,600</td>
<td>9,000</td>
<td>100</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>1-yard</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.5-yard</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>2-yard</td>
<td></td>
<td></td>
<td></td>
<td>72</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>3-yard</td>
<td></td>
<td></td>
<td></td>
<td>30</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>4-yard</td>
<td></td>
<td></td>
<td></td>
<td>30</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>6-yard</td>
<td></td>
<td></td>
<td></td>
<td>30</td>
<td>40</td>
<td></td>
</tr>
</tbody>
</table>

All four NRWS parent companies will offer support during the container delivery. Residential distribution will take approximately ten days. The cart manufacturer will assist in distribution carts to the Valley floor customers. Company employees will distribute carts to our outlying customer base. Between February 1 – April 1, customers will choose their MSW cart size.

Commercial containers will also be distributed starting September 1, 2005. Commercial customers will be contacted personally to help in container selection. Commercial containers will be delivered with the flatbed truck, roll-off trucks, and bin delivery vehicles.

If a container is lost, stolen, or damaged, it will be replaced as needed.

NRWS will provide all residential containers at no additional cost. We will provide one replacement container annually at no additional cost, regardless of the reason for replacement, including a change in service level. We reserve the right to charge a fee for any replacement containers thereafter.
For commercial customers, NRWS will provide all containers as needed. All containers will be kept in serviceable order and will be clearly labeled.

2.4 Collection Equipment

Table 6, Collection Equipment, lists the vehicles that will be used for residential and commercial collection. This table takes data from the cost forms.

<table>
<thead>
<tr>
<th>Type of Vehicle</th>
<th>Capacity</th>
<th>Model/Year</th>
<th>Intended Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wittke Front loader</td>
<td>40 yard</td>
<td>Expert 2000/2005/6</td>
<td>Commercial bin &amp; cart collect, MSW, Recycling &amp; Green Waste</td>
</tr>
<tr>
<td>Wittke Front loader</td>
<td>40 yard</td>
<td>Expert 2000/2005/6</td>
<td>Residential/Commercial &amp; Green Waste</td>
</tr>
<tr>
<td>Labrie Automated Sideloader</td>
<td>12 yard</td>
<td>Expert 2000/2005/6</td>
<td>Residential, MSW</td>
</tr>
<tr>
<td>Wittke Front loader</td>
<td>40 yard</td>
<td>Expert 2000/2005/6</td>
<td>Spare Residential, Commercial</td>
</tr>
<tr>
<td>Flatbed</td>
<td>14 ft</td>
<td>Ford 350/2005/6</td>
<td>Bin, Cart Delivery, Bulk Goods Collection</td>
</tr>
<tr>
<td>Pick-up</td>
<td>N/A</td>
<td>Ford 250/2005/6</td>
<td>Supervisor/Cart Delivery</td>
</tr>
<tr>
<td>Roll-Off</td>
<td>10-40 yd roll-off box</td>
<td>Nor Cal/2005/6</td>
<td>Commercial, Residential, MSW, Recycling, Green Waste</td>
</tr>
<tr>
<td>Roll-Off</td>
<td>10-40 yd roll-off box</td>
<td>Nor Cal/2005/6</td>
<td>Commercial, Residential, MSW, Recycling, Green Waste</td>
</tr>
<tr>
<td>Pick-up</td>
<td>Service</td>
<td>Ford 250/2005/6</td>
<td>Vehicle/Bins - on road service</td>
</tr>
</tbody>
</table>

In vehicle selection, NRWS has taken into account current customer needs, terrain, distances, weight laws, road and private driveway conditions. There are a number of accounts who own their own containers and drop boxes; NRWS has made sure that our vehicles will accommodate these containers. Napa County has always run narrow rails on drop boxes, which is not common in the Bay area.

2.4.1 Residential

NRWS will have two vehicles collecting MSW daily, a 31-cubic yard three axle vehicle and a 12-
cubic yard single axle vehicle. The 31-yard vehicle will service the customers located on the Valley floor. The 12-yard truck will service customers with backyard or footage service and all of the customers on the narrow, mountainous roads such as Mt. Veeder, Redwood Road, Dry Creek, Soda Canyon, Atlas Peak, Monticello Road, Wild Horse, and Green Valley. The 12-yard truck is equipped with an automated arm and can also provide semi-automated and manual collection services.

### 2.4.2 Commercial

The 40-yard truck we will use for commercial collection is capable of loading containers ranging from a 35-gallon cart to a 6-yard bin. The residential 31-yard, 17-yard, and 12-yard trucks will also be used, depending on their location and the service needed. Two roll-off trucks will also be used on roll-off accounts.

Vehicles will be maintained to manufacture standards. Monthly and hourly preventative management will be performed. Daily vehicle inspection reports are provided from the drivers to the maintenance staff. Vehicles that are over used during the day will be cleaned the same day. All vehicles have a life experience greater than ten years.

### 2.5 Contamination Control

Contamination control is done for two types of materials. Hazardous waste in the trash is an issue that we have developed processes with our drivers to control. Contamination of the recyclables in the single-stream collection and in the green waste collection is the second area where our drivers have been trained to reduce contamination. In both cases, the key element of our program is customer education.

The education program includes our drivers, customers, and processors. We encourage the drivers to talk with customers, if the customers wish, and explain all available programs.

Drivers are trained to avoid accidental collection of hazardous materials in the solid waste collection carts or cans and, when possible, will attempt to identify hazardous materials during their route. If substances are observed which are believed to contain hazardous waste, we will immediately contact the customer and notify them about the correct disposal method and location. If the customer cannot be contacted, we will contact the appropriate regulatory agency and the County. **All commercial bins are equipped with locking bars, which help control contamination and illegal dumping.**
2.5.1 Single-Stream, Green Waste, and Other Recyclable Contamination Control

All customers receive a “starter kit” describing all services and the correct method for their handling of recycling, MSW, and green waste. All carts are color coded and labeled to identify the proper use. All single-stream carts have a message molded into the lid. A color graphic picture on the lid clearly identifies the allowable recyclable material and the prohibited materials.

The majority of recyclable materials are collected by dedicated collection vehicles, eliminating cross contamination between products. One vehicle will be collecting one product.

If recyclables are contaminated with solid waste, or if hazardous waste is found in a container, the customer is notified in writing with a two inch by six inch tag attached to the container, which gives the reason why the collection was not made, lists the telephone number for the Napa County Department of Environmental Management, and identifies the appropriate recycling materials.

At least once a year, we will notify all customers that hazardous materials are not accepted and that it is the obligation of each customer to provide for the proper handling and disposition of hazardous waste. Customers will be notified about current collection centers.

If we accidentally collect any hazardous waste, we will separate out the hazardous waste and arrange for transportation and disposal to the appropriate facility of our choice.

We will ensure that our employees are properly trained through an employee training program. Proper documentation identifying the training will be maintained.

Contamination control in the single-stream collection program is done first by the driver. They can observe material as it is emptied into the vehicle. The driver can notify the customer service representatives (CSRs) who will also notify the customer. If we notice a higher percentage of contamination from certain routes, our route supervisor will make random checks before the collection vehicles.

Contamination control in the green waste collection program is done first by the driver. They can observe material as it is emptied into the vehicle; the driver can notify the CSRs and they notify the customer. Additionally, all containers are labeled, describing what material is accepted in each container.

2.5.2 Household Hazardous Waste (HHW)

Napa County residents can bring all recyclable and non-recyclable HHW to the DRTS Permanent Household Hazardous Waste Collection Facility (HHWCF). NRWS will include a billing insert once per year describing where material is collected. The public is able to transport 15 gallons or a maximum 125 pounds per trip. During regular business hours the HHWCF accepts toxic, flammable, corrosive, or reactive products such as:

- Insecticides.
Proposal to Napa County

- Paints and paint thinner.
- Solvents.
- Cleaners.
- Propane tanks.
- Old gasoline.
- Batteries.
- Automotive fluids.

Currently, the DRTS accepts the following items at no charge:

- Auto batteries.
- Latex paint.
- Anti-freeze.
- Used motor oil and oil filters.

2.6 Bulky Goods

Residential customers, commercial customers, and the County may request collection of bulky items 48 hours in advance and collection will occur on or before the customer’s next regularly scheduled garbage collection day no earlier than 7 a.m.

NRWS will provide each residential premise one bulky goods collection (up to four items) annually. There is no charge for the first collection. After the initial collection, a fee established by the County will be collected.

One flat bed truck will be designated for Bulky Goods Collection. That same vehicle will be used for other special materials to provide collection efficiencies.

In addition, we will generate a coupon for free bulky goods drop-off. The coupon will be sent as a bill insert, and will be valid for one year from date of issuance. Residents present the coupon with a driver’s license having a Napa County address to get the free service. Non-hazardous bulky goods, such as ovens, water heaters, or mattresses, will be accepted free at the County-designated MRF with presentation of this coupon.

Acceptable bulky goods are as follows:

- Furniture (such as, sofas, chairs, and mattresses).
- Appliances (such as, stoves, washer/dryer, water heater).
- Toilets.
- Sinks.
- Porcelain products.
- Tires.

Items not currently accepted are:
Proposal to Napa County

- Household solid waste.
- Paint.
- Household Hazardous Waste (HHW).
- Green waste of any kind.
- Refrigerators.

2.7 Holiday Greenery

This program will be coordinated with a local non-profit agency and held annually on the first Saturday following New Years Day.

The local non-profit agency will pick up whole trees at the curb and bring them to a centrally located roll-off container(s) that NRWS provides, at no charge to the local non-profit agency. The residents can give the local non-profit agency a donation for the service. The following week, only NRWS will collect trees from customers on their regular service day if the tree is placed at the curbside next to the carts.

Trees can be a maximum height of five feet. Residents will be encouraged to cut trees, over this size, in half. The trees that have been flocked or decorated (contaminated with tinsel) can be delivered to the Transfer Station or collected as MSW.

We have partnered with the Fire Departments in some of the jurisdictions that we serve and established Christmas tree drop-off locations. We also plan to do that in Napa County.

Single-family residents and multi-family residents will be asked to place their Christmas trees at the curbside the night before collection. The Christmas trees will be manually loaded into the green waste collection vehicle on the regularly scheduled collection day.

No containers will be used as the material will be collected loose at the curb. During the two week period of the program an additional one to two collection trucks will be needed.

Contamination in the holiday greenery program has not been an issue with the program at NVDS under Mr. Kelley’s leadership or at our other programs. We plan to minimize the contamination with outreach to all commercial and residential (both single-family and multi-family) customers through newspaper ads, bill inserts, and web page announcements. The announcements will provide the details of how to prepare the material and the contamination that is prohibited. We will enlist the County’s aid in the education program as elimination of contamination is so important to recycling materials.

The material will be ground into mulch and sold with our other mulch. We would also be prepared to work with Fish & Game to use the collected trees as fish habitat and also to have them chipped and used as public trail mulch.
NRWS will provide a brochure/postcard to the County for review and approval by November 1, 2004. The professionally designed brochure/postcard will be mailed by first-class mail informing the residents how to prepare holiday greenery for recycling.

2.8 County Facilities

We will provide containers and collection for all solid waste and recyclable materials generated at premises owned and/or operated by the County. The County will receive all the collection services of a basic commercial account, including solid waste, single-stream recycling, green waste, and source-separated cardboard. We understand over the agreement term, the County may request changes to service, such as:

- Frequency of collection.
- Number of containers.
- Type of containers.
- Method of collection.

The County facilities located in County Zone I and within the City of Napa will continue to be billed as commercial customers with the exception of Cutting’s Wharf and the future Sheriff’s Facilities, which will be serviced without charge. We understand the County reserves the right to include additional County facilities to this list by providing a written notice to us. The following services will not be billed:

*Cutting’s Wharf*

- Two 96-gallon carts for solid waste; collected twice a week.

*Sheriff’s Facilities*

- One 3-yard front loader bin for solid waste; collected once a week.
- One 3-yard front loader bin for cardboard; collect once a week.
- One 96-gallon cart for single-stream recyclables; collected once a week.

Beginning in 2009, NRWS will also provide containers for recycling food waste and other organics to coincide with the implementation of the commercial food waste collection program.

2.9 Food Waste Collection

We have anticipated the food waste collection programs for the residential and commercial customers. Residential collection with the green waste is being done in a few areas now. We will work with the County to resolve potential problems with contamination of green waste carts, contamination through plastic bags, and other issues.

Food waste collection for commercial customers will be done with dedicated bins and carts. The
The program will initially focus on restaurants and other commercial customers with large organic waste streams. The material will be composted with the green waste.

We are now composting grape pomace at our Up Valley facility. That material is a food waste as it is from a food production facility (wineries) and has many characteristics as food waste.

A key element of this program is the outreach that is essential to minimizing contamination. The commercial program will be successful with one-on-one customer contact.

2.10 Non-County Sponsored Special Events

NRWS will assist the County contact person for special events in designing and implementing services to provide for the containment, collection, recycling, and disposal of solid waste and recyclable materials proceeding, during and after a special event. NRWS and the County will work together to ensure that recycling is maximized at non-county events.

NRWS will provide containers for collection service for two special events each calendar year. We will provide solid waste and recyclable materials collection containers and services for such events.

2.11 Anticipated Changes to Service

At this time we do not anticipate any changes to the services described. We do understand that solid waste and recyclable collection and processing is rapidly changing and that there may be services not now envisioned that will benefit the County. When such changes occur, we will work with the County to implement them in a cost-effective, timely way. We will work with County staff on any service changes.

NRWS will provide fully automated collection at the start of the program on October 1, 2005 and will not be using semi-automated collection.

In planning our response to this RFP and our collection program, we have considered customer satisfaction our highest goal. We are not planning to change their collection day. We are not going to change to quarterly billing at the start. We will continue to send educational materials monthly.
3 Recyclable Processing and Marketing Services

We understand that the County may come to agreement with the City of Napa to use its Material Diversion Facility (MDF). We have included that contingency in our planning.

Since the use of the City facility is not yet determined, we have planned to use the single-stream MRF and composting facility at the Up Valley location of UVDS, one of our partners. Since the facility is owned by a partner in NRWS, we do not need to have letters of intent or an agreement regarding its use.

3.1 Processing Facility

The processing facility is located at our Up Valley facility, which is co-operated by UVDS and Upper Valley Recycling, and at our Clover Flat Landfill. The Up Valley facility has a MRF and a compost site both of which are state-of-the-art operations. The MRF is currently handling our single-stream materials. Drawing 1, Site Layout, shows the buildings, storage areas, processing areas, parking facilities and other major components of the facility.

Our main processing building is 30,000 square feet and is used for processing, storage, wholesale and bulk sales of recyclables, and offices. The entire site is about 34 acres, which includes our headquarters offices, the yard for collection equipment used in our local operations, and our composting facility. The area devoted to the MRF is approximately six acres.

The processing facility is owned by a partner of NRWS so an agreement to use the facility or a letter of intent are not required.

A general arrangement drawing of the processing facility at UVDS is in Drawing 1, Facility Site Plan, which is in a pocket at the end of this document. A second drawing, Drawing 2, MRF Equipment Layout, shows the specifics of the equipment design. These two drawings show the entire facility at UVDS, which includes the MRF and the composting site.

3.2 Processing Methods and Procedures

MRF

The general flow of materials through the MRF is shown in Figure 1, Process Flow Diagram.

When materials arrive at our facility, we unload them inside of the building at a designated area on our tipping floor. The loader operator pushes the material from the tipping area to the in-feed conveyor. As the material is pushed, the operator visually inspects the material for contamination or hazardous wastes. If any household hazardous waste is found, they are immediately removed.
Figure 1, MRF Process Flow Diagram
and properly stored until they can be shipped offsite for treatment and disposal.

The recyclables travel up the in-feed conveyor, past a presort station to remove contamination (non-recyclable items such as garden hoses, trash, and other contaminants). All cardboard, film plastic, and large contaminants are then removed prior to sorting newspaper, mixed paper, high-grade office papers, magazines, and other grades of paper stock. The remaining mixed recyclables are then sorted into HDPE, PETE, aluminum, glass, and tin. All materials are baled, except for the glass, which is shipped to mills.

**Green Waste**

The green waste will be delivered to either the Clover Flat Landfill located near Calistoga or to the Up Valley facility, as needed. We co-operate the Up Valley facility with Upper Valley Recycling (UVR). The Up Valley facility is fully permitted to compost and to chip and grind. The Clover Flat Landfill is permitted to chip and grind. The material will be size reduced with a grinder and directed to the end use. The primary end use of all of the green waste material processed at Clover Flat is to be used as feedstock for the grape pomace composting operation at the Up Valley facility. If additional volumes of Clean Green material are generated, then we produce either mulch or biofuel. The mulch, which will be used in ground cover, runoff control, and other similar applications, is either used at our various locations or sold to the general public. The biofuel is currently used for electricity production at a co-generation facility in Woodland. We use the contaminated green material as alternative daily cover at the landfill.

Drawing 1, Site Layout, shows the buildings, storage areas, processing areas, parking facilities and other major components of the composting facility. The processing area is approximately 20 acres and is used for processing, storage, and sales of compost. The entire site is about acres, which includes our headquarters offices, the yard for collection equipment used in our local operations, and our MRF. Drawing 1 can be found in a pocket at the end of this volume.

The composting facility includes a concrete pre-processing/seed processing pad with two seed dryers (on about 1 acre), a 13-acre composting pad, a 9 million gallon wastewater pond that occupies about two acres, and a wastewater-spraying field that occupies about four acres.

One of the aspects of our composting facility is custom blending using gypsum or other organic additives for select applications in the grape growing industry and for other agricultural and non-agricultural applications.

**Process Flow**

The process flow for materials through our Up Valley site and through the composting facility is shown on Drawing 1. The flow of materials through the MRF is illustrated on Drawing 2, which is also in a pocket at the end of this volume.

**Confirmation of Materials to be Processed**
The materials we will collect and recycle are all paper grades (newspaper, chipboard, cardboard and, mixed paper), aluminum foil, milk, soy and juice cartons, aseptic beverage boxes, scrap metal, all plastic containers, glass, oil and oil filters. In addition, our UVDS partner has had a program to recycle several difficult to handle materials. These materials include grape stakes, field plastic, corrugated plastic pipe, and

**Flexibility**

The design of our MRF is flexible, and enables us to process single-stream from residential and commercial customers and source separated materials (such as cardboard, glass, or office papers) that are collected from commercial customers. We have very successful commercial source separated recycling program that aids in our achieving a 53 percent diversion rate for the Up Valley communities.

Our compost facility is also flexible. Materials can be ground at either the Up Valley facility or at the Clover Flat Landfill. The ground materials can be marketed for a variety of purposes that qualify as diversion.

**On-site Storage Available**

Incoming recyclables can be stored within our MRF at the Up Valley facility. They are processed on the day they are received. Product is baled and stored on-site until a full load is accumulated and it is moved to market. If necessary, we can store baled materials outside and we have sufficient space to do so. Process residue from the MRF is stored temporarily in a bin and moved to the landfill daily for disposal.

Materials coming into the compost site are stored temporarily while awaiting grinding. The materials are ground the day they arrive and added to the compost mix, or taken for alternative diversion use, shortly after they are ground.
### 3.3 Processing Equipment and Rolling Stock

The processing equipment in the MRF is summarized in Table 7, Processing Equipment.

**Table 7 - Processing Equipment**

<table>
<thead>
<tr>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>60&quot; Wide x 20'-0&quot; Long Steel Belt Conveyor 9-3-25-25</td>
</tr>
<tr>
<td>60&quot; Wide x 58'-0&quot; Long Roller Chain Belt Conveyor 6-3-25</td>
</tr>
<tr>
<td>60&quot; Wide x 46'-0&quot; Long Flat Belt Sort Conveyor</td>
</tr>
<tr>
<td>36&quot; Wide x 26'-0&quot; Long Flat Belt Conveyor</td>
</tr>
<tr>
<td>18'-0&quot; Wide x 29'-2&quot; Long Pre-sort Platform W/Stairs &amp; (6) Drop Boxes</td>
</tr>
<tr>
<td>DRS70-13 Fines Screen (VSD W/Brake, Oiler)</td>
</tr>
<tr>
<td>Newsorier Screen 96-23T (Qty (3) VSD W/Brake, Oiler)</td>
</tr>
<tr>
<td>Supports, Maintenance Platforms &amp; Stairs For Screens</td>
</tr>
<tr>
<td>15'-0&quot; Wide x 20'-0&quot; Long Platform W/(6) Drop Boxes</td>
</tr>
<tr>
<td>36&quot; Wide x 36'-0&quot; Long Flat Belt Sort Conveyor</td>
</tr>
<tr>
<td>60&quot; Wide x 49'-6&quot; Long Roller Chain Belt Conveyor 6-3-25</td>
</tr>
<tr>
<td>DRS70-13 Fines Screen (VSD W/Brake, Oiler)</td>
</tr>
<tr>
<td>Polishing Screen DRS84-21T (Qty (2) VSD W/Brake, Oiler)</td>
</tr>
<tr>
<td>Supports, Maintenance Platforms &amp; Stairs For Screens</td>
</tr>
<tr>
<td>48&quot; Wide x 36'-0&quot; Long Flat Belt Sort Conveyor</td>
</tr>
<tr>
<td>15'-0&quot; Wide x 19'-0&quot; Long Flat Belt Conveyor</td>
</tr>
<tr>
<td>60&quot; Wide x 49'-6&quot; Long Roller Chain Belt Conveyor 6-3-25</td>
</tr>
<tr>
<td>36&quot; Wide x 36'-0&quot; Long Flat Belt Sort Conveyor</td>
</tr>
<tr>
<td>36&quot; Wide x 40'-0&quot; Long Flat Belt Conveyor</td>
</tr>
<tr>
<td>36&quot; Wide x 40'-0&quot; Long Flat Belt Conveyor</td>
</tr>
<tr>
<td>36&quot; Wide x 45'-0&quot; Long Roller Chain Belt Conveyor 6-3-25</td>
</tr>
<tr>
<td>30&quot; Wide x 73'-0&quot; Long Flat Belt Sort Conveyor W/Stainless Steel Section</td>
</tr>
<tr>
<td>7'-0&quot; Wide x 52'-0&quot; Long Pre-sort Platform W/Stairs, (7) Drop Boxes</td>
</tr>
<tr>
<td>Cross Belt Magnet</td>
</tr>
<tr>
<td>Support Structure and Chute for Cross Belt Magnet</td>
</tr>
<tr>
<td>60&quot; Wide x 166'-0&quot; Long Roller Chain Belt Conveyor (3/8&quot;Chain)</td>
</tr>
<tr>
<td>36&quot;Wide x 46'-6&quot; Long Roller Chain Belt Conveyor 6-3-25</td>
</tr>
</tbody>
</table>
The rolling stock is summarized in Table 8, Rolling Stock.

Table 8 – Rolling Stock

<table>
<thead>
<tr>
<th>ITEM</th>
<th>Use</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MRF</td>
</tr>
<tr>
<td>Backhoe - John Deere 310D 4WD</td>
<td></td>
</tr>
<tr>
<td>Baler</td>
<td>X</td>
</tr>
<tr>
<td>Composter - Scarab Composter</td>
<td></td>
</tr>
<tr>
<td>Farm Tractor - Kabota</td>
<td></td>
</tr>
<tr>
<td>Fork Lift - Clark</td>
<td>X</td>
</tr>
<tr>
<td>Fork Lift - Komatsu - 1st</td>
<td>X</td>
</tr>
<tr>
<td>Fork Lift - Komatsu - 2nd</td>
<td>X</td>
</tr>
<tr>
<td>Grinder - Universal Refiner Mobile Grinder (Scarlet)</td>
<td>X</td>
</tr>
<tr>
<td>Loader - Caterpillar 966B Tractor</td>
<td>X</td>
</tr>
<tr>
<td>Loader - Ford A-64 Loader 2YD Bucket</td>
<td>X</td>
</tr>
<tr>
<td>Loader - Caterpillar 966C Wheel Loader</td>
<td>X</td>
</tr>
<tr>
<td>Loader - IT28B Cat Loader (Open Cab) Joey</td>
<td>X</td>
</tr>
<tr>
<td>Loader - Caterpillar 977L Loader</td>
<td>X</td>
</tr>
<tr>
<td>Generator - Cat XQ225</td>
<td></td>
</tr>
<tr>
<td>Glass Breaker</td>
<td>X</td>
</tr>
<tr>
<td>Weber Claw</td>
<td>X</td>
</tr>
<tr>
<td>Portable Scale</td>
<td>X</td>
</tr>
<tr>
<td>Screener - Kolb Pioneer Portable</td>
<td></td>
</tr>
<tr>
<td>Spreader - New Leader Spreader 11 Yd.</td>
<td></td>
</tr>
<tr>
<td>Spreader - New Leader Spreader 22 Yd.</td>
<td></td>
</tr>
<tr>
<td>Spreader - White</td>
<td>X</td>
</tr>
<tr>
<td>Spreader - Green Spreader Low Profile</td>
<td>X</td>
</tr>
<tr>
<td>Water Truck - White</td>
<td>X</td>
</tr>
<tr>
<td>Water Truck - Kenworth Water Truck (Green/Yellow)</td>
<td></td>
</tr>
</tbody>
</table>

3.4 Processing Capacity

MRF

The facility currently accepts about 15 tons per day from other jurisdictions collected by UVDS. It is capable of processing 10 tons per hour. Based on our experience with collection in Zone 1, we estimate that about 12 tons per day of recyclables will be collected from accounts in the County. The facility designed to process 10 tons per hour. If so, the total amount of material processed will be 27 tons per day, much less than the 80 tons per day capacity.

Generally, the MRF facility operates eight hours per day, five days per week. In the event of
equipment breakdown or as a contingency, the MRF could operate on a second shift or on the weekends. If awarded this contract, NRWS will guarantee capacity to the County. As part of our contract, we are willing to ensure that capacity will be available to the County, thus in the event of unforeseen circumstances the County will always have access to a processing facility.

Green waste

Clover Flat and UVR have the capacity to process up to 60 tons per hour at each site. The annual permit at UVDS is 17,500 tons per year. The Clover Flat site is permitted to process 73,000 tons per year. Combined, both sites are currently receiving about 500 tons per month (6,000 tons per year) so there is ample capacity to process the County’s green material. [Chuck, the CIWMB has the UVDS permitted throughput at 17.5 and the capacity at 34. to avoid a question, I suggest we use 17.5. it also has cfl at 200 TPD, or 73k per year so we self-haul should use that too]

3.5 Materials Recovery

The discussion in this section detailed the methods of processing to be used at the MRF and at the compost site. These methods, with our public education program, have achieved a residual rate that varies from three to five percent at the MRF and no residual at the compost site. These residual rates are a result of the processing equipment we have, the employees and their training, and the education program. We would expect to continue all of those practices when serving Napa County.

3.6 Contingency Plans

The Company has excess processing capabilities at facilities owned and operated by its members. Should the Upper Valley facility be unable to process material for more than 48 hours, material will be directed to the other facilities as described below.

Green waste:

First, if the Upper Valley Facility is unavailable materials for composting will be redirected to the grinding operations at the Clover Flat Landfill.

In the unlikely event that either the Upper Valley Facility or Clover Flat Landfill is unable to accept the material, then it could be sent to one of our parent firms.

Both MSS and Garaventa Enterprises handle green waste. Both companies grind incoming material and send it to other producers of finished compost. As an additional contingency alternative, RPS hauls green waste to the Potrero Hills Landfill composting site at a $24.00 per ton tip fee.
MRF:

MSS and Garaventa Enterprises both operate large MRF facilities that have sufficient capacity of materials from Napa County. As an additional alternative, BLT in Sacramento accepts single-stream materials from third parties on a daily basis. Source separated material would be sent to the Recycle Zone in Fairfield, which operates a buy-back and bailing center. RPSS currently hauls material to the Recycle Zone.

All source-separated material can be directed to the following location:

- Concrete/asphalt – Syar in Napa or Vallejo.
- Dirt – Potrero Hills Landfill, Clover Flat Landfill
- Metal – Napa Steel Mill in American Canyon.

3.7 Status of Facility

The facilities are fully permitted to handle the material it currently receives and the material from Napa County. The facility is currently operating.

3.8 Processing Facility not Owned by Proposer

We own our processing facility and do not plan to contract with another to provide service or backup service to the County.

3.9 Marketing Plan

3.9.1 Marketing Policy

Our marketing policy is to know our markets very well, develop long-term relationships with strong market segments, and to continuously provide high quality materials to them through high quality processing and effective public education programs.

Our marketing goal is to sell all the materials recovered in the MRF and composted. Based on the Mr. Kelley’s experience while at Napa Valley Disposal Service and the experience of our member companies, we expect to consistently achieve that goal.

Our marketing objective is to identify cost-effective markets for new materials to enable us to expand the types of materials that we divert.

The County will know that the materials have been diverted by comparing our reports of materials recycled with the reports of materials handled by the MRF and compost facility.
3.9.2 Organization of Marketing

The marketing staff in each of our companies has regular contact with numerous end users and material brokers. Over the years, we have developed long-term relationships with a variety of markets. We have been loyal to our markets and have achieved a similar loyalty from them. For example, since first developing its MRF, Garaventa Enterprises, MSS and UVDS have never had to dispose of any loads of recyclable materials due to an inability to gain access to markets.

Recyclable materials are commodities, and like all other products, markets fluctuate from time to time. However, no matter how tight market conditions have gotten, we always have been able to sell our materials due to the consistently high quality and our long-term relationships with numerous brokers and processors.

3.9.3 Identification of Specific Markets

The markets that we expect to use are summarized in Table 9, Material Markets.

<table>
<thead>
<tr>
<th>Material Type</th>
<th>Buyer(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardboard</td>
<td>Recycle Zone</td>
</tr>
<tr>
<td>Newspaper</td>
<td>Northern Paper Stock</td>
</tr>
<tr>
<td>Office Paper</td>
<td>Northern Paper Stock</td>
</tr>
<tr>
<td>HDPE</td>
<td>Recycle Zone</td>
</tr>
<tr>
<td>PET</td>
<td>Recycle Zone</td>
</tr>
<tr>
<td>Film Plastic</td>
<td>TREX</td>
</tr>
<tr>
<td>Aluminum/glass</td>
<td>Recycle Zone</td>
</tr>
</tbody>
</table>

3.9.4 Quality Control

Material specifications

We have our materials prepared to meet the specifications provided by the material buyer. Meeting those specifications is important to obtain the highest price for our materials. Our knowledge of quality standards and the relationships we have developed with markets over the years has enabled us to provide a high quality product to the mills. We have never experienced a problem of unmarketable materials, even in times of depressed markets.

On-line Quality Control
Proposal to Napa County

Our staff has been trained to recognize the materials that will contaminate our product and to remove it on the picking line. The line supervisor is responsible for watching the materials that are picked and working with the picking line crew as questions about specific materials arise.

*Inventory and Shipping Control*

Our inventory and shipping control involve knowing the conditions of the markets and shipping when we have a full load.

**3.9.5 Market Contingency**

Given our location close proximity to the San Francisco Bay Area and two major port facilities, we have access to both domestic and international markets. Our contingency plan is to maintain agreements with brokers and end users to take all of the materials we can produce. We also are continuously seeking end users for other materials. As markets become available to us, we will expand our recycling programs to accept new materials.
4 Future Food Waste Composting

On or before January 1, 2012, NRWS will fully implement a food waste collection and recycling program for appropriate participants such as supermarkets, restaurants, resorts, assisted living facilities, skilled nursing facilities and convalescent homes, country clubs and golf courses, grocery stores, and other caterers. We will work with the County to select the customers. We anticipate that the County will actively seek organization, groups and associations to identify and solicit customers that may be interested in participating in the program.

No later than six months before the implementation date, we will provide the County with a detailed implementation plan and schedule for providing food waste collection and processing services to the commercial customers.

We would estimate that the food waste collections may be in the range of 5 to 50 tons in the first year.

Because food waste will be collected with residential/commercial green waste, we do not anticipate significant additional equipment will be needed.

We will have available the semi-automated collection system for food waste. It may also be co-collected with green waste using collection vehicles. This method of co-collection provides efficient and personalized food waste and green waste collection service to the customers.

We will record the cost and operations data including, but not limited to total tons collected, person-hours, number of stops, number of participating customers, number of routes, and other pertinent data, as required by the County.

NRWS will work with County staff in selecting the phasing in of service by specific routes.

At least 90 days before the start of the pilot project, there will be a brochure (in both English and Spanish) sent out to the commercial establishments. NRWS will follow up the brochure with direct customer contact, explaining the program and its benefits.

Experience:

All of the members of NRWS have extensive experience in stating new programs and one-on-one contact with commercial customers.

For several years when Greg Kelley managed Napa Valley Disposal Service, they collected unsold produce from local markets. Both Mr. Kelley and Upper Valley Disposal Service have had extensive composting experience with grape pomace and other commercial/organic products. The residential program differs from the commercial only in the collection of the material; the processing is the same. Successful residential collection will require more focused and frequent
public outreach. NRWS will start a pilot program one year prior, if the County so desires.

4.1 Processing Facility

We anticipate using the UVDS compost facility in Up Valley. Processing of food waste will be an extension of the current operations at the Up Valley facility. However, our facility currently processes grape pomace, a waste product of wine making, which has many of the characteristics of a food processing operation. As a result, we will be able to modify our operation to process food waste with minimal effort.

4.2 Processing Facility not Owned by Proposer

We own our processing facility and do not plan to contract with another to provide service to the County.

4.3 Marketing Processed Materials

The food waste compost will be mixed with our other products. The addition of the food waste will increase the nutrient value of the compost.

Based on our experience, we expect the total amount of the combined product will be sold each year.
5 Other Services

5.1 Support Facilities

The facilities that we expect to use for vehicle storage, container storage, container maintenance, vehicle maintenance and washing, and dispatch are at UVDS and the RPS facilities. The activities expected at each facility are summarized in Table 10, Activities at Yards, below.

<table>
<thead>
<tr>
<th>Activity</th>
<th>RPS</th>
<th>UVDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Storage</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Vehicle washing</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Vehicle maintenance</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Container washing</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Container maintenance</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Container storage</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Dispatch</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

The assessor's parcel numbers and location information for these facilities are:

RPS Yard

600 Tower Road
Napa, CA 94558
APN: 057-110-025

UVDS Yard

1285 Whitehall Lane
St. Helena, CA 94574
APN: 027-450-027-000

The site plan for the UVDS yard is shown on Drawing 1, Site Plan, which is located at the end of this volume. The site plan for RPS yard is shown as Figure 2, RPS Yard.

RPS’ yard is currently owned by Mr. Bacigalupi, one of the principles in RPS and NRWS. This site is 8.32 acres and is currently permitted for storage, maintenance, vehicle and container storage, washing and repair facility. RPS is currently working with the County of Napa building department to permit the construction of addition 3,500 to 4,000 square foot storage/baling facility building. Source separated material would be baled at this location in the near future.
Figure 2, RPS Site Plan
Customer Service

Each day the collection drivers, route supervisors, and CSR staff have copies of that day’s work schedule. The route schedules have the collection locations, service levels, special notes and (such as gate codes, extra pickups, and dog warning). Drivers follow the daily route schedule and if problems occur, they either contact the route supervisor or a CSR for further direction. When drivers are finished with their routes, they contact the office to see if there are any additional services to be provided. Drivers also contact their supervisor to see if other routes need assistance. As drivers clock in at the end of the day, they are required to turn in their daily route sheet. The CSR will review the sheet with the driver checking that the route was completed and that all problems (for example, containers not set out, excessive contamination in recycling, and spilled materials) or extra services are recorded in the customer’s computer record.

All incoming calls from customers will be recorded in a call log. All problem calls will be handled immediately by the CSR or the CSR supervisor. All problems will be relayed to the route supervisor. The route supervisor will make sure that the complaint is investigated and resolved as soon as possible. If a missed collection has occurred, the supervisor will review it with the driver the next morning before that day’s route begins and ensure that the problem is corrected.

If the customer calls about a missed collection by noon, the collection will be done that same day.

If the received noon, material picked next day noon.

Greg Kelley and Steve Manasse have been providing service and taking care of service problems in Zone 1 for over 17 years.
Customers are always right. Customer satisfaction is our goal.

Location of Office

Our office will be located at the UVDS facility.

Telephone:

We will maintain a toll-free telephone number for customer service. We will ensure that customer service representatives will be available to answer calls from 8 a.m. to 5 p.m., Monday to Friday. All services will be available in the customer service department in English and Spanish. An after-hours message system will be maintained to receive calls outside of business
hours. This will ensure that the County can reach one of our representatives on a 24-hour basis. County staff will also have direct phone numbers for Greg Kelley, Steve Manasse, and other managers for 24-hour emergency contact. UVDS currently has six incoming lines for customer service, with six CSR available to answer calls. NRWS has one dedicated CSR, but all representatives are available.

We have an internal policy to answer 85 percent of the calls by a live operator (we do not use recorded messages during normal working hours)

Customer Complaint Log:

We will maintain a written log of all oral and written service complaints registered with us from customers within the County. It will include the name and address of complainant, date and time of complaint, nature of complaint, and identity of supervisor. All follow up and resolution will also be recorded. This log will be available for the County’s representatives to inspect.

We will ensure that prompt and courteous attention will be provided to the customers regarding each complaint. All customer complaints will be responded to within 24 hours, except on Saturdays, Sundays, and holidays, when they will be answered by a message service. Emergency calls will be directed to management. Non-emergency calls will be responded to on the next business day. We will attempt to resolve all complaints within five working days, if possible.

Discussions at weekly staff meetings and direct customer contact by the manager and route supervisor will aid in reducing complaints and identifying operating practices that need adjustment.

5.2 Billing and Collection Services

We will provide lock box services at Vintage Bank in the City of Napa.

Vintage Bank currently provides this service to other businesses in Napa County.

NRWS will be responsible for billing and collections from the customers in Napa County. The commercial customers will be billed one month in advance. The residential customers will be billed one month in advance. The monthly schedule will match the current service and provides more frequent opportunity for public education through bill inserts.

All records will be kept at our UVDS office location. NRWS uses the same billing software as is currently being used in Zone 1. The bills have sufficient room to show customers information regarding service exceptions, minor changes and notices of rerouting. Monthly bills will also
include bill inserts.

Inserts will be used to notify customers of program, rate and other changes before they occur. If NRWS plans on changes that effect less than 25 percent of the customer base, these customers will receive direct mailings or deliveries of information about the changes before they occur. All materials will be provided to the County for approval before being sent out.

NRWS will be responsible for issuing bills, monthly statements, and monitoring accounts receivable records. Customers will be directed to mail all payments to the lock box address. If a customer needs to make payment in-person, all three Vintage Bank locations in Napa will receive the payment and forward to the lock box account. All electronic and credit card payments will also be credited to the lock box account. The revenues will be collected and dispersed as per the franchise agreement.

We will send collection notices, letters and past due notices will be sent to the customers. After the second notice, the customer will be sent to an outside collection service. Collection of past due accounts and enforcement will be handled through stop service on delinquent accounts.

5.3 Public Education and Diversion Plan

5.3.1 Public Education Plan

Our company recognizes and supports public education and understands its importance to a successful recycling program. To best support and receive a high level of education in this area we will fund a Public Outreach position to promote the recycling message directly to the County residents. The person in the Public Outreach position will coordinate all monthly bill inserts and additional public education materials. All public education will be approved by County staff.

Public education starts with our drivers and ends with our General Manger. We have always encouraged our employees to have direct contact with their customers. Our drivers have pride in what they do and how they do it. All drivers are also equipped with recycling brochures and customer reminders. Drivers can also notify Customer Service to call customers and send additional informative packets.

All new customers will receive a “New Customer Information” packet that will describe all of the current programs and service that are available. After the first month of service, a customer service representative will call each new customer to make sure the service is meeting their needs.

We will also promote public awareness by offering tours of our facilities. We will contact the schools and offer educational programs to help promote public awareness in that venue.

The school tours have been a very successful component of the education program at all of the NRWS partner sites. When he was at Napa Valley Disposal Service Mr. Kelley made them an important activity., Thousands of school children, teachers, and parents have toured our facilities.
over the past five years.

All brochures and inserts will be printed in both English and Spanish to better serve the residents and businesses of the County.

We work with local printers in Napa and are currently using Napa Printing & Graphics.

The following materials will be prepared. Additional materials will be identified and produced as needed.

- Program implementation information.
- Change in service.
- Promotion and processing of recycling program tailored to each customer type.
- Phone book recycling guide.
- Recycling and composting.
- Incorrect setout notices.
- Bulky item collection services.
- Holiday greenery collection services.
- Annual promotion to encourage source reduction.
- Recycling.
- Backyard composting.
- Green waste programs.
- Business and community outreach.
- Community/resident starter kits.

We will use the following method of distribution:

- Billing inserts.
- Direct mailing.
- Bi-annual newsletter.
- A New Customer Information kit provided at inception of new service.
- Direct telephone contact with residential and commercial customer.
- Site visits with commercial and multi-family.
• School presentations.
• Fair and business expo booth.

5.3.2 Diversion Plan

NRWS prides itself on working with the jurisdictions it serves to achieve diversion rates in full compliance with AB 939. We see that success continuing with us providing service to Napa County. Our plan for continuing to exceeding the 50 percent diversion rate is as follows:

1. Interesting and effective public education materials. We will provide materials that leave the customer wanting to know more and looking forward to the next communication from us. The education program will include a web site linked to the County’s site and updated frequently to reflect program changes and seasonal topics.

2. Closely monitoring the program through monthly diversion and disposal data report to the County that will enable them, and us, to identify trends in diversion and disposal (by comparison to the same month last year). This approach will enable response to negative changes with more education or other action as needed.

3. Implementation of new programs, such as mixed C&D waste and food waste, that address areas of the waste stream that may not be fully covered under the County’s current programs.

4. Active monitoring of new developments that has been the reputation of each of the four companies making up NRWS. New programs, such as the single-stream program at UVDS, are examples of how we have reacted quickly to a new, proven way of diverting materials. Our approach will enable the County to stay current with new developments. We have taken advantage of new programs, after another municipality has proven that they work, reducing the risk to our customers, but enabling a rapid increase in cost-effective diversion.

5. From our experience with starting a single-stream recycling program, we expect an increase of 25 to 30 percent diversion from residential customers.


7. Expanding our role in vineyard waste recycling including grape stakes, irrigation hose, fumigation film plastic and vine removal.

5.4 AB 939 Reporting

Each day, the materials collected in all routes will be weighed using state certified scales. The UVDS MRF, the Clover Flat Landfill, RPS, and another potential location to be used will have
certified scales. Weights will be recorded for each truck by route and type of material. Process material from the MRF will be weighed as it leaves the facility on the way to the end market. These weights will be confirmed by the receiving facility. All processing residue will be weighted on a daily basis, a practice that is now used at the UVDS MRF.

Mr. Kelley has always personally handled all the reporting to the state or local government. He plans to continue this practice. All reports are supported by the actual weight tags received from each facility. All records will be made available as requested by the County or other governmental agency.

5.5 Subcontractors

We do not plan to use any subcontractors.

5.6 Transition Plan

Our transition plan is based on four key factors:

- Mr. Greg Kelley, the designated Service Coordinator, is very familiar with the entire operation that will be transitioned to our company. He ran the existing company as its General Manager for six years and filled many roles in the company before becoming General Manager. He understands all aspects of the operation and his leadership will enable NRWS to identify the areas of the transition that may be more difficult and require additional planning.

- The NRWS team has the financial strength and the contacts with key suppliers to expedite the equipment schedule to meet the County’s needs.

- All of the NRWS firms have participated in transitioning their services from one form to another. For example, UVDS has transitioned its residential accounts from source-separated curbside recycling collection to single-stream. Mr. Kelley planned and implemented the transition from manual to automated waste collection in Zone 1 in 1997.

- Marin Sanitary Service recently went through a transition of service providers in the Town of San Anselmo and received congratulatory letters from town leaders on a job well done.

Our transition plan is detailed in the schedule in Figure 2, Transition Schedule. The schedule provides a significant amount of detail about the tasks that need to be accomplished, the County review activities, and the major milestones. We recognize this transition requires close coordination with the County and active evaluation of the progress is needed to identify the tasks that need additional attention early enough so they do not cause problems meeting the final deadline.
Proposal to Napa County

Figure 2, transition plan
As such, the first task in the schedule is development of an even more detailed schedule that reflects the dependence of certain tasks on others and expands the time horizon to a weekly period. The expanded schedule will also reflect the actual shipment times for the collection equipment, which will be ordered when the contract is signed. Vendors for this equipment have committed to meet the time frame with the current overall project schedule.

Another factor that will ease the burden of transition is our knowledge of the capabilities of the current company’s employees. While the names and functions of those employees is available in public documents, understanding their strengths will enable NRWS to begin the transition without getting to know these people (assuming they are available to us after the contract is signed). All the current key Napa Valley Disposal Service employees were either hired by Mr. Kelley or appointed to their current positions by him.

Reporting to the County Staff and Board Members are other important aspects of both schedules. The meetings with the County staff early in the project will enable both parties to identify new information that will impact the schedule and determine the most effective way to address the new facts. The written reports to the County to be provided prior to starting the new service will act as a foundation for the County staff to provide more in-depth briefings to the Board of Supervisors at that critical time in the transition. Since Mr. Kelley has a long history of working with the County staff, his capabilities are well known and will be key to meeting the County’s schedule. NRWS members have been providing service to County residences and businesses since 1916. We truly know these customers better than any other company, including the present service provider.

We have included comments about some of the transition activities.

**Equipment Acquisition (January 1 – 15):**

Vehicles and containers have already been approved and have manufacturers guarantee of delivery by September 2005. Orders will be placed immediately after award of the contract. As equipment is received in August and September, employee will be properly trained on each unit.

**Secure Financial:**

NRWS owners will provide all necessary capital funding to acquire the capital to provide the services under the new contract.

**Customer Service and Billing (January to February):**

NRWS will work with County staff to transfer current customer information from the current provider. NRWS uses the same customer service software and support company, Soft Pak, so the transfer should easily be accomplished.

**Public Education and Outreach (February 1 – September 30):**
Residential, commercial, and roll-off customers will first receive an educational mailer designed for each specific customer to introduce the new company and the new services. The mailer will include the following information: automated single-stream recycling, automated green waste, used oil recycling, and refuse services.

County residential customers will have a prepaid mailer to send back. Customer will indicate on the mailer their initial level of refuse service, 35-, 65-, or 95-gallon and if they intend to bring material curbside or pay for footage to have material collected at their house.

Introduction letters and brochures will be mailed to customers by June 1, 2005. With the return information, NRWS will plan its container distribution schedule.

All commercial customers will be contacted directly, in person. Commercial customers will be provided an information packet describing our company and its many service options. Every commercial account will be treated as a unique account.

Mr. Kelley and Mr. Manasse have had many years of personal contact with the commercial customers in Zone 1. We recognize that each account has its own unique conditions from collection schedule and service options to special site rules. Commercial customers will be contacted between June and September 1. Such direct contact never ends, we take the responsibility to understand each business’s needs and, as they change, we change with them.

Employee Recruitment (June 1 – September 1):

NRWS already knows all the current employees, many of these employees have expressed a great interest in working for Mr. Kelley and Mr. Manasse again. Employees will be selected as needed and trained during the weekends in September 2005, so they are fully ready to step into their new jobs.

Container Delivery (September 1 – 31):

NRWS will deliver new containers to customers starting around Monday, September 15, 2005. Containers could be delivered early if requested by the County. If the existing service provider is not providing adequate containers, NRWS will work with the current provider to ensure that a smooth transition of containers occurs. It will be in the best interest of both companies.

Routing (February 1 – April 1 and, again (September 1 – September 30)

NRWS plans on following the same route schedule for residential customers to help reduce customer confusion. Commercial routes for MSW, sources separated materials, and green waste will be routed to increase collection effectiveness along with customer demands.

Meeting with County Staff:
Starting January 1, 2005, NRWS staff will meet with County staff to keep them informed and provide updates on the transition as needed. County staff will approve all mailers and other educational material prior to printing.

5.7 Reporting to County

Annual reports, as set out in the RFP, will be submitted no later than February 1, for the previous calendar year, beginning February 1, 2006, with the exception of the audited financial statement/report that maybe submitted as late as March 1.

Monthly reports which contain required information as set out in the RFP will be provided to the County 15 days after the end of each month.

Other reports that may be required by the County include information and data on: solid waste, recycling, green waste, equipment inventory, problems and actions taken, praises, complaints, and missed pickups and resolutions.

5.8 Vehicle Compliance with CARB Regulations

NRWS has proposed to purchase all new vehicles as the County has requested. The engines for all of these new vehicles meet current regulations. NRWS will provide necessary information to the County staff for the annual CARB report.

NRWS also controls vehicle emissions through education of vehicle and equipment operators to shut down engines if the vehicle or equipment is idle. That practice includes pre-trip and post-trip inspections and extended idles longer than three minutes.
6 Financial

6.1 Financial Background

The RFP asks that we show we have been in business for at least three years and list the anticipated revenues from our current operations through 2010.

Three of the four companies in NRWS have been operating for well over three years. Garaventa Enterprises first started in the waste collection business in Concord in 1934. MSS started in Marin in the early 1950s. UVDS started collecting waste materials under a prior company in the early 1950s.

The anticipated revenues from the NRWS companies through the year 2010 are $598,000,000.

6.2 Financial Stability

The financial statements required by this section are in a sealed envelop marked confidential with this volume.

6.3 Financing Method

NRWS projects that the total capital requirement for the fulfillment of the contract is about $3,200,000. NRWS is comprised of four highly qualified recycling and solid waste companies with extensive operations throughout the Bay Area. Several members of NRWS have previously used the California Pollution Control Finance Authority (CPCFA) tax-exempt bonds to provide financing.

The members of NRWS will provide internal financing for the capital requirements of the Napa County contract. As an alternative, NRWS may use CPCFA tax exempt financing, although, at this time, we intend to provide internal financing for this contract.
7 Contractual Component

NRWS has no exceptions to the contract.
8 Proposed Rates

8.1 Proposal Validity Form

Provide the following acknowledgement of the validity of your proposal for a period of 365 days.

I, Greg Kelley, having authority to act on behalf of Napa Recycling & Waste Services, LLC. Do hereby acknowledge that Napa Recycling & Waste Services, LLC. will be bound by all terms, costs, and conditions of this proposal for a period of 365 days from the date of submission.

Signed _________________________________

Title General Manager

Date October 18, 2004
### 8.2 Summary of Proposed Scope of Services

The form that was included in cost forms that described the proposed scope of services is in this section in three tables.

**Table – 11a, Proposed Scope of Services**

<table>
<thead>
<tr>
<th>Information Required</th>
<th>Basic Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GENERAL INFORMATION</strong></td>
<td>Napa Recycling &amp; Waste Services</td>
</tr>
<tr>
<td>Company name</td>
<td>Napa Recycling &amp; Waste Services</td>
</tr>
<tr>
<td>Team partners</td>
<td>Recovery Products &amp; Services, Upper Valley Disposal Service, Marin Sanitary Service, Garaventa Enterprises</td>
</tr>
<tr>
<td>Office location</td>
<td>3216 Vichy Avenue, Napa, CA 94558</td>
</tr>
<tr>
<td>Corporation yard</td>
<td>600 Tower Road, Napa, CA 94558 and 1285 Whitehall Lane, St. Helena, CA 96574</td>
</tr>
<tr>
<td>Company customer</td>
<td>1285 Whitehall Lane, St. Helena, St. Helena, CA 94574</td>
</tr>
<tr>
<td><strong>RESIDENTIAL SOLID WASTE COLLECTION</strong></td>
<td></td>
</tr>
<tr>
<td>Number of trucks</td>
<td>5.5</td>
</tr>
<tr>
<td>Type of service</td>
<td>Automated, semi-automated, and manual</td>
</tr>
<tr>
<td>Number of routes per day</td>
<td>5</td>
</tr>
<tr>
<td>Number of pickups per day</td>
<td>600 for large vehicles; 200 for small vehicles</td>
</tr>
<tr>
<td>Estimated number of hours per route per day</td>
<td>8.15</td>
</tr>
<tr>
<td><strong>COMMERCIAL SOLID WASTE COLLECTION</strong></td>
<td></td>
</tr>
<tr>
<td>Number of trucks</td>
<td>1.5</td>
</tr>
<tr>
<td>Number of routes per day</td>
<td>1</td>
</tr>
<tr>
<td>Number of pickups per day</td>
<td>75</td>
</tr>
<tr>
<td>Estimated number of hours per route per day</td>
<td>8.3</td>
</tr>
</tbody>
</table>
Table - 11b, Proposed Scope of Services

<table>
<thead>
<tr>
<th>Information Required</th>
<th>Basic Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RECYCLABLES COLLECTION</strong></td>
<td></td>
</tr>
<tr>
<td>Number and type of recycling bins or containers</td>
<td>900 65-gallon, 3,600 95-gallon</td>
</tr>
<tr>
<td>Setout method (single stream)</td>
<td>Single-stream</td>
</tr>
<tr>
<td>Other recyclable materials to be collected in addition to those required in performance standards</td>
<td>Clean, low density polyethylene film plastic bags.</td>
</tr>
<tr>
<td>Number of trucks (including backup equipment)</td>
<td>5.5 (shared with MSW and green waste)</td>
</tr>
<tr>
<td>Number of routes per day</td>
<td>5</td>
</tr>
<tr>
<td>Number of pickups per day</td>
<td>600 for large vehicles; 200 for small vehicles</td>
</tr>
<tr>
<td>Estimated number of hours per route per day</td>
<td>8.15</td>
</tr>
<tr>
<td><strong>GREEN WASTE COLLECTION</strong></td>
<td></td>
</tr>
<tr>
<td>Number of trucks (including backup equipment)</td>
<td>5.5 (shared with MSW and green waste)</td>
</tr>
<tr>
<td>Number of routes per day</td>
<td>5</td>
</tr>
<tr>
<td>Number of pickups per day</td>
<td>600 for large vehicles; 200 for small vehicles</td>
</tr>
<tr>
<td>Estimated number of hours per route per day</td>
<td>8.15</td>
</tr>
<tr>
<td><strong>RECYCLABLES PROCESSING AND MARKETING</strong></td>
<td></td>
</tr>
<tr>
<td>Processing facility location</td>
<td>UVDS St. Helena</td>
</tr>
<tr>
<td>Processing facility owner</td>
<td>UVDS</td>
</tr>
<tr>
<td>Description of facility</td>
<td>Single-stream MRF</td>
</tr>
<tr>
<td>Term of agreement with operator</td>
<td>N/A, owner is part of NRWS</td>
</tr>
<tr>
<td>Will recyclables be consolidated for shipment to the processing facility?</td>
<td>No</td>
</tr>
<tr>
<td>If so, where?</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Table – 11c, Proposed Scope of Services

<table>
<thead>
<tr>
<th>Information Required</th>
<th>Basic Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FOOD WASTE COMPOSTING</strong></td>
<td></td>
</tr>
<tr>
<td>Processing facility location</td>
<td>UVDS St. Helena</td>
</tr>
<tr>
<td>Processing facility owner</td>
<td>UVDS</td>
</tr>
<tr>
<td>Description of facility</td>
<td>Permitted composting operation</td>
</tr>
<tr>
<td>Term of agreement with operator</td>
<td>N/A, owner is part of NRWS</td>
</tr>
<tr>
<td>How will materials be transported to</td>
<td></td>
</tr>
<tr>
<td>facility?</td>
<td>Truck</td>
</tr>
<tr>
<td><strong>ROLL-OFF SERVICES</strong></td>
<td></td>
</tr>
<tr>
<td>Number of vehicles</td>
<td>2</td>
</tr>
<tr>
<td>Type of truck</td>
<td>Truck capable of handling 10 to 40 yard bins</td>
</tr>
</tbody>
</table>

8.3 Cost Forms

The cost forms are at the end of this section.

8.4 Optional Discounted Rate Schedule

Due the fact that no agreement exists with the City of Napa for the County to use their site and no cost sharing agreement between those agencies exists, we are unable to provide you with a discounted rate schedule.

However, if the two operations did share the same facility, we think there could be cost savings in the administration and customer services area. However, some costs might increase depending on the terms of cost sharing agreement between the agencies. Since the County of Napa operations are approximately 15 percent of the size of the City's operations, the City might realize more cost savings than the County.

If our company won both contracts it would be very important to have a fair and equitable cost sharing agreement in place.
8.5 Alternative Processing Site

Our proposed alternative site will be the City of Napa facility on Tower Road. Our net recycling fee component is as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average recycling revenue per ton</td>
<td>$115</td>
</tr>
<tr>
<td>Average recycling processing fee per ton</td>
<td>$65</td>
</tr>
<tr>
<td>NET RECYCLING FEE COMPONENT (Per Ton)</td>
<td>$50</td>
</tr>
</tbody>
</table>
9 Attachment — Supplemental Materials

9.1 Napa Recycling & Waste Services, LLC. Articles of Incorporation

9.2 Letters of Recommendation

9.3 Sample Bills

9.4 Vendor Letters
Incorporated herein by reference in full as Exhibit N is Contractor’s Cost Forms identified as Proposed rates in “Proposal to Napa County for Solid Waste, Recyclables, and Green Waste Collection – Napa Recycling & Waste Services” dated October 2004 a full and complete copy of which is on file with the Clerk of the Board of Supervisors.
Residential Cart Collection (1)
Proposed Rates in Dollars per Container per Month
(Service Rates are valid for first 24 months of contract term)

<table>
<thead>
<tr>
<th>Contractor Compensation Fee Component (2)</th>
<th>Solid Waste Tip Fee Component</th>
<th>Green Waste Tip Fee Component (3,4)</th>
<th>Net Recycling Processing Fee Component(5)</th>
<th>Total Rate (6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solid Waste Cart</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>35 gallon</td>
<td>$ 9.97</td>
<td>$ 3.60</td>
<td>$ 1.00</td>
<td>$ (0.99)</td>
</tr>
<tr>
<td>65 gallon</td>
<td>$ 14.96</td>
<td>$ 5.40</td>
<td>$ 1.50</td>
<td>$ (1.49)</td>
</tr>
<tr>
<td>96 gallon</td>
<td>$ 22.44</td>
<td>$ 8.10</td>
<td>$ 2.25</td>
<td>$ (2.24)</td>
</tr>
</tbody>
</table>

(1) Residential is defined as single family homes, duplexes, and tri-plexes.
(2) Component of contractor's fee subject to CPI adjustment shall be 75%.
(3) Rate includes three additional 96 gallon carts for green waste collection.
(4) Additional green waste exceeding (4) 96 gallon carts at 50% of solid waste rate.
(5) Rate includes one additional 65 gallon or 96 gallon cart for recyclables collection.
(6) Rates include 7% franchise fee.
(7) Contractor shall provide assumptions for average weights per container as follows:
   35 Gallon Cart -- Solid waste based on _40 lbs, green waste based on _75 lbs, recycling based on _40 lbs.
   65 Gallon Cart -- Solid waste based on _80 lbs, green waste based on _150 lbs, recycling based on _80 lbs.
   96 Gallon Cart -- Solid waste based on _120 lbs, green waste based on _200 lbs, recycling based on _120 lbs.
(8) Service includes collection, processing and marketing of recyclables and green waste.
(9) The rates shall be provided on a tiered basis wherein a 96 gallon is 50% more than a 65 gallon, and a 65 gallon container is 50% more than a 35 gallon.
(10) A pass through surcharge will be added to the rates prior to finalization of the contract. The amount and duration of the surcharge will be at the sole discretion of the County.
<table>
<thead>
<tr>
<th>Service Description</th>
<th>Monthly Bin Rental Component</th>
<th>Contractor Compensation Component (4)</th>
<th>Solid Waste Tip Fee Component</th>
<th>Total Monthly Rate (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>35 gallon container</td>
<td>n/a</td>
<td>$14.00</td>
<td>$4.65</td>
<td>$20.05</td>
</tr>
<tr>
<td>65 gallon container</td>
<td>n/a</td>
<td>$18.00</td>
<td>$9.30</td>
<td>$27.30</td>
</tr>
<tr>
<td>96 gallon container, 1 pickup per week</td>
<td>n/a</td>
<td>$30.00</td>
<td>$13.95</td>
<td>$43.95</td>
</tr>
<tr>
<td>96 gallon container, 2 pickup per week</td>
<td>n/a</td>
<td>$50.00</td>
<td>$27.90</td>
<td>$77.90</td>
</tr>
<tr>
<td>96 gallon container, 3 pickup per week</td>
<td>n/a</td>
<td>$60.00</td>
<td>$41.85</td>
<td>$101.85</td>
</tr>
<tr>
<td>96 gallon container, 4 pickup per week</td>
<td>n/a</td>
<td>$60.00</td>
<td>$55.08</td>
<td>$115.08</td>
</tr>
<tr>
<td>96 gallon container, 5 pickup per week</td>
<td>n/a</td>
<td>$70.00</td>
<td>$69.75</td>
<td>$139.75</td>
</tr>
<tr>
<td>96 gallon container, 6 pickup per week</td>
<td>n/a</td>
<td>$100.00</td>
<td>$83.70</td>
<td>$183.70</td>
</tr>
<tr>
<td>1 cubic yards, 1 pickup per week</td>
<td>$30.00</td>
<td>$80.00</td>
<td>$50.00</td>
<td>$160.00</td>
</tr>
<tr>
<td>1.5 cubic yards, 1 pickup per week</td>
<td>$30.00</td>
<td>$100.00</td>
<td>$75.00</td>
<td>$205.00</td>
</tr>
<tr>
<td>2 cubic yards, 1 pickup per week</td>
<td>$35.00</td>
<td>$150.00</td>
<td>$90.00</td>
<td>$275.00</td>
</tr>
<tr>
<td>3 cubic yards, 1 pickup per week</td>
<td>$35.00</td>
<td>$210.00</td>
<td>$140.00</td>
<td>$351.00</td>
</tr>
<tr>
<td>4 cubic yards, 1 pickup per week</td>
<td>$40.00</td>
<td>$210.00</td>
<td>$190.00</td>
<td>$440.00</td>
</tr>
<tr>
<td>6 cubic yards, 1 pickup per week</td>
<td>$45.00</td>
<td>$320.00</td>
<td>$280.00</td>
<td>$680.00</td>
</tr>
<tr>
<td>1 cubic yards, 2 pickup per week</td>
<td>$30.00</td>
<td>$160.00</td>
<td>$100.00</td>
<td>$330.00</td>
</tr>
<tr>
<td>1.5 cubic yards, 2 pickup per week</td>
<td>$30.00</td>
<td>$200.00</td>
<td>$150.00</td>
<td>$480.00</td>
</tr>
<tr>
<td>2 cubic yards, 2 pickup per week</td>
<td>$35.00</td>
<td>$300.00</td>
<td>$180.00</td>
<td>$510.00</td>
</tr>
<tr>
<td>3 cubic yards, 2 pickup per week</td>
<td>$35.00</td>
<td>$420.00</td>
<td>$280.00</td>
<td>$690.00</td>
</tr>
<tr>
<td>4 cubic yards, 2 pickup per week</td>
<td>$40.00</td>
<td>$420.00</td>
<td>$380.00</td>
<td>$800.00</td>
</tr>
<tr>
<td>6 cubic yards, 2 pickup per week</td>
<td>$45.00</td>
<td>$640.00</td>
<td>$560.00</td>
<td>$1,200.00</td>
</tr>
<tr>
<td>1 cubic yards, 3 pickup per week</td>
<td>$30.00</td>
<td>$240.00</td>
<td>$150.00</td>
<td>$510.00</td>
</tr>
<tr>
<td>1.5 cubic yards, 3 pickup per week</td>
<td>$30.00</td>
<td>$300.00</td>
<td>$225.00</td>
<td>$555.00</td>
</tr>
<tr>
<td>2 cubic yards, 3 pickup per week</td>
<td>$35.00</td>
<td>$450.00</td>
<td>$270.00</td>
<td>$970.00</td>
</tr>
<tr>
<td>3 cubic yards, 3 pickup per week</td>
<td>$35.00</td>
<td>$630.00</td>
<td>$420.00</td>
<td>$1,380.00</td>
</tr>
<tr>
<td>4 cubic yards, 3 pickup per week</td>
<td>$40.00</td>
<td>$630.00</td>
<td>$570.00</td>
<td>$2,000.00</td>
</tr>
<tr>
<td>Service Description</td>
<td>Monthly Bin Rental Component</td>
<td>Contractor Compensation Component (4)</td>
<td>Solid Waste Tip Fee Component</td>
<td>Total Monthly Rate (1)</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>------------------------------</td>
<td>--------------------------------------</td>
<td>------------------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>6 cubic yards, 3 pickup per week</td>
<td>$45.00</td>
<td>$960.00</td>
<td>$840.00</td>
<td>$1,983.87</td>
</tr>
<tr>
<td>1 cubic yards, 4 pickup per week</td>
<td>$30.00</td>
<td>$600.00</td>
<td>$360.00</td>
<td>$1,069.89</td>
</tr>
<tr>
<td>1.5 cubic yards, 4 pickup per week</td>
<td>$30.00</td>
<td>$750.00</td>
<td>$450.00</td>
<td>$1,543.01</td>
</tr>
<tr>
<td>2 cubic yards, 4 pickup per week</td>
<td>$35.00</td>
<td>$1,050.00</td>
<td>$700.00</td>
<td>$2,193.55</td>
</tr>
<tr>
<td>3 cubic yards, 4 pickup per week</td>
<td>$35.00</td>
<td>$1,260.00</td>
<td>$950.00</td>
<td>$3,053.76</td>
</tr>
<tr>
<td>4 cubic yards, 4 pickup per week</td>
<td>$40.00</td>
<td>$1,660.00</td>
<td>$1,140.00</td>
<td>$3,919.35</td>
</tr>
<tr>
<td>6 cubic yards, 4 pickup per week</td>
<td>$45.00</td>
<td>$1,920.00</td>
<td>$1,680.00</td>
<td>$5,269.03</td>
</tr>
<tr>
<td>1 cubic yards, 5 pickup per week</td>
<td>$30.00</td>
<td>$1,280.00</td>
<td>$760.00</td>
<td>$2,629.03</td>
</tr>
<tr>
<td>1.5 cubic yards, 5 pickup per week</td>
<td>$30.00</td>
<td>$500.00</td>
<td>$250.00</td>
<td>$731.18</td>
</tr>
<tr>
<td>2 cubic yards, 5 pickup per week</td>
<td>$35.00</td>
<td>$750.00</td>
<td>$450.00</td>
<td>$1,327.96</td>
</tr>
<tr>
<td>3 cubic yards, 5 pickup per week</td>
<td>$35.00</td>
<td>$1,050.00</td>
<td>$700.00</td>
<td>$1,919.35</td>
</tr>
<tr>
<td>4 cubic yards, 5 pickup per week</td>
<td>$40.00</td>
<td>$1,660.00</td>
<td>$1,140.00</td>
<td>$3,919.35</td>
</tr>
<tr>
<td>6 cubic yards, 5 pickup per week</td>
<td>$45.00</td>
<td>$2,000.00</td>
<td>$1,280.00</td>
<td>$4,680.00</td>
</tr>
<tr>
<td>1 cubic yards, 6 pickup per week</td>
<td>$30.00</td>
<td>$1,280.00</td>
<td>$760.00</td>
<td>$2,629.03</td>
</tr>
<tr>
<td>1.5 cubic yards, 6 pickup per week</td>
<td>$30.00</td>
<td>$600.00</td>
<td>$300.00</td>
<td>$892.47</td>
</tr>
<tr>
<td>2 cubic yards, 6 pickup per week</td>
<td>$35.00</td>
<td>$900.00</td>
<td>$540.00</td>
<td>$1,586.02</td>
</tr>
<tr>
<td>3 cubic yards, 6 pickup per week</td>
<td>$35.00</td>
<td>$1,260.00</td>
<td>$840.00</td>
<td>$2,955.70</td>
</tr>
<tr>
<td>4 cubic yards, 6 pickup per week</td>
<td>$40.00</td>
<td>$1,660.00</td>
<td>$1,140.00</td>
<td>$3,919.35</td>
</tr>
<tr>
<td>6 cubic yards, 6 pickup per week</td>
<td>$45.00</td>
<td>$1,920.00</td>
<td>$1,680.00</td>
<td>$5,269.03</td>
</tr>
</tbody>
</table>

(1) Rates include 7% franchise fee.
(2) Rate includes up to 6 cubic yards of commingled recyclables and green waste. No limit of source separated recyclables, loose or compacted. Allowable charge of up to 50% of solid waste rate above 6 cubic yards of commingled recyclables and green waste. Contractor reserves the right to charge for excessive contamination of recyclables or green waste.
(3) Contractor is allowed to charge a monthly bin rental fee as described above. In the event the customer owns bin, the monthly rental fee does not apply.
(4) Component of contractor's compensation fee subject to CPI adjustment shall be 75%.
(5) A pass through surcharge will be added to the rates prior to finalization of the contract. The amount and duration of the surcharge will be at the sole discretion of the County.
Company Name- Napa Recycling & Waste Services

**Commercial Solid Waste Compactor Service**

**Proposed Rates in Dollars per Daily Pickup**

(Service Rates are valid for first 24 months of contract term)

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Per Day Compactor Rental</th>
<th>Contractor Compensation Fee Component (4)</th>
<th>Solid Waste Tip Fee Component</th>
<th>Total Daily Rate (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Cubic Yard:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 YD</td>
<td>$</td>
<td>15.00 $</td>
<td>200.00 $</td>
<td>180.00 $</td>
</tr>
<tr>
<td>15 YD</td>
<td>$</td>
<td>15.00 $</td>
<td>200.00 $</td>
<td>280.00 $</td>
</tr>
<tr>
<td>20 YD</td>
<td>$</td>
<td>15.00 $</td>
<td>240.00 $</td>
<td>400.00 $</td>
</tr>
<tr>
<td>25 YD</td>
<td>$</td>
<td>15.00 $</td>
<td>240.00 $</td>
<td>480.00 $</td>
</tr>
<tr>
<td>__ YD</td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

(1) Monthly rate = daily rate x 365/12
(2) Rates include 7% franchise fee.
(3) A pass through surcharge will be added to the rates prior to finalization of the contract.
The amount and duration of the surcharge will be at the sole discretion of the County.
(4) Component of contractor's compensation fee subject to CPI adjustment shall be 75%.

**Proposed Fee for more than 25 cubic yards:**
For 26 or more cubic yards, rate will be 25 cubic yard rate plus a solid waste tip fee of $30 per cubic yard for cubic yards in excess of 25 cubic yards.
## Commercial Solid Waste Drop Box Service

**Proposed Rates in Dollars per Daily Pickup**

(Service Rates are valid for first 24 months of contract term)

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Per Day Drop Box Rental</th>
<th>Contractor Compensation Fee Component (4)</th>
<th>Solid Waste Tip Fee Component</th>
<th>Total Daily Rate (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Cubic Yard:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 YD</td>
<td>$</td>
<td>5.00 $</td>
<td>120.00 $</td>
<td>90.00 $</td>
</tr>
<tr>
<td>20 YD</td>
<td>$</td>
<td>5.00 $</td>
<td>130.00 $</td>
<td>162.00 $</td>
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<tr>
<td>25 YD</td>
<td>$</td>
<td>5.00 $</td>
<td>140.00 $</td>
<td>200.00 $</td>
</tr>
<tr>
<td>30 YD</td>
<td>$</td>
<td>5.00 $</td>
<td>140.00 $</td>
<td>243.00 $</td>
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<tr>
<td>40 YD</td>
<td>$</td>
<td>5.00 $</td>
<td>160.00 $</td>
<td>324.00 $</td>
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<tr>
<td>__ YD</td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

(1) Monthly rate = daily rate x 365/12

(2) Rates include 7% franchise fee.

(3) A pass through surcharge will be added to the rates prior to finalization of the contract. The amount and duration of the surcharge will be at the sole discretion of the County.

(4) Component of contractor's compensation fee subject to CPI adjustment shall be 75%.
Commercial Single Stream Recycling Collection
Proposed rates above six cubic yards

Please provide proposed rate for collecting and processing single stream recycling not to exceed 50% of the solid waste rate.

Proposed percentage of solid waste 0 to 40%

Depending on size of container and distance to MRF, rate will cover hauling and container rental costs.
## Special Services

**Proposed Rates in Dollars per Container per Pickup**

(Service Rates are valid for first 24 months of contract term)

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Contractor Compensation Fee Component (2)</th>
<th>Solid Waste Tip Fee Component</th>
<th>Total Rate (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Extra Pickup:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>35 gallon cart</td>
<td>$8.50</td>
<td>$1.50</td>
<td>$10.75</td>
</tr>
<tr>
<td>65 gallon cart</td>
<td>$12.00</td>
<td>$3.00</td>
<td>$16.13</td>
</tr>
<tr>
<td>90 gallon cart</td>
<td>$15.00</td>
<td>$5.00</td>
<td>$21.51</td>
</tr>
<tr>
<td>1 CY bin</td>
<td>$25.00</td>
<td>$15.00</td>
<td>$40.01</td>
</tr>
<tr>
<td>1.5 CY bin</td>
<td>$25.00</td>
<td>$20.00</td>
<td>$45.00</td>
</tr>
<tr>
<td>2 CY bin</td>
<td>$30.00</td>
<td>$25.00</td>
<td>$55.00</td>
</tr>
<tr>
<td>3 CY bin</td>
<td>$40.00</td>
<td>$30.00</td>
<td>$70.00</td>
</tr>
<tr>
<td>4 CY bin</td>
<td>$50.00</td>
<td>$40.00</td>
<td>$90.00</td>
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<tr>
<td>6 CY bin</td>
<td>$70.00</td>
<td>$70.00</td>
<td>$130.00</td>
</tr>
<tr>
<td><strong>Miscellaneous:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clean or Exchange Bin</td>
<td>$60.00</td>
<td>n/a</td>
<td>$66.00</td>
</tr>
<tr>
<td>Move Drop Box</td>
<td>$60.00</td>
<td>n/a</td>
<td>$66.00</td>
</tr>
<tr>
<td>Heavy  Waste Surcharge per ton in excess of</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>400 pounds per yard</td>
<td>$6.00</td>
<td>$54.00</td>
<td>$60.00</td>
</tr>
<tr>
<td><strong>Commercial Roundtrip Charge for On-Call Businesses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Up to 35 gallons</td>
<td>$10.00</td>
<td>n/a</td>
<td>$10.75</td>
</tr>
<tr>
<td>Up to 6 cubic yards</td>
<td>$30.00</td>
<td>n/a</td>
<td>$32.26</td>
</tr>
<tr>
<td>More than 6 cubic yards</td>
<td>$50.00</td>
<td>n/a</td>
<td>$53.76</td>
</tr>
<tr>
<td><strong>Long Walk Charges (4):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 feet to 130 feet</td>
<td>$12.00</td>
<td>n/a</td>
<td>$12.90</td>
</tr>
<tr>
<td>131 feet to 330 feet</td>
<td>$16.00</td>
<td>n/a</td>
<td>$17.20</td>
</tr>
<tr>
<td>331 feet to 660 feet</td>
<td>$20.00</td>
<td>n/a</td>
<td>$21.51</td>
</tr>
<tr>
<td>661 feet to 1056 feet</td>
<td>$24.00</td>
<td>n/a</td>
<td>$25.81</td>
</tr>
</tbody>
</table>
### Service Description

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Contractor Compensation Fee Component (2)</th>
<th>Solid Waste Tip Fee Component</th>
<th>Total Rate (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1057 feet to 2000 feet</td>
<td>$30.00</td>
<td>n/a</td>
<td>$32.26</td>
</tr>
<tr>
<td>over 2000 feet</td>
<td>$40.00</td>
<td>n/a</td>
<td>$43.01</td>
</tr>
</tbody>
</table>

**Other Charges:**

- **Backyard charge:** $10.00
- **On-call bulky items pickup:** $10.00
- **Key charges (5):** $5.00
- **Enclosure charges (6):** $5.00
- **Gate service charges (7):** $5.00
- **Maximum charge (8):** $10.00

**Deposits (9):**

- **Residential:** $100.00
- **Commercial:** $500.00

(1) Rates include 7% franchise fee.
(2) Component of contractor's fee subject to CPI adjustment shall be 75%.
(3) A pass through surcharge will be added to the rates prior to finalization of the contract. The amount and duration of the surcharge will be at the sole discretion of the County.
(4) Long walk charges are allowed when a container is placed further than the distances indicated from the collection vehicle.
(5) Key charges are allowed when a container access requires the driver to carry a key and unlock a lock to empty the container. Key charges do not apply if a customer's lock is left in the unlocked position.
(6) Enclosure charges are allowed when collection requires removing a container from an enclosure and replacing it when emptied.
(7) Gate service charges are allowed when collection requires opening a closed or locked gate in order to access a container.
(8) Charges for key, enclosure, gate, and long walk service are not cumulative pickup charges. The contractor's rate for a customer requiring one or more of the four special services will be a maximum rate (as specified in the table above) as adjusted for CPI, per pickup for any combination of the four service categories.
(9) In the event a customer requests a replacement solid waste container more frequently than once every two years, which replacement shall not be the fault of the contractor, a deposit will be allowed.
**Residential Food Waste Cart Collection (2)**

Proposed Incremental Rate, if any, of Food Waste Program  
(Service Rates are valid for first 24 months of contract term)

<table>
<thead>
<tr>
<th>Solid Waste Cart</th>
<th>Contractor Compensation Fee Component (3)</th>
<th>Food Waste Tip Fee Component of Rate</th>
<th>Total Incremental Rate (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>65 gallon</td>
<td>$0.50</td>
<td>$0.50</td>
<td>$1.08</td>
</tr>
<tr>
<td>96 gallon</td>
<td>$0.75</td>
<td>$1.00</td>
<td>$1.85</td>
</tr>
</tbody>
</table>

| 1 cubic yard     | $10.00                                   | $10.00                              | $21.50                    |
| 1.5 cubic yard   | $12.00                                   | $15.00                              | $29.05                    |
| 2 cubic yard     | $15.00                                   | $20.00                              | $37.63                    |

(1) Rates include 7% franchise fee.  
(2) Residential is defined as single family homes, duplexes, and tri-plexes.  
(3) Component of contractor's compensation fee subject to CPI adjustment shall be 75%.  
(4) A pass through surcharge will be added to the rates prior to finalization of the contract.  
The amount and duration of the surcharge will be at the sole discretion of the County.  
(5) Incremental rate means the increase, if any, added to the residential and commercial rate provided on Form 3 and 4 respectively.
# Annual Cost for Franchise Services

## Detailed Financial Information

### Annual Costs

<table>
<thead>
<tr>
<th>Cost Items</th>
<th>Solid Waste Cart Service</th>
<th>Recycling Collection and Processing Cart Service</th>
<th>Green Waste Collection and Processing Cart Service</th>
<th>Commercial Bin Service</th>
<th>Commercial Recycling Service</th>
<th>Roll Off Service</th>
<th>Total $/Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equipment Costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collection Vehicles</td>
<td>$37,000</td>
<td>$28,750</td>
<td>$28,750</td>
<td>$12,500</td>
<td>$12,500</td>
<td>$32,000</td>
<td>$151,500</td>
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<td>Containers</td>
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<td>$20,155</td>
<td>$45,210</td>
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<td>$7,878</td>
<td>$30,390</td>
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<td>Other (Please List)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Spare Collection Truck</td>
<td>$18,750</td>
<td>$6,250</td>
<td>$6,250</td>
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<td>$282</td>
<td>$1,124</td>
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<tr>
<td>Shop Support Vehicle</td>
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<td>$844</td>
<td>$844</td>
<td>$282</td>
<td>$282</td>
<td>$1,124</td>
<td>$4,500</td>
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<tr>
<td>Bin Delivery Vehicle</td>
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<td>$2,000</td>
<td>$2,000</td>
<td>$6,000</td>
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<td>Office Equipment</td>
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<td>$185</td>
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<td>$739</td>
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<td><strong>Total Equipment Costs</strong></td>
<td>$88,107</td>
<td>$64,642</td>
<td>$89,697</td>
<td>$34,856</td>
<td>$33,552</td>
<td>$83,037</td>
<td>$393,891</td>
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<tr>
<td><strong>Labor Costs</strong></td>
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<tr>
<td>Regular Wages</td>
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<td>$66,135</td>
<td>$66,135</td>
<td>$22,045</td>
<td>$22,045</td>
<td>$88,180</td>
<td>$352,721</td>
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<tr>
<td>Overtime Wages</td>
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<td>$4,695</td>
<td>$4,695</td>
<td>$1,565</td>
<td>$1,566</td>
<td>$6,260</td>
<td>$25,041</td>
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<td>Benefit Wages</td>
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<td>$2,450</td>
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<td>Employee Benefits</td>
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<td>$31,201</td>
<td>$31,201</td>
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<td>$10,400</td>
<td>$41,603</td>
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<td>Payroll Taxes</td>
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<td>$6,432</td>
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<td>$2,144</td>
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<td>Other (Please List)</td>
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<td>$-</td>
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<td>$-</td>
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<tr>
<td>Workplace Compliance</td>
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<td>$300</td>
<td>$300</td>
<td>$100</td>
<td>$100</td>
<td>$400</td>
<td>$1,600</td>
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<tr>
<td>Supplies</td>
<td>$400</td>
<td>$300</td>
<td>$300</td>
<td>$100</td>
<td>$100</td>
<td>$400</td>
<td>$1,600</td>
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<tr>
<td><strong>Total Labor Costs</strong></td>
<td>$169,069</td>
<td>$126,802</td>
<td>$126,802</td>
<td>$42,270</td>
<td>$42,270</td>
<td>$169,069</td>
<td>$616,279</td>
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<tr>
<td><strong>Vehicle Related Costs</strong></td>
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<tr>
<td>Fuel</td>
<td>$28,080</td>
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<td>$21,060</td>
<td>$7,020</td>
<td>$7,020</td>
<td>$28,080</td>
<td>$112,320</td>
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<td>Taxes and Licenses</td>
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<td>$3,750</td>
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<td>$1,250</td>
<td>$5,000</td>
<td>$20,000</td>
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<tr>
<td>Tires</td>
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<td>$2,700</td>
<td>$900</td>
<td>$900</td>
<td>$3,600</td>
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<tr>
<td>Parts</td>
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<td>$3,750</td>
<td>$3,750</td>
<td>$1,250</td>
<td>$1,250</td>
<td>$5,000</td>
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<td>Consumables</td>
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<td>$2,550</td>
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<td>$850</td>
<td>$3,400</td>
<td>$13,600</td>
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<tr>
<td>In-House Maintenance</td>
<td>$16,618</td>
<td>$12,463</td>
<td>$12,463</td>
<td>$4,154</td>
<td>$4,154</td>
<td>$16,619</td>
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<td>Contract Maintenance</td>
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<td>$938</td>
<td>$313</td>
<td>$313</td>
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<td>Other (Please List)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
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<tr>
<td>Insurance</td>
<td>$5,750</td>
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<td>$4,313</td>
<td>$1,438</td>
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<td>$5,751</td>
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<td>Support vehicle</td>
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<td>$3,361</td>
<td>$3,361</td>
<td>$1,121</td>
<td>$1,124</td>
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<td><strong>Total Vehicle Related Costs</strong></td>
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<td>$54,885</td>
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<tr>
<td>Cost Items</td>
<td>Solid Waste Cart Service</td>
<td>Recycling Collection and Processing Cart Service</td>
<td>Green Waste Collection and Processing Cart Service</td>
<td>Commercial Bin Service</td>
<td>Commercial Recycling Service</td>
<td>Roll Off Service</td>
<td>Total $/Year</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>--------------------------</td>
<td>-----------------------------------------------</td>
<td>-----------------------------------------------</td>
<td>-----------------------</td>
<td>----------------------------</td>
<td>----------------</td>
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<tr>
<td>Container Delivery &amp; Maintenance</td>
<td>$18,307</td>
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<td>$41,605</td>
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<td>$374</td>
<td>$86,956</td>
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<tr>
<td>Other Costs</td>
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<td></td>
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<tr>
<td>Liability and Property Damage Insurance</td>
<td>$6,331</td>
<td>$5,845</td>
<td>$8,839</td>
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<td>Equipment Insurance</td>
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<td>$1,669</td>
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<tr>
<td>Rent/Lease; Office; Corp Yard etc.</td>
<td>$4,000</td>
<td>$4,000</td>
<td>$4,000</td>
<td>$3,000</td>
<td>$3,000</td>
<td>$6,000</td>
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<td>Utilities</td>
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<td>$450</td>
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<td>Telephone</td>
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<td>$1,67</td>
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<td>$10,000</td>
</tr>
<tr>
<td>Non-vehicle Related Supplies</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Training and Safety Programs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Initial Public Education and Outreach</td>
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<td>$1,000</td>
<td>$50</td>
<td>$100</td>
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<td>Continuing Public Education and Outreach</td>
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<td>$4,333</td>
<td>$217</td>
<td>$434</td>
<td>$405</td>
<td>$14,055</td>
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<tr>
<td>Uniforms</td>
<td>$1,500</td>
<td>$1,125</td>
<td>$1,125</td>
<td>$375</td>
<td>$375</td>
<td>$1,500</td>
<td>$6,000</td>
</tr>
<tr>
<td>Other (Please List)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Property taxes</td>
<td>$1,996</td>
<td>$2,519</td>
<td>$5,651</td>
<td>$1,149</td>
<td>$985</td>
<td>$3,798</td>
<td>$16,098</td>
</tr>
<tr>
<td>Total Other Costs</td>
<td>$25,611</td>
<td>$24,952</td>
<td>$33,056</td>
<td>$10,715</td>
<td>$11,722</td>
<td>$26,581</td>
<td>$132,637</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>$81,621</td>
<td>$81,621</td>
<td>$81,621</td>
<td>$24,465</td>
<td>$48,928</td>
<td>$71,362</td>
<td>$389,218</td>
</tr>
<tr>
<td>Estimated Total Costs</td>
<td>$454,895</td>
<td>$375,786</td>
<td>$427,666</td>
<td>$132,222</td>
<td>$156,935</td>
<td>$423,607</td>
<td>$1,971,111</td>
</tr>
</tbody>
</table>

Please indicate in the spaces below the following information:

- # of Full Time Positions (Including standbys): 13
- # of Collection Trucks: 8
- # of Spare Collection Trucks: 1
- Estimated Annual Truck Hours: 12480
- Number of Routes: 8
- Crew Size: 1
- Stops per Route: 600 Large collection vehicle; 200 Small collection vehicle
- Daily/Hourly Wage of Drivers and Helpers: $22.68
- Estimated Annual Man Hours: 18016
- Estimated Annual Tonnage: 16000
Provide assumptions regarding: 1) residential allocation (i.e. number of 35, 65, 96) and 2) commercial bin service allocation.

<table>
<thead>
<tr>
<th>Service Level</th>
<th>Number of Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>35 gallon</td>
<td>1800</td>
</tr>
<tr>
<td>65 gallon</td>
<td>1800</td>
</tr>
<tr>
<td>96 gallon</td>
<td>400</td>
</tr>
<tr>
<td>Total</td>
<td>4000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Service Level</th>
<th>Number of Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>96 gallon &amp; 65 gallon</td>
<td>82</td>
</tr>
<tr>
<td>1.5 YD</td>
<td>14</td>
</tr>
<tr>
<td>2 YD</td>
<td>56</td>
</tr>
<tr>
<td>3 YD</td>
<td>14</td>
</tr>
<tr>
<td>4 YD</td>
<td>16</td>
</tr>
<tr>
<td>6 YD</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>224</td>
</tr>
</tbody>
</table>
# Incremental Cost, If Any, of Residential and Commercial Food Waste Program

## Annual Costs

<table>
<thead>
<tr>
<th>Cost Items</th>
<th>Residential Food Waste</th>
<th>Commercial Food Waste</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equipment Costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collection Vehicles</td>
<td>$</td>
<td>- $</td>
</tr>
<tr>
<td>Containers</td>
<td>$</td>
<td>- $</td>
</tr>
<tr>
<td>Other (Please List)</td>
<td>$</td>
<td>- $</td>
</tr>
<tr>
<td><strong>Total Equipment Costs</strong></td>
<td>$</td>
<td>- $</td>
</tr>
<tr>
<td><strong>Labor Costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular Wages</td>
<td>$ 5,906.55</td>
<td>$ 2,953.00</td>
</tr>
<tr>
<td>Overtime Wages</td>
<td>$ 377.40</td>
<td>$ 188.00</td>
</tr>
<tr>
<td>Benefit Wages</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>Workers Compensation Insurance &amp; Claims</td>
<td>$ 916.00</td>
<td>$ 458.00</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>$ 1,514.00</td>
<td>$ 757.00</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>$ 3,004.00</td>
<td>$ 1,502.00</td>
</tr>
<tr>
<td>Other (Please List)</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td><strong>Total Labor Costs</strong></td>
<td>$ 11,717.95</td>
<td>$ 5,858.00</td>
</tr>
<tr>
<td><strong>Vehicle Related Costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel</td>
<td>$ 780.00</td>
<td>$ 390.00</td>
</tr>
<tr>
<td>Taxes and Licenses</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>Tires</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>Parts</td>
<td>$ 1,000.00</td>
<td>$ 500.00</td>
</tr>
<tr>
<td>Consumables</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>In-House Maintenance</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>Contract Maintenance</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>Other (Please List)</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td><strong>Total Vehicle Related Costs</strong></td>
<td>$ 1,780.00</td>
<td>$ 890.00</td>
</tr>
<tr>
<td>Cost Items</td>
<td>Residential Food Waste</td>
<td>Commercial Food Waste</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>------------------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>Container Maintenance</td>
<td>$500.00</td>
<td>$250.00</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Other Costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liability and Property Damage Insurance</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Equipment Insurance</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Rent/Lease; Office; Corp Yard etc.</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Utilities</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Telephone</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Non-vehicle Related Supplies</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Training and Safety Programs</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Initial Public Education and Outreach</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Continuing Public Education and Outreach</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Uniforms</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Other (Please List)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Total Other Costs</strong></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Estimated Total Costs</strong></td>
<td>$13,997.95</td>
<td>$6,998.00</td>
</tr>
</tbody>
</table>
Provide assumptions regarding: 1) residential allocation (i.e. number of 35, 65, 96) and 2) commercial bin service allocation.

### Residential Allocation

<table>
<thead>
<tr>
<th>Service Level</th>
<th>Number of Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>35 gallon</td>
<td></td>
</tr>
<tr>
<td>65 gallon</td>
<td>800</td>
</tr>
<tr>
<td>96 gallon</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>800</strong></td>
</tr>
</tbody>
</table>

### Commercial Allocation

<table>
<thead>
<tr>
<th>Service Level</th>
<th>Number of Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>96 gallon</td>
<td>200</td>
</tr>
<tr>
<td>1.5 YD</td>
<td></td>
</tr>
<tr>
<td>2 YD</td>
<td></td>
</tr>
<tr>
<td>3 YD</td>
<td></td>
</tr>
<tr>
<td>4 YD</td>
<td></td>
</tr>
<tr>
<td>6 YD</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>200</strong></td>
</tr>
</tbody>
</table>
# Net Recycling Processing Fee and Green Waste Tip Fee Rate Sheet

## Per Ton Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Recycling Processing $/Ton</th>
<th>Green Waste Tip Fee $/Ton</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$(35.00)</td>
<td>$25.00</td>
</tr>
<tr>
<td>2006</td>
<td>$(35.00)</td>
<td>$25.00</td>
</tr>
<tr>
<td>2007</td>
<td>$(35.00)</td>
<td>$26.00</td>
</tr>
<tr>
<td>2008</td>
<td>$-</td>
<td>$26.00</td>
</tr>
<tr>
<td>2009</td>
<td>$-</td>
<td>$27.00</td>
</tr>
<tr>
<td>2010</td>
<td>$-</td>
<td>$27.00</td>
</tr>
<tr>
<td>2011</td>
<td>$-</td>
<td>$28.00</td>
</tr>
<tr>
<td>2012</td>
<td>$-</td>
<td>$28.00</td>
</tr>
<tr>
<td>2013</td>
<td>$-</td>
<td>$29.00</td>
</tr>
<tr>
<td>2014</td>
<td>$-</td>
<td>$29.00</td>
</tr>
<tr>
<td>2015</td>
<td>$-</td>
<td>$30.00</td>
</tr>
</tbody>
</table>

After 2006, net recycling processing price per ton will be $80 less $115 average revenue per ton subject to market price fluctuations.

1. Please provide contracted (or letter of intent, if contract is not available) tip fees for processing recyclables and green waste over the ten year term of the Agreement. Also include copies of the agreement or letter of intent.

   *The processing facility is owned by a NRWS partner so no letter of intent or agreement is needed.*

2. Please provide distance of Recycling and Green Waste processing facility from centroid of County collection routes.

   *The distance from the County centroid to the UVDS facility is 15 miles.*
## Additional Estimated Costs

<table>
<thead>
<tr>
<th>Cost Element</th>
<th>Franchise Agreement Reference</th>
<th>County Estimated Costs in 2004</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billing and Revenue Audit (1,2)</td>
<td>Article 6.6.A.1 and 2</td>
<td>Estimated $15,000 per audit</td>
<td>$</td>
</tr>
<tr>
<td>E-Waste Event</td>
<td>Exhibit A, Section 1.0.E,</td>
<td>Estimated $12,500</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>1.1.K</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tire Coupons</td>
<td>Exhibit A, Section 1.0.F</td>
<td>Estimated $4 per tire, 420 tires in 2004</td>
<td>$</td>
</tr>
<tr>
<td>Awards (2)</td>
<td>Exhibit A, Section 1.4.J</td>
<td>No estimate provided, Contractor to determine award. May include plaque, trophy, one month free service. Estimate MUST include a 1/2 page ad.</td>
<td>$</td>
</tr>
<tr>
<td>Recycling Guide (2)</td>
<td>Exhibit A, Section 1.4.I</td>
<td>Estimated $22,000</td>
<td>$</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>$44,000.00</strong></td>
</tr>
</tbody>
</table>

(1) The County's estimated audit cost is based on a clean audit with reasonable response time and minimal issues. Note the Contractor will be responsible for all costs above and beyond the budgeted amount.

(2) Escalation will be limited to the previous twelve month's CPI commencing October 1, 2007.
The materials that NCRWS agrees to divert from disposal through residential and commercial recycling collection programs include, but are not limited to, the following:

1. Newspaper (including inserts, coupons, and store advertisements)
2. Chipboard
3. Corrugated cardboard
4. Mixed waste paper (including office paper, computer paper, magazines, junk mail, catalogs, kraft bags and kraft paper, paperboard, egg cartons, phone books, brown paper, grocery bags, colored paper, construction paper, envelopes, legal pad backings, shoe boxes, cereal and other similar food boxes)
5. Glass containers (including brown, clear, and green glass bottles and jars)
6. Milk, soy and juice cartons
7. Aluminum (including beverage containers, food containers, small scrap metal)
8. Steel and/or tin cans
9. Scrap metal (ferrous and non-ferrous)
10. All plastic containers #1 through #7
11. Green Waste
12. Use motor oil and oil filters
13. Wood
14. Concrete
15. Asphalt
16. Any other materials mutually agreed to by the hauler and the County.

Any County additions or deletions to the list above will be considered a Change in Scope as provided in Article 5.7 of the Agreement, and with appropriate adjustment (up or down) in Contractor service rates.
MEMORANDUM OF UNDERSTANDING
BETWEEN THE COUNTY OF NAPA AND THE CITY OF NAPA
RELATING TO THE NAPA MATERIALS DIVERSION FACILITY

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made as of May 3, 2005, by and between the COUNTY OF NAPA, a political subdivision of the State of California ("County") and the CITY OF NAPA, a charter city ("City").

RECITALS

A. The City has recently purchased a materials diversion facility ("Facility") located at 820 Levitan Way, Napa. The Facility is operated by USA Waste of California, Inc. ("USA Waste") pursuant to an Interim Operating Lease which will expire on September 30, 2005.

B. Recyclable Materials and Yardwaste which originate in the City and in portions of the County, as well as from within other jurisdictions, are delivered to the Facility for processing and composting.

C. The residue of materials delivered to the Facility that can neither be recycled nor composted is delivered to a Transfer Station, which is located adjacent to the Facility and is operated by the Napa-Vallejo Waste Management Authority, a joint powers agency whose members include the County and the City.

D. The contracts between the City and Napa Garbage Service ("NGS"), a division of USA Waste of California, Inc. ("USA Waste"), and between the County and Napa Valley Disposal Service ("NVDS"), also a division of USA Waste, each expire on September 30, 2005, concurrently with the expiration of the Interim Operating Lease of the Facility.

E. The County solicited proposals to provide collection of municipal solid waste, Recyclable Materials, and Yardwaste within the portion of its jurisdiction called Zone 1 commencing October 1, 2005.

F. The City solicited proposals to provide collection of municipal solid waste, Recyclable Materials and Yardwaste within the City and to operate the Facility commencing October 1, 2005.
G. The City has awarded a contract for these services to Napa Recycling and Waste Services, LLC, and the County has awarded a contract for these services to Napa County Recycling and Waste Services, LLC, two affiliated companies with common ownership.

H. The County has determined that it will be in the best interests of residents and businesses in Zone 1 for certain Recyclable Materials and Yardwaste collected within that Zone by Napa County Recycling and Waste Services, LLC and by County employees to be delivered to the Facility for processing and composting. The City has determined that it is in its best interest to accept such materials at the Facility on the terms contained in this Agreement.

THE PARTIES AGREE AS FOLLOWS:

I. COOPERATIVE PROVISIONS APPLICABLE TO PHASE ONE (BEFORE THE CITY BEGINS OPERATING THE FACILITY)

The parties recognize that there will be a transition period during which the equipment currently in use at the Facility will be removed and new equipment installed, tested and placed into service by Napa Recycling and Waste Services, LLC, on behalf of the City. The Interim Operating Lease between the City and USA Waste contemplates that this transition period will end on or about September 30, 2005, and that during this period Clean MRF Recyclable Materials delivered to the Facility will be accepted, but then transferred by the City's Contractor to another facility for processing. The parties recognize that the transition period may extend beyond September 30, 2005. The City and County will work closely during this transition period to facilitate the installation of new processing equipment and will cooperate with the City and its Contractor's requests and directions relating to vehicle access, parking and materials delivery.

II. COOPERATIVE PROVISIONS APPLICABLE TO PHASE TWO (AFTER THE CITY BEGINS OPERATING THE FACILITY)

1. The City will arrange for the County to have priority (second only to the City's) to the processing capacity of the Facility for Clean MRF Recyclable Materials and Yardwaste. The City will require the Facility operator to refuse to accept Clean MRF Recyclable Materials and Yardwaste delivered by any third party if at any time the operator becomes unable to accommodate all materials of these types delivered by or on behalf of the County and City.

2. The County will direct Napa County Recycling and Waste Services, LLC to deliver to the Facility:
A. All Clean MRF Recyclable Materials collected in the areas of the County
that are shown on Attachment 1 (i.e., Zone 1) (1) from residential customers, and (2) from
commercial/business customers in containers whose capacity is six cubic yards or less.

B. All Yardwaste collected in the areas of the County that are shown on
Attachment 1 (i.e., Zone 1) (1) from residential customers, and (2) from commercial/business
customers in containers whose capacity is six cubic yards or less.

3. If the County collects Clean MRF Recyclable Materials or Yardwaste within Zone
1 through its own forces, it will deliver all such materials to the Facility. The County will
continue diversion programs (e.g., curbside collection of Clean MRF Recyclable Materials and
Yardwaste) as provided in the agreement between the County and Napa County Recycling and
Waste Services, LLC, dated as of May 3, 2005, Section 3.2.

4. Clean MRF Recyclable Materials and Yardwaste collected by Napa County
Recycling and Waste Services, LLC in Zone 1 in containers whose capacity is greater than six
cubic yards may be, but is not required to be, delivered to the Facility under this agreement.

5. The County may direct its contractor to deliver other materials (e.g., bulky goods,
tires, electronic waste, wood and concrete) collected in Zone 1 to the Facility, but need not do
so. If the City accepts these other materials from third parties it will also accept them from the
County.

6. If the City implements Food Waste composting, the County may direct Food
Waste to the Facility, but is not obligated to do so.

7. The City will require the operator of the Facility to deliver any residue (i.e.,
materials which cannot be recycled or successfully composted) to the Transfer Station for
disposal. "Residue" does not include materials delivered to landfills for use as "Alternative Daily
Cover" or wood chips delivered to Transformation facilities for fuel, whether or not the operator
receives payment for such materials.

8. A. The City will charge (or credit) the County, and the County will pay (or
accept) exclusively from revenues generated from ratepayers in the Unincorporated Area of
Zone 1 commencing October 1, 2005, the following amounts for Yardwaste and Clean MRF
Recyclable Materials delivered to the Facility by or for the County from Zone 1.
<table>
<thead>
<tr>
<th>Period (calendar year)</th>
<th>Charge for Yardwaste ($/ton)</th>
<th>Credit for Clean MRF Recyclable Materials ($/ton)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005 (10/1-12/31)</td>
<td>25.00</td>
<td>(35.00)</td>
</tr>
<tr>
<td>2006</td>
<td>25.00</td>
<td>(35.00)</td>
</tr>
<tr>
<td>2007</td>
<td>26.00</td>
<td>(34.00)</td>
</tr>
</tbody>
</table>

B. Commencing January 1, 2008, the City may, after 60 days notice to County, change the rates for Yardwaste and/or Clean MRF Recyclable Materials.

C. The charge for Yardwaste is subject to increase at any time if the processing method at the Facility is modified in order to comply with regulatory requirements or environmental conditions, e.g., if aerated static pile (ASP) composting is implemented to control odors. The charge will be increased by the same amount per Ton that the City is required to pay the Facility operator for processing City-delivered Yardwaste.

D. Napa County Recycling and Waste Services, LLC will be charged no more than the posted Gate Fee for other materials (e.g., bulky goods, tires, electronic waste, wood, concrete) collected in Zone 1 which it elects to deliver to the Facility.

E. If the City implements Food Waste composting and the County wishes to arrange for Food Waste to be delivered to the Facility, the parties will meet and confer to establish the amount per Ton that the County will pay.

F. The amounts set forth in this section II.8 are predicated on Napa County Recycling and Waste Services, LLC serving as the collection contractor for the County's Zone 1 and Napa Recycling and Waste Services, LLC serving as Facility operator under contract with the City. If either party changes its contractor (other than to an affiliated successor with substantially identical ownership), the parties will meet and confer to establish new charges and credits. If the parties cannot reach agreement within 90 days, either party may terminate this Agreement and the County may thereafter direct both Clean MRF Recyclable Materials and Yardwaste to a different facility.

9. The City will bill the County monthly, in arrears. The City will issue a single invoice for all Clean MRF Recyclable Materials and Yardwaste delivered by the County's collection contractor, all Clean MRF Recyclable Materials and Yardwaste delivered by County employees and all other material delivered by County employees. The invoice will show
subtotals by principal material type (Clean MRF Recyclable Materials and Yardwaste) and for each other type of material for which a different charge is payable. The invoice will show a credit for Clean MRF Recyclable Materials and a charge for all other materials, including a separately identified surcharge for contaminated loads. The City's invoice will also indicate the number and value of County coupons issued to residents of and businesses located in County Zone 1 and collected by the City's contractor. The County must pay the City for such collected coupons at face value. The invoice will indicate the portion of materials delivered by the County through its own forces. The invoice total will be a net figure. Concurrently, the City will send a copy of each monthly invoice to Napa County Recycling and Waste Services, LLC.

Invoices are due and payable within forty-five (45) days after issuance. Delinquent payments will bear interest at ten percent (10%) per year, or the maximum legally allowable rate if lower. If the County is delinquent in paying two consecutive monthly invoices, the City may require the County to either or both (1) post a deposit equal to the total payment due for the previous three (3) months or (2) pay an estimated amount each month, in advance. The City will not owe interest on any deposit required in the event of delinquent payments unless required by law. If the County fails to pay an invoice for more than sixty (60) days after it is due, the City may terminate this Agreement. Invoices will be sent to:

Audit Manager
Napa County Auditor-Controller's Office
1195 Third Street, Room B-10
Napa, CA 94559

10. The City will not enter into a contract with any third party allowing it to deliver Clean MRF Recyclable Materials and Yardwaste on terms that are more favorable than those extended to the County in Section II.8.A, taken together.

11. Residents of and businesses located in County Zone 1 will be charged the posted Gate Fees established by the City for materials which they self-haul to the Facility. The City will accept coupons that the County's Contractor issues to residents and businesses in Zone 1 to be applied toward gate fees. The City will honor such coupons at face value.

III. TERM

1. The term of this MOU begins on October 1, 2005 and ends on November 30, 2015, unless earlier terminated as provided below.
2277 2. If the Facility is destroyed or substantially damaged by earthquake, fire or other
2278 cause, and if City elects not to rebuild or reconstruct it, this Agreement will terminate thirty (30)
2279 days after City gives notice to County of its election.
2280
2281 3. If the City, pursuant to Section II.8.B, changes the charge for Yardwaste, and/or
2282 the credit for Clean MRF Recyclable Materials after January 1, 2008, or if charges are changed
2283 pursuant to Section II.8.C. at any time, the County may, on 60 days notice to City, terminate this
2284 MOU and direct both Yardwaste and Clean MRF Recyclable Materials to a different facility
2285 which offers more favorable terms to the County if the City does not elect to match the terms of
2286 the offer from the other facility. Any such offer must be in writing and binding on the owner and
2287 operator of the other facility and a complete copy must be provided to City at the same time the
2288 County provides notice of its intent to terminate this MOU.

IV. OTHER AGREEMENTS

2289 1. The City or its representative will issue contamination violation notices to the
2290 County's collection contractor (Napa County Recycling and Waste Services, LLC) and to the
2291 County for any loads of Clean MRF Recyclable Materials or of Yardwaste delivered to the
2292 Facility which contain more than ten percent (10%) by weight of materials constituting
2293 Contamination. For any such load, the City may: 1) direct Napa Recycling & Waste Services to
2294 process the contaminated load and charge the County a "contaminated load surcharge" for the
2295 load, which shall be calculated based on the $/ton contaminated load surcharge rate posted at
2296 the scalehouse multiplied by the total number of tons in the load; or 2) require that the
2297 contaminated load be reloaded by Napa Recycling & Waste Services at the expense of the
2298 vehicle operators and remove load from the MDF, and charge the County a standard "reload
2299 fee" which shall be the rate posted at the scalehouse. The City will provide notification of
2300 contaminated loads to the County on a monthly basis. Notifications will be sent to:

2301 County Executive Office
2302 1195 Third Street
2303 Room 310
2304 Napa, CA 94559
2305
2306 In addition, the County will comply, and require Napa County Recycling & Waste
2307 Services, LLC to comply, with all hazardous waste exclusion program regulations adopted by
2308 the City.
2310 2. At the request of the County, the City will meet up to one time per calendar year
to discuss the list of materials accepted at the Facility under the categories of Clean MRF
Recyclable Materials and Yardwaste. Changes to the list of materials may be suggested by the
County at the meeting, but must be approved in writing by the City prior to acceptance of the
material types at the Facility.

2315 3. The City will have the sole and exclusive right to establish and collect Gate Fees
for all materials delivered to the Facility by third parties without contracts, including but not
limited to other local government agencies, collection companies engaged by such government
agencies, independent landscapers, roofers and contractors, and members of the public.

2319 4. If the City elects to accept Special Recycling Waste at the Facility, residents of
and businesses located in Zone 1 of the County may deliver such waste upon payment of the
posted Gate Fees, provided that the City is permitted to accept Special Recycling Waste from
outside the City. The City has no obligation under this MOU to accept waste of this type and, if
it begins to accept it, the City may terminate its acceptance at anytime. If the City elects to
discontinue accepting any Special Recycling Waste, City may, on 60 days notice to the County,
terminate this service.

2325 5. The City will arrange for reports to be prepared on Tons delivered to the Facility
from or by the County and Tons diverted from landfill disposal that are similar in content and
format to the reports that the City will prepare for its own use in documenting compliance with
the Act. Such reports will be delivered to the County at the same time and frequency as the
City’s reports are produced. The City will provide the County a monthly report of inbound
material delivered by the County in accordance with Section II herein.

V. MISCELLANEOUS AGREEMENTS

2332 1. Capitalized terms in this MOU shall have the meanings assigned to them in
Attachment Two, unless the context indicates otherwise.

2335 2. This MOU may be amended only in a writing approved and executed by both
parties.

2337 3. The County may not assign any of its rights under this MOU, nor delegate any
duties or those of its contractor arising under this MOU, without the prior written consent of the
City.
4. Without waiving the provisions of Section V.3, all of the rights and duties of the parties shall inure to the benefit of, and be binding upon, their respective successors and assigns.

5. All notices given under this MOU shall be in writing. Notices shall be sent:

   If to the City:        City of Napa
                        955 School Street
                        Napa, CA 94559
                        Attention: City Finance Director
                        Facsimile: (707) 257-9251

   If to the County:   County of Napa
                        1195 Third Street, Room 310
                        Napa, CA 94559
                        Attention: County Executive Officer
                        Facsimile: (707) 253-4176

Notice shall be sufficiently given when (a) personally delivered to the recipient, (b) mailed first class postage prepaid, (c) delivered by overnight delivery service with charges prepaid, or (d) sent by facsimile to the last facsimile number of the recipient so long as a duplicate copy of the notice is promptly given by first class mail or the receiving party delivers a written confirmation receipt. Either party may change the address to which notices to it are to be sent by means of a notice delivered to the other party as provided above.

6. Nothing in this MOU, express or implied, is intended to confer upon any person, other than the parties and their respective successors and assigns, any rights or remedies.

7. If, and for as long as, performance by a party is made impossible by acts of God, casualty, State or federal government action, civil commotion, acts of terrorism or other causes not the fault of and beyond the reasonable control of the party obligated to perform, performance by that party is excused. This section does not excuse a failure to pay money when due.

8. Time is of the essence of this MOU and each of its provisions.

9. If any term or provision of this MOU is held invalid or unenforceable, the remainder of this MOU shall not be affected.

10. No waiver of a breach of any provision shall be deemed a waiver of any other breach, and no waiver shall be valid unless it is in writing and executed by the waiving party.
No extension of time for performance of any obligation or act shall be deemed an extension of
time for any other obligation or act.

11. This MOU may be executed in one or more counterparts, each of which shall be
deemed an original and all of which taken together shall constitute one and the same
instrument. The execution of the MOU shall be deemed to have occurred, and this MOU shall
be enforceable and effective, only upon the complete execution of this MOU by County and
City.

12. If any legal action or other proceeding, including arbitration or an action for
declaratory relief, is brought to enforce this MOU or because of a dispute, breach, or default in
connection with this MOU, the prevailing party shall be entitled to recover reasonable attorney
fees and other costs, in addition to any other proper relief. “Prevailing party” includes (a) a
party who dismisses an action in exchange for sums allegedly due; (b) the party that receives
performance from the other party of an alleged breach or a desired remedy, if it is substantially
equal to the relief sought in an action; or (c) the party determined to be prevailing by a court of
law.

13. The title and headings of the sections of this MOU are intended solely for
reference and do not modify, explain, or construe any provision of this MOU. All references to
sections and recitals refer to the sections and recitals of this MOU. In construing this MOU, the
singular form shall include the plural and vice versa. This MOU shall not be construed as if it
had been prepared by one of the parties, but rather as if both parties have prepared the MOU
with the assistance of independent legal counsel for each.

14. This MOU constitutes the entire agreement between the parties. There are no
oral agreements which are not expressly set forth in this MOU.

15. All persons executing this MOU on behalf of a party warrant that they have the
authority to execute this MOU on behalf of that party.

16. The attachments to this MOU are a part of this MOU and are incorporated into it
by this reference.

17. This MOU shall be governed by, and construed and enforced in accordance with,
the laws of California.
IN WITNESS WHEREOF, the parties have executed this Memorandum of Understanding as of the day and year first above written.
COUNTY OF NAPA

By: Diane Dillon
Name: Diane Dillon
Title: Chair, Board of Supervisors
Date: May 3, 2005

ATTEST: PAMELA MILLER,
Clerk of the Board of Supervisors
By: Pamela Miller

CITY OF NAPA:

By: Jill Techel
(Signature)
JILL TECHEL, Mayor
(Type name and title)

ATTEST:

(Pamela Miller)
PAMYLA MEANS, City Clerk
(Type name and title)

APPROVED May 3, 2005
BOARD OF SUPERVISORS
COUNTY OF NAPA

PAMELA A. MILLER
CLERK OF THE BOARD

BY: Deputy

COUNTERSIGNED:

(Jill Techel, Acting)
JED CHRISTENSEN, Finance Director
(Type name and title)

APPROVED AS TO FORM:

ROBERT WESTMEYER
Napa County Counsel

By: e-signature by Robert Paul

APPROVED AS TO FORM:

(City Attorney)

Budget Code:_________
LIST OF ATTACHMENTS

Attachment One
Map of Zone One Service Area

Attachment Two
Definitions

Attachment Three
Clean MRF Recyclable Materials
ATTACHMENT TWO

DEFINITIONS

“Clean MRF Recyclable Materials” means those materials which are to be processed at the Clean MRF areas of the Facility, which are listed in Attachment Three. Clean MRF Recyclable Materials include both Single Stream Recyclables and Source Separated materials listed in Attachment Three.

“Contamination” means materials which are not specified in the definition for Yardwaste or listed as acceptable on Attachment Three for Clean MRF Recyclable Materials. For example, plastics would constitute Contamination if delivered to the Facility in a load of Yardwaste and tree trimmings would constitute Contamination if delivered to the Facility in a load of Clean MRF Recyclable Materials.

“Food Waste” means surplus, spoiled or unsold food, such as vegetables and culls, as well as plate scrapings.

“Single Stream Recyclables” means materials collected after having been separated from municipal solid waste (e.g., garbage or refuse) by a residential or commercial/business customer, consisting of a mixture of some or all of the materials listed in Attachment Three.

“Special Recycling Waste” means electronic waste (including cathode ray tubes, computers, televisions, cell phones, stereos, copiers, fax machines and peripherals), tires and bulky goods (including furniture, household or industrial appliances, shipping crates and containers, other large, and bulky or heavy objects not normally discarded on a regular basis at residential, commercial or business establishments). Items listed may be changed as agreed upon by the City Finance Director and the County Executive Officer.

“Source Separated” means materials collected after having been separated from municipal solid waste (e.g., garbage or refuse) by a residential or commercial/business customer, consisting primarily of a single material.

“Yardwaste” means tree trimmings, grass cuttings, leaves, branches and similar organic materials, including vineyard clippings, weeds, tree prunings, bush prunings, plant
material, and tree trunks/stumps/branches 6” or less in diameter. It excludes, for example, rocks, dirt, plastic bags, municipal solid waste, Single-Stream Recyclables, pet waste, Hazardous Waste, and tree trunks/stumps/branches greater than 6” in diameter.
## ATTACHMENT THREE

### CLEAN MRF RECYCLABLE MATERIALS

<table>
<thead>
<tr>
<th>Acceptable Materials</th>
<th>Examples of Unacceptable Materials (Contamination)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newspaper</td>
<td>Paper tissues</td>
</tr>
<tr>
<td>Phone books</td>
<td>Paper towels</td>
</tr>
<tr>
<td>Catalogs</td>
<td>Paper with plastic coating (i.e., photographs, label paper)</td>
</tr>
<tr>
<td>Magazines</td>
<td>Paper with food</td>
</tr>
<tr>
<td>Brown paper bags</td>
<td>Wax paper</td>
</tr>
<tr>
<td>Packaging</td>
<td>Foil lined paper</td>
</tr>
<tr>
<td>Egg cartons</td>
<td>Tyvex (non-tearing) envelopes</td>
</tr>
<tr>
<td>White paper</td>
<td>Non-paper bags</td>
</tr>
<tr>
<td>Colored paper</td>
<td>Plastic liners (i.e., cereal bags)</td>
</tr>
<tr>
<td>Envelopes (windows are not contamination)</td>
<td>Windows</td>
</tr>
<tr>
<td>Junk mail</td>
<td>Mirrors</td>
</tr>
<tr>
<td>Glossy paper</td>
<td>Dishware</td>
</tr>
<tr>
<td>Shredded paper</td>
<td>Ceramics</td>
</tr>
<tr>
<td>Carbonless paper</td>
<td>Light bulbs</td>
</tr>
<tr>
<td>Chipboard/boxboard</td>
<td>Florescent tubes</td>
</tr>
<tr>
<td>Cardboard</td>
<td>Toys</td>
</tr>
<tr>
<td>Wrapping paper</td>
<td>Irrigation pipe</td>
</tr>
<tr>
<td>Empty aluminum cans</td>
<td>Furniture</td>
</tr>
<tr>
<td>Empty tin cans</td>
<td>Styrofoam</td>
</tr>
<tr>
<td>Juice containers</td>
<td>MSW</td>
</tr>
<tr>
<td>Beer containers</td>
<td>Hazardous Waste</td>
</tr>
<tr>
<td>Sauce containers</td>
<td>Hard cover books/ manuals</td>
</tr>
<tr>
<td>Soda cans</td>
<td>Pyrex materials</td>
</tr>
<tr>
<td>Tuna cans</td>
<td>Fiberglass materials</td>
</tr>
<tr>
<td>Soup cans</td>
<td></td>
</tr>
<tr>
<td>Loose jar lids</td>
<td></td>
</tr>
<tr>
<td>Empty aerosol</td>
<td></td>
</tr>
<tr>
<td>Empty glass beverage containers</td>
<td></td>
</tr>
<tr>
<td>Empty glass food containers</td>
<td></td>
</tr>
<tr>
<td>All glass colors</td>
<td></td>
</tr>
<tr>
<td>Empty CRV plastic containers and bottles #1 through #7</td>
<td></td>
</tr>
<tr>
<td>Soft cover books/manuals</td>
<td></td>
</tr>
<tr>
<td>Milk/juice cartons</td>
<td></td>
</tr>
</tbody>
</table>